Jetzt kommt Bewegung rein

Annual Report

ÖBB-Infrastruktur AG

Content

Consolidated Management Report

A. GROUP STRUCTURE, PARTICIPATIONS AND BRANCH OFFICES

The ÖBB-Infrastruktur Group is, on the one hand, responsible for ensuring availability and utilization of the Austrian railway infrastructure in a cost-effective way, resulting in a non-discriminating market situation for all railway undertakings. On the other hand, the ÖBB-Infrastruktur Group constructs the Austrian railway infrastructure on behalf and for the benefit of its owner, the Republic of Austria. Investments for the railway infrastructure's expansion are now financed by the generated cash flows, borrowings and guarantees and grants given by the *Bund* [Federal Government] based on master plans covering several years. ÖBB-Immobilienmanagement GmbH, a subsidiary of ÖBB-Infrastruktur AG, is responsible for the management, development and utilization of the ÖBB Group's real estate property.

The parent company, Österreichische Bundesbahnen-Holding Aktiengesellschaft (hereinafter referred to as "ÖBB-Holding AG"), is an Austrian corporation. The Company is based in Wienerbergstraße 11, A-1100 Vienna, and the Company is registered in the Company Register held at the *Handelsgericht* [Commercial Court] Vienna, under number FN 247642f. ÖBB-Infrastruktur AG is wholly owned by ÖBB-Holding AG.

Investments

The Overview of Investments in the Notes on the Consolidated Financial Statements of the ÖBB-Infrastruktur Group lists all its investments. The following table gives a summary of the investments in Austria and abroad:

	as of Dec 31, 2012	as of Dec 31, 2011
Investment >50%	32	32
Investment 50 to 20%	2	2
thereof abroad	*1*	*1*
Other investments	2	2
thereof abroad	*1*	*1*
Total	**36**	**36**
thereof abroad	*2*	*2*

The Group and its branch offices

The ÖBB-Infrastruktur Group operates 1,131 traffic stations throughout Austria as well as the railway infrastructure, which are used by ÖBB-Personenverkehr AG, Rail Cargo Austria AG, two other companies affiliated with the ÖBB Group and other railway undertakings not affiliated with the ÖBB Group. The continuation requirements for the master plan investments started before December 31, 2012 - taking the effects of the approved master plan into account and prevalorized at 2.5% - amount to EUR11,362.0 million.

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

Mungos Sicher & Sauber GmbH & Co. KG is responsible for the cleaning of stations, special cleaning such as removal of graffiti, and security and other services.

ÖBB-IKT Gesellschaft mbH is the competence center for information, communication and railway technologies in the entire ÖBB Group. It is responsible for the development, introduction, operation and maintenance of information and communication technology systems.

ÖBB-Immobilienmanagement GmbH provides modern real estate services both within and outside the Group. Its area of responsibilities includes the sale and utilization of real estate, project development, the station promotion campaign, property management, facility management, space management and the execution of contracts for movie productions and events in stations.

Procurement and inter-group renting of rail-bound vehicles and equipment and of road vehicles, purchase, financing, maintenance and repair of such vehicles and equipment are tasks of Rail Equipment GmbH & Co. KG.

Güterterminal Werndorf Projekt GmbH was established within the framework of a private partnership model for the purpose of the realization of the Werndorf freight terminal. By an agreement dated December 12, 2012, Schieneninfrastruktur-Dienstleistungsgesellschaft mbH acquired all the shares in this company.

Since 2011, ÖBB-Infrastruktur AG holds 50% of the shares in Galleria di Base del Brennero – Brenner Basistunnel BBT SE and in the major project "Construction of the Brenner base tunnel". The necessary funds are provided to ÖBB-Infrastruktur AG in addition to the master plan in its currently applicable form. For the acquisition of the shares, the Republic of Austria granted ÖBB-Infrastruktur AG a shareholder contribution in the amount of the cost of the investment through ÖBB-Holding AG.

Weichenwerk Wörth GmbH is the Austrian market leader in the production of track switches, rail joints and switch-related logistics services, and has successfully established itself in the superstructure trade, in the industrial switch sector and as exporter to Southeast and Western Europe. ÖBB-Infrastruktur AG holds 30% of its shares.

Other subsidiaries of the ÖBB-Infrastruktur Group include ÖBB-Projektentwicklung GmbH, ÖBB-Realitätenbeteiligungs GmbH & Co. KG and ÖBB Telekom Service GmbH.

B. ECONOMIC REPORT AND OUTLOOK

B.1. National economic environment

Economic development

In spring 2012, the growth rate in the Eurozone was still expected to be 1.5% in 2013. Due to the turbulences caused by the Euro debt crisis, the growth forecasts for Europe had to be reduced drastically. Following a slight recovery, the European economy fell into recession again in the second half of the year 2012. At the end of 2012, the economic development in the Eurozone is expected to stagnate in 2013; in spring, it was still expected to grow by 1.0%. The economy in the EU 27 is expected to grow by no more than 0.4%.[1]

Global economic development (Change in % compared to the prior year)

Gross domestic product	2009	2010	2011	2012	2013
Austria	-3.8	2.3	2.9	0.6	0.9
Eurozone	-4.3	2	1.4	-0.4	-0.1
new EU members	-3.2	2.2	3.1	1.0	1.4
EU27	-4.3	2.1	1.5	-0.3	0.4
USA	-3.1	2.4	1.8	2.2	2.0
China	9.2	10.4	9.2	7.5	8.5
Global	-0.6	5.1	3.8	3.3	3.6

Sources: WIFO monthly report October 2012, forecast for 2012 and 2013, OECD, IMF, EU fall forecast

This development affected Austria as well. The recovery of the global economy expected at the beginning of 2012 did not set in due to the debt crisis. For 2013, WIFO experts anticipate an economic growth of 0.9% in Austria. The development of goods imports (+4.0%) and exports (+4.3%) is expected to be more dynamic in the financial year 2013 than in 2012.

Key data and forecasts for the economic situation in Austria

Parameter	Unit	2009	2010	2011	2012	2013
Gross domestic product	Change in % compared to the prior year (real)	-3.8	+2.3	+2.9	+0.6	+0.9
Goods exports		-18.3	+13	+7.9	+0.8	+4.3
Goods imports		-14.1	+10.9	+8.5	-0.3	+4.0
Gross investments		-7.8	+0.8	+7.3	+1.1	+1.5
Crude oil price		-37	+29	+40	-1	-5
Net borrowing of the state	% of the GDP	-4.1	-4.5	-2.6	-2.9	-2.6
Unemployment rate	% of the labor force	4.8	4.4	4.2	4.4	4.8

Sources: WIFO monthly report October 2012, forecast for 2012 and 2013, OECD, IMF, EU fall forecast

[1] EU Commission, forecast fall 2012

B.2. Market environment, development and trends of the industry

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

Economic developments:
- The effects of the global economic crisis are particularly noticeable in the stagnation or even reduction of the goods transport volumes.

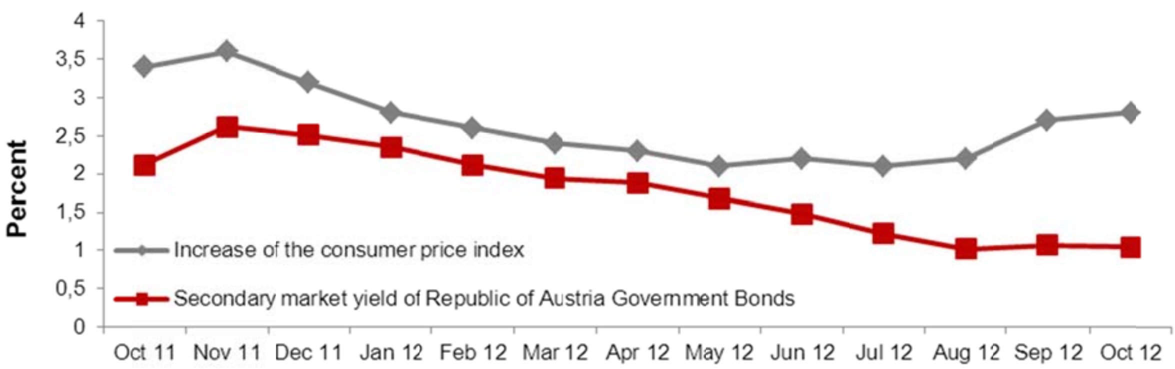
Legal developments:
- Liberalization of long-distance passenger transport
- Recast of the 1st Railway Package on a European level
- Upcoming 4th Railway Package with three draft laws (unbundling, liberalization of national passenger transport and strengthening of the ERA)

Political developments:
- Due to the debt situation in the Eurozone, the state is under increasing pressure to save money. In this connection, repeated political discussions about restructuring of the expenses of the national budget and related discussions about major infrastructure projects have to be expected.
- 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 campaign for alternative energy sources and fuel types

Capital markets and national debt crisis

Development of the cost of capital during the debt crisis



Source: OeNB and Statistik Austria

The interest rate level of government bonds is decisive for the borrowing terms and conditions for ÖBB-Infrastruktur AG. In 2012, the interest rate level of Republic of Austria Government Bonds was still heading towards an all-time low, despite the continuing debt crisis. After a slight increase in 2011, the interest rates decreased continuously. At the end of 2012, the secondary market yield for Republic of Austria Government Bonds was well below the level of the prior year, namely at approx. 1%. With a constant or slightly increasing inflation rate, the current real interest rate is almost nil, even for long-term bonds. The only reason for concern is the future development of the debt crisis, both in Austria and Europe as a whole. The bonds issued by ÖBB-Infrastruktur AG still benefit from Austria's high credit rating.

In January 2012, the rating agency Standard & Poor's withdrew the top AAA rating from Austria and a number of other EU countries. However, this measure had obviously already been taken into account and did not have any direct effect on the capital market in Austria. In fall 2012, the rating agencies Moody's and Fitch each confirmed their Triple A ratings for Austria. Fitch considers the outlook to be "stable", whereas Moody's expects a "negative" outlook. According to Fitch, any risks for the Austrian public finances arise primarily from the guarantees issued for banks.

Greece will probably continue to be a trouble spot in 2013; Italy, Spain and Portugal, on the other hand, show signs of progress in containing the national debt crisis, and particularly in removing its causes. The development of the economy and the public finances in France are cause for concern, simply because it is one of the largest economies in the EU. In November 2012, the rating agency Moody's also downgraded France and confirmed the outlook to be "negative". With a view to the possible additional load on the European Stability Mechanism (ESM) due to France, Moody's also downgraded the ESM.

The situation on the capital markets is expected to be characterized by a high volatility in 2013, but the market conditions will probably still be relatively favorable with a view to the emission of bonds by ÖBB, if any.

Railway transport market 2012

29 railway undertakings were entitled to use the ÖBB infrastructure as of the end of 2012, i.e. three railway undertakings more than at the end of 2011. For 2013, four new access authorizations are expected (3 in goods transport, 1 in passenger transport). The number of authorized railway undertakings is thus expected to increase to 33 by the end of 2013.

The progressive opening of the market in railway transport and the increased consolidation in certain market segments caused further shifting of the market shares for the network of the ÖBB-Infrastruktur Group. The share of external railway undertakings in goods transport increased to approx. 16% of the total gross tonnage-kilometers (TGTkm) in 2012. The largest market share (TGTkm), namely 35%, was achieved by the external railway undertakings in combined freight transport (KLV); in direct transport, the external railway undertakings achieved a market share of 20%.

In 2010 and 2011, the TGTkm in goods transport amounted to approx. 45.2 billion per year. Since June 2011, the transport volumes have been notably decreasing. In 2012, the goods transport volumes dropped significantly compared to the prior year. The decrease compared to 2011 amounts to approx. 2 billion TGTkm.

With reference to the train-kilometers (Tkm), goods transports increased by 7% in 2010, but decreased by 4% in 2011. In 2012, they decreased by another 7%. As a result of the continuous efforts to optimize the production process, the load factor is continuously increasing. Compared to 2009, the average total gross train load in goods transport was 5% higher in 2010, 10% higher in 2011, and 12% higher in 2012.

Within the framework of the transition to a consumer-oriented route price model, and in order to increase the competitiveness, the infrastructure usage charge in railway goods transport was reduced significantly by 14% in 2011, and by another 1% in 2012.

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.

In 2009 and 2010, passenger transport amounted to 97.9 million Tkm per year. In 2011, this amount decreased by 3% to 93.0 million Tkm. This decrease was partly made up for in 2012 (+2% compared to 2011), achieving a total of 95.0 million Tkm.

The year 2012 was characterized
- by the preparations for the opening of the new line sections Vienna - St. Pölten and Unterinntal , and
- by the modernization of the Brenner track in a single stage according to schedule, with 5 weeks of permanent closure of the track and 6 closures over the weekend, re-routing the goods transport via Salzburg - Tarvisio, plus 11 weeks of sectional single-track operation on the northern platform.

Energy market

In the field of energy, we aim at increasing our own production (currently one third of the annual demand) by 25% by means of a comprehensive extension scheme, reducing our dependency on external electricity supply. A total investment of EUR475.0 million is budgeted for the planned new constructions and extensions of power plants until 2018.

The Tauernmoos power plant, a pumped storage power station that is planned to be built in the Pinzgau region, is one of the new construction projects. On the one hand, the Tauernmoos power plant will generate clean hydroelectric power for the railways by utilizing the water present; on the other hand, the pumped storage operation will help cover the increasingly fluctuating demand by indigenous production.

Construction industry

The cost and price levels in the construction industry depend largely on the important commodities (raw and basic materials in the production process) and the production materials such as concrete, gravel, steel, copper, diesel or gas. Changes are illustrated in the construction-specific indexes.

The construction price index increased by 2.4% in the third quarter of 2012 compared to the same period in the prior year. In structural engineering, the prices increased by 2.5% compared to the prior year, in civil engineering by 2.3%. The individual civil engineering branches show a similar increase; road construction still presents the highest increase with 2.4%, followed by other civil engineering with 2.2%, and bridge construction with an increase of 1.8% compared to the third quarter of 2011.[2]

As of August 2012, the value of technical production in the railway construction sector - which is calculated from the total value of characteristic services provided and goods manufactured or treated and processed by order of other companies - shows a slight increase compared to 2011 according to the economic survey of Statistik Austria.[3]

In its medium-term construction outlook for civil engineering in June 2012, the Austrian Economic Research Institute (WIFO) still foresees a slightly decreasing development and a reduction of the demand for the years 2013 and 2014, after considerable production losses in the years 2009 to 2011.[4]

B.3. Revenues

Overview of revenue development	2012	2011	Change	Change in %	
Mil. Train-kilometers	142	144	-2	-1%	
Total gross tonnage-kilometers in mil.	72,443	73,906	-1,463	-2%	
Self-generated traction power from ÖBB power plants	792	594	198	33%	
Traction power from the overhead contact line	1,756	1,766	-10	-1%	
Floor space, incl. exterior spaces rented out, in thousand m²	2,732	2,731	1	0%	
Revenue in mil. EUR	2,152.4	2,062.8	89.6	4%	*)
Total revenue in mil. EUR	3,014.0	2,889.3	124.7	4%	*)
Total revenue per employee in thousand EUR	181	168	13	8%	*)

*) adjusted values from 2011 (cf. Note 4 of the Notes on the Consolidated Financial Statements)

Contrary to the prior year, the revenue and associated purchase expenses from certain energy trading contracts are reported with their net values.

Performance indicators

An important indicator for the assessment of the operative performance of the ÖBB-Infrastruktur Group is the development of the train-kilometer performance (Tkm). Compared to the prior year, the performance decreased by a total of 1% to 142 million Tkm (prior year: 144 million Tkm).

Development of train-kilometers by type of transport in mil.	2012	2011	Change	Change in %
Passenger transport	95	93	2	2%
thereof ÖBB Group	*91*	*92*	*-1*	*-1%*
Goods transport	40	43	-3	-7%
thereof ÖBB Group	*35*	*38*	*-3*	*-8%*
Service trains and light engines	7	8	-1	-13%
thereof ÖBB Group	*6*	*7*	*-1*	*-14%*
Total	**142**	**144**	**-2**	**-1%**

Another indicator for the assessment of the business development is the development of the total gross tonnage-kilometers (TGTkm), which decreased by 2% to 72,443 million TGTkm in the financial year 2012 (prior year: 73,906 million TGTkm). While external railway undertakings accounted for 6.6 million TGTkm or 9% of the total in the financial year 2011, in 2012 they accounted for 8.3 million TGTkm, which corresponds to 11% of the total.

[2] Cf. http://www.solidbau.at/home/artikel/Baukonjunktur/Baupreise_steigen_um_24_Prozent/aid/14776?analytics_from=thema_single
[3] Cf. http://www.viboe.at/downloads/289/bauprod_2012_08.pdf
[4] Cf. http://www.viboe.at/downloads/279/120627_bauprognose_wifo.pdf

Development of gross tonnage-kilometers by type of transport in mil.	2012	2011	Change	Change in %
Passenger transport	28,330	27,619	711	3%
thereof ÖBB Group	*27,066*	*27,294*	*-228*	*-1%*
Goods transport	43,073	45,206	-2,133	-5%
thereof ÖBB Group	*36,193*	*39,097*	*-2,904*	*-7%*
Service and light engines	1,040	1,081	-41	-4%
thereof ÖBB Group	*929*	*951*	*-22*	*-2%*
Total	**72,443**	**73,906**	**-1,463**	**-2%**

The self-generated traction power from ÖBB power plants amounting to approx. 792 GWh (prior year: approx. 594 GWh) and the real estate areas rented out constitute further important performance indicators for the generated revenue.

Development of the electricity sector:

Traction power in GWh	2012	2011	Change	Change in %
Self-generated traction power from ÖBB power plants	792	594	198	33%
Traction power from the overhead contact line	1,756	1,766	-10	-1%

Contrary to the annual financial statements from 2011, the consumption of traction power is no longer reported “from the power plant/substation”, but “from the overhead contact line” from the financial year 2012. The representation was changed in order to represent the quantity of traction power actually provided to the customer, which is the quantity relevant for sales. The self-generated power is still reported “from the power plant/substation”.

Development of the areas rented out:

Floor space, incl. exterior spaces rented out, in thousand m²	2012	2011	Change	Change in %
Usage by external parties (outside the Group)	819	829	-10	-1%
Usage by ÖBB Group companies	340	363	-23	-6%
Usage by the ÖBB-Infrastruktur Group	493	475	18	4%
Vacant and public space	1.055	1.038	17	2%
Floor space	**2.707**	**2.705**	**2**	**0%**
Exterior spaces rented out	25	26	-1	-4%
Total portfolio	**2.732**	**2.731**	**1**	**0%**

The floor space of buildings incl. exterior spaces rented out amounts to 2.7 million m^2 as in the prior year, almost one third of which is rented out to third parties. The rest is rented out within the Group or used by the ÖBB-Infrastruktur Group itself.

Revenue

Revenue ÖBB-Infrastruktur Group in mil. EUR	2012	2011	Change	Change in %	
Total Group revenue	2,451.6	2,432.5	19.1	1%	*)
Intra-group revenue	-299.2	-369.7	70.5	-19%	
Group revenue	**2,152.4**	**2,062.8**	**89.6**	**4%**	*)
Other income (consolidated)	861.6	826.5	35.1	4%	
Total revenues of the Group	**3,014.0**	**2,889.3**	**124.7**	**4%**	*)
thereof with other entities of the ÖBB Group	*749.0*	*764.3*	*-15.3*	*-2%*	

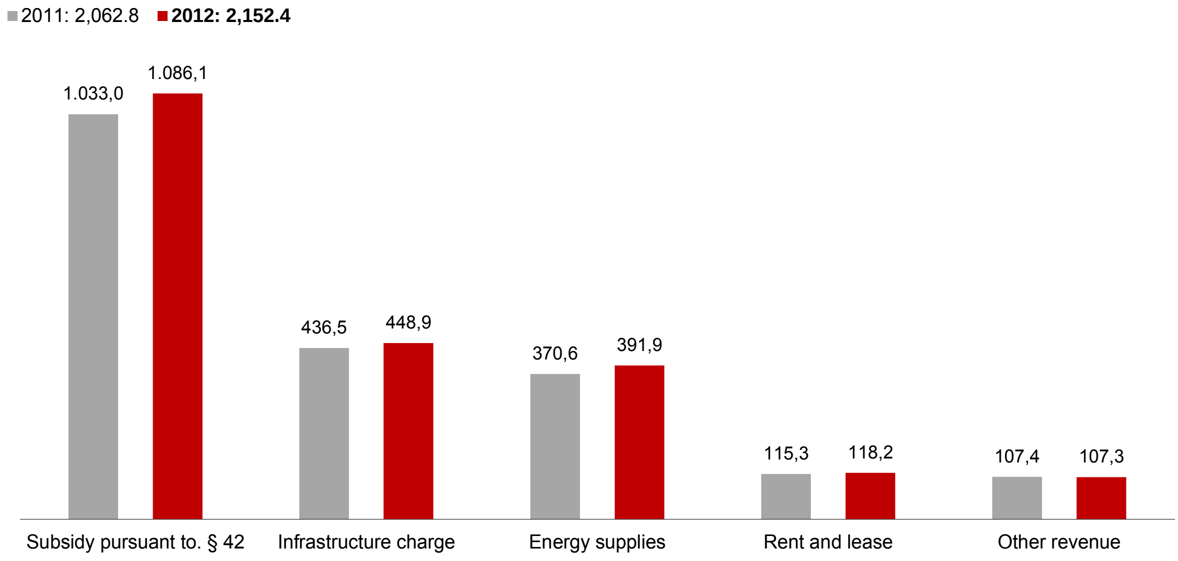
*) adjusted values from 2011 (cf. Note 4 of the Notes on the Consolidated Financial Statements)

As detailed above, the consolidated revenue amounted to EUR2,152.4 million (prior year: EUR2,062.8 million); EUR730.9 million (prior year: EUR743.8 million) of which were generated with companies of other sub-groups of the ÖBB Group.

The revenue per employee at an average of 16,670 employees (prior year: 17,214 employees) amounts to EUR129,000 (prior year: EUR120,000).

Revenue is mainly generated in Austria. Revenue amounting to EUR119.2 million (prior year: EUR82.9 million) was generated with customers abroad. This revenue mainly refers to the supply of energy.

Development of the group revenue in mil. EUR



B.4. Result of operations

Overview	2012	2011	Change	Change in %	
EBIT in mil. EUR	590.8	544.0	46.8	9%	
EBIT margin in %	19.6%	18.8%	0.8%	4%	*)
EBITDA in mil. EUR	1,130.3	1,025.7	104.6	10%	
EBT in mil. EUR	8.8	8.4	0.4	5%	
Return on equity in %	0.8%	0.8%	0.0%	0%	
Return on assets in %	3.0%	2.9%	0.1%	3%	

*) adjusted values from 2011 (cf. Note 4 of the Notes on the Consolidated Financial Statements)

Structure of the Income Statement

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

Structure of the Income Statement in mil. EUR	2012	in % of the total income	2011	in % of the total income	Change	Change in %	
Revenue	2,152.4	71%	2,062.8	71%	89.6	4%	*)
Other own work capitalized	311.8	10%	310.3	11%	1.5	0%	
Other operating income and increase/decrease of inventories	549.8	18%	516.2	18%	33.6	7%	
Total income	**3,014.0**	**100%**	**2,889.3**	**100%**	**124.7**	**4%**	***)**
thereof from other Group entities	**749.0**	**25%**	**764.3**	**26%**	**-15.3**	**-2%**	
Expenses for materials	257.3	9%	251.6	9%	5.7	2%	*)
Expenses for services received	279.5	9%	293.3	10%	-13.8	-5%	
Personnel expenses	1,066.3	35%	1,041.4	36%	24.9	2%	
Amortization and depreciation	539.5	18%	481.7	17%	57.8	12%	
Other operating expenses	280.6	9%	277.3	10%	3.3	1%	
Total expenses	**2,423.2**	**80%**	**2,345.3**	**81%**	**77.9**	**3%**	***)**
thereof to other Group entities	**151.4**	**5%**	**155.9**	**5%**	**-4.5**	**-3%**	
EBIT	**590.8**	**20%**	**544.0**	**19%**	**46.8**	**9%**	
Financial result	-582.0	-20%	-535.6	-19%	-46.4	9%	
thereof from other Group entities	-1.2	0%	-22.7	-1%	21.5	-95%	
EBT	**8.8**	**0%**	**8.4**	**0%**	**0.4**	**5%**	

*) adjusted values from 2011 (cf. Note 4 of the Notes on the Consolidated Financial Statements)

The total income of the ÖBB-Infrastruktur Group amounted to EUR3,014.0 million in the year under review (prior year: EUR2,889.3 million), i.e. with a number of staff averaging 16,670 employees (prior year: 17,214 employees), the income per employee amounted to EUR181,000 (prior year: EUR168,000). This means that the total revenues per employee increased by EUR13,000 or 8% compared to 2011. This increase results from an increase of the government grant pursuant to Article 42 *Bundesbahngesetz* [Federal Railways Act] for the infrastructure on the one hand, and from an increase in the infrastructure usage charge and the revenue from energy supplies on the other hand.

The ÖBB-Infrastruktur Group generated an EBIT of EUR590.8 million in 2012 (prior year: EUR544.0 million) and an EBIT margin[5] of 19.6% (prior year: 18.8%). The EBITDA[6] amounts to EUR1,130.3 million (prior year: EUR1,025.7 million).

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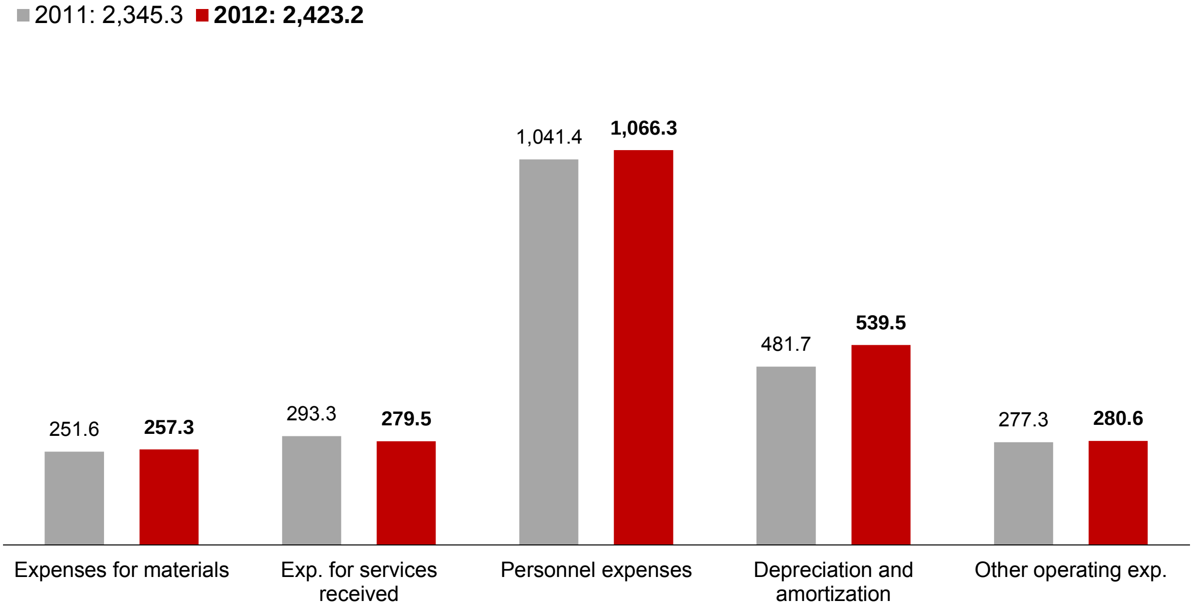
[5] EBIT margin: EBIT/ total income
[6] EBITDA: EBIT + depreciation and amortization

The total expenses of the ÖBB-Infrastruktur Group amounted to EUR2,423.2 million (prior year: EUR2,345.3 million), allocated to the following types of expense:

Development of operational expenses in mil. EUR



The average personnel expenses per employee of the ÖBB-Infrastruktur Group amount to EUR64,000 (prior year: EUR60,000). This corresponds to a personnel intensity[7] of 44% (prior year: 44%). The material intensity[8] amounted to 11% as in the prior year. The average expenses for materials and services received per employee amounted to EUR32,000 as in the prior year.

The ÖBB-Infrastruktur Group generated a negative financial result amounting to -EUR582.1 million (prior year: -EUR535.6 million) in the year under review. The EBT amounted to EUR8.8 million in 2012 (prior year: EUR8.4 million).

B.5. Result of operation and financial position

Overview	2012	2011	Change	Change in %
Total assets in mil. EUR	19,725.2	19,028.9	696.3	3.7%
PP&E-to-total-assets ratio in %	87.3%	84.8%	2.5%	2.9%
PP&E-to-net-worth ratio in %	6.7%	6.9%	-0.2%	-2.9%
PP&E-to-net-worth ratio II in %	98.2%	106.1%	-7.9%	-7.4%
Equity ratio in %	5.8%	5.9%	-0.1%	-1.7%

[7] Personnel intensity: personnel cost/total expenses
[8] Material intensity: material expenses/total expenses

Structure of the Statement of Financial Position

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

Structure of the Consolidated Statement of Financial Position in mil. EUR	Dec 31, 2010	Dec 31, 2011	Structure 2011	Dec 31, 2012	Structure 2012	Change from 2011 to 2012
Non-current assets	16,915.2	18,162.7	95%	18,673.2	95%	510.5
Current assets	841.1	866.2	5%	1,052.0	5%	185.8
Total assets	**17,756.3**	**19,028.9**	**100%**	**19,725.2**	**100%**	**696.3**
Shareholder's equity	1,133.3	1,115.5	6%	1,148.6	6%	33.1
Non-current liabilities	14,170.9	16,008.8	84%	15,760.4	80%	-248.4
Current liabilities	2,452.1	1,904.6	10%	2,816.2	14%	911.6

In 2012, the PP&E-to-total-assets ratio[9] in the ÖBB-Infrastruktur Group was 87.3% (prior year: 84.8%), and the PP&E-to-net-worth ratio[10] was 6.7% (prior year: 6.9%). Taking the non-current liabilities into account, the PP&E-to-net-worth ratio II[11] was 98.2% (prior year: 106.1%). The investment ratio[12] is 12% (prior year: 14%). The equity ratio was 5.8% as of December 31, 2012 (prior year: 5.9%).

The trade receivables decreased from EUR164.4 million to EUR142.0 million. The working capital[13] amounted to -EUR465.4 million (prior year: -EUR495.2 million).

Notes on the Consolidated Cash Flow Statement

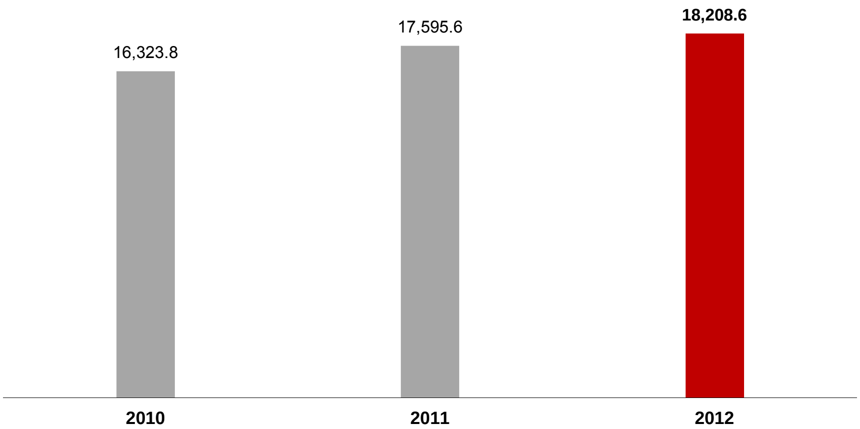
The free cash flow[14] amounted to -EUR899.9 million in the reporting year (prior year: -EUR1,351.3 million). The cash-effective change of funds and cash equivalents changed from -EUR107.7 million to EUR264.7 million.

Extract from the Consolidated Cash Flow Statement in mil. EUR	Dec. 31, 2012	Dec. 31, 2011	Change
Cash flow from operating activities	607.9	415.3	192.6
Cash flow from investing activities	-1,507.8	-1,766.6	258.8
Free cash flow	-899.9	-1,351.3	451.4
Cash flow from financing activities	1,164.6	1,243.6	-79.0
Cash-effective change of funds	264.7	-107.7	372.4

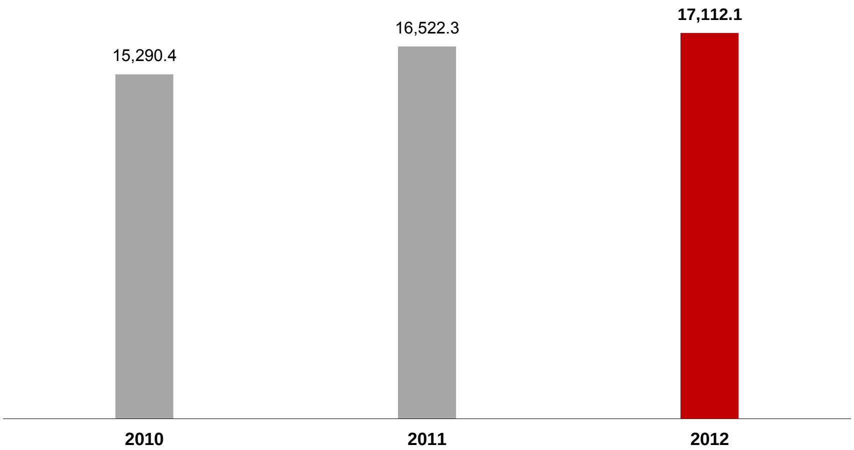
The detailed Consolidated Cash Flow Statement is included in the Notes on the Consolidated Financial Statements.

[9] PP&E-to-total-assets ratio: property, plant and equipment/ total assets
[10] PP&E-to-net-worth ratio I: equity/ property, plant and equipment
[11] PP&E-to-net-worth ratio II: (equity + non-current liabilities)/ property, plant and equipment
[12] Investment ratio: additions to property, plant and equipment/ initial carrying amount of property, plant and equipment
[13] Working capital: inventories + trade receivables + prepayments on property, plant and equipment + prepayments on intangible assets - trade liabilities - prepayments on inventories
[14] Free cash flow: cash flow from operating activities + cash flow from investing activities

Liabilities in mil. EUR



Financial liabilities in mil. EUR



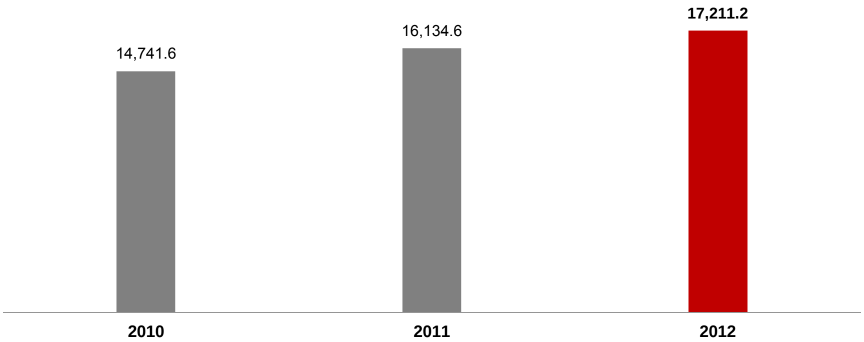
The liabilities of the ÖBB-Infrastruktur Group recorded an increase in total by 3.5% to EUR18,208.6 million in the year under review (prior year: EUR17,595.6 million).

In the reporting year 2012, fixed-interest bonds amounting to EUR1.4 billion (prior year: 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 measures

Overview	2012	2011	Change	Change in %
Capital expenditure in mil. EUR	1,960.8	2,145.3	-184.5	-9%
Capital expenditure ratio of total income in %	62%	72%	-10%	-14%
Capital expenditure ratio of carrying amounts in %	12%	14%	-2%	-14%

Development of property, plant and equipment in mil. EUR



Main capital expenditure according to the master plan 2012 - 2017

The ÖBB-Infrastruktur Group defined the following main capital expenditure areas for 2012 according to the current master plan 2012 - 2017:

- 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 extension 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 period under review: Lainzer Tunnel (Vienna), new track Vienna - St. Pölten (Vienna/Lower Austria), completion of the track St. Pölten - Loosdorf (goods transport bypass) (Lower Austria), completion of the track Ybbs - Amstetten (Lower Austria), completion of the track Lambach - Breitenschützing, section Salzburg - Freilassing (Salzburg), four-track extension of the Lower Inn Valley route (Tyrol), extension of the track St. Margrethen - Lauterach (Vorarlberg), extension of the track Werndorf - Leibnitz (Styria), Koralm tunnel (Carinthia) and Koralm railway sections Aich/Mittlern - Althofen/Drau and Althofen/Drau - Klagenfurt (Carinthia). Within the framework of the station promotion campaign, work was done in particular on the Graz Main Station, the Salzburg Main Station and the Main Station Vienna. The construction of the 27.3 km Semmering base tunnel new (Lower Austria/Styria) and of the *Ostbahn* [Eastern Railway] - Flughafenschnellbahn (Vienna) commenced in April 2012. As of December 2012, the new track Vienna - St. Pölten incl. the Lainzer Tunnel (approx. 60 km) and the Unterinntalstrecke route (approx. 40 km) were opened to traffic. Furthermore, the Main Station Vienna was partially opened to traffic in December 2012 as well.

Project		Capital expenditure 2012	Projected or effected completion
Modification and new construction of stations			
	Vienna Main Station (incl. Südtiroler Platz)[1]	101.1	2012/15 [1]
	Salzburg Main Station	44.0	2014
	Graz Main Station[2]	14.3	2015
	Station Hausfeldstraße	1.6	2013
	Station Absdorf-Hippersdorf	8.3	2012
	Station Attnang-Puchheim[2]	13.2	2014
	Station Bruck/Mur[2]	12.3	2013
	Station Zeltweg	14.7	2014
Greater Vienna			
	Lainzer Tunnel (connection of *Westbahn*, *Südbahn* and Donauländebahn)	47.4	2012
	Connection *Ostbahn*-Flughafenbahn	16.0	2014
Danube route			
	New track Vienna - St. Pölten	80.4	2012
	St. Pölten - Loosdorf (goods transport bypass)[2]	37.6	2017
	Track completion Ybbs - Amstetten[5]	66.9	2015
	Eastern entrance Linz Main Station	24.1	2021
	Short-distance transport Salzburg - track extension Freilassing[3]	14.9	2015
	Lambach - Breitenschützing	16.8	2013
Pontebbana route			
	Pottendorfer Linie (Meidling-Blumental)	1.1	2012
	Gloggnitz-Mürzzuschlag: existing Semmering track	8.1	2014
	Semmering - base tunnel new	30.8	2024
	Koralm railway Graz - Klagenfurt	196.8	2023
Pyhrn-Schober route			
	Wels - Passau[3]	9.5	2019
	Werndorf - Spielfeld/Straß (1st expansion stage)	15.6	2012[4]
Brenner route			
	Four-track expansion of Unterinntal	89.4	2012
	Kundl/Radfeld – Baumkirchen)		
	Brenner base tunnel	25.7	2026
Arlberg route			
	Rheintal concept[3]	9.6	2017
	St. Margrethen-Lauterach	18.6	2016
Programs			
	Noise protection	12.9	
	Park & Ride	8.0	
	Tunnel safety	6.4	
	Railway cross-roads	27.9	
Reinvestment in the railway network		518.0	
Others (incl. intangible assets)		**468.8**	
Total master plan and other investment projects		**1,960.8**	

[1] partial commissioning in 2012
[2] economic recovery package
[3] Opening of the partial projects to traffic in stages
[4] Station Leibnitz
[5] Completion of the Amstetten station in 2019

B.7. Strategy

Strategy and implementation

Within the framework of the strategy process in 2011, certain normative principles for ÖBB were defined and allocated to the 5 levels of the “Ambitions of the ÖBB Group” (see illustration below). On this basis, the “FIT 2015” strategy defined strategic directives for each of these levels in 2012. As a result, strategic directives for both the Group and the sub-groups and the initiatives required to implement these directives were developed.

The following issues were at the heart of this process:
- What is our core business?
- Which products and services does ÖBB offer its customers?
- How much added value is to be generated within the Group?
- What are our targets and objectives?

The focus on the strategic directives and initiatives already produced some measureable successes.

Travelling by train has become significantly more convenient (new catering “Henry am Zug”, WLAN, employee presence …).

ÖBB has become the railway for all Austrians again.

Our image in the media has notably improved, and the brand value of ÖBB has increased significantly.

Basic strategic orientation of the ÖBB-Infrastruktur Group

The basic strategic orientation of the ÖBB-Infrastruktur Group focuses on the core business, using two basic strategies: the cost strategy and the market strategy.

The core business of the ÖBB-Infrastruktur Group is
– the provision of target network facilities (incl. development, planning and construction), and
– the operation of the target network.

Mission and vision, strategic orientation, brand core and values

The mission and vision and the brand core and brand values developed in 2010 form the long-term strategic basis.

Mission and vision:

The mission of ÖBB-Infrastruktur describes the purpose of the ÖBB-Infrastruktur Group.

Mission: Our purpose:
- Provision of a reliable railway infrastructure corresponding to the requirements
- Safe operation of railway transport according to schedule

Vision: Where do we want to go?
- Towards an attractive and sustainable railway system
- Towards an infrastructure corresponding to the market with the necessary quality and at reasonable cost
- We define milestones along the way towards our vision in order to achieve our long-term objectives.

Brand core and values:

What drives us? How do we work? The brand core defined within the framework of the brand project - "All our efforts and energy for the railway system" - and the brand values supporting the brand core - reliability, competence and transparency - were described in a mission statement in 2001 and communicated in detail to the employees in 2012.

The degree of achievement of the brand values is measured by means of brand controlling both with the employees and with the railway undertakings and the end customers at the station.

Market and cost strategy

The market and cost strategy provides the path towards realization of the vision.

1. Cost strategy: Focus on the core business

Focus on the infrastructure core business aims at focusing the infrastructure offer on areas where the railway infrastructure is adequate in the long term. In service provision, the strategy focuses on maintaining and deepening the competences that are required for facility provision and design and for safe and profitable operation of the facilities. In the long term, it is planned to withdraw from service segments that are accessible to a large market of service providers.

The optimization of the added value was an important element in the development of the strategy and was developed in more detail and operationalized in 2012. Products and services that are incompatible with the core business will no longer be offered or restructured within the Group in the medium to long term.

2. Market strategy: Zielnetz 2025+

The long-term strategy of the ÖBB-Infrastruktur Group is described in the "*Zielnetz* [target network] 2025+" strategy. The target network has been developed on behalf of the *BMVIT* [Federal Ministry of Transport, Innovation and Technology] and approved by the Supervisory Board of ÖBB-Infrastruktur AG and ÖBB-Holding AG in January 2011 and by the Council of Ministers on February 01, 2011.

The long-term infrastructure strategy of "Zielnetz 2025+" aims at the introduction of a highly synchronized timetable and the elimination of expectable capacity shortages in the network.

The target network forms a consistent overall concept and comprises, based on detailed market analyses and long-term demand forecasts (transport forecast of the *BMVIT*)
- the strategy for the development of the ÖBB network including the stations based on system adequacy criteria
- the strategy for signaling and control centers and for the implementation of the European Train Control System (ETCS) in the ÖBB network
- the strategy for the implementation of the programs regarding fulfillment of statutory requirements (tunnel safety, accessibility, noise protection)

The target network is a high-performance infrastructure in line with future demands (transport forecast 2025+). At the same time, the target network constitutes the basis for a high-quality transport offer (regular interval transport) and makes it possible to shift more transports to the railways.

The measures from the “Zielnetz 2025+” strategy will be implemented in several stages:

Stage 1 is explicated in the master plan 2012 - 2017 approved by the Supervisory Board on April 23, 2012 and in the master plan 2013 - 2018 (as amended on October 08, 2012) approved by the Supervisory Board on December 07, 2012. The last projects to be commissioned in this stage comprise the “New *Südbahn*” with the opening of the Semmering base tunnel to traffic.

Due to the low growth in goods transport, the projects of stages 2 and 3 will in particular be reevaluated with a view to the demand and the schedule.

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.

B.8. Other important events and outlook

Despite the fact that the global economic forecasts are rather negative (see Chapters B1 and B2), the ÖBB Group continues on its recovery course. The reorganization and strategy initiatives that started in 2011 aim at sustainability in every area of ÖBB.

The primary focus is and remains on the core business, which is supposed to provide the best possible offer while using the available resources in an efficient and profitable manner. This is the only way to ensure that ÖBB can persist in the increasingly liberalized market.

The efforts invested in the core services will be strategically complemented by increased involvement in innovative projects in the years to come. With current initiatives such as the “eMorail” project (an ÖBB pilot project for the development of an integrated mobility service of both the railways and electric cars) and SMILE (the SMILE project aims at developing and testing a prototype for a multi-modal information, booking and payment system and a consistent control system that is supposed to link public transport and new electrical mobility offers in a smart way), ÖBB wants to establish itself as an integral provider of mobility services who can offer the entire range of mobility solutions.

Furthermore, the management is urged to optimize the processes and procedures within the company and to keep an eye on the profitability of each of the initiatives at all times in order to continuously improve the results.

The ÖBB employees are at the heart of our success; therefore, our strategic efforts focus on them as well. The management will intensify its dialogue with the employees in the next years, and the behavior-based development of the corporate culture will be reinforced in the sense of the success criteria described before.

Based on the strategy process, the ÖBB-Infrastruktur Group worked hard on the implementation of the strategy developed and approved in 2011. The topics of optimization of the added value, with focus on the Integrated Track Management (*Integriertes Strecken-Management*), and the rationalization programs with respect to network operation and switching constitute long-term implementation projects with a view to the restriction to the core business and the increase in efficiency through continuous increase in the use of technology and automation in process management.

Team-Target Dialogue (TTD)

For the cascade-like derivation of objectives for the implementation of the corporate strategy, the TTD (Team-Target Dialogue) method was implemented in the ÖBB Group. With this method, the contributions to be made by the individual organizational units for the achievement of the corporate objectives are fixed in the course of directed meetings of all executives concerned.

Since November 2012, the departments’ contributions to the implementation of the corporate strategy and the achievement of the objectives are being developed, based on a top TTD, by means of this method.

With this system, each employee should know his or her part in the achievement of the primary objectives of the ÖBB-Infrastruktur sub-group.

Milestones 2013

- Further milestones in the extension of the North-South axis (Baltic-Adriatic corridor, in particular the construction milestones of the Semmering base tunnel new and the Koralmbahn Graz-Klagenfurt)
- West-East axis (Danube corridor, in particular further milestones with respect to the construction work for the completion of the tracks Ybbs - Amstetten and St. Pölten - Loosdorf)
- Pushing the realization of the transport hubs Main Station Vienna and Graz Main Station
- Continuation of the equipment of Park & Ride facilities
- Continuation of the development of noise protection & safety (e.g. railway crossings)
- Strengthening of the basis for the implementation of a highly synchronized timetable (as basis for a network use plan) - according to the Zielnetz 2025+ and the overall transport plan 2012
- Commissioning of the 5th signaling and control center in Linz
- Discussions with respect to the complementary network with a view to concepts for subsequent use by the states or the local industry
- Takeover of the operations of Terminal Service Austria
- Takeover of the shunting locomotives into the switching hub
- Restructuring ICT/telematics

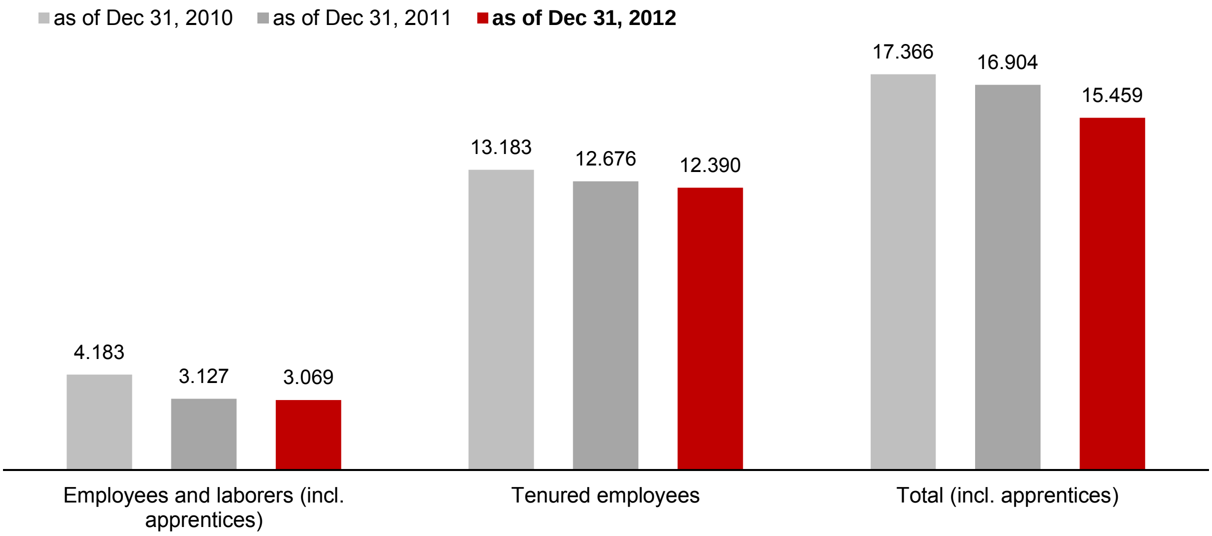
Specific objectives 2013

- Increase of punctuality in long-distance passenger transport to 87.0%, in short-distance passenger transport to 97.2% and in goods transport to 74%
- Reduction of the number of low-speed sections in the core network to 3,000 km²/h
- Customer information: 1.85 in normal cases; 2.07 in deviating cases on a grading scale of 1 to 5
- Safety development (Infra 2.9 - this ratio is calculated from defined operational incidents and is scaled on the basis of the train-kilometers travelled, based on a 12-month observation period - number of defined incidents in relation to the train-kilometers travelled)

C. PERSONNEL REPORT

The personnel of the ÖBB-Infrastruktur Group are composed as follows:

Employee structure in the ÖBB-Infrastruktur Group



Employee structure	Dec 31. 2012	Dec 31, 2011	Reference date	Change in %	2012	Average 2011
Employees (incl. apprentices)	3,069	3,127	-58	-2%	3,108	3,035
thereof apprentices	*2*	*3*	*-1*	*-33%*	*3*	*2*
Laborers	1,000	1,101	-101	-9%	1,053	1,134
Tenured employees	12,390	12,676	-286	-2%	12,509	13,045
Total (incl. apprentices)	**16,459**	**16,904**	**-445**	**-3%**	**16,670**	**17,214**

During the reporting year, the number of personnel of the ÖBB-Infrastruktur Group decreased to 16,459 employees. Tenured employees accounted for approx. 75% of the personnel. The average age in the ÖBB-Infrastruktur Group is 44.5 years (prior year: 43.7 years). The ratio of female personnel is 7.1% (prior year: 7.2%). The training of the apprentices is carried out centrally by ÖBB-Shared Service Center GmbH. As of December 31, 2012, ÖBB-Shared Service Center GmbH trained 1,326 apprentices for the ÖBB-Infrastruktur Group.

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

The continued training of the employees of the Group in 2012 was based on the ÖBB training catalog. Important subjects included sales, communication, presentation and personality trainings and training programs for managers as well as language and EDP trainings.

3. Corporate technical training

As before, the technical training offers in 2012 were arranged for specific professions (e.g. personnel, accounting/ controlling, purchase). The ÖBB *Einkaufsakademie* [Purchase Academy] started in October 2012. Social and technical competences are complemented with new methods, new knowledge and new perspectives, aiming at generating both an individual and entrepreneurial added value.

4. Company-specific technical training

For the maintenance and for optimal operation of the railways, technical training is of particular importance, among others. In this context, this refers to the statutory initial and further training, among others.

5. Talent management

Since 2012, the talent management of the Group comprises two main subject fields: succession planning and talent development.

A concept for the succession planning has been developed, and the implementation started at the end of 2012.

Since June, the ÖBB akademie also addresses the management of young talents through the training course “talents for action”, in which new visionary solutions for entrepreneurial challenges are developed together with young employees. The project works of the participants are supported the Group’s top management. Furthermore, this project is meant to strengthen the loyalty of junior employees to the company, to identify young talents and to continue to develop the personal and technical competences of the key personnel within the Group.

6. Performance management

The new “ÖBB Performance Management” ensures that the performance and the results achieved in the individual organizations correspond to the objectives and requirements fixed in the corporate strategy “FIT 2015” and the related corporate objectives. The “ÖBB Performance Management” focuses on objectives such as harmonization, simplification and the best possible connection of different tools. The “Performance Management” is based on three pillars:

- Team-Target Dialogue (TTD): Since 2012, the Team-Target Dialogue (TTD) constitutes an institutionalized control tool for executives used consistently throughout the entire ÖBB Group. The TTD is used to support the process of target agreement and efficient achievement of these targets.
- Appraisal interview (AI): Appraisal interviews (AI) - a development tool by means of which the executive and the employee discuss target agreements, performance assessments, competences, further training measures, personal feedback, opportunities for further development and unsolved issues once per year (with additional review dates, if necessary) - have already been used successfully within the Group for some time. This tool has now been aligned with the other two performance management tools in the best possible way.
- Management by Objectives (MbO): “MbO” constitutes another tested and proven tool to fix profitable targets.

Employer Branding

The ÖBB-Employer Branding team organized a total of seven recruiting trade fairs in 2012, three for university graduates and four for apprentices. The main target groups for the fairs in 2012 were potential apprentices as well as university students of technical and economical branches.

The cooperation with the TU Career Center and the Career Center (*Zentrum für Berufsplanung*, ZBP) of the Vienna University of Economics and Business were continued, and special events regarding specific topics, such as fireside discussions with executives for university students and graduates, were organized. These events have the objective to awaken the interest of potential specialists and trainees in ÖBB.

Another important point of the Employer Branding 2012 was the establishment of the employer brand ÖBB. The ÖBB career website was redesigned, and this new design was then adopted for the entire external employer web presence.

Within the framework of the CAREER'S BEST RECRUITERS survey, ÖBB obtained the second place in the “Transport and traffic” sector and won the silver 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

The ÖBB as company aims at an active equal treatment of men and women. Since July 01, 2011, the ÖBB Group has its own equality policy. The objectives: ensuring equality of treatment 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 special programs.

The policy provides for the institutionalization of equal treatment. Ten regional equality officers accompany and support colleagues who feel that they are at a disadvantage and treated unfairly vis-à-vis the other sex. Furthermore, an equality committee develops special programs for equal opportunities and improvement of the compatibility of professional and private life. Since December 01, 2011, the ÖBB Group has a diversity officer who supports and promotes the program work of the equality committee and the development and implementation of the measures taken in the organizational processes.

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 to 11% by 2015
- increase of the proportion of female executives to 15% by 2015
- increase of the proportion of female members of the ÖBB Supervisory Boards to 25% by 2013
- increase of the proportion of female members of the Supervisory Boards in the ÖBB subsidiaries to 25%
- 25% proportion of women in top performer and high potential programs
- monitoring of equality objectives in quarterly reports and the business report

The implementation of the equality objectives is supported by a number of measures, including targeted recruiting, in particular of female apprentices, places in training reserved for women in training programs of the ÖBB akademie, career workshops for women from the entire ÖBB Group, the development of an ÖBB women’s network and the further development of the so-called RailMapKarenz [*Karenz* = parental leave] for the improvement of the compatibility of professional and private life, among others. The proportion of fathers on paternity leave amounts to 12%, which is far above average in Austria.

Social benefits

The ÖBB Group offers its employees the following social benefits on a voluntary basis: holidays in holiday homes and apartments, travel privileges within Austria and abroad, aids and benefits in case of severe occupational or commuting accidents or other states of emergency, assistance in the search for an apartment and support of sports and cultural activities.

Health care management

The health care management of ÖBB-Holding AG is coordinated centrally by the Strategic Corporate Personnel Management (*Strategisches Konzernpersonalmanagement*) department, with the objective of maintaining and promoting the ability to work and the health of the ÖBB employees.

The ÖBB health care strategy was developed further together with the health care managers of the Group companies and the representatives of the cooperation partner *Versicherungsanstalt für Eisenbahnen und Bergbau* (VAEB) [insurance institution for railway and mining]. According to this strategy, the existing health care management is to be complemented by a presence management and an Occupational Rehabilitation system in the next years.

For this purpose, the Occupational Rehabilitation pilot projects initiated by ÖBB-Technische Services GmbH and ÖBB-Infrastruktur AG in 2011 will be extended, and other pilot projects decided by the second Strategic Health Care Committee will be initiated in the Group companies ÖBB-Personenverkehr AG, Rail Cargo Austria AG, ÖBB-Produktion GmbH and Postbus GmbH. A Group-wide roll-out is scheduled to start after an appropriate evaluation phase in 2015 at the earliest.

Another measure within the framework of the health care strategy is the 3-year health promotion campaign “Gesund & Fit 2015”. In this campaign, health checks and nutrition workshops were provided for the approx. 1,100 participants in 2012.

Other important points of the health care management include the coordination of the evaluation of mental stress, the coordination of the employee protection within ÖBB-Holding AG, and the adaptation of the general conditions of the internal medical suitability directives P32 with a view to the statutory high altitude suitability examinations and the implementation of the EU Directive for traction unit drivers.

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 making the actual demand and offer of workforce in the Group companies visible, employees who can no longer be employed in their original area due to organizational streamlining and reorganization measures or due to service retraction or due to inaptitude determined by an occupational physician and service retraction are taken care of, qualified and placed by the placement service. 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 and employee services for the employees that have to be taken care of, with the objective of finding a new, permanent and secure place of work for the employees.

In the future, the placement service will also assist employees within the Occupational Rehabilitation system in finding a suitable new place of work.

The department Strategic Personnel Management of ÖBB-Holding AG is responsible for strategic positioning and further development 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

In the course of a separate project in the past financial year, a framework for management functions was developed for the ÖBB Group; this framework allocates the management functions to different management and control levels according to their priority. The underlying assessment method makes it possible to compare the management functions both in a national and in an international context.

This framework provides a standardized system and nomenclature for the management and team coordination functions and an unambiguous, prioritized delimitation of the various management levels (divided into management and control levels) applicable throughout the entire Group. The framework for executives will be the basis for a transparent personnel policy within the Group; within the framework of the ÖBB Job Modell project, it will be extended to include technical and cross-divisional functions.

The ÖBB Job Modell project is initiated with the objective to define a standardized job-family architecture applicable throughout the Group and thus to improve the transparency (for example in the area of career planning) and the efficiency (for example in the area of personnel planning).

D. REAL ESTATE MANAGEMENT

With about 26,000 properties and a total surface of approx. 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 and manages an extensive portfolio of more than 5,000 buildings and more than 1,100 train and traffic stations throughout their entire life. In 2012, ÖBB-Immobilienmanagement GmbH was an important source of revenue for the ÖBB Group again. This success was due mainly to sustainable rental or leasing of properties and objects and to efficient project development and utilization in the conurbations.

The extensive range of services is handled by the departments of project development, utilization and portfolio management and station and property management. Approx. 790 employees at the headquarters in Vienna and in five other regions handle all the activities throughout Austria in a professional and efficient way.

Business units of ÖBB-Immobilienmanagement GmbH

Project development

Vast inner-city reserves of land are of vital importance for the urban development of Austrian cities due to their size and location. Areas like those in the vicinity of the future Vienna Main Station, the former North Vienna freight train station and the Northwest station, which will be released when the station is relocated to Inzersdorf, are of the greatest importance for urban development due to their location. They are gradually used for urban purposes such as apartments, offices, services or educational facilities in cooperation with the competent departments. ÖBB-Immobilienmanagement GmbH provides the entire range of services relating to the development of real estate property. These services include feasibility studies, location concepts for major locations, usage concepts for individual plots of land, clearing management, assistance with the construction, project management, client representation and utilization.

The development of the Vienna Main Station project was an important project in 2012. In the 1st quarter of the year under review, a cooperative procedure was initiated for the building sites C.09 - C.15 in cooperation with the City of Vienna; this procedure was completed in October 2012. The land use concept, which covers a gross floor space of approx. 250,000 m², is scheduled to be processed by the urban development committee in January 2013, and the land use regulations are planned to be agreed by the municipal council of Vienna in the 3rd quarter 2013. This procedure is entirely new and innovative in Vienna. It provides the basis for the issue of legally valid land use regulations for all building sites of the development area of the Vienna Main Station.

The sales procedure for the building site A.01, which started in the previous year, was completed in June 2012 after just 12 months. The degree of utilization of the commercial and service center at the traffic station Vienna Main Station has reached 50% by the end of the year 2012. The procedure for the identification of a suitable general contractor for the construction of the ÖBB Group headquarters was completed in June 2012. The construction work started in June 2012 as scheduled and will be completed in August 2014. In total, the degree of utilization of the Vienna Main Station has reached 86%.

An important milestone for the further development of the former freight train station Vienna North was reached with the completion of an EU-wide, two-stage, anonymous urban development competition with respect to a 75 acre area. The result of the competition is the basis for a model which in turn constitutes the basis for the environmental impact assessment and the future zoning and land use plan. The areas are scheduled to be opened for utilization from 2015.

Utilization and portfolio management

The employees in the utilization department are responsible for the professional sale, renting or leasing of our buildings and properties including all the associated coordination processes. In this context, ÖBB-Immobilienmanagement GmbH acts as a real estate broker in the sense of a professional real estate service provider on the market. On the one hand, the portfolio includes real estate that is no longer required for railway operations, and on the other hand, the railway stations and their environment gain significantly in importance as real estate sites due to the Austrian station promotion campaign. The new railway stations are increasingly turning into multifunctional urban hubs presenting themselves as ideal locations for commerce, service providers and gastronomy. The sale of the construction site A3 at the BahnhofCity Vienna West was the largest transaction at the Vienna market in terms of value in 2012 and achieved a sales result exceeding the market average.

The portfolio management ensures the systematic planning, control and monitoring of the real estate portfolio. Future potentials of the real estate are identified, and recommendations for action to be taken to increase the portfolio revenue are submitted to the respective owners. The respective strategy for each partial portfolio provides impulses and serves as an important control tool for the operating entities assigned with the implementation of the selected strategies.

Station and property management

The station and property management is responsible for integral management of the built-up and non-built-up properties. This includes buildings, platforms, station vestibules and access roads, among others. As a comprehensive real estate service provider, ÖBB-Immobilienmanagement GmbH optimizes the entire maintenance and development of the real estate portfolio in a sustainable way under economic considerations.

With respect to the traffic stations, customer-friendliness is of particular importance. Proper appearance and service-oriented equipment of the traffic stations are ensured within the framework of the station operation. Within the framework of the management, the tasks include professional management of the lessees as well as management of vacancies and optimization of surfaces. As a service-oriented technical service provider, ÖBB-Immobilienmanagement GmbH is responsible for sustainable functionality, availability and maintenance of the real estate and technical facilities under its administration, with the objective of improving quality and optimizing life cycle costs. The range of services includes the execution of documented construction state assessments for buildings and facilities, fire protection inspections and maintenance work, statutory inspections and removal of malfunctions with respect to buildings, building equipment and facilities.

E. RESEARCH AND DEVELOPMENT REPORT

Based on the R&D strategy, the discussions with the decision-makers in the area of R&D in Austria were intensified.

The Innovation Day of the ÖBB Group took place on June 20, 2012. On this day, innovative projects from the entire Group were presented to the employees and to the public at the station Vienna Praterstern.

The R&D activities focus on three main areas. One of them refers to issues of railway technology. The second area focuses on processes/concepts for operation and production. The third area comprises issues relating to customers and the market.

The sustainability of the railways is supported in the long term by research and development (R&D). ÖBB-Infrastruktur AG commits to integrated development of the know-how about the railway system in a solution-oriented way and in close cooperation with partners from the ÖBB Group, from the industry and from science.

The research projects aim at reducing the life-cycle costs of the railway infrastructure while maintaining the high level of safety of the railway system. In the execution of the research projects, ÖBB-Infrastruktur AG successfully uses the subsidy systems of national and international research programs. Intense communication and exchange is kept up with the BMVIT, with research institutes in Austria and abroad and with industry and commerce. Within the field Staff R&D (*Stab F&E*), 19 research projects were started in 2012, plus 10 VIF [transport infrastructure research] projects.

Transport infrastructure research (VIF)

The transport infrastructure research initiative started together with the Federal Ministry of Transport, Innovation and Technology (BMVIT), the highway authority ASFINAG and ÖBB-Infrastruktur AG completed the first call for tenders on January 26, 2012. Within the framework of the evaluation carried out by the *Österreichische Forschungsförderungs-gesellschaft* [Austrian Research Promotion Agency] (FFG), 27 of the more than 60 project proposals submitted were selected for subsidization; ten of them refer to the new “pre-commercial procurement” tool (PCP).

Ten “traditional” projects and 1 PCP research project with 5 consortiums deal with railway infrastructure issues. The research topics include new sleeper materials, the safety of railway crossings, calculation models for noise protection walls with complex geometries and further engineering developments of bridge structures by means of numerical simulations and experimental validation. The PCP research projects that have already been approved deal with natural hazards and constitute the first stage of a two-stage research process.

The second call for tenders of the transport infrastructure research initiative was issued by the FFG on October 17, 2012. The deadline for submission is February 04, 2013, and this second call for tenders is funded with a total of EUR4 million by the three agents BMVIT, ASFINAG and ÖBB-Infrastruktur AG.

Sensor system tests

Track measuring, and all the values derived from it, is currently based on the use of lateral track displacement monitoring points (“mast bolts”) along the track. The individual elements are available with high precision, but only with relative coordinates. Many departments would require the use of absolute coordinates, e.g. in order to be able to easily derive the chainage or true track lengths. A traditional terrestrial survey is not feasible in this context for reasons of time and profitability.

In the research project, a mobile measuring device for non-contact capture of the lateral track displacement monitoring points mounted on a vehicle is being tested. Contrary to the manual measurement commonly used today, this is supposed to be done at a speed of 70 km/h and at very low cost. The required precise time synchronization of the measuring devices in the range of a hundredth of a second, which is necessary in order to be able to compare the data of the cameras, the laser scanner, the IMU [inductive data transmission system], the gradient sensor, etc. with the GPS data, is entirely new. This will make it possible to position all the infrastructure facilities within a homogeneous framework, which constitutes the basis for the representation of the tracks in Geographic Information Systems (GIS), at an accuracy in the centimeter range.

Noise emission measurements in innovation tests on the Tullnerfeld

In the course of the innovation tests in 2012, extensive noise measurements were taken on the new track Tullnerfeld. In the vicinity of the Tullnerfeld station, the noise emissions of passing ICEs, Railjets and the model freight train were measured at 7 different microphone positions and with an array of 64 microphones. This way, the noise pollution caused by passing trains was captured in its entirety, including the position of the noise emission - from the wheel to the contact line.

The results are in particular used in comparison with the various measurement positions for noise emission measurements of rail-bound vehicles specified in the relevant standards. Furthermore, the results are also supposed to provide the basis for more precise procedures for the calculation of noise emission factors. The measurements of the emission positions are useful for the future EU emission model and for further research with respect to low-noise railway systems.

SHF - Safety of hollow structures under fire load

The fire load of integral constructions such as bridges and tunnels can cause significant damage and affect their usability. Therefore, the objective of the project is a realistic forecast of the load-bearing characteristics under fire load, the calculation of the residual supporting strength of constructions after a fire, and the transfer of the results to calculation and planning tools.

The integral constructions can be optimized by means of the new calculation methods developed in the research project, creating safer and more cost-effective buildings. The exact forecast of the load-bearing characteristics is based on the experimental determination of material properties during and after a fire. This makes it possible to draw conclusions about the residual supporting strength of real structures after a fire and to create numerical simulations and recalculations with respect to existing structures. With the project results, buildings can be designed in the best possible way and become more secure.

F. ENVIROMENTAL REPORT

The environmental management, which is integrated in the General Management staff (*Stab Betriebsleitung*), is responsible for group-wide implementation of the statutory requirements stipulated for example in the *Abfallwirtschaftsgesetz* [Waste Management Act], is established as an overhead department and appoints the officer responsible for waste, the officer responsible for hazardous materials and the manager responsible for sustainability, among others. It initiates and coordinates environment-related projects and supports other organizational units in the implementation of their projects.

Energy management

The business unit Energy contributes significantly to environmental and climate protection within ÖBB-Infrastruktur AG. 92% of the traction power demand is generated from renewable energy sources. Hydroelectric power generation and target-oriented procurement strategies make the excellent ecological balance of the Austrian railway transport possible.

Since 2012, railway customers can buy carbon dioxide-neutral traction power generated entirely from renewable energy sources. Any upstream carbon dioxide emissions generated during the construction and operation of the power plants and traction power lines are compensated by means of new forest plantations.

The project “Saving energy within the ÖBB Group” initiated by ÖBB-Holding AG in 2011 was continued under the management of the business unit Energy. The project aims at:
- optimizing the energy-saving operation of trains
- reducing the specific mean consumption of the ÖBB car fleet, the ÖBB Postbus fleet and the ÖBB rail-bound vehicles
- establishing a corporate energy management throughout ÖBB
- creating energy awareness in every ÖBB employee
- identifying energy- and climate-relevant indexes
- reducing energy costs and carbon dioxide emissions

All the companies and all the employees are involved in the project. Not only the specialists who optimize the energy consumption in road and railway transport contribute to the project; every single employee can reduce the energy demand in their area of responsibility by using heating, lighting, equipment etc. in an energy-conscious way, thus improving the Group's energy balance.

Rehabilitation of contaminated sites

New methods in the field of mineral oil carbohydrate decontamination are being tested and researched in pilot facilities since January 2012 (BIOSAN project). Within the framework of the project, two biological methods for the degradation of petroleum hydrocarbons (PHC) in the ground water and in the unsaturated soil zone are being researched. They offer a more cost-effective and, most importantly, a sustainable method for the rehabilitation of contaminated soil and ground water that can also be used on other ÖBB properties contaminated with petroleum hydrocarbons, resulting in an increase in the value of these properties and enabling the deletion of these areas from the register of suspected contaminated areas or the register of contaminated sites.

Biodiversity management

Special information leaflets were prepared regarding the necessary felling of trees along the railway lines, in order to notify the representatives of the municipalities and the line-side residents in advance of the reasons for such felling. The felling of trees tends to entail negative headlines, particularly in the conurbations in Eastern Austria; this effect is to be reduced by means of this measure.

ÖBB-Infrastruktur AG is involved in the preparation of the *RVS* [Guidelines and Regulations on Road Transport] "Protection of species along thoroughfares".

Along the new track Vienna - St. Pölten, 600 acres of green space are handed over to the GB ISM upon opening to traffic. A work group is currently discussing how to optimize the various maintenance measures. The second ÖBB Neophyte Conference with external participants took place in July.

An excursion to the test tunnel for special anti-bird collisions glass at the biological station Ringelsdorf/Hohenau also took place in July.

Space management

Under the headline "New opportunities for old spaces", the ÖBB-Infrastruktur Group examines possible utilizations of brownfields, among others. In Lower Austria alone, it was possible to disprove the suspected contamination in areas with a total surface of 30 acres in cooperation with the state of Lower Austria and the *Umweltbundesamt* [Environment Agency Austria]. The second edition of the Green Book of ÖBB-Infrastruktur has been completed and received the Sustainability Award in the category "Sustainable land use" at the 12th UIC Sustainability Conference in Venice.

Environmental management in project execution

In the execution of railway construction projects, numerous further steps were taken to make this area more environmentally friendly. The environmental management procedure in project execution was reviewed and now constitutes the guideline for practical implementation.

There is an increasing demand for a specialist consultant in the field of the environment who optimizes all the environmental measures to be taken during project execution. This consultant can use environmental analyses as his tools to ensure that all the relevant environmental aspects are taken into consideration in both the project planning and the project execution phase. This analysis provides information on the current situation, on the environmental impact the respective project is expected to have, if any, and on the requirements imposed by the authorities incl. construction costs.

A separate environmental GIS is planned to be included in the geographic information system (Infra GIS). This environmental GIS is supposed to provide environmentally relevant basic information for the proper planning and development of infrastructure projects. Furthermore, GIS data from the Green Book are to be integrated into the infra:gis Environment, and the employees are to be trained in the use of the infra:gis data.

Based on the GIS data from the infra:gis Environment and the experience gained in previous infrastructure projects, any requirements that might be imposed by the authorities and the construction costs can now be assessed and taken into account at an early stage in the project development.

Miscellaneous

The ÖBB *Schnäppchenbörse* [bargain market] now includes a reference to the *Reparatur- und Servicezentrum* [Repair and Service Center] (R.U.S.Z). The R.U.S.Z is a social enterprise that has an important positive effect on the environment, because in this enterprise, old household devices are repaired and made more energy-efficient.

The final KLIWA report is expected to be completed in May 2013. It analyzes the effects of climate change on the railway infrastructure and possible appropriate adjustment measures in detail.

The third seminar on railway ecology took place in June and received the best feedback so far.

ÖBB-Infrastruktur AG is testing so-called track eco-mats for further noise reduction, which consist of troughs filled with substrate, combined with vibration-absorbing elements and small-leaved plants.

G. ACCESSIBILITY

Every year, 450 million customers use the services offered by the Austrian mobility company ÖBB. 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 Article 19 *Bundes-Behindertengleich-stellungsgesetz* [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 is carried out in 3-year steps until 2015. The measures taken are evaluated together with representatives of people with a mobility handicap, and the “Corporate coordination of accessibility” (*Konzernkoordination Barrierefreiheit*) unit established within ÖBB-Holding is responsible for the best possible coordination of the measures.

Infrastructure (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 equipped to be accessible in accordance with the Technical Specification Interoperability - Persons with Reduced Mobility (TSI-PRM) standard. Highlights in the implementation of the staged plan since the past year under review include the partial opening of the Salzburg Central Station to traffic; the opening of the Wien Mitte, Leibnitz and Absdorf-Hippersdorf railway stations; the modifications of the Felixdorf, Lilienfeld, Spittal-Millstätter See, Perg, Straßhof and Mistelbach stations; and the start of the construction work at the stations of Hohenems and Lauterach. Furthermore, certain traffic stations were or are currently being equipped with elevators and guide systems for visually impaired persons (e.g. 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 point of view and with respect to content. The website www.hauptbahnhof-wien.at is considered as an official reference project for the new global Web Content Accessibility Guidelines and is the only German commercial offer among the reference websites to have achieved an AA ranking.

H. CORPORATE RELATIONS

Parent company ÖBB-Holding AG

The parent company ÖBB-Holding AG is a stock corporation incorporated under Austrian law. The registered office of the company is located at Wienerbergstraße 11, 1100 Vienna, Austria. The incorporation of the company was based on Article 2 *Bundesbahnstrukturgesetz* [Federal Railway Structure Act] 2003. The company is registered in the Company Register at the Commercial Court Vienna under number FN 247642f. ÖBB-Holding AG holds all the shares of ÖBB-Infrastruktur AG and provides various services such as marketing and treasury services for ÖBB-Infrastruktur AG and other Group companies. These services are charged to the Group companies by means of Group allocation or cost allocation. In the financial year 2012, EUR15.3 million (prior year: EUR14.5 million) were charged to the ÖBB-Infrastruktur Group.

Direct subsidiaries of ÖBB-Holding AG primarily include the sub-group parent companies ÖBB-Personenverkehr Aktiengesellschaft (“ÖBB-Personenverkehr AG”), Rail Cargo Austria Aktiengesellschaft (“Rail Cargo Austria AG”) and ÖBB-Infrastruktur Aktiengesellschaft (“ÖBB-Infrastruktur AG”).

ÖBB-Personenverkehr AG

The purpose of ÖBB-Personenverkehr AG is in particular the transportation of passengers, including the provision of public services, the production and operation of all facilities required for this purpose and the execution of all transactions related thereto or initiated thereby, as well as, in particular, the operation of public passenger transport based on tariffs and schedules. In the financial year 2012, the company generated total income amounting to EUR275.0 million (prior year: EUR262.6 million). EUR7.8 million (prior year: EUR11.7 million) were charged to the ÖBB-Infrastruktur Group.

Rail Cargo Austria AG

The purpose of Rail Cargo Austria AG is in particular the transportation of goods, including the provision of public services, the production and operation of all facilities required for this purpose and the execution of all transactions related thereto or initiated thereby, as well as, in particular, the operation of public goods transport based on tariffs. Rail Cargo Austria AG generated total income amounting to EUR184.0 million (prior year: EUR197.2 million). Rail Cargo Austria AG charged EUR2.9 million (prior year: EUR2.0 million) to the ÖBB-Infrastruktur Group. Express-Interfracht Internationale Spedition GmbH is a subsidiary of Rail Cargo Austria AG. Express-Interfracht Internationale Spedition GmbH generated total income amounting to EUR2.2 million (prior year: EUR1.9 million). Express-Interfracht Internationale Spedition GmbH charged EUR24.3 million (prior year: EUR27.2 million) to the ÖBB-Infrastruktur Group. In addition to that, services received from Express-Interfracht Internationale Spedition GmbH at an amount of EUR6.5 million (prior year: EUR3.9 million) were capitalized as capital expenditure.

ÖBB-Produktion Gesellschaft mbH

ÖBB-Produktion Gesellschaft mbH (“ÖBB-Produktion GmbH”) is a common subsidiary of ÖBB-Personenverkehr AG and Rail Cargo Austria AG. The purpose of the company is, in particular, the provision of traction and other services for and in connection with other railway companies. In the financial year 2012, the company generated total income amounting to EUR222.3 million (prior year: EUR229.1 million). EUR16.4 million (prior year: EUR17.1 million) were charged to the ÖBB-Infrastruktur Group. Services received at an amount of EUR12.6 million (prior year: EUR7.0 million) were capitalized.

ÖBB-Technische Services Gesellschaft mbH

ÖBB-Technische Services Gesellschaft mbH (“ÖBB-Technische Services GmbH”) is a common subsidiary of ÖBB-Personenverkehr AG and Rail Cargo Austria AG. The purpose of the company is, in particular, the provision of services for and in connection with rail-bound vehicles. In the financial year 2012, the company generated total income amounting to EUR28.0 million (prior year: EUR33.2 million). EUR20.9 million (prior year: EUR21.0 million) were charged to the ÖBB-Infrastruktur Group.

ÖBB-Shared Service Center GmbH

As an intra-Group service provider, ÖBB-Shared Service Center GmbH primarily provides standardized administrative services. In the financial year 2012, the company generated total income amounting to EUR10.5 million (prior year: EUR11.7 million). As in the prior year, EUR48.3 million were charged to the ÖBB-Infrastruktur Group. Services received at an amount of EUR0.2 million (prior year: EUR1.6 million) were capitalized.

I. RISK REPORT

The ÖBB Group is increasingly confronted with the opportunities and risks created by the liberalization of European railway transports and the corresponding increasingly intense competition. All identified risks are assessed in terms of quality and quantity three times a year, in particular with respect to possible extent of losses and the probability of loss, based on updated assessments 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 major Group companies. The risk management manual that is binding for the entire Group defines rules, margins and minimum requirements of risk management for all entities 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 income and in the company value. It is based on comprehensive risk identification, risk assessment, risk control and risk reporting. This process is supported by 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 prepared which describes the major 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 period 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 2013, the most important risks are allocated to the risk fields as follows:

- Field Strategy: Risks arising from the non-achievement of fixed strategy objectives. By means of strict monitoring of all programs and measures, all strategy implementation risks are minimized to the greatest possible extent.
- Field Operations: Risks arising from events of force majeure/natural hazards are countered with well-established systems and programs: For example, a natural hazard management system has been established (incl. weather information system, flood information system/natural hazard map). Risks of failure of telecommunication services and/or major data network services for the railway operation are minimized by means of preventive measures for risk reduction such as emergency plans, provision of redundant systems or local relocation of the equipment rooms.
- Field Finance/Accounting: This risk field comprises counterparty credit risks, foreign exchange rate risks and measurement risks, among others. Details and measures for the minimization of these risks are described in the chapter “Risks associated to financial instruments”.
- Field Sales/Distribution: Risks arising from the aftereffects of the economic crisis that can still be felt and from the lower economic growth may result in lower revenue from the infrastructure usage, among others. This risk is minimized by means of continuous monitoring and analysis of the customer behavior and strategic pricing and condition policies.
- Field Personnel/Management/Organization: If salary agreements cannot be implemented as planned, this entails a considerable risk due to the personnel expenses/total expenses ratio of ÖBB-Infrastruktur AG. This risk is reduced to the greatest possible extent by corresponding negotiations.
- Field Legal issues/Liability: Statutory regulations and directives - in particular on the European level - can cause an increase in system costs in railway traffic (e.g. due to new technical or organizational specifications). Therefore, the developments are carefully monitored and examined with a view to possible effects by various entities in order to be able to react quickly. Non-compliance constitutes another risk. With the introduction of a corporate Compliance organization, the risk of costs incurred due to fines and penalties imposed for violations of statutory provisions will be minimized in the future.
- Field Purchase/Procurement: The main risk consists in fluctuations of the prices of certain commodities - in the infrastructure sector in particular with respect to steel. In the field of rails and points and in other construction-related areas, the development of the prices and raw material indexes are closely watched and analyzed, and the results are then included in the rolling planning and in procurement negotiations.
- Field Information processing: System failures can cause additional costs and loss of revenue in the operative business units. The risk is minimized by means of numerous measures developed, planned and implemented within the framework of a special IT risk management system.
- Field Subsidiaries/Investments: The revenue from the utilization of real estate depends on the development on the market. Risk control already starts at an early stage in the negotiations.

Pursuant to the *Verbandsverantwortlichkeitsgesetz* [Association Liability Law], the regulation stipulating that companies can be held liable and convicted for punishable actions of their employees or decision-makers applies to the ÖBB Group as well. In order to minimize this risk, relevant areas with respect to criminal law, e.g. regarding cases of negligence, environmental offense and corruption, are identified within the framework of legal risk management, the current situation is evaluated and measures to avoid the risk are taken. 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.

Risks related to financial instruments

Original Financial instruments

Original financial instruments of the ÖBB Group (receivables and liabilities from financing activities, trade receivables and payables and financial assets and securities of the current assets) are reported in the Statement of Financial Position. Detailed information is provided in the respective statements in the Notes on the Consolidated Financial Statements.

Derivative financial instruments

The ÖBB-Group uses derivative financial instruments to hedge foreign exchange rate, interest rate and commodity price risks. The Group directives prohibit the issue or holding of derivative financial instruments for speculative purposes. Derivative financial instruments are concluded only with reference to a hedged item, and furthermore, the permissible financial transactions are defined by the Group directives. Derivative financial instruments are measured in accordance with the IFRS accounting requirements.

Risk definition and risk management with respect to financial instruments

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

Liquidity risk

The first-priority objective in the Finance department of the ÖBB Group is the safeguarding of the necessary liquidity margin. Liquidity risk means the risk that a company might have difficulties meeting its obligations arising from financial liabilities that are settled by cash payment or by the supply of another financial asset. Therefore, one of the main tasks of the Group Finance department of the ÖBB Group is consistent safeguarding of the liquidity of all Group companies by means of liquidity planning, agreement of sufficient credit limits and a sufficient diversification of the 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 development.

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

The companies of the ÖBB Group are mainly financed in Euro. Some financing was concluded in a foreign currency in order to use interest advantages, but subsequently converted to liabilities in Euro by means of derivative financial instruments (currency swaps) with corresponding volumes and maturity. Hedging of the exchange rate risk was dispensed with only with respect to a very small part of the borrowing concluded in Swiss francs.

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

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

Credit risk

The credit risk comprises the loss potential due to non-fulfillment of financial obligations of business partners (primarily money market transactions, assets, positive present value swap transactions, trade receivables and other financial receivables). Compliance with the limits underlying the credit risk management and individually allocated to each financial partner is checked daily.

The currently applicable limits and their utilization are monitored daily in order to be able to react quickly and in a risk-oriented way to market disruptions.

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. The cross-border lease management deals with the management, execution, risk management, active development and economic termination of existing cross-border leasing transactions. The objective of the cross-border leasing management is in particular to monitor all the rights and obligations arising from the transactions, to ensure the execution in accordance with the agreements, to avoid risks and to ensure the profitability of the entire portfolio.

In the past years, the original volume of cross-border leasing transactions was reduced considerably, while the positive net present value was maintained. In 2012, 2 transactions and 2 tranches of existing transactions were terminated prematurely while maintaining the overall positive net present value. The strategy of ÖBB has not changed: to defend the positive net present value achieved upon conclusion of the transactions, to actively manage the risk arising from the transactions and to use economically acceptable opportunities to terminate the transactions. Details on the cross-border leasing agreements are provided in Note 30.3. of the Notes on the Consolidated Financial Statements.

Internal control system

The members of the Executive Board and the general managers of the Group companies are aware of their responsibility to establish an appropriate internal control system (ICS), and they assume this responsibility accordingly.

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

In accordance with the decentralized structure of the Group, the sub-group provides evidence of an appropriate and effective ICS: consequently, the sub-group itself is responsible for the establishment and implementation of the system.

With a view to the size of the company, an Internal Review unit was established within the ÖBB Group. With respect to the ICS, this unit is responsible for the basic framework, which is implemented in the sub-groups in the form of a verbalized minimum standard. The unit verifies that the Group companies have an effective ICS and checks certain elements of the ICS based on an approved annual audit schedule; the results are reported to the audit committee of the respective Supervisory Board in the form of an activity report.

The ICS is based on the following principles: the control measures regarding essential/critical business processes are documented in a complete and comprehensible fashion; the organizational structure is documented in a comprehensible way (organization chart, job description, functional description, etc.) and adjusted on a regular basis; and the applicable 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 monitoring activities are determined in order to reduce the risks to an appropriate level. The effectiveness of the monitoring is tested and documented by means of regular self-evaluations with revolving main issues.

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

The documentation of the ICS in the ÖBB Group, which has been standardized with respect to its minimum requirements, was prepared in the course of the past two years and published in 2012 in the form of a minimum standard applicable throughout the entire Group that has to be implemented. Since this financial year, the organizational units of the Group can furthermore prepare the mandatory documentation of the key checks defined within the processes, including the risk fields and corresponding test steps, in a standardized way by means of software.

The ICS for the accounting process is part of the regular audit schedule of the auditor within the framework of the annual audit; the results are reported to the audit committee of the Supervisory Board.

Business transactions of the ÖBB Group are generally recorded by means of the SAP R/3 software; in some instances, some subsidiaries also use other software solutions. This means that within the Group, data is for the most part transferred automatically or by means of upload files delivered to ÖBB-Holding AG, where the data is then processed centrally in the consolidation system SAP Netweaver BI.

Corporate accounting is based on an IFRS group manual (published and updated at regular intervals by the Accounting department of ÖBB-Holding AG) that stipulates and communicates important IFRS-based balancing requirements 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 solely for this purpose is used for the statements given in the Notes. After the audit by the auditors (in accordance with Austrian statutory regulations and principles of due and proper annual auditing, the International Standards on Auditing (ISA) published by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the General Terms and Conditions for Audits within the ÖBB Group), all subsidiaries deliver comprehensive Reporting Packages including all relevant accounting data (Income Statement, Statement of Financial Position, Cash Flow Statement, Notes) for the preparation of the Consolidated Financial Statements. The audit is confirmed by a “Report on the IFRS Group Reporting Package”; this report has to be submitted in order for the respective Package to be processed. This external audit system constitutes a supporting part of the ICS.

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

J. SIGNIFICANT EVENTS AFTER THE REPORTING DATE

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

K. NOTES ON THE MANAGEMENT REPORT

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

Vienna, this March 29, 2013

The Executive Board

Ing. Mag. (FH) Andreas Matthä m.p.	DI Franz Bauer m.p.	Siegfried Stumpf m.p.
Department Assets/Finance	Department Project Management/Technology	Department Operations

Glossary

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
ICS	Internal Control System
ISO	International Standardization Organization
MAV	Magyar Államvasutak (Hungarian national railways)
Newcomer	New hiree
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 traction units
TSI	Technical Specifications for Interoperability
UKV	Unaccompanied combined transport
VAI	Transport labor inspectorate

Declaration in accordance with Article 82 (4) clause 3 BörseG [Stock Exchange Act]

Statement of all legal representatives

We confirm that to the best of our knowledge the Consolidated Financial Statements prepared in accordance with the applicable accounting standards give a true and fair view of the net assets, financial position and result of operations of the Group and that the Consolidated Management Report provides a fair view of the development and performance of the business and the position of the Group which ensures a true and fair view of the net assets, financial position and result of operations of the Group, and that the Consolidated Management Report describes the principal risks and uncertainties to which the Group is exposed.

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

Vienna, this March 29, 2013

The Executive Board

Ing. Mag. (FH) Andreas Matthä m.p.	DI Franz Bauer m.p.	Siegfried Stumpf m.p.
Department Assets/Finance	Department Project Management/Technology	Department Operations

Consolidated Financial Statements

Consolidated Income Statement 2012

	Note	2012 in kEUR	2011 in kEUR	
Revenue	4	2,152,393.9	2,062,849.4	*)
Change in finished goods, work in progress and services not yet chargeable		-883.9	-425.8	
Other own work capitalized	5	311,801.6	310,299.0	
Other operating income	6	550,707.7	516,603.2	
Total revenue		**3,014,019.3**	**2,889,325.8**	*)
Expenses for materials and services received	7	-536,754.4	-544,908.1	*)
Personnel expenses	8	-1,066,315.0	-1,041,372.6	
Depreciation and amortization	9	-539,463.6	-481,736.4	
Other operating expenses	10	-280,639.3	-277,352.1	
Earnings before interest and taxes (EBIT excluding investments recorded at equity)		**590,847.0**	**543,956.6**	
Earnings of investments recorded at equity	17	781.4	861.9	
Interest income	11	87,916.9	92,212.6	
Interest expenses	11	-667,325.6	-623,704.2	
Other financial income	12	48,893.0	63,290.5	
Other financial expenses	12	-52,331.2	-68,233.8	
Financial result (incl. earnings of investments recorded at equity)		**-582,065.5**	**-535,573.0**	
Earnings before income taxes (EBT)		**8,781.5**	**8,383.6**	
Income taxes	13	11,522.9	-22,561.0	
Net income for the year		**20,304.4**	**-14,177.4**	

*) adjusted prior year amounts, see Notes 4 and 7

Consolidated Statement of Comprehensive Income 2012

	Note	2012 in kEUR	2011 in kEUR
Net income for the year		**20,304.4**	**-14,177.4**
Unrealized loss from cash flow hedges	24	-19,355.0	-3,676.0
Reclassification of realized losses from cash flow hedges	24	15,614.0	15.0
Unrealized income from Available-for-Sale reserve	24	16,548.0	0.0
Other comprehensive income		12,807.0	-3,661.0
Comprehensive income		**33,111.4**	**-17,838.4**

Consolidated Statement of Financial Position as of December 31, 2012

Assets	Note	Dec 31, 2012 in kEUR	Dec 31, 2011 in kEUR
Non-current assets			
Property, plant and equipment	14	17,211,192.1	16,134,565.4
Intangible assets	15	369,123.1	362,188.4
Investment property	16	102,998.2	100,894.1
Investments recorded at equity	17	43,562.8	43,668.5
Other financial assets	18	766,435.6	1,377,741.0
Other receivables and assets	20	142,144.1	121,389.4
Deferred tax assets	13	37,692.0	22,237.5
		18,673,147.9	**18,162,684.3**
Current assets			
Inventories	21	18,967.3	20,938.6
Trade receivables	20	141,951.8	164,371.2
Other receivables and assets	20	203,427.5	243,738.1
Other financial assets	18	212,378.1	334,592.6
Assets held for sale	19	54,283.6	1,006.1
Cash and cash equivalents	22	421,005.9	101,573.1
		1,052,014.2	**866,219.7**
		19,725,162.1	**19,028,904.0**

Shareholder´s equity and liabilities	Note	Dec 31, 2012 in kEUR	Dec 31, 2011 in kEUR
Shareholder´s equity			
Share capital	23	500,000.0	500,000.0
Additional paid-in capital	24	538,884.2	538,884.2
Cash flow hedge reserve	24	-20,886.2	-17,145.2
Available-for-sale reserve	24	16,548.0	0.0
Retained earnings	24	114,043.6	93,739.2
		1,148,589.6	**1,115,478.2**
Non-current liabilities			
Financial liabilities	25	15,423,241.8	15,618,250.2
Provisions	26	213,748.9	224,201.9
Other liabilities	27	123,406.9	166,358.2
		15,760,397.6	**16,008,810.3**
Current liabilities			
Financial liabilities	25	1,688,863.5	904,064.2
Provisions	26	101,599.1	93,616.7
Trade payables	27	648,547.3	709,809.3
Other liabilities	27	324,577.2	197,125.3
Liabilities relating to the assets held for sale	19	52,587.8	0.0
		2,816,174.9	**1,904,615.5**
		19,725,162.1	**19,028,904.0**

Consolidated Statement of Cash Flows 2012

	Note	2012 in mil. EUR	2011 in mil. EUR
Earnings before taxes (EBT)		8.8	8.4
Non-cash expenses and income			
+ Depreciation and amortization on property, plant and equipment, intangible assets and investment property	9	731.9	678.7
- Amortization of investment grants	9	-192.4	-197.0
+ Losses / - gains on disposal of property, plant and equipment, intangible assets and investment property		-20.8	-62.6
'+ Losses / - gains on disposal of financial assets		0.0	-2.2
- Other non-cash income / + other non-cash expenses		1.1	11.1
+ Interest expenses	11	667.3	623.7
- Interest income	11	-87.9	-92.2
Changes in assets and liabilities			
- Increase / + decrease in inventories	21	2.0	1.9
- Increase / + decrease in trade receivables and other assets		94.1	-58.2
+ Increase / - decrease in trade payables and other liabilities		-9.9	26.9
+ Increase / - decrease in provisions	26	-12.5	11.5
- Interest paid		-584.5	-543.5
+ Interest received		10.9	8.9
- Income tax paid	13	-0.2	-0.1
Cash flow from operating activities a)		**607.9**	**415.3**
+ Proceeds from disposal of property, plant and equipment and intangible assets		117.8	110.3
- Expenditures for property, plant and equipment and intangible assets	14, 15	-1,852.0	-2,099.2
+ Proceeds from disposal of financial assets		44.6	0.0
+ Proceeds from investment grants	14, 15	183.3	178.4
- Expenditures for acquisition of consolidated subsidiaries		-2.4	0.0
+ Dividends received		0.7	0.0
+ Redemption of loans granted / - grant of loans (from investing activities)		0.2	43.9
Cash flow from investing activities b)		**-1,507.8**	**-1,766.6**
+ Proceeds from issue of bonds and loans	25	1,581.3	1,530.3
- Redemption of bonds and loans		-379.1	-109.2
- Payment of finance lease receivables		-1.0	-1.2
+ Proceeds from grant of loans / - redemption of other loans		-36.6	-176.3
Cash flow from financing activities c)		**1,164.6**	**1,243.6**
Cash flow from operating activities a)		607.9	415.3
Cash flow from investing activities b)		-1,507.8	-1,766.6
Free Cash Flow (a+b)		**-899.9**	**-1,351.3**
Funds at the beginning of the period		*89.1*	*196.8*
Change in the funds resulting from cash flow (a+b+c)		264.7	-107.7
Funds at the end of the period		**353.8**	**89.1**

For details on the composition of the fund see Note 34.

Consolidated Statement of Changes in Shareholder’s Equity 2012

	Number of shares	Share capital in mil. EUR	Additional paid-in capital in mil. EUR	Cash flow hedge reserve in mil. EUR	Available-for-sale reserve in mil. EUR	Retained earnings in mil. EUR	Total shareholder's equity in mil. EUR
As of January 01, 2011	100,000	500.0	538.9	-13.5	0.0	107.9	1,133.3
Net income						-14.2	-14.2
Other comprehensive income				-3.7	0.0		-3.7
Comprehensive income				**-3.7**		**-14.2**	**-17.8**
As of December 31, 2011	**100,000**	**500.0**	**538.9**	**-17.1**	**0.0**	**93.7**	**1,115.5**

	Number of shares	Share capital in mil. EUR	Additional paid-in capital in mil. EUR	Cash flow hedge reserve in mil. EUR	Available-for-sale reserve in mil. EUR	Retained earnings in mil. EUR	Total shareholder's equity in mil. EUR
As of January 01, 2012	100,000	500.0	538.9	-17.1	0.0	93.7	1,115.5
Net income						20.3	20.3
Other comprehensive income				-3.7	16.5		12.8
Comprehensive income				**-3.7**	**16.5**	**20.3**	**33.1**
As of December 31, 2012	**100,000**	**500.0**	**538.9**	**-20.8**	**16.5**	**114.0**	**1,148.6**

For further details on the Statement of Changes in Shareholder’s Equity see Notes 23 and 24.

Notes on the Consolidated Financial Statements as of December 31, 2012

A. BASIS AND METHODS

ÖBB-Infrastruktur Aktiengesellschaft, having its registered office in 1020 Vienna, Praterstern 3, is a registered stock corporation in the sense of the Austrian *Aktiengesetz* [Stock Corporation Act] whose shares are held by Österreichische Bundesbahnen Holding Aktiengesellschaft (hereinafter referred to as ÖBB-Holding AG).

ÖBB-Infrastruktur AG and its subsidiaries form the ÖBB-Infrastruktur AG Group (hereinafter referred to as ÖBB-Infrastruktur Group). The share capital is allocated to 100,000 no-par shares. The shares are registered shares in the name of ÖBB-Holding AG and are not traded publicly. The sub-group is affiliated to ÖBB-Holding AG and is part of its basis of full consolidation. The Consolidated Financial Statements of ÖBB-Holding AG are filed with the Commercial Court Vienna under the number FN 247642 f in the Company Register.

The purpose of ÖBB-Infrastruktur AG comprises
- the planning and construction of railway infrastructure including high-performance tracks, planning and construction of related projects and the provision of railway infrastructure including equipment and facilities
- the provision, operation and maintenance of safe railway infrastructure corresponding to requirements (maintenance, inspection, repair, operational planning and switching).

The core business of the ÖBB-Infrastruktur Group also includes the purchase, supply and portfolio management of electrical power and the lease of buildings.

Pursuant to Article 51 *Bundesbahngesetz* [Austrian Federal Railways Act] as amended, ÖBB-Infrastruktur AG does not require any license pursuant to the *Eisenbahngesetz* [Railways Act] of 1957 either for the construction or for the operation of main lines and secondary lines. With respect to the planning and construction of new railway infrastructure projects, it has the rights and obligations of a railway company.

Investments in railway infrastructure extension and in operation and maintenance are financed by the operating cash flows, borrowings and guarantees and subsidies of the federal government based on master plans and grant agreements with a term of several years. Management, development and utilization of the real estate of the ÖBB Group are performed by ÖBB-Immobilienmanagement GmbH, a subsidiary of ÖBB-Infrastruktur AG. Galleria di Base del Brennero - Brenner Basistunnel BBT SE is responsible for the construction of the Brenner base tunnel, any other necessary structures required for the construction or the subsequent operation, and the provision of the facilities to entitled users during operation.

1. Accounting principles

ÖBB-Infrastruktur AG is required to issue consolidated financial statements pursuant to Article 244 *Unternehmensgesetzbuch* (UGB) [Austrian Commercial Code]. The Consolidated Financial Statements as of December 31, 2012 (including the figures from the prior year as of December 31, 2011) were prepared pursuant to Article 245a (2) *UGB* in conjunction with the “IFRS Regulation” in accordance with the International Financial Reporting Standards (“IFRS”, “IAS”) issued by the International Accounting Standards Board (“IASB”) and the interpretations of the International Financial Reporting Interpretation Committee (“IFRIC”, “SIC”), which were effective as of December 31, 2012 and endorsed by the European Union. With these Consolidated Financial Statements according to the IFRS, ÖBB-Infrastruktur AG issues exempting consolidated financial statements pursuant to Article 245a *UGB* in accordance with internationally accepted accounting principles.

The Consolidated Financial Statements are presented in Euro (EUR). All amounts indicated in these Notes are presented in million EUR, unless another 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, 2011 or were to be applied initially on a mandatory basis due to the endorsement by the EU or due to the coming into effect of the regulation; they are labeled with "yes" in the following table, if they affect the Consolidated Financial Statements:

Revised and amended standards/interpretations		Effective as of[1]	Impact on the Consolidated Financial Statements
IFRS 7	Financial Instruments: Disclosures - Transfers of Financial Assets	Jul 01, 2011	yes

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

IFRS 7 Financial instruments: Enhancing disclosures

On October 7, 2010, the IASB issued an amendment to IFRS 7 which is effective for annual periods beginning on or after July 1, 2011. The amendments require additional disclosure for financial assets transferred but continued to be recognized and for assets transferred and continued to be recognized to the extent of its continuing involvement. The amendment only relates to disclosures and has no impact on the net assets, financial position and results of operations of ÖBB-Infrastruktur Group.

Outlook on future IFRS amendments

The following standards and interpretations were issued by the IASB but, those labeled with footnote two, have not been endorsed by the EU until the reporting date. The ÖBB-Infrastruktur Group has not early adopted any of the standards. Possible effects of these revised and amended standards are currently being evaluated.

Revised and amended standards/interpretations		Effective as of[1]	Impact on the Consolidated Financial Statements
New standards and interpretations			
IFRS 10	Consolidated Financial Statements	Jan 01,2014	is evaluated
IFRS 11	Joint Arrangement	Jan 01,2014	is evaluated
IFRS 12	Disclosure of Interests in Other Entities	Jan 01,2014	yes
IFRS 13	Fair Value Measurement	Jan 01,2014	yes
IFRIC 20	Stripping Cost in the Production Phase of a Surface Mine	Jan 01,2014	no
IFRS 9	Financial Instruments	Jan 01, 2015[2]	yes
Amended standards and interpretations			
IAS 1	Presenting Comprehensive Income	Jan 01, 2013	yes
IAS 12	Income Taxes	Jan 01, 2013	no
IAS 19	Employee Benefits	Jan 01, 2013	yes
IFRS 1	Hyperinflation and Fixed Conversion Date	Jan 01, 2013	no
IFRS 1	Government loans	Jan 01, 2013[2]	no
IFRS 7	Financial Instruments: Disclosures - offsetting of financial assets and financial liabilities	Jan 01, 2013	yes
	Improvements IFRS 2011	Jan 01, 2013[2]	is evaluated
IAS 27	Separate financial statements	Jan 01,2014	no
IAS 28	Investments in associates and joint ventures	Jan 01,2014	is evaluated
IAS 32	Financial instruments: Presentation'	Jan 01,2014	is evaluated

1) applicable for financial years starting on or after the indicated date
2) not yet endorsed by the EU

IFRS 10 replaces the requirements of IAS 27 on consolidated and separate financial statements and SIC 12. Henceforth, IAS 27 contains only regulations regarding the accounting of subsidiaries, joint ventures and associated entities in separate financial statements according to the IFRS. IFRS 10 creates a consistent basis for the consolidation concept and the delimitation of the basis of consolidation, i.e. the principles according to which a subsidiary has to be or does not have to be consolidated. However, the method of consolidation remains unchanged. The consolidation model is now based exclusively on the concept of control.

IFRS 11 replaces IAS 31 and SIC-13. IFRS 11 changes the accounting of joint arrangements by eliminating one of the three categories specified in IAS 31.

IFRS 12 defines the required disclosures for entities that report in accordance with IFRS 10 and IFRS 11. Many of the required disclosures were already contained in the standards IAS 27, IAS 31 and IAS 28, while others are required to be disclosed for the first time.

IFRS 13 determines a standardized framework for the determination of the fair value. The new standard stipulates how this value (if allowed or required by other IFRS) has to be determined.

The amendment of IAS 19 mainly results in major changes of the accounting for post-employment benefits. By eliminating certain options and smoothing mechanisms, the complete net defined benefit obligation shall be recognized in the statement of financial position. Therefore, actual gains and losses have to be recognized in other comprehensive income and are never reclassified in to profit and loss, while past service costs have to be recognized immediately in the income statement. Additionally, disclosure requirements in connection with defined benefit plans are extended.

At the end of 2011, the IASB issued an amendment to IFRS 7 and IAS 32. The amendment of IAS 32 clarifies the application of offsetting mechanism. Accordingly, the amendment of IFRS 7 includes new disclosures which provide information on offsetting mechanism and on the underlying agreements. While the amendments of IAS 32 are effective for annual periods beginning on or after January 1, 2014, IFRS 7 is already effective for annual periods beginning on or after January 1, 2013.

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 by the Group companies at the spot rate applicable on the date of the transaction. Monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at each reporting date at the respective spot rate. Any translation differences are recognized in the other operating income or expenses or in other financial income or expenses. Non-monetary items measured at cost 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.

Since the functional currency of all subsidiaries is the Euro, foreign currency translation resulting from the consolidation of foreign operations was not required in the course of the preparation of the Consolidated Financial Statements.

Consolidation

Subsidiaries (capital consolidation)

Entities are considered subsidiaries, if the ÖBB-Infrastruktur 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 taken into consideration. Subsidiaries are included in the Consolidated Financial Statements (full consolidation) from the date the ÖBB-Infrastruktur Group obtains control. Upon expiration of control, these entities are deconsolidated.

Accordingly, the results of operations of the businesses acquired or sold during the reporting year are included in the Company's Consolidated Income Statement and in the other comprehensive income from the respective date of acquisition or until the date of sale respectively. Non-controlling interests in shareholder's equity and earnings of companies are disclosed separately.

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

Business combinations

Business combinations are accounted for according to the purchase method. The acquisition costs are measured at the total of the consideration transferred, measured at fair value at the acquisition date, plus the 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 acquired and liabilities assumed in accordance with the contractual terms, economic circumstances and general conditions given at the time of the acquisition. This also includes separation of embedded derivatives in a host contract. In case of business combinations carried out in stages, the equity share in the acquired company previously held by the acquirer is re-measured at fair value at the time of the acquisition, and the resulting profit or loss is recognized in the income statement in the current period. An agreed contingent consideration is recognized at the 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 shareholder’s equity is not re-measured, and its payment is accounted for in the shareholder’s equity.

At initial recognition, goodwill is measured at cost, determined as the excess amount of the total 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 benefit from the business combination, irrespective of whether other assets or liabilities of the acquired entity are attributed to these cash-generating units.

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

Associated companies

An associated company is an entity where the ÖBB-Infrastruktur 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, interests 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 the ÖBB-Infrastruktur Group in the net assets subsequent to the acquisition date and to reflect losses resulting from impairment. Losses exceeding the interest in the associated company are not recognized, unless a commitment for additional contributions exists.

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

Joint ventures

A joint venture is a contractual arrangement regarding an economic activity in which two or more parties have joint control. Joint ventures are recorded at equity in the Consolidated Financial Statements.

Elimination of intercompany accounts

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

Revenue and expense elimination

Any and all intra-group expenses and revenues are eliminated in the course of the revenue and expense elimination. When fixed assets are constructed by the ÖBB-Infrastruktur Group itself, any revenues arising therefrom are transferred to own work capitalized. Gains and losses from transactions between Group companies are eliminated.

Unrealized profit elimination

Unrealized profits resulting from intra-group sales of assets or contribution of assets to subsidiaries and from self-constructed assets are 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-Infrastruktur AG and 11 (prior year: 10) other fully consolidated entities and 2 (prior year: 2) entities recorded at equity, i.e. a total of 14 (prior year: 13) companies. The companies included in the Consolidated Financial Statements are indicated in Note 36. It lists all investments of the ÖBB-Infrastruktur Group, including shareholder's equity, net income according to national accounting law, and the type of consolidation. Subsidiaries consolidated in the years 2011 and 2012 and 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 of the net assets, financial position and results of operations of the ÖBB-Infrastruktur Group. The subsidiaries not consolidated are those with a small business volume whose revenues, assets and liabilities jointly account for less than 1% of the consolidated amounts. Güterterminal Werndorf Projekt GmbH was acquired in December 2012 and initially consolidated as of December 31, 2012. Regarding the effects of this business combination see next page.

Basis of consolidation	Consolidated	At equity method of accounting	Total
As of Jan 01, 2011 and Jan 01, 2012	*11*	*2*	*13*
Initial consolidation	1	0	1
As of Dec 31, 2012	**12**	**2**	**14**

Business Combination

On December 12, 2012, ÖBB Infrastruktur AG acquired 100% of the shares of Güterterminal Werndorf Projekt GmbH (GWP) from Schieneninfrastruktur-Dienstleistungsgesellschaft mbH (SCHIG) for a purchase price of EUR5.5 million. In 2012, 50% of the purchase price was paid in cash. The remaining purchase price will be paid as soon as the transfer of the properties is registered in the land register. Additionally, ÖBB Infrastruktur AG assumed bank liabilities of SCHIG in connection with the construction of the freight terminal. These liabilities are matched by receivables due from GWP in the same amount.

SCHIG qualifies as a related party because all shares of SCHIG are held by the federal government. The agreed purchased price is based on a company valuation of an independent certified public accountant and is therefore at arm's length.

The following table "Business Combination 2012" provides the fair value of the assets and liabilities as of the acquisition date. The fair values were determined based on the final allocation of the consideration transferred to the assets and liabilities. Incidental acquisition costs were expensed as incurred.

In 2012, Güterterminal Werndorf Projekt GmbH recognized revenues EUR2.1 million and a net loss of EUR0.3 million.

Net assets acquired	Fair value in million EUR
Property, plant and equipment (non-current)	44.0
Receivables and other assets (current)	1.6
Cash and cash equivalents (current)	0.4
Other financial liabilities (non-current)	-33.9
Bank loans (non-current)	-5.8
Other liabilities (current)	-0.6
Provisions (current)	-0.2
Net assets acquired	**5.5**
Paid in cash	2.75
Purchase price due	2.75

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

The effects of the changes in the basis of consolidation described above on the Consolidated Financial Statements are shown in the following table:

Development of the statement of financial position in mil. EUR	Jan 01, 2011	Organic incl. effects from consolidation	Dec 31, 2011	Business Combinations	Organic incl. effects from consolidation	Dec 31, 2012
Non-current assets	16,915.2	1,247.5	18,162.7	44.1	466.4	18,673.2
Current assets	841.1	25.1	866.2	1.9	183.9	1,052.0
Balance sheet total	**17,756.3**	**1,272.6**	**19,028.9**	**46.0**	**650.3**	**19,725.2**
Shareholder's equity	1,133.3	-17.8	1,115.5	5.5	27.6	1,148.6
Non-current liabilities	14,170.9	1,837.9	16,008.8	39.7	-288.1	15,760.4
Current liabilities	2,452.1	-547.5	1,904.6	0.8	910.8	2,816.2
Balance sheet total	**17,756.3**	**1,272.6**	**19,028.9**	**46.0**	**650.3**	**19,725.2**

Income statement development in mil. EUR,	2010	Organic	2011	Organic	2012	
Total revenues	2,890.6	46.1	2,889.3	124.7	3,014.0	*)
Total expenses	-2,394.1	1.4	-2,345.4	-77.8	-2,423.2	*)
Financial result	-485.6	-50.0	-535.6	-46.5	-582.1	

*) adjusted prior year amounts, see Notes 4 and 7

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

Property, plant and equipment and investment property

Property, plant and equipment and investment property are recognized at cost less depreciation and possible impairments. Cost includes certain expenses incurred in the course of the construction or development of the railway infrastructure, such as material and personnel expenses, directly attributable fixed and variable overheads, the present value of obligations resulting from demolition, disposal of assets and restoration of sites, and borrowing cost directly attributable to qualifying assets. Value added tax charged by suppliers and entitling to input tax deduction is not included in cost. Property, plant and equipment under finance lease is recognized at the lower of the present value of the 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 lives, and recognized in the depreciation and amortization in the Consolidated Income Statement. Leased property, plant and equipment (held under finance leases) and fixtures in third-party buildings are also depreciated over their estimated useful life if ownership is expected to be transferred at the end of the lease term; otherwise, they are depreciated over the shorter of the lease term or the useful life. Assets with costs of up to EUR400.00 are classified as low-value assets and expensed as incurred due to their insignificance.

The useful lives are:

	Years
Buildings	
Substructure	20-150
Superstructure	10-50
Roadbed and track	35-40
Security and telecommunications equipment	4-30
Automobiles and trucks	5-25
Technical equipment and machinery	
High-voltage and lighting equipment	15-50
Tools and equipment	4-20
Machinery	9-15
Other plant, furniture and fixtures	2-8

Costs for maintenance and repair are expensed as incurred, whereas replacements and improvements are capitalized. The cost and accumulated depreciation of assets sold or retired are removed from the accounts, and resulting gains or losses are recognized in other operating income or expenses. The useful lives and the methods of depreciation presented above are also applied to assets presented in the line item “Investment property”.

Grants related to assets

Grants (investment grants) provided to the ÖBB-Infrastruktur Group are recognized in the Statement of Financial Position when it is certain that the grant will be received and all attached conditions will be complied with. Asset-related grants, in particular 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

The ÖBB-Infrastruktur Group currently does not recognize any goodwill or 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 expensed as incurred due to their insignificance.

The straight-line amortization is based on the following useful lives:

	Years
Investment grants to affiliated companies	5
Investment grants to third parties	3-80
Concessions	4-20
Software	2-20
Other intangible assets	10-30

Grants are amortized over the useful life of the asset for which the grant was paid. The useful life can be up to 80 years in individual cases, but in general, it is 20 years.

Impairment of property, plant and equipment and intangible assets

Due to the following preamble to the grant agreements, no impairment test was required: “ÖBB-Infrastruktur AG is a railway infrastructure company whose activities are of public interest and further defined in Article 31 *Bundesbahngesetz*. The basis for the financing of the Company is given in Article 47 *Bundesbahngesetz*, 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 Article 42 (6) *Bundesbahngesetz*. The commitment by the federal government regulated in this provision is implemented by the grant agreements pursuant to Article 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 the ÖBB-Infrastruktur AG sub-group used for the tasks pursuant to Article 31 *Bundesbahngesetz*, which also conforms to the statutory task according to the *Bundesbahngesetz*.”

Further information is given in the chapter “Service relations with the federal government, master plan for infrastructure investments and guarantees provided by the federal government” in Note 32.

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.

Non-current assets and liabilities held for sale (IFRS 5)

Assets held for sale are measured at the lower of the carrying amount or the fair value less cost to sell according to IFRS 5 ("Non-current assets held for sale and discontinued operations"). Assets classified as "held for sale" are not depreciated and reported in a separate line item in the Statement of Financial Position. Gains or losses from the sale of these assets are recorded together with the gains or losses from the disposal of property, plant and equipment and intangible assets as other operating income or expenses or, in case of an investment, in the other financial result.

Financial instruments

General information

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

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

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

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

Cash and cash equivalents

The ÖBB-Infrastruktur Group recognizes cash on hand, cash in banks, highly liquid financial investments with remaining maturities of three months or less and deposits with the affiliated company ÖBB-Finanzierungsservice GmbH, who manages the liquidity between the subsidiaries of the ÖBB-Holding Group, 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 including current liabilities due to ÖBB-Finanzierungsservice GmbH represent the fund 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. Financial instruments disclosed in the Statement of Financial Position as financial liabilities are measured at amortized cost with the exception of derivative financial instruments and one bond that is subject to fair value hedge accounting. Derivative financial instruments are measured at fair value. The bond that is designated as the hedged item in a fair value hedge is measured at amortized cost adjusted for the changes in the fair value of hedged risk. Changes in the fair value of derivative financial instruments are recognized in profit or loss or in the other comprehensive income, depending on whether the derivative financial instrument is designated to hedge the fair value of assets or liabilities recognized in the Statement of Financial Position (fair value hedge) or 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 in the fair value of the effective portion of the hedging instrument are recognized via the other comprehensive income in shareholder's 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 designated as hedges are recognized in profit or loss immediately. Hedge accounting is applied in the ÖBB-Infrastruktur Group, and a general description is given in Note 29.2.

Changes in the fair value of derivative financial instruments not designated as a hedging instrument are recognized in profit and 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-Infrastruktur Group, and are measured at amortized cost or at fair value. Unrealized gains and losses on available-for-sale financial assets are recognized in the other comprehensive income.

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

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

If there is an indication that an impairment no longer exists, the ÖBB-Infrastruktur Group has to reverse all or part of the impairment in profit and loss, 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 the other comprehensive income.

Trade receivables

Trade receivables are recognized at the lower of amortized cost or fair value. Impairments are recognized if collection of the claims can no longer be expected due to customer-specific circumstances. If such doubts regarding the collection of the receivables occur, these receivables are measured at the lower realizable amount and specific allowances are recognized on the basis of identifiable risks. Impairment indications include significant financial difficulties of the contractual partner, insolvency proceedings initiated against the debtor, unsuccessful dunning and execution attempts, effective breach of contract (e.g. default or failure to pay) and other information raising doubts about the solvency of the debtor. The debtor’s creditworthiness is considered 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 cash and cash equivalents, trade receivables and payables, receivables due from and liabilities due to related companies approximate their fair values, because they constitute current financial instruments. 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 receivables, financial liabilities and swap agreements is based on the present value of future cash flows, discounted at the ÖBB-Infrastruktur Group’s estimated current interest rate at which comparable financial instruments may be concluded. Existing credit risk is considered when determining the fair values.

The ÖBB-Infrastruktur Group estimates, based on the audited financial statements, if any, whether the fair value of assets for which no quoted prices are available - mainly investments - corresponds to their carrying amount or cost. These 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. 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 production cost to complete and selling costs still to be incurred.

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

Provisions

Provisions are recognized when obligations to a third party were assumed or exist which will probably result in payments made by the ÖBB-Infrastruktur Group, 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-Infrastruktur 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 lower of the leased item's fair value or the present value of the minimum lease payments at inception of the lease, less depreciation and impairment losses.

If substantially all risks and rewards of ownership are attributable to the ÖBB-Infrastruktur Group as lessor, the leased item is recognized by the ÖBB-Infrastruktur Group. The leased item is recognized according to the regulations applicable to this asset in accordance with IAS 16. For further information on the accounting and measurement methods applied to the cross-border leasing transactions see 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 an amount equal to the net investment in the lease.

Employee benefit obligations

The ÖBB-Infrastruktur 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-Infrastruktur 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 payments and anniversary bonuses) result from unfunded defined benefit plans for which adequate provisions are recognized. The ÖBB-Infrastruktur Group calculates the provision using the projected unit credit method (PUC method) in accordance with IAS 19 ("Employee Benefits"). The future obligations are measured using actuarial methods on the basis of appropriate estimates of the discount rate, rate of compensation increase, rate of increase of pensions and employee turnover. In accordance with this method, the ÖBB-Infrastruktur Group recognizes all actuarial profits and losses immediately and in their entirety in profit or loss. 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 also includes the initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located. Provisions for 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 and loss. Changes in the measurement of these liabilities resulting from changes in the estimated maturity or the 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.

Revenue recognition

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

Grants related to income

Grants related to expense and income provided to the ÖBB-Infrastruktur Group are recognized in profit or loss immediately upon fulfillment of the preconditions. Regarding the particularities of the grant of the federal government for the financing of the infrastructure see Note 33.

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.

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

Research and development costs

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

Income tax

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

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

- Income from energy power transactions;
- Provision of services not related to railway infrastructure;
- Management of real estate not representing railway assets as defined in Article 10a *Eisenbahngesetz*;
- Investment administration.

In December 2005, a tax group contract was concluded with ÖBB-Holding AG as head of the tax group and the majority of the subsidiaries of the ÖBB Group, including ÖBB-Infrastruktur AG and its subsidiaries, as group members. According to this contract, the head of the tax group and the group members agreed on regulations regarding intra-group tax compensation. Positive tax allocations determined in accordance with these regulations are calculated by means of the standalone method (which bases the calculation of the allocation on the assumption that the individual group members are independent as regards taxes) and become due at the time the financial statements of the respective group member are issued, while negative tax allocations become due only when the losses are effectively used by the head of the group.

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 affects neither 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 associated companies are recognized, unless the ÖBB-Infrastruktur Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future due to this influence.

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

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available in the future against which temporary differences or loss carry-forwards 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 the 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 and the amounts of income and expenses of the period under review. Actual results may differ from these estimates. All estimates and assumptions are updated on a regular basis and based on experience and 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-Infrastruktur 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 the 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 severance payment, pension and anniversary benefit claims is based on a method that uses various parameters such as the expected discount rate, the rate of compensation and pension increase and the 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 provisions and, as a result, on the net personnel expenses of the ÖBB-Infrastruktur Group.

The long-term rate of compensation increase, the rate of employee turnover and the discount rate used for long-term personnel provisions (severance and anniversary) were adjusted regularly to reflect the actual circumstances. In this regard see Note 26.1. The resulting change in the provision affects the actuarial gains and losses and is disclosed in the development of the provisions.

b. 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. The actual time of use may differ from these estimations. According to a sensitivity analysis performed, a change in the useful life of +/- 1 year would result in an increase in depreciation and amortization amounting to EUR57.3 million (prior year: EUR40.6 million) or a decrease amounting to EUR62.7 million (prior year: EUR79.6 million) respectively. In 2011, the useful lives of lines which will not be part of the target network were reduced to the expected remaining useful life, resulting in an additional depreciation of EUR2.7 million. On the other hand, the definite useful life of certain assets was extended in 2011, resulting in a reduction of depreciation of EUR0.9 million. In 2011, the useful life of buildings which will be dismantled in the following years was reduced to the expected date of dismantling, resulting in an increase of depreciation of EUR3.4 million. For further disclosures see Note 14.

c. Provisions

Provisions were measured according to the best estimate in accordance with IAS 37.37, i.e. at the amount that the company would have to pay, under reasonable consideration, to settle the obligation as of the reporting date or to transfer the obligation to a third party at that time. Reliable statements on a sensitivity analysis, especially regarding the likelihood of environmental risks and asset retirement costs are not possible. The measurement of the provision for asset retirement costs is based on the assumption that the ÖBB-Infrastruktur Group will continue to exist and that the Company will continue to operate, and that therefore, the lines will continue to be serviced. Asset retirement costs are estimated and a respective provision is recognized only when the closure of individual lines is expected in the foreseeable future or when such closure has already been initiated. The carrying amounts are indicated in Note 26.2.

d. Deferred taxes

Deferred tax assets were recognized for temporary differences between the tax base and the carrying amounts of assets and liabilities and for losses carried forward. With respect to the fiscal situation of ÖBB-Infrastruktur AG, see the partial tax exemption (detailed under the headline “Income tax”). When assessing deferred tax assets, the Executive Board evaluates the prospective usage within the 5-year tax planning period (see Note 13).

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

e. Cross-border leasing (CBL)

For 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 and the investments will be recognized in the Statement of Financial Position, allowances impairments on the investments will be recognized or payment undertakers will be replaced.

Concentration of risks

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

Capital management

The objective of the financial management of the ÖBB-Infrastruktur Group is to sustainably increase the shareholder value and to maintain a capital structure appropriate for upholding the excellent credit rating. Due to the Company’s special situation and its statutory mission, and also as a result of the government’s commitment to subsidize infrastructure expenditures (both construction and operation and maintenance) not covered by the Company’s income from current operations, the control of the capital structure focuses mainly on ratios measuring the debts and compared to the respective budgeted values. The Company defines equity as shareholder’s capital, reserves, retained earnings and non-controlling interests, if any. The managed equity amounted to EUR1,148.6 million as of December 31, 2012 (prior year: EUR1,115.5 million).

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

4. Revenue

	2012 in mil. EUR	2011 in mil. EUR	
Government grant pursuant to Article 42 *Bundesbahngesetz* for infrastructure operation	1,086.1	1,033.0	
Infrastructure usage charge	448.9	436.5	
Revenue from power supply	391.9	370.6	*)
Revenue from rent	118.2	115.3	
Other revenue	107.3	107.4	
Total	**2,152.4**	**2,062.8**	*)
thereof from affiliated companies	730.9	743.8	

*) adjusted prior year amounts

The government grant pursuant to Article 42 *Bundesbahngesetz* is granted for the provision, operation and maintenance of the railway infrastructure and for the fulfillment of the statutory tasks insofar as the revenues that can be achieved by the users of the railway infrastructure (infrastructure usage charge) do not cover the expenses incurred with economical and efficient management. Further information on the grant agreement is given in Note 32.

Revenue from rent is generated by the rent and lease of real estate. Revenue from power supply is mainly generated from traction power supply and energy power transactions.

Compared to the prior year, the classification of revenues and related expenses amounting to EUR98.9 million resulting from certain energy trading contracts in which the ÖBB-Infrastruktur Group is acting as broker were changed to a net presentation in order to provide a better view of the results of operations. The prior year amounts were adjusted accordingly by EUR47.4 million.

The revenue from construction contracts recognized in other revenue during the period under review amounts to EUR38.2 million (prior year: EUR39.2 million), EUR11.4 million (prior year: EUR10.3 million) of which were generated with affiliated companies of the ÖBB Group. These revenues are matched by contract costs amounting to EUR38.5 million (prior year: EUR42.9 million). Furthermore, the other revenue comprises revenue from telecommunication services, from the repair of damage and from cleaning and security services.

For the composition of revenue by business unit and according to geographic aspects see Note 33 (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. Such own work is mainly incurred in connection with the construction or extension of the railway infrastructure.

6. Other operating income

	2012 in mil. EUR	2011 in mil. EUR
Grant of the federal government pursuant to Article 42 *Bundesbahngesetz* for infrastructure	454.4	390.7
Gain from the disposal of property, plant and equipment, intangible assets, investment property and non-current assets held for sale	49.2	79.3
Revenue from the sale of materials	18.0	18.3
Personnel leasing to third parties	9.3	9.6
Miscellaneous operating income	19.8	18.7
Total	**550.7**	**516.6**
thereof from affiliated companies	*24.7*	*20.5*

The government grant pursuant to Article 42 *Bundesbahngesetz* for extension and reinvestments is recorded in the other operating income. Further information on the grant agreement is provided in Note 32.

The miscellaneous operating income primarily includes recharged costs, compensation for damages, rent of advertising space, sponsorships and expense subsidies.

7. Expenses for materials and services received

	2012 in mil. EUR	2011 in mil. EUR	
Expenses for materials	257.3	251.6	*)
Expenses for services received	279.5	293.3	
Total	**536.8**	**544.9**	***)**
thereof with affiliated companies	66.4	65.1	

*) adjusted prior year amounts

Expenses for materials comprise expenses amounting to EUR240.3 million (prior year: EUR232.6 million) for traction power purchased from third parties and purchased power for power trading.

Expenses for services received mainly comprise goods and services of a non-capital nature in connection with repairs, maintenance (in particular railway infrastructure), disposal costs, cleaning and other services and rents for rail-bound vehicles and transport services (deadhead transports).

With respect to the adjustment of the prior year amounts see Note 4.

8. Personnel expenses and employees

	2012 in mil. EUR	2011 in mil. EUR
Salaries	828.8	810.2
Statutory social security contributions	213.6	216.2
Expenses for severance payments	14.6	6.2
Pension costs	8.6	8.1
Wages	0.7	0.7
Total	**1,066.3**	**1,041.4**

			Change		Average	
Employee structure	Dec 31, 2012	Dec 31, 2011	Reporting date	in %	2012	2011
Employees (incl. apprentices)	3,069	3,127	-58	-2%	3,108	3,035
thereof apprentices	*2*	*3*	*-1*	*-33%*	*3*	*2*
Workers	1,000	1,101	-101	-9%	1,053	1,134
Tenured employees	12,390	12,676	-286	-2%	12,509	13,045
Total (incl. apprentices)	**16,459**	**16,904**	**-445**	**-3%**	**16,670**	**17,214**

9. Amortization and depreciation

	2012 in mil. EUR	2011 in mil. EUR
Depreciation on property, plant and equipment	687.5	639.9
Amortization of intangible assets	36.1	35.8
Impairment on assets held for sale	4.6	0.0
Depreciation on investment property	3.7	3.0
	731.9	**678.7**
less amortization of investment grants	-192.4	-197.0
Total depreciation and amortization	**539.5**	**481.7**

10. Other operating expenses

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

	2012 in mil. EUR	2011 in mil. EUR
Cost of operation	99.9	104.6
Non-income taxes	41.9	36.3
Training and continuing education	32.0	29.8
Loss on the disposal of property, plant and equipment and intangible assets	28.5	16.7
Compensation of travel and other expenses	18.9	19.2
Rent, lease and license expenses	15.5	16.3
Office supplies	6.0	8.6
Postal, bank and telephone fees	3.5	4.0
Miscellaneous	34.4	41.9
Total	**280.6**	**277.4**
thereof with affiliated companies	*86.0*	*90.4*

Non-income taxes comprise all taxes not related to income (electricity tax, motor vehicle tax, real estate tax, road user charges and other taxes and contributions etc.).

The miscellaneous operating expenses mainly refer to expenses for insurances, events of loss, marketing and advertising costs, lease of personnel, payments to affiliated companies for transport services of employees and canteens.

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

	2012 in kEUR	2011 in kEUR
Annual financial statements and consolidated annual financial statements audit	294	289
Other auditing services	9	10
Consulting services	119	45
Total	**422**	**344**

11. Interest income and expenses

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

Interest income/expenses	2012 in mil. EUR	2011 in mil. EUR
Interest income	87.9	92.2
thereof from affiliated companies	29.4	34.2
Interest expenses	-667.3	-623.7
thereof to affiliated companies	-26.2	-34.5
Total	**-579.4**	**-531.5**
thereof relating to affiliated companies	3.2	-0.3

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

The interest income from non-affiliated companies mainly comprises interest income from swaps and other derivative financial instruments and interest income from marketable securities and other deposits made in connection with cross-border leasing transactions.

The interest expenses refer to bonds at an amount of EUR503.6 million (prior year: EUR453.8 million). In addition, interest expenses amounting to EUR69.0 million (prior year: EUR65.2 million) result from EUROFIMA loans and other borrowings and interest-like expenses. The expenses for liability compensation amount to EUR16.8 million (prior year: EUR14.8 million). The other interest expenses mainly comprise interest payments and deferrals from cross-border leasing transactions and amount to EUR52.8 million (prior year: EUR52.4 million).

The majority of the interest income and expenses with respect to affiliated companies results from interest on receivables from sub-lease agreements.

12. Other financial result

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

Other financial result	2012 in mil. EUR	2011 in mil. EUR
Other financial income	48.9	63.3
thereof income from disposal and revaluation of financial assets	*5.3*	*30.0*
thereof from measurement/foreign currency translation differences	*41.4*	*25.6*
thereof from affiliated companies	*0.6*	*5.5*
Other financial expenses	-52.3	-68.2
thereof from measurement/foreign currency translation differences	*-37.3*	*-54.3*
thereof with affiliated companies	*-4.9*	*-27.8*
Total	**-3.4**	**-4.9**

Measurement gains/losses from the hedged items in connection with cash flow hedge and fair value hedge accounting are offset against the results of these derivatives in order to provide a better overview of the results of operations of the ÖBB-Infrastruktur Group. The other financial income mainly refers to measurement gains from derivatives and charges to affiliated companies arising from impairments in connection with cross-border leasing transactions. The income from investments amounts to EUR668,000 (prior year: EUR33,000).

The other financial expenses result in particular from fair value changes of derivative financial instruments. The other financial expenses also include the impairments of assets in connection with cross-border leasing transactions that were for the most part charged to other affiliated companies.

13. Income taxes

Tax expenses/tax benefit

The item income taxes is composed as follows:

	2012 in mil. EUR	2011 in mil. EUR
Expense/benefit from tax allocation (group taxation)	-4.0	-0.8
Deferred tax expense/benefit	15.5	-21.8
Income taxes	**11.5**	**-22.6**

Domestic income taxes are calculated at 25% of the estimated taxable profit in the financial year. Income taxes in the amount of EUR2.4 million (prior year: -EUR0.7 million) are recognized in the cash flow hedge reserve for power via the other comprehensive income.

The changes in deferred taxes are composed as follows:

	2012 in mil. EUR	2011 in mil. EUR
Deferred tax assets	*22.2*	*44.0*
Recognized amounts as of Jan 01	**22.2**	**44.0**
Change in deferred taxes		
affecting profit and loss	*15.5*	*-21.8*
Recognized amounts as of Dec 31	**37.7**	**22.2**
thereof deferred tax assets	*37.6*	*22.2*

Due to the underlying temporary differences between the carrying amounts in the IFRS consolidated financial statements and the relevant tax bases, the deferred taxes at an amount of EUR31.3 million (prior year: EUR16.4 million) have to be classified as non-current. Deferred taxes on loss carry-forwards at an amount of EUR6.3 million (prior year: EUR5.8 million) which can probably be used in the financial year 2013 are classified as current.

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 rate of 25% on the annual taxable income.

	2012 in mil. EUR	2011 in mil. EUR
Income before income tax according to IFRS	8.8	8.4
Adjustment of tax-exempt portion pursuant to Article 50 (2) *Bundesbahngesetz*	66.5	50.0
Taxable portion of the income	**75.3**	**58.4**
Group tax rate	*25%*	*25%*
Expected expense (-) or benefit (+) from taxes in the financial year	-18.8	-14.6
Investment income	0.8	1.6
Effects of changes of recognition	29.7	-4.4
Non-deductible operating expenses and other additions	-0.2	-5.2
Accounted income taxes	**11.5**	**-22.6**
Effective corporate tax rate	**-15.3%**	**38.7%**

The effective corporate tax rate of -15.1% (prior year: 38.7%), which deviates significantly from the statutory corporate tax rate of 25%, primarily results from the changes of recognized deferred taxes on loss carry-forwards.

Deferred tax assets and deferred tax liabilities as of December 31, 2012, are the result of temporary measurement differences between the carrying amounts in the Consolidated Financial Statements and the relevant tax bases and of tax losses carried forward. Changes in recognition were necessary because the future taxable income justifying the recognition of deferred tax assets was reassessed.

The deferred taxes are allocated to the following items in the Statement of Financial Position, losses carried forward and tax credits:

	Deferred tax		Deferred tax	
	assets Dec 31, 2012 in mil. EUR	liabilities Dec 31, 2012 in mil. EUR	assets Dec 31, 2011 in mil. EUR	liabilities Dec 31, 2011 in mil. EUR
Assets				
Property, plant and equipment	11.8	-2.2	9.8	-0.3
Intangible assets	0.0	-0.1	0.0	-0.1
Financial assets	0.0	-11.9	0.1	-8.0
	11.8	**-14.1**	**9.9**	**-8.5**
Liabilities				
Provisions	1.5	-5.5	0.8	-1.5
Other financial liabilities	17.3	0.0	9.5	0.0
	18.8	**-5.5**	**10.3**	**-1.5**
Tax losses carried forward	26.8	0.0	12.0	0.0
Deferred tax assets or deferred tax liabilities	**57.4**	**-19.7**	**32.2**	**-10.0**
Offsetting	-19.7	19.7	-10.0	10.0
Net deferred tax assets or deferred tax liabilities	**37.7**	**0.0**	**22.2**	**0.0**

When assessing the recoverability of deferred tax assets, the Executive Board estimates the expected future 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, for which loss carry-forwards can be used. In this assessment, the Executive Board considers the expected release of deferred tax liabilities and the estimated future taxable income.

Based on the level of taxable income of prior years and the forecasts of future taxable income in the periods in which the deferred tax assets become deductible, the Executive Board believes that it is more likely than not that the tax benefits from these deferred tax assets in the amount of EUR37.7 million (prior year: EUR22.2 million) will be realized. 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 acquisition cost. The temporary differences in the financial assets and liabilities result from the different measurement of the power derivatives according to the IFRS (measurement at fair value) and pursuant to tax law (provision for contingent losses).

The tax loss carry-forwards originate from Austrian companies and can be carried forward for an unlimited period of time. Annual usage of losses carried forward is limited to 75% of the respective taxable income in Austria; however, EUR2,488.6 million (prior year: EUR2,533.6 million) result from pre-tax group losses of ÖBB-Infrastruktur AG and can therefore be utilized in their entirety against taxable income generated in future periods.

No deferred taxes were recognized for tax loss carry-forwards at an amount of EUR2,381.3 million (prior year: EUR2,485.6 million), as utilization is not probable in the foreseeable future.

14. Property, plant and equipment

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

in mil. EUR	Land and buildings	Automo-biles and trucks	Technical equipment and machinery	Technical equipment and machi-nery leased	Other plant, furniture and fixtures	Assets under construction and pre-payments	Total
Cost 2012							
Cost as of Jan 01, 2012	*20,647.0*	*285.9*	*7,125.7*	*9.2*	*139.0*	*3,834.4*	*32,041.2*
Additions	16.7	0.0	1.5	0.0	6.4	1,766.3	1,790.9
Business combination	85.1	0.2	4.5	0.0	0.0	0.0	89.8
Disposals	-244.1	-23.5	-62.0	0.0	-8.2	-11.3	-349.1
Transfers	2,456.1	54.7	887.7	-6.6	-20.1	-3,383.2	-11.4
Cost as of Dec 31, 2012	22,960.8	317.3	7,957.4	2.6	117.1	2,206.2	33,561.4
Accumulated depreciation as of Jan 01, 2012	*-6,554.3*	*-164.8*	*-3,790.4*	*-6.8*	*-85.3*	*0.0*	*-10,601.6*
Depreciation	-383.5	-26.9	-254.0	-0.8	-22.3	0.0	-687.5
Business combination	-16.8	-0.2	-1.8	0.0	0.0	0.0	-18.8
Disposals	128.5	17.9	53.1	0.0	7.8	0.0	207.3
Transfers	-0.5	0.0	-5.8	5.8	25.3	0.0	24.8
Accumulated depreciation as of Dec 31, 2012	-6,826.6	-174.0	-3,998.9	-1.8	-74.5	0.0	-11,075.8
Carrying amounts before investment grants as of Jan 01, 2012	***14,092.7***	***121.1***	***3,335.3***	***2.4***	***53.7***	***3,834.4***	***21,439.6***
Carrying amounts before investment grants as of Dec 31, 2012	**16,134.2**	**143.3**	**3,958.5**	**0.8**	**42.6**	**2,206.2**	**22,485.6**
Investment grants 2012							
As of Jan 01, 2012	*-9,261.7*	*-7.2*	*-2,952.5*	*0.0*	*-5.5*	*-541.4*	*-12,768.3*
Additions	-48.5	0.0	-12.5	0.0	0.0	-90.5	-151.5
Business combination	-29.4	0.0	-0.9	0.0	0.0	0.0	-30.3
Disposals	72.8	0.0	20.1	0.0	0.0	4.3	97.2
Transfers	-223.2	0.0	-18.4	0.0	0.0	241.7	0.1
As of Dec 31, 2012	-9,490.0	-7.2	-2,964.2	0.0	-5.5	-385.9	-12,852.8
Accumulated depreciation as of Jan 01, 2012	*5,204.5*	*6.8*	*2,248.1*	*0.0*	*4.0*	*0.0*	*7,463.4*
Depreciation	120.4	0.2	63.5	0.0	0.3	0.0	184.4
Business combination	3.0	0.0	0.3	0.0	0.0	0.0	3.3
Disposals	-55.1	0.0	-17.6	0.0	0.0	0.0	-72.7
Accumulated depreciation as of Dec 31, 2012	5,272.8	7.0	2,294.3	0.0	4.3	0.0	7,578.4
Investment grants as of Jan 01, 2012	***-4,057.2***	***-0.4***	***-704.4***	***0.0***	***-1.5***	***-541.4***	***-5,304.9***
Investment grants as of Dec 31, 2012	**-4,217.2**	**-0.2**	**-669.9**	**0.0**	**-1.2**	**-385.9**	**-5,274.4**
Carrying amounts after investment grants as of Jan 01, 2012	***10,035.5***	***120.7***	***2,630.9***	***2.4***	***52.2***	***3,293.0***	***16,134.6***
Carrying amounts after investment grants as of Dec 31, 2012	**11,917.0**	**143.1**	**3,288.6**	**0.8**	**41.4**	**1,820.3**	**17,211.2**

in mil. EUR	Land and buildings	Automo-biles and trucks	Technical equipment and machinery	Technical equipment and machi-nery leased	Other plant, furniture and fixtures	Assets under construction and pre-payments	Total
Cost 2011							
Cost as of Jan 01, 2011	*17,526.9*	*265.3*	*6,761.4*	*9.0*	*124.5*	*5,585.3*	*30,272.4*
Additions	13.0	0.9	1.6	0.2	10.6	2,064.5	2,090.8
Disposals	-202.2	-13.7	-53.5	0.0	-14.0	-24.2	-307.6
Transfers	3,309.3	33.4	416.2	0.0	17.9	-3,791.2	-14.4
Cost as of Dec 31, 2011	20,647.0	285.9	7,125.7	9.2	139.0	3,834.4	32,041.2
Accumulated depreciation as of Jan 01, 2011	*-6,346.9*	*-149.5*	*-3,597.1*	*-5.7*	*-79.3*	*0.0*	*-10,178.5*
Depreciation	-356.5	-25.1	-241.0	-1.1	-19.2	0.0	-642.9
Disposals	149.1	9.8	47.7	0.0	13.2	0.0	219.8
Accumulated depreciation as of Dec 31, 2011	-6,554.3	-164.8	-3,790.4	-6.8	-85.3	0.0	-10,601.6
Carrying amounts before investment grants as of Jan 01, 2011	***11,180.0***	***115.8***	***3,164.3***	***3.3***	***45.2***	***5,585.3***	***20,093.9***
Carrying amounts before investment grants as of Dec 31, 2011	**14,092.7**	**121.1**	**3,335.3**	**2.4**	**53.7**	**3,834.4**	**21,439.6**
Investment grants 2011							
As of Jan 01, 2011	*-8,809.0*	*-7.2*	*-2,955.6*	*0.0*	*-5.6*	*-916.8*	*-12,694.2*
Additions	-44.0	0.0	-12.8	0.0	-1.0	-112.5	-170.3
Disposals	60.7	0.0	22.3	0.0	1.1	11.3	95.4
Transfers	-469.4	0.0	-6.4	0.0	0.0	476.6	0.8
As of Dec 31, 2011	-9,261.7	-7.2	-2,952.5	0.0	-5.5	-541.4	-12,768.3
Accumulated depreciation as of Jan 01, 2011	*5,131.0*	*6.5*	*2,197.3*	*0.0*	*3.8*	*3.2*	*7,341.8*
Depreciation	120.0	0.3	67.8	0.0	0.3	0.0	188.4
Disposals	-46.5	0.0	-17.4	0.0	-1.1	-3.2	-68.2
Reversal of impairment	0.0	0.0	0.4	0.0	1.0	0.0	1.4
Accumulated depreciation as of Dec 31, 2011	5,204.5	6.8	2,248.1	0.0	4.0	0.0	7,463.4
Investment grants as of Jan 01, 2011	***-3,678.0***	***-0.7***	***-758.3***	***0.0***	***-1.8***	***-913.6***	***-5,352.4***
Investment grants as of Dec 31, 2011	**-4,057.2**	**-0.4**	**-704.4**	**0.0**	**-1.5**	**-541.4**	**-5,304.9**
Carrying amounts after investment grants as of Jan 01, 2011	***7,502.0***	***115.1***	***2,406.0***	***3.3***	***43.4***	***4,671.7***	***14,741.5***
Carrying amounts after investment grants as of Dec 31, 2011	**10,035.5**	**120.7**	**2,630.9**	**2.4**	**52.2**	**3,293.0**	**16,134.6**

The ÖBB-Infrastruktur Group received non-repayable investment grants for property, plant and equipment that were deducted from costs. Both the depreciation of these assets and the amortization of all investment grants are recognized in the item “Depreciation and amortization” in profit and loss. Additions to property, plant and equipment from the initial consolidation of acquired companies are reported in separate lines in the schedule of property plant and equipment.

The transfers primarily refer to amounts of finished assets transferred from the line item “Assets under construction and prepayments” to the specific asset accounts. Transfers were made to property, plant and equipment and to intangible assets. The disposals also comprise the transfers to the line item “Assets held for sale” in the Statement of Financial Position (see Note 19). Information on changes of estimates is provided in the chapter “Assumptions with respect to the useful life of property, plant and equipment and intangible assets” in Note 3.

The ÖBB-Infrastruktur Group capitalized interest on construction costs of qualifying assets amounting to EUR33.7 million in the financial year (prior year: EUR29.8 million) in accordance with the provisions of IAS 23. The underlying interest rate for borrowings is 3.98% (prior year: 4.14%).

As of December 31, 2012, the contractual obligations with respect to the purchase of property, plant and equipment (purchase commitments) amounted to EUR1,374.4 million (prior year: EUR1,652.4 million).

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

	2012 in mil. EUR	2011 in mil. EUR
Land and buildings	76.9	67.2
Other technical equipment and machinery	218.4	265.0
Automobiles and trucks	41.1	47.0
Total	336.4	**379.2**

Assets amounting to EUR295.3 million (prior year: EUR332.2 million) serve as collateral for liabilities from cross-border leasing transactions, and assets amounting to EUR41.1 million (prior year: EUR47.0 million) serve as collateral for EU-ROFIMA loans.

Losses from the disposal of property, plant and equipment were incurred at an amount of EUR28.5 million (prior year: EUR16.7 million), resulting from retirement by scrapping or demolition of assets or from the sale of vehicles and other plant equipment.

Investment grants

The development of the grants is shown in the attached schedules of assets. The most important grantors are composed as follows:

	Dec 31, 2012 in mil. EUR	Dec 31, 2011 in mil. EUR
Republic of Austria	2,390.8	2,232.1
Schieneninfrastrukturfinanzierungs GmbH	1,466.9	1,538.3
former Eisenbahn-Hochleistungsstrecken AG	1,402.3	1,424.8
Other third parties	144.9	216.8
Total	**5,404.9**	**5,412.0**

The investment grants paid by these grantors for intangible assets amount to EUR130.5 million (prior year: EUR107.1 million) and are included in this table.

Assets leased and rented out

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

15. Intangible assets

The structure of the intangible assets and the changes in the financial year are shown in the following asset schedule.

	Concessions, property rights, licenses in mil. EUR	Investment grants to third parties in mil. EUR	Down payments on intangible assets in mil. EUR	Total in mil. EUR
Accumulated cost and amortization 2012				
Cost as of Jan 01, 2012	*123.3*	*745.5*	*16.2*	*885.0*
Additions	5.3	41.8	32.9	80.0
Business combination	0.1	0.0	0.0	0.1
Disposals	-2.2	-0.7	-0.1	-3.0
Transfers	-8.6	11.9	-31.0	-27.7
Cost as of Dec 31, 2012	117.9	798.5	18.0	934.4
Accumulated amortization as of Jan 01, 2012	*-63.5*	*-352.2*	*0.0*	*-415.7*
Amortization	-11.2	-24.9	0.0	-36.1
Disposals	2.2	0.5	0.0	2.7
Transfers	14.3	0.0	0.0	14.3
Accumulated amortization as of Dec 31, 2012	-58.2	-376.6	0.0	-434.8
Carrying amounts before investment grants as of Jan 01, 2012	***59.8***	***393.3***	***16.2***	***469.3***
Carrying amounts before investment grants as of Dec 31, 2012	**59.7**	**421.9**	**18.0**	**499.6**
Investment grants 2012				
As of Jan 01, 2012	*-34.8*	*-381.8*	*0.0*	*-416.6*
Additions	-0.8	-30.5	0.0	-31.3
Disposals	0.0	0.3	0.0	0.3
Transfers	0.6	-0.7	0.0	-0.1
As of Dec 31, 2012	-35.0	-412.7	0.0	-447.7
Accumulated amortization as of Jan 01, 2012	*12.8*	*296.7*	*0.0*	*309.5*
Amortization	1.7	6.3	0.0	8.0
Disposals	0.0	-0.3	0.0	-0.3
Accumulated amortization as of Dec 31, 2012	14.5	302.7	0.0	317.2
Investment grants as of Jan 01, 2012	***-22.0***	***-85.1***	***0.0***	***-107.1***
Investment grants as of Dec 31, 2012	**-20.5**	**-110.0**	**0.0**	**-130.5**
Carrying amounts after investment grants as of Jan 01, 2012	***37.8***	***308.2***	***16.2***	***362.2***
Carrying amounts after investment grants as of Dec 31, 2012	**39.2**	**311.9**	**18.0**	**369.1**

	Concessions, property rights, licenses in mil. EUR	Investment grants to third parties in mil. EUR	Down payments on intangible assets in mil. EUR	Total in mil. EUR
Accumulated cost and amortization 2011				
Cost as of Jan 01, 2011	*113.8*	*701.5*	*8.1*	*823.4*
Additions	3.6	26.3	24.6	54.5
Disposals	-5.3	-2.0	0.0	-7.3
Transfers	11.2	19.7	-16.5	14.4
Cost as of Dec 31, 2011	123.3	745.5	16.2	885.0
Accumulated amortization as of Jan 01, 2011	*-57.1*	*-329.8*	*0.0*	*-386.9*
Amortization	-11.3	-24.5	0.0	-35.8
Disposals	4.9	2.1	0.0	7.0
Accumulated amortization as of Dec 31, 2011	-63.5	-352.2	0.0	-415.7
Carrying amounts before investment grants as of Jan 01, 2011	***56.7***	***371.7***	***8.1***	***436.5***
Carrying amounts before investment grants as of Dec 31, 2011	**59.8**	**393.3**	**16.2**	**469.3**
Investment grants 2011				
Cost as of Jan 01, 2011	*-34.4*	*-367.1*	*0.0*	*-401.5*
Additions	-1.0	-14.0	0.0	-15.0
Disposals	0.3	0.4	0.0	0.7
Transfers	0.3	-1.1	0.0	-0.8
Cost as of Dec 31, 2011	-34.8	-381.8	0.0	-416.6
Accumulated amortization as of Jan 01, 2011	*11.3*	*290.4*	*0.0*	*301.7*
Amortization	1.8	6.8	0.0	8.6
Disposals	-0.3	-0.5	0.0	-0.8
Accumulated amortization as of Dec 31, 2011	12.8	296.7	0.0	309.5
Investment grants as of Jan 01, 2011	***-23.1***	***-76.7***	***0.0***	***-99.8***
Investment grants as of Dec 31, 2011	**-22.0**	**-85.1**	**0.0**	**-107.1**
Carrying amounts after investment grants as of Jan 01, 2011	***33.6***	***295.0***	***8.1***	***336.7***
Carrying amounts after investment grants as of Dec 31, 2011	**37.8**	**308.2**	**16.2**	**362.2**

The ÖBB-Infrastruktur Group received non-repayable investment grants for intangible assets that were deducted from acquisition cost. Both the amortization of these assets and the amortization of the investment grants are recognized in profit or loss in the line item “Depreciation and amortization”.

Development costs were not recognized as an intangible asset, because a clear distinction from the research phase of the projects was not possible and the ability to generate future economic benefits was considered uncertain; therefore, the entire expenses for research and development amounting to EUR3.4 million (prior year: EUR3.2 million) were expensed as incurred.

16. Investment property (IAS 40)

Only property not classified as railway assets (Article 10a *Eisenbahngesetz*) which can be leased out to third parties or sold at any time is assigned to this asset category. Therefore, the investment property mainly comprises crossing keeper's houses, residential buildings and agricultural areas. The useful life of these properties corresponds to the useful life of the properties recognized in property, plant and equipment.

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

	2012 in mil. EUR	2011 in mil. EUR
Cost		
As of Jan 01	*272.4*	*256.6*
Additions	5.8	17.5
Disposals	-4.0	-1.7
As of Dec 31	**274.2**	**272.4**
Accumulated depreciation		
As of Jan 01	171.5	170.5
Depreciation	3.7	3.0
Disposals	-4.0	-2.0
As of Dec 31	**171.2**	**171.5**
Net carrying amount as of Dec 31	**103.0**	**100.9**

Investment property held by the ÖBB-Infrastruktur Group is all leased out under operating leases. Rental income from these leases amounted to EUR15.6 million, not including cost of operation (prior year: EUR13.7 million); matched by expenses directly attributable to rental income (including repair and maintenance, but not including cost of operation) amounting to EUR6.7 million (prior year: EUR10.8 million, not including cost of operation). Additionally, operating expenses amounting to EUR0.3 million (prior year: EUR0.2 million) were incurred to which no rental income was attributable. The ÖBB-Infrastruktur 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 not determined by external experts but by internal experts of ÖBB-Immobilienmanagement GmbH using the existing market data and the DCF method, and amounts to EUR247.9 million (prior year: EUR273.7 million). An interest rate of 4.0-5.0%, depending on the location, was applied to determine the fair values in both years under review. Additions to the line item mainly result from the restoration of building bases. Furthermore, additions in an amount of EUR1.4 million (prior year EUR2.3 million) result from subsequent acquisition cost.

17. Investment recorded at equity

The following tables summarize the financial data of companies recorded at equity in which ÖBB-Infrastruktur AG held investments as of the reporting date:

2012 investment, name and registered office	Assets in kEUR	Liabilities and provisions in kEUR	Revenues in kEUR	EBIT in kEUR	Net income in kEUR
Joint ventures recorded at equity					
50% Galleria di Base del Brennero - Brenner Basistunnel BBT SE	118,133	37,026	1	-1,201	0
thereof current	*104,071*	*36,517*			
thereof non-current	*14,062*	*509*			
Associated entities recorded at equity					
30% Weichenwerk Wörth GmbH	18,976	8,944	28,063	3,120	2,351

2011 investment, name and registered office	Assets in kEUR	Liabilities and provisions in kEUR	Revenues in kEUR	EBIT in kEUR	Net income in kEUR
Joint ventures recorded at equity					
50% Galleria di Base del Brennero - Brenner Basistunnel BBT SE	106,332	25,226	0	-530	0
thereof current	*81,538*	*24,662*			
thereof non-current	*24,794*	*563*			
Associated entities recorded at equity					
30% Weichenwerk Wörth GmbH	20,649	10,265	29,978	3,659	2,704

In its annual financial statements, Galleria di Base del Brennero - Brenner Basistunnel BBT SE reports besides the values indicated above, total revenue of EUR10,800,000 (prior year: EUR10,985,000) and total expenses of EUR12,002,000 (prior year: EUR11,515,000).

Galleria di Base del Brennero - Brenner Basistunnel BBT SE received investment grants in an amount of EUR25.7 million (prior year: EUR11.3 million). In 2012, these grants were refunded by the federal government at an amount of EUR17.5 million on the one hand, and by the federal state of Tyrol at an amount of EUR8.2 million on the basis of the share purchase agreement dated April 18, 2011, on the other hand. Another 25% of the shares of Galleria di Base del Brennero were purchased at the price of EUR1.00 in 2011. 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 reporting date of Weichenwerk Wörth GmbH is March 31. This company is consolidated based on interim financial statements according to the IFRS as of December 31.

The following table shows the roll forward of the investments in companies recorded at equity:

	2012 in mil. EUR	2011 in mil. EUR
As of Jan 01	*43.7*	*43.7*
Share of income	0.8	0.9
Dividends	-0.9	-0.9
As of Dec 31	**43.6**	**43.7**

18. Other financial assets

2012	Current in mil. EUR	Non-current in mil. EUR	Total in mil. EUR
Investments	0.0	9.5	9.5
Financial assets - leasing	60.8	701.8	762.6
thereof with affiliated companies	*31.0*	*174.0*	*205.0*
Other financial assets	151.6	55.1	206.7
thereof with affiliated companies	*46.9*	*0.0*	*46.9*
Total	**212.4**	**766.4**	**978.8**
thereof with affiliated companies	*77.9*	*174.0*	*251.9*

2011	Current in mil. EUR	Non-current in mil. EUR	Total in mil. EUR
Investments	0.0	2.7	2.7
Financial assets - leasing	224.5	1,269.7	1,494.2
thereof with affiliated companies	*81.3*	*524.5*	*605.8*
Other financial assets	110.1	105.3	215.4
thereof with affiliated companies	*46.2*	*45.4*	*91.6*
Total	**334.6**	**1,377.7**	**1,712.3**
thereof with affiliated companies	*127.5*	*569.9*	*697.4*

Investments

A complete overview over all investments is given in Note 35. These investments are classified as assets available for sale in accordance with IAS 39, but they are measured at amortized cost, as fair values cannot reliably be determined because the shares are not listed.

Financial assets - leasing

The financial assets in connection with leasing refer to receivables from sub-lease agreements with ÖBB-Produktion GmbH, ÖBB-Personenverkehr AG and Rail Cargo Austria AG amounting to EUR187.3 million (prior year: EUR580.9 million), and to assets from cross-border leasing transactions (CBL) amounting to EUR557.6 million (prior year: EUR861.8 million). Furthermore, they comprise recharged claims against other companies of the ÖBB Group amounting to EUR17.6 million (prior year: EUR18.1 million) from impairments in connection with CBL transactions.

The financial assets from non-linked CBL transactions refer for the most part to non-current loans and deposits amounting to EUR557.6 million (prior year: EUR861.8 million); 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 assets are matched by financial liabilities amounting to EUR545.5 million (prior year: EUR871.4million). Financial assets from leasing in the amount of EUR492.2 million are subject to restricted property rights. For further information on leasing and CBL transactions see Note 30.3.

This line item also comprises finance lease agreements with respect to buildings in the amount of EUR6.6 million (prior year: EUR33.4 million) in the year under review, all of which (prior year: EUR6.7 million) refer to affiliated companies. The decrease results from the sale of a property that was rented out under a finance lease agreement. For further information see Note 30.1.

Other financial assets

The other financial assets mainly refer to receivables due from the affiliated companies ÖBB-Personenverkehr AG in the amount of EUR35.2 million (prior year: EUR69.8 million) and Rail Cargo Austria AG in the amount of EUR11.0 million (prior year: EUR21.8 million). Furthermore, this line item includes derivatives in connection with power trade transactions amounting to EUR47.5 million (prior year: EUR32.1 million) and cash flow hedges amounting to EUR40.3 million (prior year: EUR57.5 million).

19. Non-current assets held for sale (IFRS 5) and liabilities in connection with assets held for sale

The line item “Assets held for sale” is presented as follows:

Assets held for sale	2012 in mil. EUR	2011 in mil. EUR
As of Jan 01	*1.0*	*33.1*
Additions (single assets)	10.4	1.0
Additions (group of assets)	47.5	0.0
Impairment	-4.6	0.0
Disposals by sale	0.0	-33.1
As of Dec 31	**54.3**	**1.0**

The assets reported in this line item are mainly real estate properties. For some of these assets, the sale has unexpectedly been postponed. However, one property was sold in January 2013; the others are scheduled to be sold in the course of the year 2013.

Within the framework of the organizational development, the disposal group “Business-IKT”, which is responsible for all general IT issues of the ÖBB-Holding Group, is sold to ÖBB-Holding AG, effective as of January 01, 2013. The Supervisory Boards of ÖBB-Holding AG, ÖBB-Infrastruktur AG and ÖBB-IKT GmbH took the policy decision to sell the business entity “Business-IKT” to ÖBB-Holding AG already in 2012. The disposal group “Business-IKT”, whose significant assets and liabilities are reported in the following table, belongs to the segment “Railway infrastructure”.

Assets held for sale	2012 in mil. EUR	Liabilities in connection with assets held for sale	2012 in mil. EUR
Other plant, furniture and fixtures	16.9	Provisions	2.4
Assets under construction and prepayments	2.5	Financial liabilities	15.0
Concessions, property rights, licenses and development costs	9.0	Trade payables and other liabilities	30.4
Trade receivables and other receivables	19.1	Income tax liabilities	4.8
As of Dec 31	**47.5**		**52.6**

The proceeds anticipated for 2013 exceed the current carrying amounts of the assets.

Any impairment was recognized in the line item “Depreciation and amortization” in the Income Statement. For one property transferred to the portfolio of assets held for sale in 2012 an impairment loss of EUR4.6 million was recognized in the financial year. The ÖBB-Infrastruktur Group recognized gains from assets held for sale amounting to EUR3.4 million in the year under review (prior year: EUR25.6 million), which are recognized in the other operating income, together with the gains from the sale of other assets. The non-current assets held for sale relate solely to the railway infrastructure segment.

After both reporting dates, no further assets were designated as held for sale.

20. Trade and other receivables

This line item is structured as follows:

Dec 31, 2012	Current in mil. EUR	Non-current in mil. EUR	Total in mil. EUR
Trade receivables	142.0	0.0	142.0
thereof from affiliated companies	*65.8*	*0.0*	*65.8*
thereof from construction contracts	*5.0*	*0.0*	*5.0*
Other receivables and deferrals	203.4	142.1	345.5
Total	**345.4**	**142.1**	**487.5**

Dec 31, 2011	Current in mil. EUR	Non-current in mil. EUR	Total in mil. EUR
Trade receivables	164.4	0.0	164.4
thereof from affiliated companies	87.1	0.0	87.1
thereof from construction contracts	*10.4*	*0.0*	*10.4*
Other receivables and deferrals	243.7	121.4	365.1
Total	**408.1**	**121.4**	**529.5**

The carrying amounts of the trade receivables and the other receivables approximate their respective fair values due to the short maturity.

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

The other receivables and deferrals mainly comprise prepaid guarantee premiums amounting to EUR154.3 million (prior year: EUR131.5 million), January salaries paid in December amounting to EUR30.0 million (prior year: EUR27.3 million), receivables in connection with the sale of properties amounting to EUR31.2 million (prior year: EUR48.3 million), receivables in connection with investment grants amounting to EUR22.4 million (prior year: EUR33.7 million), and receivables from input value added tax.

The allowances developed as follows:

	Trade receivables		Other receivables	
	2012 in mil. EUR	2011 in mil. EUR	2012 in mil. EUR	2011 in mil. EUR
As of Jan 01	*9.9*	*11.0*	*14.4*	*14.4*
Utilization	-0.8	-1.4	-2.1	0.0
Release	-2.3	-1.3	-12.3	0.0
Additions	2.0	1.6	0.0	0.0
As of Dec 31	**8.8**	**9.9**	**0.0**	**14.4**

The unutilized part of the bad debt provision recognized for possible subrogation claims against employees for reduced tickets outside the tariff was released in the financial year based on the completed tax audit.

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

Dec 31, 2012 Analysis of past due/impaired receivables	Gross carrying amount (before impairment) in mil. EUR	thereof not individually impaired in mil. EUR	thereof individually impaired (gross) in mil. EUR	Allowance in mil. EUR	thereof individual allowance in mil. EUR	thereof portfolio allowance in mil. EUR	Net carrying amount in mil. EUR
Receivable not past due but impaired	1.4	0.0	1.4	1.4	1.4	0.0	0.0
up to 90 days past due	8.4	8.4	0.0	0.0	0.0	0.0	8.4
90 to 180 days past due	1.3	0.4	0.9	0.2	0.2	0.0	1.1
180 to 360 days past due	20.9	0.9	20.0	0.6	0.6	0.0	20.3
more than 360 days past due	17.6	0.4	17.2	6.6	6.5	0.1	11.0
Total exposure	**49.6**	**10.1**	**39.5**	**8.8**	**8.7**	**0.1**	**40.8**

Dec 31, 2011 Analysis of past due/impaired receivables	Gross carrying amount (before impairment) in mil. EUR	thereof not individually impaired in mil. EUR	thereof individually impaired (gross) in mil. EUR	Allowance in mil. EUR	thereof individual allowance in mil. EUR	thereof portfolio allowance in mil. EUR	Net carrying amount in mil. EUR
Receivable not past due but impaired	15.6	0.0	15.6	15.6	1.3	14.3	0.0
up to 90 days past due	18.0	14.3	3.7	0.1	0.1	0.0	17.9
90 to 180 days past due	2.7	2.4	0.3	0.2	0.2	0.0	2.5
180 to 360 days past due	16.2	15.6	0.6	0.6	0.6	0.0	15.6
more than 360 days past due	19.7	11.9	7.8	7.8	6.8	1.0	11.9
Total exposure	**72.2**	**44.2**	**28.0**	**24.3**	**9.0**	**15.3**	**47.9**

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

Further information is provided in Note 29.1.c.

21. Inventories

This line item is composed as follows:

	Dec 31, 2012 in mil. EUR	Dec 31, 2011 in mil. EUR
Raw materials and supplies	19.9	21.6
less write down	0.9	0.7
Total	**19.0**	**20.9**
thereof measured at cost	*18.7*	*20.4*
thereof measured at net realizable value	*0.3*	*0.5*

The expenses for materials and other services received are shown in Note 7. No reversals of previous write-downs on inventories were recorded in the period under review.

22. Cash and cash equivalents

This line item is composed as follows:

	Dec 31, 2012 in mil. EUR	Dec 31, 2011 in mil. EUR
Cash on hand and checks	0.1	0.1
Cash in banks	8.6	14.6
Current account ÖBB-Finanzierungsservice GmbH (Group clearing)	412.3	86.9
Total	**421.0**	**101.6**

This item includes investments and cash in banks and with ÖBB-Finanzierungsservice GmbH as well as cash on hand, all of which are current (terms of less than 3 months). The carrying amount of these assets corresponds to their respective fair value. All components of cash and cash equivalents are at the unrestricted disposal of the ÖBB-Infrastruktur Group. The cash fund according to the Cash Flow Statement is composed of the cash and cash equivalents indicated above and of the liabilities of individual Group companies towards ÖBB-Finanzierungsservice GmbH amounting to EUR67.3 million (prior year: EUR12.5 million) from Group clearing.

23. Share capital

The share capital of ÖBB-Infrastruktur AG amounts to EUR500.0 million. The share capital is allocated to 100,000 registered shares. ÖBB-Holding AG holds all the shares.

24. Reserves and retained earnings

These line items are composed as follows:

	Dec 31, 2012 in mil. EUR	Dec 31, 2011 in mil. EUR
Non-restricted additional-paid in capital	538.9	538.9
Cash flow hedge reserve	-20.9	-17.1
Available-for-sale reserve	16.5	0.0
Retained earnings	114.0	93.7

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

	Available-for-sale reserve		Cash flow hedge reserve	
	Development of the carrying amount in mil. EUR	income taxes included therin in mil. EUR	Development of the carrying amount in mil. EUR	Income taxes included therin in mil. EUR
As of Jan 01, 2011	0.0	0.0	-13.5	0.0
Changes in the fair values	0.0	0.0	-3.7	0.7
Realized gains and losses	0.0	0.0	0.0	0.0
As of Dec 31, 2011	**0.0**	**0.0**	**-17.1**	**0.7**
Changes in the fair values	16.5	0.0	-19.4	4.7
Realized gains and losses	0.0	0.0	15.6	-2.3
As of Dec 31, 2012	**16.5**	**0.0**	**-20.9**	**3.1**

Further information on the shareholder’s equity is given in the Statement of Changes in Shareholder’s Equity.

25. Financial liabilities

The financial liabilities are composed as follows:

Dec 31, 2012	< 1 year in mil. EUR	1 - 5 years in mil. EUR	> 5 years in mil. EUR	Total in mil. EUR
Bonds	1,042.2	2,642.8	9,680.9	13,365.9
Bank loans	94.2	21.6	1,960.3	2,076.1
Financial liabilities leasing	57.1	323.9	352.7	733.7
thereof with affiliated companies	*27.1*	*95.2*	*65.1*	*187.4*
Other financial liabilities	495.4	284.7	156.3	936.4
thereof with affiliated companies	*54.6*	*5.7*	*0.0*	*60.3*
Total	**1,688.9**	**3,273.0**	**12,150.2**	**17,112.1**
thereof with affiliated companies	*81.7*	*100.9*	*65.1*	*247.7*

Dec 31, 2011	< 1 year in mil. EUR	1 - 5 years in mil. EUR	> 5 years in mil. EUR	Total in mil. EUR
Bonds	3.2	3,305.0	8,710.6	12,018.8
Bank loans	99.8	101.2	1,739.1	1,940.1
Financial liabilities leasing	206.9	431.1	818.3	1,456.3
thereof with affiliated companies	*63.0*	*199.4*	*320.7*	*583.1*
Other financial liabilities	594.2	327.6	185.4	1,107.2
thereof with affiliated companies	*14.7*	*7.5*	*0.0*	*22.2*
Total	**904.1**	**4,164.9**	**11,453.4**	**16,522.4**
thereof with affiliated companies	*77.7*	*206.9*	*320.7*	*605.3*

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

EUR1,967.9 million (prior year: EUR1,738.6 million) of the bank loans relate to financing from the European Investment Bank (EIB).

Guarantees by the federal government

The federal government issued guarantees with respect to bonds amounting to EUR13,356.7 million (prior year: EUR12,005.9 million) and loans taken up at an amount of EUR3.5 million (prior year: EUR8.4 million). In addition, liabilities due to EUROFIMA amounting to EUR352.2 million (prior year: EUR627.4 million) are secured by guarantees of the federal government.

Issued bonds

The bonds are composed as follows:

Face value	Currency	Term	ISIN	Interest rate
6,750,000.00	EUR	2003 - 2015	AT0000171723	EIB Poolrate
2,500,000.00	EUR	2003 - 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	3,409%[3)]
50,000,000.00	EUR	2006 - 2036[2)]	XS0252721450	3,409%[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%
1,350,000,000.00	EUR	2012 - 2032	XS0782697071	3.3750%

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

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 within the framework of this program.

As of December 31, 2012, the Company complied with all covenants in respect of the loan agreements.

Financial liabilities leasing

The lease liabilities with affiliated companies are due to ÖBB-Finanzierungsservice GmbH and refer to the financing of the sub-lease transactions with ÖBB-Produktion Gesellschaft mbH, ÖBB-Personenverkehr AG and Rail Cargo Austria AG. These liabilities are matched with financial receivables due from the three affiliated companies indicated above. The lease liabilities due to unrelated parties result in particular from non-linked CBL transactions and amount to EUR545.6 million as of the reporting date (prior year: EUR871.4 million).

Financial assets amounting to EUR492.2 million (prior year: EUR711.7 million) were pledged as collateral to secure the liabilities from CBL transactions. With respect to in rem collaterals see Note 14.

Other financial liabilities

The other financial liabilities due to affiliated companies are due to ÖBB-Finanzierungsservice GmbH and mainly relate to liabilities from current financing activities at an amount of EUR67.3 million (prior year: EUR12.5 million).

The other financial liabilities due to other companies mainly consist of EUROFIMA loans in the amount of EUR352.2 million (prior year: EUR627.5 million), accrued interest in the amount of EUR208.9 million (prior year: EUR185.8 million) and liabilities resulting from derivative financial instruments in the amount of EUR231.5million (prior year: EUR198.6 million). Among the derivative financial instruments, derivatives with a carrying amount of EUR159.2million (prior year: EUR151.6 million) relate to hedge instruments.

Furthermore, the other financial liabilities include reimbursements of preliminary financing of construction projects at an amount of EUR21.1 million (prior year: EUR53.1 million).

For information on the leasing transactions see Note 30, and for disclosures according to IFRS 7 see Note 29.

26. Provisions

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

26.1. Provisions for personnel

	Dec 31, 2008 in mil. EUR	Dec 31, 2009 in mil. EUR	Dec 31, 2010 in mil. EUR	Dec 31, 2011 in mil. EUR	Dec 31, 2012 in mil. EUR
Statutory severance payments	5.6	10.8	11.9	13.8	17.4
Pensions	0.8	0.9	0.9	0.8	1.0
Anniversary bonuses	20.1	58.4	61.3	70.4	100.9
Voluntary severance payments	1.7	5.2	5.4	5.6	0.0
Total	**28.2**	**75.3**	**79.5**	**90.6**	**119.3**

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 payment and anniversary bonus provisions:

	2008	2009	2010	2011	2012
Statutory severance payments	10%	-1%	0%	-1%	-1%
Anniversary bonuses	1%	1%	-2%	-1%	3%
Voluntary severance payments	44%	-6%	-7%	-38%	-

Actuarial assumptions

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

	Dec 31, 2010	Dec 31, 2011	Dec 31, 2012
Discount rate	5.00%	5.00%	3.50%
Rate of compensation increase	3.20%	3.95%	3.95%
Employee turnover rate of tenured employees	0,0 - 6,19%	0,0 - 6,94%	0,0 - 6,94%
Employee turnover rate of other workers and employees	0,0 - 9,32%	0,0 - 7,96%	0,0 - 7,96%

Statutory severance payments

The Company recorded a provision for severance obligations for those employees who are not tenured employees based on employment law and contractual provisions. The provision was calculated based on an actuarial report using the projected 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 (male and female employees).

Severance obligations to employees hired before January 01, 2003, are covered by defined benefit plans as described below. Following a legal amendment, obligations for employees hired in Austria after January 01, 2003, are covered by a defined contribution plan. With respect to this, the ÖBB-Infrastruktur Group paid EUR1.9 million and EUR1.7 million to this defined contribution plan (VBV Vorsorgekasse AG or APK-PENSIONSKASSE AG) in 2012 and 2011, 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.

The following table shows the components of net periodic severance cost and the development of the severance provisions in both reporting periods:

	2012 in mil. EUR	2011 in mil. EUR
Service cost	0.9	0.8
Interest cost	0.7	0.5
Actuarial losses (+) / gains (-)	3.2	1.0
Net periodic cost of statutory severance	**4.8**	**2.3**

	2012 in mil. EUR	2011 in mil. EUR
Defined benefit obligation as of Jan 01	*13.8*	*11.9*
Service cost	0.9	0.8
Interest cost	0.7	0.5
Severance payments	-0.9	-0.4
Transfers	-0.3	0.0
Actuarial losses (+) / gains (-)	3.2	1.0
Present value of the obligation as of Dec 31	**17.4**	**13.8**

Anniversary bonuses

Tenured employees and certain other employees (hereinafter “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.

The provision was calculated based on an actuarial report using the projected 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 in which they are incurred.

Due to amendments of the retirement regulations, the provisions for voluntary severance payments was transfered back to the the provisions for anniversary bonuses.

The following table shows the components of the net anniversary bonus expenses in the period and the development of the anniversary bonus provisions in both reporting periods:

	2012 in mil. EUR	2011 in mil. EUR
Service cost	3.4	2.8
Interest cost	3.7	3.0
Actuarial losses (+) / gains (-)	26.0	6.5
thereof due to changes of retirement regulations	*11.5*	*0.0*
Net periodic cost of anniversary bonuses	**33.1**	**12.3**

	2012 in mil. EUR	2011 in mil. EUR
Defined benefit obligation as of Jan 01	70.5	61.3
Service cost	3.4	2.8
Interest cost	3.7	3.0
Severance payments	-8.3	-3.3
Reclassification of voluntary severance obligations	5.6	0.1
Actuarial losses (+) / gains (-)	26.0	6.5
thereof due to changes of retirement regulations	11.5	
Present value of the obligation as of Dec 31	**100.9**	**70.5**

Voluntary severance payments

Until December 31, 2011, a provision for voluntary severance payments was recognized for those tenured employees of ÖBB who have completed a minimum of 31 years of service in the Company as of the reporting date. After 40 years of service, the voluntary severance payment amounted to 400% of the monthly salary to which the employee was entitled at the beginning of the month in which the voluntary severance is to be paid. A provision for voluntary severance payments was also recognized for those employees who had 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.

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

	2012 in mil. EUR	2011 in mil. EUR
Service cost	0.0	0.2
Interest cost	0.0	0.2
Actuarial gains	0.0	-0.2
Net periodic cost of voluntary severance	**0.0**	**0.2**

	2012 in mil. EUR	2011 in mil. EUR
Defined benefit obligation as of Jan 01	*5.6*	*5.4*
Service cost	0.0	0.2
Interest cost	0.0	0.2
Transfers	-5.6	0.0
Actuarial gains	0.0	-0.2
Present value of the obligation as of Dec 31	**0.0**	**5.6**

Pensions

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 Article 52 *Bundesbahngesetz*. The ÖBB-Infrastruktur Group is required to pay pension and health care contributions for current and retired tenured employees and their surviving dependents. The Company is legally obligated to make annual contributions to the *Versicherungsanstalt für Eisenbahn und Bergbau* for active tenured employees. Additionally, the Company offers a defined contribution plan to all employees of the ÖBB-Infrastruktur Group in Austria. The contributions of the Company are calculated as a percentage of the compensation and must not exceed 1.2%. The contribution to this plan amounted to EUR8.5 million and EUR8.4 million in 2012 and 2011, respectively.

Defined benefit plan

A defined benefit plan is provided for one former member of the Executive Board (payments beginning with the 60th birthday), under which the ÖBB-Infrastruktur 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 the public pension scheme. The calculation was based on actuarial principles, assuming a discount factor of 3.5% and an age of retirement of 60 years.

26.2. Other provisions

	As of Jan 01, 2012 in mil. EUR	Utilization in mil. EUR	Release in mil. EUR	Transfers in mil. EUR	Interest effects in mil. EUR	Additions in mil. EUR	As of Dec 31, 2012 in mil. EUR
Asset retirement obligation	100.5		-1.9		2.3	7.7	108.6
Environmental protection measures	23.5	-0.6	-0.4		0.2	1.6	24.3
Litigations	18.0	-1.6	-3.7	1.4		4.4	18.5
Non-income taxes and fees	29.3	-2.1	-12.3			2.0	16.9
Demolition cost and similar obligations	20.6	-2.0	-12.9		0.4	7.4	13.5
Liability pensions	3.4	-0.2	-0.3		0.4	0.2	3.5
Project costs	18.2	-16.8		-1.4		0.7	0.7
Miscellaneous	13.7	-3.4	-1.1	-1.2	0.2	1.9	10.1
Total other provisions	**227.2**	**-26.7**	**-32.6**	**-1.2**	**3.5**	**25.9**	**196.1**
thereof long-term	133.6						94.5

In the reporting year, provisions amounting to EUR1.2 million were transferred to the miscellaneous financial liabilities.

The provision for asset retirement costs includes future expenses for the demolition and removal of assets and the restoration of sites. This refers to railway lines that 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 2012, additional provisions amounting to EUR7.7 million (prior year: EUR40.7 million) were recognized due to revised cost and interest rates.

The provision for environmental protection measures concerns anticipated restoration measures for contaminated sites. The provision was recorded at the amount of the anticipated expenses in accordance with the relevant statutory provisions.

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

Due to the division of the ÖBB company into nine separate companies under the ÖBB-Holding AG within the framework of the *Bundesbahnstrukturgesetz* 2003, legally independent companies were formed that are no longer recognized as transport companies in the sense of Article 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); therefore, a provision was recognized for the resulting taxes and duties (reduced tickets outside tariff). With respect to the release of this provision, see Note 20.

The provision for demolition costs and similar obligations comprises demolition costs relating to real estate sales. In the year under review, existing provisions in the amount of EUR12.4 million were released due to the cessation of obligations with respect to the site of the former cargo station Vienna North. The additions to provisions refer to obligations from property transactions on the former cargo station Vienna North at an amount of EUR4.7 million, resulting in a net amount of EUR7.7 million.

The provision for project costs primarily results from additional costs claimed by suppliers that have to be verified in detail by the ÖBB-Infrastruktur Group. These additional project costs are recognized in property, plant and equipment.The provision in the amount of EUR18.2 million recognized in the prior year referred to liabilities for additional costs in connection with a major project was utilized in an amount of EUR16.8 million, an amount of EUR1.4 million was transferred to the miscellaneous provisions.

The obligations from liability pensions are measured on the basis of mortality tables and discounted at a discount interest rate of 3.5%.

The miscellaneous provisions mainly include provisions in connection with the disposal of ties and obligations in connection with damages occurred to railheads and railway embankments.

Anticipated cash outflow for the provisions

Non-current provisions were discounted at interest rates of 0.6% - 2.4% (prior year: 1.6% - 3.3%). Adjustments due to changes in the discount factor were insignificant. EUR94.5 million (prior year: EUR133.6 million) of the other provisions are classified as non-current. The payment for these provisions is anticipated after 2013. Cash outflows of funds are anticipated in the year 2013 for provisions classified as current; for the most part, provisions for reduced tickets outside tariff, project costs, litigations and parts of the provision for environmental protection measures were classified as current. When the maturity is uncertain, the provisions concerned were mainly classified as current (this mainly concerns the miscellaneous provisions).

27. Trade payables and other liabilities

2012	Current in mil. EUR	Non-current in mil. EUR	Total in mil. EUR
Trade payables	631.3	0.0	631.3
thereof to affiliated companies	*45.2*	*0.0*	*45.2*
thereof to third parties	*586.1*	*0.0*	*586.1*
Down payments on orders received	17.3	*0.0*	*17.3*
Other liabilities	324.5	123.4	447.9
thereof taxes	*21.2*	*0.0*	*21.2*
thereof social security	*8.1*	*0.0*	*8.1*
thereof accrued personnel liabilities	*72.4*	*0.0*	*72.4*
thereof other deferrals	*115.8*	*67.6*	*183.4*
Total	**973.1**	**123.4**	**1,096.5**

2011	Current in mil. EUR	Non-current in mil. EUR	Total in mil. EUR
Trade payables	696.9	0.0	696.9
thereof to affiliated companies	*38.2*	*0.0*	*38.2*
thereof to third parties	*658.7*	*0.0*	*658.7*
Down payments on orders received	12.9	0.0	12.9
Other liabilities	197.1	166.3	363.4
thereof taxes	*25.2*	*0.0*	*25.2*
thereof social security	*8.4*	*0.0*	*8.4*
thereof accrued personnel liabilities	*66.8*	*0.0*	*66.8*
thereof other deferrals	*9.1*	*70.8*	*79.9*
Total	**906.9**	**166.3**	**1,073.2**

The other liabilities comprise the obligation towards the Federal Ministry of Finance relating to the subsequent payment of retentions regarding the nursing care allowance for the years 1993 to 2009 in the amount of EUR64.5 million (prior year: EUR84.3 million) and subsequent payments for reduced tickets outside tariff in the amount of EUR1.9 million (prior year: EUR10.0 million). Furthermore, this item includes the obligation for payment of a grant resulting from the sale of tracks to the federal state of Lower Austria at an amount of EUR32.3 million (prior year: EUR49.8 million), which will have to be paid in the next two years.

Accrued personnel liabilities include in particular the items overtime and vacation days not yet taken. Furthermore, this item includes possible claims of employees for subsequent payment of vacation and holiday pay and overtime lump sums for the years 2009 to 2012 at an amount of EUR29.2 million (prior year: EUR20.5 million).

The other deferrals primarily comprise the unamortized deferred tax benefit resulting from the CBL transactions in the amount of EUR12.8 million (prior year: EUR15.4 million), deferred income from leasehold agreements in the amount of EUR167.2 million (prior year: EUR59.8 million), and deferred rent and lease expenses in the amount of EUR2.5 million (prior year: EUR3.3 million).

C. OTHER NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

28. Other guarantees and contingent liabilities

The contingent liabilities are composed as follows:

	2012 in mil. EUR	2011 in mil. EUR
Contingent liabilities from lease transactions	**578.8**	**1,106.0**

Contingent liabilities resulting 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 consequently, the related investments and lease obligations are not recorded in the Statement of Financial Position. With respect to these transactions, the ÖBB-Infrastruktur Group assumes that the relevant contracting parties of the underlying assets will continue to fulfill their payment obligations in line with the agreement, 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-Infrastruktur Group resulting from the cross-border lease agreements, the obligations in respect of the unredeemed lease liabilities are disclosed as contingent liabilities. The unredeemed lease liabilities are collateralized by pledged assets.

In case of a claim from cross border lease obligations, recourse claims against other companies of the ÖBB Group exist in the amount of EUR442.3 million (prior year: EUR942.4 million).

29. Financial instruments

29.1. Risk management

The ÖBB-Infrastruktur 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-Infrastruktur 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. 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 for the account of ÖBB-Infrastruktur AG and 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 monitoring of financial instruments, among others. Highest priority of all financial activities is the protection of the assets of the ÖBB-Infrastruktur 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 value of the ÖBB-Infrastruktur Group and may occur in the following forms:

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

Risks from market interest rate fluctuations may affect the financial result of the ÖBB-Infrastruktur 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 development of earnings.

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

Financial instruments (current and non-current) **Dec 31, 2012**	Fixed interest financial instruments in mil. EUR	Variable interest financial instruments in mil. EUR
Financial assets	855.4	0.1
Cash and cash equivalents	0.0	420.9
Total	**855.4**	**421.0**
thereof with affiliated companies	*240.1*	*412.3*
Financial liabilities	16,128.7	503.9
thereof with affiliated companies	*194.9*	*47.3*

Financial instruments (current and non-current) **Dec 31, 2011**	Fixed interest financial instruments in mil. EUR	Variable interest financial instruments in mil. EUR
Financial assets	1,588.1	0.1
Cash and cash equivalents	0.0	101.6
Total	**1,588.1**	**101.7**
thereof with affiliated companies	*672.5*	*86.9*
Financial liabilities	15,423.3	658.3
thereof with affiliated companies	*592.5*	*11.0*

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

Sensitivity analysis interest rate 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, the portfolio at the reporting date is assumed to be representative for the entire year.

Changes in market interest rates of original fixed interest financial instruments affect the profit and loss only if these instruments are measured at fair value. Accordingly, 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 against interest-related fluctuations of cash flows affect the cash flow hedge reserve in shareholder's equity and are therefore considered in equity-related sensitivity calculations.

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

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

Sensitivity analysis interest rate risk as of Dec 31, 2012	Effect in income statement in mil. EUR + 100 base points	in mil. EUR - 100 base points	Effect in shareholder´s equity in mil. EUR + 100 base points	in mil. EUR - 100 base points
Assets				
Financial assets	0.0	0.0	1.1	-1.1
Cash and cash equivalents	3.0	-2.8	0.1	0.0
Liabilities				
Financial liabilities	-4.9	4.8	9.1	-9.1

Sensitivity analysis interest rate risk as of Dec 31, 2011	Effect in income statement in mil. EUR + 100 base points	in mil. EUR - 100 base points	Effect in shareholder´s equity in mil. EUR + 100 base points	in mil. EUR - 100 base points
Assets				
Financial assets	0.0	0.0	2.3	-2.3
Cash and cash equivalents	0.7	-0.7	0.0	0.0
Liabilities				
Financial liabilities	-6.4	6.5	16.8	-17.5

29.1.b. Exchange rate risk

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

All cash flows (lease payments and return on assets) resulting from cross-border leasing transactions are effected in US dollars or Canadian dollars (CAD) with matching maturities. Therefore, an exposure to exchange rate risks exists only in the event of default of assets.

Foreign currencies were hedged as follows:

Currency-sensitive financial instruments 2012	USD in mil.	CHF in mil.	CAD in mil.
Other financial assets	691.0	0.0	35.0
Trade payables	-1.0	0.0	0.0
Other financial liabilities	-1,867.0	-285.0	-29.0
	-1,177.0	**-285.0**	**6.0**
less forward foreign exchange contracts/ currency swaps	1,175.0	165.0	0.0
Net exchange rate risk	**-2.0**	**-120.0**	**6.0**

Currency-sensitive financial instruments 2011	USD in mil.	CHF in mil.	CAD in mil.
Other financial assets	1,000.0	0.0	112.0
Trade payables	-2.0	0.0	0.0
Other financial liabilities	-2,208.0	-285.0	-112.0
	-1,210.0	**-285.0**	**0.0**
less forward foreign exchange contracts/ currency swaps	1,198.0	165.0	0.0
Net exchange rate risk	**-12.0**	**-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 change 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 exchange rate risks in respect of their effects on profit and loss and shareholder’s equity.

Additionally, derivative financial instruments were concluded which completely hedge the exchange rate risk of the hedged item (basis swaps), but for which hedge accounting is not applied.

The ÖBB-Infrastruktur 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 exchange 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, 2012, would have resulted in an increase in income amounting to EUR10.0 million (decrease in profit amounting to EUR10.0 million) as of December 31, 2012, and an increase amounting to EUR10.0 million (decrease amounting to EUR10.0 million) as of December 31, 2011; a revaluation (devaluation) of the Euro compared to the USD by 10% as of December 31, 2012, would not have had any significant effect on the income. As of December 31, 2011, the income would have increased by EUR1.0 million (decreased by EUR1.0 million).

29.1.c. Credit risk

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

The ÖBB-Infrastruktur Group introduced a credit risk management in which the determination and allocation of limits is primarily based on the evaluation of credit default swap data of the financial partners of the ÖBB-Holding Group. This ensures a fast reaction to changing risk assessments 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 leasing 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 the cross-border lease agreements see Note 30.3.

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

The credit risk is composed as follows:

Credit risk from financial instruments recognized in the Statement of Financial Position	Gross exposure (carrying amount plus impairments) in mil. EUR	less collateral (FV) in mil. EUR	Net exposure in mil. EUR
Total exposure 2012			
Financial assets	983.3	0.0	983.3
Trade receivables	150.8	-5.7	145.1
Other receivables and assets	345.5	-277.6	67.9
Cash and cash equivalents	421.0	0.0	421.0
Risk current and non-current assets	**1,900.6**	**-283.3**	**1,617.3**
thereof neither past due nor impaired			*1,567.7*
thereof not past due because renegotiated or impaired			*1.4*
thereof past due			*48.2*
Credit risk from issued guarantees	**578.8**	**-442.3**	**136.5**
Total credit risk as of Dec 31, 2012	**2,479.4**	**-725.6**	**1,753.8**
Total exposure 2011			
Financial assets	1,724.2	0.0	1,724.2
Trade receivables	174.3	-9.8	164.5
Other receivables and assets	379.5	-267.6	111.9
Cash and cash equivalents	101.6	0.0	101.6
Risk current and non-current assets	**2,379.6**	**-277.4**	**2,102.2**
thereof neither past due nor impaired			*2,010.3*
thereof not past due because renegotiated or impaired			*11.9*
thereof past due			*80.0*
Credit risk from issued guarantees	**1,106.0**	**-942.4**	**163.6**
Total credit risk as of Dec 31, 2011	**3,485.6**	**-1,219.8**	**2,265.8**

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

29.1.d. Liquidity risk

The primary aim of the ÖBB-Infrastruktur Group's treasury management is the safeguarding of the necessary liquidity for all companies of the ÖBB-Infrastruktur Group. For the ÖBB-Infrastruktur Group, liquidity risk further means any limitation of the borrowing capacity 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 leeway 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.

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, 2012 in mil. EUR	Cash-Flows 2013 Interest 2013 in mil. EUR	Cash-Flows 2013 Redemption 2013 in mil. EUR	Cash-Flows 2014-17 Interest 2014-2017 in mil. EUR	Cash-Flows 2014-17 Redemption 2014-2017 in mil. EUR	Cash-Flows 2018 et seq. Interest 2018 et seq. in mil. EUR	Cash-Flows 2018 et seq. Redemption 2018 et seq. in mil. EUR
Original financial liabilities							
Bonds	13,365.9	524.6	1,042.2	1,770.3	2,642.8	2,476.4	9,680.9
Bank loans	2,076.1	82.3	94.2	322.1	21.6	815.7	1,960.3
Finance lease, sub-lease and CBL liabilities	733.7	24.0	57.1	124.4	323.9	85.2	352.7
Other financial liabilities	704.9	13.8	292.5	40.3	218.3	24.6	194.1
Trade payables							
non-interest bearing	*648.5*	*0.0*	*648.5*	*0.0*	*0.0*	*0.0*	*0.0*
Other liabilities							
interest-bearing	*442.5*	*0.0*	*320.2*	*0.0*	*85.9*	*0.0*	*36.4*
non-interest bearing	*5.4*	*0.0*	*4.3*	*0.0*	*0.7*	*0.0*	*0.4*
Total	**17,979.5**	**644.7**	**2,461.5**	**2,257.1**	**3,293.2**	**3,401.9**	**12,224.8**

	Carrying amount Dec 31, 2011 in mil. EUR	Cash-Flows 2012 Interest 2012 in mil. EUR	Cash-Flows 2012 Redemption 2012 in mil. EUR	Cash-Flows 2013-16 Interest 2013-2016 in mil. EUR	Cash-Flows 2013-16 Redemption 2013-2016 in mil. EUR	Cash-Flows 2017 et seq. Interest 2017 et seq. in mil. EUR	Cash-Flows 2017 et seq. Redemption 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	1,940.1	76.5	99.8	293.4	101.1	784.6	1,739.2
Finance lease, sub-lease and CBL liabilities	1,456.3	34.7	206.9	115.2	431.0	416.3	818.4
Other financial liabilities	908.7	17.4	532.1	38.1	201.3	27.1	175.3
Trade payables							
non-interest-bearing	*696.8*	*0.0*	*696.8*	*0.0*	*0.0*	*0.0*	*0.0*
Other liabilities							
interest-bearing	*65.1*	*0.2*	*58.4*	*0.2*	*6.7*	*0.0*	*0.0*
non-interest bearing	*5.7*	*0.0*	*4.4*	*0.0*	*0.9*	*0.0*	*0.4*
Total	**17,091.5**	**610.0**	**1,601.6**	**2,170.5**	**4,046.0**	**3,382.5**	**11,443.9**

		Cash-Flows 2013		Cash-Flows 2014-17		Cash-Flows 2018 et seq.	
	Carrying amount Dec 31, 2012 in mil. EUR	Interest 2013 in mil. EUR	Redemption 2013 in mil. EUR	Interest 2014-2017 in mil. EUR	Redemption 2014-2017 in mil. EUR	Interest 2018 et seq. in mil. EUR	Redemption 2018 et seq. in mil. EUR
Derivative financial liabilities							
Foreign currency forwards designated as fair value hedges	28.0	-13.2	40.2	0.0	0.0	0.0	0.0
Cash received		*-14.4*	*-303.4*				
Cash paid		*1.2*	*343.6*				
Power derivatives designated as cash flow hedges	12.8	0.0	27.6	0.0	30.5	0.0	21.5
Interest rate derivatives designated as cash flow hedges	15.7	8.2	1.3	0.0	3.7	0.0	0.5
Foreign currency forwards designated as cash flow hedges	102.7	16.4	86.8				
Cash received		*-7.6*	*-587.2*				
Cash paid		*24.0*	*674.0*				
Other derivatives not designated as hedges	71.5	1.6	283.7	3.7	75.1	4.1	5.9
Foreign currency forwards not designated as hedges	0.8	0.0	0.2	0.0	0.5		
Cash received		*0.0*	*-3.9*	*0.0*	*-9.7*		
Cash paid		*0.0*	*4.1*	*0.0*	*10.2*		
Total	**231.5**	**66.4**	**386.4**	**3.7**	**109.8**	**4.1**	**27.9**
Financial guarantees							
Guarantees from cross-border leasing	578.8	31.6	35.1	91.0	188.5	183.3	355.2

		Cash-Flows 2012		Cash-Flows 2013-16		Cash-Flows 2017 et seq.	
	Carrying amount Dec 31, 2011 in mil. EUR	Interest 2012 in mil. EUR	Redemption 2012 in mil. EUR	Interest 2013-2016 in mil. EUR	Redemption 2013-2016 in mil. EUR	Interest 2017 et seq. in mil. EUR	Redemption 2017 et seq. in mil. EUR
Derivative financial liabilities							
Foreign currency forwards designated as fair value hedges	16.2	-8.8	0.0	-9.1	34.3		
Cash received		*-14.7*	*0.0*	*-14.7*	*-309.3*		
Cash paid		*5.9*	*0.0*	*5.6*	*343.6*		
Power derivatives designated as cash flow hedges	6.2	0.0	3.8	0.0	2.4	0.0	0.0
Interest rate derivatives designated as cash flow hedges	19.9	10.9	0.0	8.6	0.0	1.3	0.0
Foreign currency forwards designated as cash flow hedges	109.2	17.3	0.0	17.0	75.2		
Cash received		*-8.8*	*0.0*	*-8.9*	*-598.8*		
Cash paid		*26.1*	*0.0*	*25.9*	*674.0*		
Other derivatives not designated as hedges	46.3	2.3	38.9	4.8	0.0	5.5	0.0
Foreign currency forwards not designated as hedges	0.7	0.1	0.1	0.3	0.3		
Cash received		*-0.1*	*-4.0*	*-0.1*	*-13.9*		
Cash paid		*0.2*	*4.1*	*0.4*	*14.2*		
Total	**198.5**	**21.8**	**77.1**	**21.6**	**77.9**	**6.8**	**0.0**
Financial guarantees							
Guarantees from cross-border leasing	1,106.00	65.9	55.4	219.7	169.9	371.9	880.7

All financial instruments included in the portfolio as of the reporting date for which payments have already been contractually 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 on December 31, 2012.

With respect to the derivative financial assets, the following interest and redemption payments are expected:

	Carrying amount Dec 31, 2012 in mil. EUR	Cash-Flows 2013 Interest 2013 in mil. EUR	Redemption 2013 in mil. EUR	Cash-Flows 2014-17 Interest 2014-2017 in mil. EUR	Redemption 2014-2017 in mil. EUR	Cash-Flows 2018 et seq. Interest 2018 et seq. in mil. EUR	Redemption 2018 et seq. in mil. EUR
Derivative financial assets							
Other derivatives not designated as hedges	46.4	0.0	239.5	0.0	58.1	0.0	5.4
Interest rate derivatives designated as cash flow hedges	17.8	19.7	0.0	0.0	0.0	0.0	0.0
Foreign currency forwards designated as cash flow hedges	22.5	-0.7	22.6				
thereof cash received		*3.8*	*136.7*				
thereof cash paid		*-4.5*	*-114.1*				
Total	**86.7**	**19.0**	**262.1**	**0.0**	**58.1**	**0.0**	**5.4**

	Carrying amount Dec 31, 2011 in mil. EUR	Cash-Flows 2012 Interest 2012 in mil. EUR	Redemption 2012 in mil. EUR	Cash-Flows 2013-16 Interest 2013-2016 in mil. EUR	Redemption 2013-2016 in mil. EUR	Cash-Flows 2017 et seq. Interest 2017 et seq. in mil. EUR	Redemption 2017 et seq. in mil. EUR
Derivative financial assets							
Other derivatives not designated as hedges	28.9	0.0	28.9	0.0	0.0	0.0	0.0
Power derivatives designated as fair value hedges	0.2	0.0	0.1	0.0	0.1	0.0	0.0
Interest rate derivatives designated as cash flow hedges	35.7	19.1	0.0	18.9	0.0	0.0	0.0
Foreign currency forwards designated as cash flow hedges	21.8	-0.8	0.0	-0.7	21.6		
thereof cash received		*3.7*	*0.0*	*3.8*	*135.7*		
thereof cash paid		*-4.5*	*0.0*	*-4.5*	*-114.1*		
Total	**86.6**	**18.3**	**50.6**	**18.2**	**0.1**	**0.0**	**0.0**

29.2. Hedging transactions

Hedge accounting

The ÖBB-Infrastruktur Group applies the hedge accounting regulations of IAS 39 relating to hedges of assets and liabilities and future cash flows. This reduces volatilities in the Income Statement. Depending on the type of the hedged item, the hedge is either designated as "fair value hedge" or "cash flow hedge".

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 Income Statement.

The ÖBB-Infrastruktur Group does not apply hedge accounting in accordance with IAS 39 for basis swaps used to hedge 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 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 or forecasted transactions denominated in a foreign currency are hedged, they may be designated as cash flow hedge.

The ÖBB-Infrastruktur 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 and the Company's objective for undertaking the hedge are documented. The documentation includes the allocation of the hedging instruments to the respective hedged assets/liabilities and planned transactions and an assessment of the effectiveness of the hedging instruments used. The effectiveness of the current hedges is assessed on an ongoing basis; if a hedge becomes ineffective, the hedging relationship is discontinued.

The ÖBB-Infrastruktur Group also enters into hedges which do not comply with the formal requirements of IAS 39 but which contribute to 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-Infrastruktur Group entered into receiver interest swaps ("receive fixed - pay variable") denominated in EUR. A USD fixed interest rate bond was designated as hedged item. Changes in the fair value of this hedged item resulting from 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 using the Dollar-Offset method. The Dollar-Offset method compares the cumulative changes in the fair 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 the 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 fair value arising from the change in the credit spread (component depending on the creditworthiness) was not considered in the effectiveness assessment.

Dec 31, 2012 Maturity	**Other derivative financial instruments** Number of contracts	 Nominal volume in mil. EUR
Portfolio	1	343.6
thereof maturing in 2013	*1*	*343.6*

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

The change in the carrying amount of the hedged items resulted in gains amounting to EUR12.2 million in 2012 (prior year: EUR7.1 million) recognized in the other financial income in contrary to the losses arising from changes of the fair values of the hedging transactions amounting to EUR12.5 million (prior year: EUR8.9 million) which were recognized in the same line item.

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-Infrastruktur Group entered into payer interest rate swaps ("receive variable - pay fixed"). 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 and the number of the cash flow hedges:

Financial instruments Maturity	Number of swaps	**Dec 31, 2012** Nominal volume in mil. EUR	Maturity	Number of swaps	**Dec 31, 2011** Nominal volume in mil. EUR
Portfolio	13	1,565.9	Portfolio	24	1,670.6
thereof maturing in 2013	*7*	*1,396.4*	*thereof maturing in 2012*	*11*	*191.2*
thereof maturing in 2014	*2*	*30.0*	*thereof maturing in 2013*	*8*	*1,408.9*
thereof maturing in 2015	*1*	*2.5*	*thereof maturing in 2014*	*2*	*30.0*
thereof maturing in 2016	*0*	*0.0*	*thereof maturing in 2015*	*1*	*3.5*
thereof maturing in 2017	*3*	*137.0*	*thereof maturing in 2016*	*2*	*37.0*

The effectiveness of the hedging relationship is assessed on a prospective basis using the Critical Terms Match method pursuant to IAS 39.AG 108. On a retrospective basis, the effectiveness is assessed at each reporting date by an effectiveness test using 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, the ÖBB-Infrastruktur Group designated derivative financial instruments totaling EUR1,565.9

million as of December 31, 2012 (prior year: EUR1,670.6 million) as cash flow hedges. The change in the fair value of the hedging instruments of -EUR19.4 million and -EUR3.7 million was recognized in the cash flow hedge reserve in 2012 and 2011, respectively. See Note 24 in this respect.

Changes in the fair value of interest rate swaps designated as hedging instruments with respect to future interest payments for variable interest liabilities are recognized in shareholder's equity via the other comprehensive income. These amounts are recognized in finance costs in the period in which the corresponding interest payments from the hedged item affect profit and loss (2012: EUR10.0 million). Furthermore, ineffective portions of hedge accounting transactions amounting to EUR0.5 million (prior year: income of EUR0.0 million) were recognized in expenses. In 2012, the Company realized a gain of EUR10.6 million (prior year: EUR22.7 million) from foreign currency hedges that was recognized in the Income Statement in the other financial expenses and income. As a result of discontinued hedging instruments (cash flow hedges), an amount of EUR0.3 million (prior year: EUR0.7 million) was recognized in shareholder's equity via other comprehensive income, which will be realized as follows: 2013: EUR0.2 million, 2014: EUR0.1 million.

Power derivatives

a) Cash flow hedges

	Dec 31, 2012			**Dec 31, 2011**	
Power derivatives designated as hedges Maturity	Number of swaps	Nominal volume in mil. EUR		Number of swaps	Nominal volume in mil. EUR
Portfolio	39	79.6	Portfolio	44	100.9
thereof maturing in 2013	*13*	*27.6*	*thereof maturing in 2012*	*15*	*34.9*
thereof maturing in 2014	*15*	*30.5*	*thereof maturing in 2013*	*14*	*32.9*
thereof maturing in 2015	*11*	*21.5*	*thereof maturing in 2014*	*15*	*33.1*

The ÖBB-Infrastruktur Group has entered into power derivatives (long-term procurement agreements, power purchase and sale forwards) aiming primarily at the hedging of the power purchase price and the management of the portfolio of power suppliers and the purchase and sales agreements (power trading). The forward contracts are concluded via the OTC market (forwards). Changes in the cash flows for the planned power purchases due to changes of the power 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 transactions aim at fixing the variable prices of planned power 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, the effectiveness of every derivative designated as hedging instrument is assessed prospectively within the framework of its designation and retrospectively at each reporting date. In the course of this effectiveness test, proof has to be provided that the change in the fair value of the derivative is between 80% and 125% of the change in the fair value of the designated hedged item resulting from the hedged risk. The hedging relations established are micro-hedges for which all parameters of the hedged item and the hedging transaction that determine the scope of the hedged change in the value are identical but opposed. This indicates an entirely efficient hedging relation, both from a prospective and from a retrospective point of view. The effectiveness was determined retrospectively using the Change in Fair Value method, i.e. the change in the fair value of the hedging instrument was compared to the change in the value of the hedged item.

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

The recognition of power forwards as hedging transactions resulted in an amount of EUR9.8 million (prior year: EUR2.6 million) less income taxes in the amount of EUR2.4 million (prior year: EUR0.7 million) being recognized in the cash flow hedge reserve via the other comprehensive income in the financial year 2012.

b) Other derivatives

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

Power derivatives not designated as hedges Maturity	**Dec 31, 2012** Number of swaps	 Nominal volume in mil. EUR	**Dec 31, 2011** Number of swaps	 Nominal volume in mil. EUR
Portfolio	272	660.5	333	380.5
thereof maturing in 2012			*246*	*251.1*
thereof maturing in 2013	*212*	*515.9*	*53*	*83.3*
thereof maturing in 2014	*55*	*133.3*	*34*	*46.1*
thereof maturing in 2015	*5*	*11.3*		

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 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 correspond to the market prices of the financial assets.

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

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 classified to this category. On principle, interests in mutual funds are always classified 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 ÖBB-Infrastruktur AG for the purpose of hedging its exposure to interest rate and exchange rate risks resulting from financial transactions as well as market value fluctuations with respect to purchased power. All derivative financial instruments are recognized either as assets or liabilities in the Statement of Financial Position and measured at their fair value (market value) in accordance with IAS 39. Changes in the fair value of derivative financial instruments designated as hedging instruments in accordance with IAS 39 are recognized through profit or loss in the Income Statement or in equity via the other comprehensive income (cash flow hedge reserve), depending on whether the derivative financial instrument is used to hedge the fair value of an item 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.

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 at 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 payments associated with the liabilities, 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 the items reported in the Statement of Financial Position.

The fair values indicated for each class only refer to the financial instruments and include the carrying amounts of the instruments in the “available for sale” (at cost) category.

As a CBL transaction that included securities held to maturity was terminated prematurely in 2012, all the securities classified to this category had to be transferred to the category “available for sale (at fair value)” and are measured at their respective fair value.

Financial assets as of Dec 31, 2012	Carrying amount as of Dec 31, 2012 in mil. EUR	Available for Sale (at Fair Value) in mil. EUR	Available for Sale (at Cost) in mil. EUR	At Fair Value through Profit and Loss (Held for Trading) in mil. EUR	Loans and Receiv-ables in mil. EUR	Cash in mil. EUR	Hedge Accoun-ting in mil. EUR	Non-Financial Instru-ments in mil. EUR	Fair value as of Dec 31, 2012 in mil. EUR
Non-current assets									
Financial assets	766.4	66.5	62.0	0.0	637.9	0.0	0.0	0.0	920.1
Other receivables and assets	142.1	0.0	0.0	0.0	0.0	0.0	0.0	142.1	0.0
Current assets									
Financial assets	212.4	0.0	0.2	46.4	125.5	0.0	40.3	0.0	211.9
Trade receivables	142.0	0.0	0.0	0.0	137.0	0.0	0.0	5.0	135.6
Other receivables and assets	203.4	0.0	0.0	0.0	60.5	0.0	0.0	142.9	60.5
Cash and cash equivalents	421.0	0.0	0.0	0.0	0.0	421.0	0.0	0.0	421.0
Total carrying amount per category		**66.5**	**62.2**	**46.4**	**960.9**	**421.0**	**40.3**		

Financial liabilities as of Dec 31, 2012	Carrying amount as of Dec 31, 2012 in mil. EUR	At Amortized Cost in mil. EUR	At Fair Value through Profit and Loss (Held for Trading) in mil. EUR	Hedge Accounting in mil. EUR	Non-Financial Instruments in mil. EUR	Fair value as of Dec 31, 2012 in mil. EUR
Non-current liabilities						
Financial liabilities	15,423.2	15,394.2	13.9	15.1	0.0	16,881.1
thereof interest-bearing liabilities	15,391.0	15,391.0	0.0	0.0	0.0	16,848.9
Other liabilities	123.4	12.8	0.0	0.0	110.6	17.7
Current liabilities						
Financial liabilities	1,688.9	1,486.4	58.4	144.1	0.0	1,703.8
thereof interest-bearing liabilities	1,241.6	1,241.6	0.0	0.0	0.0	1,256.5
Trade payables	648.5	631.2	0.0	0.0	17.3	631.1
Other liabilities	324.6	85.9	0.0	0.0	238.7	100.2
Total carrying amount per category		**17,610.5**	**72.3**	**159.2**		
thereof interest-bearing liabilities		16,632.6	0.0	0.0		

Financial assets as of Dec 31, 2011	Carrying amount as of Dec 31, 2011 in mil. EUR	Available for Sale (at Cost) in mil. EUR	At Fair Value through Profit and Loss (Held for Trading) in mil. EUR	Held to Maturity (HtM) in mil. EUR	Loans and Receiv-ables in mil. EUR	Cash in mil. EUR	Hedge Accoun-ting in mil. EUR	Non-Financial Instru-ments in mil. EUR	Fair value as of Dec 31, 2011 in mil. EUR
Non-current assets									
Financial assets	1,377.7	32.5	0.0	84.5	1,219.6	0.0	41.1	0.0	1,407.6
Other receivables and assets	121.4	0.0	0.0	0.0	0.0	0.0	0.0	121.4	0.0
Current assets									
Financial assets	334.6	0.1	28.9	0.0	289.0	0.0	16.6	0.0	334.6
Trade receivables	164.4	0.0	0.0	0.0	154.6	0.0	0.0	9.8	154.6
Other receivables and assets	243.7	0.0	0.0	0.0	87.7	0.0	0.0	156.0	87.7
Cash and cash equivalents	101.6	0.0	0.0	0.0	0.0	101.6	0.0	0.0	101.6
Total carrying amount per category		**32.6**	**28.9**	**84.5**	**1,750.9**	**101.6**	**57.7**		

Financial liabilities as of Dec 31, 2011	Carrying amount as of Dec 31, 2011 in mil. EUR	At Amortized Cost in mil. EUR	At Fair Value through Profit and Loss (Held for Trading) in mil. EUR	Hedge Accounting in mil. EUR	Finance Lease in mil. EUR	Non-Financial Instruments in mil. EUR	Fair value as of Dec 31, 2011 in mil. EUR
Non-current liabilities							
Financial liabilities	15,618.3	15,479.9	13.7	122.9	1.8	0.0	17,643.5
thereof interest-bearing liabilities	15,475.7	15,473.9	0.0	0.0	1.8	0.0	17,500.9
Other liabilities	166.3	31.8	0.0	0.0	0.0	134.5	31.8
thereof interest-bearing liabilities	2.9	0.0	0.0	0.0	0.0	2.9	2.9
Current liabilities							
Financial liabilities	904.1	841.2	33.3	28.7	0.9	0.0	903.2
thereof interest-bearing liabilities	605.9	605.0	0.0	0.0	0.9	0.0	605.0
Trade payables	709.8	696.8	0.0	0.0	0.0	13.0	709.8
Other liabilities	197.1	39.0	0.0	0.0	0.0	158.1	197.1
thereof interest-bearing liabilities	2.8	1.6	0.0	0.0	0.0	1.2	2.8
Total carrying amount per category		**17,088.7**	**47.0**	**151.6**	**2.7**		
thereof interest-bearing liabilities		16,080.5	0.0	0.0	2.7		

Bonds and other secured liabilities comprise changes from fair value hedge accounting in an amount of EUR12.2 million (prior year: EUR7.1 million).

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

Interest results not originating from financial instruments classified according to the categories of IAS 39 consist primarily of the amortization of the deferred tax benefit from CBL transactions and accrued interest on provisions.

Accrued interest from derivative financial instruments (interest rate swaps) designated as fair value hedges and cash flow hedges in accordance with IAS 39 are recognized accordingly as interest income or expense. The interest result is allocated to the categories according to the hedged item; in the reporting period, the Company exclusively hedged financial liabilities.

Net financial results by category

The net financial result by category is shown in the following table:

		Result of subsequent measurement				
Dec 31, 2012	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
Loans and Receivables (LaR)	76.7	0.0	29.3	-12.6	0.0	0.0
Held-to-Maturity Investments (HtM)	0.9	0.0	0.0	0.0	0.0	0.0
Available for Sale Financial Assets (AfS)	3.2	0.0	0.0	0.0	0.0	0.7
Financial Instruments Held for Trading (FAHfT, FLHfT)	0.0	-6.0	0.0	0.0	5.3	0.0
Financial Liabilities Measured at Amortized Cost (FLAC)	-661.7	0.0	-12.9	0.0	0.0	0.0
Hedge Accounting	1.0	-17.6	0.0	0.0	0.0	0.0
Cash and cash equivalents	3.3	0.0	0.0	0.0	0.0	0.0

Dec 31, 2011	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
	Result of subsequent measurement					
Loans and Receivables (LaR)	83.0	0.0	25.0	0.3	0.0	0.0
Held-to-Maturity Investments (HtM)	4.7	0.0	0.7	0.0	0.0	0.0
Financial Instruments Held for Trading (FAHfT, FLHfT)	-1.9	-2.0	0.0	0.0	2.2	0.0
Financial Liabilities Measured at Amortized Cost (FLAC)	-613.1	0.0	-61.4	0.0	0.0	0.0
Hedge Accounting	-3.0	22.7	0.0	0.0	0.0	0.0
Cash and cash equivalents	1.4	0.0	0.0	0.0	0.0	0.0

The interest result from financial liabilities classified as “Financial liabilities measured at amortized cost” mainly comprises interest expenses from bonds and loans and cross-border leasing transactions. The ÖBB-Infrastruktur Group recognizes other components of the net result in the other financial expenses or income. The total interest income calculated according to the effective interest method amounts to EUR80.9 million (prior year: EUR89.1 million).

29.4. Derivative financial instruments

The following tables show the reported fair values of all derivative financial instruments. They are divided into those with an effective hedge relation in accordance with IAS 39 (fair value hedge, cash flow hedge) and those without.

	Assets		Liabilities	
	Carrying amounts Dec 31, 2012 in mil. EUR	Carrying amounts Dec 31, 2011 in mil. EUR	Carrying amounts Dec 31, 2012 in mil. EUR	Carrying amounts Dec 31, 2011 in mil. EUR
Interest rate swaps				
without hedge relation	0.0	0.0	8.0	7.3
designated as cash flow hedge	17.8	35.7	15.7	19.9
Cross currency swaps				
without hedge relation	0.0	0.0	0.8	0.7
designated as fair value hedge	0.0	0.0	28.0	16.2
designated as cash flow hedge	22.5	21.8	102.7	105.9
Power forwards				
without hedge relation	46.4	28.9	56.2	31.7
designated as cash flow hedge	0.0	0.2	12.8	6.2
Other derivatives				
without hedge relation	0.0	0.0	7.3	7.3
designated as hedge	0.0	0.0	0.0	3.4
Total	**86.7**	**86.6**	**231.5**	**198.6**

Other derivatives without hedge relation refer to swaps in connection with a cross-border leasing transaction.

Fair value hierarchy

The following table summarizes how the fair values of assets and liabilities measured at fair value were determined; the allocation to the three-level hierarchy reflects the level of observable market parameters used in the fair value determination.

Dec 31, 2012	Level 1	Level 2
Derivatives designated as hedge instrument	0.0	40.3
Derivatives held for trading	0.0	46.4
Available for Sale	26.4	40.1
Derivative financial assets	**26.4**	**126.8**
Derivatives designated as hedge instrument	0.0	159.2
Derivatives held for trading	0.0	72.3
Derivative financial liabilities	**0.0**	**231.5**

Dec 31, 2011	Level 2
Derivatives designated as hedge instrument	57.7
Derivatives held for trading	28.9
Derivative financial assets	**86.6**
Derivatives designated as hedge instrument	151.6
Derivatives held for trading	47.0
Derivative financial liabilities	**198.6**

The levels were defined as follows:

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

Transfers between the individual levels were not carried out. For further details on these financial instruments see Note 29.3.

30. Leasing transactions

30.1. Lessor

ÖBB-Infrastruktur AG is the owner of the railway infrastructure and of the vast majority of the real estate held by the ÖBB Group.

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

There are 30,000 lease agreements, predominantly with indefinite terms, which can be terminated with a notice period of 6 months maximum. About 6,100 external lease agreements end between 2013 and 2059, and 10 agreements within the Group end between 2013 and 2107. The long-term agreements refer to building leases granted for property. Contingent lease payments relate exclusively to lease agreements concluded with third parties, not with Group companies.

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

The minimum lease payments from the non-cancelable operating lease agreements as of December 31, 2012, amount to:

Dec 31, 2012	Total in mil. EUR	up to 1 year in mil. EUR	1 to 5 years in mil. EUR	more than 5 years in mil. EUR
Land and buildings	289.6	21.2	46.1	222.3
thereof with affiliated companies	*75.8*	*0.9*	*3.5*	*71.4*
Automobiles and trucks	15.1	6.3	8.8	0.0
thereof with affiliated companies	*7.0*	*3.0*	*4.0*	*0.0*

Dec 31, 2011	Total in mil. EUR	up to 1 year in mil. EUR	1 to 5 years in mil. EUR	more than 5 years in mil. EUR
Land and buildings	247.5	16.4	40.5	190.6
thereof with affiliated companies	*77.1*	*1.0*	*3.3*	*72.8*
Automobiles and trucks	3.2	1.9	1.3	0.0
thereof with affiliated companies	*2.5*	*1.3*	*1.2*	*0.0*

Contingent lease payments were recognized in profit or loss in an amount of EUR1.2 million in 2012 (prior year: EUR1.4 million).

The ÖBB-Infrastruktur Group leases certain properties out within the framework of finance leases. The future minimum lease payments from these transactions amount to:

As of Dec 31, 2012	Minimum lease payments in mil. EUR	Interest expense included in mil. EUR	Present value in mil. EUR
2013	0.7	0.5	0.2
2014 - 2017	2.7	1.8	0.9
after 2017	8.6	3.1	5.5
Total of minimum lease payments	**12.0**	**5.4**	**6.6**
less interest	-5.4		
Present value of lease payments	**6.6**		
less current portion	-0.2		
Non-current lease liabilities	**6.4**		

As of Dec 31, 2011	Minimum lease payments in mil. EUR	Interest expense included in mil. EUR	Present value in mil. EUR
2012	2.3	1.9	0.4
2013 - 2016	10.7	8.5	2.2
after 2016	59.4	28.6	30.8
Total of minimum lease payments	**72.4**	**39.0**	**33.4**
less interest	-39.0		
Present value of lease payments	**33.4**		
less current portion	-0.4		
Non-current lease liabilities	**33.0**		

In the course of the sale of Westbahnhof A3 GmbH & Co. KG, a property that had been leased out within the framework of a finance lease agreement, was sold in the year under review.

30.2. Lessees

Finance leases

The majority of the lease agreements concluded with the ÖBB-Infrastruktur Group as lessee constitutes operating lease transactions regarding the lease of software and buildings.

In addition, certain items of property, plant and equipment are leased by means of finance lease agreements, such as Telekom backbone networks and rail welding machines. As of the reporting dates, the average effective interest rate was based on the six-month EURIBOR rate, incl. a contractually agreed premium. The interest rates are determined upon conclusion of the contracts, partly as fixed rates and partly as variable rates depending on the contract. The terms of all leases are stipulated in writing. No agreements on contingent lease payments were concluded.

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

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

As of Dec 31, 2012	Minimum lease payments in mil. EUR	Interest expense included in mil. EUR	Present value in mil. EUR
2013	0.3	-0.1	0.2
2014 - 2017	0.6	0.0	0.6
after 2017	0.0	0.0	0.0
Total of minimum lease payments	**0.9**	**-0.1**	**0.8**
less interest	-0.1		
Present value of lease payments	**0.8**		
less current share	-0.2		
Non-current lease liabilities	**0.6**		

As of Dec 31, 2011	Minimum lease payments in mil. EUR	Interest expense included in mil. EUR	Present value in mil. EUR
2012	1.0	-0.1	0.9
2013 - 2016	0.7	-0.1	0.6
after 2016	0.2	0.0	0.2
Total of minimum lease payments	**1.9**	**-0.2**	**1.7**
less interest	-0.2		
Present value of lease payments	**1.7**		
less current share	-0.9		
Non-current lease liabilities	**0.8**		

Operating leases

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

2012	up to 1 year in mil. EUR	1-5 years in mil. EUR	more than 5 years in mil. EUR
Land and buildings	9.0	33.8	95.6
Automobiles and trucks	0.1	0.1	0.0
Other technical equipment and machinery	5.2	20.8	0.0
Total	**14.3**	**54.7**	**95.6**

2011	up to 1 year in mil. EUR	1-5 years in mil. EUR	more than 5 years in mil. EUR
Land and buildings	6.8	25.8	73.0
Automobiles and trucks	0.1	0.2	0.0
Other technical equipment and machinery	6.1	0.0	0.0
Total	**13.0**	**26.0**	**73.0**

The operating lease agreements mainly refer to buildings and furniture and fixtures. Contingent lease payments have not been agreed. The term of the lease agreements ends in 2040 (signaling and control center). Minimum lease payments amounting to EUR16.1 million (prior year: EUR9.2 million) were recognized as expense in the respective reporting periods; affiliated companies accounted for EUR2.3 million (prior year: EUR0.7 million) thereof.

30.3. Cross border lease agreements

Between May 1995 and December 2002, *Österreichische Bundesbahnen* (now ÖBB-Infrastruktur AG) entered into 17 cross-border lease ("CBL") transactions regarding infrastructure facilities and rolling stock, 12 of which are still valid as of December 31, 2012 (prior year: 14).

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 ÖBB-Infrastruktur AG.
- **Lease and leaseback:** ÖBB-Infrastruktur AG leases assets under its legal ownership to the contractual partner and simultaneously leases them back. The contractual partner makes upfront lease payments.

In the course of the reorganization of ÖBB at the beginning of 2005, sub-lease agreements were concluded with other ÖBB Group companies with respect to ten (prior year: twelve) (still valid) transactions, and the deferred tax benefits were transferred to the respective companies on a pro rata basis. In the external relation with the investor, ÖBB-Infrastruktur AG remains the contractual partner.

Amounts (purchase price or upfront lease payment) received by *Österreichische Bundesbahnen* at the inception of the CBL transactions were 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 ÖBB-Infrastruktur AG 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 having 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 ÖBB-Infrastruktur AG.

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

Premature termination of CBL transactions

In 2012, one tranche each of two CBL transactions was terminated prematurely. The CBL transactions terminated in their entirety and those two tranches terminated during the reporting year relate to ÖBB-Infrastruktur AG in their external relation, but in the internal relation, they were charged to the Group companies ÖBB-Personenverkehr AG and ÖBB-Produktion GmbH as sub-lessees in their entirety.

Furthermore, the early buyout option was exercised with respect to two lots of a CBL transaction. These lots relate to ÖBB-Infrastruktur AG in their external relation, but in the internal relation, they were charged to Rail Cargo Austria AG as sub-lessee in their entirety.

Accounting

General principles for all CBL transactions:

- **The ÖBB-Infrastruktur Group remains the beneficial owner of the assets:** Due to continuing beneficial ownership, property, plant and equipment sold and leased back is still recognized in the property, plant and equipment of the ÖBB-Infrastruktur Group. The assets transferred to other ÖBB Group companies within the framework of sub-lease agreements are recognized in the Statement of Financial Position of these companies. The ÖBB-Infrastruktur Group therefore continues to recognize the infrastructure assets involved in the CBL transactions.
- **Amortization of the deferred tax benefit:** The deferred tax benefit realized at the inception of the transaction is recognized in other liabilities and amortized pro rata temporis over the term of the contracts. As of December 31, 2012, the deferred tax benefit not yet amortized attributable to the ÖBB-Infrastruktur Group amounted to EUR12.8 million (prior year: EUR15.4 million). Income from the amortization of the deferred tax benefit amounting to EUR2.6 million in 2011 (prior year: EUR2.6 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-Infrastruktur Group (securities and bank deposits) and the corresponding lease liabilities do not meet the criteria of assets and liabilities (“linked transactions”), respectively, due to the lack of substance of the agreements, and are therefore not accounted for (“off balance”).

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

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. As one CBL transaction that included securities classified as held to maturity was terminated prematurely in 2012, all securities of this category had to be transferred to the category “available-for-sale (at fair value)” and are measured at their respective fair value.

As of December 31, 2012, all banks and financial institutions with which investments were concluded in the framework of cross-border leasing transactions have an investment grade rating. Recourse rights applicable in case of loss due to the default of an investment exist due to the sub-lease agreements concluded with other ÖBB Group companies, with the exception of two transactions for which ÖBB-Infrastruktur AG bears the economic risk.

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 a guarantor liability or pledged marketable securities of the highest rating in favor of the ÖBB-Infrastruktur Group exist. The amount of the respective impairment is 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, considering the individual circumstances. As of December 31, 2012, the Company recognized impairments on investments of EUR4.5 million (prior year: EUR11.8 million). Based on the risk transfer agreed in the sub-lease agreements concluded with other ÖBB Group companies, the allowance recognized were charged to ÖBB-Personenverkehr AG, Rail Cargo Austria AG and ÖBB-Produktion Gesellschaft mbH accordingly. In total, the impairments on assets from the transactions attributable to ÖBB-Infrastruktur AG amounted to EUR0.7 million (prior year: EUR1.0 million).

In the Consolidated Financial Statements as of December 31, 2012, the financial assets in connection with non-linked lease transactions amount to EUR557.6 million (prior year: EUR861.8 million). The related financial liabilities amount to EUR545.6 million as of December 31, 2012 (prior year: EUR871.4 million). Changes in the fair value of the available-for-sale securities were recognized in the other comprehensive income at an amount of EUR16.5 million.

In 2012, an amount of EUR52.8 million (prior year: EUR52.4 million) of interest income from financial assets related to CBL transactions was recognized. This interest income is matched by interest expenses in the amount of EUR52.8 million (prior year: EUR52.4 million).

Accounting for transactions without substance (linked transactions):

In accordance with SIC 27, the Company did not recognize any assets or liabilities for these transactions. Therefore, the deposits made and marketable securities purchased in connection with the payment undertaking agreements and the lease prepayments received under the master lease agreement are not recognized in the Statement of Financial Position. Legal obligations under the lease agreements are recognized as contingent liabilities in case the respective contractual partners of the payment undertaking agreements fail to make payments. As of December 31, 2012, contingent liabilities from CBL transactions amounted to EUR578.8 million (prior year: EUR1.106,0 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 the Liechtenstein railway infrastructure concession. 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 law 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, for which a referendum will be necessary, 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 property, plant and equipment 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. Related party transactions

Supplies to and from related parties

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

The Company maintains business relationships at arm’s lengths, within the scope of activities of the ÖBB-Infrastruktur Group, with companies in which the Republic of Austria directly or indirectly holds an interest (e.g. Österreichische Industrieholding AG, ÖMV Aktiengesellschaft, ASFINAG AG, Telekom Austria AG, Schieneninfrastruktur-Dienstleistungsgesellschaft mbH) and which are also classified as related parties in accordance with IAS 24. With the exception of the acquisition of the company Güterterminal Werndorf Projekt GmbH, 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 and were, overall, insignificant. Receivables due from and liabilities due to these companies are disclosed as trade receivables and trade payables. With respect to the acquisition of Güterterminal Werndorf Projekt GmbH from Schieneninfrastruktur-Dienstleistungsgesellschaft mbH see Note 3.

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

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

in mil. EUR, rounded	Affiliated companies of the Rail Cargo Austria sub-group 2012	2011	Affiliated companies of the ÖBB-Personenverkehr sub-group 2012	2011	Other affiliated companies 2012	2011
Sale of goods/rendering of services	227.3	245.9	283	271.2	238.2	245.4
Purchase of goods/services/fixed assets	52.8	54.6	12	14.9	88.1	85.8
Receivables as of Dec 31	52	66.2	161.1	310.4	103.8	407.6
thereof other financial assets	*24.3*	*38.1*	*132.8*	*280.4*	*94.0*	*378.8*
thereof trade receivables	*27.7*	*28.1*	*28.3*	*30.0*	*9.8*	*28.8*
Liabilities as of Dec 31	46.6	30.3	2.9	4.8	242.8	607.9
thereof other financial liabilities	*7.5*	*9.4*	*0.0*	*0.0*	*239.7*	*595.5*
thereof trade payables	*39.1*	*20.9*	*2.9*	*4.8*	*3.1*	*12.4*

Transactions with affiliated companies of the ÖBB-Group are described separately in the Notes on the Consolidated Financial Statements. The financial liabilities due to other affiliated companies primarily comprise liabilities due to ÖBB-Finanzierungsservice GmbH based on sub-lease agreements in connection with cross-border leasing. They are matched by receivables due from Rail Cargo Austria AG and ÖBB-Personenverkehr AG in the same amounts that are recognized in the other financial assets. Receivables due from ÖBB-Holding AG mainly result from value-added tax credits (value-added tax group).

As for lease agreements, a finance lease agreement regarding the apprentice hostel Meidling was concluded with ÖBB-Shared Service Center GmbH. The recognized lease receivable amounts to EUR6.6 million (prior year: EUR6.9 million). A financial liability due to Rail Cargo Austria AG for the transfer of the Logistics Center Linz in the amount of EUR7.5 million (prior year: EUR9.4 million) is recognized in the financial liabilities. Grants were paid to affiliated companies outside the Group in an amount of EUR0.2 million, and grants received from affiliated companies outside the Group amounted to EUR0.2 million.

in mil. EUR, rounded	Associated companies 2012	2011	Members of the Supervisory Board 2012	2011
Sale of goods/provision of services (total revenue)	4.3	4.0	1.0	0.2
Purchase of goods/services/fixed assets (total expenses)	23.5	26.2	0.0	2.3
Receivables as of Dec 31	1.2	0.8	0.7	
Liabilities as of Dec 31	2.8	3.5		

In 2012, an amount of EUR25.7 million was paid to Galleria di Base del Brennero as investment grants. These grants were refunded by the federal government at an amount of EUR17.5 million on the one hand, and by the federal state of Tyrol at an amount of EUR8.2 million on the basis of the agreement on the other hand. In 2011, Galleria di Base del Brennero - Brenner Basistunnel BBT SE received investment grants in an amount of EUR11.3 million, and another 25% of the shares of Galleria di Base del Brennero were purchased at the price of EUR1.00. 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.

Transactions with affiliated, not fully consolidated companies within the ÖBB-Infrastruktur Group were insignificant. No transactions with members of the Executive Board or managers subject to disclosure were carried out in both financial years. Information on guarantees issued for affiliated companies is given in Note 28.

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

Service relations with the federal government, master plan for infrastructure investments and guarantees provided by the federal government

General

ÖBB-Infrastruktur AG is a railway infrastructure company whose activities are of public interest and further defined in Article 31 *Bundesbahngesetz*. The basis for the financing of the Company is given in Article 47 *Bundesbahngesetz*, according to which the federal government is responsible for ensuring that ÖBB-Infrastruktur AG has the funds required to fulfill its tasks and maintain its liquidity and equity at its disposal, insofar as the tasks are included in the business plan pursuant to Article 42 (6) *Bundesbahngesetz*. The commitment regulated by the federal government in this provision is implemented by the grant agreements pursuant to Article 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 Article 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 Article 42 (1) *Bundesbahngesetz*, at the request of ÖBB-Infrastruktur AG, in particular for the operation of the railway infrastructure and the provision of the same to its users insofar and for as long as the revenues 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 Article 42 (2) *Bundesbahngesetz* for the maintenance, planning and construction of the railway infrastructure.

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

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

The master plan for the period 2012 - 2017 was approved by the Supervisory Board of ÖBB-Infrastruktur AG on April 23, 2012. In September 2012, the Republic of Austria, represented by the Federal Ministry of Transport, Innovation and Technology in coordination with the Federal Ministry of Finance, ÖBB-Infrastruktur AG and ÖBB-Holding AG formally concluded the grant agreement pursuant to Article 42 *Bundesbahngesetz* that regulates the subsidies from 2012 onwards.

Infrastructure financing

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

According to the grant agreement 2012-2017, the federal government shall bear 75% of the annual investments in expansion and reinvestments according to the master plan 2012-2017 (with the exception of the Brenner base tunnel) until 2016 and 80% in 2017; for these investments, subsidies are granted in the form of an annuity allocated over 30 years as subsidy for depreciation and amortization and financing costs. 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 applicable for long-term financing measures of ÖBB-Infrastruktur AG.

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

The federal government also grants a subsidy for inspection and maintenance, elimination of malfunctions and repair of the railway infrastructure operated by ÖBB-Infrastruktur AG. The amount of the grant is fixed with consideration of the liquidity requirements based on the business plan of ÖBB-Infrastruktur AG, the limit of the total grant prescribed by Article 42 *Bundesbahngesetz* and the objectives (performance and output objectives) according to the grant agreement pursuant to Article 42 *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 has to obtain the consent of the BMVIT and the BMF prior to any such change.

Based on the valid master plan agreement 2012 to 2017, an amount of EUR472.3 million (prior year: EUR398.9 million) was granted for investments in expansion and reinvestments (with the exception of the Brenner base tunnel) in 2012; for inspection, maintenance and elimination of malfunctions, an amount of EUR475.6 million (prior year: EUR328.3 million) was granted. EUR454.4 million (prior year: EUR390.7 million) of the grant for expansion and reinvestment were recognized in the other operating income in the Income Statement, the remaining amount was deferred in other liabilities.

With respect to the construction costs of the Brenner base tunnel, ÖBB-Infrastruktur AG paid investment grants totaling EUR17.5 million (prior year: EUR11.3) 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 Article 42 (1) *Bundesbahngesetz*, at the request of the ÖBB-Infrastruktur AG, in particular for the operation of the railway infrastructure and the provision of the same to its users insofar and for as long as the revenues that can be achieved by the users of the railway infrastructure under the respective market conditions do not cover the expenses incurred with economical and efficient management.

The agreement on the grant pursuant to Article 42 (1) *Bundesbahngesetz* is based in particular on the six-year business plan to be prepared by ÖBB-Infrastruktur AG pursuant to Article 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, budgets, rationalization plans and a forecast with respect to usage fees and other fees and charges. The business plan pursuant to Article 42 (6) *Bundesbahngesetz* shall be amended each year by one year and adapted to the new six-year period.

Pursuant to Article 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 Article 42 *Bundesbahngesetz*.

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

The compliance with the obligation for ÖBB-Infrastruktur AG to guarantee and constantly improve the quality and safety of the operated railway infrastructure, which results from the *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 portion of operating expenses incurred for railway infrastructure that is transferred to other operators or no longer operated by ÖBB-Infrastruktur AG, contrary to the provisions of the business plan pursuant to Article 42 para. 6 *Bundesbahngesetz*.

The total grant pursuant to Article 42 *Bundesbahngesetz* in 2012 therefore amounted to EUR1,576.9 million (prior year: EUR1,423,7 million). The grant for investments for expansion and reinvestments in the amount of EUR472.3 million (prior year: EUR398.9 million) was reduced by EUR17.9 million (prior year: EUR8.2 million) to EUR454.4 million (prior year: EUR390.7 million) due to the lower level of implementation of measures and recognized in the other operating income. The grant for signaling and control and maintenance in the amount of EUR1,104.6 million (prior year: EUR1,033.0 million) was reduced by EUR18.5 million to EUR1,086.1 million due to improvements of the performance in signaling and control and the actual apprenticeship costs, and recognized in revenue. The accrued amount in connection with the grant for expansion and reinvestment in the amount of EUR17.9 million (prior year: EUR8.2 million) and in connection with signaling and control and apprenticeships in the amount of EUR18.5 million is recognized in the other liabilities.

In addition, contributions (usually grants for investment measures) amounting to EUR100.4 million (prior year: EUR87.5 million) were paid by the governments of the Austrian federal states and by the communities; EUR19.1 million thereof (prior year: EUR26.9 million) are still outstanding as of the reporting date and reported in receivables. Furthermore, the EU paid grants in the amount of EUR40.2 million (prior year: EUR62.5 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 both reporting dates, the Executive Board of ÖBB-Infrastruktur AG consists of three members. The remuneration of the members of the Executive Board amounted to EUR1,234,000 (prior year: EUR1,027,000). This amount includes contractual severance payments amounting to EUR379,000 (prior year: EUR36,000), and in 2011, payments to former members of the Executive Board amounting to EUR307,000. The change in the provision for severance payments resulted in a decrease by EUR56,000 in 2011; statutory contributions to the severance insurance scheme amounted to EUR9,000 (prior year: EUR5,000). Contributions to pension funds amounted to EUR26,000 (prior year: EUR25,000). Former members of the Executive Board received pension benefits amounting to EUR39,000 (prior year: EUR38,000).

Addtions to provisions for pensions were recognized in an amount of EUR219,000 (prior year: release of an amount of EUR156,000).

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 based on the Group's overall results, its strategy and the focus of the Group's activities. The variable components of the salaries that were paid out are included in the remuneration of the Executive Board indicated above.

The members of the Executive Board of ÖBB-Infrastruktur 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-Infrastruktur AG and the resolution of the annual general meeting, the ÖBB-Infrastruktur Group shall reimburse the actual invoiced expenses incurred by the members of the Supervisory Board in the course of performing their duty and pay a compensation to the shareholder's representatives on the Supervisory Board.

The basic remuneration for a Supervisory Board member amounts to EUR9,000 per year. In addition, each Supervisory Board member receives an attendance fee of EUR200 for each meeting of a Supervisory Board, the Executive Committee or any other committee. The chairperson of the Supervisory Board receives 200% of the basic remuneration, and a deputy chairperson within ÖBB-Infrastruktur AG receives 150% of the basic remuneration. For any activity in another Supervisory Board of the ÖBB Group, the member receives an additional 50% of the amounts stipulated above. If several functions are accumulated in one person, the upper limit of EUR27,000 (plus attendance fees) may not be exceeded. Members of the Supervisory Board who are members of the Executive Board, general managers or employees of the ÖBB Group do not receive any supervisory board remuneration.

The compensation of the shareholder's representatives on the Supervisory Board for their activities in the ÖBB-Infrastruktur Group amounted to EUR36,000 (prior year: EUR33,000).

33. Segment reporting

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

Information on company level

Important customers according to IFRS 8.34 include ÖBB-Personenverkehr AG (revenue amounting to EUR275.0 million [prior year: EUR262.6 million]), ÖBB-Produktion GmbH AG (revenue amounting to EUR222.3 million [prior year: EUR229.1 million]) and Rail Cargo Austria AG (revenue amounting to EUR184.0 million [prior year: EUR197.2 million]). This revenues result from the infrastructure usage charges and the sale of traction power. These companies are members of the ÖBB Group and thus affiliated companies.

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:

Total revenues	2012 in mil. EUR	2011 in mil. EUR	
Austria	2,894.7	2,776.3	*)
Germany	83.3	85.6	
Switzerland	32.6	20.5	
Other markets	3.4	6.9	
Total	**3,014.0**	**2,889.3**	

*) adjusted prior year amounts in the power segment (Note 4)

The presentation of the carrying amounts of the segment assets and the capital expenditure on property, plant and equipment and intangible assets by geographic areas is omitted, because almost all the assets are located in Austria. The external revenues, broken up by service provided, are reported in Note 4.

Information on business segments

For the purpose of segment reporting, the ÖBB-Infrastruktur Group is divided in two business segments in accordance with the management structure - railway infrastructure assets and power.

Railway infrastructure

The infrastructure business segment is responsible for the planning and construction of railway infrastructure including high-performance tracks, planning and construction of related projects, and provision of railway infrastructure including equipment and facilities.

Power

The power business segment is responsible for the generation and purchase of traction power and three-phase current and procurement of natural gas and district heating. Accordingly, it provides traction power, three-phase current, natural gas, heating and cooling in the quality and quantity required. A traction power one-stop shop is provided for the supply of electrical traction power to the railway users. Since 1999, this business segment is an active participant in the market places of Central Europe on behalf of *Österreichische Bundesbahnen* and concludes short-term and medium-term power transactions.

The accounting and measurement principles of segment reporting correspond to the IFRS regulations used in the preparation of the Consolidated Financial Statements. The earnings before income taxes are used as performance measure.

Only the revenues generated between segments are consolidated in the column “Eliminations”.

The accounting principles applied to inter-segmental transactions are standardized and correspond to Note 3.

Result 2012	Railway infrastructure in mil. EUR	Power in mil. EUR	Elimination in mil. EUR	Consolidated amounts in mil. EUR
External revenues	1,758.2	394.2		2,152.4
Own work capitalized	308.4	3.4		311.8
Other income	549.5	0.3		549.8
Revenues between segments	7.9	53.8	-61.7	0.0
Total revenue	**2,624.0**	**451.7**	**-61.7**	**3,014.0**
Revenues between segments are charged at customary rates.				
Expenses for materials and services received	-285.5	-251.3		-536.8
Personnel expenses	-1,040.1	-26.2		-1,066.3
Depreciation and amortization	-517.6	-21.9		-539.5
Other operating expenses	-202.4	-78.2		-280.6
Intersegment expenses	-53.8	-7.9	61.7	0.0
Earnings before interest and taxes (EBIT)	**524.6**	**66.2**	**0.0**	**590.8**
Earnings from companies recorded at equity	0.8	0.0		0.8
Interest income	86.6	1.3		87.9
Interest expenses	-667.3	0.0		-667.3
Intersegment interest	14.7	-14.7	0.0	0.0
Other financial result	2.6	-6.0		-3.4
Earnings before income taxes (EBT)	**-38.0**	**46.8**	**0.0**	**8.8**
Income taxes				11.5
Net income				**20.3**
Other information				
Capital expenditure (before deduction of investment grants)	1,900.7	60.1		1,960.8

Statement of Financial Position	Dec 31, 2012 in mil. EUR	Dec 31, 2012 in mil. EUR	Dec 31, 2012 in mil. EUR	Dec 31, 2012 in mil. EUR
Assets	19,016.0	709.2		19,725.2
thereof investments in companies recorded at equity	43.6	0.0		43.6
Liabilities	18,507.6	69.0		18,576.6

Result 2011	Railway infrastructure in mil. EUR	Power in mil. EUR	Elimination in mil. EUR	Consolidated amounts in mil. EUR	
External revenues	1,690.2	372.6		2,062.8	*)
Own work capitalized	307.0	3.3		310.3	
Other income	515.7	0.5		516.2	
Revenues between segments	11.1	56.0	-67.1	0.0	
Total revenue	**2,524.0**	**432.4**	**-67.1**	**2,889.3**	***)**
Revenues between segments are charged at customary rates.					
Expenses for materials and services received	-304.0	-240.9		-544.9	*)
Personnel expenses	-1,017.1	-24.2		-1,041.4	
Depreciation and amortization	-458.5	-23.2		-481.7	
Other operating expenses	-194.9	-82.4		-277.4	
Intersegment expenses	-56.0	-11.1	67.1	0.0	
Earnings before interest and taxes (EBIT)	**493.5**	**50.5**	**0.0**	**544.0**	
Earnings from companies recorded at equity	0.9	0.0		0.9	
Interest income	91.7	0.5		92.2	
Interest expenses	-623.7	0.0		-623.7	
Intersegment interest	14.1	-14.1		0.0	
Other financial result	-1.8	-3.1		-4.9	
Earnings before income taxes (EBT)	**-25.4**	**33.8**	**0.0**	**8.4**	
Income taxes				-22.6	
Net income				**-14.2**	
Other information					
Capital expenditure (before deduction of investment grants)	2,110.6	52.2		2,162.8	

Statement of Financial Position	Dec 31, 2011 in mil. EUR	Dec 31, 2011 in mil. EUR	Dec 31, 2011 in mil. EUR	Dec 31, 2011 in mil. EUR
Assets	18,397.2	631.7		19,028.9
thereof investments in companies recorded at equity	43.7	0		43.7
Liabilities	17,875.6	37.8		17,913.4

*) adjusted prior year amounts in the power segment (Notes 4 and 7)

34. Notes on the Cash Flow Statement

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

Liquid funds include cash and cash equivalents and current receivables due from and liabilities due to ÖBB-Finanzierungsservice GmbH. Current receivables due from ÖBB-Finanzierungsservice GmbH (recognized in cash and cash equivalents) amount to EUR412.3 million (prior year: EUR86.9 million), and current liabilities due to ÖBB-Finanzierungsservice GmbH (recognized in current financial liabilities) amount to EUR67.3 million (prior year: EUR12.5 million).

Important non-cash transactions carried out during the year under review mainly refer to the accounting of investments and obligations from CBL transactions (EUR33.9 million).

35. Subsidiaries

Disclosures on subsidiaries, associated companies, investments and other interests of the ÖBB-Infrastruktur Group existing as of December 31, 2012:

The following changes took place in the year under review:

- Güterterminal Werndorf Projekt GmbH was acquired in December 2012.
- Westbahnhof A3 GmbH & Co. KG was sold in October 2012.

The following table presents an overview of all the subsidiaries in which ÖBB-Infrastruktur AG holds investments, either directly or indirectly through other affiliated companies, as of the reporting date. The respective purpose of the subsidiaries is described by the letters a) to i). The majority of the subsidiaries founded for the purpose of project development and marked with the letter b) have not yet taken up their activities. Changes in the type of consolidation are remarked in footnotes.

ÖBB-Infrastruktur Group	Country, registered office, type of consolidation and purpose			Equity in kEUR	Profit or loss in kEUR	
100% ÖBB-Infrastruktur Aktiengesellschaft	A-1020 Vienna	V	d)	1,038,152.0	24,726.6	
├► 100% Austrian Rail Construction & Consulting GmbH	A-1020 Vienna	V0	g)	140.1	11.3	
├► 100% Austrian Rail Construction & Consulting GmbH & Co KG	A-1020 Vienna	V0	g)	210.0	-6.2	
├► 100% Hans Hechenbichler Erdölprodukte Gesellschaft m.b.H.	A-6020 Innsbruck	V0		429.7	638.9	
├► 100% Hauptbahnhof Zwei Holding GmbH	A-1020 Vienna	V0	b)	38.9	-2.5	
├► 100% HBF Fünf Epsilon Projektentwicklungs GmbH	A-1020 Vienna	V0	b)	5.5	-2.4	
└► 100% HBF Sechs Gamma Projektentwicklungs GmbH	A-1020 Vienna	V0	b)	5.4	-2.4	
├► 100% Mungos Sicher & Sauber GmbH	A-1150 Vienna	V	f)	33.2	-10.6	
├► 100% Mungos Sicher & Sauber GmbH & Co KG	A-1150 Vienna	V	f)	2,930.9	613.3	
├► 100% Netz- und Streckenentwicklung GmbH	A-1020 Vienna	V0	e)	375.2	-27.4	
├► 100% Nordbahnhof Projekte Holding GmbH	A-1020 Vienna	V0	b)	29,590.1	-1.7	
├► 100% Nordbahnhof Baufeld Fünf Projektentwicklung GmbH	A-1020 Vienna	V0	b)	11,607.8	-101.0	
├► 100% Nordbahnhof Baufeld Sieben Projektentwicklung GmbH	A-1020 Vienna	V0	b)	8,628.8	-101.1	
└► 100% Nordbahnhof Baufeld Acht Projektentwicklung GmbH	A-1020 Vienna	V0	b)	9,115.8	-101.1	
├► 100% ÖBB-IKT GmbH	A-1010 Vienna	V	i)	7,132.6	258.9	
├► 100% ÖBB-Immobilienmanagement Gesellschaft mbH	A-1020 Vienna	V	a)	4,655.7	331.1	
├► 100% ÖBB-Projektentwicklung GmbH	A-1020 Vienna	V	b)	46.9	4.7	
├► 100% ÖBB-Realitätenbeteiligungs GmbH & Co KG	A-1020 Vienna	V	b)	17,357.4	6,959.5	
├► 100% BahnhofCity WBHF Alpha GmbH & Co KG	A-1020 Vienna	V0	b)	1.0	-1.2	
├► 100% BahnhofCity WBHF Beta GmbH & Co KG	A-1020 Vienna	V0	b)	1.0	-1.2	
├► 100% Businesscenter Linz Entwicklungs- und Verwertungs GmbH & Co KG	A-1020 Vienna	V0	b)	1.0	-1.2	
├► 100% Elisabethstraße 9 Projektentwicklung GmbH & Co KG	A-1020 Vienna	V0	b)	1.0	-1.2	
├► 100% Europaplatz 1 Projektentwicklung GmbH & Co KG	A-1020 Vienna	V0	b)	1.0	-1.2	
├► 100% Gauermanngasse 2-4 Projektentwicklung GmbH & Co KG	A-1020 Vienna	V	b)	11,339.0	58.8	
├► 100% Mariannengasse 16-20 Projektentwicklung GmbH & Co KG	A-1020 Vienna	V0	b)	12,935.4	-1.4	
├► 100% Modul Office Hauptbahnhof Graz GmbH & Co KG	A-1020 Vienna	V0	b)	1.0	-1.2	
├► 100% Nordbahnhof Baufeld Sechs Projektentwicklung GmbH & Co KG	A-1020 Vienna	V0	b)	1.0	-1.3	
└► 100% Nordbahnhof Baufeld 39 Projektentwicklung GmbH & Co KG	A-1020 Vienna	V0	b)	1.0	-1.3	
├► 100% ÖBB Telekom Service GmbH	A-1210 Vienna	V	c)	1,643.6	-173.8	
├► 100% Rail Equipment GmbH	A-1040 Vienna	V	h)	16,098.2	1,004.9	
├► 100% Rail Equipment GmbH & Co KG	A-1040 Vienna	V	h)	31,436.5	4,628.4	
├► 100% Güterterminal Werndorf Projekt GmbH	A-1020 Vienna	V[4]	d)	-1,250.0	-308.7	
├► 50% Galleria di Base del Brennero - Brenner Basistunnel BBT SE	I-39100 Bozen	E	d)	276,366.9	0.0	[3]
├► 30% Weichenwerk Wörth GmbH	A-3151 St. Georgen am Steinfeld	E	e)	10,637.1	2,957.1	[5]
├► 8% HIT Rail B.V.	NL-3500 HA Utrecht	0		n/a		
├► [1]) „Am Hafen" Garagenerrichtungs- und Betriebs GmbH & Co KG	A-6900 Bregenz	0		n/a		
└► [2]) Tiefgarage Stuben Gesellschaft m.b.H. & Co. KG	A-6762 Stuben/Arlberg	0		n/a		

The values were determined in accordance with the respective national accounting laws. Disclosures in accordance with the IFRS were marked with a footnote. If the figure is preceded by "PY", it refers to the previous year.

Abbreviations:

1)	Silent contribution
2)	KG share
3)	Preliminary amounts as of Dec 31, 2012
4)	Initial consolidation as of Dec 31, 2012
5)	Values as of Dec 31, 2012
n/a	no information available

Type of consolidation

V	Affiliated, fully consolidated company
V0	Affiliated company not fully consolidated due to its insignificance
E	Investment recorded at equity (associated company)
0	Other associated company

Description of the purpose of the subsidiaries

a)	Management, administration and utilization of real estate
b)	Project development and utilization of properties
c)	Provision of telecommunication services and planning, construction and operation of the required telecommunication networks and facilities
d)	Planning and construction (including replacement investments, insofar as they exceed maintenance or repair) of railway infrastructure and planning and construction of related projects and project parts and provision of railway infrastructure
e)	Optimization and harmonization of railway infrastructure planning and development
f)	Cleaning and special cleaning (e.g. removal of graffiti) of stations and security and other services
g)	Research and development, in particular in connection with the railway infrastructure
h)	Procurement, purchase, financing, maintenance and cross-group leasing of rail-bound vehicles and equipment
i)	Competence center for information, communication and railway technologies in the entire ÖBB Group

36. Subsequent events

On March 29, 2013, the Executive Board of ÖBB-Infrastruktur AG approved the audited Consolidated Financial Statements as of December 31, 2012 for release to the Supervisory Board. The Supervisory Board has to audit the Consolidated Financial Statements and to declare whether it approves the Consolidated Financial Statements.

European Court of Justice confirms the Austrian railway system

On February 28, 2013, the ECJ delivered its judgment in the infringement proceedings. This judgment confirms that Austria did implement the directives of the First Railway Package correctly and properly. The action of the Commission against Austria was dismissed in its entirety. With respect to the assessment of the independence, the Commission repeatedly referred to certain independence criteria; however, those criteria were never published in the Official Journal of the EU. The judgment of the ECJ stipulates that the independence criteria for the infrastructure mentioned by the Commission time and again are not legally binding, as stated by the ÖBB Group, and that the member states can therefore not be blamed for insufficient implementation.

The comparison with the power industry was not accepted either, because this industry is in fact subject to very specific unbundling criteria. The fact that certain criteria were not implemented in the Austrian law cannot result in the conclusion that the infrastructure operator is not sufficiently independent. The Commission was unable to provide specific proof for the claim that ÖBB-Infrastruktur AG is not independent from ÖBB-Holding AG with respect to the terms and conditions of the decision-making processes. In any case, this constitutes an important judgment regarding the admissibility of an “integrated group of companies” in accordance with the applicable statutory provisions. The developments of the Fourth Railway Package remain to be seen. Irrespective of the present judgment, the Commission is still working on the specification of the independence criteria.

Acquisition of the business entity “Telematics” from ÖBB-IKT GmbH by ÖBB-Infrastruktur AG and sale of the remaining shares in ÖBB-IKT GmbH to ÖBB-Holding GmbH

In 2012, the Supervisory Boards of ÖBB-Holding AG, ÖBB-Infrastruktur AG and ÖBB-IKT GmbH took the policy decision to transfer the business “Rail-specific IKT” to ÖBB-Infrastruktur AG and to sell the rest of ÖBB-IKT GmbH, without this business, to ÖBB-Holding AG, effective as of January 01, 2013. Accordingly, the business “Rail-specific IKT” established within ÖBB-IKT GmbH and consisting of the departments Regional Services (“*Services Regional*”, Regions), Telecommunication and Telematics Services (“*Telekom und Telematik Services*”, TTS), Network Operation (“*Betrieb Netze*”, BFN) and parts of the overhead departments was transferred to ÖBB-Infrastruktur AG, effective as of January 01, 2013. The disposal group “Business-IKT”, which is responsible for all general IT issues of the ÖBB-Holding Group, is sold to ÖBB-Holding AG (Note 19).

Upgrade of the Standard & Poor’s rating

At the end of January 2013, Standard & Poor’s upgraded the rating of the Republic of Austria from “AA+ Outlook negative” to “AA+ Outlook stable”. The ratings of companies affiliated with the state, including ÖBB-Infrastruktur AG, were adjusted accordingly.

37. Executive bodies of the parent company of the Group

In the financial year 2012, the following persons were appointed members of the Executive Board or members of the Supervisory Board of ÖBB-Infrastruktur AG:

Members of the Executive Board		
Ing. Mag. (FH) Andreas Matthä		spokesman of the Executive Board
Siegfried Stumpf		
DI Franz Bauer	From January 01, 2013	
DI Dr. Georg-Michael Vavrovsky	Until December 31, 2012	
Members of the Supervisory Board		
KR Ing. Franz Seiser		chairman
Mag. Christian Kern		1st deputy of the chairman
DI Herbert Kasser		2nd deputy of the chairman
Mag. Josef Halbmayr, MBA		
Mag. Maria Kubitschek		
Lic.iur. Philippe Gauderon		
Dr. Tanja Wielgoß		
Peter Dyduch		employee representative
Franz Eder		employee representative
Gottfried Winkler		employee representative
Günter Blumthaler	From February 09, 2012	employee representative
State commissioner		
DI Georg Parrer	Until August 02, 2011	state commissioner
DI Gerhard Gürtlich	Until August 02; 2012	deputy state commissioner

A report on compensations or advances and loans granted to these persons during the reporting period or guarantees issued in favor of these persons is presented in Note 32.

Vienna, March 29, 2013

The Executive Board

Ing. Mag. (FH) Andreas Matthä Department Assets/Finance	DI Franz Bauer Department Project Management/Technology	Siegfried Stumpf Department Operations

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 **ÖBB-Infrastruktur Aktiengesellschaft,** Vienna, for the fiscal year from January 1, 2012 to December 31, 2012. These consolidated financial statements comprise the consolidated balance sheet as of December 31, 2012, 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, 2012, 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, 2012 and of its financial performance and its cash flows for the fiscal year from January 1, 2011 to December 31, 2012 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, March 29, 2013

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Elfriede Baumann mp	**Mag. Stefan Uher mp**
Certified Auditor	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-Infrastruktur AG: Statement of Financial Position

Assets	Dec 31, 2012 EUR	Dec 31, 2011 EUR
A. Fixed assets		
I. Intangible assets		
1. Industrial property rights and similar rights and derived licenses	58,700,944.44	54,816,737.25
2. Investment grants to third parties	422,591,976.17	394,059,283.71
3. Advance payments made	17,973,824.53	15,989,559.01
Total I	499,266,745.14	464,865,579.97
II. Property, plant and equipment		
1. Land and buildings including buildings on third-party land	16,055,969,632.11	14,111,224,795.72
2. Technical equipment and machinery	3,930,379,455.24	3,310,263,266.82
3. Other tools, furniture and fixtures	40,415,048.65	35,653,749.82
4. Advance payments and construction in progress	2,173,023,734.12	3,789,772,086.52
Total II	22,199,787,870.12	21,246,913,898.88
III. Financial assets		
1. Interest in affiliated companies	109,653,697.90	108,659,297.90
2. Loans to affiliated companies	29,333,333.36	0.00
3. Investments	72,506,312.35	72,506,312.35
4. Fixed asset securities	143,734,193.37	245,810,954.81
5. Other loans	728,001,886.21	956,288,920.26
Total III	1,083,229,423.19	1,383,265,485.32
Total A	**23,782,284,038.45**	**23,095,044,964.17**
B. Current assets		
I. Inventories		
1. Raw materials and supplies	18,645,955.84	20,412,694.40
2. Services not yet invoiced	5,730,732.30	9,845,095.41
Total I	24,376,688.14	30,257,789.81
II. Receivables and other assets		
1. Trade receivables	66,632,346.00	48,850,420.38
2. Accounts due from affiliated companies	769,410,591.93	883,605,058.10
3. Accounts due from companies with an investment relation	1,211,837.84	780,490.83
4. Other receivables and assets	123,856,146.52	159,879,544.46
Total II	961,110,922.29	1,093,115,513.77
III. Cash on hand, checks, cash in banks	8,209,669.35	14,606,991.13
Total B	**993,697,279.78**	**1,137,980,294.71**
C. Prepaid expenses	**219,602,923.38**	**190,905,474.05**
Total assets	**24,995,584,241.61**	**24,423,930,732.93**

Liabilities	Dec 31, 2012 EUR	Dec 31, 2011 EUR
A. Equity		
I. Shareholder´s capital	500,000,000.00	500,000,000.00
II. Additional paid-in capital		
1. Unallocated capital reserves	568,573,953.93	568,573,953.93
III. Profit reserves		
1. Statutory reserve	3,090,000.00	3,090,000.00
IV. Accumulated net loss (thereof loss carried forward EUR -58,266,670.61	-33,511,910.15	-58,266,670.61
Dec 31, 2011: loss carried forward EUR -14,321,384.16)		
Total A	**1,038,152,043.78**	**1,013,397,283.32**
B. Investment grants from third parties	**5,334,210,800.15**	**5,359,660,795.03**
C. Untaxed reserves		
Valuation reserve due to extraordinay depreciations	1,751,028.18	1,779,217.78
Total C	**1,751,028.18**	**1,779,217.78**
D. Provisions		
1. Provisions for severance payments	12,711,584.00	9,910,404.00
2. Provisions for pensions	950,032.00	769,945.00
3. Provisions for taxes	1,848,626.05	12,771,861.94
4. Other provisions	378,538,542.78	348,997,785.97
Total D	**394,048,784.83**	**372,449,996.91**
E. Liabilities		
1. Bonds	13,430,957,883.82	12,084,657,883.82
2. Bank loans	2,116,009,872.12	1,937,372,943.11
3. Advance payments on orders received	17,274,264.83	12,915,703.68
4. Trade payables	569,127,544.36	630,354,612.34
5. Liabilities to affiliated companies	275,291,254.95	651,542,296.12
6. Liabilities to companies with an investment relation	2,795,347.25	922,627.25
7. Other liabilities	1,554,970,722.45	2,234,550,005.06
thereof taxes: EUR 19,885,067.30 (Dec 31, 2011: EUR 21,982,320.41)		
thereof social security: EUR 6,548,086.33 (Dec 31, 2011: EUR 6,868,227.67)		
Total E	**17,966,426,889.78**	**17,552,316,071.38**
F. Deffered income	**260,994,694.89**	**124,327,368.51**
Total liabilities	**24,995,584,241.61**	**24,423,930,732.93**
Contingent liabilities	532,836,919.86	1,197,415,684.50

Separate Financial Statement of ÖBB-Infrastruktur AG: Income Statement

		1 - 12/2012 EUR		1 - 12/2011 EUR
1. Revenues		2,101,414,022.11		2,097,475,997.31
2. Change in the inventories of finished and unfinished products and services not yet invoiced		-4,998,301.34		-2,705,102.31
3. Other own work capitalized		288,766,366.02		281,982,579.46
4. Other operating income				
a) Income from the disposal of and write-ups on fixed assets with the exception of financial assets	76,398,785.64		52,954,579.17	
b) Income from the release of provisions	16,703,772.02		40,537,520.81	
c) Others	515,830,629.21	608,933,186.87	442,171,876.62	535,663,976.60
5. Total income (sub-total from lines 1 - 4)		**2,994,115,273.66**		**2,912,417,451.06**
6. Expenses for materials and other purchased production services				
a) Expenses for materials	-272,651,079.51		-303,783,540.31	
b) Expenses for purchased services	-271,429,660.15	-544,080,739.66	-280,989,696.08	-584,773,236.39
7. Personnel expenses				
a) Wages	-669,306.97		-627,349.20	
b) Salaries	-718,341,146.11		-703,282,862.70	
c) Expenses for severance payments and contributions to severance funds	-11,819,102.77		-4,943,631.64	
d) Contributions to pension schemes	-7,430,007.68		-7,002,843.23	
e) Statutory social security contributions and wage-related taxes and compulsory contributions	-183,034,610.22	-921,294,173.75	-186,473,879.38	-902,330,566.15
8. Depreciation and amortization				
a) on intangible fixed assets and property, plant and equipment	-684,106,714.95		-634,208,929.86	
b) less reversal of investment grants recognized as liabilities	184,527,155.42	-499,579,559.53	188,870,741.01	-445,338,188.85
9. Other operating expenses				
a) Non-income taxes	-39,529,291.56		-34,274,098.35	
b) Others	-400,233,772.32	-439,763,063.88	-445,719,127.01	-479,993,225.36
10. Earnings before interest and tax EBIT (sub-total from lines 5 - 9)		**589,397,736.84**		**499,982,234.31**

	1 - 12/2012 EUR	1 - 12/2011 EUR
11. Income from investments	124,818,924.95	9,166,936.87
thereof from affiliated companies EUR 123,264,131.79 (2011: EUR 8,206,618.42)		
12. Income from securities and loans from long-term financial assets	78,773,404.04	84,624,305.31
13. Other interest and similar income	34,547,575.77	47,018,175.08
thereof from affiliated companies EUR 29,479,192.91 (2011: EUR 38,699,944.63)		
14. Income from the disposal of and write-ups on financial assets and securities of the current assets	5,104,180.71	38,984,312.73
15. Expenses from financial assets,	-115,885,137.53	-3,347,592.85
thereof impairment EUR 115,694,519.61 (2011: 3,340,220,53)		
thereof from affiliated companies EUR 115,190,617.92 (2011: EUR 7,372.32)		
16. Expenses from financial assets	-692,097,432.03	-721,323,112.10
thereof with reference to affiliated companies EUR 30,608,696.25 (2011: EUR 73,062,635.58)		
17. Financial result (sub-total from lines 11 - 16)	**-564,738,484.09**	**-544,876,974.96**
18. Income from ordinary activities	**24,659,252.75**	**-44,894,740.65**
19. Income taxes	67,318.11	743,053.12
20. Net deficit/-income	**24,726,570.86**	**-44,151,687.53**
21. Release of untaxed reserves	28,189.60	206,401.08
22. Annual loss/-profit	**24,754,760.46**	**-43,945,286.45**
23. Loss carried forward	-58,266,670.61	-14,321,384.16
24. Accumulated net loss	**-33,511,910.10**	**-58,266,670.61**

Independent Auditor's Report on the Separate Financial Statements

The enclosed financial statements of ÖBB-Infrastruktur Aktiengesellschaft, Vienna are a shortened version. On the complete financial statements, which were prepared in accordance with Austrian Generally Accepted Accounting Principles, as well as on the corresponding management report we issued the following opinion:

AUDITOR'S REPORT *)

Report on the Annual Financial Statements

We have audited the accompanying financial statements, including the accounting system, of ÖBB-Infrastruktur Aktiengesellschaft, Vienna, for the fiscal year from January 1, 2012 to December 31, 2012. These financial statements comprise the balance sheet as of December 31, 2012, the income statement for the fiscal year ended December 31, 2012, 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, 2012 and of its financial performance for the fiscal year from January 1, 2012 to December 31, 2012 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 27, 2013

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Elfriede Baumann mp	**Mag. Stefan Uher mp**
Certified Auditor	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-Infrastruktur AG

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Masthead

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