



Jetzt kommt Bewegung rein

Annual Report

ÖBB-Holding AG



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Passengers

Total	in million	464
thereof short-distance railway	in million	190
thereof long-distance railway	in million	34
thereof bus	in million	240

Travelers per day

in million 1,3



Punctuality

Passenger transport total in % 96.5



Fleet

Number of engines	1,069
Number of freight cars	30,000
Number of passenger cars	2,806



Passenger transport performance

Railways	in billion passenger-kilometers	10.3
Bus	in billion passenger-kilometers	3.1

Train stations

Train stations and stops	1,131
Train stations and stops modernized in 2012	20



Environment and sustainability

Annual CO2-savings in million t 3.4

Network and traffic stations

Railway network	in km	4,894
Station clocks		3,707
Switch points		14,618
thereof electrically heated		10,768



Goods transport volume

in million t	113.0
in billion tonne-kilometers	25.6



Apprentices*

Total	1,814
thereof male	1,522
thereof female	292

* incl. 104 apprentices accepted through a foundation.

Key Performance Indicators

Performance ratios according to the IFRS

		2011	2012
Revenues	in mil. EUR	5,224.2	5,244.0
Total income	in mil. EUR	6,202.4	6,267.2
Expenses for materials and services received	in mil. EUR	2,084.0	1,979.9
Personnel expenses	in mil. EUR	2,328.2	2,366.4
EBITDA	in mil. EUR	1,278.6	1,443.0
Depreciation and amortization (incl. impairment)	in mil. EUR	685.4	750.1
EBIT	in mil. EUR	593.2	692.9
Financial result	in mil. EUR	-621.1	-626.4
EBT	in mil. EUR	-27.9	66.5
ROCE	in %	3.2	3.5

Balance sheet ratios according to the IFRS

		2011	2012
Balance sheet total	in mil. EUR	22,882.8	24,084.3
Non-current assets	in mil. EUR	21,435.0	22,446.0
Current assets	in mil. EUR	1,447.8	1,638.3
Shareholder's equity	in mil. EUR	1,369.7	1,430.8
Equity ratio	in %	6	6
Financial liabilities	in mil. EUR	19,033.7	20,177.2
Gross capital expenditures	in mil. EUR	2,472.6	2,247.8
Net debt/EBITDA	ratio	13.5	12.7
Net gearing	ratio	12.6	12.8

Employees

	2011	2012
Employees	40,833	39,833
<i>thereof tenured employees</i>	25,691	24,990
plus apprentices	1,742	1,710

Annual Report 2012

Statement of the Executive Board



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The year 2012 was characterized by very positive developments for Österreichische Bundesbahnen [Austrian Federal Railways]: A whole year ahead of schedule, we generated profits and earnings before taxes amounting to 66.5 million euros - despite an unfavorable economic environment. Progress was made on every level of the Company, in every segment of the Group. Even in Hungary, we achieved a positive result for the first time. On the international level, we are pleased to note that we are catching up with our competitors. With respect to punctuality and customer satisfaction, ÖBB is one of the leading railway undertakings in Europe. And our productivity increased significantly as well.

Now, this promising progress has to be turned into sustainable success. We continue to implement the FIT2015 strategy, and the medium-term budgeting for the next five years aims at maintaining and securing the substance of the assets entrusted to us in order to ensure that the Company can start to invest in the future by its own means and earn its capital costs.

Our goal for 2013 is to further increase the high level we have already achieved. Economic success and satisfied customers are at the heart of the decisions taken within the Company. In passenger transport, the growth is planned to be driven mostly by expanding our offer. In goods transport, the turnaround policy is planned to be continued and reinforced. However, this requires further optimization measures, because the economic forecasts for 2013 are still modest at best.

Powerful economic motor

ÖBB has to act in an economic and profitable way, but they are also an important investor and a major player in the Austrian economy. No other company has the kind of influence on the prosperity and the level of employment in Austria that ÖBB has. Without the investments in the railways, the economy in Austria would have stagnated in 2012, states a study conducted by the Economica Research Institute on behalf of the Federation of Austrian Industry.

Satisfied customers and employees

The satisfaction of customers and employees is a particularly important indicator for the performance of ÖBB. Our Company already has the highest punctuality level within the EU, and our railways are among the most punctual in Europe. Within the framework of the customer campaign, the offer was improved by increasing the frequency of long-distance trains between Salzburg and Graz to a train every two hours. Growth is also expected on the Southern line, which is significantly slower than the Western line: Thanks to the use of the state-of-the-art long-distance "railjet" trains between Vienna and Graz and between Vienna and Villach, the number of passengers already increased by five to six percent in the prior year.

The ÖBB-Rail Tour took place for the first time in 2012 as a symbol of our high esteem for the employees of ÖBB. In spring 2012, the managers of the Group went on a journey through all of Austria in order to start a dialogue with both our customers and our employees. In the period from the middle of June to the beginning of July, the ÖBB employees were also given the opportunity to assess the image of their company. This way, more than 40,000 employees were actively involved in the evaluation and the design of the service portfolio of the Company.

A new era has begun

The change of the timetable on December 09, 2012 marked the beginning of a new era: For the first time, trains on the Western line are significantly faster than cars. With the opening of the 44 km high-performance track Vienna - St. Pölten to traffic, the travel time between the Austrian capital and the capital of the state of Lower Austria was reduced to 25 minutes. The railjet trains can now travel the 300 km distance from Salzburg to Vienna at a top speed of 230 km/h in just 2 hours and 22 minutes, i.e. 23 minutes faster than the fastest railway connection up to now.

The new high-performance track in the Lower Inn Valley constitutes another important milestone: The 40 km line situated east of the capital of Tyrol, Innsbruck, offers the highest safety standards, state-of-the-art technology and the greatest possible convenience at a speed of up to 220 km/h.

The Vienna Central Station, a once-in-a-lifetime project, was partially opened to traffic on December 09, 2012. Four tracks and platforms and one thoroughfare track are now open to traffic. The short-distance trains of the Ostbahn [Eastern Railway] and the Marchegger Ostbahn already stop at the new Central Station. Upon completion of the station in 2015, the federal capital will have a thoroughfare station that will constitute a node in the trans-European railway network.

Future potential

The year 2012 was all about the anniversary "175 Years Railways for Austria", in which ÖBB presented themselves as a company with a great history and an even greater future ahead. The Austrian railway infrastructure is being prepared for this future: The modernization of the railway network and the train stations - for our customers and for the country - is progressing at full throttle. In general, ÖBB actively contributes to the evolution of mobility to a great extent: Projects like eMORAIL and SMILE offer the Company an opportunity to establish itself as a platform for integrated mobility.

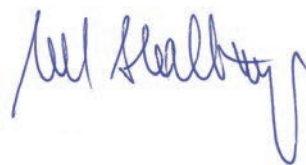
The trend towards the railways is obvious, and ÖBB caught this train right on time, so to speak. These last years, much has been done to improve the attractiveness of travelling by train - and successfully: The satisfaction of the customers with ÖBB increased again this year. Within the EU, only the Finns are more satisfied with their railways than the Austrians are with ÖBB. This result of a Eurobarometer survey, the good results in the VCÖ railway test and the customer satisfaction analysis and the growing number of passengers are irrefutable proof that ÖBB is on the right track. It is not without reason that ÖBB is already among the top performers in Europe in many areas. Our thanks and our respect for these extraordinary achievements is due to all the employees of ÖBB.



KR Ing. Franz Seiser
Member of the Executive Board
ÖBB-Holding AG



Mag. Christian Kern
Chairman of the Executive Board
ÖBB-Holding AG



Mag. Josef Halbmayr MBA
Member of the Executive Board
ÖBB-Holding AG

Curriculum Vitae

Mag. Christian Kern



Born in 1966

Communication studies at the University of Vienna and Postgraduate studies et al, Management Center St. Gallen

CEO of ÖBB-Holding AG since 2010; before that, member of the Executive Board of Österreichische Elektrizitätswirtschaft AG (Verbund AG)

KR Ing. Franz Seiser



Born in 1958

Federal Higher Technical Institute, Wiener Neustadt; training as traction unit driver and movements inspector

Member of the Executive Board of ÖBB-Holding AG (COO) since 2010; before that, General Manager of ÖBB-Technische Services GmbH and numerous other management positions within the Group

Mag. Josef Halbmayr MBA



Born in 1955

Business Administration studies at the Johannes Kepler University Linz and Master of Business Administration at the University of Toronto (Canada)

Member of the Executive Board of ÖBB-Holding AG (CFO) since 2008; before that, member of the Executive Board of ÖBB-Personenverkehr AG, member of the Executive Board of Wiener Privatbank Immobilieninvest AG and Österreichische Post AG

Statement of the Chairman of the Supervisory Board

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This past financial year, ÖBB achieved a positive result - a whole year ahead of schedule. An achievement that is even greater considering the large number of economic, regional and employment-related tasks of the Company, the low capital resources and the extraordinary charges in the past, including retrospective tax payments and losses from speculation in an amount of 600 million euros. Furthermore, ÖBB had a competitor in passenger transport for the first time - and still managed to transport more passengers than ever.

In the goods transport sector, Rail Cargo Austria AG had to struggle with the economic crisis, just like every other cargo railway undertaking, and still achieved a positive result. The development of the Hungarian railway subsidiary is very gratifying as well: this investment also achieved a positive result in 2012.

The development of ÖBB-Infrastruktur AG was very positive as well. Not only did the company handle its major projects with the same high level of professionalism as usual, but also maintains the railway network's good condition by considerably reducing the number of low-speed sections.

However, the positive economic development of the Company does not constitute an end in itself: It is the prerequisite for ÖBB to be able to persist in the competition and in a liberalized market. Furthermore, ÖBB also has certain obligations with respect to public services, which it fulfills for example by investing 500 million euros in the accessibility of train stations, trains and busses in the next years. This way, ÖBB ensures that every Austrian citizen is able to use public transport.

ÖBB is a state-owned company with a comprehensive service mandate that takes people safely and on time to their jobs, to school, to their friends and families, even in remote regions; therefore, the Company also invests in railway lines that would not be operated by a private railway undertaking, because these lines cannot be operated in an economically profitable way.

Furthermore, ÖBB is one of the major employers in the country, an important training center for experts and a pillar of the national economy. Without investments in the railways, the economy in Austria would have stagnated in 2012.

In addition, ÖBB is one of the major taxpayers in the Republic, paying more than 800 million euros in taxes. This means that the government grants for public services that are reasonable from a traffic-oriented and regional point of view are matched by this enormous amount of taxes paid to the Republic.

Furthermore, the infrastructure investments of ÖBB account for 0.6 percent of the annual GDP and secure an additional 24,000 jobs outside ÖBB. This benefits mostly small and medium-sized enterprises (SME) that employ more than 80 percent of the Austrian workforce. ÖBB puts their extensive technical know-how at the disposal of the Republic, who in turn puts the railway network at the disposal of all transport enterprises, i.e. also the competitors of ÖBB.

According to a recent study of the Federation of Austrian Industry (IV), the railway system - i.e. the Austrian railways and railway technology companies - with its 54,000 employees generates 8.4 billion euros in revenues per year. This equals 1.4 percent of the overall economic output in Austria in 2011.

Apart from the SME, the domestic railway technology companies also benefit from the strength of ÖBB. It provides them with a stable market for their products and a partner for innovative pilot projects. More than half of the turnover of these technology companies in Austria is generated from orders of ÖBB; without this domestic reference market and its stable demand, this kind of extraordinary success in exports and innovation would not be possible. For example, Austria is the European leader in research and development in the field of construction of rail-bound vehicles. Austria's railway industry is "patent world champion", has the highest per-capita number of inventors in the railway industry, and is the fifth largest exporter of the world in the area of rail-bound vehicles and railway equipment.

Parallel to the not yet completed stage of the turnaround project, which comprises rigid cost management and significant structural simplifications, measures were initiated to support sales - in particular within RCA - in order to avoid a disproportionate decrease of the market share despite the decreasing demand in goods transport. A recovery of the European economy, i.e. our customers, will have to take place again after the unilateral reduction of national debt, because in addition to the reorganization of the public budgets, which is going to continue for a long time, public investments and incentives for private investments will have to be created as well. With its promotion of investment in the infrastructure, Austria has demonstrated that debt management and an investment policy are not mutually exclusive. Furthermore, measures taken with respect to the regulation of the financial services industry are expected to have a positive effect on demand from 2014/2015. Thanks to its improved financial and organizational structure, ÖBB would benefit very much from this.

On behalf of the Supervisory Board, I would like to thank all our employees, the employee representatives and the management for the great cooperation and for their excellent work. Our performance in the last year is impressive and proves one thing: ÖBB is one of the most important leading businesses in Austria!

Approval of the Annual Financial Statements

During the financial year 2012, the Supervisory Board of ÖBB-Holding AG held five regular meetings of the Supervisory Board and five meetings of the Executive Committee. The Audit Committee met twice. In addition to the Supervisory Board meetings, the Supervisory Board was continuously informed about the business development and other important issues of the Company and the Group by the Executive Board of ÖBB-Holding AG. Lastly, the Annual Financial Statements 2012 (Separate Financial Statements) and the Management Report, certified by the auditor's report, and the Consolidated Financial Statements 2012 and the Consolidated Management Report, certified by the auditor's report, were submitted to the Supervisory Board by the Executive Board of ÖBB-Holding AG. After the audit by the Audit Committee, the Supervisory Board reviewed and approved the Annual Financial Statements and took note of and accepted the Management Report, the Consolidated Financial Statements and the Consolidated Management Report for the financial year 2012.



DI Horst Pöchhacker

Chairman of the Supervisory Board of ÖBB-Holding AG

Corporate Governance-Report

The ÖBB Group wants to strengthen the trust of its customers, its employees and the public by means of a policy of transparent, quick and detailed information. Since it is a company that operates at the capital markets and is of high public interest, the organization and communication of the corporate governance of the ÖBB Group is based on international standards and best practices, but first and foremost on the Austrian Corporate Governance Code.

The Executive Board of ÖBB-Holding AG pursues a corporate strategy that is based on the interests of the owner, the Republic of Austria, and the employees. It reports to the Supervisory Board on a regular basis, presenting the business development and submitting certain business transactions of ÖBB-Holding AG or the Group companies for approval, in accordance with the Articles of Association and the law. The strategic orientation of the ÖBB Group is determined in close coordination with the Supervisory Board.

COMMITMENT TO THE AUSTRIAN CORPORATE GOVERNANCE CODE

The Austrian Corporate Governance Code is primarily intended for listed stock corporations. Although neither the shares of the ÖBB Group nor of any of its three sub-groups are listed on any stock exchange, they follow the recommendation of the Austrian Corporate Governance working committee, according to which unlisted corporations should also comply with the Code to the extent that its regulations are applicable to them. In September 2006, the Executive Board and the Supervisory Board of ÖBB-Holding AG agreed to adopt the Austrian Corporate Governance Code. In March 2013, the Executive Board of ÖBB-Holding AG decided to implement the latest amendment of the Code (July 2012). ÖBB-Infrastruktur AG, ÖBB-Personenverkehr AG and Rail Cargo Austria AG (hereinafter also referred to as sub-groups) contribute to the implementation of the Austrian Corporate Governance Code. This commitment, the Code as amended and applicable for the Group companies and justifications for any deviations are available on the website of the ÖBB Group <http://konzern.oebb.at/de/Konzern>.

OVERVIEW OF DEVIATIONS AND JUSTIFICATIONS

The Code comprises three categories of regulations: the Legal Requirements ("L" regulations) are based on mandatory Austrian legal regulations and must therefore be fulfilled in any case. However, for non-listed stock corporations, the "L" regulations are interpreted as "C" regulations, i.e. so-called "comply or explain" regulations. Deviations from the "C" regulations have to be justified publicly. "R" regulations are merely recommendations - deviations, if any, require neither disclosure nor justification.

The following deviations of the ÖBB Group and the respective justifications were published simultaneously with the commitment to compliance with the Austrian Corporate Governance Code:

- Deviations due to the owner structure and non-listing

Due to the specific direct and indirect owner structure of the ÖBB Group and its sub-groups, with the Republic of Austria being the sole shareholder, and due to the fact that the Group is not listed at any stock exchange, the following regulations are not applicable or not fulfilled: "L" regulations: 1., 3., 8., 19., 20., 29. (partly), 63., 65. (partly), 71.

"C" regulations: 21., 28., 54., 68., 72., 73., 74.

- Sole shareholder and disclosures (shareholder protection)

Since the Republic of Austria is the sole shareholder of ÖBB-Holding AG, invitations to the annual general meeting, announcements of the agenda, motions and documents for the shareholders and voting results of the annual general meeting are not published on the website of the Company. Due to this owner structure, the shareholder protection requirements do not exceed the statutory provisions in this respect. Therefore, the following regulations are not applied: "L" regulations: 4., 5., 6.

- Chairperson of the Executive Board

A chairperson of the Executive Board is appointed only within ÖBB-Holding AG. "C" regulation 16 is therefore only fulfilled in part.

- Nomination committee

In connection with the statutory provisions applicable for ÖBB-Holding AG (public advertisement pursuant to the Stellen-besetzungsgesetz [Austrian Appointment Act]), it is more advantageous for the ÖBB Group to maintain the present regulation of responsibilities, according to which the Executive Committee of the Supervisory Board (chairperson and his or her deputies) is responsible for any and all relationships between the Company and the members of the Executive Board, and not to establish a nomination committee. "C" regulation 41 is therefore not applied within ÖBB-Holding AG.

- Remuneration committee

Since the Executive Committee of the Supervisory Board is also responsible for the issue of remuneration of the Executive Board, an amendment of the existing regulation of responsibilities in the Supervisory Board is not considered to be necessary. "C" regulation 43 is therefore not applied.

- Remuneration of Executive Board and Supervisory Board members

The Corporate Governance Report provides general information on the remuneration of the management and a summarizing disclosure of the remuneration for the Executive Board and the Supervisory Board. The following “C” regulations are not or only partly applied: 29. (partly), 30. (partly), 31., 51. (partly), 60. (partly).

PUBLICATIONS

The following information and documents are available for inspection at the website <http://konzern.oebb.at/de/Konzern>:

- Assessment of the compliance with the regulations of the Austrian Corporate Governance Code by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H and the law firm Lansky, Ganzger & Partner Rechtsanwälte GmbH
- Articles of Association and extracts from the Rules of Procedure of the Supervisory Boards of
 - ÖBB-Holding AG
 - ÖBB-Personenverkehr AG
 - Rail Cargo Austria AG
 - ÖBB-Infrastruktur AG
- Members of the audit committees

INDEPENDENCE

The criteria defined in the Austrian Corporate Governance Code are used to determine the independence of the Supervisory Board members.

SHAREHOLDER STRUCTURE

The Republic of Austria is the sole shareholder of ÖBB-Holding AG, which in turn holds all the shares in ÖBB-Infrastruktur AG, ÖBB-Personenverkehr AG and Rail Cargo Austria AG. The sub-groups are involved in the implementation of the Austrian Corporate Governance Code.

REMUNERATION OF THE MANAGEMENT

As of the reporting date, the Executive Board of ÖBB-Holding AG consists of three members. In 2012, the remuneration of the members of the Executive Board of ÖBB-Holding AG amounted to EUR1,660,000 (prior year: EUR1,354,000). This amount includes claims from prior periods. In addition, statutory contributions to the severance insurance scheme in the year under review amounted to EUR18,000 (prior year: EUR14,000), and contributions to a pension fund amounted to EUR83,000 (prior year: EUR39,000). The provision for severance payments was increased by EUR164,000 to EUR357,000 (prior year: EUR193,000).

The total remuneration of the members of the Executive Board is composed of a fixed and a variable component. The amount of the annual variable 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 its 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-Holding AG participate in an external pension fund scheme, 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 apply to the vested rights of future pension payments and claims of the members of the Executive Board. No further claims exist.

REMUNERATION OF THE SUPERVISORY BOARD

In accordance with the rules of procedure of the Supervisory Board of ÖBB-Holding AG and the resolution of the annual general meeting, the ÖBB Group shall reimburse the actual 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-Holding AG receives 150% of the basic remuneration. For any activity in another Supervisory Board of the ÖBB Group, the member receives an additional 50% of the amounts stipulated above. If several functions are accumulated in one person, the upper limit of EUR27,000 (plus attendance fees) may not be exceeded. Members of the Supervisory Board who are members of the Executive Board, 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-Holding Group amounted to EUR132,000 (prior year: EUR130,000). The remuneration of the other members of the Supervisory Boards of the Group companies amounted to EUR40,000 (prior year: EUR31,000).

COMPLIANCE

Within the framework of the Governance & Compliance initiatives, the ÖBB Group established a Compliance Office within ÖBB-Holding AG. The Chief Compliance Officer acts autonomously and reports directly to the Supervisory Board. In the year 2012, the sub-group parent companies ÖBB-Infrastruktur AG, ÖBB-Personenverkehr AG and Rail Cargo Austria AG also established autonomous Compliance Officers. The key tasks of the Chief Compliance Officer include the creation of a standardized compliance management system within the ÖBB Group. The most important components of the compliance system are the implementation of the compliance objectives and organization, the focus on avoidance, early recognition and reaction, and internal processes and communication. Continuous training and advice for the employees and targeted preventive measures constitute the basis for a compliance system that runs smoothly in the long term.

RISK MANAGEMENT

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. In accordance with the regulations of the Austrian Corporate Governance Code, the functionality of the risk management system has to be assessed by external auditors in the course of the audit of the annual financial statements. For the ÖBB Group, this audit was carried out as of December 31, 2012. The recommendations for further development of the risk management system of the ÖBB Group issued by the auditors will be implemented during the year 2013.

D&O LIABILITY INSURANCE

A directors and officers liability insurance (D&O liability insurance) has been taken out; the expenses for this insurance are borne by ÖBB-Holding AG and the Group companies.

THE AUDITORS

The two auditing firms assigned and the Supervisory Boards of the Group companies cooperate on an ongoing basis. The audits of the annual financial statements are carried out in accordance with the International Standards of Auditing (ISA). The audit of separate financial statements is subject to the international auditing standards pursuant to § 269 a UGB [Austrian Commercial Code], which read: "If and to the extent that the European Commission adopted international auditing standards, audits of annual financial statements and consolidated financial statements shall be carried out in accordance with these standards" (deviation "C" regulation 77.). The expenses for the audits of the annual financial statements amount to EUR1.4 million in 2012; in 2011, these expenses amounted to EUR1.5 million.

MEASURES FOR THE PROMOTION OF WOMEN IN THE EXECUTIVE BOARD, THE SUPERVISORY BOARD AND IN EXECUTIVE POSITIONS

Increasing the proportion of women in the entire Group, in executive positions and in the Supervisory Boards is an official objective of the Company. Since 2011, the ÖBB Group has its own equality policy, a diversity officer and regional equality officers.

ASSESSMENT OF THE COMPLIANCE WITH THE REGULATIONS OF THE CORPORATE GOVERNANCE CODE

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H and the law firm Lansky, Ganzger & Partner Rechtsanwälte GmbH assessed the implementation and correctness of our public disclosures on the compliance with the Corporate Governance Code in accordance with the regulations of the "International Federation of Accountants" for the execution of audit and revision assignments and prepared corresponding reports, which are available for inspection at <http://konzern.oebb.at/de/konzern>. The assessment of the auditors regarding our compliance with the regulations of the Code and the correctness of our public reporting resulted in the conclusion that our public disclosures on the compliance with the Code with the notes given in the reports are correct.

The Executive Board of ÖBB-Holding AG

Mag. Christian Kern	Corporate strategy and company development, strategic corporate personnel management, corporate communications and marketing, corporate auditing, corporate law and the Executive Board Secretariat, corporate and international affairs
KR Ing. Franz Seiser	Corporate production, technology and safety, strategic corporate purchasing, strategic corporate IT management
Mag. Josef Halbmayer MBA	Corporate accounting, financial statements and taxes, corporate controlling, corporate finance, Financial Shared Service Center

MAG. CHRISTIAN KERN

Born in 1966, Chairman of the Executive Board of ÖBB-Holding AG (CEO) since June 07, 2010, appointed until June 06, 2015

Other functions within the ÖBB Group

Company	Position	Initial appointment	End of the current terme
ÖBB-Personenverkehr AG	Chairman of the Supervisory Board	June 07, 2010	Annual General Meeting 2015
Rail Cargo Austria AG	Chairman of the Supervisory Board	June 07, 2010	Annual General Meeting 2015
ÖBB-Infrastruktur AG	First deputy of the Chairman of the Supervisory Board	June 07, 2010	Annual General Meeting 2015
ÖBB-Immobilienmanagement GmbH	Chairman of the Supervisory Board	January 26, 2011, first appointed as member of the Supervisory Board on December 31, 2010	General Assembly 2015
ÖBB-Shared Service Center GmbH	Deputy of the Chairman of the Supervisory Board	September 14, 2010, first appointed as member of the Supervisory Board on July 29, 2010	General Assembly 2015
ÖBB-IKT GmbH	Deputy of the Chairman of the Supervisory Board	March 19, 2013	General Assembly 2015

External functions
Member of the Executive Board of the Federation of Austrian Industry
Member of the Supervisory Board of FK Austria AG

KR ING. FRANZ SEISER

Born in 1958, member of the Executive Board of ÖBB-Holding AG (COO) since April 01, 2010, appointed until March 31, 2015

Other functions within the ÖBB Group

Company	Position	Initial appointment	End of the current terme
ÖBB-Infrastruktur AG	Chairman of the Supervisory Board	June 07, 2010	Annual General Meeting 2015
Rail Cargo Austria AG	First deputy of the Chairman of the Supervisory Board	June 07, 2010, first appointed as member of the Supervisory Board on April 06, 2010	Annual General Meeting 2015
ÖBB-Personenverkehr AG	First deputy of the Chairman of the Supervisory Board	June 07, 2010	Annual General Meeting 2015
ÖBB-IKT GmbH	Chairman of the Supervisory Board	October 08, 2010, first appointed as member of the Supervisory Board on September 30, 2010	General Assembly 2015
ÖBB-Shared Service Center GmbH	Member of the Supervisory Board	July 29, 2010	General Assembly 2015
ÖBB-Produktion GmbH	Chairman of the Supervisory Board	December 17, 2010	General Assembly 2015
ÖBB-Technische Services GmbH	Member of the Supervisory Board	March 14, 2013	General Assembly 2015

External functions
Member of the Executive Board of the Österreichische Verkehrswissenschaftliche Gesellschaft [Austrian Society for Traffic and Transport Science]
First Vice-President of the Executive Committee of the ATTC Austrian Traffic Telematic Cluster
Member of the Supervisory Board of Institut für Gesundheit und Prävention (IfGP) GmbH
Member of the Supervisory Board of Galleria di Base del Brennero - Brenner Basistunnel BBT SE

MAG. JOSEF HALBMAYR MBA

Born in 1955, member of the Executive Board of ÖBB-Holding AG (CFO) since November 01, 2008, appointed until October 31, 2017

Other functions within the ÖBB Group

Company	Position	Initial appointment	End of the current terme
ÖBB-Shared Service Center GmbH	Chairman of the Supervisory Board	14.10.2010, erstmalig zum Aufsichtsratsmitglied gewählt am 29.07.2010	Annual General Meeting 2015 General Assembly 2015
ÖBB-Infrastruktur AG	Member of the Supervisory Board	June 07, 2010	
Rail Cargo Austria AG	Member of the Supervisory Board	February 25, 2009	Annual General Meeting 2015
ÖBB-Personenverkehr AG	Member of the Supervisory Board	June 07, 2010	Annual General Meeting 2015
ÖBB-IKT GmbH	Member of the Supervisory Board	March 21, 2013	General Assembly 2015
ÖBB-Produktion GmbH	Member of the Supervisory Board	March 14, 2013	General Assembly 2015
ÖBB-Technische Services GmbH	Member of the Supervisory Board	March 14, 2013	Generalversammlung 2015

External functions

Member of the Executive Board of Versicherungsanstalt für Eisenbahnen und Bergbau
[insurance institution for railway and mining]
Member of the Supervisory Board of Österreichische Verkehrskreditbank AG

The Supervisory Board of ÖBB-Holding AG

The Aktiengesetz [Stock Corporation Act], the Articles of Association of ÖBB-Holding AG, the Rules of Procedure of the Supervisory Board and the Corporate Governance Code of ÖBB-Holding AG constitute the basis for the activities of the Supervisory Board. Those members of the Supervisory Board that fulfill the criteria of independence in accordance with the Austrian Corporate Governance Code are considered "independent" in the sense of general clause of regulation 53.

MEMBERS OF THE SUPERVISORY BOARD AND THEIR ADDITIONAL FUNCTIONS IN SUPERVISORY BOARDS OF THE ÖBB GROUP

The Supervisory Board of ÖBB Holding AG has twelve members as of December 31, 2012 - eight members were elected as shareholder representatives by the Annual General Meeting, and four members were delegated as employee representatives by the works council. The Supervisory Board fulfills its tasks on principle in plenary sessions. The only committee established is the statutory audit committee which deals with all issues regarding the annual financial statements, their audit and aspects of corporate accounting in preparation for the entire Supervisory Board. The Executive Committee of the Supervisory Board is responsible for regulating the relationships between the Company and the members of the Executive Board. The following list presents the members of the Supervisory Board of ÖBB-Holding AG, their respective term of office and other seats in Supervisory Boards and other functions in the sense of regulation 58:

DI Horst Pöchlhammer

Born in 1938, Chairman, independent

First elected on May 29, 2007, and appointed until the Annual General Meeting in 2015

Additional functions in the ÖBB Group:

- Second deputy of the Chairman of the Supervisory Board of ÖBB-Personenverkehr AG, first elected on May 29, 2007, and appointed until the Annual General Meeting in 2015
- Second deputy of the Chairman of the Supervisory Board of Rail Cargo Austria AG, first elected on May 29, 2007, and appointed until the Annual General Meeting in 2015

Supervisory Board functions outside the ÖBB Group:

- UBM Realitätenentwicklung AG

KR Mag. Dr. Ludwig Scharinger

Born in 1942, first deputy of the Chairman since June 26, 2012, independent

First elected on June 25, 2012, and appointed until the Annual General Meeting in 2015

DI Herbert Kasser

Born in 1964, second deputy of the Chairman since June 26, 2012, previously first deputy, independent

First elected on April 27, 2007, and appointed until the Annual General Meeting in 2015

Additional functions in the ÖBB Group:

- Second deputy of the Chairman of the Supervisory Board of ÖBB-Infrastruktur AG, first elected on March 16, 2005, and appointed until the Annual General Meeting in 2015

KR Kurt Eder

Born in 1946, independent

First elected on August 13, 2008, and appointed until the Annual General Meeting in 2015

Additional functions in the ÖBB Group:

- Member of the Supervisory Board of ÖBB-Personenverkehr AG, first elected on April 14, 2008, and appointed until the Annual General Meeting in 2015
- Member of the Supervisory Board of Rail Cargo Austria AG, first elected on April 14, 2008, and appointed until the Annual General Meeting in 2015

Dr. Gertrude Tumpel-Gugerell

Born in 1952, independent

First elected on August 18, 2011, and appointed until the Annual General Meeting in 2015

Aufsichtsratsfunktionen außerhalb des ÖBB-Konzerns:

- Commerzbank AG
- Vienna Insurance Group

Dr. Leopold Specht

Born in 1956, independent

First elected on April 27, 2007, and appointed until the Annual General Meeting in 2015

Lic. rer. pol. Paul Blumenthal

Born in 1955, independent

First elected on January 18, 2010, and appointed until the Annual General Meeting in 2015

Additional functions in the ÖBB Group:

- Member of the Supervisory Board of ÖBB-Personenverkehr AG, first elected on June 07, 2010, and appointed until the Annual General Meeting in 2015
- Member of the Supervisory Board of Rail Cargo Austria AG, first elected on June 07, 2010, and appointed until the Annual General Meeting in 2015

Mag. Ursula Zechner

Born in 1968, independent

First elected on June 25, 2012, and appointed until the Annual General Meeting in 2015

Roman Hebenstreit

(Employee representative), born in 1971, third deputy of the Chairman since June 26, 2012, second deputy of the Chairman from February 27, 2012 to June 26, 2012, independent. First delegated on December 01, 2011

Additional functions in the ÖBB Group:

- Member of the Supervisory Board of Rail Cargo Austria AG, first delegated on October 05, 2010
- Member of the Supervisory Board of ÖBB-Produktion GmbH, first delegated on September 08, 2005

Gottfried Winkler

(Employee representative), born in 1956, independent

First delegated on March 31, 2004

Additional functions in the ÖBB Group:

- Member of the Supervisory Board of ÖBB-Infrastruktur AG, first delegated on June 07, 2004

Mag. Andreas Martinsich

(Employee representative), born in 1964, independent

First delegated on April 25, 2006

Peter Dyduch

(Employee representative), born in 1963, independent
First delegated on October 30, 2012

Additional functions in the ÖBB Group:

- Member of the Supervisory Board of ÖBB-Infrastruktur AG, first delegated on July 01, 2010

MEMBERS OF THE EXECUTIVE COMMITTEE

- DI Horst Pöchlhammer, Vorsitzender
- KR Mag. Dr. Ludwig Scharinger
- DI Herbert Kasser
- Roman Hebenstreit (employee representative), since February 27, 2012

MEMBERS OF THE AUDIT COMMITTEE

- Dr. Gertrude Tumpel-Gugerell, Chairwoman since February 27, 2012, previously deputy of the Chairman
- DI Herbert Kasser, deputy of the Chairwoman since February 27, 2012, previously Chairman
- DI Horst Pöchlhammer
- KR Mag. Dr. Ludwig Scharinger since March 05, 2013
- Roman Hebenstreit since February 07, 2012
- Mag. Andreas Martinsich

MEETINGS OF THE SUPERVISORY BOARD OF ÖBB-HOLDING AG IN THE FINANCIAL YEAR 2012

- 5 regular meetings
- 2 meetings of the Audit Committee

STATE COMMISSIONERS**Mag. Ursula Zechner**

- State commissioner of ÖBB-Holding AG until July 05, 2012

DI Georg Parrer

- Deputy state commissioner of ÖBB-Holding AG until August 17, 2012
- State commissioner of ÖBB-Infrastruktur AG until August 02, 2012

Dr. Gerhard Gürtlich

- Deputy state commissioner of ÖBB-Infrastruktur AG until August 02, 2012

Members of the Executive Boards and the Supervisory Boards of the Sub-Groups

ÖBB-PERSONENVERKEHR AG

EXECUTIVE BOARD

Birgit Wagner, born in 1972, term of office from April 01, 2011 to March 31, 2016, competences: Market

Mag. Georg Lauber, born in 1976, term of office from January 25, 2011 to March 31, 2016, competences: Finance

SUPERVISORY BOARD

Mag. Christian Kern, born in 1966, Chairman of the Supervisory Board

First elected on June 07, 2010, and appointed until the Annual General Meeting in 2015

KR Ing. Franz Seiser, born in 1958, first deputy of the Chairman

First elected on June 07, 2010, and appointed until the Annual General Meeting in 2015

DI Horst Pöchlhammer, born in 1938, second deputy of the Chairman, independent

First elected on May 29, 2007, and appointed until the Annual General Meeting in 2015

Dr. Gabriele Ambros, born in 1957, independent

First elected on November 16, 2009, and appointed until the Annual General Meeting in 2015

Lic. rer. pol. Paul Blumenthal, born in 1955, independent

First elected on January 18, 2010, and appointed until the Annual General Meeting in 2015

KR Kurt Eder, born in 1946, independent

First elected on April 14, 2008, and appointed until the Annual General Meeting in 2015

Mag. Josef Halbmayr MBA, born in 1955

First elected on June 07, 2010, and appointed until the Annual General Meeting in 2015

Ernst Friedl, born in 1956, (employee representative), independent

First delegated on May 17, 2004

Thomas Lintner, born in 1966, (employee representative), independent

First delegated on October 13, 2009

Hans Jürgen Jarius, born in 1962, (employee representative), independent

First delegated on April 24, 2008

Helmut Radlingmayr, born in 1957, (employee representative), independent

First delegated on May 17, 2004

MEMBERS OF THE EXECUTIVE COMMITTEE

- Mag. Christian Kern, Chairman
- KR Ing. Franz Seiser
- DI Horst Pöchlhammer

MEMBERS OF THE AUDIT COMMITTEE

The activities of the Audit Committee comprise the competences stipulated in § 94 para. 4a AktG [Stock Corporation Act].

- Mag. Christian Kern, Chairman
- KR Ing. Franz Seiser, deputy
- DI Horst Pöchlhammer
- Mag. Josef Halbmayr MBA
- Ernst Friedl
- Hans Jürgen Jarius

MEMBERS OF THE NOMINATION/PERSONNEL COMMITTEE

The activities of the Nomination/Personnel Committee comprise the competences stipulated in the Rules of Procedure.

- Mag. Christian Kern, Chairman
- KR Ing. Franz Seiser, deputy
- DI Horst Pöchlhammer
- Mag. Josef Halbmayer MBA
- Hans Jürgen Jarius
- Helmut Radlimgmayr

MEETINGS

- 4 regular meetings
- 1 extraordinary meeting
- 3 meetings of the Audit Committee

RAIL CARGO AUSTRIA AG

EXECUTIVE BOARD

Drs Erik Regter, born in 1964, term of office from February 15, 2011 to February 14, 2016, competences: Sales

Dr. Georg Kasperkovitz, born in 1966, term of office from August 15, 2012 to February 14, 2016, competences: Production and Finance

Mag. Arnold Schiefer, born in 1966, term of office from August 15, 2012 to March 15, 2013, competences: Sales End-customers

Andreas Fuchs, born in 1965, from November 25, 2010 to August 14, 2012, competences: Production and Finance

SUPERVISORY BOARD

Mag. Christian Kern, born in 1966, Chairman of the Supervisory Board

First elected on June 07, 2010, and appointed until the Annual General Meeting in 2015

KR Ing. Franz Seiser, born in 1958, first deputy of the Chairman

First elected on June 07, 2010 (first elected as member of the Supervisory Board on February 25, 2009), and appointed until the Annual General Meeting in 2015

DI Horst Pöchlhammer, born in 1938, second deputy of the Chairman, independent

First elected on May 29, 2007, and appointed until the Annual General Meeting in 2015

Dr. Gabriele Ambros, born in 1957, independent

First elected on June 07, 2010, and appointed until the Annual General Meeting in 2015

Lic. rer. pol. Paul Blumenthal, born in 1955, independent

First elected on June 07, 2010, and appointed until the Annual General Meeting in 2015

KR Kurt Eder, born in 1946, independent

First elected on April 14, 2008, and appointed until the Annual General Meeting in 2015

Mag. Josef Halbmayer MBA, born in 1955

First elected on February 25, 2009, and appointed until the Annual General Meeting in 2015

Werner Harrer, born in 1954, (employee representative), independent

First delegated on May 17, 2004

Roman Hebenstreit, born in 1971, (employee representative), independent

First delegated on October 15, 2010

Mag. Bernhard Moser, born in 1966, (employee representative), independent
First delegated on April 15, 2008

Norbert Rothbart, born in 1962, (employee representative), independent
First delegated on September 23, 2004

MEMBERS OF THE EXECUTIVE COMMITTEE

- Mag. Christian Kern, Chairman
- KR Ing. Franz Seiser
- DI Horst Pöchlhammer

MEMBERS OF THE AUDIT COMMITTEE

The activities of the Audit Committee comprise the competences stipulated in § 94 para. 4a AktG.

- Mag. Christian Kern, Chairman
- KR Ing. Franz Seiser, deputy
- DI Horst Pöchlhammer
- Mag. Josef Halbmayer MBA
- Werner Harrer
- Mag. Bernhard Moser

MEMBERS OF THE NOMINATION/PERSONNEL COMMITTEE

The activities of the Nomination/Personnel Committee comprise the competences stipulated in the Rules of Procedure.

- Mag. Christian Kern, Chairman
- KR Ing. Franz Seiser, deputy
- DI Horst Pöchlhammer
- Mag. Josef Halbmayer MBA
- Werner Harrer
- Mag. Bernhard Moser

MEETINGS

- 5 regular meetings
 - 1 extraordinary meeting
 - 3 meetings of the Audit Committee
-

ÖBB-INFRASTRUKTUR AG EXECUTIVE BOARD

Ing. Mag (FH) Andreas Matthä, born in 1962, spokesman of the Executive Board, term of office from August 01, 2008 to July 31, 2017. Competences: Assets/Finance

DI Franz Bauer, born in 1956, term of office from January 01, 2013 to December 31, 2017
Competences: Project management/Technology

Siegfried Stumpf, born in 1957, term of office from December 01, 2011 to November 30, 2014
Competences: Operations

DI Dr. Georg-Michael Vavrovsky, born in 1950, term of office from January 01, 2005 to December 31, 2012
Competences: Project management/Technology

SUPERVISORY BOARD

KR Ing. Franz Seiser, born in 1958, Chairman of the Supervisory Board
First elected on June 07, 2010, and appointed until the Annual General Meeting in 2015

Mag. Christian Kern, born in 1966, first deputy of the Chairman of the Supervisory Board
First elected on June 07, 2010, and appointed until the Annual General Meeting in 2015

DI Herbert Kasser, born in 1938, second deputy of the Chairman, independent
First elected on March 16, 2010, and appointed until the Annual General Meeting in 2015

Mag. Josef Halbmayer MBA, born in 1955

First elected on June 07, 2010, and appointed until the Annual General Meeting in 2015

Mag. Maria Kubitschek, born in 1962, independent

First elected on June 07, 2010, and appointed until the Annual General Meeting in 2015

Dr. Tanja Wielgoß, born in 1972, independent

First elected on June 07, 2010, and appointed until the Annual General Meeting in 2015

Lic. iur. Philippe Gauderon, born in 1955, independent

First elected on July 01, 2010, and appointed until the Annual General Meeting in 2015

Peter Dyduch, born in 1963, (employee representative), independent

First delegated on July 01, 2010

Franz Eder, born in 1959, (employee representative), independent

First delegated on April 15, 2008

Günther Blumthaler, gborn in 1968, (employee representative), independent

First delegated on January 14, 2012

Gottfried Winkler, born in 1956, (employee representative), independent

First delegated on June 07, 2004

MEMBERS OF THE EXECUTIVE COMMITTEE

- KR Ing. Franz Seiser, Chairman
- Mag. Christian Kern
- DI Herbert Kasser

MEMBERS OF THE AUDIT COMMITTEE

The activities of the Audit Committee comprise the competences stipulated in § 94 para. 4a AktG.

- KR Ing. Franz Seiser, Chairman
- DI Herbert Kasser, deputy
- Mag. Christian Kern
- Mag. Josef Halbmayer MBA
- Günter Blumthaler since January 24, 2012
- Gottfried Winkler

MEMBERS OF THE INFRASTRUCTURE INVESTMENT COMMITTEE

This Committee was responsible for reviewing and approving important investment projects.

- KR Ing. Franz Seiser, Chairman
- DI Herbert Kasser, deputy
- Mag. Christian Kern
- Mag. Josef Halbmayer MBA
- Franz Eder
- Peter Dyduch

MEMBERS OF THE NOMINATION/PERSONNEL COMMITTEE

The activities of the Nomination/Personnel Committee comprise the competences stipulated in the Rules of Procedure..

- KR Ing. Franz Seiser, Chairman
- Mag. Christian Kern
- DI Herbert Kasser, deputy
- Mag. Josef Halbmayer MBA
- Peter Dyduch
- Günter Blumthaler

MEETINGS

- 5 regular meetings
- 1 extraordinary meeting
- 3 meetings of the Audit Committee
- 1 meeting of the Infrastructure Investment Committee
- 2 meetings of the Nomination/Personnel Committee

REPORT ON THE CONCLUSION OF CONTRACTS ACCORDING TO REGULATION 49 OF THE CORPORATE GOVERNANCE CODE

In the financial year 2012, the Company concluded contracts on the supply of goods and provision of services with members of the Supervisory Board or companies related to them.

Member of the Supervisory Board (company)	Subject and type of the transactions	Revenue without value-added tax (in kEUR)
Lic. iur. Philippe Gauderon (Schweizerische Bundesbahnen SBB Group [Swiss Federal Railways])	Goods supplied and services provided to the ÖBB Group	17.823
	Goods supplied and services provided by the ÖBB Group	6.783
Lic. rer. pol. Paul Blumenthal (Blumenthal - Consulting GmbH)	Goods supplied and services provided by the ÖBB Group	70
Dr. Gabriele Ambros (Bohmann Druck und Verlag Ges.m.b.H. & Co KG, Verlag Holzhausen Ges.m.b.H.)	Services provided to the ÖBB Group, primarily press and public relations services	48

Five Reasons why the Railway System is so Successful*

The railway system generates revenues in an amount of 8.4 billion euros in Austria

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A well-developed transport infrastructure is the backbone of every efficient economy, and as such, it also secures the business location Austria. In 2011, the overall railway system generated revenues amounting to 8.4 billion euros and a corresponding added value of 4.1 billion euros. This means that it accounted for every 73rd euro of the added value generated in Austria. Within the railway system, 464 million passengers and 113 million tons of goods are transported by ÖBB every year. For this purpose, some 6,500 passenger and freight cars are en route every day.

Infrastructure investments generate an added value of 38.17 billion euros

In the period from 1995 to 2029, ÖBB invests 42.5 billion euros in the infrastructure, creating an added value for Austria at an amount of 38.2 billion euros. The infrastructure investments create an enormous momentum on the labor market, particularly in the construction industry.

The Austrian railway industry is a “hidden champion”

Austria is the world leader in the production of rail-bound vehicles and in the equipment for railway transport. Therefore, it is not surprising that this industry has grown even in the past years of crisis. The 8,100 employees in the railway industry generated 2.6 billion euros in revenues in 2011. 71 percent of these revenues were generated from exports. In the export of rail-bound vehicles and railway equipment, Austria is in fifth place in the entire world.

Austria has the highest per-capita number of inventors in the railway sector

No less than six percent of all the patents in the world relating to the railways are registered by Austrian inventors. Between 2002 and 2012, 771 national patent applications in this sector were filed. This benefits not only the railway industry, but also other industries like the construction, mechanical engineering and electronics industry.

ÖBB is the major training company for technical apprentices in Austria

ÖBB is one of the major training companies in the country. 61 percent of the Austrian apprentices in electronics in the field of information and telecommunication technology are trained at ÖBB. Furthermore, the Company accounts for almost one third of the apprentices in the fields of metalworking and mechanical engineering in the country.



* VCI. Study of the Economica Research Institute "The Economic Footprint of the Railway System" commissioned by the Federation of Austrian Industry, January 2013

Group Strategy FIT 2015

The first objective of the ÖBB strategy is to ensure that the ÖBB Group is economically successful in the long term. Globalization, urbanization, social and ecological changes (of the behavior) and the on-going technological progress constitute the current framework under which we are working continuously, actively and successfully in order to make the ÖBB Group a modern, innovative and sustainably profitable company. In 2012, strategic directives were defined on the following five levels.

*We are the **railways for all Austrians.** We move Austria.*

- Responsibility for the business location and habitat Austria
- Pioneer in the field of Corporate Social Responsibility (CSR), highest ethical standards in business (Compliance)
- Equality management

*Successful due to our **economic performance** and our **market leadership.***

- Generating the capital costs
- Focus on the core business
- Concentration on an offer that is appropriate for the system
- Streamlined structures and processes

*Successful due to our **convincing offer** for our customers.*

- Top service
- High-quality customer solutions that are appropriate for the system
- Added value through integrated mobility and logistics offers

*We drive the railway system **towards the future.***

- Commitment to an integrated railway system
- Innovative concepts and products
- Maintenance of the highest level of safety and reliability

*Successful due to our **team of professionals.***

- 4 principles of success:
- Assume responsibility
 - Promote a respectful interaction
 - Live top performance
 - Design the path together

The economic success of ÖBB depends on its ability to act and react in a flexible way to the requirements of the market and the customers. In order to sustainably secure and increase the value of the Company, ÖBB needs executives and employees who are able to think in terms of networks, who leave the thought of the hierarchy behind and have the courage to bring about changes. This is why the principles of success of the ÖBB Group were developed. They constitute a mission statement for every executive and every employee, irrespective of the hierarchy and the respective task, and they define the new level of quality in the cooperation. Performance and commitment to the Company are paramount.



Zielnetz 2025+

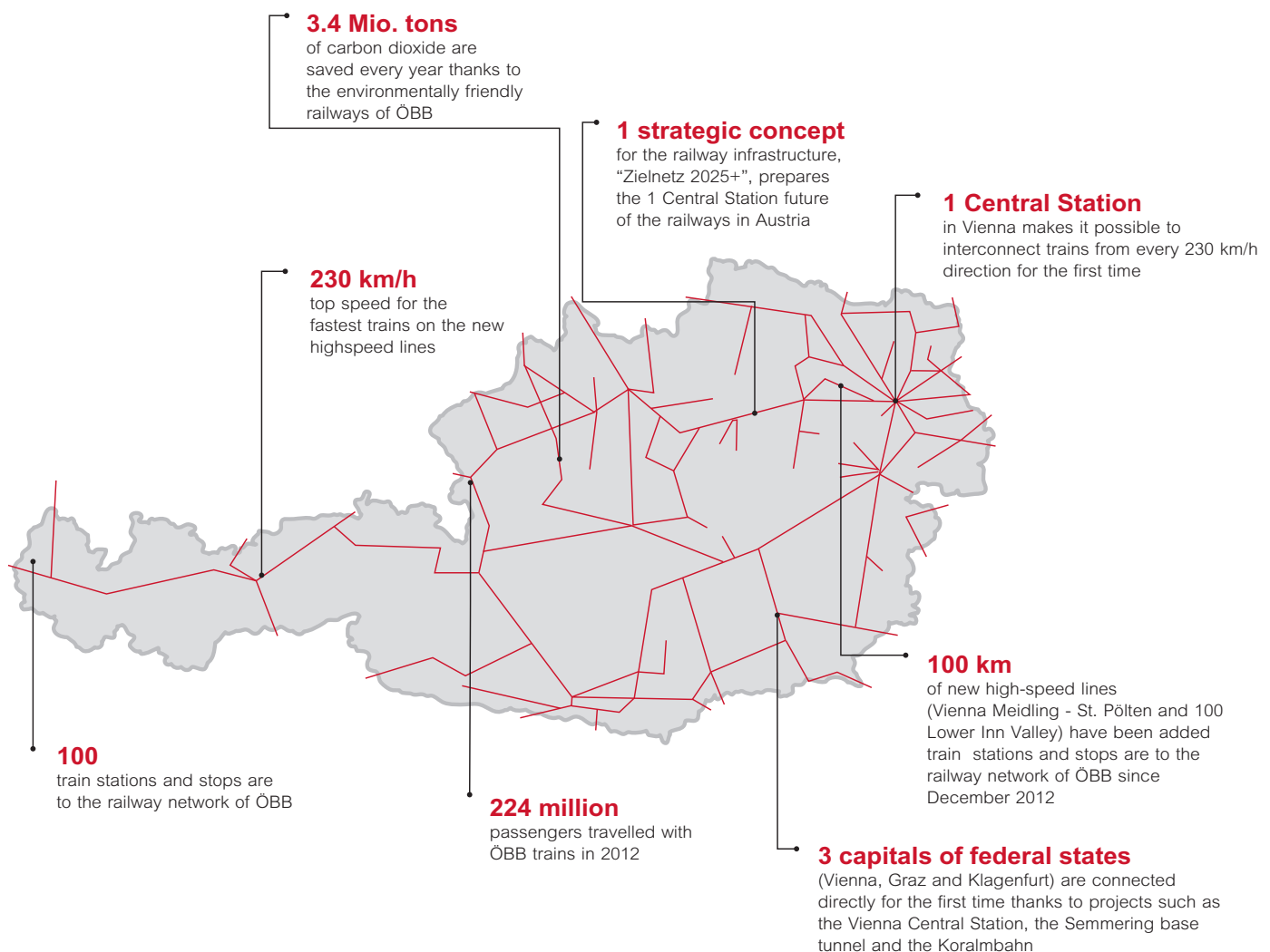
An Efficient Infrastructure for More Trains, More Passengers and More Goods

The target network for the railway infrastructure is based on the future demand (traffic forecast 2025+) and constitutes the basis for a high-quality railway transport offer (regular interval transport).

"Zielnetz [target network] 2025+" provides a long-term strategic concept for the railway infrastructure - it is the plan for the future of the Austrian railways. The concept comprises investments for expansion and modernization up to the year 2025 and beyond; it was developed by ÖBB-Infrastruktur AG, based on the Eisenbahngesetz [Railways Act] and in close coordination with the BMVIT [Federal Ministry of Transport, Innovation and Technology] and the BMF [Federal Ministry of Finance] and in cooperation with external traffic planners.

THIS STRATEGIC CONCEPT FOR RAILWAY TRANSPORT IN AUSTRIA COMPRISES

- the strategy for the development of the ÖBB railway network and the train stations based on system adequacy criteria
- the strategy for signaling and control centers and for the implementation of the European Train Control System (ETCS) on the ÖBB railway network
- the strategy for the implementation of the programs regarding the fulfillment of the statutory requirements (tunnel safety, accessibility, noise protection)



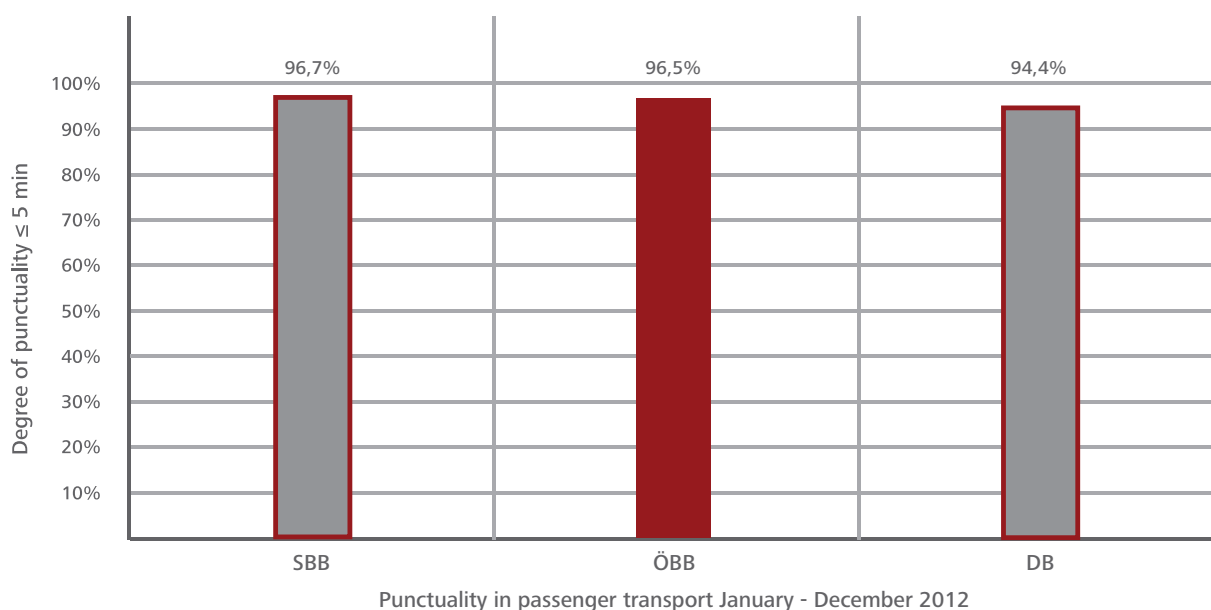
Faster, More Efficient, More Profitable

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PUNCTUALITY

By continuously improving the infrastructure, adjusting the timetables and deploying the employees in a responsible way, ÖBB managed to maintain the punctuality throughout Austria at a stable 97 percent, which makes them one of the most punctual railways within the EU.

ÖBB offer complete transparency by means of punctuality statistics available online:
<http://oebb.at/puenktlichkeit>



TURNAROUND RCA

For Rail Cargo Austria, the motto of the year 2012 was "Turnaround". The reorganization program for the goods transport subsidiary was continued in 2012, which resulted in a significant improvement of the results for the second year in a row. Like in the prior year, the program focused on increasing productivity, increasing the flexibility of the production performance and focusing on profitable business fields.

DEVELOPMENT OF IT SERVICES

In order to pool IT areas and activities within the ÖBB Group and to focus on the highest possible service quality and cost transparency, ÖBB-IKT GmbH was reoriented in 2012.

The Telematics department was separated from IKT GmbH and integrated into ÖBB-Infrastruktur AG as "Project organization Telematics". The "Business IT" department, which remains with IKT GmbH, is responsible for all general operative IT issues within the Group. The "new" ÖBB-IKT GmbH - from 2013 a subsidiary of ÖBB-Holding AG - is a modern IT service provider with 430 employees and streamlined and efficient structures.

GROUP PURCHASE

All the purchases of the ÖBB Group are strategically organized and controlled by the Group Purchase department; this way, all the purchase activities of the companies are pooled and coordinated throughout the Group. This ensures that products and services can be procured at the best possible terms and conditions for the Group. We place great emphasis on efficient and thus sustainable purchasing of products and services.

Within the framework of the “eProcurement” project, a consistent, standardized and entirely electronic procurement procedure was implemented throughout the ÖBB Group in the year under review. The project aimed at harmonizing the procurement processes and systems within the Group, thereby increasing the efficiency. The processing time can be reduced by more than 150,000 days per year simply by eliminating the transmission by mail. In addition to the faster processing, eProcurement also ensures legal archiving and direct control of company processes as well as the highest possible usability.

WORKING CAPITAL MANAGEMENT – FINANCING BY OUR OWN MEANS

The Working Capital Management project initiated in 2012 aims at using the working capital of the Company in the best possible way. Within the framework of the project, numerous measures were defined and processes such as the invoicing and dunning process were optimized in order to increase the efficiency and liquidity.

FINANCIAL SHARED SERVICE CENTER

A central project that focuses on the use of synergies within the Group and the increase of efficiency is the Financial Shared Service Center project. It aims at pooling standardized accounting services within a single competence center and providing them to the Group companies. In 2012, a feasibility study was carried out in this respect, which predicts considerable cost savings and a number of quality benefits, such as the standardization of processes, increased transparency and data consistency and quicker preparation of financial statements.

ÖBB ADVERTISING

In the year under review, ÖBB-CI&M Werbeagentur GmbH was merged with ÖBB-Werbecenter GmbH to form ÖBB-Werbung GmbH. ÖBB-Werbung GmbH is mainly responsible for ensuring a consistent promotional image of the Group on the market with respect to brand management, advertising activities, media coordination, sponsoring and events, and for implementing the control measures required for this purpose. Therefore, the task of ÖBB Werbung GmbH is to centrally order and buy or procure any and all promotional services and means planned in the Group in order to optimize the purchased services and generate synergy effects. Furthermore, ÖBB-Werbung GmbH was established as marketer for the ÖBB-owned advertising spaces along the entire mobility chain, from the stations and vehicles to online advertising. By now, ÖBB-Werbung GmbH is the third largest provider of outdoor advertising in Austria.

Research and Development

The R&D activities are coordinated throughout the Group. The R&D strategy agreed in 2012 and the coordinated innovation management focus on:

F&E AS REAL INNOVATION

- Increase in efficiency, quality, profitability, cost reduction
- Maintenance of the safety
- Promotion and use of the (internal) creative potential
- R&D as part of the (internal) improvement management

R&D AS AWARENESS MEDIUM

- Pool of ideas & think tank
- Image and values for a modern company
- Acceptance of customers, stakeholders and employees
- Increase of the brand value

Selected research projects

EMORAIL - EVOLUTION OF MOBILITY

The eMORAIL research project demonstrates how to combine climate-friendly individual transportation by e-car and e-bike with the railways and other means of public transport in a practical and useful way. New mobility concepts for commuters in rural areas are developed within the framework of this project. Since fall 2012, ÖBB is testing the "Commuter transport of the future" that is controlled by smartphones. eMORAIL users receive a commutation ticket for public transport and an electric car for the journey from their place of residence to the station and back, plus additional services such as a reserved parking space near the platform with recharging terminal or access to the ÖBB Club Lounge. All this aims at providing an attractive alternative to the use of one's own car and at strengthening public transport.



SMILE

The SMILE project aims at developing and testing a prototype for a multi-modal information, booking and payment system and a new consistent signaling and control system that is supposed to combine public transport and new electromobility offers in a smart way. Based on the existing systems, SMILE is supposed to develop a prototype for a (from the user's point of view) integrated and multi-modal information, booking and payment system with standardized usability. Furthermore, a consistent signaling and control system is to be developed.

The SMILE platform is equipped with open, standardized interfaces in order to enable other mobility service providers (e-car sharing, e-bike rentals, parking garages, recharging terminals, etc.) and other projects with similar objectives to connect themselves to it. The project is currently in the development stage. Test operation with 1,000 test users is scheduled to start at the beginning of 2014.



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 the usability after a fire. 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 innovative calculation methods developed in this 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.



RED MEANS “STOP”

Up to 98 percent of all the accidents on railway crossings are caused by road users. The number of accidents on railway crossings equipped with light signals has been almost constant since the year 2000. Since the 1960s, the number of railway crossings has been reduced from 10,700 to a little more than 4,000. Every year, ÖBB-Infrastruktur AG invests 15 million euros into the equipment of level crossings with technical safety equipment. In addition to these structural measures to prevent accidents, awareness-raising measures are very important as well, in particular with respect to such road-rail crossings. Numerous research and cooperation projects (e.g. “Sicherheit macht Schule” [Safety seminars in schools]) focus on the topic of “Safety at railway crossings”. The research project “Red light acceptance” (Rotlichtakzeptanz), for example, analyzes on an empirical basis how well road users accept the red light at railway crossings with technical safety equipment by means of psychological methods. The project also examines at which point people tend to cross a railway crossing despite the red light, or at which point the waiting time is perceived as unacceptable.



CSR - Committed to the Society

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ÖBB is very much aware of their significance and responsibility for the national economy, for the environment and for the society, and therefore always takes the topic of sustainability (CSR - Corporate Social Responsibility) into account in all the Company's considerations. This way, the Company also assumes great responsibility for the well-being of future generations. ÖBB is one of the major economic motors and employers in Austria, and their railways and busses provide climate and environmentally friendly mobility. Significant investments in the satisfaction of the train passengers within the framework of the customer promotion campaign lead to the creation of faster lines, new stations, state-of-the-art trains and busses and improved services. Punctuality, targeted dialogues with the customers and accessibility are further reasons why people like to use the environmentally friendly railways.

FOCUS ON THE CLIMATE SAVES 3.4 MILLION TONS OF CO₂

ÖBB is the most climate-friendly mobility service provider in Austria. 92 percent of the traction power is generated from renewable energy sources - the majority from hydropower. Traveling by train produces only a tenth of the carbon dioxide produced when the same distance is traveled by an average car. In goods transport, the difference is even more impressive: On average, a truck produces 22 times more carbon dioxide than a train transporting the same goods. The initiatives within the framework of the focus on the climate include Group-wide fuel-saving trainings, for instance for ÖBB-Postbus drivers, an extensive project on energy saving, pilot projects regarding new forms of mobility, and the increased use of renewable energy in the buildings, among many others. Target-oriented commitment to waste prevention and waste separation, noise protection and protection of the biodiversity complement the subject field of climate and energy. With awareness-raising events for children and young adults on the topic of sustainable mobility and information campaigns on the topic of traffic safety, ÖBB assumes even more social responsibility.



Consolidated Management Report

This Management Report complements the Consolidated Financial Statements of Österreichische Bundesbahnen-Holding Aktiengesellschaft, Vienna, (hereinafter referred to as "ÖBB Group") that must mandatorily be established pursuant to Article 244 *UGB* [Austrian Commercial Code] and that is submitted to the Commercial Court Vienna under Company Register number FN 247642 f. The Consolidated Financial Statements as of December 31, 2012, were established pursuant to Article 245a (2) *UGB* in accordance with the International Financial Reporting Standards ("IFRS/IAS") issued by the International Accounting Standards Board ("IASB"), the interpretations of the International Financial Reporting Interpretation Committee ("IFRIC") and the interpretations of the Standards Interpretation Committee ("SIC"), which have come into force and been adopted by the European Union as of December 31, 2012. In addition, a subsidiary of Österreichische Bundesbahnen-Holding Aktiengesellschaft (hereinafter referred to as "ÖBB-Holding AG"), the company ÖBB-Infrastruktur Aktiengesellschaft, is obligated to establish separate consolidated financial statements pursuant to Article 245 (5) *UGB* because it issued bonds listed for trade in a regulated market. The consolidated financial statements of ÖBB-Infrastruktur Aktiengesellschaft are submitted to the Commercial Court Vienna under Company Register number FN 71396 w.

A. Group structure and investments

Structure of the ÖBB Group

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

The Republic of Austria holds 100% of the shares in the Company, and the *Bundesministerium für Verkehr, Innovation und Technologie* [Federal Ministry of Transport, Innovation and Technology] (BMVIT) manages the shares.

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

The main tasks of **ÖBB-Holding AG** are

- exercising of the shareholder's rights,
- the consistent strategic orientation of the ÖBB Group,
- the overall coordination of the establishment and implementation of the corporate policies within the companies, and
- ensuring transparency regarding the public funds used.

The **ÖBB-Personenverkehr** sub-group is the leading mobility service provider in Austria. The ÖBB-Personenverkehr sub-group is responsible for the design of the offer, the coordination of the service provision process, the marketing and sales and for the financing of the passenger transport services. Together with the subsidiary ÖBB-Postbus GmbH, ÖBB-Personenverkehr AG provides a perfectly coordinated offer in train and bus transport.

Rail Cargo Austria AG is the subsidiary responsible for the transportation of goods and acting on an international level. Based on the domestic markets in Austria and Hungary, it aims at maintaining its market leadership in Austria while further developing its market position in Southeast Europe. As a specialist for railway-related transport services with additional forwarding services, the Rail Cargo Austria sub-group provides an environmentally friendly, sophisticated, reliable and cost-effective transport and logistics system, combined with professional services.

The common subsidiaries of ÖBB-Personenverkehr AG and Rail Cargo Austria AG, ÖBB-Produktion GmbH and ÖBB-Technische Services-Gesellschaft mbH, provide services in the fields of traction and maintenance of rail vehicles.

The **ÖBB-Infrastruktur** sub-group operates 1,131 traffic stations (goods and passenger transport) and the railway infrastructure in Austria, which are primarily used by companies of the ÖBB-Personenverkehr and Rail Cargo Austria sub-groups 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.

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

Investments of the ÖBB Group

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

Number of investments by sub-group

	Sub-group (including double counts)					DC ²⁾	Total (without DC) ¹⁾
	ÖBB- Personen- verkehr	Rail Cargo Austria	ÖBB- Infrastruktur	Others	Total		
Affiliated subsidiaries	9	51	32	6	98		98
<i>thereof abroad</i>	1	41	0	0	42		42
Participating subsidiaries	3	23	2	2	30	-2	28
<i>thereof abroad</i>	0	16	1	0	17	0	17
Other subsidiaries	3	12	2	2	19	-1	18
<i>thereof abroad</i>	3	11	1	1	16	-1	15
Total	15	86	36	10	147	-3	144
<i>thereof abroad</i>	4	68	2	1	75	-1	74

¹⁾ only companies that can be influenced directly

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

Outside Austria, the ÖBB Group holds investments in 74 companies whose registered offices are located in the following countries: Hungary (21), the Czech Republic (8), Slovakia (6), Italy (6), Romania (5), Belgium (4), Poland (4), Slovenia (3), Netherlands (3), Bulgaria (2), Serbia (2) and one investment each in Bosnia-Herzegovina, Germany, Greece, Croatia, Liechtenstein, Russia, Switzerland, Spain, Turkey and the Ukraine.

B. General conditions and market environment

B.1. General economic conditions

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 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 beginning of 2013, the economic development in the Eurozone is expected to continue to decrease in 2013. The economy in the EU27 is expected to grow by no more than 0.1%.

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

Gross domestic product	2009	2010	2011	2012	2013
Austria	-3.8	2.3	2.9	0.6	1.0
Eurozone	-4.3	2	1.4	-0.6	-0.3
New EU members	-3.2	2.2	3.1	1.2	1.5
EU27	-4.3	2.1	1.5	-0.3	0.1
USA	-3.1	2.4	1.8	2.3	1.8
China	9.2	10.4	9.2	8.0	7.0
Worldwide	-0.6	5.1	3.8	3.3	3.3

Sources: WIFO monthly report January 2013, EU winter forecast 2013

This development affected Austria as well. For 2013, WIFO experts anticipate an economic growth of 1.0% in Austria.

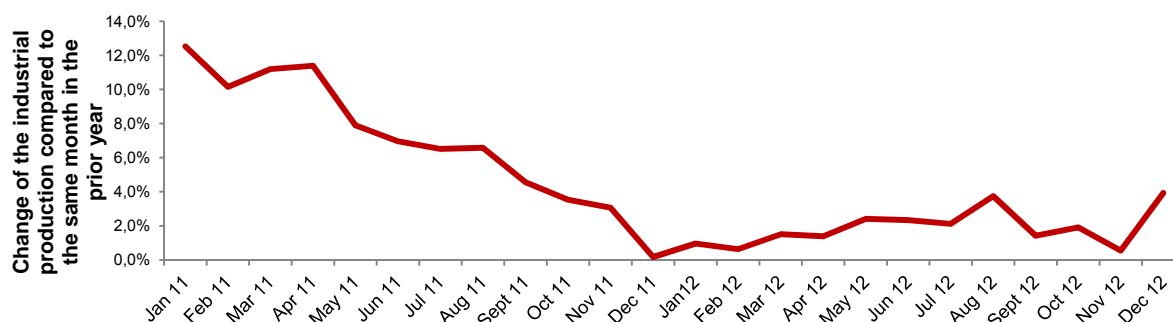
Key data and forecasts for the economic situation in Austria

Parameter	Unit	2009	2010	2011	2012	2013
Gross domestic product		-3.8	2.3	2.9	0.6	1.0
Goods exports	Change in % compared to the prior year (real)	-18.3	13.0	7.9	0.8	3.8
Goods imports		-14.1	10.9	8.5	-0.4	3.5
Gross investments		-7.8	0.8	7.3	0.8	1.5
Crude oil price		-37.0	29.0	40.0	-1.0	-5.0
Net borrowing of the state	% of the GDP	-4.1	-4.5	-2.6	-3.1	-2.6
Unemployment rate	% of the labor force	4.8	4.4	4.2	4.3	4.6

Source: WIFO monthly report January 2013

The growth of goods imports and exports is particularly decisive for railway goods transport; in 2012, the growth in Austria was far lower than expected. Instead of more than 4% growth, the development almost stagnated. The growth factor in industrial production has been continuously decreasing already in 2011. In 2012, the growth amounted to only 1.5%. For 2013, the industrial production is expected to grow by 1.0%.¹

Development of the industrial production in Austria (without construction industry):



Source: Statistik Austria

The most important trade partner of Austria - Germany - recorded an economic growth of only 0.8% in 2012. Several southern and eastern neighbors suffered a recession. The Slovenian economy decreased by two percent in 2012, as did the economy in Croatia (-1.8%), Serbia (-1.5%), Hungary (-1.3%) and the Czech Republic (-1.2%). In Italy, the economy even decreased by 2.3%.²

The outlook for 2013 is slightly better, but anything but good. The forecast for the growth in Germany is 0.5%³; Slovenia (-1.5%), Croatia (-0.5%) and Italy (-1.0%) will still be in recession. In the Czech Republic, Hungary and Serbia, the growth will be 1.0% or below. For Slovakia, Poland, Romania and Bulgaria, the GDP is expected to grow by 1.0 to 1.5%.

The development of the international trade - in particular the overseas trade - is not expected to provide any significant growth impulse, either. For the first time since 2009, the "Baltic Dry" index sank below 1,000 points in January 2012. Since then, the Baltic Dry Index has been fluctuating around this level. The index shows the development of the freight costs and thus the demand in ship transport. It is considered to be an important early indicator for the development of the global economy.

Capital markets and national budgets

Greece will probably continue to be a trouble spot in 2013; Spain and Portugal, on the other hand, show signs of progress in containing the national debt crisis, and particularly in removing its causes.⁴ 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 withdrew France's top rating 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.

In January 2012, the rating agency Standard & Poor's withdrew the top AAA rating from Austria. This measure 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 by the Republic for banks.

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.

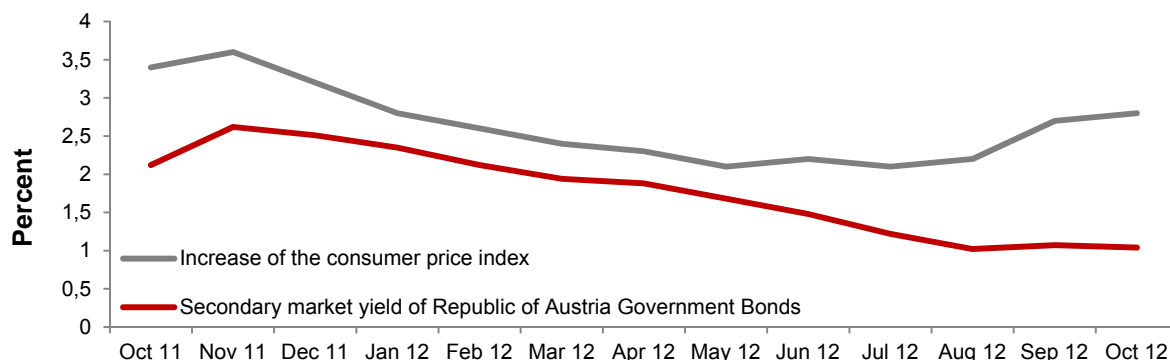
¹ WIFO, forecast for 2012 and 2013, March 21, 2013

² WIIW, November 26, 2012

³ EU Commission, fall forecast 2012

⁴ Trade journal of January 22, 2013

Development of the cost of capital during the debt crisis



The interest rate level of government bonds is decisive for the terms and conditions for the bonds issued by 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 November 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. The bonds issued by ÖBB-Infrastruktur AG still benefit from Austria's high credit rating.

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

Recast of the First Railway Package

At the end of October 2012, the recast of the First Railway Package was agreed on the European level. This package regulates in particular the non-discriminating access to services, the so-called "mini unbundling", e.g. with respect to ticket sales in passenger stations, the calculation of the infrastructure usage charge (cost-by-cause route price model) and the expansion of the powers of the regulating authority, e.g. regarding the reporting obligations of the railways. The European railway authorities are working in a network. The European Commission is a member of this network and coordinates it.

The member states have to implement the Directive within 30 months after publication in the Official Journal of the European Union (December 14, 2012), i.e. it has to be adopted into national law by 2015.

Fourth Railway Package

In order to further liberalize and harmonize the European railway transport market, the European Commission submitted the following drafts for the 4th Railway Package on January 30, 2013:

- Opening of the national passenger transport market and corresponding amendment of the Regulation on public service contracts (1370/2007) in the sense of an obligation to tender instead of the freedom of choice with direct contracting;
- Amendment of the Directive on the recast of the 1st Railway Package (2012/34), opening of the national passenger transport market and unbundling of sales and infrastructure. This means that vertically integrated companies and a holding structure like that of ÖBB can only be maintained if strict "Chinese walls" are created to ensure the necessary legal, financial and operational independence;
- Further development of the role of the European Railway Agency (ERA) with respect to the standardization of vehicle registrations and safety regulations (regulation);
- Amendments of the safety and interoperability Directives.

In the second half of the year 2012, the political institutions - in particular the European Commission - focused on the content of the drafts and the analysis of their effects. The railways - including ÖBB - and the Community of European Railways (CER) attempted to point out the impact on the railway companies in Europe by means of various activities. ÖBB is continuously evaluating the developments and takes any foreseeable results into account in their planning.

Internalization of external costs in the transport industry

The European Commission intends to charge the costs for transports to the parties who cause them and to the users. This entails a number of measures and initiatives for 2012/2013:

- Eurovignette Directive (“Infrastructure Cost Directive”): Member states can charge certain supplements for costs incurred due to noise and air pollution; however, they are not obliged to do so, and charging of external traffic congestion costs is admissible only in the form of a variation of the toll amount that does not result in additional costs. The Directive has to be adopted into national law by October 16, 2013, at the latest.
- Energy tax: The European Commission submitted a draft for an amendment of energy taxation that is scheduled to come into force in 2013.

Both the Eurovignette and the energy tax are no more than small contributions to a more just way to charge the respective costs caused. The calculation of the fiscal cost recovery in traffic (infrastructure cost calculation) has been clarified and simplified by the new Directives; however, the non-binding nature of the Eurovignette Directive contradicts the Europe-wide introduction of road tolls. With respect to the energy tax draft, only the part of the energy component relating specifically to fuels can be considered as contribution to the road costs. This would emphasize the lack of cost transparency in truck transport even more.

Trans-European Transport Network (TEN-T) and Connecting Europe Facility (CEF)

In October 2011, the European Commission submitted a regulation draft for the revised Trans-European Transport Networks (TEN-T). The purpose of the regulation is:

- to establish missing infrastructural links, primarily in international transport,
- to improve the quality of the infrastructure in the new member states, incl. development of the East-West connections,
- to increase the networking of the different modes of transport (multimodality),
- to efficiently use available funds in such a way as to achieve a reduction of the greenhouse gas emissions caused by traffic by 60% until 2050 (White Paper Transport 2011), and
- to improve the interoperability.

The overall network comprises a core network that consists of the European infrastructure systems with the greatest strategic importance and offering the highest added value in Europe. The complementary network ensures the greatest possible accessibility of all the regions in all the member states. While the core network has to be completed by 2030, the deadline for the completion of the complementary network is 2050.

According to the draft of the Commission, three strategically important axes in Austria are included in both the core network and the budget for 2014 to 2020:

- the Danube axis (from Strasbourg to Budapest) including extension of the Western line (e.g. the high-speed track Vienna Meidling - St. Pölten)
- the Brenner axis (from Helsinki to Valetta) including the Brenner base tunnel
- the Baltic-Adriatic axis (from Danzig to Ravenna) including the new Semmering base tunnel and the Koralmbahn Graz - Klagenfurt

The final decision on the TEN-T Regulation will be taken in 2013. Under the headline “Connecting Europe Facility” (CEF), the draft for the multi-year financial framework of the EU (2014 to 2020) provides for an increased concentration of funds for the extension of the Trans-European Transport Network.

For this purpose, the European Commission suggests funding at an amount of EUR31.7 billion (incl. EUR10 billion Cohesion Fund). The Transport Committee of the European Parliament approved this figure in December. In the course of the negotiations regarding the Multi-Annual Financial Framework, the amount for the transport sector was reduced to EUR23 billion (incl. EUR10 billion Cohesion Fund). Before a final decision on the amount of the funding for the transport industry can be taken, the European Parliament and the European Council have to give their approval.

Megatrucks (“Gigaliners”)

“Gigaliners” are trucks with a total weight of up to 60 tons and a vehicle length of up to 25.25 meters. The approval of so-called megatrucks in all of Europe would have a negative effect on railway goods transport (acceleration of the modal shift towards the road possible) - in particular on the full-load traffic, but also on combined freight transport. An approval of such vehicles throughout the EU is not anticipated at the moment. However, the European Commission is expected to propose minor adjustments regarding the admissible length of semi-trailers and to legalize cross-border traffic of megatrucks between states in which these vehicles are already permitted.

B.3. Market environment

Market environment of the ÖBB-Personenverkehr sub-group

Development of the overall passenger transport in Austria

Parameters of the overall passenger transport in Austria (change compared to the prior year in %)

Passenger transport	2007	2008	2009	2010	2011	2012**
Railways* (passenger-kilometers)	3.2	13.8	-0.7	1.0	6.8	1.7
Air transport (passengers)	10.1	4.2	-8.5	6.7	5.6	3.7
New registration of passenger cars	-3.4	-1.5	8.8	2.8	8.4	-5.7

*all railway companies, **preliminary estimates for 2012

Source: Statistics Austria, BMVIT, ÖBB calculations

Preliminary estimates of the total passenger transport in Austria indicate a 1.7% growth in the railway sector; the growth in air transport is well below the level before the crisis. Following the high increase in 2011, the number of newly registered passenger cars decreased by 5.7%.

Since 2011, Austria is among the top countries in the liberalization index. Like goods transports, ÖBB passenger transport is also working in a widely liberalized environment. 2012 was the first full year with competition in long-distance railway transport. At the same time long-distance bus transport, in particular in the direction of the Eastern neighbors, is becoming a serious competitor. The ÖBB-Postbus is already competing heavily in calls for tenders with respect to short-distance and regional transports. ÖBB-Personenverkehr AG was able to maintain its position despite these challenges in 2012 by means of pricing measures and qualitative improvements. Economy measures of the public authorities caused "headwinds" in 2012. The cancellation of the reimbursements for energy tax and mineral oil tax for railway diesel resulted in additional costs for ÖBB. "Tailwinds" were provided by the relatively high fuel prices and certain incidents such as the expansion of the parking space management in Vienna or the general decrease in the number of newly registered passenger cars.

In total, 464 million passengers used the services of ÖBB-Personenverkehr in 2012. Securing an offer for the customers corresponding to the demand and at the same time improving the degree of cost recovery on the individual lines was and still is the key objective in short-distance and long-distance transport.

Development of the ÖBB-Personenverkehr sub-group

Short-distance and regional passenger transport

Based on the transport service agreements concluded with the federal government and the states, the development of the result in short-distance and regional transport is positive and stable. With reference to the train performance, the numbers of passengers increased in all regions by a total of 15 million passengers or 9% compared to the prior year. Programs for further improvement of the service quality focusing on travel comfort and passenger information are being developed in order to increase customer acceptance.

Long-distance passenger transport

In 2012, a new era began for the long-distance passenger transport: On December 09, 2011, another railway undertaking started to operate between Vienna and Salzburg for the first time, in direct competition with ÖBB.

Railway transport as a whole shows a very positive market development. Despite the competition, the demand in 2012 remained on the same level as in the prior year. On the Western line, the number of passengers in long-distance passenger transport between Vienna and Salzburg decreased only slightly. Due to a reduction of the offer, the demand for transports within the Alps decreased slightly as well. However, on all the other Austrian lines (for example Tauern or Salzburg - Bregenz), the long-distance passenger transport increased. The Southern railway in particular developed positively due to the use of the railjet trains (increase in passengers by 4%). The development of the transports on the Northern railway and the Brenner was positive as well.

International transports boomed in 2012: The development of the markets in Hungary (+17% due to the use of the railjet to Budapest) and Switzerland (+11%) was particularly good. The long-distance passenger transport towards Germany, Italy and the Czech Republic increased as well.

Bus transport

ÖBB-Postbus GmbH transported 233 million passengers in 2012. In line bus traffic (regional and inner-city bus transport), the Postbus holds a market share of 52%. ÖBB-Postbus GmbH has 2,220 busses, which cover a distance of 149 million kilometers per year on 900 lines (26,000 courses), i.e. more than 400,000 km per day. The subsidiary ČSAD AUTOBUSY České Budějovice a.s., which transports 7 million passengers per year in the Budweis region, is successful as well.

Market environment of the Rail Cargo Austria sub-group

Development of the overall railway goods transport in Europe and Austria

The volumes of the goods transport by railway in Europe decreased by an average 7% in 2012 compared to the prior year.⁵ The decrease in Germany and Austria amounts to 5%. The development in Eastern and Southeast Europe is particularly negative again, with an average 10% decrease. The least negative result was achieved by the Czech Republic and Slovakia, both with -6%. The national railways of Poland (-12%) and Bulgaria (-19%) suffered the strongest decrease. The development of the transport volume of Rail Cargo Hungaria (-1.8%) was comparatively positive in this environment.⁶

Parameters of the goods transport in Austria (change compared to the prior year in %)

Goods transport	2007	2008	2009	2010	2011	2012**
Railways* (tonnage-kilometers)	1.9	2.5	-18.9	13.0	2.6	-5.2
Road (tonnage-kilometers)	8.2	-0.4	-12.4	3.7	3.8	-0.2
New registration of trucks	6.3	2.2	-23.6	8.5	16.3	-3.6

*all railway companies, **preliminary estimates for 2012

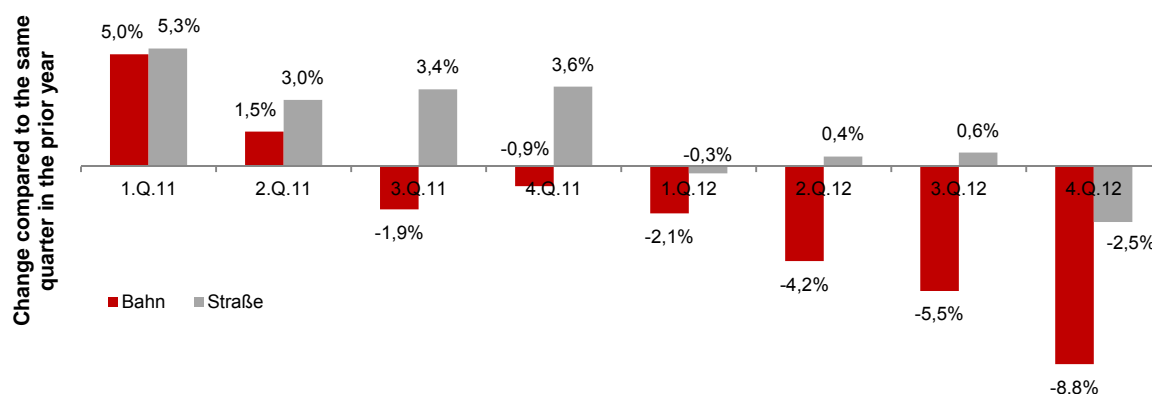
Source: Statistics Austria, BMVIT, ÖBB calculations

In the first months of 2012, goods transports by road stagnated in Austria, and decreased in the second half of the year; the volume of goods transports by railway decreased by 5.2%. In both cases, the stagnation or decrease in goods transports is due to the following factors:

- recession in the Eurozone in the second half of the year and severe recession in southern and southeastern neighboring countries (especially Italy, Slovenia, Croatia and Serbia);
- significantly lower growth in the industrial production in Austria compared to 2011, and partial decrease in the industrial production in Germany in the second half of the year.

The withdrawal of offers of the Rail Cargo Austria sub-group with an insufficient cost recovery also has a negative effect on the goods transport by railway.

Development of goods transport volumes on the road and railways in Austria in 2011 and 2012:



Source: ASFINAG, ÖBB/RCA, Statistik Austria, ÖBB calculations

⁵ Community of European Railways (CER) in "Rail Business" of November 19, 2012

⁶ Source: UIC statistics, ÖBB calculations and estimates

With respect to the transport volumes in the overall goods transports by railway (including private railways), the downward tendency has continuously been increasing since the 3rd quarter 2011. As for the goods transports by road, the stagnating development in the first three quarters was followed by a decrease in the fourth quarter as well.

Development of the Rail Cargo Austria sub-group

Goods transport by railway is an integral part of the logistics chain in Austria. In 2012, 113.0 million tons of goods were transported by conventional full-load traffic, in the intermodal sector and in contracted logistics. In the Rail Cargo Austria sub-group, the year 2012 was characterized by a consistent "Turnaround" program. Like in the prior year, the program focused on increasing productivity, increasing the flexibility of the production performance and focusing on profitable business fields in 2012. The successful implementation of the measures is confirmed by the fact that the decrease in volumes caused by the economic development was compensated by a corresponding adjustment of the production during the year.

Conventional full-load traffic / Cargo industries

In the Cargo industries unit, every end customer transaction is processed and reported in conventional full-load traffic:

- **Coal and steel:** In the 1st quarter of 2012, the development in the steel industry was slightly positive; from the 2nd quarter, the steel production decreased due to the slow economic development. In the raw material sector, the volumes decreased slightly from the 2nd half of the year 2012, primarily due to the negative order situation of the steel works (structural steel) in Northern Italy.
- **Chemicals/Mineral oil:** New competitors in the railway market, who increasingly address major customers as well, are gaining influence on the future development of the mineral oil/chemicals market. Despite this, it was possible to secure the business volume over a period of several years with these customers.
- **Wood/Agriculture:** Due to the difficult economic situation in the woodworking industries, the volumes decreased by 12.6% compared to the prior year. This development occurred both on the national and on the international level. In the agriculture sector, the transport volumes of the prior year were maintained. The volumes of the cereal transports from Hungary to Western Europe slumped due to significant changes in the trade flows, and due also to the heavy competition on the railways.
- **Automotive/Building material/Consumer goods:** After a relatively stable development of the automotive sector in the first half of the year 2012, the number of new registrations slumped throughout Europe from August 2012. In Austria, the number of new registrations of passenger cars decreased by 20% in November and December. The supplies to markets outside the EU remained comparatively stable. In the building material segment, a decrease was noticeable already in the last quarter of 2012 - primarily in domestic traffic. This trend will probably continue in the first half of 2013. With major customers, on the other hand, it was possible to secure the transport volume by means of agreements with a term of several years.

Intermodal

With intermodal transport, Rail Cargo Austria combines the advantages of transport by railway, road and water in a single transport chain:

- **Combi Cargo:** In the year 2012, the volumes stagnated due to the blockage of the Brenner and the negative economic growth.
- **Combined road/railway transport (ROLA):** The first months of 2012 were characterized by troubles due to the weather (e.g. blockage of the Port of Trieste for several days due to ice and storm) and due to the effects of the sectoral driving ban in Tyrol. The extensive construction work on the Brenner line, which caused a complete blockage for several weeks in summer, caused a further decrease in the volumes that was not restricted to this specific period.

Contracted logistics

The reorganization in the part-load segment was continued successfully. The elimination of transactions with insufficient cost recovery and specific measures such as a reduction of the portion of the personnel expenses and site optimizations resulted in a significant improvement of the results.

Market environment of the ÖBB-Infrastruktur sub-group

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 undertakings is thus expected to increase to 33 by the end of 2013.

In 2010 and 2011, the TGTkm (total gross tonnage-kilometers) in goods transport amounted to 45.2 billion per year. Since June 2011, the transport volumes are noticeably decreasing. In 2012, the goods transport volumes are significantly lower than in the prior year. The decrease compared to 2011 amounts to 2 billion TGTkm.

With a view to train-kilometers (Tkm), the transports decreased by 4% in 2011 and 1% in 2012. As a result of the continued 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.

In 2009 and 2010 the passenger transport amounted to 97.9 million Tkm per year. In 2011, this amount decreased by 3% to 95.1 million Tkm. This decrease was partly recovered in 2012 (+2% compared to 2011), achieving a total of 96.6 million Tkm.

Within the framework of the conversion to a cost-by-cause 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.

C. Economic report and outlook

C.1. Revenues

Group revenue

Overview	2012	2011	Change	Change in %
Direct revenue in mil. EUR	2,660.0	2,748.7	-88.7	-3%
Revenue in mil. EUR	5,244.0	5,224.2	19.8	0% *)
Total revenue in mil. EUR	6,267.2	6,202.4	64.8	1% *)
Total revenue per employee in thousand EUR	150	143	7	5% *)

*) adjusted amounts 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.

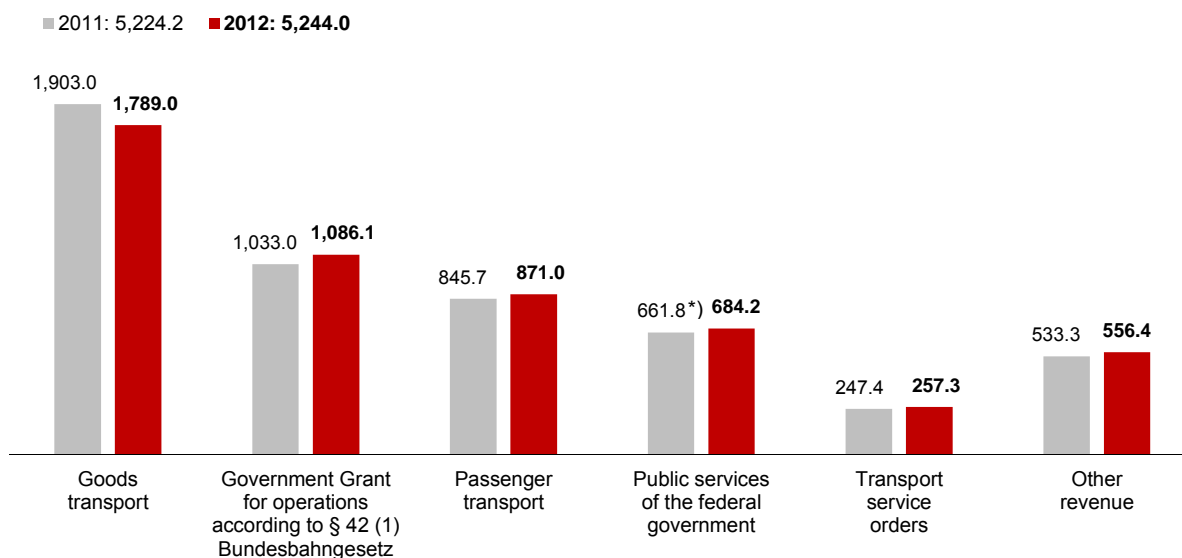
In the financial year 2012, the revenues of the ÖBB Group increased by EUR19.8 million to EUR5,244.0 million (prior year: EUR5,224.2 million). 51% of the revenue (prior year: 53%) or EUR2,660.0 million (prior year: EUR2,748.7 million) come from direct sales in the market, 17% (prior year: 16%) of which from passenger transport and 34% (prior year: 36%) from goods transport. The comparison of the revenues from direct market sales with the prior year shows a decrease by 3%.

Due to the increase in revenues and the decrease of the average number of staff from 43,300 to 41,845 employees, the figure "Total income per employee"⁷ increased to EUR150,000 (prior year: EUR143,000). The revenue generated abroad amounting to EUR1,485.4 million (prior year: EUR1,488.6 million) accounts for about 18% of the unconsolidated Group revenue as in the prior year.

⁷ Total income per employee: total income/average number of staff

The following diagram shows the revenues according to the Consolidated Financial Statements in the amount of EUR5,244.0 million (prior year: EUR5,224.2 million) according to its respective origin.

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



*) reduced by a provision in the amount of EUR28.0 million

In 2012, 34% (prior year: 36%) of the revenues or EUR1,789.0 million (prior year: EUR1,903.0 million) were generated by direct sales in the Rail Cargo Austria sub-group, 17% (prior year: 16%) were generated by direct sales of passenger transport services in the market in the amount of EUR871.0 million (prior year: EUR845.7 million). The transport services commissioned by the federal states and the communities increased slightly by EUR9.9 million to EUR257.3 million (prior year: EUR247.4 million).

Other revenue generated in the market increased by EUR23.1 million compared to the prior year to EUR556.4 million (prior year: EUR533.3 million). This amount comprises income from rent and lease amounting to EUR173.8 million (prior year: EUR172.9 million), income from the trade in energy amounting to EUR184.5 million (prior year: EUR153.5 million) and income from the infrastructure usage amounting to EUR31.5 million (prior year: EUR21.3 million).

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

Grants of the federal government in mil. EUR	Sub-groups			Total
	ÖBB- Personenverkehr	Rail Cargo Austria	ÖBB- Infrastruktur	
Government grant for operations pursuant to Article 42 (1) <i>Bundesbahngesetz</i>	-	-	1,086.1	1,086.1
	-	-	(PY: 1,033.0)	(PY: 1,033.0)
Public services ordered by the federal government pursuant to Article 48 <i>Bundesbahngesetz</i>	607.0	77.2	-	684.2
	(PY: 565.1)	(PY: 96.7)	-	(PY: 661.8) *)
Government grant for infrastructure pursuant to Article 42 (2) <i>Bundesbahngesetz</i> (recorded in the other operating income)	-	-	454.4	454.4
	-	-	(PY: 390.7)	(PY: 390.7)
Total grants of the federal government	607.0	77.2	1,540.5	2,224.7
	(PY: 565.1)	(PY: 96.7)	(PY: 1,423.7)	(PY: 2,085.5)

*) reduced by a provision in the amount of EUR28.0 million

According to Article 42 *Bundesbahngesetz*, the federal government pays a grant for the operation and provision of the railway infrastructure to the users and a grant for maintenance, planning and construction of the railway infrastructure. In the financial year 2012, the government grant pursuant to Article 42 (1) and (2) increased to EUR1,540.5 million (prior year: EUR1,423.7 million). Compared to the prior year, the payments of the federal government for operation and provision pursuant to Article 42 (1) increased by EUR53.1 million to EUR1,086.1 million (prior year: EUR1,033.0 million). These payments account for 21% (prior year: 20%) of the Group revenues. This grant for the operation of the railway infrastructure is paid 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.

An increase by 3% to EUR684.2 million (prior year: EUR661.8 million) was recorded for the revenues from public services provided to the federal government pursuant to Article 48 *Bundesbahngesetz*. Differentiating by the clients who commissioned the public transport services, the federal government accounts for 13% of the Group revenues, and the federal states and communities account for 5% as in the prior year. The payments made to the ÖBB-Personenverkehr sub-group result from public service agreements on short-distance and long-distance passenger transport by railway concluded with the federal government for several years. The payments made to the Rail Cargo Austria sub-group result from the transport of hazardous material and waste and from services provided within the framework of the combined transport. The system of public services in goods transport in Austria was converted into the “*Beihilfenprogramm für die Erbringung von Schienengüterverkehrsleistungen in bestimmten Produktionsformen in Österreich*” [State aid program regarding the provision of goods transport services by railway for specific forms of production in Austria] notified by the EU due to amendments of the European legal basis (Regulation EC 1370/07), effective as of December 03, 2012.

Structure of revenues by sub-group

in mil. EUR	2012	2011	Change	Change in %
Sub-group ÖBB-Personenverkehr	1,842.4	1,748.6	93.8	5%
Sub-group Rail Cargo Austria	2,340.0	2,508.8	-168.8	-7%
Sub-group ÖBB-Infrastruktur	2,152.4	2,062.8	89.6	4% *)
ÖBB-Holding AG and other companies	990.9	1,007.7	-16.8	-2%
less consolidation of sub-groups	-2,081.7	-2,103.7	22.0	1%
Group revenue acc. to Consolidated Financial Statements	5,244.0	5,224.2	19.8	0% *)
Other income (consolidated)	1,023.2	978.2	45.0	5%
Total income	6,267.2	6,202.4	64.8	1% *)

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

Revenue of the ÖBB-Personenverkehr sub-group

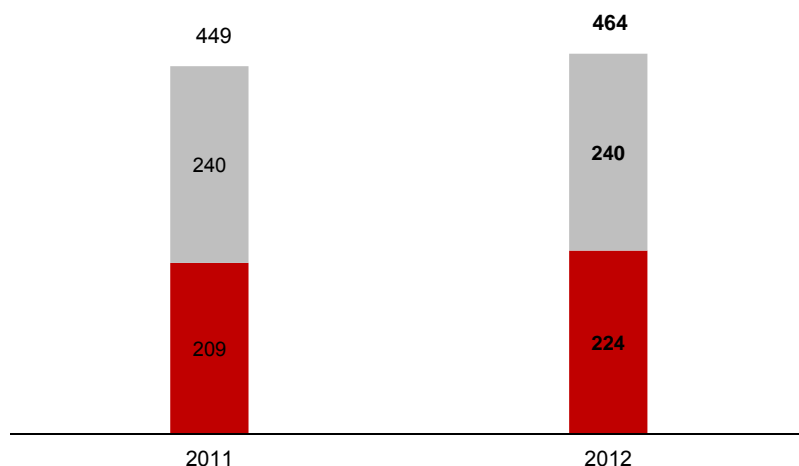
Overview	2012	2011	Change	Change in %
Mil. of transported passengers	464	449	15	3%
Revenue in mil. EUR	1,842.4	1,748.6	93.8	5%
Total income in mil. EUR	1,874.7	1,782.4	92.3	5%
Total income per employee in thousand EUR	264	243	21	9%

With an increase of the number of railway passengers to 224 million passengers (prior year: 209 million), the ÖBB-Personenverkehr sub-group achieved a 5% increase in total income. The number of passengers in the business unit Bus was maintained at 240 million passengers as in the prior year.

With a number of staff averaging 7,113 employees (prior year: 7,321), the total income per employee equals EUR264,000 (prior year: EUR243,000). The revenue generated abroad, which amounts to EUR165.0 million (prior year: EUR140.3 million), accounts for 13% (prior year: 8%) of the unconsolidated Group revenues.

Transported persons in mil.

■ Passengers railway ■ Passengers bus



Mil. of transported people	2012	2011	Change	Change in %
Long-distance railway transport	34	34	0	0%
Short-distance railway transport	190	175	15	9%
Total railway	224	209	15	7%
Bus	240	240	0	0%
Total	464	449	15	3%

Revenue of the sub-group ÖBB-Personenverkehr in mil. EUR	2012	2011	Change	Change in %
Unconsolidated Group revenue	1,268.5	1,216.7	51.8	4%
<i>thereof abroad</i>	<i>165.0</i>	<i>140.3</i>	<i>24.7</i>	<i>18%</i>
Income from public service orders	607.0	565.1 *)	41.9	7%
less intra-group revenue	-33.1	-33.2	0.1	0%
Revenue	1,842.4	1,748.6	93.8	5%
Other income (consolidated)	32.3	33.8	-1.5	-4%
Total income	1,874.7	1,782.4	92.3	5%
<i>thereof with other entities of the ÖBB Group</i>	<i>25.8</i>	<i>26.4</i>	<i>-0.6</i>	<i>-2%</i>

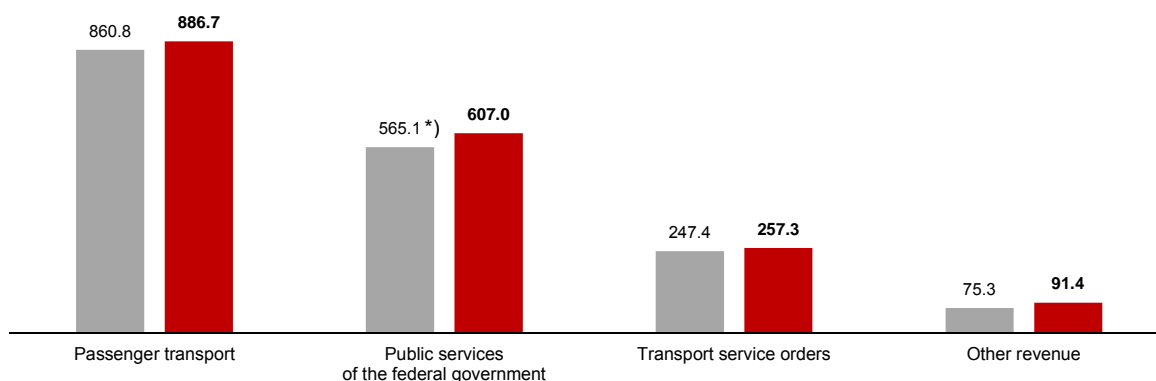
*) reduced by a provision in the amount of EUR28.0 million

With respect to the revenue, an increase of 5% to EUR1,842.4 million (prior year: EUR1,748.6 million) was registered in the year under review 2012. Direct sales in the market (railways and bus) amounted to EUR886.7 million (prior year: EUR860.8 million) and account for 48% (prior year: 49%) of the sub-group's revenue. The execution of public service orders commissioned by the public authorities accounts for 47% (prior year: 46%) of the revenue. Orders of the federal government account for EUR607.0 million (prior year: EUR565.1 million [reduced by a provision in the amount of EUR28.0 million]) and orders of the states and communities for EUR257.3 million (prior year: EUR247.4 million).

The other revenue comprises income from rent and lease amounting to EUR41.7 million (prior year: EUR40.0 million) and maintenance income amounting to EUR9.0 million (prior year: EUR9.7 million). The revenue generated abroad - mainly in Germany and Eastern Europe - increased by EUR24.7 million or 18%.

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

■ 2011: 1,748.6 ■ 2012: 1,842.4



*) reduced by a provision in the amount of EUR28.0 million

Revenue of the Rail Cargo Austria sub-group

Overview	2012	2011	Change	Change in %
Volume of goods transported in mil. tons (consolidated)	113.0	123.7	-10.7	-9%
Revenue in mil. EUR	2,340.0	2,508.8	-168.8	-7%
Total income in mil. EUR	2,435.8	2,602.9	-167.1	-6%
Total income per employee in thousand EUR	249	253	-4	-2%

Due to the difficult economic situation, the total income of the Rail Cargo Austria sub-group decreased by 6% to EUR2,435.8 million (prior year: EUR2,602.9 million). With a number of staff averaging 9,784 employees (prior year: 10,292), the total income per employee equals EUR249,000 (prior year: EUR253,000). The revenue generated abroad, which amounts to EUR1,097.9 million (prior year: EUR1,210.4 million), accounts for 36% (prior year: 37%) of the unconsolidated Group revenues. The revenue generated abroad thus decreased by EUR112.5 million or 9%.

The volumes in tons constitute important performance indicators for the transport business in the Rail Cargo Austria sub-group.

Transported volume in mil. tons (consolidated)	2012	2011	Change	Change in %
Conventional full-load transport	85.0	89.4	-4.4	-5%
Unaccompanied combined transport	17.1	19.1	-2.0	-10%
Combined road/ railway transport	9.4	13.5	-4.1	-30%
Contracted logistics	1.5	1.7	-0.2	-12%
Total	113.0	123.7	-10.7	-9%

The Rail Cargo Austria sub-group recorded a decrease of the consolidated volumes in goods transport from 123.7 million to 113.0 million tons in the year under review compared to the prior year.

	Conventional full-load transport		Unaccompanied combined transport		Combined road/ railway transport		Contracted logistics		Total	
Transported volume in mil. tons	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Rail Cargo Austria AG	61.7	64.7	15.1	16.0	9.4	13.5	1.5	1.7	87.7	95.9
Services purchased by Rail Cargo Austria AG/ Rail Cargo Austria AG acting as principal ¹⁾	2.9	2.8	1.1	0.2	1.0	1.2	0.0	0.0	5.0	4.2
Rail Cargo Hungaria Zrt.	30.3	30.6	2.4	3.5	0.9	1.1	0.0	0.0	33.6	35.2
Rail Cargo Romania s.r.l. ²⁾	0.2	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.4
Rail Cargo Italia s.r.l. ³⁾	1.4	2.3	0.4	0.3	0.0	0.0	0.0	0.0	1.8	2.6
Total not consolidated	96.5	100.8	19.0	20.0	11.3	15.8	1.5	1.7	128.3	138.3
<i>less intra-group transports</i>	<i>-11.5</i>	<i>-11.4</i>	<i>-1.9</i>	<i>-0.9</i>	<i>-1.9</i>	<i>-2.3</i>	<i>0.0</i>	<i>0.0</i>	<i>-15.3</i>	<i>-14.6</i>
Total consolidated	85.0	89.4	17.1	19.1	9.4	13.5	1.5	1.7	113.0	123.7

1) Railway transports outside Austria in which Rail Cargo Austria AG either effects the transport itself, acting as a railway undertaking in the foreign country, or purchases the transport service from a foreign railway undertaking (as sub-provider), acting as the sole carrier vis-à-vis the customer.

2) 100% services purchased by RCA

3) estimates required in some instances, values roughly rounded

	Conventional full-load transport		Unaccompanied combined transport		Combined road/ railway transport		Contracted logistics		Total	
Billions of tonnage-kilometers	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Rail Cargo Austria AG	13.5	14.2	2.7	2.8	1.5	2.0	0.0	0.0	17.7	19.0
Services purchased by Rail Cargo Austria AG/ Rail Cargo Austria AG acting as principal ¹⁾	0.7	0.6	0.2	0.1	0.2	0.2	0.0	0.0	1.1	0.9
Rail Cargo Hungaria Zrt.	5.8	5.8	0.6	0.8	0.3	0.4	0.0	0.0	6.7	7.0
Rail Cargo Romania s.r.l. ²⁾	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Rail Cargo Italia s.r.l. ³⁾	0.4	0.3	0.1	0.5	0.0	0.0	0.0	0.0	0.5	0.8
Total not consolidated	20.4	21.0	3.6	4.2	2.0	2.6	0.0	0.0	26.0	27.8
<i>less intra-group transports</i>	<i>-0.4</i>	<i>-0.4</i>	<i>0.0</i>	<i>-0.1</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-0.4</i>	<i>-0.5</i>
Total consolidated	20.0	20.6	3.6	4.1	2.0	2.6	0.0	0.0	25.6	27.3

1) Railway transports outside Austria in which Rail Cargo Austria AG either effects the transport itself, acting as a railway undertaking in the foreign country, or purchases the transport service from a foreign railway undertaking (as sub-provider), acting as the sole carrier vis-à-vis the customer.

2) 100% services purchased by RCA

3) estimates required in some instances, values roughly rounded

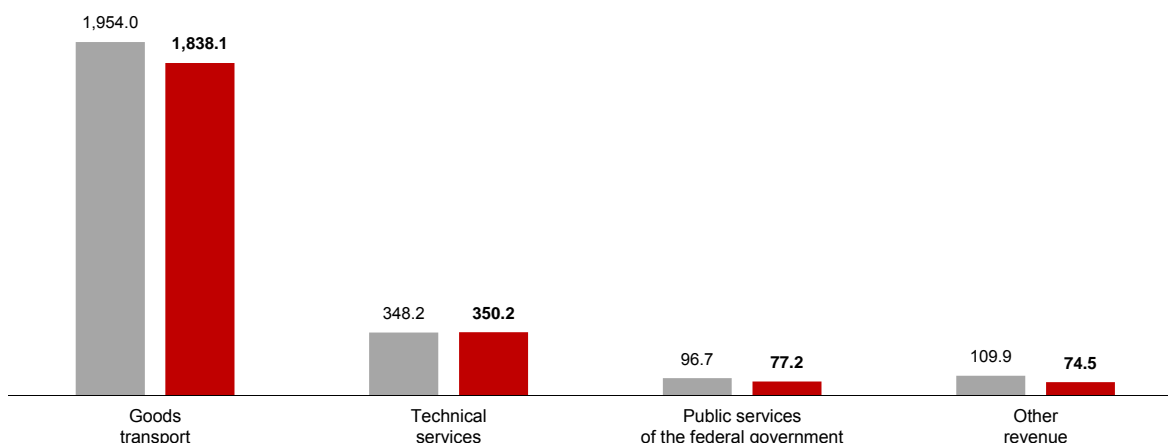
4) small amount

Revenue of the Rail Cargo Austria sub-group in mil. EUR				
	2012	2011	Change	Change in %
Unconsolidated Group revenue	3,094.2	3,256.4	-162.2	-5%
<i>thereof abroad</i>	<i>1,097.9</i>	<i>1,210.4</i>	<i>-112.5</i>	<i>-9%</i>
Income from public service orders	77.2	96.7	-19.5	-20%
less intra-group revenue	-831.4	-844.3	12.9	2%
Revenue	2,340.0	2,508.8	-168.8	-7%
Other income (consolidated)	95.8	94.1	1.7	2%
Total income	2,435.8	2,602.9	-167.1	-6%
<i>thereof with other entities of the ÖBB Group</i>	<i>400.1</i>	<i>403.0</i>	<i>-2.9</i>	<i>-1%</i>

In total, the revenue of the Rail Cargo Austria sub-group decreased by 7% to EUR2,340.0 million (prior year: EUR2,508.8 million). The revenue generated from goods transport services directly in the market accounts for EUR1,838.1 million or 79% (prior year: EUR1,954.0 million or 78%). The compensation of the federal government for the execution of public service orders accounts for EUR77.2 million or 3% of the revenue (prior year: EUR96.7 million or 4%). The item "Other revenue" comprises revenues from rent and lease amounting to EUR49.9 million (prior year: EUR66.7 million). ÖBB-Technische Services-Gesellschaft mbH accounts for EUR350.2 million (prior year: EUR348.2 million).

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

■ 2011: 2,508.8 ■ 2012: 2,340.0 Mio. EUR

**Revenue of the ÖBB-Infrastruktur sub-group**

Overview	2012	2011	Change	Change in %
Mil. train-kilometers	142	144	-2	-1%
Total gross tonnage-kilometers in mil.	72,443	73,963	-1,520	-2%
Self-generated traction power from ÖBB power plants in GWh	792	594	198	33%
Traction power from the overhead contact line in GWh	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 income in mil. EUR	3,014.0	2,889.3	124.7	4% *)
Total income per employee in thousand EUR	181	168	13	8% *)

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

The revenue increased by 4% compared to the prior year. The train-kilometer performance decreased by 1% compared to the prior year to 142 million Tkm (prior year: 144 million Tkm).

The income per employee at an average of 16,670 employees (prior year: 17,214 employees) amounts to EUR181,000 (prior year: EUR168,000).

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

The total gross tonnage-kilometers (TGTKm) decreased by 1,520 million TGTKm in the financial year 2012. While external railway undertakings accounted for 6.6 billion TGTKm or 9% of the total in the financial year 2011, in 2012 they accounted for 8.3 billion TGTKm, which corresponds to 11% of the total.

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

	2012	2011	Change	Change in %
Passenger transport	28,330	27,619	711	3%
<i>thereof ÖBB Group</i>	27,066	27,294	-228	-1%
Goods transport	43,073	45,206	-2,133	-5%
<i>thereof ÖBB Group</i>	36,193	39,097	-2,904	-7%
Service trains and light engines	1,040	1,138	-98	-9%
<i>thereof ÖBB Group</i>	929	951	-22	-2%
Total	72,443	73,963	-1,520	-2%

Furthermore, revenue is generated in the power trade and the real estate sector.

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%
Consumption of 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 focus on 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”.

Power plants owned by the ÖBB-Infrastruktur sub-group produced 792 GWh (prior year: 594 GWh) of traction power in the financial year 2012.

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 Group companies	833	838	-5	-1%
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 m² as in the prior year, almost one third of which is rented out to third parties. The rest is rented out within the Group, used by the ÖBB-Infrastruktur sub-group itself or consists of public and vacant spaces.

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

	2012	2011	Change	Change in %
Unconsolidated Group revenue	2,451.6	2,432.5	19.1	1% *)
Intra-group revenue	-299.2	-369.7	70.5	19%
Revenue	2,152.4	2,062.8	89.6	4%
Other income (consolidated)	861.6	826.5	35.1	4% *)
Total revenues	3,014.0	2,889.3	124.7	4%
<i>thereof with other entities of the ÖBB Group</i>	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 revenue of the sub-group amounted to EUR2,152.4 million (prior year: EUR2,062.8 million); EUR730.9 million (prior year: EUR743.8 million) of this amount were generated with companies of other sub-groups of the ÖBB Group. The revenue is generated primarily within Austria. Revenue in the amount of EUR119.2 million (prior year: EUR82.9 million) was generated with companies abroad. This revenue mainly refers to the supply of energy.

C.2. Result of operations

Result of operations of the ÖBB Group

Overview	2012	2011	Change	Change in %
EBIT in mil. EUR	692.9	593.2	99.7	17%
EBIT margin in %	11.1%	9.6%	1.5%	16% *)
EBITDA in mil. EUR	1,443.0	1,278.6	164.4	13%
EBT in mil. EUR	66.5	-27.9	94.4	>100%
Return on equity in %	4.6%	-2.0%	6.6%	>100%
Return on assets in %	2.9%	2.6%	0.3%	12%

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

Structure of the Consolidated Income Statement in mil. EUR	2012	in % of the total income	2011	in % of the total income	Change	Change in %
Revenue	5,244.0	84%	5,224.2	84%	19.8	0% *)
Other own work capitalized	400.1	6%	392.5	6%	7.6	2%
Other revenue and increase/ decrease of inventories	623.1	10%	585.7	10%	37.4	6%
Total income	6,267.2	100%	6,202.4	100%	64.8	1% *)
Expenses for materials	552.0	9%	541.7	9%	10.3	2% *)
Expenses for services received	1,427.9	23%	1,542.3	25%	-114.4	-7%
Personnel expenses	2,366.4	38%	2,328.2	38%	38.2	2%
Amortization and depreciation (incl. Impairments)	750.1	12%	685.4	11%	64.7	9%
Other operating expenses	478.0	8%	511.6	8%	-33.6	-7%
Total expenses	5,574.4	89%	5,609.2	90%	-34.8	-1% *)
EBIT	692.9	11%	593.2	10%	99.7	17%
Financial result	-626.4	-10%	-621.1	-10%	-5.3	-1%
EBT	66.5	1%	-27.9	0%	94.4	>100%

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

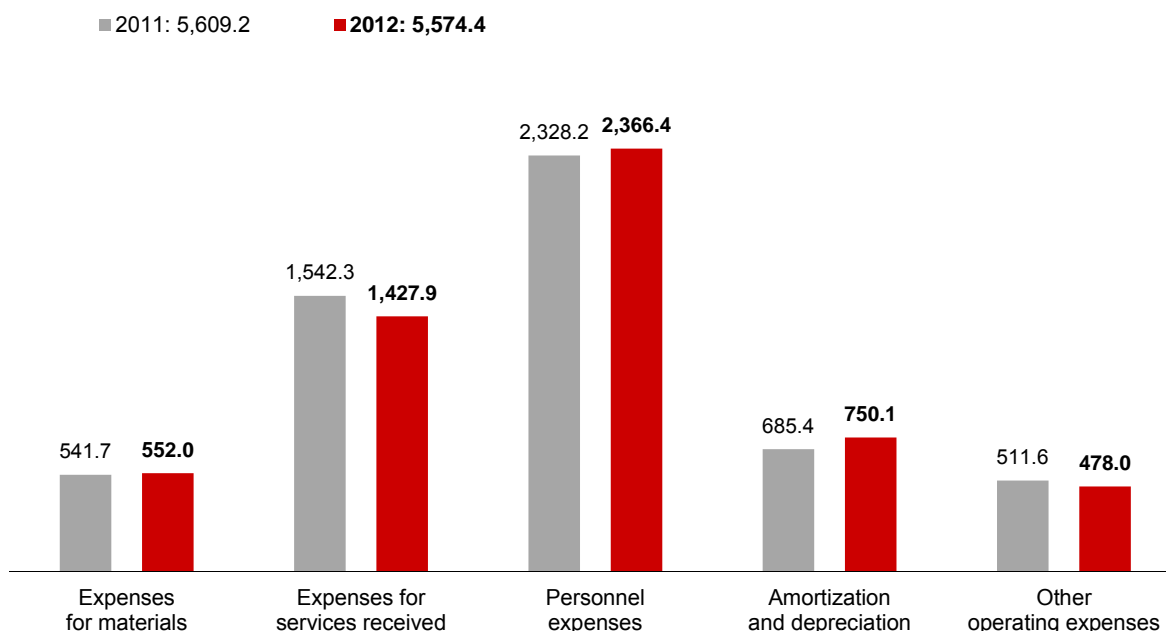
At an amount of EUR6,267.2 million (prior year: EUR6,202.4 million), the total income increased by 1% compared to the prior year. The EBIT of the ÖBB Group increased by 17% to EUR692.9 million during the year under review (prior year: EUR593.2 million). Accordingly, the EBIT margin⁸ increased from 9.6% in the prior year to 11.1%. After the negative result of -EUR27.9 million in the prior year, this year shows a positive EBT of EUR66.5 million. The EBITDA⁹ amounts to EUR1,443.0 million (prior year: EUR1,278.6 million). The return on equity¹⁰ increased to 4.6% (prior year: -2.0%), the return on assets¹¹ amounted to 2.9% (prior year: 2.6%).

⁸ EBIT margin: EBIT/total income

⁹ EBITDA: EBIT + depreciation and amortization

¹⁰ return on equity: EBT/shareholder's equity

¹¹ return on assets: EBIT/total capital

Development of operating expenses in mil. EUR

The total expenses decreased by EUR34.8 million to EUR5,574.4 million in the financial year 2012 (prior year: EUR5,609.2 million).

The personnel expenses increased by 2% compared to the prior year to EUR2,366.4 million (prior year: EUR2,328.2 million) and still constitute the largest expense category. The increase is due primarily to changes of the parameters, in particular of the discount rates, for the personnel provisions (additional expenses of EUR56.7 million). The average personnel expenses per employee amount to EUR57,000 (prior year: EUR54,000). The personnel expenses/total income ratio, which measures the share of the personnel expenses in the total income, remained at 38% as in the prior year. More information on the personnel structure and the development of the number of staff is provided in Chapter D. Personnel Report.

Expenses for materials increased to EUR552.0 million (prior year: EUR541.7 million). This item comprises expenses for purchased traction power amounting to EUR258.3 million (prior year: EUR250.8 million) and expenses for liquid fuels amounting to EUR102.3 million (prior year: EUR98.6 million).

The expenses for services received amounting to EUR1,427.9 million (prior year: EUR1,542.3 million) constitute the second largest expense category. This item primarily comprises fees for rented vehicles, transport services and infrastructure usage charges for third-party railways. Furthermore, this item comprises other services received consisting primarily of goods and services that cannot be capitalized in connection with repairs, maintenance, cleaning and other services in the freight forwarding sector. The combined share of expenses for materials and services received in the total income was 32% (prior year: 34%). Depreciation and amortization expenses increased by EUR64.7 million to EUR750.1 million (prior year: EUR685.4 million).

A reduction was achieved for operating costs (-4% to EUR115.3 million), rent, leasing and licensing expenses (-4% to EUR33.0 million), expenses for information technology and office supplies (-7% to EUR28.0 million) and miscellaneous expenses (-3% to EUR241.5 million). Taxes and duties increased (+15% to EUR48.3 million). In total however, the other operating expenses decreased by EUR33.6 million or 7% to EUR478.0 million (prior year: EUR511.6 million).

Development of the financial result in mil. EUR

The ÖBB Group presents a negative financial result amounting to -EUR626.4 million for the financial year 2012 (prior year: -EUR621.1 million).

Result of operations of the ÖBB-Personenverkehr sub-group

Overview	2012	2011	Change	Change in %
Revenue in mil. EUR	1,842.4	1,748.6	93.8	5%
Total income in mil. EUR	1,874.7	1,782.4	92.3	5%
Total expenses in mil. EUR	-1,800.5	-1,722.1	-78.4	-5%
EBIT in mil. EUR	74.2	60.3	13.9	23%
EBIT margin in %	4.0%	3.4%	0.6%	18%
EBITDA in mil. EUR	171.3	146.1	25.2	17%
Financial result in mil. EUR	-32.7	-44.4	11.7	26%
EBT in mil. EUR	41.5	15.9	25.6	>100%
Return on equity in %	8.1%	3.3%	4.8%	>100%
Return on assets in %	2.6%	2.0%	0.6%	30%

The ÖBB-Personenverkehr sub-group achieved an increase in revenue by 5% to EUR1,842.4 million (prior year: EUR1,748.6 million) during the year under review. Expenses for materials increased by 1% to EUR134.5 million (prior year: EUR133.4 million). After a result amounting to EUR60.3 million in the prior year, the sub-group's EBIT increased to EUR74.2 million in the financial year 2012. The financial result increased to -EUR32.7 million (prior year: -EUR44.4 million). The sub-group presents an EBT amounting to EUR41.5 million for the financial year 2012 (prior year: EUR15.9 million). The return on equity amounts to 8.1% in 2012 (prior year: 3.3%), the return on assets amounts to 2.6% (prior year: 2.0%). The EBIT margin increased from 3.4% in the prior year to 4.0%. The EBITDA amounts to EUR171.3 million (prior year: EUR146.1 million).

The personnel expenses of the sub-group amounted to EUR379.8 million in the financial year 2012 (prior year: EUR376.8 million), which corresponds to a slight increase by EUR3.0 million or 1%. The average personnel expenses per employee amount to EUR53,000 (prior year: EUR52,000). The share of the personnel expenses in the total income was reduced to 20% (prior year: 21%). The expenses for materials amounting to EUR134.5 million (prior year: EUR133.4 million) comprise, among others, expenses for traction power amounting to EUR39.6 million (prior year: EUR42.1 million) and for liquid fuels amounting to EUR59.3 million (prior year: EUR56.7 million). The services received increased by 3% compared to the prior year to EUR1,005.3 million (prior year: EUR972.5 million). This item comprises fees for rented vehicles amounting to EUR21.9 million (prior year: EUR25.7 million), transport services amounting to EUR461.1 million (prior year: EUR445.3 million) and infrastructure usage charges for third-party railways amounting to EUR269.1 million (prior year: EUR257.8 million). The combined share of the expenses for materials and services received in the total income accounted for 61% (prior year: 62%).

Result of operations of the Rail Cargo Austria sub-group

Overview	2012	2011	Change	Change in %
Revenue in mil. EUR	2,340.0	2,508.8	-168.8	-7%
Total income in mil. EUR	2,435.8	2,602.9	-167.1	-6%
Total expenses in mil. EUR	-2,379.5	-2,591.2	211.7	8%
EBIT in mil. EUR	56.3	11.7	44.6	>100%
EBIT margin in %	2.3%	0.4%	1.9%	>100%
EBITDA in mil. EUR	119.7	90.4	29.3	32%
Financial result in mil. EUR	-27.3	-60.3	33.0	55%
EBT in mil. EUR	29.0	-48.6	77.6	>100%
Return on equity in %	*)	*)	*)	*)
Return on assets in %	2.9%	0.6%	2.3%	>100%

*) Ratio not significant

The Rail Cargo Austria sub-group was able to increase the EBIT to EUR56.3 million (prior year: EUR11.7 million). In the year under review, this increase of the EBIT amounted to EUR44.6 million. The decrease in total income by 6% to EUR2,435.8 million (prior year: EUR2,602.9 million) results in an EBIT margin of 2.3%, after 0.4% in the prior year. The financial result increased from -EUR60.3 million in the prior year to -EUR27.3 million. Accordingly, an EBT of EUR29.0 million (prior year: -EUR48.6 million) is recognized for 2012. Due to the negative amount of the shareholder's equity, the return on equity was not calculated. The return on assets amounts to 2.9% (prior year: 0.6%), and the EBITDA amounts to EUR119.7 million (prior year: EUR90.4 million).

The total expenses of the Rail Cargo Austria sub-group amounting to EUR2,379.5 million (prior year: EUR2,591.2 million) were 8% lower than in the prior year. The expenses for services received, which decreased by 9% to EUR1,543.7 million in the year under review (prior year: EUR1,687.4 million), constitute the largest expense category. This item comprises expenses for transport services, infrastructure usage charges including public services and personnel leasing, rent for railway and road vehicles and other services. The personnel expenses increased to EUR435.2 million in the year under review (prior year: EUR426.3 million). As the average number of staff decreased, the average personnel expenses per employee increased from EUR41,000 in the prior year to EUR44,000. The share of the personnel expenses in the total income was 18% (prior year: 16%). The total of the expenses for materials and services received corresponds to 71% (prior year: 72%) of the total income.

Result of operations of the ÖBB-Infrastruktur sub-group

Overview	2012	2011	Change	Change in %
Revenue in mil. EUR	2,152.4	2,062.8	89.6	4% *)
Total income in mil. EUR	3,014.0	2,889.3	124.7	4% *)
Total expenses in mil. EUR	-2,423.2	-2,345.3	-77.9	-3% *)
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%
Financial result in mil. EUR	-582.1	-535.6	-46.5	-9%
EBT in mil. EUR	8.8	8.4	0.4	5%
Return on equity in %	0.8%	0.8%	0.0%	0%

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

The total income of the ÖBB-Infrastruktur sub-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 income increased by EUR124.7 million or 4% compared to 2011. This increase results from an increase of the government grant pursuant to Article 42 *Bundesbahngesetz* for the infrastructure on the one hand, and from an increase in the infrastructure usage charge and in the revenue from energy supplies on the other hand.

The ÖBB-Infrastruktur sub-group generated an EBIT of EUR590.8 million in 2012 (prior year: EUR544.0 million) and an EBIT margin¹² of 19.6% (prior year: 18.8%).

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

¹² EBIT margin: EBIT/total income

The total expenses of the sub-group increased by 3% to EUR2,423.2 million in 2012 (prior year: EUR2,345.3 million). The personnel expenses constituted the largest expense item in 2012, increasing by 2% to EUR1,066.3 million (prior year: EUR1,041.4 million). The average personnel expenses per employee amounted to EUR64,000 (prior year: EUR60,000). The share of the personnel expenses in the total income of the sub-group corresponds to 35% (prior year: 36%). The second largest expense item is constituted by depreciation and amortization because of the operational responsibility of the sub-group. Due to increased investments in the prior years, this item increased by 12% to EUR539.5 million in the year under review (prior year: EUR481.7 million). 18% (prior year: 19%) of the total income are allotted to expenses for materials and expenses for services received.

C.3. Result of operation and financial position

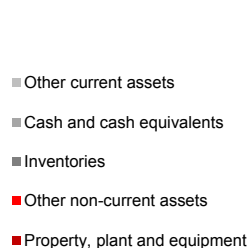
Net assets and financial position of the ÖBB Group

Overview	2012	2011	Change	Change in %
Total assets in mil. EUR	24,084.3	22,882.8	1,201.5	5%
PP&E-to-total-assets ratio in %	86%	86%	0%	0%
PP&E-to-net-worth ratio in %	7%	7%	0%	0%
PP&E-to-net-worth ratio II in %	98%	103%	-5%	-5%
Working capital in mil. EUR	-232.9	-211.3	-21.6	-10%
Equity ratio in %	6%	6%	0%	0%
Cash-effective change of funds in mil. EUR	334.9	79.8	255.1	>100%

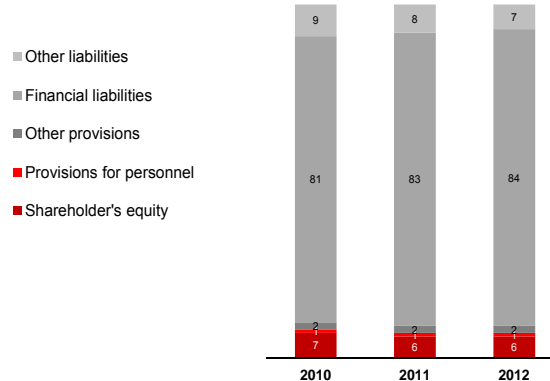
Structure of the Statement of Financial Position (in mil. EUR)	Dec 31, 2010	Dec 31, 2011	Structure 2011	Dec 31, 2012	Structure 2012	Change from 2011 to 2012
Non-current assets	20,057.6	21,435.0	94%	22,446.0	93%	1,011.0
Current assets	1,426.4	1,447.8	6%	1,638.3	7%	190.5
Total assets	21,484.0	22,882.8	100%	24,084.3	100%	1,201.5
Shareholder's equity	1,478.0	1,369.7	6%	1,430.8	6%	61.1
Non-current liabilities	16,558.6	18,724.4	82%	18,934.9	79%	210.5
Current liabilities	3,447.4	2,788.7	12%	3,718.6	15%	929.9

Structure of the Statement of Financial Position in percent of the total assets

Assets as a percentage



Shareholder's equity and liabilities as a percentage

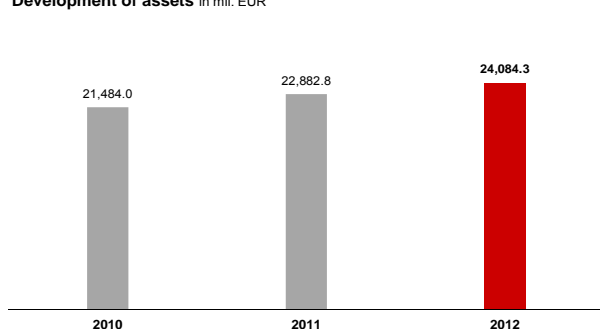


Mainly because of the investments in property, plant and equipment, the total assets of the ÖBB Group increased by 5% to EUR24,084.3 million in the year under review (prior year: EUR22,882.8 million). As of the reporting date, the property, plant and equipment accounted for 86% of the total assets (PP&E-to-total-assets ratio¹³) as in the prior year. These investments were primarily financed with borrowings through the issue of bonds. The PP&E-to-net-worth ratio¹⁴ as of December 31, 2012 was 7% as in the prior year. Taking the non-current borrowings into account, the PP&E-to-net-worth ratio II¹⁵ is 98% (prior year: 103%).

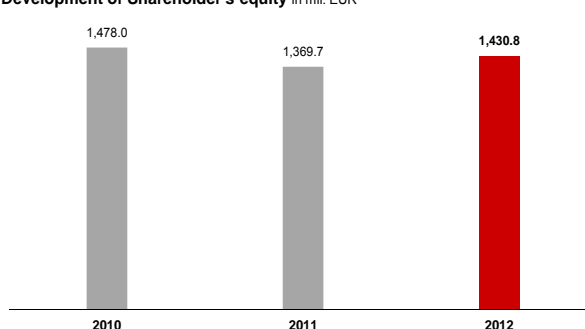
The working capital¹⁶ amounts to -EUR232.9 million (prior year: -EUR211.3 million).

As of December 31, 2012, the ÖBB Group presents an equity ratio¹⁷ of 6% as in the prior year. The increase of the total on the liabilities side is primarily due to new issues of bonds.

Development of assets in mil. EUR



Development of Shareholder's equity in mil. EUR



Notes on the Consolidated Cash Flow Statement

The free cash flow¹⁸ increased to -EUR969.0 million in the reporting year (prior year: -EUR1,328.4 million). The cash-effective change of funds increased from EUR79.8 million to EUR334.9 million.

Extract from the Consolidated Cash Flow Statement (in mil. EUR)	Dec 31, 2012	Dec 31, 2011	Change
Cash flow from operating activities	778.3	585.6	192.7
Cash flow from investing activities	-1,747.3	-1,914.0	166.7
Free cash flow	-969.0	-1,328.4	359.4
Cash flow from financing activities	1,303.9	1,408.2	-104.3
Cash-effective change of funds	334.9	79.8	255.1

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

¹³ PP&E-to-total assets ratio: property, plant and equipment/total assets

¹⁴ PP&E-to-net-worth ratio: shareholder's equity*100/property, plant and equipment

¹⁵ PP&E-to-net-worth ratio II: (shareholder's equity + non-current borrowings)/property, plant and equipment

¹⁶ Working capital: inventories + trade receivables + down payments on non-current assets - trade payables - down payments on orders received

¹⁷ Equity ratio: shareholder's equity/total capital

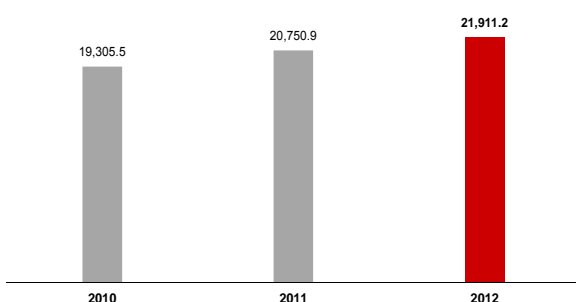
¹⁸ Cash flow from operating activities + cash flow from investing activities

Liabilities

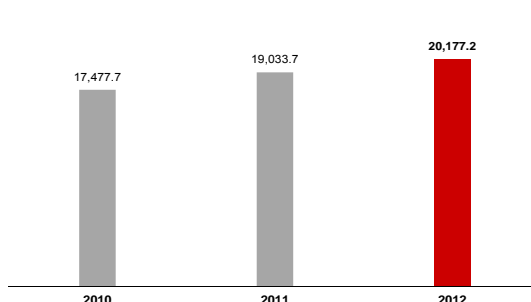
The liabilities of the ÖBB Group amounted to a total of EUR21,911.2 million in 2012 (prior year: EUR20,750.9 million). The external financing of the ÖBB Group is mainly procured by means of bonds. These bonds are recognized in the Statement of Financial Position of ÖBB-Infrastruktur AG at an amount of EUR13,365.9 million (prior year: EUR12,018.9 million).

The financial liabilities of the ÖBB Group comprise all liabilities from bonds and liabilities due to banks and EUROFIMA Europäische Gesellschaft für die Finanzierung von Eisenbahnmateriale AG [European Company for the Financing of Railroad Rolling Stock]. In total, the financial liabilities increased by 6% or EUR1,143.5 million to EUR20,177.2 million in the year under review (prior year: EUR19,033.7 million).

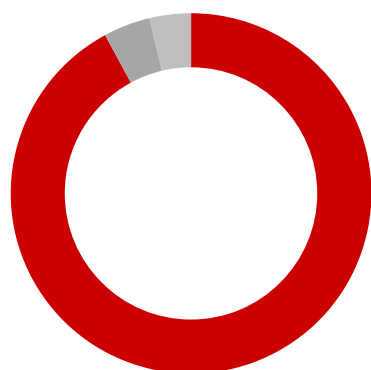
Liabilities in mil. EUR



Financial liabilities in mil. EUR



The composition of the liabilities in the year under review is presented in the following diagram.



Composition of liabilities as of Dec 31, 2012 in mil. EUR

- 20,177.2 Financial liabilities
- 920.3 Trade liabilities
- 813.7 Other liabilities

The terms of the liabilities are summarized in the following table:

Terms of the liabilities in mil. EUR	Total	thereof current	in %	thereof non-current	in %
Financial liabilities	20,177.2	1,873.7	9%	18,303.5	91%
Trade liabilities	920.3	920.3	100%	0.0	0%
Other liabilities	813.7	591.4	73%	222.3	27%

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

Overview	2012	2011	Change	Change in %
Total assets in mil. EUR	2,810.7	2,945.2	-134.5	-5%
PP&E-to-total-assets ratio in %	66%	62%	4%	6%
PP&E-to-net-worth ratio in %	28%	27%	1%	4%
PP&E-to-net-worth ratio II in %	119%	128%	-9%	-7%
Equity ratio in %	18%	17%	1%	6%

Structure of the 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	2,579.0	2,493.8	85%	2,403.1	85%	-90.7
Current assets	392.7	451.4	15%	407.6	15%	-43.8
Total assets	2,971.7	2,945.2	100%	2,810.7	100%	-134.5
Shareholder's equity	492.6	488.0	17%	512.2	18%	24.2
Non-current liabilities	1,791.6	1,869.2	63%	1,691.5	60%	-177.7
Current liabilities	687.5	588.0	20%	607.0	22%	19.0

The total assets of the ÖBB-Personenverkehr sub-group decreased by EUR134.5 million to EUR2,810.7 million in the year under review (prior year: EUR2,945.2 million). Property, plant and equipment accounted for 66% of the total assets (PP&E-to-total-assets ratio) as of the reporting date (prior year: 62%). The PP&E-to-net-worth ratio was 28% at this date (prior year: 27%), the PP&E-to-net-worth ratio II was 119% (prior year: 128%). The working capital amounted to -EUR108.0 million (prior year: -EUR51.9 million). Following an increase of the shareholder's equity by EUR24.2 million to EUR512.2 million (prior year: EUR488.0 million), the resulting equity ratio is 18% (prior year: 17%).

The liabilities of the ÖBB-Personenverkehr sub-group recorded an overall decrease by 9% to EUR2,101.0 million (prior year: EUR2,300.4 million). The financial liabilities decreased by EUR208.4 million or 11% to EUR1,727.9 million in the year under review (prior year: EUR1,936.3 million).

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

Overview	2012	2011	Change	Change in %
Total assets in mil. EUR	1,962.6	2,071.5	-108.9	-5%
PP&E-to-total-assets ratio in %	44%	39%	5%	13%
PP&E-to-net-worth ratio in %	-11%	-14%	3%	21%
Equity ratio in %	-5%	-6%	1%	17%

Structure of the 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	1,288.6	1,253.5	61%	1,256.8	64%	3.3
Current assets	985.4	818.0	39%	705.8	36%	-112.2
Total assets	2,274.0	2,071.5	100%	1,962.6	100%	-108.9
Shareholder's equity	-15.7	-114.7	-6%	-97.2	-5%	17.5
Non-current liabilities	1,106.0	1,074.3	52%	1,296.2	66%	221.9
Current liabilities	1,183.7	1,111.9	54%	763.6	39%	-348.3

The total assets of the sub-group decreased by EUR108.9 million or 5% compared to the prior year to EUR1,962.6 million (prior year: EUR2,071.5 million). Property, plant and equipment accounted for 44% (prior year: 39%) of the total assets (PP&E-to-total-assets ratio) as of the reporting date. The PP&E-to-net-worth ratio was -11% (prior year: -14%). The working capital amounted to EUR240.7 million (prior year: EUR216.8 million). Following an increase of the shareholder's equity by EUR17.5 million to -EUR97.2 million (prior year: -EUR114.7 million), the resulting equity ratio as of December 31, is -5% (prior year: -6%).

The liabilities of the sub-group recorded an overall decrease by EUR52.1 million or 3% to EUR1,922.6 million (prior year: EUR1,974.7 million). The financial liabilities decreased to EUR1,453.6 million (prior year: EUR1,528.3 million).

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

Overview	2012	2011	Change	Change in %
Total assets in mil. EUR	19,725.2	19,028.9	696.3	4%
PP&E-to-total-assets ratio in %	87%	85%	2%	2%
PP&E-to-net-worth ratio in %	7%	7%	0%	0%
PP&E-to-net-worth ratio II in %	98%	106%	-8%	-8%
Equity ratio in %	6%	6%	0%	0%

Structure of the 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

The total assets of the ÖBB-Infrastruktur sub-group increased by 4% to EUR19,725.2 million as of the end of the year 2012 (prior year: EUR19,028.9 million). The PP&E-to-total-assets ratio was 87% (prior year: 85%). The PP&E-to-net-worth ratio was 7% as of the reporting date 2012 (prior year: 7%). Taking non-current borrowings into account, the resulting PP&E-to-net-worth ratio II is 98% (prior year: 106%). The working capital amounted to -EUR465.4 million (prior year: -EUR495.2 million). Following an increase of the shareholder's equity by EUR33.1 million to EUR1,148.6 million (prior year: EUR1,115.5 million), the resulting equity ratio is 6%, as in the prior year.

The liabilities of the ÖBB-Infrastruktur sub-group recorded an overall increase by 3% to EUR18,208.6 million in the year under review (prior year: EUR17,595.6 million). After an increase of the financial liabilities by 4% to EUR17,112.1 million (prior year: EUR16,522.3 million), this category accounts for 94% of all liabilities, as in the prior year.

In the financial 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.

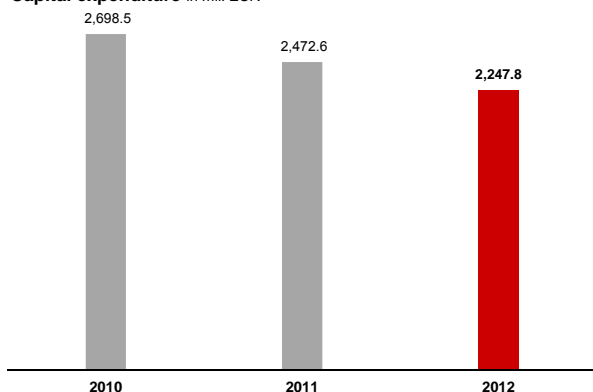
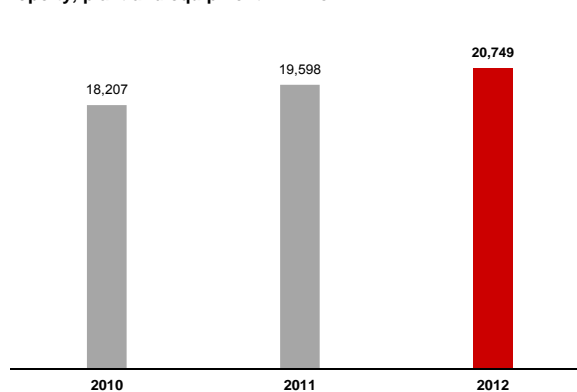
C.4. Capital expenditure and financing

Overview	2012	2011	Change	Change in %
Capital expenditure in mil. EUR	2,247.8	2,472.6	-224.8	-9%
Capital expenditure ratio of total income in %	35%	39%	-4%	-10%
Capital expenditure ratio of carrying amounts in %	11%	13%	-2%	-15%

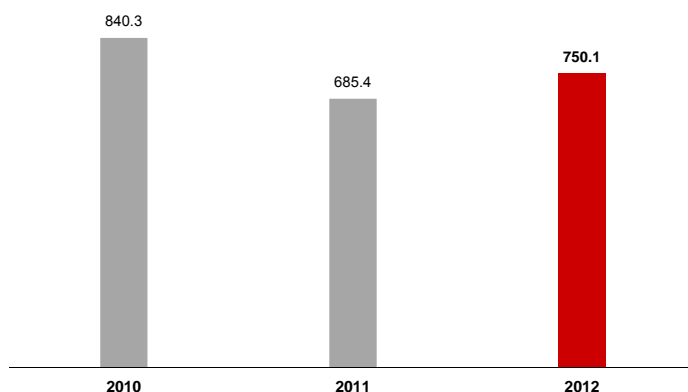
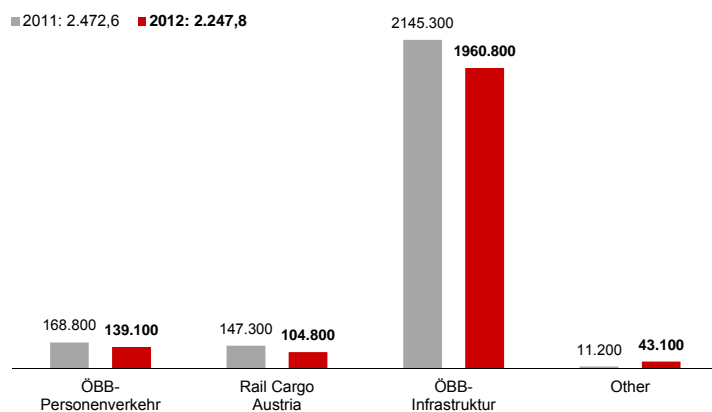
During the year under review, the ÖBB Group invested - capital expenditure being defined as an addition to the fixed assets at cost - a total of EUR2,247.8 million (prior year: EUR2,472.6 million) in property, plant and equipment and intangible assets. This amount corresponds to a capital expenditure ratio of 35% (prior year: 39%) of total income¹⁹ or 11% (prior year: 13%) according to the carrying amounts²⁰ as of January 01.

¹⁹ Capital expenditure ratio: investment in property, plant and equipment/total income

²⁰ Capital expenditure ratio: investment in property, plant and equipment/carrying amounts of PP&E as of January 01, 2011

Capital expenditure in mil. EUR**Property, plant and equipment** in mil. EUR

The overall capital expenditures and financing measures amounted to EUR2,247.8 million (prior year: EUR2,472.6 million); the ÖBB-Infrastruktur sub-group accounts for the largest part of this amount, namely EUR1,960.8 million (prior year: EUR2,145.3 million). The property, plant and equipment of this sub-group with a carrying amount of EUR17,211.2 million (prior year: EUR16,134.6 million) account for about 83% (prior year: 82%) of the entire property, plant and equipment of the ÖBB Group, which amounts to EUR20,748.9 million (prior year: EUR19,597.6 million). The depreciation expenses increased by EUR64.7 million to EUR750.1 million (prior year: EUR685.4 million).

Development of depreciations of the ÖBB-Group in mil. EUR**Overview of capital expenditures of the sub-groups** in mil. EUR

Capital expenditures of the ÖBB-Personenverkehr sub-group

Overview	2012	2011	Change	Change in %
Capital expenditure in mil. EUR	139.1	168.8	-29.7	-18%
Capital expenditure ratio of total income in %	7%	9%	-2%	-22%
Capital expenditure ratio of carrying amounts in %	8%	9%	-1%	-11%

During the year under review, the ÖBB-Personenverkehr sub-group invested EUR139.1 million (prior year: EUR168.8 million) in intangible assets and property, plant and equipment. This corresponds to a capital expenditure ratio of 7% (prior year: 9%) of the total income or 8% (prior year: 9%) of the carrying amounts as of January 01.

Capital expenditures	Amount in mil. EUR
railjet	74.1
Busses	34.0
Ticket shop	8.0
Other	23.0
Total capital expenditures	139.1

Capital expenditures of the Rail Cargo Austria sub-group

Overview	2012	2011	Change	Change in %
Capital expenditure in mil. EUR	104.8	147.3	-42.5	-29%
Capital expenditure ratio of total income in %	4%	6%	-2%	-33%
Capital expenditure ratio of carrying amounts in %	13%	19%	-6%	-32%

During the year under review, the Rail Cargo Austria sub-group invested EUR104.8 million (prior year: EUR147.3 million) in intangible assets and property, plant and equipment. This corresponds to a capital expenditure ratio of 4% (prior year: 6%) of the total income or 13% (prior year: 19%) of the carrying amounts as of January 01.

in mil. EUR	Invested amount
Property, plant and equipment	103.2
Rolling stock	64.7
Workshops	7.4
Terminals, warehouses	3.7
Other property, plant and equipment	27.4
Intangible assets	1.6
Total	104.8

Capital expenditures of the ÖBB-Infrastruktur sub-group

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%

In total, the ÖBB-Infrastruktur sub-group invested EUR1,960.8 million in the year under review (prior year: EUR2,145.3 million), resulting in a capital expenditure ratio of 62% (prior year: 72%) of the total income and of 12% (prior year: 14%) of the carrying amounts as of January 01.

With a carrying amount of EUR17,211.2 million (prior year: EUR16,134.6 million), the property, plant and equipment of the ÖBB-Infrastruktur sub-group account for about 83% (prior year: 82%) of the entire property, plant and equipment of the ÖBB Group.

Main capital expenditure according to the master plan 2012 - 2017

ÖBB-Infrastruktur AG defined the following main investment areas according to the current master plan 2012 - 2017: The four-track extension of the Western line (section Vienna - Wels) and the Lower Inn Valley line. In addition, the work on the connection of *Westbahn* [Western Railway], *Südbahn* [Southern Railway] and Donauländebahn (Lainzer Tunnel) and the gradual expansion of the *Südbahn* (Baltic-Adriatic axis) was continued. Furthermore, numerous short-distance transport projects in conurbation areas were realized, and the improvement of the tunnel safety on existing lines and the noise protection measures were pushed on. Last but not least, Park & Ride facilities were constructed and extensive reinvestments were made.

The following projects, among others, were worked on during the year under review: the Lainzer Tunnel (Vienna), the new track Vienna - St. Pölten (Vienna/Lower Austria), the completion of the track St. Pölten - Loosdorf (goods transport bypass) (Lower Austria), the completion of the track Ybbs - Amstetten (Lower Austria), the completion of the track Lambach - Breitenbrunn, the section Salzburg - Freilassing (Salzburg), the four-track expansion of the Lower Inn Valley line (Tyrol), the extension of the track St. Margrethen-Lauterach (Vorarlberg), the extension of the track Werndorf - Leibnitz (Styria), the Koralm tunnel (Carinthia) and the Koralm Railway sections Aich/Mittlern - Althofen/Drau and Althofen/Drau - Klagenfurt (Carinthia). Within the framework of the train station project, work was done in particular on the Central Stations in Graz, Salzburg and Vienna. The construction of the 27.3 km Semmering base tunnel new (Lower Austria/Styria) and the *Ostbahn* [Eastern Railway] - *Flughafenschnellbahn* [Airport Express] (Vienna) connection started in April 2012. As of December 2012, the new track Vienna - St. Pölten incl. the Lainzer Tunnel (approx. 60 km) and the Unterinntalstrecke line (approx. 40 km) were opened to traffic. Furthermore, the Vienna Central Station was partially opened to traffic in December 2012 as well.

C.5. Corporate strategy

The reorganization of the ÖBB Group with the objective of turning it into a modern and sustainably profitable company is progressing steadily. The development and decision-making processes required for this purpose depend on the current framework situation:

- Globalization of the economy and the industry and internationalization of the transport infrastructure
- Urbanization and restructuring processes in the various regions
- Changes in the social and ecological behavior
- Continuous technological progress

The gradual liberalization of the railway transport and the forward-looking regulations on the national and international level offer attractive opportunities in new markets (in particular with a view to the consolidation of the goods transport industry in the CEE/SEE); on the other hand, these developments entail an ever higher pressure in the domestic market to improve the service and increase innovations and productivity. The target is to make the railway system more attractive and to achieve an increase in the passenger and goods transport by railway.

In addition to the framework described above, the corporate strategy of ÖBB is also subject to certain challenges. These challenges include, in particular, the Company's low equity ratio; the lack of flexibility, in some instances, with respect to a more appropriate deployment of the staff; and the still uncertain economic development in the future markets of CEE.

In order to be able to face these challenges, the ÖBB Group has to be structured in an economically sustainable way - investing in the future and thus securing and increasing the Group's assets for Austria.

In addition to these clearly defined objectives, the dimensions of "Customer service" and "Responsibility for Austria" have to be aligned with the dimension of profitability.

The corporate strategy is applied to the operative management level by continuously communicating and discussing strategies, measures and objectives within the framework of team-target dialogues and appraisal interviews; in addition, the strategic and operative controlling ensures that the status and efficiency of the implementation and the achievement of the objectives are continuously monitored. This information is analyzed within the framework of the continuous strategy review process, and the objectives and measures are adjusted if and as required.

C.6. Other important occurrences and forecast

Forecast ÖBB Group

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.

By means of an increased orientation towards innovation and a stronger dedication to related projects such as “eMorail” and “SMILE”, ÖBB wants to establish itself as an integral provider of mobility services for the future who can offer the entire range of mobility solutions.

“eMorail” is an ÖBB pilot project for the development of an integrated mobility service of both the railways and electric cars. Together with eleven partners, ÖBB-Holding AG, ÖBB-Infrastruktur AG and ÖBB-Personenverkehr AG submitted a subsidy application with respect to the research project “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.

Strategic measures in the safety management, such as the revision of all safety-relevant processes, the assessment of supplier audits for safety-relevant materials and services or the new system to avoid errors within the ÖBB Group that is developed together with the works’ council, are intended to guarantee that the high safety level can be maintained.

Forecast ÖBB-Personenverkehr sub-group

In the next year, the service quality in passenger transport is planned to be further improved, and the customer satisfaction is to be increased by means of an active customer management. Furthermore, the cooperation and communication with the transport associations and the federal states are to be strengthened in order to be able to better respond to customer requirements together.

In 2012, new transport service agreements (TSA) were negotiated for Vienna and Lower Austria. The TSA Lower Austria was signed on March 05, 2012, effective retroactively as of January 01, 2011, and is valid until the change of the timetable 2019/2020. The TSA Vienna, which came into effect as of December 09, 2012, was signed nine months later. Like the TSA Lower Austria, it is valid until the change of the timetable 2019/2020.

The high-speed track Vienna - St. Pölten was opened to traffic with the change of the timetable 2012/2013. This resulted in significantly shorter travel times of up to 23 minutes in long-distance transport and in short-distance and regional transport (REX 200) on the Western line.

At the end of 2012, the new Vienna Central Station was opened to short-distance passenger transport. This partial opening of the pilot project in the urban infrastructure area strengthens the East-West axis enormously. With the full opening to traffic (at the end of 2014), the Vienna Central Station will become a European hub in the international long-distance transport. Highlights of this new, central traffic node include the optimal connection of the East-West axis and the North-South axis and the initiation of the railjet traffic between Prague, Vienna and Graz at a 2-hour frequency. From the end of 2015, the Vienna International Airport is to be serviced by long-distance transport in a 1-hour frequency.

The suburban traffic in Vienna was improved in the course of the change of the timetable 2012/2013 by providing a connection of the S60 line via Meidling to Hütteldorf and a connection of the S80 line via Meidling to the Pottendorf Line, and by shortening the intervals between trains on the S45 line (suburban line with a 10-minute frequency) and on the S50 line (30-minute frequency).

The full opening of the Salzburg Central Station to traffic at the end of 2013 will enable further optimization of the timetable concept in long-distance transport. A direct connection between the railjet Budapest - Munich and the Intercity to Tyrol will be established in Salzburg. This is expected to shorten the travel times from Vienna to Kufstein, Wörgl and Jenbach by up to 32 minutes. With the changed timetable, the high-speed line in the Lower Inn Valley is to be utilized in the best possible way, reducing the travel time from Salzburg to Innsbruck by another 5 to 10 minutes.

The new timetable concept will also enable the integration of the EC line Graz/Klagenfurt - Munich - Frankfurt into the node in Salzburg. This way, trains will then go from Vienna to Munich every hour (alternating direct and interchanging connections).

The transport offer within the Alps will be further expanded from the end of 2013. A direct EC connection from Graz to Zurich is planned to be established, which would make it possible to reach important tourism regions such as Schladming, Zell am See or Kitzbühel and connect them to Switzerland in the best possible way.

ÖBB-Personenverkehr AG continues the modernization of its fleet with an order for 100 new trains of the type Desiro ML (Mainline) for short-distance and regional transport. From 2015, 30 of these trains will be deployed in the suburban traffic in Vienna and Lower Austria, and 70 in regional transport in Upper Austria and Styria.

Forecast Rail Cargo Austria sub-group

In addition to the harmonization of all the sales activities on the international level and the ongoing optimization of the traction services, the activities in 2013 focus primarily on securing the domestic markets in Austria and Hungary and on reinforcing the presence in the Southeast European markets. For this purpose, the expansion of the own traction services in Southeast Europe is promoted under the name of Rail Cargo Carrier, with the objective of establishing a streamlined, flexible carrier who stands out on the market due to its competitive cost structures, high level of reliability and high transport speeds.

The recovery course is to be continued in 2013. For this purpose, a comprehensive package of measures to improve the results has been defined and fixed in the budget and the medium-term planning. The increase of the productivity and sales and price measures continue to be key points.

The combined road/railway transport offer will be reduced from six to four relations, and NINA (National Intermodal Network Austria) will focus on a point-to-point connection along the Western line.

The clearing of the investment structure will be mostly completed in 2013.

Forecast ÖBB-Infrastruktur sub-group

Milestones in 2013 include 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. Furthermore, work will be done on the West-East axis (Danube corridor), in particular with respect to the construction work for the completion of the tracks Ybbs - Amstetten and St. Pölten - Loosdorf.

The continued work on the traffic hubs of the Vienna Central Station and the Graz Central Station and the equipment with Park & Ride facilities will constitute further milestones. Noise protection and safety (at railway crossings, among others) are key issues that have to be further realized in 2013. The basis for the implementation of a Basic Interval Timetable (as basis for a network utilization plan) - according to the "Zielnetz 2025+" and the global traffic plan 2012 - is to be reinforced as well. Furthermore, the 5th signaling and control center in Linz will be opened in 2013. A clearly defined objective for 2013 is the further improvement of the level of punctuality and the stabilization of the operational safety performance.

D. Personnel report

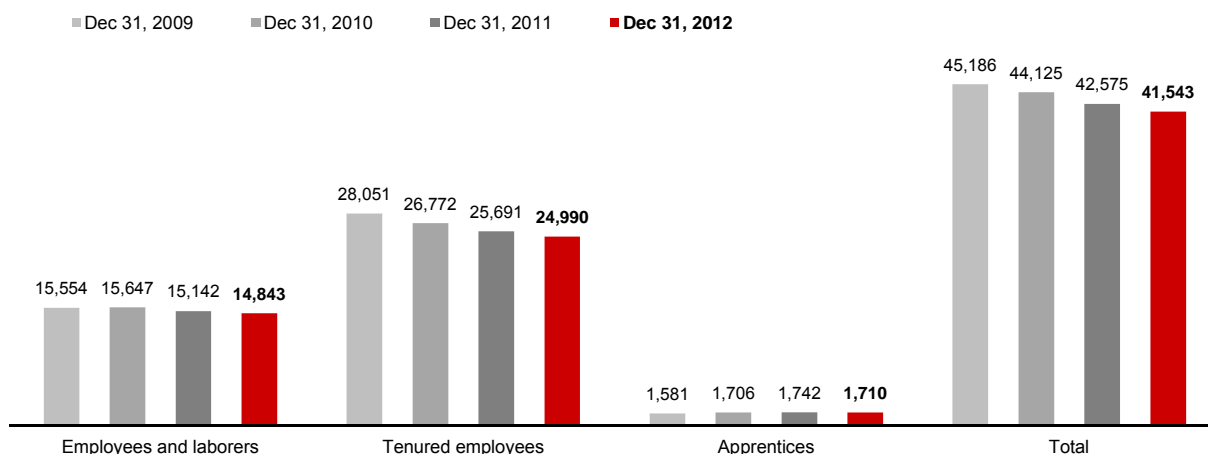
The ÖBB Group is one of the largest employers in Austria. As of the end of the year 2012, 39,833 active employees (without apprentices) were employed in the entire Group including the Rail Cargo Hungaria group. Compared to the prior year, this corresponds to a reduction of the number of staff by 2.5%. The ÖBB Group is also one of the largest training facilities in Austria, employing 1,710 apprentices as of the end of the year 2012.

Employee structure in the ÖBB Group

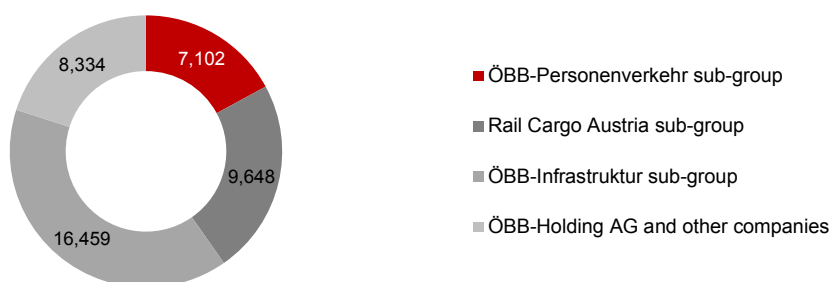
Employee structure	Dec 31, 2012	Dec 31, 2011	Reference date	Change in %	2012	Averages 2011
Employees and laborers	14,843	15,142	-299	-2%	15,057	15,304
Tenured employees	24,990	25,691	-701	-3%	25,271	26,437
Total employees	39,833	40,833	-1,000	-2%	40,328	41,741
Apprentices *)	1,710	1,742	-32	-2%	1,517	1,559
Total incl. Apprentices	41,543	42,575	-1,032	-2%	41,845	43,300

*) In addition, 104 apprentices were accepted through the foundation "Allgemeine Privatstiftung für berufliche Bildung".

Employee structure in the ÖBB-Group



Allocation of employees as of December 31, 2012



The ÖBB-Infrastruktur sub-group, which accounts for 40% of all employees, and the Rail Cargo Austria sub-group accounting for 23% constitute the company units with the highest number of staff.

Apprenticeship in the ÖBB Group

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

The ÖBB Group is currently training 1,814 apprentices. With respect to technical apprentices, the ÖBB Group is the largest training facility in Austria and offers an important contribution to securing the provision of young technical experts for the Austrian economy. 390 of the 467 apprentices admitted in fall 2012 are male (84%), and 77 are female (16%).

Continued training

As Corporate University, the ÖBB akademie combines strategically relevant continued training activities for various management levels, experts, newcomers and talents within the ÖBB Group.

Key topics in the field of social and methodological competence included sales, communication, presentation and personality trainings, training programs for managers and language and EDP trainings.

In 2012, the technical training offers were again aimed at specific professions (e.g. personnel, accounting/controlling, purchase). The ÖBB Einkaufsakademie [Purchase Academy] started in October 2012. Social and technical competences are complemented by new methods, new knowledge and new perspectives, aiming at generating an individual and entrepreneurial added value. This kind of technical training is of particular importance for the maintenance and execution of the railway operation in the best possible way.

Equality in the ÖBB Group

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

Social benefits

The ÖBB Group offers its employees the following social benefits on a voluntary basis: 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, support of sports and cultural activities, and holidays in holiday homes and apartments.

Health care management

The objective of the health care management is to maintain and support 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.

Key issues of the health care strategy include the occupational rehabilitation, the 3-year health promotion campaign "Gesund & Fit 2015" and 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.

Placement service

Employees who could no longer be employed in their original area due to organizational streamlining and reorganization measures or service retraction or due to inaptitude determined by an occupational physician and service retraction are taken care of, requalified and placed by the placement service, with the objective of placing the employee in a new, job within the ÖBB Group.

E. Real estate management

With about 26,000 properties and a total surface of 197 million square meters, ÖBB is one of the largest real estate owners in Austria. ÖBB-Immobilienmanagement GmbH - a 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 stations and stops 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.

F. Research and development report

The R&D activities focus on three main areas:

- Issues of railway technology
- Processes/concepts for operation and production
- Issues relating to customers and the market

The first priority of all R&D activities is that they are “real innovations” that help to increase the efficiency, quality, safety, customer benefits and profitability. Target-oriented utilization of resources and careful assessment of risks and rewards are a matter of course for all these activities. R&D as part of the necessary continuous development is a defined objective of the entire Group.

G. Corporate Social Responsibility (CSR)

Corporate Social Responsibility and sustainable action are key issues for the future that are becoming ever more important as basis for the control of the Company. ÖBB is a company that acts in a sustainable way and sets great store by balanced performance under economic, ecologic and social aspects. In order to fulfill its responsibility and further increase awareness in this respect, a coordination office has been implemented.

In 2012, the Executive Board of ÖBB-Holding AG agreed on a group-wide CSR strategy with the objective of promoting and supporting the CSR fields in a structured and measurable manner over the next years. This strategy describes five main subject fields:

- Customers (customer dialogue, customer retention, customer safety, accessibility...)
- Employees (initial and further training, diversity and equal opportunities...)
- Economy (economic impact, risks & rewards, research...)
- Environment (climate protection & energy management, biodiversity, resources...)
- Society (role in the society, public interest, human rights...)

For each category, fields of action were described and the direction of thrust was defined - based on the global reporting initiative and/or ISO 26000.

The degree of implementation of this CSR strategy is assessed every year in order to identify any potential for improvement and promote the subject-related development in a target-oriented way.

Environment

The activities throughout ÖBB in the subject field of environmental protection are controlled and coordinated by ÖBB-Holding AG (CSR Corporate Coordination). Environmental protection is also a category of the CSR strategy and the field of sustainability. With the resolution on the CSR strategy of the ÖBB Group (in the middle of April 2012), fields of action and the direction of thrust were defined for certain CSR subject fields - including the subject field of the environment.

In the next years, the following fields of action will be targeted:

- Climate protection & energy management
- Emissions (noise, air pollutants...)
- Nature conservation & biodiversity
- Waste
- Resources

Accessibility

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-Behindertengleichstellungsgesetz* [Federal Law on Equal Opportunities for the Disabled]. This staged plan was elaborated by experts of the ÖBB companies following discussions with representatives of the associations of disabled persons.

The continuous elimination of those barriers that persons restricted in their mobility encounter are carried out in 3-year steps until 2015. This process is evaluated together with representatives of people with a mobility handicap for optimum alignment and coordination of the measures.

Short-distance transport

The modernization of the short-distance train fleet (utilization of new trains with barrier-free access) is underway at full force. In 2012, more than 300 barrier-free low-loader wagons were in use, including 188 Talent coaches, 60 Desiro coaches and 67 double-decker cars. The equipment or retrofitting of accessible toilets and an installed access aid in all double-decker cars was completed by the end of 2012.

Long-distance transport

Railjet trains are equipped with an installed lift and three spaces for persons in wheelchairs that are equipped with sockets for recharging wheelchair batteries. For visually impaired persons, tactile elements are of course provided, and a suitable space is reserved for the guide dog.

The multifunctional coaches (MFC) enable travelers with a wheelchair to travel comfortably in a compartment of a couchette coach together with their accompanying person.

Postbus

Since the end of 2012, approximately 61% of the bus fleet (without reserve coaches and vintage busses) or 55% of the entire bus fleet are barrier-free. EUR7.1 million have been spent for additional equipment for accessibility since 2006.

Infrastructure (stations)

By 2015, all stations frequented by at least 2,000 passengers per day and the major stations in county seats are planned to be barrier-free. A total of 140 traffic stations throughout Austria will be designed completely barrier-free. On so-called interoperable tracks, traffic stations have to be appropriately equipped for disabled persons in accordance with the technical Specifications Interoperability - Persons with Reduced Mobility (TSI-PRM) standard.

Website

The ÖBB webpage and the ÖBB travel portal www.oebb.at are barrier-free both from a technical and point of view and with respect to content, for example in order to enable visually impaired persons to use them. The other companies of the ÖBB Group will upgrade their respective webpages to full accessibility in the next years.

H. Opportunity and 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 opportunities/risks are continuously assessed in terms of quality and quantity, in particular with respect to effects and the probability of loss, based on the updated evaluations or on experience.

Opportunity/risk management in the ÖBB Group

The ÖBB Group defines opportunities and risks generally as events or developments that might cause a positive or negative deviation of results from the assumptions made during planning.

The opportunity and risk management accompanies all relevant business processes and financial items of the important Group companies. A manual that is binding for the entire Group defines the rules, margins and minimum requirements. 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 the company value. With respect to opportunities, clear positions have been defined regarding their handling as well. The costs, benefits and risks associated with such opportunities have to be evaluated, and the opportunity has to be taken if required. This is based on an extensive, software-supported opportunity and risk identification, assessment and control process. Following assessment and consolidation of the individual opportunities/risks in the corporate risk platform, regular reports are prepared for the Executive Board of ÖBB-Holding AG. Based on these reports, the Supervisory Board and the audit committee of ÖBB-Holding AG and of the Group companies are provided with detailed information regarding the current opportunity/risk situation.

The risk fields applicable since the introduction of the risk management system serve for structured and standardized registration and processing of all relevant opportunities and 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 opportunities and risks are distributed to the opportunity/risk fields as follows:

- **Strategy:** Improvements in the field of contracted logistics can be regarded as an opportunity. Risks may arise from the non-achievement of fixed strategy objectives, in particular in the Rail Cargo Austria sub-group. They are reduced by means of strict controlling.
- **Operations:** Based on the positive experience in the past, the services of ÖBB-Technische Services GmbH with respect to the procurement of long-distance and regional transport coaches are regarded as an opportunity. Risk of a decrease in revenue and additional expenses arising from quality problems with certain equipment, in particular with rolling stock and engines. In order to reduce this risk, the equipment is inspected at regular intervals. Furthermore, there is a risk of additional expenses due to mandatory particle filters for diesel locomotives.
- **Finance/Accounting:** See chapter "Risks related to financial instruments".
- **Sales/Distribution:** The increasing numbers of passengers due to the economic environment in short-distance passenger transport are regarded as an opportunity. The planned customer retention programs in long-distance passenger transport offer further potential for opportunities. In the cargo area, risks arise from the aftereffects of the poor economic growth. Close monitoring and analysis of customer behavior and the adjustment of the offer to the changed framework help to reduce this risk.
- **Personnel/Management/Organization:** In this field, both opportunities and risks arise from the possibility that planned personnel-related measures have a greater or smaller effect than assumed during the planning.
- **Legal issues/Liability:** The fact that the appeal against the abolition of the energy tax reimbursement has been allowed is regarded as an opportunity in this connection. With the application of the "Code of Conduct", the risk of costs due to fines for infringement of provisions under anti-trust law will be reduced in the future. 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 hedge against 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 the legal risk management, the current situation is evaluated and measures to avoid the risk are determined. Preventive measures consist in the maintenance of monitoring and reporting systems and the issue of general behavior directives in the "Code of Conduct". Corresponding trainings and the creation of clear and unambiguous areas of responsibility also contribute to the minimization of risks.
- **Purchase/Procurement:** Fluctuations of prices, e.g. the prices of purchased commodities, constitute both an opportunity and a risk. On the one hand, price increases in the energy sector constitute a risk with respect to expenses, but on the other hand, they may also cause a change in the mobility behavior in favor of the public transport providers, which constitutes an opportunity.
- **Information processing:** System failures can cause additional costs and loss of revenue in the operative business units. The commercialization of the sales tool developed by the Group is regarded as a potential opportunity.
- **Subsidiaries/Investments:** One of the most important risks arises from the depreciation of fixed assets in the course of impairment tests and the impairments of investments if the budgeted targets are not achieved.

Risks related to financial instruments

Original financial instruments

The primary financial instruments of the ÖBB Group (receivables and payables from financing activities, trade receivables and liabilities 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.

The majority of the derivatives used in the Group (97% of the nominal volume) are unstructured standard transactions (plain vanilla interest rate swaps, cross currency interest rate swaps and currency swaps). Structured derivatives only account for a small portion, namely 3% of the nominal volume. The total nominal volume of the six structured derivatives amounts to EUR90.0 million; they mature in 2014, 2016 and 2022.

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.

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

The ICS of the ÖBB Group focuses on process-related monitoring measures and on accounting-related issues. It supports compliance with the relevant 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 accepted COSO framework (Internal Control and Enterprise Risk Managing Frameworks of the Committee of Sponsoring Organisations of the Treadway Commission) and thus provides the management with an accepted information basis for analysis and control tasks.

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

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

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

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 risk to an appropriate level. The effectiveness of the monitoring is tested and documented by means of a regular self-evaluation with revolving main issues.

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 also part of the regular audit schedule of the auditors within the framework of the annual audit, the results being reported to the audit committee of the Supervisory Board.

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

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

Software purchased by ÖBB-Holding AG specifically for this purpose is used for the statements given in the Notes. After the audit by local 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 extensive Reporting Packages comprising all the relevant accounting data (income statement, statement of financial position, cash flow statement, notes) required for the preparation of the Consolidated Financial Statements. 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 control 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 within the framework of the mandatory audit committee of ÖBB-Holding AG, by means of consolidated presentations.

I. Significant events after the reporting date

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

J. Notes on the Management Report

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

Vienna, this April 02, 2013

The Executive Board

Mag. Christian Kern m.p.

KR Ing. Franz Seiser m.p.

Mag. Josef Halbmayer MBA m.p.

Consolidated Financial Statements

Consolidated Income Statement 2012

	Note	2012 in kEUR	2011 in kEUR
Revenue	4	5,243,964.5	5,224,246.3 *)
Change in finished goods, work in progress and services not yet chargeable		689.3	1,574.1
Other own work capitalized	5	400,068.3	392,542.8
Other operating income	6	622,442.3	584,083.2
Total revenue		6,267,164.4	6,202,446.4 *)
Expenses for materials and services received	7	-1,979,855.5	-2,084,018.9 *)
Personnel expenses	8	-2,366,399.7	-2,328,152.8
Depreciation and amortization	9	-750,064.6	-685,402.7
Other operating expenses	10	-477,952.8	-511,643.4
Earnings before interest and taxes (EBIT excluding investments recorded at equity)		692,891.8	593,228.6
Earnings of investments recorded at equity	17	5,451.0	5,019.9
Interest income	11	116,737.3	82,921.7
Interest expense	11	-744,490.5	-695,116.2
Other financial income	12	86,714.8	69,568.9
Other financial expense	12	-90,845.7	-83,530.0
Financial result (incl. earnings of investments recorded at equity)		-626,433.1	-621,135.7
Earnings before income taxes (EBT)		66,458.7	-27,907.1
Income taxes	13	12,600.3	-7,272.6
Consolidated net income		79,059.0	-35,179.7
Consolidated net income attributable on a pro rata basis:			
to the shareholder of the parent company		79,044.9	-35,343.0
to non-controlling interests		14.1	163.3

*) adjusted prior year amounts, cf. Notes 4 and 7

Consolidated Statement of Comprehensive Income 2012

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	Note	2012 in kEUR	2011 in kEUR
Consolidated net income		79,059.0	-35,179.7
Unrealized loss from cash flow hedges (after tax)	24	-83,647.3	-41,787.9
Transfer of realized income from cash flow hedges (after tax)	24	39,463.5	-559.0
Unrealized income from the available-for-sale reserve (after tax)	24	16,551.2	-6.0
Transfer of realized income from the available-for-sale reserve	24	0.0	-864.0
Unrealized income from currency translation		13,362.0	-26,644.3
Other comprehensive income		-14,270.6	-69,861.2
Comprehensive income		64,788.4	-105,040.9
Comprehensive income attributable on a pro rata basis:			
to the shareholder of the parent company		64,774.2	-105,204.2
to non-controlling interests		14.2	163.3

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	20,748,853.9	19,597,569.9
Intangible assets	15	593,846.7	556,705.1
Investment property	16	104,740.9	102,671.4
Investments recorded at equity	17	66,998.9	68,833.9
Other non-current financial assets	18	751,757.2	978,431.7
Other non-current receivables and assets	20	147,766.5	129,209.8
Deferred tax assets	13	32,021.9	1,545.1
		22,445,986.0	21,434,966.9
Current assets			
Inventories	21	157,936.7	158,886.3
Trade receivables	20	498,404.3	545,950.1
Other current receivables and assets	20	281,776.6	315,894.9
Income tax receivables	13	1,653.2	1,293.7
Other current financial assets	18	151,687.4	221,914.9
Assets held for sale	19	6,718.4	1,006.1
Cash and cash equivalents	22	540,140.1	202,847.6
		1,638,316.7	1,447,793.6
		24,084,302.7	22,882,760.5
Shareholder's equity and liabilities			
Shareholder's equity			
Share capital	23	1,900,000.0	1,900,000.0
Additional paid-in capital	24	260,812.2	260,812.2
Other reserves	24	-159,957.0	-145,686.4
Retained earnings	24	-571,648.0	-647,139.1
Equity attributable to the shareholder of the parent company		1,429,207.2	1,367,986.7
Non-controlling interests	24	1,608.9	1,720.8
		1,430,816.1	1,369,707.5
Non-current liabilities			
Financial liabilities	25	18,303,569.2	18,072,076.2
Provisions	26	407,134.4	349,597.8
Other liabilities	27	222,254.6	301,119.1
Deferred tax liabilities	13	1,910.8	1,624.2
		18,934,869.0	18,724,417.3
Current liabilities			
Financial liabilities	25	1,873,672.4	961,641.2
Provisions	26	333,235.0	410,891.8
Trade payables	27	920,339.9	983,595.9
Other liabilities	27	591,370.3	432,506.8
		3,718,617.6	2,788,635.7
		24,084,302.7	22,882,760.5

Consolidated Statement of Cash Flows 2012

	Note	2012 in mil. EUR	2011 in mil. EUR
Earnings before income taxes (EBT)		66.5	-27.9
Non-cash expenses and income			
+ Depreciation and amortization on property, plant and equipment, intangible assets and investment property	9	960.6	901.0
+ Depreciation / - appreciation on non-current financial assets		0.1	30.5
- Amortization of government grants	9	-210.5	-215.6
+ Losses / - gains on disposal of property, plant and equipment and intangible assets		-33.2	-70.5
+ Losses / - gains on disposal of financial assets		-2.3	-4.6
- Gains on exchange rates / + losses on exchange rates		-0.2	-1.6
- Other non-cash income / + other non-cash expenses		-11.8	0.6
+ Interest expense	11	744.5	695.1
- Interest income	11	-116.7	-82.9
Changes in assets and liabilities			
- Increase / + decrease in inventories	21	-0.4	-27.2
- Increase / + decrease in trade receivables and other assets		73.4	105.4
+ Increase / - decrease in trade payables and other liabilities		-21.7	-161.9
+ Increase / - decrease in provisions	26	-41.9	58.5
- Interest paid		-683.6	-704.3
+ Interest received		63.3	93.9
- Income tax paid	13	-7.8	-2.9
Cash flow from operating activities a)		778.3	585.6
+ Proceeds from disposal of property, plant and equipment and intangible assets		128.4	132.2
- Expenditures for property, plant and equipment and intangible assets	14, 15	-2,074.4	-2,276.9
+ Proceeds from disposal of financial assets		4.8	11.7
- Expenditures for financial assets		-0.2	-2.1
+ Proceeds from investment grants	14, 15	193.9	213.3
+ Proceeds from the sale of consolidated companies and other business units		0.8	0.0
- Expenditures for the acquisition of consolidated companies and other business units		-2.8	-6.7
+ Dividends received		1.4	0.6
+ Redemption of loans granted / - grant of loans (from investing activities)		0.8	13.9
Cash flow from investing activities b)		-1,747.3	-1,914.0
- Payments to owner and non-controlling interests		-0.5	-0.7
+ Proceeds from issue of bonds and loans taken	25	1,867.0	1,692.5
- Redemption of bonds and loans		-493.9	-219.2
- Payment of finance lease financing		-15.2	-18.1
+ Proceeds from grant / - redemption of other loans		-53.5	-46.3
Cash flow from financing activities c)		1,303.9	1,408.2
Cash flow from operating activities a)		778.3	585.6
Cash flow from investing activities b)		-1,747.3	-1,914.0
Free cash flow (a+b)		-969.0	-1,328.4
<i>Funds at the beginning of the period</i>		<i>198.7</i>	<i>118.4</i>
Change resulting from the basis of consolidation		-0.4	-2.2
Foreign currency translation		1.0	2.7
Change in the funds resulting from cash flow (a+b+c)		334.9	79.8
Funds at the end of the period		534.2	198.7

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

Consolidated Statement of Changes in Shareholder's Equity 2012

in mil. EUR	Equity attributable to the shareholder of the parent company									Total share- holder's equity
	Number of shares	Share capital	Additional paid-in capital	Other reserves			Retained earnings	Total	Non- controlling interests	
				Cash flow hedge reserve	Available -for-sale reserve	Foreign currency translation				
As of January 01, 2011	190,000	1,900.0	260.8	-64.6	0.9	-12.1	-608.8	1,476.2	1.9	1,478.1
Net income							-35.3	-35.3	0.2	-35.1
Other comprehensive income				-42.3	-0.9	-26.7		-69.9		-69.9
Comprehensive income				-42.3	-0.9	-26.7	-35.3	-105.2	0.2	-105.0
Purchase/sale of investments							1.9	1.9	-0.2	1.7
Other changes							-4.9	-4.9	-0.2	-5.1
As of December 31, 2011	190,000	1,900.0	260.8	-106.9	0.0	-38.8	-647.1	1,368.0	1.7	1,369.7

in mil. EUR	Equity attributable to the shareholder of the parent company									Total share-holder's equity
	Number of shares	Share capital	Additional paid-in capital	Other reserves			Retained earnings	Total	Non-controlling interests	
				Cash flow hedge reserve	Available -for-sale reserve	Foreign currency translation				
As of January 01, 2012	190,000	1,900.0	260.8	-106.9	0.0	-38.8	-647.1	1,368.0	1.7	1,369.7
Net income							79.1	79.1	0.0	79.1
Other comprehensive income				-44.2	16.5	13.4		-14.3		-14.3
Comprehensive income				-44.2	16.5	13.4	79.1	64.8	0.0	64.8
Purchase/sale of investments							2.8	2.8	-0.1	2.7
Other changes							-6.4	-6.4		-6.4
As of December 31, 2012	190,000	1,900.0	260.8	-151.1	16.5	-25.4	-571.6	1,429.2	1.6	1,430.8

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

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

A. BASIS AND METHODS

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

ÖBB-Holding AG is a stock corporation incorporated as controlling company of the ÖBB Group in 2004 pursuant to Article 2 (1) *Bundesbahngesetz* [Austrian Federal Railways Act] as amended by the *BundesbahnstrukturG* [Federal Railway Structure Act] according to *BGBI.* [Federal Law Gazette] I no. 138/2003 and having its registered office in Vienna. The address of the registered office is: Wienerbergstraße 11, 1100 Vienna, Austria. The ÖBB Group is registered in the Company Register at the *Handelsgericht* [Commercial Court] Vienna under number FN 247642 f. This is also where the Consolidated Financial Statements are filed.

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

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

1. Accounting principles

ÖBB-Holding AG is required to prepare Consolidated Financial Statements pursuant to Article 244 *UGB*. 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 and endorsed by the European Union as of December 31, 2012. With these Consolidated Financial Statements according to the IFRS, ÖBB-Holding 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 the amounts contained in these Notes are presented in million EUR, unless a different currency unit is indicated. Since the rounded presentation in internal calculation systems also includes amounts not presented, rounding differences may occur.

Disclosure on amended and new IFRS regulations

The following standards and interpretations were amended compared to the Consolidated Financial Statements as of December 31, 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. These standards affect the Consolidated Financial Statements only if they are marked "yes" in the respective column of the following table:

Revised and amended standards/interpretations		Effective as of ¹⁾	Impact on the Consolidated Financial Statements
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 the ÖBB Group.

Outlook on future IFRS amendments

The following standards and interpretations were issued by the IASB and, with the exception of those labeled with footnote 2, endorsed by the EU. The possibility of early application of certain standards was not used. Possible effects of these new and amended standards are currently being evaluated.

Standards/interpretations		Effective as of ¹⁾	Impact on the Consolidated Financial Statements
New standards/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/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 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 provisions of IAS 27 on consolidated 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 methods of consolidation remain 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 originally 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 the other financial expenses or other financial income, with the exception of all monetary items constituting an effective hedge of a net investment in a foreign operation. Such items are recognized in the other comprehensive income until disposal of the net investment, and included in the Income Statement only after disposal of the investment. Any income taxes resulting from translation differences of such monetary items are also recognized in the other comprehensive income. Non-monetary items measured at cost and denominated in a foreign currency are translated at the rate applicable at the date of the transaction. Non-monetary items measured at fair value and denominated in a foreign currency are translated at the rate applicable at the time the fair value is determined.

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

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

rounded in EUR	Reporting date rate		Annual average rate	
	Dec 31, 2012	Dec 31, 2011	2012	2011
Bulgarian Lev (BGN)	1.956	1.956	1.956	1.956
Swiss Francs (CHF)	1.207	1.216	1.205	1.2326
Czech Korunas (CZK)	25.151	25.787	25.149	24.590
Croatian Kuna (HRK)	7.558	7.537	7.522	7.439
Hungarian Forint (HUF)	292.300	314.580	289.250	279.37
Polish Zloty (PLN)	4.074	4.458	4.185	4.121
Romanian Leu (RON)	4.445	4.323	4.459	4.239
Russian Ruble (RUB)	40.330	41.765	39.926	40.885
Swedish Krona (SEK)	8.582	8.912	8.704	9.03
New Turkish Lira (TRY)	2.355	2.443	2.314	2.338
US Dollar (USD)	1.319	1.294	1.285	1.392

Consolidation

Subsidiaries

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

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

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

Business combinations

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

When an entity is acquired, the Group assesses the suitable classification and designation of the financial assets 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 first measured at cost, determined as the excess amount of the consideration transferred plus the amount of the non-controlling interest over the identifiable assets acquired and liabilities assumed. If this consideration is less than the fair value of the net assets of the acquired subsidiary, the difference is recognized in the Income Statement. After the initial recognition, goodwill is measured at cost less cumulative impairment charges. For the purpose of the impairment test and from the time of acquisition, the goodwill acquired in the course of a business combination is allocated to those cash-generating units of the Group that are expected to generate synergies from the business combination, irrespective of whether other assets or liabilities of the acquired entity are attributed to these cash-generating units.

When goodwill has been allocated to a cash-generating unit and a 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 Group has significant influence on financial and operating decisions, but is not able to control or jointly control the company. This is generally the case when the interest held in a company is between 20% and 50%.

Except for investments classified as held for sale, shares in associated companies are included in the Consolidated Financial Statements using 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 Group in the net assets subsequent to the acquisition date and to reflect losses resulting from impairment. Losses exceeding the interest of the ÖBB Group in an associated company are not recognized, unless a commitment for additional contributions exists.

If the acquisition cost of the interest acquired by the ÖBB 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 within the framework of the valuation of the investment. If the acquisition cost of the interest acquired by the ÖBB Group is less than the fair values of the identifiable assets and liabilities at the date of acquisition (i.e. deduction upon acquisition), the difference is recognized in the Income Statement in the period the acquisition occurred. However, if the negative difference is caused by shareholder's relations, the difference is recognized in the additional paid-in capital.

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 in the Consolidated Financial Statements using the equity method.

Elimination of intercompany accounts

Receivables are offset with the corresponding liabilities and provisions between the subsidiaries included in the Consolidated Financial Statements in the course of the elimination of intercompany accounts. In total, intra-group assets and liabilities were eliminated at an amount of EUR2.9 billion (prior year: EUR3.7 billion).

Revenue and expense elimination

Any and all intra-group expenses and revenue are eliminated in the course of the revenue and expense elimination. When assets are constructed by the ÖBB Group itself, any revenues arising therefrom are transferred to own work capitalized after elimination of the unrealized profits. Gains and losses from transactions between Group companies are eliminated. Within the EBIT, total income at an amount of EUR3.2 billion (prior year: EUR3.4 billion) was set off against the respective expenses.

Unrealized profit elimination

Unrealized profits resulting from intra-group sales of assets, contribution of assets to subsidiaries, and from self-constructed assets were eliminated in the Consolidated Financial Statements of the two years under review.

Composition of and change in the basis of consolidation

The basis of consolidation includes ÖBB-Holding AG and 59 (prior year: 60) other fully consolidated entities and 13 (prior year: 15) entities recorded at equity, i.e. a total of 73 (prior year: 76) companies. The companies included in the Consolidated Financial Statements are indicated in Note 36. It lists all the investments of the ÖBB Group, including shareholder's equity, net income and the type of consolidation. Subsidiaries consolidated in the years 2011 and 2012, and subsidiaries for which the type of consolidation changed are marked 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 Group. The subsidiaries that are not fully consolidated are those with a small business volume whose turnover and respective equity jointly account for less than 1% of the consolidated amounts. In the year under review, four (prior year: two) subsidiaries were excluded from the basis of consolidation after discontinuing their business activities or after the business operation of the subsidiary became insignificant or after the subsidiaries were merged. The subsidiary Güterterminal Werndorf Projekt GmbH, which was acquired in December 2012, was fully consolidated as of December 31, 2012, for the first time. With respect to the changes in the basis of consolidation in 2012, see Note 36; with respect to the effects of business acquisitions, see next page.

Changes in the basis of consolidation in 2011 and 2012

The basis of consolidation developed as follows:

Basis of consolidation	Fully consolidated	Equity method of accounting	Total
As of Jan 01, 2011	70	15	85
<i>thereof foreign companies</i>	32	7	39
Mergers	-6	0	-6
Initial consolidation	1	0	1
Disposal (change from V to V0)	-2	0	-2
Disposal (final consolidation)	-2	0	-2
As of Dec 31, 2011	61	15	76
<i>thereof foreign companies</i>	30	8	38
Mergers	-2	0	-2
Initial consolidation	3	0	3
Final consolidation	-1	-1	-2
Disposal V, E	-1	-1	-2
As of Dec 31, 2012	60	13	73
<i>thereof foreign companies</i>	30	7	37

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

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.

	Fair value in mil. EUR
Net assets acquired	
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

The goodwill is indicated in the schedule of assets provided in Note 15. The effects of the final consolidation of subsidiaries or interests in subsidiaries are recognized in the other operating income, the other operating expenses or in the earnings of investments recorded at equity in the Income Statement.

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

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

Development of the statement of financial position in mil. EUR	Jan 01, 2011	Change in basis of consolidation	Organic incl. exchange and cons. effects	Dec 31, 2011	Change in basis of consolidation	Organic incl. exchange and cons. effects	Dec 31, 2012
Non-current assets	20,057.6	-2.6	1,380.0	21,435.0	-42.5	1,053.5	22,446.0
Current assets	1,426.4	-5.9	27.3	1,447.8	-0.5	191.0	1,638.3
Balance sheet total	21,484.0	-8.5	1,407.3	22,882.8	-43.0	1,244.5	24,084.3
Shareholder's equity	1,478.0	-3.5	-104.8	1,369.7	-2.4	63.5	1,430.8
Non-current liabilities	16,558.6	-0.5	2,166.3	18,724.4	-39.8	250.3	18,934.9
Current liabilities	3,447.4	-4.5	-654.2	2,788.7	-0.8	930.7	3,718.6
Balance sheet total	21,484.0	-8.5	1,407.3	22,882.8	-43.0	1,244.5	24,084.3

Income Statement development in mil. EUR	2010	Change in basis of consolidation	Organic incl. exchange effects	2011	Change in basis of consolidation	Organic incl. exchange effects	2012
Total income	6,081.8	-29.9	150.5	6,202.4 *)	-16.2	81.0	6,267.2
Total expenses	-5,827.0	34.6	183.2	-5,609.2 *)	16.7	18.2	-5,574.3
Financial result	-584.5	0.1	-36.7	-621.1	0.0	-5.3	-626.4

*) 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 assets measured at fair value. The carrying amounts of the assets and liabilities recognized in the Statement of Financial Position and designated as hedged items in fair value hedges that would otherwise be carried at amortized cost are adjusted to reflect changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

Property, plant and equipment and investment property

Property, plant and equipment and investment property are recognized at cost less depreciation and possible impairments. Costs include certain expenses incurred in the course of the acquisition, the construction and development, such as acquisition costs, material and personnel expenses, directly attributable fixed and variable overheads, the present value of obligations resulting from the demolition and disposal of assets and the restoration of sites and borrowing costs directly attributable to qualifying assets. Value added tax charged by suppliers and entitling to input tax deduction is not included in the cost. Property, plant and equipment under finance lease 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 life, and recognized in the line item 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 leasing term; otherwise, it is depreciated over the shorter of the lease term or the estimated 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
Automobiles and trucks	5-50
Technical equipment and machinery	
Security and telecommunications equipment	4-30
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 recognized as disposal, and the profit or loss is recognized in the other operating income or expenses respectively. The useful lives and the methods of depreciation presented above are also applied to assets presented in the line item "Investment property".

In the year under review 2012, the useful life of standard freight cars for non-corroding consignments was extended from 20 years to the expected total useful life of 30 years and thus adjusted to the actual operational availability. For further information on the effects of this change of the useful life see Note 14. The useful lives were not adjusted in the current year under review.

Grants related to assets

The ÖBB Group receives public grants that are on principle related to assets. Government grants are recognized in the Statement of Financial Position when it is certain that the grant will be received and all attached conditions will be complied with. Asset-related grants, in particular investment grants, are deducted directly from the cost of the related assets. The depreciation expenses less income from the amortization of these grants are recognized in the Consolidated Income Statement.

Goodwill and other intangible assets

Goodwill

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

Other intangible assets

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

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

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

Grants are amortized depending on 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.

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

Impairment of property, plant and equipment and intangible assets

Methodology

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

For the purpose of impairment testing, the ÖBB Group calculates the value in use. The value in use is determined by estimating the future net cash flows of the cash-generating units based on the business plans, which are derived from the historical performance and the management's best estimates with respect to future developments. The growth rates assumed in the business plans (budget 2013 and medium-term plan 2014 - 2018) reflect the weighted average growth rates based on market estimates. Cash flow forecasts going beyond the period covered by the business plan are based on steady growth rates for subsequent years and do not exceed the long-term weighted average growth rate for the industry and the country in which the cash-generating unit operates.

If the recoverable amount exceeds the carrying amount, the respective cash-generating unit is regarded as not impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the unit recognizes an impairment loss. The impairment loss in connection with the cash-generating unit is first allocated to the goodwill and subsequently to the other assets on a pro rata basis, whereas the other assets of the cash-generating unit may not be impaired below their respective recoverable amounts. The reductions in carrying amounts constitute impairment losses on the individual assets.

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

After approval of the medium-term plans by the Supervisory Board, regular audits are carried out to determine whether an event triggering impairment has occurred. If a considerable change of the value in use is suspected due to current insights gained regarding business development or changes in assumptions during the financial year, additional audits shall be carried out.

Structure of the cash-generating units and calculation assumptions

Each cash-generating unit comprises a single entity or a number of legally independent companies. The delimitation criteria for the cash-generating units are based on the operative business structure and correspond to the business units or business activities. A short description of these business units is given in Note 33. ÖBB-Produktion GmbH is allocated to the Rail Cargo Austria segment and the ÖBB-Personenverkehr segment on a pro rata basis.

Cash-generating units of ÖBB-Personenverkehr

The cash-generating units of ÖBB-Personenverkehr are Passenger Transport Rail, Bus and Services. Indicators for a possible impairment were not found; therefore, an impairment test was not carried out. As of the reporting date, a test was carried out to determine whether there was any indication that an impairment recognized on an asset of the cash-generating unit of ÖBB-Personenverkehr AG no longer existed or had decreased; upon such indication, the impairment would have had to be reversed, in part or in its entirety, through profit and loss. Such an indication was not given as of the reporting date.

Cash-generating units of Rail Cargo Austria

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

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

For the cash-generating units of Rail Cargo Austria	C&L	UKV	RoLa	KL	SPED	TS
As of Dec 31, 2012						
Austria						
Before tax						
Interest rate 2013-2018	8.7%	10.3%	8.5%	14.6%	8.9%	7.5%
Interest rate perpetuity	7.0%	8.5%	6.7%	13.3%	7.1%	5.7%
After tax						
Interest rate 2013-2018	6.8%	6.8%	6.8%	6.8%	6.8%	5.7%
Interest rate perpetuity	5.5%	5.5%	5.5%	5.5%	5.5%	4.4%
Hungary						
Before tax						
Interest rate 2013-2018	11.2%	10.2%	10.5%		11.6%	10.3%
Interest rate perpetuity	9.8%	8.7%	9.1%		10.1%	8.9%
After tax						
Interest rate 2013-2018	10.5%	10.5%	10.5%		10.5%	9.4%
Interest rate perpetuity	9.1%	9.1%	9.1%		9.1%	8.0%
As of Dec 31, 2011						
Austria						
Before tax						
Interest rate 2012-2017	7.0%	11.5%	14.4%	19.4%	7.8%	7.3%
Interest rate perpetuity	5.2%	9.8%	13.1%	18.1%	6.0%	5.5%
After tax						
Interest rate 2012-2017	6.3%	6.3%	6.3%	6.3%	6.3%	5.7%
Interest rate perpetuity	5.0%	5.0%	5.0%	5.0%	5.0%	4.3%
Hungary						
Before tax						
Interest rate 2012-2017	10.9%	14.6%	12.9%		11.6%	10.9%
Interest rate perpetuity	9.1%	12.8%	11.2%		9.8%	9.1%
After tax						
Interest rate 2012-2017	10.3%	10.3%	10.3%		10.3%	9.7%
Interest rate perpetuity	9.0%	9.0%	9.0%		9.0%	8.4%

The discount rates before tax indicated above were determined by means of the internal rate of return. Based on the internal rate of return, the discount rates before tax for the cash-generating units RoLa and KL are significantly higher than the discount rates after tax due to the strong fluctuations of scheduled cash flows. The value in use of the cash-generating units is determined based on the discount rates after tax. The discount rates before tax are indicated for information purposes only. An unvarying growth factor of 1.33% (2/3 of the rate of inflation) was used for the perpetuity from 2019.

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

Cash-generating units of ÖBB-Infrastruktur

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

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

Impairment of investments recognized at equity

Following the update of the carrying amount of the investment recognized at equity, IAS 28.31 requires a test to be carried out at every reporting date in order to determine whether there is any objective indication of an impairment of the carrying amount in accordance with IAS 39.58 et seq. If indicators are identified, the recoverable amount of the investment shall be determined according to IAS 36 Impairment of assets. In case of impairment, the investment shall be impaired accordingly. If associated companies or joint ventures are affected by the impairment, such impairment is recognized in the line item "Earnings of investments recorded at equity".

Non-current assets held for sale (IFRS 5)

Assets held for sale are measured at the lower of the carrying amount or the fair value less liquidation cost according to IFRS 5. 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, for investments, as other financial result.

Financial instruments

General information

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

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

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

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

Cash and cash equivalents

The ÖBB Group recognizes cash on hand, cash in banks and highly liquid financial investments with remaining maturities of three months or less as cash and cash equivalents. Money market deposits with original maturities of more than three months are classified as current financial assets along with securities. Cash and cash equivalents represent the 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 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 due to the 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 assets or liabilities recognized in the Statement of Financial Position (fair value hedge) or the fluctuations of future cash flows (cash flow hedge). For derivative financial instruments designated as fair value hedges, changes of the fair value of the hedged asset or liability and of the derivative financial instrument are recognized in the Income Statement. For derivative financial instruments designated as cash flow hedges, changes in the fair value of the effective portion of the hedging instrument are recognized via the other comprehensive income in equity (cash flow hedge reserve). Effects recognized in the other comprehensive income are transferred to the Income Statement when the hedged item affects the Income Statement. Changes in the fair value of the ineffective portion of the hedge and changes in the fair value of derivative financial instruments not classified as hedge are recognized in the Income Statement immediately. A general description of hedge accounting 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, the ÖBB Group classifies securities and certain non-current financial instruments either as financial assets held to maturity (HtM) or available for sale (AfS) and measures them at amortized cost or at fair value. Unrealized profits and losses on available-for-sale financial assets are recognized in the other comprehensive income.

Long-term derivative financial instruments (interest swaps for hedging purposes) are on principle divided into a current and a non-current portion based on the discounted cash flows accruing in the respective time frames. In case of a derivative financial instrument with an obviously negative overall fair value, any current positive portion is not recognized as a current asset, as such recognition would be misleading in view of the obviously negative overall fair value; instead, the overall negative fair value is recognized as a non-current liability. The same applies in the opposite case of an obviously positive overall fair value with a negative fair value of the current portion.

The impairment test for securities is based on a two-step approach, which examines whether the carrying amount differs significantly from the fair value of the securities, and the period of time for which such a difference exists. Impairment losses are recognized through profit and loss in the other financial result in the respective period.

If there is an indication that an impairment no longer exists, the ÖBB Group has to reverse all or part of the impairment through profit and loss in the consolidated net income, except for financial assets 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 the collection of the claims can no longer be expected due to customer-specific circumstances. If such doubts regarding the recoverability of the receivables occur, these receivables are measured at the lower realizable amount and the necessary individual impairments 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 taken into consideration 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 the trade receivables.

Fair value of financial instruments

The carrying amounts of funds, trade receivables and payables, and receivables due from and liabilities due to related companies approximate their fair values. The fair values of securities held to maturity and securities available for sale result from the respective quoted prices. The fair value of non-current financial liabilities and swap agreements is based on the present value of the anticipated future cash flows, discounted at the ÖBB 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 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. 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 of the Group's own railway networks, maintenance and repair of disruptions in the railway operation, and for maintenance of the automobiles and trucks. Inventories are measured at the lower of cost or net realizable value, cost being determined on the basis of the weighted average price method. The net realizable value is determined based on the estimated selling prices in the ordinary course of business, less estimated cost to complete and selling costs still to be incurred.

For spare parts and materials, 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 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 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 the inception of the lease, less depreciation and impairment losses.

If substantially all risks and rewards of ownership are attributable to the ÖBB Group as lessor, the leased asset is recognized in the Statement of Financial Position by the ÖBB Group. The leased item is recognized according to the regulations applicable to this asset in accordance with IAS 16. Information on the accounting and measurement method for cross-border leasing transactions is provided in Note 30.3.

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

Employee benefit obligations

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

All other obligations (severance and anniversary payments) result from unfunded defined benefit plans for which adequate provisions are recognized. The ÖBB Group calculates the provision using the projected unit credit method (PUC method) in accordance with IAS 19. The future obligations are measured using actuarial methods on the basis of an appropriate estimate of the discount rate, rate of compensation increase, rate of increase of pensions and rate of employee turnover. In accordance with this method, the ÖBB Group recognizes actuarial profits and losses immediately and totally as personnel expenses. Any past service cost is amortized on a straight-line basis over the remaining service period. For further information see Note 26.1.

Changes in existing provisions for decommissioning, restoration and similar liabilities

In accordance with IAS 16, 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. The provisions require that any increase of such a liability that reflects the passage of time shall be recognized in the Income Statement. Changes in the measurement resulting from changes in the estimated maturity or the amount of the outflow of resources required to fulfill the obligation or from changes in the discount rate shall be added to or deducted from the cost of the relevant asset in the current period. The amount deducted from the cost of the asset shall not exceed its carrying amount. If the adjustment results in an addition to the cost of an asset, the ÖBB Group shall examine whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the asset shall be tested for impairment and any impairment losses shall be recognized accordingly.

Revenue recognition

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

Grants related to income

Grants related to expenses and income provided to the ÖBB Group (investment grants) are recognized in the Income Statement immediately upon fulfillment of the preconditions. Regarding the particularity of the grant of the federal government for infrastructure financing see note 32.

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, research costs refer to original and planned research performed to gain new scientific or technical knowledge and understanding, and are expensed as incurred. Development costs are defined as costs incurred for using research findings to achieve technical and commercial feasibility. If development costs cannot be separated from research costs, they are expensed as incurred in accordance with IAS 38. If the capitalization requirements of IAS 38 are not met, research and development costs are expensed as 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 *BGBI. No. 95/2009*, ÖBB-Infrastruktur AG has been exempt from federal taxes as of 2005, except for VAT, from federal administration fees and from court charges and judicial administration fees to the extent that such taxes and duties result from the execution of the respective tasks under the *Bundesbahngesetz* (partial tax exemption).

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

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

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

In December 2005, a tax group contract was concluded with ÖBB-Holding AG as head of the tax group and the majority of the ÖBB Group companies as group members. At present, the corporate tax group does not include any foreign companies. The fiscal claims and obligations arising from the tax group contract are based on the current fiscal result of each

member of the group. Positive tax amounts are on principle charged at the corporate income tax rate valid in the year of the financial statements, while negative tax amounts are compensated only insofar as they can be realized in the group.

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

Deferred taxes

Deferred taxes are recognized - taking the exception clauses under IAS 12.15 and IAS 12.24 into account - for all temporary differences between the tax base of the assets/liabilities and their carrying amounts in the IFRS financial statements (liability method), insofar as these assets and liabilities are related to the business operation that is not exempt from income taxes.

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

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

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

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

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

Use of estimates and judgment

The preparation of Consolidated Financial Statements requires the Executive Board to make estimates and assumptions that may affect the amounts of assets, liabilities and contingent liabilities reported at the reporting date 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 Group. Additionally, as of the reporting date, the Executive Board made key assumptions concerning the future and identified key sources of estimation uncertainty at the reporting date which bear a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year:

a. Employee benefit plans

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

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

b. Impairments

Impairment tests for intangible assets and property, plant and equipment are generally based on estimated discounted future net cash flows expected to result from the continued use of the asset and its disposal at the end of its useful life. Factors such as lower than anticipated revenue and resulting decreases in net cash flows and changes in the discount rates used can lead to impairment. Impairment tests were carried out at each of the reporting dates and last resulted in impairment losses in 2010, as the value in use was lower than the carrying amount in some cases at the time.

According to a sensitivity analysis, a change in the discount rate by +/- 0.25% would have resulted in an impairment amounting to EUR25.0 million or an appreciation amounting to EUR1.9 million, respectively. In the prior year, it would have led to an increase in impairment amounting to EUR22.3 million, but not in any appreciation. In the case of a change in all the exchange rates by +/- 5%, the impairment would increase by EUR1.2 million or decrease by EUR1.3 million, respectively. With respect to the carrying amounts of the intangible assets and property, plant and equipment, please refer to the schedules of assets in Notes 14 and 15 and to Note 9.

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

The useful lives are determined based on the specific conditions of the company, taking regular maintenance into account. According to a sensitivity analysis, a change in the useful life of +/- 1 year would result in an increase in depreciation and amortization amounting to EUR74.4 million (prior year: EUR70.9 million) or a decrease amounting to EUR89.4 million (prior year: EUR111.6 million), respectively. In both years under review, certain definite useful lives were extended (in 2012, extension of the useful life of standard freight cars for non-corroding consignments from 20 years to the expected remaining useful life of 30 years), resulting in a decrease of depreciation of EUR8.6 million (prior year: EUR0.9 million).

In both years under review, estimates with respect to the residual values of properties and buildings had to be adjusted by EUR2.4 million (prior year: EUR0.8 million). In 2011, the useful lives of railway lines that are not part of the target network were reduced to the expected remaining useful life, which resulted in an additional depreciation amounting to EUR2.7 million. The useful life for buildings that are scheduled to be demolished within the next years was reduced to the scheduled demolition date in 2011, resulting in an increase in depreciation amounting to EUR3.4 million. Furthermore, carrying amounts had to be depreciated by EUR7.8 million due to calculated values according to various expert opinions, and estimated costs for the demolition, removal or restoration of property, plant and equipment had to be corrected by EUR4.2 million in 2011. For further information see Note 14 or Note 3 "Property, plant and equipment".

d. Provisions

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

Holocaust

On October 20, 2010, an indictment was issued at the United States District Court for the District of Columbia against the Republic of Hungary, MÁV and Rail Cargo Hungaria Zrt. for alleged misconduct during the Hungarian holocaust. On December 31, 2010, the indictment was formally filed with the Hungarian Department of Justice. Following some consultations, a model case is currently pending at the American courts of law. This model case deals with the clarification of basic legal issues regarding international cases tried in American courts of law. The American judicial authorities are expected to wait for the outcome of this model case. Based on the current legal situation, no payments are generally expected to be made by Rail Cargo Austria AG and Rail Cargo Hungaria Zrt. The decision of the court as to whether the submitted motion for dismissal is accepted is still pending.

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

In February 2010, the *Bundeswettbewerbsbehörde* ("BWB") filed a declaratory action against 43 companies at the Cartel Court for infringement of antitrust rules and for imposition of a fine. The lawsuit distinguishes two facts. Subject-matter of the first accusation is the so-called Speditions-Sammelladungskonferenz ("SSK"). The BWB accuses the former members of the SSK, which was dissolved in 2007, and thus also Schier Otten & Co Gesellschaft mbH (merged with Express-Interfracht Internationale Spedition GmbH in 2009), of having agreed and applied a common tariff for domestic consolidated shipments and of having segmented the market, among other things. The BWB accuses Rail Cargo Austria AG of having disclosed the annual increases of the BahnExpress tariff (BEX) applicable for domestic general cargo in advance to the members of the SSK in the years 2002 - 2007. Furthermore, market-sensitive data is claimed to have been exchanged. There have been no new findings regarding both facts of the matter. At present, it is not possible to make a reliable prediction as to whether, when and in what amount a fine may or may not be imposed for infringement of antitrust rules as a result of this lawsuit. Therefore, based on the current legal situation, the Group does not expect any payments to be made. On January 15, 2013, Rail Cargo Austria was given the opportunity to have its legal representative present

its point of view on the matter in the course of an oral hearing before the European Court of Justice (ECJ) in Luxembourg. The decision of the ECJ is expected to be announced by summer 2013, and the Austrian Supreme Court of Justice will then continue the proceedings based on this decision.

Lawsuit initiated by the Hungarian Federal Competition Authority

The Hungarian Competition Authority imposed a fine in the amount of HUF850 million (EUR2.9 million) against Rail Cargo Hungaria Zrt. in 2012. Rail Cargo Hungaria Zrt. paid this fine in full and filed an appeal at the same time. The proceedings are expected to be completed by the end of 2014.

e. 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. If the tax assessment regarding the qualification of the segments of ÖBB-Holding AG changes from “exempt from taxes” and “taxable” or if future taxable results are insufficient, this can have a significant impact on the amount of the deferred tax assets. When assessing the recoverability of deferred tax assets, the Executive Board evaluates the prospective usage within the 5-year tax planning period (see Note 13).

f. Cross-border leasing

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

Concentration of risks

As of the reporting dates, no significant dependence on particular non-group 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 Group is dependent on and that could, if suddenly eliminated, severely affect business operations. The ÖBB Group invests its funds 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 Company defines equity as share capital, additional paid-in capital and reserves as well as retained earnings and non-controlling interests, if any. The objective of the financial management of the ÖBB Group is to sustainably increase the shareholder value and to maintain a capital structure appropriate for upholding the excellent credit rating. Due to the Company's special situation and its statutory mission, and also as a result of the government's commitment to subsidize infrastructure expenses (both construction, and operation and maintenance) not covered by the Company's income from current operations, the control of the capital structure focuses mainly on debt ratios and on the following ratios, which are compared to the respective budgeted values: number of employees, EBIT margin, equity ratio, net working capital.

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

4. Revenue

	2012 in mil. EUR	2011 in mil. EUR
Goods transport	1,866.2	1,999.7
<i>thereof public services contracted by the federal government</i>	77.2	96.7
Passenger and baggage transport	1,477.9	1,410.8
<i>thereof public services contracted by the federal government</i>	606.9	565.1
Government grant pursuant to Article 42 <i>Bundesbahngesetz</i> for operation of the infrastructure	1,086.1	1,033.0
Traffic service orders	257.3	247.4
Energy	184.5	153.5 *)
Rent and lease	173.8	172.9
Maintenance/repair	46.8	53.8
Infrastructure usage charge	31.5	21.3
Traction services	28.5	29.8
Other revenue	91.4	102.0
Total	5,244.0	5,224.2 *)

*) adjusted prior year amounts

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

Compared to the prior year, the presentation 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 was changed to a net presentation in order to provide a better view of the results of operations. The prior year amounts were adjusted by EUR47.4 million.

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

5. Own work capitalized

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

6. Other operating income

	2012 in mil. EUR	2011 in mil. EUR
Grant of the federal government pursuant to Article 42 <i>Bundesbahngesetz</i> for infrastructure	454.4	390.7
Proceeds from the disposal of property, plant and equipment, intangible assets, investment property and non-current assets held for sale	63.2	90.7
Proceeds from leisure time service	15.1	15.4
Personnel leasing to third parties	13.4	13.6
Proceeds from sale of materials	8.6	8.4
Exchange rate differences	8.0	15.0
Compensation for damage	5.4	7.0
Miscellaneous operating income	54.3	43.3
Total	622.4	584.1

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 includes income from rent and lease of buildings and other advertising space and income from canteens, among others.

7. Expenses for materials and services received

	2012 in mil. EUR	2011 in mil. EUR
Expenses for materials and services received		
Power	258.3	250.8 *)
Raw materials and supplies	175.4	192.0
Other expenses for materials	118.3	98.9
Subtotal expenses for materials	552.0	541.7 *)
Third-party transport services	343.8	317.7
Infrastructure usage charge	70.2	85.3
Rent for rail and road vehicles	85.4	97.2
Other services received	928.5	1,042.1
Subtotal expenses for services received	1,427.9	1,542.3
Total	1,979.9	2,084.0 *)

*) adjusted prior year amounts

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

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

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

8. Personnel expenses and employees

	2012 in mil. EUR	2011 in mil. EUR
Salaries	1,756.7	1,742.7
Statutory social contributions	485.1	488.7
Wages	65.3	59.4
Expenses for pension plans	27.5	27.9
Expenses for severance payments	25.1	3.2
Other social expenses	6.7	6.3
Total	2,366.4	2,328.2

Compared to the prior year, the personnel expenses increased by EUR38.2 million auf rd. EUR2,366.4 million (prior year: EUR2,328.2 million) and still constitute the largest expense category. The increase is mainly due to changes in the parameters (actuarial effects, Note 26), caused primarily by a change in the discount rate and the abolition of retirements for organizational reasons in the future. The effects of the changes in the actuarial assumptions are indicated in Note 26 and amount to a total of EUR56.7 million for severance payments and anniversary bonuses.

The employee structure is composed as follows:

Employee structure	Dec 31, 2012	Dec 31, 2011	Reporting date	Change in %	2012	Average 2011
Employees and workers	14,843	15,142	-299	-2%	15,057	15,304
Tenured employees	24,990	25,691	-701	-3%	25,271	26,437
Total active employees	39,833	40,833	-1,000	-2%	40,328	41,741
Apprentices	1,710	1,742	-32	-2%	1,517	1,559
Total including apprentices	41,543	42,575	-1,032	-2%	41,845	43,300

9. Amortization and depreciation

	2012 in mil. EUR	2011 in mil. EUR
Depreciation on property, plant and equipment	901.9	849.0
<i>thereof low-value assets</i>	8.2	8.1
Amortization on intangible assets	50.4	48.9
Depreciation on investment property	3.7	3.1
Impairment on non-current assets held for sale	4.6	0.0
less amortization of investment grants	-210.5	-215.6
Total depreciation and amortization	750.1	685.4

10. Other operating expenses

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

	2012 in mil. EUR	2011 in mil. EUR
Cost of operation	115.3	119.8
Compensation for travel and other expenses	48.6	50.2
Non-income taxes	48.3	41.9
Rent, lease and license expenses	33.0	34.2
Office supplies	28.0	30.1
Marketing, sales and customer service	27.8	24.3
Loss on the disposal of property, plant and equipment and intangible assets	30.0	19.5
Legal and consultancy fees	20.1	16.7
Brokerage fees	11.9	11.1
Leisure time service	11.5	11.8
Lease of personnel and service contracts	10.7	13.5
Postal, bank and telephone fees	9.5	15.9
Exchange rate differences	9.1	11.9
Miscellaneous operating expenses	74.2	110.7
Total	478.0	511.6

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

The termination of litigations resulted in an increase in the consolidated net income by EUR7.3 million (prior year: EUR10.4 million). The development of the provision for litigations is shown in the schedule of provisions (Note 26.2).

The increase in legal and consultancy fees was primarily due to the premature termination of CBL transactions. The premature termination of CBL transactions had a positive effect on the financial result in the financial year.

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
Total auditors' fees		
Annual financial statements and Consolidated Financial Statements audit	1,426	1,454
Other auditing services	12	246
Consulting services	339	212
Other services	39	72
Total	1,816	1,984

The expenses for the auditors indicated above include the fee for all the auditors working in the Group. The auditor of the ÖBB Group accounts for the following expenses:

Fee of the auditor of the Consolidated Annual Financial Statements	2012 in kEUR	2011 in kEUR
Annual financial statements and Consolidated Financial Statements audit	599	562
Other auditing services	1	8
Consulting services	270	45
Other services	8	32
Total	878	646

11. Interest income and expenses

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

Interest income/expenses	2012 in mil. EUR	2011 in mil. EUR
Interest income	116.7	82.9
Interest expenses	-744.5	-695.1
Total	-627.8	-612.2

The interest received from swap agreements is offset against the interest expenses from the respective original financial instruments in order to provide a better overview of the financial position. The interest income mainly comprises interest income from derivative financial instruments and interest income from marketable deposits made in connection with cross-border leasing transactions. The borrowing costs amounting to EUR503.6 million (prior year: EUR453.8 million) refer to bonds. In addition, interest expenses are incurred in connection with loans of EUROFIMA or banks, for cross-border leasing transactions and derivative financial instruments.

12. Other financial result

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

Other financial result	2012 in mil. EUR	2011 in mil. EUR
Other financial income	86.7	69.6
<i>thereof from measurement/ foreign currency translation differences</i>	68.6	32.1
<i>thereof income from disposal and appreciation of financial assets</i>	8.8	33.5
<i>thereof income from investments</i>	1.4	0.6
Other financial expenses	-90.8	-83.5
<i>thereof from measurement/foreign currency translation differences</i>	-56.8	-77.4
Total	-4.1	-13.9

Measurement gains/losses from the hedged items in connection with cash flow hedge and fair value hedge accounting are offset against the results of derivative financial instruments in order to provide a better overview of the financial position.

The other financial expenses result in particular from fair value changes of derivative financial instruments.

13. Income taxes

The line item income taxes is composed as follows:

	2012 in mil. EUR	2011 in mil. EUR
Current income taxes	-10.1	-8.3
Deferred tax benefit	22.7	1.0
Income taxes	12.6	-7.3

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

The changes in deferred taxes are composed as follows:

	2012 in mil. EUR	2011 in mil. EUR
Recognized amounts as of Jan 01	-0.1	2.7
Change in deferred taxes		
<i>thereof in profit and loss</i>	22.7	1.0
<i>thereof in the other comprehensive income</i>	7.5	-3.8
Recognized amounts as of Dec 31	30.1	-0.1
<i>thereof deferred tax assets</i>	32.1	1.5
<i>thereof deferred tax liabilities</i>	-1.9	-1.6

Due to the underlying measurement differences between the carrying amounts in the IFRS consolidated financial statements and the relevant tax bases, deferred taxes at an amount of EUR59.4 million (prior year: EUR42.4 million) have to be classified as non-current. The remaining deferred taxes on loss carry-forwards 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 of 25% on the taxable net income.

	2012 in mil. EUR	2011 in mil. EUR
Net income before income tax according to the IFRS	66.5	-27.9
Adjustment of the tax-exempt portion pursuant to Article 50 (2) <i>Bundesbahngesetz</i>	66.5	50.0
Taxable portion of the net income	133.0	22.1
Group tax rate	25%	25%
Expected income/expense from taxes in the financial year	-33.3	-5.5
Tax rate differences between foreign companies and the corporate tax rate	-3.6	7.2
Other tax-exempt income and other reductions	18.9	11.7
Non-deductible operating expenses and other additions	-11.2	-2.1
Effects of taxes from previous years recognized in the financial year	66.2	-13.4
Effects of tax rate changes	-0.1	0.6
Offsetting from consolidation	-60.4	-68.7
Effects of changes in recognition	11.2	86.8
Other effects	25.0	-23.9
Income taxes	12.6	-7.3
Effective corporate tax rate	-9.5%	32.9%

Deferred tax assets and liabilities

Deferred tax assets and deferred tax liabilities as of December 31, 2012, and December 31, 2011, are the result of the following temporary differences between the carrying amounts in the IFRS financial statements and the relevant tax bases, insofar as they do not relate to the tax-exempt portion according to Article 50 (2) of the *Bundesbahngesetz*.

The deferred taxes refer to the following important balance sheet items, loss carry-forwards and tax credits:	Deferred tax		Deferred tax	
	assets	liabilities	assets	liabilities
	Dec 31, 2012	Dec 31, 2012	Dec 31, 2011	Dec 31, 2011
	in mil. EUR	in mil. EUR	in mil. EUR	in mil. EUR
Non-current assets				
Property, plant and equipment	41.5	-65.3	24.4	-69.6
Intangible assets	0.0	-0.8	0.5	-0.7
Investment property	0.0	0.0	0.1	0.0
Financial assets	2.8	-12.5	8.7	-9.1
Other non-current receivables and assets	0.0	-0.1	0.0	-0.5
	44.3	-78.7	33.7	-79.9
Current assets				
Inventories	0.0	-0.1	0.4	0.0
Trade receivables	0.0	-0.3	0.0	-0.3
Other current receivables and assets	0.0	0.0	1.0	-0.5
Financial assets	0.0	-2.8	1.5	-7.0
	0.0	-3.1	2.9	-7.8
Non-current liabilities				
Financial liabilities	62.8	-2.5	70.8	-1.4
Other non-current financial liabilities	0.0	0.0	11.1	0.0
Provisions	16.9	-5.5	0.0	-1.6
Other non-current liabilities	22.2	0.0	9.5	0.0
	101.9	-8.0	91.4	-3.0
Current liabilities				
Financial liabilities	4.8	-1.8	1.3	-3.1
Provisions	3.1	-26.8	1.8	-29.7
Trade payables	0.0	-0.5	0.0	-2.3
Other current liabilities	0.0	-5.2	0.9	-6.3
	7.9	-34.2	4.0	-41.4
Deferred tax assets and deferred tax liabilities	154.2	-124.0	132.0	-132.1
Offsetting	-122.1	122.1	-130.5	130.5
Net deferred tax assets and deferred tax liabilities	32.1	-1.9	1.5	-1.6

With respect to seventh-part depreciations of investments not yet claimed as operational expense, depreciations in an amount of EUR219.3 million (prior year: EUR255.8 million) were open as of December 31, 2012. Deferred tax assets on investments were not established.

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

Based on these planning calculations, usage of the tax losses carried forward and the active temporary differences in the amount of EUR32.1 million (prior year: EUR0.0 million) and of deferred tax liabilities in the amount of -EUR1.9 million (prior year: EUR0.0 million) is probable for the Austrian corporate tax group. In addition to that, deferred tax assets amounting to EUR1.4 million (prior year: EUR1.5 million) and deferred tax liabilities amounting to -EUR1.8 million (prior year: -EUR1.6 million) originate from foreign subsidiaries. The deferred taxes result from positive or negative surpluses after offsetting on company level.

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

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Temporary differences for which no deferred taxes were established	2012	2011
	in mil. EUR	in mil. EUR
Losses carried forward	5,759.9	5,673.7
Temporary differences	1,474.9	1,384.0
Total	7,234.8	7,057.7

Tax loss carry-forwards in the amount of EUR5,674.3 million (prior year: EUR5,670.7 million) originate from Austrian companies and can be carried forward for an unlimited period of time according to currently applicable law. Annual usage of losses carried forward is limited to 75% of the respective taxable income in Austria; however, EUR4,032.7 million (prior year: EUR4,077.6 million) result from pre-tax group losses and can therefore be utilized in their entirety against taxable income generated in future periods.

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 (investment grants) to property, plant and equipment.

in mil. EUR	Land and buildings	Lease of land and buildings	Automobiles and trucks	Automobiles and trucks leased	Technical equipment and machinery	Technical equipment and machinery leased	Other plant, furniture and fixtures	Assets under construction and prepayments	Total
Cost 2012									
Cost as of Jan 01, 2012	21,180.9	14.1	5,713.8	1,071.4	7,386.4	9.4	279.5	3,925.5	39,581.0
Translation differences	0.7	0.0	16.8	2.2	0.6	0.0	0.4	0.0	20.7
Additions	22.7	0.0	34.2	0.0	2.2	0.0	14.2	2,001.5	2,074.8
Business combination	85.5	0.0	0.2	0.0	4.5	0.0	0.0	0.0	90.2
Disposals	-224.0	0.0	-142.0	-0.5	-66.1	0.0	-20.6	-13.3	-466.5
Exit from basis of consolidation	0.0	0.0	0.0	-0.1	0.0	0.0	-0.1	0.0	-0.2
Transfers	2,438.4	0.0	435.6	-164.3	897.1	-6.6	29.6	-3,645.2	-15.4
Cost as of Dec 31, 2012	23,504.2	14.1	6,058.6	908.7	8,224.7	2.8	303.0	2,268.5	41,284.6
Accumulated depreciation as of Jan 01, 2012 (incl. impairment)									
Translation differences	-6,926.3	-7.6	-3,096.5	-333.4	-3,990.8	-6.9	-200.6	-1.3	-14,563.4
Depreciation	-0.2	0.0	-3.6	-1.0	-0.3	0.0	-0.2	0.1	-5.2
Business combination	-388.9	-0.3	-171.4	-41.7	-261.0	-0.7	-37.9	0.0	-901.9
Disposals	-16.8	0.0	-0.6	0.0	-1.8	0.0	0.0	0.0	-19.2
Exit from basis of consolidation	131.7	0.0	129.9	0.4	57.1	0.0	19.9	0.0	339.0
Transfers	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1
Accumulated depreciation as of Dec 31, 2012	-0.5	0.0	-74.7	74.7	-5.8	5.7	0.0	0.0	-0.6
Accumulated depreciation as of Dec 31, 2012	-7,201.0	-7.9	-3,216.9	-301.0	-4,202.6	-1.9	-218.7	-1.2	-15,151.2
Carrying amounts before investment grants as of Jan 01, 2012									
	14,254.6	6.5	2,617.3	738.0	3,395.6	2.5	78.9	3,924.2	25,017.6
Carrying amounts before investment grants as of Dec 31, 2012									
	16,303.2	6.2	2,841.7	607.7	4,022.1	0.9	84.3	2,267.3	26,133.4
Investment grants 2012									
As of Jan 01, 2012	-9,267.0	0.0	-419.5	0.0	-2,954.2	0.0	-10.0	-541.4	-13,192.1
Additions	-50.6	0.0	-2.6	0.0	-13.9	0.0	-0.2	-92.7	-160.0
Business combination	-29.4	0.0	0.0	0.0	-0.9	0.0	0.0	0.0	-30.3
Disposals	74.6	0.0	0.2	0.0	20.1	0.0	0.1	4.2	99.2
Transfers	-223.2	0.0	0.0	0.0	-18.4	0.0	0.0	241.7	0.1
As of Dec 31, 2012	-9,495.6	0.0	-421.9	0.0	-2,967.3	0.0	-10.1	-388.2	-13,283.1
Accumulated depreciation as of Jan 01, 2012									
Depreciation	5,214.4	0.0	297.7	0.0	2,254.0	0.0	6.0	0.0	7,772.1
Business combination	126.5	0.0	10.3	0.0	64.6	0.0	0.7	0.0	202.1
Disposals	3.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0	3.3
Accumulated depreciation as of Dec 31, 2012	-61.0	0.0	-0.2	0.0	-17.5	0.0	-0.2	0.0	-78.9
Accumulated depreciation as of Dec 31, 2012	5,282.9	0.0	307.8	0.0	2,301.4	0.0	6.5	0.0	7,898.6
Investment grants as of Jan 01, 2012									
	-4,052.6	0.0	-121.8	0.0	-700.2	0.0	-4.0	-541.4	-5,420.0
Investment grants as of Dec 31, 2012									
	-4,212.7	0.0	-114.1	0.0	-665.9	0.0	-3.6	-388.2	-5,384.5
Carrying amounts after investment grants as of Jan 01, 2012									
	10,202.0	6.5	2,495.5	738.0	2,695.4	2.5	74.9	3,382.8	19,597.6
Carrying amounts after investment grants as of Dec 31, 2012									
	12,090.5	6.2	2,727.6	607.7	3,356.2	0.9	80.7	1,879.1	20,748.9

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

The ÖBB Group received non-repayable investment grants for property, plant and equipment that were deducted from the cost according to IAS 16.28 in conjunction with IAS 20. These investment grants are indicated in the schedule of assets. Both the depreciation of these assets and the amortization of the investment grants are recognized in the Income Statement in the line item "Depreciation and amortization".

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

The transfers refer primarily 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 intangible assets. The disposals include the transfers to the line item Assets held for sale (see Note 19). Information on changes in estimates is given in Note 3 under the headline “Assumptions with respect to the useful life of property, plant and equipment and intangible assets”.

The ÖBB Group capitalized interest on construction costs of qualifying assets amounting to EUR33.7 million (prior year: EUR29.8 million) in accordance with the provisions of IAS 23. The underlying interest rate for borrowed capital is 3.98% (prior year: 4.14%). Losses from the disposal of property, plant and equipment were incurred at an amount of EUR30.0 million (prior year: EUR19.5 million), resulting from retirement by scrapping and the demolition of assets and from the sale of vehicles and other plant equipment.

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	0.2	0.1
Automobiles and trucks	1,987.5	1,886.3
Other technical equipment and machinery	41.1	47.0

In total, other assets amounting to EUR860.4 million (prior year: EUR983.9 million) are subject to restrictions of the rights of disposal. Certain assets are subject to acceptance obligations, in particular due to the finance lease agreements and open purchase commitments amounting to EUR1,439.7 million (prior year: EUR1,832.7 million). Estimates of residual values had to be adjusted by EUR2.4 million (prior year: EUR0.8 million).

Third-party investment grants

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

	Dec 31, 2012 in mil. EUR	Dec 31, 2011 in mil. EUR
Republic of Austria	2,391.1	2,232.5
Schieneninfrastrukturfinanzierungs GmbH	1,466.9	1,538.3
former Eisenbahn-Hochleistungsstrecken AG	1,402.3	1,424.8
ASFINAG	109.9	116.2
Other third parties	144.9	215.5
Total	5,515.1	5,527.3

Finance leasing assets

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

Impairment

The impairment tests for property, plant and equipment and intangible assets based on current planning data did not result in any need for impairment. The parameters for the calculation of the value in use are described in Note 3.

15. Intangible assets

in mil. EUR	Concessions, property rights, licenses	Investment grants to third parties	Goodwill	Down payments on intangible assets	Total
Accumulated cost and amortization 2012					
Cost as of Jan 01, 2012	268.9	779.3	252.7	16.3	1,317.2
Translation differences	0.6	0.0	18.8	0.0	19.4
Additions	6.9	42.8	0.4	33.0	83.1
Business combination	0.1	0.0	0.0	0.0	0.1
Disposals	-2.9	-0.8	0.0	-0.1	-3.8
Transfers	34.9	12.2	0.0	-31.1	16.0
Cost as of Dec 31, 2012	308.5	833.5	271.9	18.1	1,432.0
<i>Accumulated amortization as of Jan 01, 2012 (incl. impairment)</i>					
	-176.5	-385.4	-91.3	0.0	-653.2
Translation differences	-0.4	0.0	-6.9	0.0	-7.3
Amortization 2012	-24.0	-26.4	0.0	0.0	-50.4
Business combination	-0.1	0.0	0.0	0.0	-0.1
Disposals	2.9	0.5	0.0	0.0	3.4
Accumulated amortization as of Dec 31, 2012 (incl. impairment)	-198.1	-411.3	-98.2	0.0	-707.6
Carrying amounts before investment grants as of Jan 01, 2012	92.4	393.9	161.4	16.3	664.0
Carrying amounts before investment grants as of Dec 31, 2012	110.4	422.2	173.7	18.1	724.4
Investment grants 2012					
As of Jan 01, 2012	-35.2	-403.9	0.0	0.0	-439.1
Additions	-0.8	-30.9	0.0	0.0	-31.7
Disposals	0.0	0.3	0.0	0.0	0.3
Transfers	0.7	-0.8	0.0	0.0	-0.1
As of Dec 31, 2012	-35.3	-435.3	0.0	0.0	-470.6
Accumulated amortization as of Jan 01, 2012	13.0	318.8	0.0	0.0	331.8
Amortization 2012	1.7	6.8	0.0	0.0	8.5
Disposals	0.0	-0.3	0.0	0.0	-0.3
Accumulated amortization as of Dec 31, 2012	14.7	325.3	0.0	0.0	340.0
Investment grants as of Jan 01, 2012	-22.2	-85.1	0.0	0.0	-107.3
Investment grants as of Dec 31, 2012	-20.6	-110.0	0.0	0.0	-130.6
Carrying amounts after investment grants as of Jan 01, 2012	70.2	308.8	161.4	16.3	556.7
Carrying amounts after investment grants as of Dec 31, 2012	89.8	312.2	173.7	18.1	593.8

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

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

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

Research and development costs amounting to EUR3.4 million (prior year EUR4.0 million) were recognized in expenses, because distinction from the research phase of the projects was not possible and the ability to generate future benefits from the development was considered uncertain. Besides the goodwill and advertising rights amounting to EUR14.1 million (prior year: EUR14.1 million), which are recognized in the line item concessions, property rights, licenses, there are no intangible assets with an indefinite useful life.

Goodwill

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

16. Investment property (IAS 40)

Only properties not classified as railway assets (Article 10a *Eisenbahngesetz*) which can be leased out to third parties or sold at any time are assigned to this asset category. Therefore, the investment property comprises mainly crossing keeper's houses, residential buildings and agricultural properties. The useful lives of these properties correspond to the useful lives of the properties reported in the 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	279.7	263.8
Additions	5.8	17.5
Disposals	-4.1	-1.6
As of Dec 31	281.4	279.7
Accumulated depreciation		
As of Jan 01	177.0	175.9
Depreciation	3.7	3.1
Disposals	-4.0	-2.0
As of Dec 31	176.7	177.0
Net carrying amount as of Dec 31	104.7	102.7

Investment property held by the ÖBB Group is all leased out under operating leases. Rental income from these leases amounted to EUR15.8 million, not including operating costs (prior year: EUR13.9 million); expenses directly attributable to rental income (including repair and maintenance, but not including operating costs) amounted to EUR6.7 million (prior year: EUR10.7 million, not including operating costs). Additionally, operating expenses amounting to EUR0.3 million (prior year: EUR0.2 million) were incurred to which no rental income was attributable. The ÖBB Group did not enter into maintenance contracts with respect to its investment property that result in a corresponding obligation.

The fair value of the investment property was determined by internal and external experts using the existing market data and the gross rental method and amounts to EUR249.6 million (prior year: EUR275.4 million). An interest rate of 4.0-8.0%, depending on the location, was applied in both years under review to determine the fair values. Additions to the line item mainly result from the restoration of building bases. Additions amounting to EUR1.4 million (prior year: EUR2.3 million) result from subsequent acquisitions cost.

17. Investments recorded at equity

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

	2012 in mil. EUR	2011 in mil. EUR
As of Jan 01	68.8	66.9
Share of income	5.5	5.0
Dividends	-7.3	-3.1
As of Dec 31	67.0	68.8

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

Galleria di Base del Brennero - Brenner Basistunnel BBT SE is reported as a joint venture using the equity method. 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 the Tyrol at an amount of EUR8.2 million on the basis of the share purchase agreement dated April 18, 2011, on the other hand. In 2011, 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, resulting in neutralization.

The financial data of all companies recorded at equity is summarized in the following table. The direct and indirect interests held by the ÖBB Group are shown in the schedule of investments (Note 35).

2012	Assets in kEUR	Borrowed capital in kEUR	Revenue in kEUR	EBIT in kEUR	Net income in kEUR
Associated entities reported using the equity method	186,395	120,013	462,375	17,606	15,153
Joint ventures reported using the equity method	118,133	37,026	1	-1,201	0
<i>thereof current</i>	104,071	36,517			
<i>thereof non-current</i>	14,062	509			

2011	Assets in kEUR	Borrowed capital in kEUR	Revenue in kEUR	EBIT in kEUR	Net income in kEUR
Associated entities reported using the equity method	233,505	163,874	457,562	19,191	14,359
Joint ventures reported using the equity method	106,332	25,226	0	-530	0
<i>thereof current</i>	81,538	24,662			
<i>thereof non-current</i>	24,794	563			

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

18. Other financial assets

2012	Current in mil. EUR	Non-current in mil. EUR	Total in mil. EUR
Investments	0.0	18.8	18.8
Financial assets - leasing	32.0	669.0	701.0
Other financial assets	119.7	64.0	183.7
Total	151.7	751.8	903.5

2011	Current in mil. EUR	Non-current in mil. EUR	Total in mil. EUR
Investments	0.0	13.3	13.3
Financial assets - leasing	145.1	888.6	1033.7
Other financial assets	76.8	76.5	153.3
Total	221.9	978.4	1,200.3

Investments

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

Financial assets - leasing

The financial assets - leasing are mostly composed of non-current loans and deposits and are almost completely connected to cross-border leasing transactions. They serve to cover the 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 liabilities result in a decrease of this line item. These financial assets are matched by financial liabilities in the same amounts. Differences result from the impairments made in the year under review and the prior years.

In the year under review 2012, the financial assets - leasing comprise the residual value of assets leased out, which amounts to EUR81.8 million (prior year: EUR81.8 million), in the form of bank deposits. For further information see Note 30.

Other financial assets

This line item primarily includes short-term securities, investment certificates, derivatives in connection with energy transactions and other derivatives with a positive present value that are not related to hedging. Other financial assets at an amount of EUR4.7 million (prior year: EUR4.7 million) are issued as collateral for debts.

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

	2012 in mil. EUR	2011 in mil. EUR
Non-current assets held for sale		
<i>As of Jan 01</i>	1.0	33.1
Additions	10.3	1.0
Disposal by sale	0.0	-33.1
Impairment	-4.6	0.0
As of Dec 31	6.7	1.0

The assets reported in this line item are mainly real estate properties. For some of them, 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.

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. A 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 Group recognized proceeds 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 income from the sale of other assets. The non-current assets held for sale relate solely to the ÖBB-Infrastruktur sub-group.

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

20. Trade and other receivables

	Current in mil. EUR	Non-current in mil. EUR	Total in mil. EUR
Dec 31, 2012			
Trade receivables	498.4	0.0	498.4
<i>thereof from construction contracts</i>	6.1	0.0	6.1
Other receivables and deferrals	281.8	147.8	429.6
Income tax receivables	1.6	0.0	1.6
Total	781.8	147.8	929.6

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

In the prior year, receivables amounting to EUR0.2 million were secured by bills of exchange.

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

Construction contracts in connection with services provided to third parties that are not yet completed are recognized in the trade receivables. Construction contracts produced income amounting to EUR61.2 million (prior year: EUR71.1 million). In the year under review, an order for a third party that was not yet finalized at the reporting date produced a loss in the amount of EUR0.3 million (prior year: EUR0.5 million), for which a provision was made.

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

The other receivables comprise deferrals amounting to EUR244.1 million (prior year: EUR220.6 million). The deferral items mainly refer to prepaid guarantee premiums amounting to EUR154.3 million (prior year: EUR131.5 million) and to the salaries including the charges for January 2013 paid in December 2012 amounting to EUR57.3 million (prior year: EUR60.9 million).

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

	2012 in mil. EUR	2011 in mil. EUR
<i>As of Jan 01</i>	83.5	78.5
Transfers	1.8	0.0
Consumption	-19.1	-7.8
Release	-31.6	-1.3
Additions	16.2	14.1
As of Dec 31	50.8	83.5

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

Dec 31, 2012 Analysis of past due / impaired receivables	Gross carrying amount (before deduction of impairment) in mil. EUR	thereof not individually impaired in mil. EUR	thereof individually impaired (gross) in mil. EUR	Allowance in mil. EUR	thereof individual allowance in mil. EUR	thereof portfolio allowance in mil. EUR	Net carrying amount in mil. EUR
Receivable not yet past due but impaired	26.2	0.5	25.7	2.5	2.4	0.1	23.7
up to 90 days past due	67.4	19.9	47.5	6.9	6.5	0.4	60.5
90 to 180 days past due	15.5	9.9	5.6	2.1	1.2	0.9	13.4
180 to 360 days past due	21.8	4.6	17.2	5.7	4.5	1.2	16.1
more than 360 days past due	64.4	9.1	55.3	33.6	20.3	13.3	30.8
Total exposure	195.3	44.0	151.3	50.8	34.9	15.9	144.5

Dec 31, 2011 Analysis of past due / impaired receivables	Gross carrying amount (before deduction of impairment) in mil. EUR	thereof not individually impaired in mil. EUR	thereof individually impaired (gross) in mil. EUR	Allowance in mil. EUR	thereof individual allowance in mil. EUR	thereof portfolio allowance in mil. EUR	Net carrying amount in mil. EUR
Receivable not yet past due but impaired	35.3	0.0	35.3	22.7	2.3	20.4	12.6
up to 90 days past due	166.3	102.1	64.2	5.3	5.3	0.0	161.0
90 to 180 days past due	7.6	5.0	2.6	1.5	1.5	0.0	6.1
180 to 360 days past due	45.5	28.8	16.7	14.1	14.1	0.0	31.4
more than 360 days past due	59.3	14.5	44.8	39.9	22.7	17.2	19.4
Total exposure	314.0	150.4	163.6	83.5	45.9	37.6	230.5

Past due but unimpaired receivables amounting to EUR43.5 million (prior year: EUR150.4 million) are subject to regular monitoring.

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

Based on experience, the management of the ÖBB 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.

More 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	146.2	147.0
Unfinished goods	0.0	0.4
Finished goods	8.2	4.5
Down payments	3.5	7.0
Total	157.9	158.9
<i>thereof measured at cost</i>	<i>149.0</i>	<i>148.4</i>
<i>thereof measured at net realizable value</i>	<i>8.9</i>	<i>10.5</i>

The expenses for goods and services received are shown in Note 7. The line item expenses for materials includes expenses due to the impairment of inventories amounting to EUR1.0 million (prior year: EUR4.5 million). No reversals of previous write downs through profit and loss were recorded.

22. Cash and cash equivalents

	Dec 31, 2012 in mil. EUR	Dec 31, 2011 in mil. EUR
Cash on hand and checks	3.9	5.1
Cash in banks	536.2	197.7
Total	540.1	202.8

This item includes current (terms of less than 3 months) investments, cash in banks and cash on hand, the residual term at the time of acquisition being the decisive factor. The carrying amount of these assets corresponds to their respective fair value. All components of the cash and cash equivalents are at the unrestricted disposal of the ÖBB Group. The composition of the cash and cash equivalents is described in Note 34.

23. Share capital and other equity

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

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

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

24. Reserves and retained earnings

	Dec 31, 2012 in mil. EUR	Dec 31, 2011 in mil. EUR
Additional paid-in capital	260.8	260.8
Other reserves	-160.0	-145.6
<i>thereof cash flow hedge reserve</i>	<i>-151.1</i>	<i>-106.9</i>
<i>thereof available-for-sale reserve</i>	<i>16.5</i>	<i>0.0</i>
<i>thereof translation differences</i>	<i>-25.4</i>	<i>-38.7</i>
Retained earnings	-571.6	-647.1

Further information on the changes in the shareholder's equity is provided in the Statement of Changes in Shareholder's Equity.

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

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

	Cash flow hedge reserve		Available-for-sale reserve	
	Development of the carrying amount in mil. EUR	income taxes included therein in mil. EUR	Development of the carrying amount in mil. EUR	income taxes included therein in mil. EUR
<i>As of Jan 01, 2011</i>	-64.6	17.0	0.9	-0.3
Realized gains and losses	-0.6	0.2	-0.9	0.3
Changes in the fair values	-41.7	10.4	0.0	0.0
As of Dec 31, 2011	-106.9	27.6	0.0	0.0
Realized gains and losses	39.5	-9.9	0.0	0.0
Changes in the fair value	-83.7	20.9	16.5	0.0
As of Dec 31, 2012	-151.1	38.6	16.5	0.0

The transition reserve amounting to -EUR402.3 million, which resulted from the IFRS opening statement of financial position as of January 01, 2006, and includes all the effects of the transition from UGB to IFRS, was recognized in the retained earnings in both years. Further information on the shareholder's equity is given in the Statement of Changes in Shareholder's Equity.

25. Financial liabilities

	< 1 year in mil. EUR	1 - 5 years in mil. EUR	> 5 years in mil. EUR	Total in mil. EUR
Dec 31, 2012				
Bonds	1,042.2	2,642.8	9,680.9	13,365.9
Bank loans	220.2	497.3	2,079.8	2,797.3
Financial liabilities leasing	115.2	544.9	479.1	1,139.2
Other financial liabilities	496.1	477.2	1,901.6	2,874.9
Total	1,873.7	4,162.2	14,141.4	20,177.3

	< 1 year in mil. EUR	1 - 5 years in mil. EUR	> 5 years in mil. EUR	Total in mil. EUR
Dec 31, 2011				
Bonds	3.2	3,305.0	8,710.6	12,018.8
Bank loans	184.4	476.0	1,928.0	2,588.4
Financial liabilities leasing	155.6	240.5	1,083.6	1,479.7
Other financial liabilities	618.4	621.3	1,707.1	2,946.8
Total	961.6	4,642.8	13,429.3	19,033.7

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

Issued bonds

Face value	Currency	Term	ISIN	Interest rate
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

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

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

An amount of EUR1,967.9 million (prior year: EUR1,745.8 million) of the bank loans refers to financing by the European Investment Bank (EIB).

Financial liabilities leasing

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

Other financial liabilities

The other financial liabilities consist mainly of EUROFIMA loans amounting to EUR2,054.3 million (prior year: EUR2,331.3 million), EUR1.8 million of which having a maturity of less than one year in 2012 (prior year: EUR277.7 million). Apart from that, this line item also includes the negative present values of derivative financial instruments.

Financial liabilities from leases amounting to EUR492.2 million (prior year: EUR463.6 million) and other financial liabilities amounting to EUR1,522.9 million (prior year: EUR1,422.9 million) are collateralized in rem, mainly with vehicles. Information on the leasing transactions is given in Note 30, disclosures according to IFRS 7 are given in Note 29.

Guarantees by the federal government

The federal government issued guarantees with respect to bonds and bank loans amounting to EUR13,360.1 million (prior year: EUR12,014.3 million). In addition, liabilities to EUROFIMA amounting to EUR2,054.3 million (prior year: EUR2,331.3 million) are secured by guarantees of the federal government. Österreichische Kontrollbank Aktiengesellschaft assumed guarantees for financial liabilities in the amount of EUR67.8 million (prior year: EUR69.2 million).

26. Provisions

The ÖBB 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

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	28.5	28.7	31.1	34.9	37.9
Pensions	0.9	4.0	2.7	0.9	1.0
Anniversary bonuses	135.0	124.4	129.4	147.1	214.4
Voluntary severance payments	16.2	13.6	14.2	15.4	0.4
Other provisions for personnel	2.5	2.3	32.8	18.9	19.3
Total	183.1	173.0	210.2	217.2	273.0
<i>thereof long-term</i>	<i>180.8</i>	<i>170.7</i>	<i>207.4</i>	<i>213.3</i>	<i>269.6</i>

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

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

	2008	2009	2010	2011	2012
Statutory severance payments	7%	1%	0%	0%	-1%
Anniversary bonuses	-1%	-8%	-2%	0%	2%
Voluntary severance payments	35%	-23%	-5%	-17%	-

Actuarial assumptions

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

	Dec 31, 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 laborers and employees	0,0 - 9,32%	0,0 - 7,96%	0,0 - 7,96%

The effects of the changes in the actuarial assumption are shown in the following tables; they amount to a total of EUR56.7 million for severance payments and anniversary bonuses and result primarily from a change in the interest rate and the abolition of retirements for organizational reasons in the future.

Statutory severance payments

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

Severance obligations to employees hired before January 1, 2003, are covered by defined benefit plans as described below. Following a legal amendment, obligations for employees hired in Austria after January 1, 2003, are covered by a defined contribution plan. With respect to this, the ÖBB Group paid EUR4.9 million and EUR4.8 million to this defined contribution plan (VB Vorsorgekasse 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:

	2012 in mil. EUR	2011 in mil. EUR
Service cost	2.3	2.1
Interest cost	1.6	1.4
Actuarial losses (+) / gains (-)	8.0	3.0
Net periodic cost of statutory severance	11.9	6.5

	2012 in mil. EUR	2011 in mil. EUR
<i>Defined benefit obligation as of Jan 01</i>	<i>34.9</i>	<i>31.1</i>
Service cost	2.3	2.1
Interest cost	1.6	1.4
Severance payments	6.3	-2.5
Additions and disposals	0.6	-0.2
Actuarial losses (+) / gains (-)	8.0	3.0
Present value of the obligation as of Dec 31	53.7	34.9

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 project unit credit (PUC) method, which is prescribed for assessments in accordance with IAS 19. The calculation was based on the biometric actuarial basis of the Actuarial Association of Austria (AVÖ) 2008-P prepared by Pagler & Pagler (male and female employees). 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.

A provision for anniversary bonuses for the other employees is made in accordance with the provisions of the applicable collective wage agreement or of internal company agreements.

Due to changes in the retirement regulations, the provisions for voluntary severance payments had to be merged with the provisions for anniversary bonuses.

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

	2012 in mil. EUR	2011 in mil. EUR
Service cost	7.4	6.2
Interest cost	7.9	6.2
Actuarial losses (+) / gains (-)	48.7	14.1
<i>thereof due to changes of retirement regulations</i>	20.2	0.0
Net periodic cost of anniversary bonuses	64.0	26.5

	2012 in mil. EUR	2011 in mil. EUR
<i>Defined benefit obligation as of Jan 01</i>	147.1	129.4
Service cost	7.4	6.2
Interest cost	7.9	6.2
Anniversary bonuses	-11.4	-9.2
Transfers	14.7	0.4
Actuarial losses (+) / gains (-)	48.7	14.1
<i>thereof due to changes of retirement regulations</i>	20.2	0.0
Present value of the obligation as of Dec 31	214.4	147.1

Voluntary severance payments

Until December 31, 2011, a provision for voluntary severance payments was recognized for those tenured employees of ÖBB who had completed a minimum of 31 years of service in the Company at the reporting date. After 40 years of service, the voluntary severance payment amounted to four times the monthly salary to which the employees were 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 received the full amount of the voluntary severance payment upon commencement of their retirement. The basis of employees always comprised the persons having reached the indicated age corridor. Therefore, the basis of employees always changed at the respective date of calculation.

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

	2012 in mil. EUR	2011 in mil. EUR
Service cost	0.1	0.5
Interest cost	0.0	0.7
Actuarial gains	0.0	0.2
Net periodic cost of voluntary severance	0.1	1.4

	2012 in mil. EUR	2011 in mil. EUR
<i>Defined benefit obligation as of Jan 01</i>	15.4	14.2
Service cost	0.1	0.5
Interest cost	0.0	0.6
Severance payments	-0.4	-0.1
Transfers	-14.7	0.0
Actuarial gains	0.0	0.2
Present value of the obligation as of Dec 31	0.4	15.4

Pensions

The provisions for pensions only include pension obligations arising from individual contracts.

Defined contribution plans

In Austria, pension benefits for employees are generally provided by the social security institutions, and for tenured railway employees by the *Versicherungsanstalt für Eisenbahn und Bergbau* [insurance institution for railway and mining] or the federal government pursuant to Article 52 *Bundesbahngesetz*. The ÖBB Group is required to pay pension and health care contributions for current and retired tenured employees and their surviving dependents. The ÖBB Group is legally obligated to make annual contributions to the *Versicherungsanstalt für Eisenbahn und Bergbau* for active tenured employees. Additionally, the ÖBB Group offers a defined contribution plan to all employees of the ÖBB Group in Austria. The contributions of the ÖBB Group are calculated as a percentage of the remuneration and must not exceed 1.2%. The contributions to this plan amounted to EUR13.4 million and EUR16.2 million in 2012 and 2011, respectively.

Defined benefit plans

A defined benefit plan is provided for one former member of the Executive Board (payments beginning with the 60th birthday), under which the ÖBB Group has been making payments since 2010. This unfunded plan provides for pension payments calculated as a percentage of the salary based on the years of service. The pension amounts to a maximum of 13.2% of the last salary, including pension payments received from the statutory social security institution.

26.2. Other provisions

in mil. EUR	As of Jan 01, 2012	Translation difference	Utilization	Release	Transfers	Interest effects	Translation effects	Appropriation	As of Dec 31, 2012
Asset retirement obligation	100.5	0.0	0.0	-1.8	0.0	2.3	0.0	7.7	108.7
Public services acc. to EU Directive 1370/2007	28.0	0.0	0.0	0.0	0.0	0.0	0.0	22.5	50.5
Bad debts and public services	95.9	0.0	-7.7	-3.9	-50.3	0.0	0.0	15.9	49.9
Free student and apprentice tickets	40.2	0.0	-2.7	0.0	0.0	0.0	0.0	1.9	39.4
Litigations	38.5	-0.2	-1.5	-8.6	1.4	0.0	0.0	3.6	33.2
Non-income taxes and fees	51.4	0.0	-4.5	-21.5	0.0	0.0	0.0	2.4	27.8
Environmental protection measures	23.6	0.0	-0.6	-0.4	0.0	0.2	0.0	1.6	24.4
Loss set-aside	22.8	0.0	-20.6	0.0	-1.2	0.0	0.0	18.8	19.8
Reorganization	7.7	0.0	-4.9	-0.1	0.0	0.0	0.0	13.8	16.5
Prepayments and similar obligations	20.6	0.0	-1.9	-12.9	0.0	0.4	0.0	7.4	13.6
Project cost	18.5	0.0	-16.8	0.0	-1.4	0.0	0.0	0.7	1.0
Deferrals	0.5	0.0	-0.5	0.0	0.0	0.0	0.0	0.7	0.7
Miscellaneous	95.1	1.4	-25.6	-17.7	-13.7	0.6	0.1	41.7	81.9
Total	543.3	1.2	-87.3	-66.9	-65.2	3.5	0.1	138.7	467.4
thereof long-term	136.3								137.6

The amounts in the column transfers represent transfers to the liabilities.

Asset retirement

The provision for asset retirement obligations includes future expenses for the demolition and removal of assets and the restoration of sites. The lines in question either have already been decommissioned or are to be decommissioned in the near future. The provision is only recognized for lines when it is sufficiently certain that they will be decommissioned. In 2012, additional provisions amounting to EUR7.7 million (prior year: EUR40.7 million) were recognized due revised cost and interest rates.

Public services according to EU Directive 1370/2007

The invoice of the German VDV Association is audited ex-post by an independent auditor every year. Provisions were made for reimbursement claims of the federal government, if any, arising from this title, from defaults or from potential claims of competitors due to the liberalization of the passenger transport within the EU.

Threat potential of public services

In the course of an audit of Rail Cargo Austria AG, Schieneninfrastruktur-Dienstleistungsgesellschaft mbH discovered that Rail Cargo Austria AG had submitted amounts based on the agreements concluded with the federal government on the commissioning and provision of public services for the years 2007- 2009 that were not invoiced in compliance with the agreements according to SCHIG GmbH.

The federal government informed Rail Cargo Austria AG that the federal government is going to claim the reimbursement of EUR50.3 million based on the present audit results of SCHIG GmbH; however, the terms for the reimbursement have not been fixed yet. In the financial year 2012, this amount is recognized in the other liabilities.

Based on the information available at present, the risks with respect to the expected liability towards the federal government arising from the non-compliant invoicing of transports of hazardous and environmentally hazardous materials were assessed for the respective years 2007 to 2009, and corresponding provisions were made.

Non-income taxes and fees

Due to the division of the ÖBB company into nine separate companies under the holding of ÖBB-Holding AG within the framework of the *Bundesbahnstrukturgesetz* [Federal Railway Structure Act] 2003, legally independent companies were formed that are no longer recognized as transport companies in the sense of Article 3 *ESiG* [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.

For risks with respect to the measurement of employment benefits, provisions in the amount of EUR24.8 million (prior year: EUR49.9 million) were made as of the reporting date.

Other issues

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

The provision for litigations was recorded based on all 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.

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 prepayments and similar obligations includes prepayments in connection with the sale of real estate properties. 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. EUR4.7 million of the additions provisions refer to obligations from property transactions on the former cargo station Vienna North, resulting in a net amount of EUR7.7 million.

The provision for project costs primarily results from additional costs claimed by suppliers have to be verified in detail by the ÖBB 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 provision for litigations.

Miscellaneous provisions primarily include provisions for liability pensions and warranties.

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 change in the discount factor were insignificant.

EUR137.6 million (prior year: EUR136.3 million) of the miscellaneous provisions are classified as non-current. The payment for these provisions is anticipated after 2013. For provisions classified as current, cash outflows are anticipated in the year 2013. When the maturity is uncertain, the provisions concerned were mainly classified as current.

27. Trade payables and other liabilities

	Current in mil. EUR	Non-current in mil. EUR	Total in mil. EUR
Dec 31, 2012			
Trade payables	920.3	0.0	920.3
<i>thereof down payments on orders received</i>	32.0	0.0	32.0
Other liabilities	591.4	222.3	813.7
<i>thereof other deferrals</i>	164.0	100.6	264.6
<i>thereof taxes</i>	49.4	0.0	49.4
<i>thereof accrued employee liabilities</i>	162.3	0.0	162.3
<i>thereof social security</i>	28.3	0.0	28.3
<i>thereof miscellaneous liabilities</i>	187.0	121.7	308.7
Total	1,511.7	222.3	1,734.0
Dec 31, 2011			
Trade payables	983.6	0.0	983.6
<i>thereof down payments on orders received</i>	32.9	0.0	32.9
Other liabilities	432.5	301.1	733.6
<i>thereof other deferrals</i>	67.1	146.1	213.2
<i>thereof taxes</i>	49.7	0.0	49.7
<i>thereof accrued employee liabilities</i>	145.6	0.0	145.6
<i>thereof social security</i>	25.1	0.0	25.1
<i>thereof miscellaneous liabilities</i>	145.1	155.0	300.1
Total	1,416.1	301.1	1,717.2

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

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

Accrued employee liabilities include in particular overtime at an amount of EUR12.9 million (prior year: EUR10.5 million) and vacation days not yet taken at an amount of EUR61.5 million (prior year: EUR62.4 million). 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 EUR60.0 million (prior year: EUR43.8 million).

The other deferrals primarily comprise the unamortized deferred tax benefit resulting from the CBL transactions in the amount of EUR43.6 million (prior year: EUR88.2 million) and from the advance sale of tickets in the amount of EUR18.6 million (prior year: EUR19.3 million).

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

C. OTHER NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

28. Other guarantees and contingent liabilities

The contingent liabilities are composed as follows:

	2012 in mil. EUR	2011 in mil. EUR
Contingent liabilities from lease transactions	578.8	1,106.0
Other contingent liabilities	37.4	46.1
Total	616.2	1,152.1

Contingent liabilities from lease transactions (CBL transactions)

Contingent liabilities from lease transactions relate to cross-border lease transactions that have no economic substance pursuant to the provisions of SIC 27, so that the related investments and lease obligations are not recorded in the Statement of Financial Position. In respect of these transactions, the ÖBB Group assumes that the relevant contracting parties of the underlying assets will continue to fulfill their payment obligations in line with the agreement - as in previous periods - and that no outflows of cash exceeding the payments made upon conclusion of the transaction are to be expected. The relevant contracting parties of the assets concerned have at least an AA+ rating according to Standard & Poor's or a subsidiary guarantor liability is assumed by the federal government. Due to the existing contractual obligation of the ÖBB Group resulting from the cross-border lease agreements, the obligations in respect of the unredeemed lease liabilities are disclosed as contingent liabilities. The unredeemed lease obligations are collateralized by pledged assets.

Other contingent liabilities

The guarantees mainly comprise contingent liabilities from investments at an amount of EUR32.0 million (prior year: EUR35.8 million).

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

29. Financial instruments

29.1. Risk management

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

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

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

The majority of the derivatives used in the Group (97% of the nominal volume) are unstructured standard transactions (plain vanilla interest rate swaps, cross currency interest rate swaps and currency swaps). Structured derivatives only account for a small portion, namely 3% of the nominal volume. The total nominal volume of the six structured derivatives amounts to EUR90.0 million; they mature in 2014, 2016 and 2022.

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 the value of the ÖBB Group and may occur in the following forms:

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

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

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

The ÖBB Group is exposed to interest risks mainly in the Eurozone. In order to implement the 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)	Fixed interest financial instruments in mil. EUR	Variable interest financial instruments in mil. EUR
Dec 31, 2012		
Financial assets	698.1	75.5
Trade receivables	10.6	1.6
Other receivables and assets	0.9	0.1
Cash and cash equivalents	354.6	167.5
Total	1,064.2	244.7
Financial liabilities	18,164.4	937.9
Total	18,164.4	937.9

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

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 in each period are determined by applying the hypothetical changes in the risk variables to the portfolio of financial instruments at the reporting date. For the purpose of the sensitivity analysis, the portfolio at the reporting date is assumed to be representative for the entire year.

Market interest rate fluctuations 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 to hedge against interest-related cash flow fluctuations affect the cash flow hedge reserve in the 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 instrument 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		Effect in shareholder's equity	
	in mil. EUR	in mil. EUR	in mil. EUR	in mil. EUR
	+ 100 base points	- 100 base points	+ 100 base points	- 100 base points
Assets				
Financial assets	0.8	-0.8	-1.1	1.1
Trade receivables	1.6	-1.6	0.0	0.0
Other receivables	0.1	-0.1	0.0	0.0
Cash and cash equivalents	1.2	-0.8	0.0	0.0
Liabilities				
Financial liabilities	-10.1	10.0	69.1	-67.6
Consolidated effect 2012	-6.4	6.7	68.0	-66.5

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

29.1.b. Exchange rate risk

The exposure of ÖBB-Infrastruktur AG to exchange rate risks primarily results from financial liabilities denominated in foreign currencies. The predominant part of these risks is hedged. At the reporting date, the ÖBB Group was not exposed to any significant risks resulting from liabilities denominated in foreign currencies, with the exception of one open currency item amounting to CHF120 million. Cross-currency swaps are used to convert financial liabilities in foreign currencies into Euros. Therefore, changes in foreign currency exchange rates have no material effects on profit or loss. The remaining foreign currency exchange rate risks arise for the most part from financial liabilities denominated in EUR of Rail Cargo Hungaria Zrt., a company that prepares its financial statements in Hungarian Forint, and from foreign currency liabilities which are hedged against exchange rate risks, i.e. primarily bonds denominated in USD and loans denominated in CHF.

With cross-border lease transactions, all cash flows (lease payments and return on assets) are processed in US dollars or Canadian dollars (CAD) with matching maturities. Therefore, they are not exposed to any exchange rate risk, provided that there is no default of any of the assets.

Foreign currencies are hedged as follows:

Currency-sensitive financial instruments 2012	USD in mil.	CHF in mil.	CAD in mil.
Trade receivables	1.0	0.0	0.0
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
	-1,176.0	-285.0	6.0
less forward foreign exchange contracts and currency swaps	1,175.0	165.0	0.0
Net exchange rate risk	-1.0	-120.0	6.0

	USD in mil	CHF in mil	CAD in mil
Currency-sensitive financial instruments 2011			
Trade receivables	1.4	0.0	0.0
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
	-1,208.6	-285.0	0.0
less forward foreign exchange contracts and currency swaps	1,198.0	165.0	0.0
Net exchange rate risk	-10.6	-120.0	0.0

Sensitivity analysis exchange rate risk

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

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

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

A revaluation (devaluation) of the Euro compared to the CHF by 10% as of December 31, 2012, would have resulted in an increase in income amounting to EUR10.0 million (decrease in income amounting to EUR10.0 million) as of December 31, 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 both reporting dates would have resulted in an increase (decrease) in income amounting to EUR1.0 million in 2011, while it would not have had any effect on the income as of December 31, 2012.

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 Group maintains only business relations with financial partners who have a defined rating and an objective risk classification of the capital market.

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

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

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

This credit risk is composed as follows:

	Gross exposure (carrying amount plus impairment) in mil. EUR	less collateral (FV) in mil. EUR	Net exposure in mil. EUR
Credit risk from financial instruments			
Total exposure 2012			
Financial assets	910.5	0.0	910.5
Trade receivables	546.9	-14.8	532.1
Other receivables and assets	432.0	-281.0	151.0
Cash and cash equivalents	540.1	-0.4	539.7
Risk from non-current and current assets	2,429.5	-296.2	2,133.3
<i>thereof neither past due nor impaired</i>			1,838.2
<i>thereof not past due because renegotiated</i>			26.3
<i>thereof past due</i>			268.8
Contingent liabilities from leases	578.8	0.0	578.8
Other contingent liabilities	37.4	0.0	37.4
Credit risk from issued guarantees	616.2	0.0	616.2
Total credit risk as of Dec 31, 2012	3,045.7	-296.2	2,749.5
Total exposure 2011			
Financial assets	1,212.2	0.0	1,212.2
Trade receivables	598.7	-9.9	588.8
Other receivables and assets	475.9	-269.0	206.9
Cash and cash equivalents	202.8	0.0	202.8
Risk from non-current and current assets	2,489.6	-278.9	2,210.7
<i>thereof neither past due nor impaired</i>			1,710.0
<i>thereof not past due because renegotiated</i>			45.9
<i>thereof past due</i>			454.8
Contingent liabilities from leases	1,106.0	0.0	1,106.0
Other contingent liabilities	46.1	0.0	46.1
Credit risk from issued guarantees	1,152.1	0.0	1,152.1
Total credit risk as of Dec 31, 2011	3,641.7	-278.9	3,362.8

With respect to maturities, see Note 20.

29.1.d. Liquidity risk

The primary aim of the ÖBB Group's treasury management is the safeguarding of the necessary liquidity for all companies of the ÖBB Group. For the ÖBB Group, liquidity risk means any limitation of the 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 scope might be limited.

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

The following tables show the contractually agreed (undiscounted) interest and redemption payments of original 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		Cash flows 2014-17		Cash flows 2018 et seq.	
		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
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	2,797.3	105.7	220.2	430.3	497.3	820.4	2,079.8
Finance leasing, sub-lease and CBL liabilities	1,139.2	37.4	115.2	163.6	544.9	157.7	479.1
Other financial liabilities	2,461.3	50.0	260.5	181.9	418.5	149.6	1,782.3
Trade payables	920.3	0.0	920.3	0.0	0.0	0.0	0.0
<i>non-interest bearing liabilities</i>	920.3	0.0	920.3	0.0	0.0	0.0	0.0
Other liabilities	813.1	0.0	591.0	0.0	205.1	0.0	17.0
<i>non-interest bearing liabilities</i>	813.1	0.0	591.0	0.0	205.1	0.0	17.0

	Carrying amount Dec 31, 2012 in mil. EUR	Cash flows 2013		Cash flows 2014-17		Cash flows 2018 et seq.	
		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 receivables							
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				
<i>Cash received</i>		3,8	136,7				
<i>Cash paid</i>		-4,5	-114,1				
Derivative financial liabilities							
Interest rate derivatives not designated as hedges	26,3	3,0	0,0	7,9	0,0	0,0	0,0
Foreign currency forwards designated as fair value hedges	28,0	-13,2	40,2	0,0	0,0	0,0	0,0
<i>Cash received</i>		-14,4	-303,4				
<i>Cash paid</i>		1,2	343,6				
Interest rate derivatives designated as cash flow hedges	171,5	42,0	1,3	88,1	3,8	87,1	0,5
Foreign currency forwards designated as cash flow hedges	102,7	16,4	86,8				
<i>Cash received</i>		-7,6	-587,2				
<i>Cash paid</i>		24,0	674,0				
Energy derivatives designated as fair value hedges	12,8	0,0	27,6	0,0	30,5	0,0	21,5
Other derivatives not designated as hedges	78,8	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		
<i>Cash received</i>		0,0	-3,9	0,0	-9,7		
<i>Cash paid</i>		0,0	4,1	0,0	10,2		
Financial guarantees							
Contingent liability from cross-border leasing	578,8	31,6	35,1	91,0	188,5	183,3	355,1
Other contingent liabilities	37,4	0,0	3,3	0,0	0,5	0,0	33,6

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

	Carrying amount Dec 31, 2011 in mil. EUR	Cash flows 2012		Cash flows 2013-16		Cash flows 2017 et seq.	
		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 receivables							
Interest rate derivatives not designated as hedges	28.9	0.0	28.9	0.0	0.0	0.0	0.0
Interest rate derivatives designated as cash flow hedges	35.7	19.1	0.0	19.0	0.0	0.0	0.0
Foreign currency forwards designated as cash flow hedges	21.8	-0.8	0.0	-0.7	21.6		
<i>Cash received</i>		3.7	0.0	3.8	135.7		
<i>Cash paid</i>		-4.5	0.0	-4.5	-114.1		
Energy derivatives designated as fair value hedges	0.2	0.0	0.1	0.0	0.1	0.0	0.0
Derivative financial liabilities							
Interest rate derivatives not designated as hedges	10.9	1.8	0.0	4.2	0.0	0.0	0.0
Foreign currency forwards designated as fair value hedges	16.2	-8.8	0.0	-9.1	34.3		
<i>Cash received</i>		-14.7	0.0	-14.7	-309.3		
<i>Cash paid</i>		5.9	0.0	5.6	343.6		
Interest rate derivatives designated as cash flow hedges	124.5	30.7	0.0	78.2	0.1	73.4	0.0
Foreign currency forwards designated as cash flow hedges	109.2	17.3	0.0	17.0	75.2		
<i>Cash received</i>		-8.8	0.0	-8.9	-598.8		
<i>Cash paid</i>		26.1	0.0	25.9	674.0		
Energy derivatives designated as fair value hedges	6.2	0.0	3.8	0.0	2.4	0.0	0.0
Other derivatives not designated as hedges	74.3	5.9	38.9	18.9	0.0	17.4	0.0
Foreign currency forwards not designated as hedges	0.7	0.1	0.1	0.3	0.3		
<i>Cash received</i>		-0.1	-4.0	-0.1	-13.9		
<i>Cash paid</i>		0.2	4.1	0.4	14.2		
Financial guarantees							
Contingent liability from cross-border leasing	1,106.0	65.9	55.4	219.7	169.9	371.9	880.7
Other contingent liabilities	46.1	0.0	5.3	0.0	0.1	0.0	40.7

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

Guarantees of the federal government

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

29.2. Hedging transactions

Hedge Accounting

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

Fair value hedges are used to hedge against the exposure to changes in the fair value of a recognized asset or liability or a fictitious commitment. Changes in the fair value of the derivative used as hedging instrument are recognized in profit or loss in the Consolidated Income Statement; the carrying amount of the hedged item is adjusted by the gain or loss attributable to the hedged risk.

Cash flow hedges are used to hedge against the exposure to fluctuations of future, anticipated cash flows from recognized financial assets and liabilities and from planned transactions. For cash flow hedges, the effective portion of the change in the fair value of the hedging instrument is recognized via other comprehensive income in the equity (cash flow hedge reserve) until the cash flow resulting from the hedged item affects profit and loss; the ineffective portion of the change in the fair value of the hedging instrument is recognized in the Consolidated Income Statement.

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

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

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

At the inception of the hedge, the relationship of the hedging instrument and the hedged item 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 the assessment of the effectiveness of the hedging instruments used. The effectiveness of the current hedges is monitored on an ongoing basis; if the hedge becomes ineffective, the hedging relationship is discontinued.

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

Fair Value Hedges

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

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

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

Other derivative financial instruments		Dec 31, 2012	Dec 31, 2012	Dec 31, 2011	Dec 31, 2011
Maturity		Number of contracts	Nominal volume in mil. EUR	Number of contracts	Nominal volume in mil. EUR
Portfolio		1	343.6	1	343.6
<i>thereof maturing in 2013</i>		1	343.6	1	343.6

As the table of fair values of derivative financial instruments shows (see table "Derivative financial instruments"), the ÖBB Group designated interest rate derivatives totaling EUR343.6 million as fair value hedges as of December 31, 2012 (prior year: EUR343.6 million).

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 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 of the cash flow hedges:

Dec 31, 2012		Number of contracts	Nominal volume in mil. EUR
Maturity			
Portfolio		65	2,600.2
<i>thereof maturing in 2013</i>		12	1,484.4
<i>thereof maturing in 2014</i>		8	111.7
<i>thereof maturing in 2015</i>		6	55.7
<i>thereof maturing in 2016</i>		8	126.6
<i>thereof maturing in 2017 et seq.</i>		31	821.8

Dec 31, 2011		Number of contracts	Nominal volume in mil. EUR
Maturity			
Portfolio		73	2,657.9
<i>thereof maturing in 2012</i>		11	191.2
<i>thereof maturing in 2013</i>		12	1,488.9
<i>thereof maturing in 2014</i>		8	111.6
<i>thereof maturing in 2015</i>		6	56.7
<i>thereof maturing in 2016 et seq.</i>		36	809.5

The effectiveness of the hedging relationship is assessed on a prospective basis using the Critical Terms Match method pursuant to IAS 39.AG 108. On a retrospective basis, the effectiveness is assessed at each reporting date by an effectiveness test according to the Dollar-Offset method. A hypothetical derivative financial instrument serves as the hedged item. All hedging relationships of this type were effective as of the reporting date. As the table of present values of derivative financial instruments shows (see table "Derivative financial instruments"), the ÖBB Group designated derivative financial instruments totaling EUR2,600.2 million as cash flow hedges as of December 31, 2012 (prior year: EUR2,657.9 million). In 2012, an amount of -EUR83.7 million (prior year: -EUR43.7 million) recognized in the cash flow hedge reserve resulted from the change in value of the hedging instruments recognized in the other comprehensive income. In this respect, see Note 24.

Changes in the fair value of interest rate swaps designated as hedging instruments with respect to future interest payments for variable interest rate liabilities are recognized in shareholder's equity via the other comprehensive income (cf. Statement of Changes in Shareholder's Equity). These amounts are recognized in finance costs in the period in which the corresponding interest payments from the hedged item affect profit and loss (2012: expenses amounting to EUR35.9 million). In 2012, an amount of EUR10.6 million (prior year: EUR22.7 million) from foreign currency hedges was recog-

nized as expense in the Consolidated Income Statement. Furthermore, ineffective portions of hedge accounting relationships amounting to EUR0.1 million (prior year: EUR0.1 million) were recognized in the Income Statement. As a result of discontinued hedging instruments (cash flow hedges), an amount of EUR3.7 million (prior year: EUR4.6 million) was recognized in the shareholder's equity via the other comprehensive income, which will be realized as follows: 2013: EUR0.7 million, 2014 - 2016: EUR1.5 million, 2017 et seq.: EUR1.5 million.

Energy derivatives

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

a) Cash flow hedges

Energy derivatives	Dec 31, 2012	Dec 31, 2012	Dec 31, 2011	Dec 31, 2011
Maturity	Number of contracts	Nominal volume in mil. EUR	Number of contracts	Nominal volume in mil. EUR
Portfolio	39	79.6	44	100.9
<i>thereof maturing in 2012</i>			15	34.9
<i>thereof maturing in 2013</i>	13	27.6	14	32.9
<i>thereof maturing in 2014</i>	15	30.5	15	33.1
<i>thereof maturing in 2015</i>	11	21.5		

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

In general, every derivative designated as hedging instrument is subject to prospective efficiency measurement within the framework of its designation and retrospective efficiency measurement at each reporting date. In the course of this efficiency measurement, proof has to be provided that the change in the value of the derivative is between 80% and 125% of the change in the value of the designated hedged item caused by the hedged risk. The hedging relations established are micro-hedges for which all parameters of the hedged item and the hedging transaction that determine the scope of the hedged change in the value are identical but opposed. This indicates an entirely efficient hedging relation, both from a prospective and from a retrospective point of view. The efficiency was determined in retrospect by means of the Change in Fair Value method, i.e. the change in the value of the hedging instrument was compared to the change in the value of the hedged item.

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

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

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

29.3. Additional disclosures according to IFRS 7

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

Financial assets and liabilities held for trading (FAHfT) are measured at fair value. This category consists of derivative financial instruments that 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 the Consolidated Income Statement.

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

Available-for-sale financial assets (AfS) are financial assets which are not allocated to any other category. Equity instruments and interests in mutual funds, if not carried at fair value through profit or loss, are mandatorily 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 the ÖBB Group for the purpose of hedging its exposure to interest rate, credit and exchange rate risks resulting from financial transactions. All derivative financial instruments are recognized either as assets or liabilities in the Statement of Financial Position and measured at fair value in accordance with IAS 39. Changes in the fair value of derivative financial instruments designated as hedging instruments in accordance with IAS 39 are recognized through profit or loss in the Consolidated Income Statement or in the other comprehensive income (cash flow hedge reserve), depending on whether the derivative financial instrument is hedging the fair value of an item recognized in the Statement of Financial Position (fair value hedge) or cash flows (cash flow hedge). If the transaction does not qualify for hedge accounting, the derivative financial instrument must mandatorily be classified as held for trading and is therefore carried at fair value through profit or loss.

Recognition in the Consolidated Income Statement

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

Additional disclosures regarding the financial instruments

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

Trade payables and other liabilities mainly have a short residual term; the amounts reported approximate the fair values. The fair values of bank loans and other financial liabilities are determined as the present values of the future interest and redemption payments, based on the applicable interest curve. The following reconciliation shows non-financial instruments and financial instruments from hedge accounting in a separate column in order to enable reconciliation to the carrying amount of item reported in the Statement of Financial Position.

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 in mil. EUR	Carrying amount as of Dec 31, 2012	Available for Sale (at Fair Value)	Available for Sale (at Cost)	At Fair Value through Profit and Loss (Held for Trading)	Held to Maturity (HtM)	Loans and Receiv- ables	Cash	Hedge Accoun- ting	Non- Financial Instru- ments	Fair value as of Dec 31, 2012
Non-current assets										
Financial assets	751.8	66.5	90.4	0.0	0.0	594.9	0.0	0.0	0.0	955.4
Other receivables and assets	147.8	0.0	0.0	0.0	0.0	0.3	0.0	0.0	147.5	0.3
Current assets										
Financial assets	151.7	0.0	0.1	46.4	0.0	64.9	0.0	40.3	0.0	151.3
Trade receivables	498.4	0.0	0.0	0.0	0.0	492.3	0.0	0.0	6.1	463.0
Other receivables and assets	281.8	0.0	0.0	0.0	0.0	66.7	0.0	0.0	215.0	66.7
Cash and cash equivalents	540.1	0.0	0.0	0.0	0.0	3.2	536.7	0.0	0.0	540.1
Total carrying amount per category		66.5	90.5	46.4	0.0	1,222.3	536.7	40.3		

Financial liabilities as of Dec 31, 2012 in mil. EUR	Carrying amount as of Dec 31, 2012	At Amortized Cost	At Fair Value through Profit and Loss (Held for Trading)	Hedge Accounting	Finance Lease	Non- Financial Instruments	Fair value as of Dec 31, 2012
Non-current liabilities							
Financial liabilities	18,303.6	17,809.3	26.3	138.3	329.7	0.0	17,819.9
<i>thereof interest-bearing liabilities</i>	<i>17,727.4</i>	<i>17,397.7</i>	<i>0.0</i>	<i>0.0</i>	<i>329.7</i>	<i>0.0</i>	<i>17,235.6</i>
Other liabilities	222.3	73.4	0.0	0.0	0.0	148.9	115.7
Current liabilities							
Financial liabilities	1,873.7	1,547.6	79.6	176.7	69.8	0.0	1,855.2
<i>thereof interest-bearing liabilities</i>	<i>1,374.9</i>	<i>1,306.0</i>	<i>0.0</i>	<i>0.0</i>	<i>68.9</i>	<i>0.0</i>	<i>1,356.5</i>
Trade payables	920.3	888.3	0.0	0.0	0.0	32.0	877.2
Other liabilities	591.4	185.8	0.0	0.0	0.0	405.6	185.8
Total carrying amount per category		20,504.4	105.9	315.0	399.5		
<i>thereof interest-bearing liabilities</i>		<i>18,703.7</i>	<i>0.0</i>	<i>0.0</i>	<i>398.6</i>		

Financial assets as of Dec 31, 2011 in mil. EUR	Carrying amount as of Dec 31, 2011	Available for Sale (at Fair Value)	Available for Sale (at Cost)	At Fair Value through Profit and Loss (Held for Trading)	Held to Maturity (HtM)	Loans and Receiv- ables	Cash	Hedge Accoun- ting	Non- Financial Instru- ments	Fair value as of Dec 31, 2011
Non-current assets										
Financial assets	978.4	0.1	61.5	0.0	84.5	791.2	0.0	41.1	0.0	1,084.6
Other receivables and assets	129.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	129.2	0.0
Current assets										
Financial assets	221.9	0.3	0.1	28.9	0.0	171.2	4.8	16.6	0.0	223.3
Trade receivables	546.0	8.8	0.0	0.0	0.0	504.2	0.0	0.0	33.0	506.8
Other receivables and assets	315.9	0.0	0.0	0.0	0.0	315.9	0.0	0.0	165.1	315.9
Cash and cash equivalents	202.8	0.0	0.0	0.0	0.0	0.0	202.8	0.0	0.0	202.8
Total carrying amount per category		9.2	61.6	28.9	84.5	1,782.5	207.6	57.7		

Financial liabilities as of Dec 31, 2011 in mil. EUR	Carrying amount as of Dec 31, 2011	At Amortized Cost	At Fair Value through Profit and Loss (Held for Trading)	Hedge Accounting	Finance Lease	Non- Financial Instruments	Fair value as of Dec 31, 2011
Non-current liabilities							
Financial liabilities	18,072.1	17,412.8	45.9	211.3	402.1	0.0	18,338.6
<i>thereof interest-bearing liabilities</i>	17,805.7	17,403.6	0.0	0.0	402.1	0.0	19,904.9
Other liabilities	301.1	82.2	0.0	0.0	0.0	218.9	82.2
<i>thereof interest-bearing liabilities</i>	2.9	0.0	0.0	0.0	0.0	2.9	0.0
Current liabilities							
Financial liabilities	961.6	866.8	40.0	44.8	10.0	0.0	935.1
<i>thereof interest-bearing liabilities</i>	633.5	623.5	0.0	0.0	10.0	0.0	606.7
Trade payables	983.6	925.0	0.0	0.0	0.0	58.6	958.1
Other liabilities	432.6	125.7	0.0	0.0	0.0	306.9	411.4
<i>thereof interest-bearing liabilities</i>	3.2	1.8	0.0	0.0	0.0	1.3	1.8
Total carrying amount per category		19,412.5	85.9	256.1	412.1		
<i>thereof interest-bearing liabilities</i>		18,028.9	0.0	0.0	412.1		

Net financial results by category

The net financial result by category presents itself as follows:

Result of subsequent measurement Dec 31, 2012	Interest result in mil. EUR	At fair value in mil. EUR	Foreign currency translation in mil. EUR	Result from disposal in mil. EUR	Result from investments in mil. EUR	Other results in mil. EUR
Loans and Receivables (LaR)	81.7	0.0	10.4	0.0	0.0	-2.1
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	-0.7	0.0	0.6	1.4	0.0
Financial Instruments Held for Trading (FAHfT, FLHfT)	0.0	2.1	4.5	0.2	0.0	-7.0
Financial Liabilities Measured at Amortized Cost (FLAC)	-707.7	0.0	4.2	2.7	0.0	-1.9
Hedge Accounting	-24.5	-17.6	0.0	0.0	0.0	0.6
Cash and cash equivalents	18.6	0.0	0.0	0.0	0.0	-0.1

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

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

The interest result of the financial liabilities classified as financial liabilities measured at amortized cost (net expenses amounting to EUR707.7 million [prior year: EUR651.5 million]) mainly includes interest expenses from bonds and loans. Furthermore, it also comprises interest income from discount rate adjustments with respect to trade payables.

In the course of recognition of changes in the value of financial assets classified as available for sale in the other comprehensive income, measurement losses are recognized in the equity at the end of the financial year. Gains in the amount of EUR0.0 million (prior year: losses in the amount of EUR0.9 million) of the amounts recognized in the equity were transferred to the Income Statement in the financial year 2012. For details on these financial instruments see Note 25.

29.4. Derivative financial instruments

The following table shows the fair values of all derivative financial instruments as recognized. They are divided into those that are involved in an efficient hedging relationship in accordance with IAS 39 (fair value hedge, cash flow hedge) and those that are not.

	Assets		Shareholder's equity and 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				
not designated as hedge	0.0	0.0	41.6	46.2
designated as cash flow hedge	17.8	35.7	171.5	124.5
Cross currency swaps				
not designated as hedge	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	109.2
Power forwards				
not designated as hedge	46.4	28.9	56.2	31.7
designated as cash flow hedge	0.0	0.2	12.8	6.2
Other derivatives				
not designated as hedge	0.0	0.0	7.3	7.3
Total	86.7	86.6	420.9	342.0

Fair value hierarchy

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

Dec 31, 2012	Level 1	Level 2	Total
Derivatives subject to hedge accounting	0.0	40.3	40.3
Derivatives for trading	0.0	46.4	46.4
Available-for-Sale	26.4	40.1	66.5
Financial assets	26.4	126.8	153.2
Derivatives for trading	0.0	105.9	105.9
Derivatives subject to hedge accounting	0.0	315.0	315.0
Financial liabilities	0.0	420.9	420.9

Dec 31, 2011	Level 2	Total
Derivatives for trading	28.9	28.9
Derivatives subject to hedge accounting	57.7	57.7
Financial assets	86.6	86.6
Derivatives for trading	85.9	85.9
Derivatives subject to hedge accounting	256.1	256.1
Financial liabilities	342.0	342.0

The levels were determined as follows:

Level 1: Quoted prices (unadjusted) are available from an active market for identical financial instruments.

Level 2: Other parameters than those stated for level 1 were used which are observable for the respective 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.

There were no transfers between the levels. The line "Trading" includes derivative financial instruments and financial instruments available for sale (at fair value).

For further details on these financial instruments see Note 29.3.

30. Leasing transactions

30.1. Lessor

The assets leased to third parties are leased buildings (IAS 40) on the one hand and on the other hand buildings that are 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 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.

About 6,100 external lease agreements exist, which end between 2013 and 2059. The long-term agreements refer to building leases granted for property.

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:

	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
Dec 31, 2012				
Land and buildings	258.0	22.3	50.7	185.0
Other technical equipment and machinery	2.7	0.1	0.5	2.1
Automobiles and trucks	9.8	4.0	5.8	0.0

	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
Dec 31, 2011				
Land and buildings	172.3	15.5	37.5	119.3
Automobiles and trucks	0.7	0.7	0.0	0.0

Contingent lease payments were recognized as income from land and buildings at an amount of EUR1.2 million in the period under review (prior year: EUR1.4 million) and from technical equipment and machinery and automobiles and trucks at an amount of EUR5.1 million (prior year: EUR0.7 million). For further information on the cross-border lease transactions see Note 30.3.

The assets comprised in property, plant and equipment and in the line item "Investment property" and leased out under "operating leases" have the following residual carrying amounts as of the respective reporting dates:

	Dec 31, 2012 in mil. EUR	Dec 31, 2011 in mil. EUR
Net carrying amount of the finance lease assets per group of assets		
Land and buildings	47.6	6.6
Technical equipment and machinery	8.9	1.5
Investment properties	107.6	105.0
Intangible assets	0.1	0.0
Total	164.2	113.1

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

30.2. Lessee

Finance leasing

The ÖBB Group procured certain items of its property, plant and equipment by means of finance lease agreements. As of December 31, 2012, the average effective interest rate was based on the six-month EURIBOR rate, incl. a contractually agreed premium. The interest rates are fixed upon conclusion of the contracts. The contractual terms of all leases are stipulated in writing. The obligations of the ÖBB Group resulting from finance lease agreements are secured by the lessor's retention of the title of the leased assets.

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

	Minimum lease payments in mil. EUR	Interest expense included in mil. EUR
As of Dec 31, 2012		
2013	101.1	16.9
2014 - 2017	283.8	41.9
after 2017	250.9	63.1
Total of minimum lease payments	635.8	121.9
less interest	-121.9	
Present value of lease payments	513.9	

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

Contingent lease payments were made at an amount of EUR3.9 million (prior year: EUR8.0 million).

Operating leases

Minimum lease payments amounting to EUR53.1 million (prior year: EUR87.7 million) were recognized as expense in the respective periods under review.

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

	up to 1 year in mil. EUR	1-5 years in mil. EUR	more than 5 years in mil. EUR
2012			
Land and buildings	22.2	80.3	102.3
Automobiles and trucks	20.8	19.4	0.4
Other technical equipment and machinery	5.6	22.5	0.0
Other plant, furniture and fixtures	0.1	0.1	0.0
Total	48.7	122.3	102.7

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

The operating lease agreements primarily refer to buildings and furniture and fixtures. No contingent lease payments were made. The term of the lease agreements is 2040 (signaling and control center). In 2012 and 2011, no significant future minimum lease payments from non-terminable sub-lease agreements were recognized.

30.3. Cross-border lease agreements

Between May 1995 and June 2006, *Österreichische Bundesbahnen* (now ÖBB-Infrastruktur AG) entered into 12 (prior year: 14) cross-border lease ("CBL") transactions and ÖBB-Produktion Gesellschaft mbH and ÖBB-Personenverkehr AG each entered into one CBL transaction which are still valid as of December 31, 2012.

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

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

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

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

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 and two entire CBL transactions were 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 used with respect to 2 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 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 Group.
- Amortization of the deferred tax benefit:
- The deferred tax benefit realized at the inception of the transaction is recognized in the other liabilities and is amortized *pro rata temporis* over the term of the contracts. As of December 31, 2012, the deferred tax benefit not yet amortized amounted to EUR49.3 million (prior year: EUR94.4 million). Income from the amortization of the deferred tax benefit amounting to EUR45.0 million in 2012 (prior year: EUR14.6 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 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, and are therefore not accounted for ("off balance"). Consequently, some transactions have to be recognized (in part) in the Consolidated Financial Statements ("on balance") ("non-linked transactions").

In respect of contracting parties with at least an AA+ rating or for whose compliance a subsidiary guarantor liability is assumed by the government, and whose assets are pledged in favor of the investor, the default risk is still regarded as extremely low, so that no need for any change is seen at present and these transactions can continue to be disclosed "off

balance". However, the creditworthiness (measured by the rating) of contracting partners rated as safe in the past has, in some instances, deteriorated significantly. 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.

Higher credit risks were considered by recording allowances on investments of 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 (AAA) in favor of the ÖBB Group exist. The amount of the respective impairment is always determined by way of portfolio impairment depending on historical probabilities of default, measured by the rating of the contractual parties and the residual term of the transaction, taking the individual circumstances into consideration. As of December 31, 2012, the Company recognized impairments on assets in the amount of EUR4.6 million (prior year: EUR12.0 million).

In the Consolidated Financial Statements as of December 31, 2012, financial assets in connection with non-linked lease transactions amount to EUR701.3 million (prior year: EUR1,007.3 million). The related financial liabilities amount to EUR809.8 million as of December 31, 2012 (prior year: EUR1,142.6 million). These lease liabilities include finance lease liabilities at an amount of EUR188.8 million (prior year: EUR192.3 million). Therefore, this amount is indicated in the table in Note 30.2.

In 2012, an amount of EUR59.6 million (prior year: EUR59.3 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 EUR65.2 million (prior year: EUR64.9 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 as well as the lease prepayments received under the master lease agreement are not recognized in the Statement of Financial Position. Legal obligations under the lease agreements resulting from the failure of the banks or leasing institutes to comply with their payment obligation towards the investors, which they assumed for the ÖBB Group companies in return for a single payment, are recognized as contingent liabilities. As of December 31, 2012, contingent liabilities from CBL transactions amount 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 railway infrastructure concession Liechtenstein. On June 13, 1977, ÖBB-Infrastruktur Bau AG (now ÖBB-Infrastruktur AG) was granted a concession to operate the 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 developed 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 assets concerned are depreciated over the anticipated longer useful life, because on the one hand, an extension of the concession is likely to be granted due to the scheduled new

construction of the track (which constitutes the subject-matter of international agreements) and due to the fact that ÖBB is the only applicant for the concession, and because on the other hand, the provision of reversion of the assets without compensation provided in the Railways Act at least requires reconsideration from a legal point of view and the law provides for a waiver of the government as well.

32. Related party transactions

Supplies to and from related parties

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

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

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

in mil. EUR, rounded	Members of the Supervisory Board and persons related to other bodies		Associated companies	
	2012	2011	2012	2011
Sale of goods/rendering of services (share in total income)	17.8	2.9	175.2	174.9
Purchase of goods/services (share in total expenses)	7.1	13.5	82.8	86.8
Receivables as of Dec 31			26.1	28.8
Liabilities as of Dec 31			10.8	6.3

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 the 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 at 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.

No guarantees or investment subsidies were issued to or accepted from affiliated, not fully consolidated companies. No transactions with board members to be disclosed were carried out in both financial years. Guarantees amounting to EUR27.0 million (prior year: EUR35.8 million) were issued to associated companies. The guarantees issued by the Republic of Austria and Österreichische Kontrollbank AG are described in Note 25.

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

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

ÖBB-Personenverkehr and Rail Cargo Austria sub-groups

Pursuant to the *Bundesbahnstrukturgesetz*, public service agreements are concluded with the Republic of Austria referring primarily to the granting of social tariffs in passenger transport, the commissioning of services regarding short-distance and regional passenger transport by railway, the compensation for transports of hazardous and waste materials and the compensation for unaccompanied combined road/railway transport. Accordingly, ÖBB-Personenverkehr AG and Rail Cargo Austria AG provide public services. The services charged to the Republic of Austria amount to EUR684.2 million (prior year: EUR661.8 million). On the basis of transport service agreements, services are provided for the federal states and the communities that were charged at EUR257.3 million (prior year: EUR247.4 million) in the financial year.

ÖBB-Infrastruktur sub-group

ÖBB-Infrastruktur AG is a railway infrastructure company whose activities are of public interest and further defined in 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 safeguard 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, each with a term of six years, shall be concluded between ÖBB-Infrastruktur AG and the Federal Minister of Transport, Innovation and Technology in coordination with the Federal Minister of Finance pursuant to Article 42 (1) and (2) *BBG*, and these agreements shall determine the object of the grant, the amounts to be granted for this purpose, the general and specific terms and conditions and the payment terms. The agreements shall be renewed each year by one year and adapted to the new six-year period.

Schieneninfrastruktur-Dienstleistungsgesellschaft m.b.H. (SCHIG) monitors the compliance with the grant agreements concluded between the federal government and ÖBB-Infrastruktur AG pursuant to Article 42 (1) and (2) *Bundesbahngesetz* and with the objectives and provisions stipulated in 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, taking the efficiency improvement program to be consistently pursued and implemented by ÖBB-Infrastruktur AG into account.

The master plan for the period 2012 - 2017 was approved by the Supervisory Board of ÖBB-Infrastruktur 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 grants 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 respectively applicable for long-term financing measures of ÖBB-Infrastruktur AG.

The share of the investments for expansion (with the exception of the Brenner base tunnel) and reinvestments to be assumed by the federal government is continuously validated and adjusted as necessary to the current requirements for future subsidies. With respect to payments to be made to third parties in the course of the transfer of railway facilities to third parties, which have to be considered in the master plan, a separate agreement on the required government grants will be concluded with reference to each individual case.

The federal government also provides a grant for inspection and maintenance, elimination of malfunctions and repair of the railway infrastructure operated by ÖBB-Infrastruktur AG. The amount of the grant is fixed with consideration of the liquidity requirements based on the business plan of ÖBB-Infrastruktur AG, the limit of the total grant prescribed by Arti-

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 a subsidy 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 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 in general, quality, safety and efficiency objectives agreed with consideration of the statutory tasks of ÖBB-Infrastruktur AG and stipulated in the business plan agreed between the federal government and ÖBB-Infrastruktur AG pursuant to Article 42 para. 6 *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*.

In 2012, the total grant pursuant to Article 42 *Bundesbahngesetz* therefore amounts to EUR1,576.9 million (prior year: EUR1,423.7 million); the grant for investments for expansion and reinvestments, which accounts for EUR472.3 million thereof (prior year: EUR398.9 million) and 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, is 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) were still outstanding as of the reporting date. 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 the reporting date, the Executive Board of ÖBB-Holding AG consists of three members. The remuneration of the members of the Executive Board of ÖBB-Holding AG amounted to EUR1,660,000 in 2012 (prior year: EUR1,354,000). This amount includes claims from prior periods. Furthermore, statutory contributions to the severance insurance scheme amounted to EUR18,000 in the year under review (prior year: EUR14,000), and contributions to a pension fund amounted to EUR83,000 (prior year: EUR39,000). The provision for severance payments was increased by EUR164,000 to EUR357,000 (prior year: EUR193,000).

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 its 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-Holding AG participate in an external pension fund scheme based on a defined contribution plan, except for members of the Executive Board who are seconded for the time of their activity in the Board within a definite ÖBB employment relation in accordance with the general terms and conditions for employment with *Österreichische Bundesbahnen* (AVB). The Company itself assumes no pension commitments. In the event of withdrawal from office or termination of employment, the relevant provisions of the *Stellenbesetzungsgesetz* [Appointment Act] apply to the vested rights of future pension payments and claims of the members of the Executive Board. No further claims exist.

Remuneration of members of the Supervisory Board

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

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

The compensation of the shareholders' representatives on the Supervisory Board for their activities in the ÖBB-Holding Group amounted to EUR132,000 (prior year: EUR130,000). The compensation of the other Supervisory Board members of the Group companies amounted to EUR40,000 (prior year EUR31,000).

33. Segment reporting

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

Information on business segments

The structure of the ÖBB sub-groups according to the management structure is used for segment reporting. In addition, the unit "Others" comprises the direct subsidiaries of ÖBB-Holding AG. These units constitute the basis for segment reporting by business segment.

The ÖBB Group comprises the following segments (= sub-groups):

ÖBB-Personenverkehr

This sub-group comprises all the activities in the area of passenger transport and service. The business fields refer to long distance railway transport, short-distance railway transport and bus transport as well as the travel agency activities of Rail Tours Touristik GmbH.

Rail Cargo Austria

Rail Cargo Austria AG handles the classic railway cargo business. A major part of the sub-group is the Express-Interfracht Internationale Spedition GmbH group, which operates as national and international logistics and freight forwarding service group with subsidiaries located in almost every country in Central, Eastern and Southeastern Europe. In addition to Rail Cargo Austria AG, Express-Interfracht Internationale Spedition GmbH comprises specialized companies in the field of full-load transportation for almost every type of freight from various industries (agriculture, chemistry, wood, coal and steel, paper, waste disposal). Furthermore, Express-Interfracht Internationale Spedition GmbH comprises companies in the field of intermodal transportation, in unaccompanied combined transport and in the field of combined road/railway transport, and also companies in the field of storage and contracted logistics (general cargo transport and food logistics). ÖBB-Technische Services-GmbH is responsible for the provision of technical services.

ÖBB-Infrastruktur

The tasks of the ÖBB-Infrastruktur sub-group comprise

- the previous tasks of planning and construction of railway infrastructure including high-performance tracks, planning and construction of related projects and the provision of railway infrastructure including equipment and facilities
- and the tasks of former ÖBB-Infrastruktur Betrieb AG, such as: provision, operation and maintenance of safe railway infrastructure corresponding to requirements (maintenance, inspection, repair, operational planning and shunting).

The key activities of the ÖBB-Infrastruktur Group furthermore comprise the purchase of power, power supply and power portfolio management as well as the rental of real estate properties.

Holding/Other activities

This segment comprises the various management, financing and service functions of ÖBB-Holding AG, its other investments (e.g. ÖBB-Shared Service Center Gesellschaft mbH, ÖBB-Finanzierungsservice GmbH, ÖBB-Werbung GmbH) and ÖBB-Produktion GmbH (provision of traction services).

The accounting and measurement methods of segment reporting correspond to the IFRS regulations used in the preparation of the Consolidated Financial Statements. The earnings before interest and taxes are used as Performance Measure. Interest income and interest expenses are allocated.

The accounting principles for inter-segmental transactions with a reporting obligation are standardized and correspond to Note 3.

Investment expenses

Investments are recognized prior to the deduction of grants, if any.

	Passenger transport in mil. EUR	Rail Cargo Austria in mil. EUR	Infrastructure in mil. EUR	Other in mil. EUR	Transition in mil. EUR	Total in mil. EUR
2012						
Total income						
Total income unconsolidated	1,909.1	3,283.9	3,330.9	1,020.6	0.0	9,544.5
<i>thereof revenue</i>	1,875.4	3,107.1	2,451.6	991.0	0.0	8,425.1
<i>thereof other income</i>	33.7	176.8	879.3	29.6	0.0	1,119.4
Elimination of income in the segment	-34.4	-848.1	-316.9	-952.0	-1,125.9	-3,277.3
<i>thereof revenue</i>	-33.0	-767.2	-299.2	-948.4	-1,133.3	-3,181.1
<i>thereof other income</i>	-1.4	-80.9	-17.7	-3.6	7.4	-96.2
Total income of the segment	1,874.7	2,435.8	3,014.0	68.6	-1,125.9	6,267.2
<i>thereof revenue</i>	1,842.4	2,339.9	2,152.4	42.6	-1,133.3	5,244.0
<i>thereof other income</i>	32.3	95.9	861.6	26.0	7.4	1,023.2
Elimination of income between segments	-25.5	-355.0	-745.2	-0.2	1,125.9	0.0
<i>thereof revenue</i>	-24.1	-378.2	-730.9	-0.1	1,133.3	0.0
<i>thereof other income</i>	-1.4	23.2	-14.3	-0.1	-7.4	0.0
Total income from third parties	1,849.2	2,080.8	2,268.8	68.4	0.0	6,267.2
<i>thereof revenue</i>	1,818.3	1,961.7	1,421.5	42.5	0.0	5,244.0
<i>thereof other income</i>	30.9	119.1	847.3	25.9	0.0	1,023.2
Expenses for materials and services received	-1,139.8	-1,722.5	-536.8	-55.4	1,474.6	-1,979.9
Personnel expenses	-379.8	-435.2	-1,066.3	-485.1	0.0	-2,366.4
Depreciation and amortization	-97.1	-63.4	-539.5	-51.4	1.3	-750.1
Other operating expenses	-183.8	-158.4	-280.6	-72.3	217.2	-477.9
Earnings before interest and taxes (EBIT)	74.2	56.3	590.8	-595.6	567.2	692.9
Earnings of investments recorded at equity	5.0	5.4	0.8	0.0	-5.7	5.5
Interest income	27.9	3.4	87.9	37.7	-40.2	116.7
Interest expenses	-62.2	-46.4	-667.3	-11.3	42.7	-744.5
Other financial result	-3.4	10.3	-3.4	-6.8	-0.8	-4.1
Earnings before income tax (EBT)	41.5	29.0	8.8	-576.0	563.2	66.5
Income tax	14.4	-8.5	11.5	-4.8	0.0	12.6

	Passenger transport in mil. EUR	Rail Cargo Austria in mil. EUR	Infrastructure in mil. EUR	Other in mil. EUR	Transition in mil. EUR	Total in mil. EUR
Dec 31, 2012						
Assets	2,810.7	1,962.6	19,725.2	1,450.7	-1,864.9	24,084.3
Investments recorded at equity	295.4	184.2	43.6	0.7	-456.9	67.0
Liabilities						
Liabilities unconsolidated	2,376.8	2,305.8	18,805.1	2,122.4	3.8	25,613.9
Elimination of liabilities in the segment	-78.3	-246.0	-228.5	-1,205.6	-1,202.0	-2,960.4
Liabilities of the segment	2,298.5	2,059.8	18,576.6	916.8	-1,198.2	22,653.5
Elimination of liabilities between segments	-296.8	-567.8	-333.6	0.0	1,198.2	0.0
Liabilities towards third parties	2,001.7	1,492.0	18,243.0	916.8	0.0	22,653.5

	Passenger transport in mil. EUR	Rail Cargo Austria in mil. EUR	Infrastructure in mil. EUR	Other in mil. EUR	Transition in mil. EUR	Total in mil. EUR
2012						
Other information						
Investment expenses (property, plant and equipment and intangible assets)	139.1	104.8	1,960.8	44.5	-1.4	2,247.8

2011	Passenger transport in mil. EUR	Rail Cargo Austria in mil. EUR	Infrastructure in mil. EUR	Other in mil. EUR	Transition in mil. EUR	Total in mil. EUR
Total income						
Total income unconsolidated	1,818.5	3,383.2	3,217.1	1,032.0	0.0	9,450.8 *)
<i>thereof revenue</i>	1,781.8	3,261.8	2,432.5	1,007.7	0.0	8,483.8 *)
<i>thereof other income</i>	36.7	121.4	784.6	24.3	0.0	967.0
Elimination of income in the segment	-36.1	-780.3	-327.8	0.0	-2,104.2	-3,248.4
<i>thereof revenue</i>	-33.2	-753.0	-369.7	0.0	-2,103.7	-3,259.6
<i>thereof other income</i>	-2.9	-27.3	41.9	0.0	-0.5	11.2
Total income of the segment	1,782.4	2,602.9	2,889.3	1,032.0	-2,104.2	6,202.4 *)
<i>thereof revenue</i>	1,748.6	2,508.8	2,110.2	1,007.7	-2,103.7	5,271.6 *)
<i>thereof other income</i>	33.8	94.1	826.5	24.3	-0.5	978.2
Elimination of income between segments	-24.3	-354.2	-759.6	-966.1	2,104.2	0.0
<i>thereof revenue</i>	-21.2	-378.8	-743.7	-960.0	2,103.7	0.0
<i>thereof other income</i>	-3.1	24.6	-15.9	-6.1	0.5	0.0
Total income from third parties	1,758.1	2,248.7	2,129.7	65.9	0.0	6,202.4 *)
<i>thereof revenue</i>	1,727.4	2,130.0	1,366.5	47.7	0.0	5,271.6 *)
<i>thereof other income</i>	30.7	118.7	810.6	18.2	0.0	978.2
Expenses for materials and services received	-1,105.9	-1,867.0	-544.9	-54.1	1,487.9	-2,084.0 *)
Personnel expenses	-376.8	-426.3	-1,041.4	-483.6	-0.1	-2,328.2
Depreciation and amortization	-85.8	-78.7	-481.7	-40.3	1.1	-685.4
Other operating expenses	-153.6	-219.2	-277.3	-102.4	240.9	-511.6
Earnings before interest and taxes (EBIT)	60.3	11.7	544.0	351.6	-374.4	593.2
Earnings of investments recorded at equity	7.2	2.6	0.9	0.1	-5.8	5.0
Interest income	24.5	11.6	92.2	9.8	-55.2	82.9
Interest expenses	-61.8	-52.1	-623.7	-13.6	56.2	-695.0
Other financial result	-14.3	-22.4	-5.0	1.0	26.7	-14.0
Earnings before income tax (EBT)	15.9	-48.6	8.4	348.9	-352.5	-27.9
Income tax	21.1	-4.4	-22.6	-1.4	0.0	-7.3

*) adjusted prior year values in the infrastructure segment (see Notes 4 and 7)

Dec 31, 2011	Passenger transport in mil. EUR	Rail Cargo Austria in mil. EUR	Infrastructure in mil. EUR	Other in mil. EUR	Transition in mil. EUR	Total in mil. EUR
Assets	2,945.2	2,071.5	19,028.9	1,134.7	-2,297.5	22,882.8
Investments recorded at equity	346.1	226.1	43.7	0.7	-547.8	68.8
Liabilities						
Liabilities unconsolidated	2,540.0	2,460.3	17,990.6	2,408.5	0.1	25,399.5
Elimination of liabilities in the segment	-82.8	-274.1	-77.2	0.0	-3,452.3	-3,886.4
Liabilities of the segment	2,457.2	2,186.2	17,913.4	2,408.5	-3,452.2	21,513.1
Elimination of liabilities between segments	-464.3	-644.1	-653.6	-1,690.2	3,452.2	0.0
Liabilities towards third parties	1,992.9	1,542.1	17,259.8	718.3	0.0	21,513.1

2011	Passenger transport in mil. EUR	Rail Cargo Austria in mil. EUR	Infrastructure in mil. EUR	Other in mil. EUR	Transition in mil. EUR	Total in mil. EUR
Other information						
Investment expenses (property, plant and equipment and intangible assets)	168.8	147.3	2,145.3	77.0	-65.8	2,472.6

Services provided between segments are charged at customary rates.

ÖBB-Produktion GmbH was classified as joint venture in the segments passenger transport and Rail Cargo Austria and recognized in investments recorded at equity. Apart from that, ÖBB-Produktion GmbH is allocated to the segment "Other".

Information on company level

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

	Passenger transport in mil. EUR	Rail Cargo Austria in mil. EUR	Infrastructure in mil. EUR	Other/ Transition in mil. EUR	Total in mil. EUR
Total income 2012					
Domestic	1,103.5	1,854.8	1,246.3	963.2	5,167.8
Foreign	165.0	1,175.2	119.2	27.7	1,487.1
<i>thereof Germany</i>	67.9	285.9	83.2	12.1	449.1
<i>thereof Switzerland</i>	19.0	42.5	32.6	0.1	94.2
<i>thereof Hungary</i>	13.6	1.0	2.6	372.5	389.7
<i>other markets</i>	64.5	845.8	0.8	-357.0	554.1
Total unconsolidated	1,268.5	3,030.0	1,365.5	990.9	6,654.9
Income from public service orders	606.9	77.2	0.0	0.0	684.1
Government grant pursuant to Article 42 <i>Bundesbahngesetz</i>	0.0	0.0	1,086.1	0.0	1,086.1
less internal turnover	-33.0	-767.2	-299.2	-2,081.7	-3,181.1
Segment turnover	1,842.4	2,340.0	2,152.4	-1,090.8	5,244.0
Other operating income incl. other own work capitalized	32.3	95.8	861.6	33.5	1,023.2
Total segment income	1,874.7	2,435.8	3,014.0	-1,057.3	6,267.2
	Passenger transport in mil. EUR	Rail Cargo Austria in mil. EUR	Infrastructure in mil. EUR	Other/ Transition in mil. EUR	Total in mil. EUR
Total income 2011					
Domestic	1,076.4	1,954.7	1,287.1	982.2	5,300.4 *)
Foreign	140.4	1,210.4	112.4	25.4	1,488.6
<i>thereof Germany</i>	59.7	270.5	85.0	12.1	427.3
<i>thereof Switzerland</i>	16.9	56.0	20.5	0.0	93.4
<i>thereof Hungary</i>	12.1	379.1	0.0	8.4	399.6
<i>other markets</i>	51.7	504.8	6.9	4.9	568.3
Total unconsolidated	1,216.8	3,165.1	1,399.5	1,007.6	6,789.0 *)
Income from public service orders	565.1	96.7	0.0	0.0	661.8
Government grant pursuant to Article 42 <i>Bundesbahngesetz</i>	0.0	0.0	1,033.0	0.0	1,033.0
less internal turnover	-33.3	-753.0	-369.7	-2,103.6	-3,259.6
Segment turnover	1,748.6	2,508.8	2,062.8	-1,096.0	5,224.2 *)
Other operating income incl. other own work capitalized	33.8	94.1	826.5	23.8	978.2
Total segment income	1,782.4	2,602.9	2,889.3	-1,072.2	6,202.4 *)

*) adjusted prior year values in the infrastructure segment (see Note 4)

The following table shows the carrying amounts of the segment assets and the additions to property, plant and equipment and intangible assets, grouped according to the geographic areas in which the assets are located. The segment assets comprise property, plant and equipment and intangible assets.

	Carrying amounts of segment assets		Additions to property, plant and equipment and intangible assets	
	Dec 31, 2012 in mil. EUR	Dec 31, 2011 in mil. EUR	Dec 31, 2012 in mil. EUR	Dec 31, 2011 in mil. EUR
Segment ÖBB-Personenverkehr				
Domestic	1,865.9	1,835.5	135.5	162.4
Foreign	10.3	10.1	3.6	6.4
<i>thereof Eastern Europe</i>	10.3	10.1	3.6	6.4
Total	1,876.2	1,845.6	139.1	168.8
Segment Rail Cargo Austria				
Domestic	620.4	605.6	65.0	112.0
Foreign	422.4	379.3	39.8	35.3
<i>thereof Hungary</i>	384.7	347.2	39.2	31.5
<i>thereof Italy</i>	11.2	11.9	0.2	0.2
<i>thereof Eastern Europe</i>	13.2	12.1	0.2	3.6
<i>rest of Europe</i>	13.3	8.1	0.2	0.0
Total	1,042.8	984.9	104.8	147.3
Segment ÖBB-Infrastruktur	17,580.3	16,496.8	1,960.8	2,145.3
Domestic	17,580.3	16,496.8	1,960.8	2,145.3
Segment Holding and other companies	852.4	858.8	43.3	77.0
Domestic	852.4	858.8	43.3	77.0
Sub-total segments	21,351.7	20,186.1	2,248.0	2,538.4
less consolidation	-9.0	-31.8	-0.2	-49.3
According to Consolidated Financial Statements	21,342.7	20,154.3	2,247.8	2,489.1
<i>thereof domestic</i>	20,910.0	19,764.9	2,204.4	2,447.4
<i>thereof foreign</i>	432.7	389.4	43.4	41.7

34. Notes on the Cash Flow Statement

The Cash Flow Statement shows the change in cash and cash equivalents of the ÖBB Group from inflows and outflows of funds in the year under review. The Cash Flow Statement is divided into cash flows from operating activities, from investing activities and from financing activities. Operative parts of the Cash Flow Statement are presented using the indirect method.

Liquid funds include cash and cash equivalents and current liabilities (recognized in the current liabilities) in the amount of EUR6.0 million (prior year: EUR4.1 million).

Important non-cash transactions carried out during the year under review mainly refer to the recognition of assets and obligations from CBL transactions.

As regards proceeds and expenditures with respect to the acquisition of consolidated companies, please refer to Note 35 and the figures in brackets there.

35. Subsidiaries

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

Changes in the basis of consolidation

In the year under review, the following companies were included in the basis of consolidation for the first time as of December 31, 2012:

- ooo "Express-Interfracht RUS"
- BIHATEAM d.o.o. Sarajevo
- Güterterminal Werndorf Projekt GmbH (acquired in December 2012)

In the year under review, the following companies perished due to mergers:

- ÖBB-Werbecenter GmbH (merger with ÖBB-Werbung GmbH (previously: ÖBB-CI & M Werbeagentur GmbH))
- Papier & Recycling Logistik GmbH (spin-off and merger with Express-Interfracht Internationale Spedition GmbH, Vienna and Entsorgungsl Logistik Austria GmbH)

As of January 01, 2012, all the shares in Express Scandinavia AB (100%) and in Niederösterreichische Schneebergbahn GmbH (50%) were sold. The companies were deconsolidated as of January 01, 2012. The company Express-Interfracht Internationale Spedition AG, Liechtenstein, is currently being wound up, was deconsolidated as of September 30, 2012. Furthermore, Bohemiakombi spol. s.r.o. was deconsolidated as of December 31, 2012.

Other changes in the schedule of investments

Acquisitions, newly incorporated companies and changes in the type of consolidation are noted in brackets in the schedule of investments below.

The following mergers and sales were carried out but are not shown in the schedule of investments:

As of September 30, 2012, FR Logistik-Betriebs GmbH & Co KG was merged with FR Logistik-Betriebs GmbH.

In the course of the year under review 2012, all the shares in the companies Westbahnhof A3 GmbH & Co KG (100%), NIKO SERVIZI d.o.o. (55%), Vámkapu Zrt. (50%), ABC Provider GmbH (46.67%), MTMG Zrt. (4.98%), Törökbálint Kombiterminál Kft. (0.8354%) and GlobalLog Kft. (0.17%) were sold.

ÖBB-Holding AG held direct or indirect (through other affiliated companies) investments in the following companies as of the reporting date (without investments in short-term joint ventures). The disclosures regarding equity and the net income were adopted from the annual financial statements according to respective national accounting laws; exceptions are marked with corresponding footnotes.

Parent company	Country, registered office, type of consolidation and purpose		Equity in kEUR	Profit or loss in kEUR
100% Österreichische Bundesbahnen-Holding Aktiengesellschaft	A-1100 Vienna	V	2,260,495	8,858
ÖBB-Personenverkehr Group				
100% ÖBB-Personenverkehr Aktiengesellschaft	A-1220 Vienna	V	903,079	-899
└▶ 100% BD Gastservice GmbH	A-1220 Vienna	V0	188	6
└▶ 100% ÖBB-Postbus GmbH	A-1220 Vienna	V	79,801	642
└▶ 100% ČSAD AUTOBUSY České Budějovice a.s.	CZ-37027 České Budějovice	V	7,247	607 ²⁾
└▶ 100% Koch Busverkehr GmbH	A-1220 Vienna	V0	121	-148
└▶ 100% "KÖB" Kraftwagenbetrieb der Österreichischen Bundesbahnen Gesellschaft m.b.H.	A-1220 Vienna	V0	1,354	-21
└▶ 100% Österreichische Postbus Aktiengesellschaft	A-1220 Vienna	V	3,562	-971
└▶ 100% Rail Tours Touristik Gesellschaft m.b.H.	A-1220 Vienna	V	1,362	416
└▶ 98,57%FZB Fahrzeugbetrieb GmbH	A-1220 Vienna	V	45,738	118
└▶ 49,9% City Air Terminal Betriebsgesellschaft m.b.H.	A-1300 Vienna-Airport	E	14,959	1,092 ³⁾
└▶ 50% (100%) ÖBB-Produktion Gesellschaft mbH	A-1150 Vienna	E	638,943	-13,821
└▶ 49% (100%) ÖBB-Technische Services-Gesellschaft mbH	A-1110 Vienna	E	196,630	11,806
└▶ 10% RailLink B.V.	NE-1012 AB Amsterdam	0	n/a	
└▶ 10% Railteam B.V.	NE-1012 AB Amsterdam	0	n/a	
└▶ 6.71% (7.38%) Bureau central de clearing s.c.r.l.	B-1060 Brussels	0	n/a	

Rail Cargo Austria-Group		Country, registered office and type of consolidation		Equity in kEUR	Profit or loss in kEUR
100%	Rail Cargo Austria Aktiengesellschaft	A-1030 Vienna	V	137,498	22,567
└▶	100% Express-Interfracht Internationale Spedition GmbH	A-1030 Vienna	V	30,025	12,198
└▶	100% BURGYPED, S.L.	E-20302 Irún	V	1,211	293
└▶	100% Express-Interfracht Polska Sp. z o.o.	PL-42500 Bedzin	V	-1,082	-522
└▶	100% Entsorgungslogistik Austria GmbH	A-1020 Vienna	V	5,567	3,062
└▶	50% HAELA Abfallverwertung GmbH	A-4470 Enns	E0	310	61
└▶	50% AUL Abfallumladelogistik Austria GmbH	A-2344 Maria Enzersdorf	E0	395	4 ⁵⁾
└▶	50% ELATEC Metallverwertungs GmbH	A-2201 Grasdorf near Vienna	E	479	303
└▶	33% Ökologische Bodenaufbereitung GmbH	A-2475 Neudorf/Parndorf	E0	2	2
└▶	100% Express-Interfracht Bulgaria Speditionsgesellschaft EOOD	BG-1000 Sofia	V0	1,226	-122 ¹⁾
└▶	100% Express-Interfracht Hellas S.A.	GR-17121 Nea Simirni -Athens	V	-409	-1,095 ²⁾
└▶	100% Express-Interfracht Czech s.r.o.	CZ-61400 Brno	V	3,411	666 ²⁾
└▶	100% Express-Interfracht Romania s.r.l.	RO-75100 Otopeni	V	1,518	-431 ²⁾
└▶	0.95% (100%) RAIL CARGO ROMANIA S.R.L.	RO-75100 Otopeni	V	444	-119 ²⁾
└▶	100% Express-Interfracht Uluslararası Tasimacilik Ticaret Limited Sirketi	TR-34303 Halkali-Küçükçekmece	V	339	-221 ²⁾
└▶	100% EXPRESS-INTERFRACHT ITALIA S.R.L.	I-20121 Milano	V	634	-1,066 ²⁾
└▶	100% MAGAZZINI DEL VENETO ORIENTALE S.R.L.	I-30029 Santo Stino di Livenza	V	225	-294 ²⁾
└▶	100% M.D.B. - MAGAZZINI DESIO BRIANZA S.R.L.	I-20033 Desio	V	129	-758 ²⁾
└▶	100% Express Polska Sp. z o.o.	PL-02796 Warszawa	V	2,415	378 ²⁾
└▶	50% RAILPORT Sławków Sp. z o. o.	PL-02796 Warszawa	E0	65	4 ¹⁾
└▶	100% Kadmos Line s.r.o. (in liquidation)	SK-82109 Bratislava	V0	in liquidation	
└▶	100% SLOVAKTEAM s.r.o.	SK-83104 Bratislava	V0	70	85 ¹⁾
└▶	100% TEAMTRANS d.o.o.	SLO-2000 Maribor	V0	-24	52 ¹⁾
└▶	100% EXPRESS-INTERFRACHT CROATIA d.o.o.	HR-10000 Zagreb	V	687	257 ²⁾
└▶	95% 6.OKTOBAR d.o.o.	SCG-11070 Novi Beogra	V0	104	30 ¹⁾
└▶	90% TRANSPED-SOC spol. s.r.o.	CZ-50002 Hradec Králov	V	750	271 ²⁾
└▶	75% AgroFreight Spedition GmbH	A-1050 Vienna	V	2,372	-465
└▶	100% AgroFreight Spedition CZ s.r.o.	CZ-61200 Brno	V	597	565 ²⁾
└▶	74.6% Express-Interfracht Internationale Spedition AG Liechtenstein (in liquidation)	FL-9494 Schaan	V0	in liquidation	
└▶	60% SKAT-EXPRES TOV	UA-3150 Kiev	V0	-829	-103 ¹⁾
└▶	1% Asotra-Internationale Speditions- und Transport-Gesellschaft mit beschränkter Haftung	A-2000 Stockerau	0	n/a	
└▶	51% BIHATEAM d.o.o. Sarajevo	BiH-71000 Sarajevo	V ⁴⁾	797	0 ²⁾
└▶	100% Express-Interfracht Hungaria Kft.	HU-1037 Budapest	V	5,248	864 ²⁾
└▶	100% MÁVTRANSSPED Gesellschaft m.b. H. (2013: liquidation)	A-1040 Vienna	V0	in liquidation	
└▶	50% ChemFreight Transport, Logistik & Waggonvermietung GmbH	A-1030 Vienna	E	9,961	2,345
└▶	50% HUNGARO-RAIL Kft.	HU-1023 Budapest	E	231	-96 ³⁾
└▶	50% INTEREUROPA-FLG, d.o.o.	SLO-1001 Ljubljana	E	234	68 ³⁾
└▶	50% Trans Cargo Logistic GmbH	A-1030 Vienna	E	545	190
└▶	46.50% VADECO SRL	RO-900733 Constanta	E	620	331 ³⁾
└▶	45.35% EUROCARGO - RAIL SPÓLKA z.o.o.	PL-00696 Warszawa	E0	81	4 ¹⁾
└▶	45% logMAster Kft.	HU-1139 Budapest	E	91	-43 ³⁾
└▶	33% Express Slovakia "Medzinárodná preprava, a.s."	SK-82109 Bratislava	E	21,349	7,318 ³⁾
└▶	100% ooo "Express-Interfracht RUS" (2012: intra-Group acquisition of EXPRESS-INTERFRACHT ITALIA S.R.L.)	RU-620014 Yekaterinburg	V ⁴⁾	219	0 ²⁾
└▶	100% EC LOGISTIK GmbH	A-4600 Wels	V	843	-756
└▶	100% Rail Cargo Wagon-Austria GmbH (previously: Industriegewaggon GmbH)	A-1030 Vienna	V	45,003	10,522

Rail Cargo Austria-Group (continued)	Country, registered office and type of consolidation	Equity in kEUR	Profit or loss in kEUR	
▶ 100% Česká a slovenská kombinovaná doprava - INTRANS s.r.o.	CZ-13000 Prague	V	7,618	1,584
▶ 100% Slovenská kombinovaná doprava INTRANS a.s. (2013: merger with Česká a slovenská kombinovaná doprava - INTRANS s.r.o.)	SK-01236 Žilina	V	7,422	3,453
▶ 90% INTRANS Port/Rail Services GmbH	D-28195 Bremen	V0	0	17
▶ 33.06%Terminal Brno, a.s.	CZ-61900 Brno	E0	2,009	-89
▶ 100% HUNGARIA INTERMODAL Kft.	HU-1133 Budapest	V	420	360
▶ 37.08%ICA Romania s.r.l. (in insolvency)	RO-020572 Bucharest	E0	in insolvency	
▶ 10% (PY: 20%)Bohemiakombi spol. s.r.o. (2012: sale of 10%, 2013: sale of the remaining shares)	CZ-11376 Prague	0 ⁷⁾	n/a	
▶ 100% ÖKOMBI GmbH	A-1030 Vienna	V	3,277	1,215
▶ 100% (PY: 71.52%) HUNGAROKOMBI KFT (in liquidation, 2012: acquisition of 28.48%)	HU-1133 Budapest	V	in liquidation	
▶ 12% (65.2%) KOMBISZTÁR Kft. (in liquidation)	HU-8000 Székesfehérvár	V0	in liquidation	
▶ 5.882% (11.765%) [2011: 5.56% (16.67%)] Union Internationale des Sociétés de Transport Combine Rail-Route s.c.	B-1000 Brussels	0	n/a	
▶ 5% EURO KAPU Kft.	HU-4624 Tiszabездéd	0	n/a	
▶ 4% (11%) Bulkombi Co.Ltd (in liquidation)	BG-1000 Sofia	0	in liquidation	
▶ 0.09% (53.82%) LOGISZTÁR Kft.	HU-8000 Székesfehérvár	V0	2,956	-89
▶ 25.1% ADRIA KOMBI NOVA d.o.o., Ljubljana	SLO-1000 Ljubljana	E0	896	176
▶ 7% (11%) Bulkombi Co.Ltd (in liquidation)	BG-1000 Sofia	0	in liquidation	
▶ 5.882% (11.765%) [2011: 5.56% (1.67%)] Union Internationale des Sociétés de Transport Combine Rail-Route s.c.	B-1000 Brussels	0	n/a	
▶ 100% RCA Terminal s.r.o.	CZ-13000 Prague	V	1,866	-106
▶ 99.05% (100%) RAIL CARGO ROMANIA S.R.L.	RO-75100 Otopeni	V	445	-143
▶ 100% (PY: 85%) Wagon service s.r.o. (2012: acquisition of 15%)	SK-81105 Bratislava	V0	-106	0
▶ 100% Rail Cargo Italia S.R.L.	I-15067 Novi Ligure	V	723	-3,372
▶ 51% FR Logistik-Betriebs GmbH (in liquidation)	A-8141 Zettling	V0	in liquidation	
▶ 50% (100%)ÖBB-Produktion Gesellschaft mbH	A-1150 Vienna	E	638,943	-13,821
▶ 51% (100%)ÖBB-Technische Services-Gesellschaft mbH	A-1110 Vienna	V	196,630	11,806
▶ 100% Technical Services Hungaria Kft.	HU-3527 Miskolc	V	7,075	1,217
▶ 51% Technical Services Slovakia, s.r.o.	SK-91701 Trnava	V	7,875	1,140
▶ 51% TS-MÁV Gépészet Services Kft.	HU-1097 Budapest	V	36	36
▶ 16% X-Rail s.a.	B-1000 Brussels	0	n/a	
▶ 3.53% Intercontainer-Interfrigo (ICF) SA (in liquidation)	B-1060 Brussels	0	in liquidation	
▶ ⁵⁾ Kombiverkehr Deutsche Gesellschaft für kombinierten Güterverkehr mbH & Co. Kommanditgesellschaft	D-60486 Frankfurt am Main	0	n/a	
▶ 100% Rail Cargo Hungaria Zrt.	HU-1133 Budapest	V	90,514	1,056
▶ 100% Blue Real Estate Kft.	HU-1133 Budapest	V0	730	-23
▶ 100% RAIL SERVICE HUNGARIA KFT.	HU-1065 Budapest	V	2,929	-2,343
▶ 53.73% (53.82%) LOGISZTÁR Kft.	HU-8000 Székesfehérvár	V0	2,956	-89
▶ 3% (65.2%) KOMBISZTÁR Kft. (in liquidation)	HU-8000 Székesfehérvár	V0	in liquidation	
▶ 50.2% (65.2%) KOMBISZTÁR Kft. (in liquidation)	HU-8000 Székesfehérvár	V0	in liquidation	
▶ 45% Kelenföld Konténer Depo Kft.	HU-1239 Budapest	E0	1,050	192
▶ 33.33%RAILPORT ARAD SRL	RO-315200 Judetul Arad	E	5,849	-719
▶ 5% ZÁHONY TÉRSÉGI LOGISZTIKAI KLASZTER KFT. (in liquidation)	HU-4625 Záhony	0	in liquidation	
▶ 100% [PY: 85.48% (100%)] BILK KOMBITERMINÁL Zrt. (2012: intra-Group acquisition)	HU-1239 Budapest	V	11,555	1,560
▶ 33.33%boxXagency Kft.	HU-1239 Budapest	E0	20	92
▶ 25% BILK-TRANS Kft	HU-1239 Budapest	E0	30	0
▶ 32% EAST Rail srl. (in liquidation)	I-34132 Trieste	E0	in liquidation	
▶ 30% Agrochimtranspack Kft	HU-1117 Budapest	E0	875	21
▶ 15.25 UniverTrans Kft.	HU-1211 Budapest	0	n/a	
▶ 6.67% HUNGRAIL Magyar Vasúti Fuvarozói Egyesülés	HU-1138 Budapest	0	n/a	
▶ 0.67% (7.38%) Bureau central de clearing s.c.r.l.	B-1060 Brussels	0	n/a	

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	1,038,152	24,727
└▶ 100% Austrian Rail Construction & Consulting GmbH	A-1020 Vienna V0	140	11
└▶ 100% Austrian Rail Construction & Consulting GmbH & Co KG	A-1020 Vienna V0	210	-6
└▶ 100% Hans Hechenbichler Erdölprodukte Gesellschaft m.b.H.	A-6020 Innsbruck V0	430	639 ¹⁾
└▶ 100% Hauptbahnhof Zwei Holding GmbH	A-1020 Vienna V0	39	-3
└▶ 100% HBF Fünf Epsilon Projektentwicklungs GmbH	A-1020 Vienna V0	6	-2
└▶ 100% HBF Sechs Gamma Projektentwicklungs GmbH	A-1020 Vienna V0	5	-2
└▶ 100% Mungos Sicher & Sauber GmbH	A-1150 Vienna V	33	-11
└▶ 100% Mungos Sicher & Sauber GmbH & Co KG	A-1150 Vienna V	2,931	613
└▶ 100% Netz- und Streckenentwicklung GmbH	A-1020 Vienna V0	375	-27
└▶ 100% Nordbahnhof Projekte Holding GmbH	A-1020 Vienna V0	29,590	-2
└▶ 100% Nordbahnhof Baufeld Fünf Projektentwicklung GmbH	A-1020 Vienna V0	11,608	-101
└▶ 100% Nordbahnhof Baufeld Sieben Projektentwicklung GmbH	A-1020 Vienna V0	8,629	-101
└▶ 100% Nordbahnhof Baufeld Acht Projektentwicklung GmbH	A-1020 Vienna V0	9,116	-101
└▶ 100% ÖBB-IKT GmbH	A-1010 Vienna V	7,133	259
└▶ 100% ÖBB-Immobilienmanagement Gesellschaft mbH	A-1020 Vienna V	4,656	331
└▶ 100% ÖBB-Projektentwicklung GmbH	A-1020 Vienna V	47	5
└▶ 100% ÖBB-Realitätenbeteiligungs GmbH & Co KG	A-1020 Vienna V	17,357	6,960
└▶ 100% BahnhofCity WBHF Alpha GmbH & Co KG	A-1020 Vienna V0	1	-1
└▶ 100% BahnhofCity WBHF Beta GmbH & Co KG	A-1020 Vienna V0	1	-1
└▶ 100% Businesscenter Linz Entwicklungs- und Verwertungs GmbH & Co KG	A-1020 Vienna V0	1	-1
└▶ 100% Elisabethstraße 9 Projektentwicklung GmbH & Co KG	A-1020 Vienna V0	1	-1
└▶ 100% Europaplatz 1 Projektentwicklung GmbH & Co KG	A-1020 Vienna V0	1	-1
└▶ 100% Gauermannngasse 2-4 Projektentwicklung GmbH & Co KG	A-1020 Vienna V	11,339	59
└▶ 100% Mariannengasse 16-20 Projektentwicklung GmbH & Co KG	A-1020 Vienna V0	12,935	-1
└▶ 100% Modul Office Hauptbahnhof Graz GmbH & Co KG	A-1020 Vienna V0	1	-1
└▶ 100% Nordbahnhof Baufeld Sechs Projektentwicklung GmbH & Co KG	A-1020 Vienna V0	1	-1
└▶ 100% Nordbahnhof Baufeld 39 Projektentwicklung GmbH & Co KG	A-1020 Vienna V0	1	-1
└▶ 100% ÖBB Telekom Service GmbH	A-1210 Vienna V	1,644	-174
└▶ 100% Rail Equipment GmbH	A-1040 Vienna V	16,098	1,005
└▶ 100% Rail Equipment GmbH & Co KG	A-1040 Vienna V	31,437	4,628
└▶ 100% Güterterminal Werndorf Projekt GmbH	A-1020 Vienna V ⁸⁾	-1,250	-309 ⁴⁾
└▶ 30% Weichenwerk Wörth GmbH	A-3151 St. Georgen am Steinfeld E	10,637	2,957 ⁶⁾
└▶ 50% Galleria di Base del Brennero - Brenner Basistunnel BBT SE	I-39100 Bozen E	276,367	0 ³⁾
└▶ 8% HIT Rail B.V.	NL-3500 HA Utrecht	0	n/a
└▶ ⁶⁾ „Am Hafen“ Garagenerrichtungs- und Betriebs GmbH & Co KG	A-6900 Bregenz	0	n/a
└▶ ⁵⁾ Tiefgarage Stuben Gesellschaft m.b.H. & Co. KG	A-6762 Stuben/Arlberg	0	n/a

Others	Country, registered office, type of consolidation and purpose	Equity in kEUR	Profit or loss in kEUR
100% ÖBB-Werbung GmbH (2012: merger with ÖBB-Werbecenter GmbH, previously ÖBB-CI & M Werbeagentur GmbH)	A-1100 Vienna V	9,683	1,139
100% ÖBB-Finanzierungsservice GmbH	A-1100 Vienna V	313	4,090
100% ÖBB-Shared Service Center Gesellschaft mbH	A-1100 Vienna V	2,578	-6,956
└▶ 100% ÖBB-Stiftungs Management Gesellschaft mbH	A-1100 Vienna V0	73	0
└▶ 34% Wellcon Gesellschaft für Prävention und Arbeitsmedizin GmbH	A-1030 Vienna E	2,055	23
25% ÖBB-Breitspur Planungsgesellschaft mbH	A-1010 Vienna E0	2,454	-171
2% EUROFIMA Europäische Gesellschaft für die Finanzierung von Eisenbahnmateriale AG	CH-4001 Basel	0	n/a

The equity of foreign companies was translated into EUR at the exchange rate applicable at the reporting date. The net income is translated into EUR at the average exchange rate. The values were determined in accordance with the respective national accounting laws. Disclosures in accordance with the IFRS were marked with a footnote. Shares in % indicated in brackets indicate the recognized investment held by several companies within the ÖBB Group; if the figure is preceded by "PY", it refers to the previous year.

V	Affiliated, fully consolidated company
V0	Affiliated company not fully consolidated due to its insignificance
E	Investment recorded at equity (associated company)
E0	Investment not recorded at equity due to its insignificance
O	Other associated company

Abbreviations and footnotes

i.l.	In liquidation
PY:	Prior year
¹⁾	Amounts as of December 31, 2011
²⁾	Amounts in accordance with IFRS
³⁾	Preliminary amounts as of December 31, 2012 in accordance with IFRS
⁴⁾	Initial consolidation as of December 31, 2012
⁵⁾	Amounts as of September 30, 2011
⁶⁾	Preliminary amounts as of March 31, 2012
⁷⁾	Final consolidation
n/a	No information available

Information on the purposes of the sub-groups is given in the section Sub-groups.

36. Subsequent events

The Executive Board members of ÖBB-Holding AG released the audited Consolidated Financial Statements as of December 31, 2012, on April 02, 2013, for submission to the Supervisory Board. The Supervisory Board is charged with auditing the Consolidated Financial Statements and declaring whether it approves the Consolidated Financial Statements.

ÖBB-Infrastruktur sub-group

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 its 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.

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.

ÖBB-Personenverkehr sub-group

Acquisition of 100 Desiro ML units

In its meeting on January 30, 2013, the Supervisory Board of ÖBB-Personenverkehr AG and ÖBB-Holding AG decided to order 100 new trains of the type Desiro Mainline (ML) for short-distance and regional transport. 30 of these trains will be deployed in the suburban traffic in Vienna and Lower Austria, and 70 in regional transport in Lower Austria, Upper Austria and Styria. These trains will gradually replace the well-known, 30-year-old white-and-blue 4020 coaches and the single-decker City-Shuttle coaches. From the end of 2015, the new trains will gradually be introduced in the federal states of Vienna, Lower Austria, Upper Austria and Styria. The trains will be finished in the ÖBB's own workshops.

Rail Cargo Austria sub-group

Organizational changes

Due to organizational changes in the Rail Cargo Austria sub-group, the business units Contracted logistics (Kontraktlogistik), Intermodal and Combined road/railway transport (Rola) will be subject to structural changes in the financial year 2013.

37. Executive bodies of the parent company of the ÖBB Group

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

Members of the Executive Board

Mag. Christian Kern	chairman of the Executive Board
Mag. Josef Halbmayer MBA	
KR Ing. Franz Seiser	

Members of the Supervisory Board

DI Horst Pöchlhammer	chairman
KR Mag. Dr. Ludwig Scharinger	1st deputy of the chairman
DI Herbert Kasser	2nd deputy of the chairman
Roman Hebenstreit *	3rd deputy of the chairman

Mag. Ursula Zechner	from June 25, 2012
Dr. Leopold Specht	
KR Kurt Eder	
Lic.rer.pol. Paul Blumenthal	
Dr. Getrude Tumpel-Gugerell	

Peter Dyduch *	from October 30, 2012
Mag. Andreas Martinsich *	
Gottfried Winkler *	

* employee representative

State commissioner

Mag. Ursula Zechner	until June 24, 2012	state commissioner
Dipl.-Ing. Georg Parrer	until July 31, 2012	deputy state commissioner

A report on compensations paid during the reporting period is presented in Note 32 ("Related party transactions").

Vienna, this April 02, 2013

The Executive Board

Mag. Christian Kern m.p.

KR Ing. Franz Seiser m.p.

Mag. Josef Halbmayer MBA m.p.

Independent Auditor's Report on the Consolidated Financial Statements

AUDITOR'S REPORT *)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Österreichische Bundesbahnen-Holding Aktiengesellschaft**, Vienna, for the fiscal year from January 1, 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, 2012 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, April 2, 2013

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Elfriede Baumann mp

Certified Auditor

Mag. Karl Rab mp

Certified Auditor

*) This report is a translation of the original report in German, which is solely valid. Publication of the consolidated financial statements together with our auditor's opinion may only be made if the consolidated financial statements and the consolidated management report are identical with the audited version attached to this report. Section 281 paragraph 2 UGB (Austrian Commercial Code) applies.

Separate Financial Statement of ÖBB-Holding AG: Statement of Financial Position

	Dec 31, 2012 EUR	Dec 31, 2011 EUR
Assets		
A. Fixed assets		
I. Intangible assets		
1. Industrial property rights and similar rights and derived licenses	259,317.87	322,894.04
Total I	259,317.87	322,894.04
II. Property, plant and equipment		
1. Land and buildings, including buildings on third-party land	12,187.64	15,515.08
2. Other tools, furniture and fixtures	72,847.63	65,300.40
3. Advance payments and construction in progress	2,877.76	313.96
Total II	87,913.03	81,129.44
III. Financial assets		
1. Interest in affiliated companies	2,221,591,625.51	2,221,591,625.51
2. Loans in affiliated companies	225,000,000.00	0.00
3. Investments	14,296,510.07	14,296,510.07
Total III	2,460,888,135.58	2,235,888,135.58
Total A	2,461,235,366.48	2,236,292,159.06
B. Current assets		
I. Inventories		
1. Not yet invoiced services	226,222.63	202,453.06
Total I	226,222.63	202,453.06
II. Receivables and other assets		
1. Trade receivables	5,785.66	10,122.75
2. Accounts due from affiliated companies	163,019,602.82	134,519,055.89
3. Other receivables and assets	27,687,616.96	37,939,259.17
Total II	190,713,005.44	172,468,437.81
III. Cash on hand and cash in banks		
1. Cash on hand	2,629.14	5,645.38
2. Cash in banks	44,132.83	22,648.82
Total III	46,761.97	28,294.20
Total B	190,985,990.04	172,699,185.07
C. Prepaid expenses	267,282.76	151,368.16
Total assets	2,652,488,639.28	2,409,142,712.29

	Dec 31, 2012 EUR	Dec 31, 2011 EUR
Liabilities		
A. Equity		
I. Shareholder's capital	1,900,000,000.00	1,900,000,000.00
II. Additional paid-in capital		
1. Allocated capital reserves	66,970,555.93	66,970,555.93
2. Unallocated capital reserves	277,244,688.93	277,244,688.93
III. Profit reserves		
1. Statutory reserve	1,850,000.00	1,350,000.00
2. Free reserves	14,300,000.00	6,000,000.00
IV. Accumulated net profit	129,988.29	72,071.76
thereof profit carried forward EUR 72,071.76 (2011: EUR 4,373.89)		
Total A	2,260,495,233.15	2,251,637,316.62
B. Untaxed reserves		
1. Valuation reserve due to extraordinary depreciations	3,113.88	3,113.88
Total B	3,113.88	3,113.88
C. Provisions		
1. Provisions for severance payments	600,870.00	371,087.00
2. Provisions for taxes	0.00	80,439.97
3. Other provisions	4,556,067.56	2,902,639.04
Total C	5,156,937.56	3,354,166.01
D. Liabilities		
1. Bank loans	89,500,000.00	
2. Trade payables	918,821.40	1,001,406.74
3. Liabilities to affiliated companies	156,036,133.59	149,504,312.86
4. Liabilities to associated companies	2,008.80	0.00
5. Other liabilities	140,375,884.80	3,641,295.11
thereof taxes EUR 2,763,455.18 (2011: EUR 2,773,356.57)		
thereof social security EUR 361,439.03 (2011: EUR 204,988.99)		
Total D	386,832,848.59	154,147,014.71
E. Deferred income	506.10	1,101.07
Total liabilities	2,652,488,639.28	2,409,142,712.29

Separate Financial Statement of ÖBB-Holding AG: Income Statement

	1-12/2012 EUR	1-12/2011 EUR
1. Revenues	36,372,874.92	34,462,332.60
2. Change in the inventory of not invoiced services	24,150.83	202,071.80
3. Other operating income		
a) Income from the disposal of fixed assets	0.00	0.83
b) Other operating income	9,774,203.22	6,901,839.35
	9,774,203.22	6,901,840.18
4. Total income (sub-total from lines 1 to 3)	46,171,228.97	41,566,244.58
5. Expenses for purchased services	-6,320,909.11	-5,054,068.10
6. Personnel expenses		
a) Salaries	-16,299,106.17	-12,804,813.91
b) Expenses for severance payments and contributions to severance funds	-459,895.65	-552,637.97
c) Contributions to pension schemes	-334,049.82	-136,298.74
d) Statutory social security contributions and wage-related taxes and compulsory contributions	-3,440,838.17	-2,770,561.84
	-20,533,889.81	-16,264,312.46
7. Depreciation and amortization		
a) on intangible fixed assets and property, plant and equipment	-185,432.97	-181,019.53
	-185,432.97	-181,019.53
8. Other operating expenses		
a) Non-income taxes	-381,803.43	-341,685.42
b) Others	-18,427,373.51	-18,004,294.12
	-18,809,176.94	-18,345,979.54
9. Earnings before interest and tax (EBIT) (sub-total from lines 4 to 8)	321,820.14	1,720,864.95

	1-12/2012 EUR	1-12/2011 EUR
10. Income from investments	8,229,273.24	4,613,402.05
thereof from affiliated companies EUR 8,229,273.24 (2011: EUR 4,613,402.05)		
11. Other interest and similar income	2,379,963.22	594,134.59
thereof from affiliated companies EUR 2,373,439.91 (2011: EUR 145,839.96)		
12. Income from write-up of financial assets	0.00	150,163.58
13. Interest and similar expenses	-1,305,584.80	-17,645.78
thereof from affiliated companies EUR 0.00 (2011: EUR 2,315.15)		
14. Financial result (sub-total from lines 10 to 13)	9,303,651.66	5,340,054.44
15. Income from ordinary activities	9,625,471.80	7,060,919.39
16. Income taxes	-767,555.27	-643,907.64
17. Annual income/ -annual deficit	8,857,916.53	6,417,011.75
18. Release to untaxed reserves	0.00	686.12
19. Allocation to profit reserves	-8,800,000.00	-6,350,000.00
a) Statutory reserve EUR 500,000.00 (2011: EUR 350,000.00)		
b) Free reserves EUR 8,300,000.00 (2011: EUR 6,000,000.00)		
20. Profit carried forward from previous years	72,071.76	4,373.89
21. Accumulated net profit	129,988.29	72,071.76

Independent Auditor's Report on the Separate Financial Statements

The enclosed financial statements of Österreichische Bundesbahnen-Holding 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 Österreichische Bundesbahnen-Holding 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 28, 2013

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Elfriede Baumann mp

Certified Auditor

Mag. Karl Rab mp

Certified Auditor

*) This report is a translation of the original report in German, which is solely valid. Publication of the financial statements together with our auditor's opinion may only be made if the financial statements and the management report are identical with the audited version attached to this report. Section 281 paragraph 2 UGB (Austrian Commercial Code) applies.

Glossar

AVB	General Terms and Conditions for Employment with Österreichische Bundesbahnen	IFRIC	International Financial Reporting Committee
BMF	Federal Ministry of Finance	ICS	Internal control system
BMVIT	Federal Ministry of Transport, Innovation and Technology	ISAs	International Standards on Auditing
CBL	Cross-border leasing	IV	Federation of Austrian Industry
CEE	Central Eastern Europe	KL	Contracted Logistics
CEF	Connecting Europe Facility	SME	Small and medium-sized enterprises
CER	Community of European Railway and Infrastructure Companies	MFC	Multifunctional coaches
COSO	Committee of Sponsoring Organizations of the Treadway Commission	NINA	National Intermodal Network Austria
CSR	Corporate Social Responsibility	OeNB	National Bank of Austria
EIB	European Investment Bank	PKM	Passenger-kilometers: passengers transported x kilometers driven
EisbG	Eisenbahngesetz (Austrian Railway Act)	REX	Regional express train
EMTN	European Medium Term Note	ROLA	Combined road/railway transport
ERA	European Railway Agency	SCHIG	Schieneninfrastruktur-Dienstleistungs- gesellschaft mbH
ESM	European Stability Mechanism	SEE	South Eastern Europe
ETCS	European Train Control System	SIC	Standards Interpretation Committee
EVU	Railway undertaking	SLF	Free tickets for students and apprentices
ECB	European Central Bank	TEN – T	Trans-European Transport Network
R&D	Research and development	Traction	Propulsion of trains by tractive units
TGTkm	Total gross tonnage-kilometers: (cargo weight + weight of the train) x train-kilometers	TSI-PRM	Technical Specifications for Interoperability - Persons with Reduced Mobility
GWh	Gigawatt-hour	UGB	Unternehmensgesetzbuch (Austrian Commercial Code)
GWL	Public services	UKV	Unaccompanied combined transport, Combi Cargo
IASB	International Accounting Standards Board	VCÖ	Transport Association of Austria
IBE	Infrastructure usage charge	VDV	Transport service agreement
IFAC	International Federation of Accountants	WIFO	Austrian Institute of Economic Research
IFRS/IAS	International Financial Reporting Standards	Tkm	Train-kilometers

Legal information

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Realization

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ÖBB, Harald Eisenberger, Sabine Hauswirth, Karin Schlachter, Rabl, Stephan Huger, create.at, Christian Zenger.

Disclaimer

The information provided in this report has been compiled to the best of our knowledge and verified with due and proper care. Errors and omissions excepted. This annual report is available only in electronic form at: <http://konzern.oebb.at/de/Presse/Publikationen/>

ÖBB Customer Service

Our ÖBB Customer Service is at your disposal 24/7 for enquiries regarding railway and bus transport services. From Austria, call 05-1717 (without area code) at the local rate; from abroad, please call +43 5-1717.