Annual Report 2013

WE GET **AUSTRIA** MOVING

ANNUAL REPORT 2013
ÖBB-HOLDING AG

Key Performance Indicators

Performance ratios according to IFRS (in million EUR, rounded)

	2013	2012*
Revenues	5,239	5,221
Total income	6,248	6,216
Expenses for material and services received	-1,793	-1,929
Personnel expenses	-2,341	-2,358
Other operating expenses	-530	-478
EBITDA	1,584	1,451
Depreciation and amortization	-829	-750
EBIT	755	701
Financial result	-652	-626
EBT	103	75
ROCE (in %)	3.6	3.5

Balance sheet ratios according to the IFRS (in million EUR, rounded)

Balance sheet total	24,631	24,084
Non-current assets	23,322	22,446
thereof property, plant and equipment	*21,765*	*20,749*
Current assets	1,310	1,638
Shareholders' equity	1,589	1,431
Equity ratio (in %)	6.5	5.9
Financial liabilities	20,778	20,177
Net debt	19,615	18,369
Gross capital expenditures	2,170	2,248
Net debt/EBITDA (ratio)	12.4	12.7
Net gearing (ratio)	12.3	12.8

* adjusted prior year amounts, cf. Notes 4 and 26 to the Consolidated Financial Statements

The railway system in numbers

A factual journey
through the world of railways.

Power production for the railway

In own hydroelectric power plants	**41 %**
In partner power plants	**28 %**
Obtained from public 50 Hz grid and converted	**31 %**

Bus route network

Routes	**900**
Services	**24,000**
Communities served	**2,350**
Bus stops	**22,000**
with rail connection	**700**

Freight transport

Transport volume	in million t	**109.3**
Transport volume	in billion t per km	**25.9**

Passengers

Total	in million	**469**
Rail regional transport	in million	**200**
Rail long-distance	in million	**34**
Bus	in million	**235**

Travellers per day

Regional transport, long-distance transport & bus in million	**1.3**

Fleet

Number of locomotives	**1,093**
Number of passenger cars	**2,799**
Number of freight cars	**26,518**
Number of busses	**2,200**

Route network ÖBB S-Bahn

Routes throughout Austria / passengers per day	**25 / 391,000**
Vienna/LA/Burgenland	**9 / 250,000**
Styria	**4 / 26,000**
Carinthia	**2 / 16,000**
Salzburg	**2 / 22,000**
Tyrol	**6 / 42,000**
Vorarlberg	**2 / 29,000**

Train stations

Train stations and stops	**1,128**
Train stations and stops modernised in 2013	**13**

Apprentices undergoing training

Total	**1,761**
male	**1,487**
female	**274**

Punctuality

Passenger transport total	**95.9 %**
Regional transport	**96.4 %**
Long-distance transport	**85.4 %**

Route network

Total	in km	**4,859**
thereof electrified	in km	**3,470**
Switch points		**13,539**
thereof heated		**10,424**

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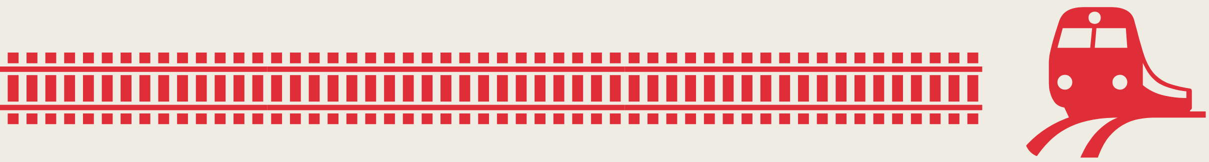
ÖBB – the future has already begun



Train runs

Trains	per day	**6,320**
Regional transport		**3,900**
Long-distance transport		**280**
Service and freight		**2,140**
Train runs	per year	**2,307,541**

ANNUAL REPORT 2013
STATEMENT OF THE EXECUTIVE BOARD

EXECUTIVE BOARD OF ÖBB-HOLDING AG. Mag. Christian Kern (CEO), Mag. Josef Halbmayr MBA (CFO)

Bringing sustainability to life. You hold in hands the final annual report for the operations of ÖBB-Holding AG and its subsidiaries during the financial year 2013. It clearly shows that all areas of the company were once more able to make considerable progress. Regarding the consolidated income, the developments are quite substantial: with an EBT of approximately EUR102.5 million for the year 2013, income was increased by approximately 38 % over the year 2012. After 2012, this is the second consecutive year in which all sub-groups were able to achieve a positive result.

The importance of the Group's result, however, by far exceeds the mere fact that positive numbers were achieved. It returns the Company to a position of strength and creates new opportunities within the marketplace. ÖBB is on its way to regaining its ability to invest on its own – aside from the infrastructure investments stipulated by the federal government's master plan: investments in new cars, in improved service and in the provision of additional services to our customers.

More passengers than ever before

Apart from the financial result, ÖBB's key objective is success with customers, measured by the number of passengers and the satisfaction of our customers. With 234 million passengers on ÖBB trains (4 % more than in 2012), the Company can look back on the most successful year in its history. Never before have so many people travelled with ÖBB. The deciding factor for the higher number of passengers during the past financial year was – as was the case in the year 2012 – the area of regional rail transport with a total of 200 million passengers – an increase over 2012 by 10 million. In the area of long-term transport, the passenger volume of 34 million customers was maintained, despite competition by private service providers.

The area of bus transport posted a slight decrease in the number of passengers, as this segment is forced to prove itself among the increasingly liberalized tender competition. However, with 235 million passengers (a decrease by 5 million against 2012), ÖBB's bus segment continues to transport approximately half of all the Company's passengers.

More satisfied customers
A development which is anything but self-evident is the fact that in 2013 our customers' satisfaction was once more improved over the previous year's level. For the third time in a row, ÖBB's customers have delivered an even more positive feedback to the company and its employees. Punctual, secure, clean and friendly – these are the attributes which were most frequently associated with ÖBB in the year 2013. This once more demonstrates how extensive efforts pay off: from the simplification of the rate structure – the number of different rates was cut in half at the end of 2013 – to the considerable reductions in travel time. From improved passenger information to a shortening of cleaning intervals.

Europe's most profitable rail freight company
During the financial year 2013, a particularly positive development was achieved in the area of freight transport. With an EBT of approximately EUR58.4 million, the Rail Cargo Group was able to increase the positive result achieved in 2012 by approximately 88 %, making it the most profitable rail freight company in Europe during the reporting year. Considering the fact that transport volumes have collapsed on the entire continent, this is an outstanding result which was achieved despite a very difficult market environment and increasing private-sector competition.

Despite the general conditions mentioned above, the share of rail freight transport within the modal split was maintained at a high level of 32 %, which is 14 % above the EU average. And with a total of 434 operating stations for conventional freight transport, Rail Cargo Austria continues to offer one of the most dense service offerings in Europe. With a net freight share of approximately 52 % and a transport volume share of almost 40 %, single wagon transport continues to be a unique selling proposition against our competitors, constituting an important product offering for Austria as a business location.

Consistent planning and execution
A higher number of passengers, an increase in satisfaction among our customers and a positive financial development of the Company are major objectives on the path we have been following since 2011. "FIT 2015" was and remains the strategic goal which we need to continue to pursue resolutely.
We would like to thank all of the Company's employees and employee representatives who have supported our course and thereby made the Company's positive development possible. This unity within the Company will continue to ensure that our performance curve remains pointing upwards.

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 (Switzerland)

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

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

Moving Austria. During the past financial year, ÖBB was able to post a profit for the second time in a row. All sub-groups were able to achieve a positive result, laying the foundation for a positiv overall result. The ÖBB Group' EBT came in at approximately EUR102.5 million, which was approximately EUR12.4 million above the budget for 2013 and approximately EUR28.0 million above the EBT posted by the Group in 2012.

This result should also be seen in light of the fact that extraordinary charges from the past ten years had to be compensated. The current result can therefore be considered extremely positive. For 2013, the numbers came in stronger and the profits ended up being higher than had been planned in the ambitious budget for the year. Even more important: in its strategic concept "FIT 2015", ÖBB set itself the goal of being able to earn its cost of capital by 2015. An important step in this direction has been taken.

DI Horst Pöchhacker, Chairman of the Supervisory Board of ÖBB-Holding AG

The restructuring is delivering results – this becomes evident when looking at the numbers. In order to achieve a true turnaround, it is of utmost importance that the product of rail travel is continuously improved and constantly made easier, more comfortable and more attractive to our customers. In this respect, ÖBB has able to achieve considerable progress during the past year. 2013 marked the first year in which ÖBB successfully handled long-distance transport on the Western line with up to 230 km/h and demonstrated that for distances of up to 500 kilometres, rail travel can absolutely compete with travel by air or car. Nevertheless, regional transport, which is so important to commuters, was also massively expanded by ÖBB in 2013. Regional trains were equipped with comfort zones and passenger monitors. At 860 regional train stations, passengers receive real-time information via mobile Internet, QR code or NFC technology. Among other improvements, the rate structure applicable to rail tickets for regional and long-distance transport was drastically simplified.

These and many other measures form the basis for ÖBB's continued economic success and lay a foundation which will ensure that the upward trend is secured and will continue. These measures, this cultural change from a transporter to a modern mobility service provider, however, also reflect ÖBB's responsibility for society: in times of rising fuel prices and an increased environmental awareness, we offer all Austrians an attractive public mobility service.

Satisfied customers, ambitious employees

The customer satisfaction survey conducted in late autumn of the past year shows that the cultural change is well received. For the third time in a row, customer satisfaction has increased, reaching an excellent level of 77 out of 100 possible points. ÖBB's responsibility for society, however, goes far beyond the provision of secure, punctual and comfortable mobility. ÖBB is the backbone and central motor of the national economy – one of the country's largest employers and an important training centre for skilled employees. With a contribution of almost EUR900 million, ÖBB is furthermore one of the Republic's largest tax payers. This means that the Republic's public service payments, which make sense from a transport and regional policy perspective, are contrasted by these enormous tax contributions.

In addition to this, ÖBB invests in the future. These railway investments have a positive impact on Austria as a business location. Over the period from 2013 through 2020, ÖBB's investments in infrastructure will generate added value in Austria amounting to a total of EUR13.6 billion.

This corresponds to an annual contribution of approximately 0.6 percent of the gross domestic product. Over the same time, approximately 192,000 years of employment will be created. Small and medium-sized companies (SMEs) who employ more than 80 % of Austria's workers will benefit massively from the investments in infrastructure.

A solid foundation for a prosperous future

During the year 2013, we continued our execution of the turnaround programme FIT 2015. The work during the year 2013 was above all characterised by many small details, resulting in small and large successes. The work carried out over the past year has secured the successes achieved during the prior years and laid a solid foundation for a prosperous future beyond the year 2015. The results achieved during the past year are something to be proud of, and they once more underscore that ÖBB is assuming its responsibility and living up to its role as an Austrian industry leader. In the name of the Supervisory Board, I would like to thank all employees, the employee representatives and the Company's management team for their excellent work and the good collaboration during the past year.

Trend towards public transport

In 2014 and 2015, our considerable success in simplifying the Group structure and managing costs will be complemented by an increase in our sales efforts, both domestically and abroad. The increase in demand, which has become more and more evident in recent times, should provide positive support to these efforts, despite the strong competition (especially in the area of freight transport). Regarding passenger transport, the trend towards public transport remains intact, in particular among younger customers. Here, too, we will be facing increased competition. We will pay attention to ensure that no distortions of competition occur, as was recently the case in the area of bus transport.

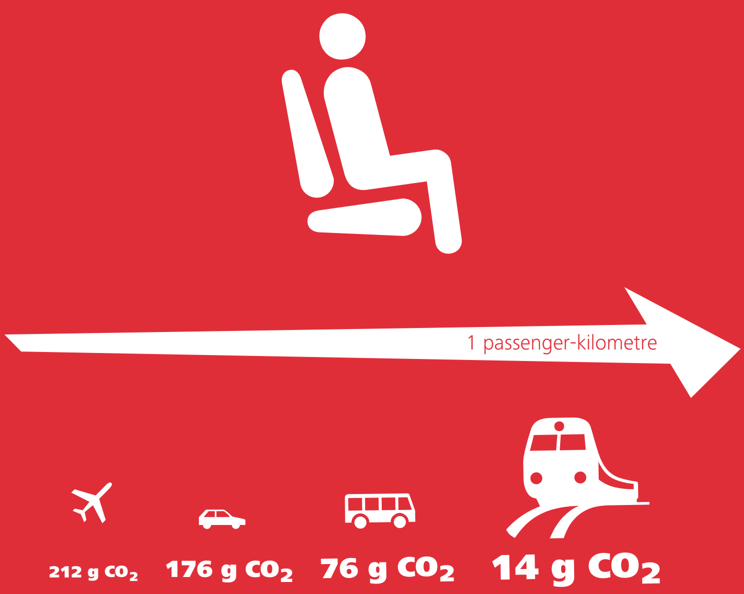
During the financial year 2013, ÖBB-Holding AG's Supervisory Board held four regular meetings of the Supervisory Board, as well as four meetings of the Executive Committee. The Audit Committee met twice. In addition to the Supervisory Board meetings, the Supervisory Board was continuously informed about 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 2013 (Separate Financial Statements) and the Management Report, certified by the auditor's report, and the Consolidated Financial Statements 2013 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 2013.

DI Horst Pöchhacker
Chairman of the Supervisory Board
of ÖBB-Holding AG

To the sun and back. The distance from Earth to the sun is approximately 145 million kilometres. Trains within the ÖBB network travel approximately 142 million kilometres per year, ÖBB Postbus busses 149 million kilometres. In total his means: once there and back again.

5 trains per minute. Every 12 seconds, an ÖBB train sets off on its scheduled journey.

Clean railway. With an emission of 14 g CO_2 per passenger-kilometre, the railway is a pioneer in climate-friendly mobility. In comparison: CO_2 emissions are 12 times higher for a car, 15 times higher for an airplane.



Moving numbers. In the year 2013, 469 million passengers made use of ÖBB's services. In order to be able to maintain such a service level, a train leaves the station every 12 seconds.

Moving Austria

A driving force. With trains and busses, ÖBB offers comprehensive mobility services for all of Austria. But the company's responsibility goes far beyond traditional transport operations.

THE MODERN MOBILITY SERVICE PROVIDER OF TODAY AND TOMORROW

Attractive rail travel. Winning customers for tomorrow, through comfort and a continued improvement of our offerings.

Everybody talks about how fast and comfortable you can travel by car – yet, hardly anybody seems to be enjoying it. Traffic gridlock makes our lives difficult. When everybody wants to go in the same direction at the same time, you get stuck in traffic jams and waste precious time. At the destination, you may have to deal with a shortage of parking spaces, while rising fuel prices put an excessive burden on your household budget. Austria's motorists are already reacting to this in a noticeable manner: today, private passenger cars drive approximately 1,000 kilometres less per year than they did ten years ago. Commuters in particular tend to do without a car more and more often, aiming to save both time and money. They prefer to switch to public transport – provided the offering is suitably attractive.

Attractive connections

This is a clear mandate and an opportunity for the environmentally friendly railway. But it most certainly does not mean that ÖBB can lean back and wait for the customers to beat a path to our doorway. People travelling by train day after day are – quite rightly – particularly critical passengers. Changing trains as few times as possible, punctual trains, attractive connections, and a comfortable wait for connecting trains are all good arguments for leaving your car at home and hopping aboard a train instead. This applies in particular to commuters; more and more, however, it is also the case for business travellers. Over the past few years, ÖBB has been vigorously driving the change from a "conscientious transporter" to a modern mobility service provider. Because if the railway wants to be a modern alternative to the car, it needs to be attractive and offer substantial benefits.
In the case of regional transport, for example, this means getting rid of the old train sets. And in this area, we have invested and continue to invest heavily, in order to be able to offer our passengers contemporary comfort. The comfortable Talent and Desiro trains are already operating in all federal states, and we continue to expand the quality of their equipment. In 2013 it was decided to order 100 new train sets for local and regional transport. These will soon be in operation in the federal states of Vienna, Lower Austria, Upper Austria and Styria.

New speed

This evolution also means: we need more and faster connections, with even better connection options. In Upper Austria, for example, the regional transport offering was expanded by 20 percent in 2013. In Tyrol, Vorarlberg and Carinthia, several stops were modernized and made more comfortable. The S-Bahn in Salzburg now includes a new stop in Liefering, and thanks to the line expansion, it only takes nine minutes from there to the Salzburg Central Train Station. Commuters between St. Pölten and Vienna can now travel a lot faster

ÖBB VORTEILSCARD. The attractive customer card offering discounts of up to 50 %

Evolving from a "conscientious transporter" to a modern and service-oriented mobility service provider.

TICKETS. Mobile phones and apps nowadays offer comfortable and popular alternatives for buying tickets

on the new Western line: a 25 minute commute offers a strong argument against travelling by car. Travelling by rail should be not only fast, but also as simple as possible. That is what we at ÖBB believe in. For the new timetable introduced in December of 2013 this meant: getting rid of c omplicated rate systems. 61 rates were reduced to 31. For ÖBB's regular customers, the holders of a VORTEILSCARD, things also got easier: eight different cards became four, leaving the VORTEILSCARD Classic, Jugend, Senior and Family. The latest development: if you wish to do so, you can also order, renew and pay your card online.
Apart from this, there are offerings for all occasions. A group ticket offering discounts of up to 30 percent, the Einfach-Raus-Ticket for two to five persons, allows last-minute travellers to use all local and regional trains over an entire day at a low cost. Anybody who likes to take regular trips to the countryside or who frequently needs to take the train for business travel, will find an attractive option in the ÖSTERREICHCARD, an annual ticket for the entire ÖBB network.

Real-time information

Nowadays, it has also become a lot easier to buy a ticket. Of course, you can always buy it from a ticket counter or a ticket vending machine. But for many of our passengers, it has become more convenient and comfortable to buy their ticket by mobile phone and app. Starting this year, we also deliver real-time information for 850 regional train stations directly to your mobile phone. You can access all of this information via mobile Internet, QR code or NFC technology. For information on the train, you can either use your mobile phone or the passenger monitors which also provide real-time information on the next stops or, if necessary, any service interruptions and rail replacement bus services.
So for the modern passenger, all that remains to be done is to lean back and relax while you are on the train. Or make the most of the time and work on your laptop. Either way, you will reach your destination without even a hint of a traffic jam.

MOVING PEOPLE – ALL ACROSS AUSTRIA BY RAIL AND BUS

Passenger transport. ÖBB offers all Austrians fast, secure and reliable mobility.

2 hours and 22 minutes from Salzburg to Vienna. This can only be done by rail, since ÖBB has expanded the Western line. Speeds of up to 230 km/h are now possible on this route. With this, ÖBB has definitely become a serious mobility alternative for long-distance travel. For any distance up to 500 km, rail travel can easily compete with cars and even airplanes.

With the new Western route, Tyrol, Vorarlberg and Switzerland have moved a lot closer to Eastern Austria. The same applies to the large cities in Germany and Hungary. When combining the Western line with the new Lower Inn Valley line, for example, it only takes 4 hours and 10 minutes to travel from Innsbruck to Vienna.

And it gets even better: as soon as the new central station in Vienna comes into full operation in 2015, trains coming from the North, South, East and West will – for the first time ever! – be connected at one single train station. With this, Vienna will become a transport hub with fast and high-performance connections to all of Central Europe. In 2013, the Central Train Station was still only in partial operation – only the local and regional trains currently stop here. But we are working quickly and progressing towards completion as scheduled. Together with the Semmering base tunnel and the Koralmbahn, Vienna's Central Train Station will, as early as 2024, make long-distance travel on the Southern line a lot more attractive. From that time onwards, trains will also be faster than cars on the routes Vienna – Graz and Vienna – Klagenfurt.

A mere 25 minutes is all it takes to bring commuters from St. Pölten to Vienna on the new Western line.

While the increased speed on the long-distance routes is ÖBB's flagship project, local and regional transport connections with their 200 million passengers per year are at least as important. Some of these customers, however, also benefit from the rapid Western line: the approximately 20,000 commuters who travel daily between St. Pölten and Vienna. Now, it takes them only 25 minutes to reach the federal capital, saving them not only time, but also money. In general, rail transport from Vienna's surroundings to the federal capital costs less than a trip by car. This also applies to other federal states, for example to the classic commuter routes in Tyrol and Carinthia.

Indispensable means of transportation

The rising number of S-Bahn passengers offers convincing evidence that more and more people are recognizing the benefits of rail travel: in eight of the nine federal states, the S-Bahn has become an indispensable means of transportation. Punctuality, a time schedule which is easy to remember, a high frequency of operation, convenience – these are only a few reasons for the tremendous success the S-Bahn has been enjoying throughout Austria. It all began 51 years ago in Vienna. Over a period of four decades, it was purely a phenomenon within the eastern part of Austria. Over the last approximately ten years, however, it has also become a fixed part of the landscape in southern

MOUNTAIN COUNTRY AUSTRIA. With the Postbus, even the remotest communities are linked to the public transport system and western Austria (except for Linz). Nowadays, ÖBB operates a total of 25 S-Bahn lines. In Vienna alone, 300,000 passengers travel by S-Bahn and regional train daily. If possible, double train sets are deployed. These offer enough room to replace approximately 775 commuter car rides. In Salzburg, too, the S-Bahn is becoming an increasingly popular way to travel through the state capital, while cars tend to be left behind more and more often. The S3 between Golling and Freilassing alone is nowadays frequented by three times more passengers than ten years ago. In Styria, where the S-Bahn has been in operation for six years, the number of passengers on the four routes has increased by approximately a quarter. A similar development can be seen in Carinthia, where two S-Bahn lines have been in operation since 2010. In Tyrol, passengers are offered six S-Bahn lines. A particularly popular route is the Wipptal S-Bahn between Innsbruck and Steinach am Brenner. Vorarlberg finally adopted the S-Bahn model two years ago, in a single swoop increasing the number of regional trains (and thus the offering to customers) by 30 percent.

Reaching out to even the remotest communities

Even if most people tend to associate ÖBB with rail transport – our mobility service offering is much more comprehensive. Another important service provider for passenger transport is the Postbus fleet which with 149 million kilometres per year offers an ideal addition to our rail offerings. In a country with a topology such as we have in Austria, it is impossible to offer train connections to the remotest valleys. The Postbus bridges this gap. All in all, 2,360 communities throughout Austria are connected, ensuring that even the remotest locations can be reached at any time of the year. This is particularly important to the almost 870 communities who rely almost entirely on the Postbus to gain access to the public transport network.

In order to ensure that connections from long-distance trains to regional trains and onwards to busses work seamlessly, ÖBB has adopted a schedule which is based on regular intervals. At several transit points throughout Austria, long-distance and regional transport is coordinated closely, so that waiting times for connecting trains or busses are as short as possible.

Ultimate performance for long-distance transport on the main routes, quick transfers to the reliable mobility offered by local and regional trains, and onwards to even the remotest communities by Postbus – this is the passenger transport triad within Austria’s public transport orchestra.

NEW SPEED. With up to 230 km/h, ÖBB offers an unbeatable mobility alternative for long-distance travel

LOCAL AND REGIONAL TRANSPORT. Day after day, a reliable partner for your way to school and work

EVERYTHING REVOLVES AROUND OUR PASSENGERS

Quality initiative. Continuously expanding and improving our service offerings along the entire mobility chain.

It sounds so simple, the concept of good customer service. It is only logical that a service company such as ÖBB should commit itself to ensuring that every strategy, every decision and every action is perfectly aligned with our customer's needs and wishes. This, of course, also includes the actions of employees within the company who have no direct contact to customers at all, but rather make all kinds of different contributions aimed at ensuring that the company is perceived by outsiders as customer-friendly and service-oriented.
For years, ÖBB has been placing the customer at the centre of its business. Each year, quality initiatives are carried out, aiming at further improving our services along the entire mobility chain, from buying the ticket to getting off at your destination train station or bus stop. Everything literally revolves around our customers. Around those whom we have already convinced and want to retain, and around those whom we still want to win over.

200 million passengers

Each and every year, ÖBB trains run up approximately ten billion passenger-kilometres. For regional transport alone, 4,000 trains operate day after day, transporting (on a yearly basis) approximately 200 million passengers. Hundreds of people are somehow involved in each train ride, either directly or indirectly. From the ÖBB customer service employee who provides information and carries out the booking, over the train assistant who provides support and information during the journey all the way to the train driver who safely navigates the train through the rail network. From train station personnel over employees at the traffic control centre who safely guide all trains

... making the journey as pleasant as possible for each and every passenger.

SATISFIED CUSTOMERS. The sense of security, the convenience and the

through the rail network all the way to those who ensure that the railway infrastructure is in good order and condition. From cleaning personnel which keeps train stations and trains clean to the colleagues working for Henry am Zug (the caterer on the ÖBB trains). In addition to this, our passengers are taken care of by our bus drivers who steer more than 2,200 busses ten times around the world per day (when adding up the distances), servicing 40,000 stops. They all – and many more – are firmly committed to making the journey as pleasant as possible for each and every passenger. The feedback we receive from our passengers through direct contact is important. But ÖBB wants to know exactly where we stand. This is

comfortable travel, as well as punctuality received particularly positive feedback

why each and every year, we carry out a customer satisfaction survey. In November of 2013, 5,000 persons were asked for feedback, immediately during their journey on the train or a Postbus. In addition to this, we sent 400 mystery shoppers to ÖBB's train stations, trains and busses for a personal inspection …

Customer satisfaction survey

The encouraging result: the overall satisfaction of ÖBB customers increased again after 2012, reaching an excellent level with a total of 77 out of 100 possible points. Particularly positive aspects which received 80 to 95 points, were the cleanliness of the train stations, trains and busses, the sense of security, the convenience, the comfortable travel, as well as punctuality. A particularly positive note: the top grades went to the train attendants, Postbus drivers and travel advisers whose friendliness and helpfulness was especially noted by the passengers.

As punctual as a train

The efforts undertaken by ÖBB during the past years regarding increased punctuality and contemporary stations are also being noticed by our passengers. In 2013, 95.9 percent of all trains were punctual. This made ÖBB one of the most punctual railways in all of Europe. This, of course, is something that our passengers also appreciate. It is furthermore well received among our passengers that by 2015 we will have modernized 170 train stations, making them barrier-free in the process. They value the condition of the train stations, as well as their cleanliness. Criticism centres on information provided at the train station in the event of service interruptions. As the information regarding time schedules, prices and connections provided at the train station normally works very well, ÖBB is now working hard on achieving substantial improvements in the area of information management at the train stations, as well as aboard the trains and busses.

Rail travellers in Austria feel safe and enjoy the convenience and comfort offered by the new, modern trains. Postbus passengers also evaluated the safety and comfort provided by the busses as very good, enjoying their punctuality as well as excellent information regarding upcoming stops and connections provided aboard the vehicle. However, the same applies here: in the event of disruptions, the majority of bus passengers would like to receive information faster.

The satisfaction of customers, as well as their criticism and their wishes for improvements are important indicators for the evaluation of the performance of a company. For ÖBB, this means: being satisfied with what already works well, but continuously enhancing and staying on top of issues which need further improvement.

GOODS FOR PEOPLE

Freight transport. ÖBB moves people – and transports good. Day after day. Within Austria, as well as far beyond the country's borders.

Railways remain the most important and above all the most environmentally friendly way of transporting goods for many sectors of Austria's economy. The general conditions for freight transport in Austria, however, have changed since the sector was liberalised by the EU in 2007. Since then, the competition for market leader Rail Cargo Austria (RCA) has become intense. Regarding the degree of liberalisation of the freight transport industry, Austria is ranked fifth within Europe. This means: more and more competitors are entering the market. However, competition in Austria is not really private, as the railway operators are largely owned by public institutions. In any case, RCA has been able to defend its position despite this difficult market environment, demonstrating that the company is flexible and ready to take on any competitor.

Market leader Rail Cargo Austria

In parts, this is due to the fact that the competition mainly focuses on the attractive (i.e. the profitable) routes. On the Brenner axis, more than a third of all goods are already being transported by private railways, while on the Danube axis, private operators control approximately one fifth of the volume. The Tauern route, the Pyrhn axis, as well as the route across the Semmering are similarly popular among our competitors. For transit, the market share of private railways is particularly high at 28 percent. This kind of transport is attractive, as it covers great distances and several countries, mainly between large industrial hubs and harbours, which is why it can be provided at low costs. When it comes to domestic transport, however, the private railways only hold a marginal share of seven percent.
Incidentally, 99 percent of the transport services provided by our competitors take the form of trains running at regular intervals, crossing Austria's borders and bearing uniform loads. These cross-border block trains can generally cover their costs, in particular if containers and tanks are transported over large distances. The dumping prices offered by private railways specialized on container trains, for example from the harbours of Rotterdam, Bremerhaven or Hamburg to Austria, make life difficult for the established railways and generally lower the industry's overall profitability.

Profitable transport services

While our competitors for the reasons mentioned above focus on the profitable transport services, it is also important to ÖBB's freight transport division to offer environmentally friendly rail transport to all of Austria's economic sectors. Our declared goal is to eliminate more trucks from the road, shifting the volumes to the environmentally friendly railway. This is why RCA also offers transport services which are not very attractive to private railway operators, but extremely important to Austria's industry. One example for this is single wagon transport which is very important to many industries. Due to the more time-consuming shunting tours, however, the related costs are almost twice as high as for block trains. The many, mostly medium-sized Austrian companies, however, would only rarely be able to fill entire block trains in a cost-effective manner. For many industries, single wagon transport is therefore extremely important – and this transport service is currently provided almost exclusively by RCA. The Federal Government provides subsidies for

MARKET OPENING. With a high degree of liberalisation, Austria ranks fifth within Europe

COMPETITIVE. The most profitable rail freight company in Europa, despite a difficult market environment

this service, without which single wagon transport would generally not be a profitable business. Such subsidies would, by the way, also be available to all other railway operators providing corresponding transport services within Austria.

Environmentally friendly railway

Even if there is a social and political consensus that freight should be transported increasingly on the more environmentally friendly railways, ÖBB's toughest competitors are nevertheless trucks. And that, even though for almost all distances, block train transport by rail costs less than truck delivery which loses all of its cost advantages for distances of 250 km or more. An area where trucks do offer benefits is for shorter domestic routes with distances of less than 150 km. Here, railways can hardly offer competitive prices while still keeping their costs covered.
Because of its strong commitment to a protection of the environment, the Federal Government supports single wagon rail transport, unaccompanied combined transport and the highway on wheels – in particular in order to balance out the disadvantages that rail freight transport has in comparison to the road.

Despite the increasing competition and the economic crisis from which we are only barely emerging and which has caused the economy to falter, the Rail Cargo Group is one of only two European rail freight companies that has been able to post a profit. Adding to the high market share, a modal split (i.e. the percentage of rail transport within the entire freight transport sector) of more than 30 percent was maintained. And that, too, is a top result among Europe's railway operators.

Trains offer the most important and above all the most environmentally friendly way to transport goods.

TRANSPORT HUB IN THE HEART OF EUROPE

International hub. Four TEN axes run through Austria, with three of them coming together at the new Central Train Station in Vienna.

AT THE CENTRE OF EUROPE. Austria as a hub and crossroads for trans-

Whether you are travelling from Paris to Budapest, from the Baltic states to the Adriatic Sea, or from Berlin towards Italy: your journey will always lead you through Austria. After having been side-lined for decades with its location near the eastern border of free Europe, the country has, since the fall of the Berlin wall, once more become the centre of Europe as a whole. Today, our country is once again a hub and a crossroads for encounters, exchanges and trade between East and West. The requirements to the transport routes which run cross several countries, however, have changed since the beginning of the last millennium. The European Union, of course, promotes the formation of networks within Europe. Almost immediately after the borders to the eastern states opened up, it laid the cornerstone for the creation of the Trans-European Networks (or TEN axes) in the Maastricht Treaty. Since then, EU funds have been and are being used to eliminate bottlenecks, modernise the infrastructure and accelerate cross-border traffic and transport. With this, the EU has laid the foundation for a complete transport network for the entire European domestic market – including for railways.

TEN – Trans-European Networks

The creation of networks within Europe, which began 20 years ago, was adapted three years ago with the establishment of the new TEN-T guidelines (the "T" stands for "transport"). They combine the promotion of well-developed transport routes with the promotion of an efficient usage of energy and a reduction of CO_2 emissions. Accordingly, the railway plays an important role in this. The declared goal is to shift considerable transport volumes from the road to the environmentally friendly railway system. This is also necessary: According to EU calculations, freight transport in Europe will increase by an estimated 80 percent over the coming year, while passenger transport volumes are set to increase by more than 50 percent. Traffic jams already cause annual costs equivalent to approximately one percent of the gross domestic product of a country. If in addition you consider the relentlessly rising oil and fuel prices as well as the impact on the environment, it is more than understandable that an expansion of rail transport has absolute priority.

… shifting more transport volumes from the road to the environmentally friendly railway system in the future.

European railway system

The railway expansion projects within our country benefit from this. Three of the four trans-European railway axes which are considered by the EU to be of particular importance and are therefore schedule to be expanded as a matter of priority run through Austria:

– the axis Berlin–Palermo, which includes the Brennerbahn
– the Magistrale for Europe Paris–Munich–Vienna–Bratislava–Budapest (and later on to Athens) with the Western line as a centrepiece and
– the Baltic-Adriatic axis from Gdansk to the Mediterranean with the Semmering base tunnel and the Koralmbahn.

Just recently, in the past year, the EU underscored the importance of these three routes by earmarking funds in the amount of EUR134 million for domestic railway expansion programmes. This provides the official confirmation: Brenner base tunnel and Semmering base tunnel as well as the Koralmbahn are no domestic Austrian railway visions, but rather an important part of the high-priority Trans-European Transport Network. The railway's performance capacity can be seen day after day on the Western line, which has been expanded to four tracks (currently only in parts). High-speed trains such as the railjet or ICE race along this modern infrastructure at speeds of up to 230 km/h. Over the coming years, the last remaining gaps for a complete four-track expansion of the route will be closed.

Moving closer to Europe

After its expansion, the Southern line will offer a similar potential. It is part of one of the most important North-South transversals in Europe and the eastern-most Alpine crossing, connecting important economic regions in several countries. The key projects for the axis within Austria are already under construction: Vienna's new Central Train Station, the Semmering base tunnel, and the Koralmbahn with a length of 133 km.

As a central through station, the new Central Train Station in Vienna which is scheduled to be completed as early as December of 2015 will become a nodal point for trans-European rail transport and an important hub for international and national passenger transport. For the first time ever, trains coming from all directions will be connected at a single train station, allowing completely new rail connections – for example from Paris to Budapest via Vienna, or from Prague towards Italy via Vienna, or even from Linz directly to the Vienna airport. Over the next few years, the expansion of the central transport axes, condensed time schedules and modern trains will not only make distances in Austria seem smaller, but also bring the country a lot closer to Europe. The travelling times along the main axes will be reduced considerably. In about ten years, passengers travelling by rail will reach their (European) destination a lot faster than they do today.

THE ADDED VALUE CREATED BY THE RAILWAY

Value creation. ÖBB is one of the largest clients for the national economy – in particular for domestic small and medium-sized companies.

ÖBB moves not only people and goods, but also monetary figures in the billions. These stimulate the Austrian economy and thereby secure jobs. Because the railway is a lot more than just tracks, trains and stations – it is a whole network of corporations, industrial plants and small as well as large companies, and it contributes strongly to a successful economic development in Austria. This railway is by no means a system that simply devours money. On the contrary: the investments in exactly this system pay off many times over. The acceleration of the railway and the increase in passenger comfort offer a lot more than "only" precious minutes and satisfied passengers – they also have a positive impact on the financial budget of citizens, regions and the country as a whole.

Railway investments

The positive influence that investments in the railway have on society can be objectively calculated. Over the period from 2013 through 2020, ÖBB's investments in infrastructure will generate added value in Austria amounting to a total of EUR13.6 billion. This corresponds to an annual contribution of approximately 0.6 percent of the gross domestic product. Based on this, approximately 192,000 years of employment will be created during this same period. Because no matter whether you look at the tracks, the technology within an engine, the uniforms of our employees or the new train stations: behind each and every area and product, you will find a vital motor with thousands of employees, boosting both the employment situation and the economy. In particular small and medium-sized domestic companies play an important role in this. At 78 percent, their share of the railway's investments in infrastructure is disproportionately high. The fact that working people spend less time in their means of transport every day, however, also has a positive effect. Shorter travel times lead to more spare time or, alternatively, more time that can be spent working. Either way, the impact on the economy is positive. Just take the new Western line: 25 minutes from Vienna to St. Pölten – the only way this can be achieved is by rail on the new high-performance route. Currently, the average number of passengers travelling between Vienna and St.Pölten every day is approximately 20,000. If you perform a calculation based on the average income of dependent employees, this high-performance route alone generates an economic benefit of EUR28 million per year. In addition to this, the travel times for the routes between Vienna and the cities of Linz, Salzburg and Innsbruck have also been shortened. Already today, rail travel on these routes is faster than going by car.

Quicker travel to the South

When from 2024 onwards the Southern line with the Semmering base tunnel and the Koralmbahn will be in permanent operation, the travel time to Klagenfurt will be reduced by 1 hour and 20 minutes, while trips to Graz will take 47 minutes less.

MOTOR FOR JOB MARKET AND ECONOMY. The railway system creates approximately 192,000 years of employment

The positive influence that railway investments have on the common good can be objectively calculated.

VIENNA CENTRAL TRAIN STATION. Investment in infrastructure as an impulse for regional value creation and an international transport hub

Both people and the economy will benefit equally from the new route, and the number of potential passengers is similar to the one for the Western line. All these general conditions point towards an enormous creation of added value.
Already now, during the construction phase, the Koralmbahn on the Southern line, for example, is generating thousands of jobs. Every million euros that is invested in track infrastructure triggers significant employment effects and creates up to 17 person-years of employment, split up among sectors of the construction industry as well as affiliated sectors all the way down to the local neighbourhood store. A significant creation of value which largely remains within the region. Once railway operations commence, the economy immediately has a high-performance transportation route literally on its doorstep. At the latest, this will be the time at which many industrial parks in the regions will notice the benefits from the investments.

Macroeconomic benefit

But let us have a closer look at the route Vienna – St. Pölten including its surrounding regions. The new, rapid railway improves the accessibility of the labour markets in the two cities, labour supply and labour demand are brought together in a more efficient manner, which creates positive productivity effects for both locations.
In Vienna, the high-performance line thereby increases the value added by EUR460 million (cumulated) over the next ten years, while in St. Pölten an increase in value added by EUR14 million is achieved over the same period of time. Apart from this, the completion of the new Vienna Central Train Station means that jobs in the South of Vienna become more accessible to commuters who travel by rail via St. Pölten or Tullnerfeld. This results in an additional impulse for regional value creation in Vienna, combined with an additional increase in disposable household income in the Lower Austrian residential districts where the commuters live, as the daily rail commute costs less than travelling by car.
Of course, the economic benefit of such quality improvements also depends on how much the railway is used as a means of transport. But in this respect, Austria and the ÖBB are in a favourable situation: each inhabitant travels almost 1,300 passenger-kilometres by rail each year. This is almost twice as much as the European average. And the trend curve points upwards.

BUILDING THE MOBILITY OF THE FUTURE

Construction projects in Austria*

1 Rhine valley concept Bregenz–Bludenz
Between Bregenz and Feldkirch, catching a train and making a connection is becoming more and more attractive. Six train stations and stops (Riedenburg, Dornbirn, Dornbirn-Schorn, Hatlerdorf, Feldkirch, Lauterach) have already been completed. The Hohenems train station is the next, followed by Rankweil and Götzis.
Project volume (P): EUR214.0 million.
Construction time (C): 2004–2016

2 Brenner base tunnel
The most important route section on the TEN axis from Germany to Italy which measures 55 km is currently being constructed. Access tunnels, exploratory tunnels and logistics tunnels have been completed on both the Austrian and the Italian side. Now, the first kilometres of the main tunnel tubes are being blasted.
P: EUR5,003.5 million (Austrian share). **C:** 2016–2026

3 Salzburg–Freilassing
From the Salzburg Central Train Station, a three-track line runs almost up to the state border in the direction of Freilassing. Connections to the city bus are provided at the new S-Bahn stops Mülln-Altstadt, Aiglhof, Taxham Europark and Liefering. Thanks to new switching connections, freight trains coming from Germany run directly to the Salzburg container terminal.
P: EUR198.2 million. **C:** 2005–2015

4 Salzburg Central Train Station
Customer-friendly modernisation despite being a protected historic monument – the difficult balancing act has been a success. All four platforms are now also accessible by wheelchair, the service areas and a shopping arcade have been completed. What remains to be done is the renewal of the freight train tracks and a restoration of the façade of the station building.
P: EUR250.5 million. **C:** 2008–2014

5 Linz Central Train Station and Western line
The trackage on the eastern side of Linz Central Train Station is relocated in a way that makes it possible in integrate the stretch, which has a length of approximately two kilometres, into the Western line with four tracks. This is done without interruption to operations – approximately 800 trains per day.
P: EUR140.7 million. **C:** 2010–2018

6 Freight train bypass St. Pölten–Loosdorf
The newly constructed route with a length of 24.7 km closes the gap between St. Pölten and Loosdorf, bypasses the state capital to the south and relieves the train station from freight and through traffic. The Pummersdorf tunnel with a length of 3.5 km will be constructed with one tube and two tracks, on the western segment a railway bridge across the Pielach is being constructed.
P: EUR840.7 million. **C:** 2009–2017

7 Koralmbahn Graz–Klagenfurt
The Koralmbahn with a length of 130 km will offer an ideal connection between the South of Austria and European transport hubs. Construction is currently focusing on the core piece, the Koralm tunnel with a length of 33 km. The breakthrough of the tunnel between Carinthia and Styria is expected for 2016. A new railway bridge across the Drau with a length of 600 m will be completed before the end of 2014.
P: EUR5,361.8 million. **C:** 1999–2023

Modern infrastructure. Higher travel speeds make shorter connection times possible. An improved infrastructure creates higher capacities, and the avoidance of car and truck rides contributes to the protection of the climate and the environment. For the mobility of the future, Austria's rail network is expanded with a strong focus on quality.

8 Graz Central Train Station

New comfortable platforms, passenger tunnels, a protective platform roof and a new underpass to Eggenberger Straße – the Styrian state capital's Central Train Station has become even more customer-friendly.
P: EUR167.9 million. **C:** 2009–2019

9 Semmering base tunnel

The tunnel with a length of 27 km will shorten the travel time from Vienna to Graz by half an hour, allowing for a high-performance Southern line when combined with the Koralmbahn. Currently, preparations are underway: flood protection measures, bypass roads, access roads for the construction site and hydro-engineering projects.
P: EUR3,096 million. **C:** 2012–2024

10 Semmering existing line

The route with a length of 42 km is a UNESCO world cultural heritage site and is upgraded in terms of safety technology. For this, extensive restorative measures are necessary, involving 16 viaducts, 15 tunnels and 100 brick bridges. Construction will continue until 2015 without interruption of service.
P: EUR119.6 million. **C:** 2006–2014

11 Pottendorf Line

So far, 21 km of the important supplementary route to the Southern line have been expanded to two tracks. Now, construction has moved to the section from Vienna's city boundary to Hennersdorf.
P: EUR650.2 million. **C:** 2014–2023

Construction projects in Vienna*

12 Vienna Central Train Station

One of the country's largest infrastructure projects. The train station has been in partial operation since December 2012, the shopping centre will be inaugurated in the autumn of 2014, and by the end of 2015 the entire railway infrastructure is scheduled to be fully functional, acting as an international transport hub.
P: EUR1,012.6 million. **C:** 2007–2015

13 Eastern Railway – Airport Express

The construction includes a two-track, same-level connecting segment with a length of 2.1 km between the Eastern Railway and the S7 running to the airport. The central shunting station Vienna bridges the route via two bridges. The new connection is linked in at the transfer point Central Cemetery.
P: EUR69.8 million. **C:** 2012–2014

14 Freight terminal Vienna Inzersdorf

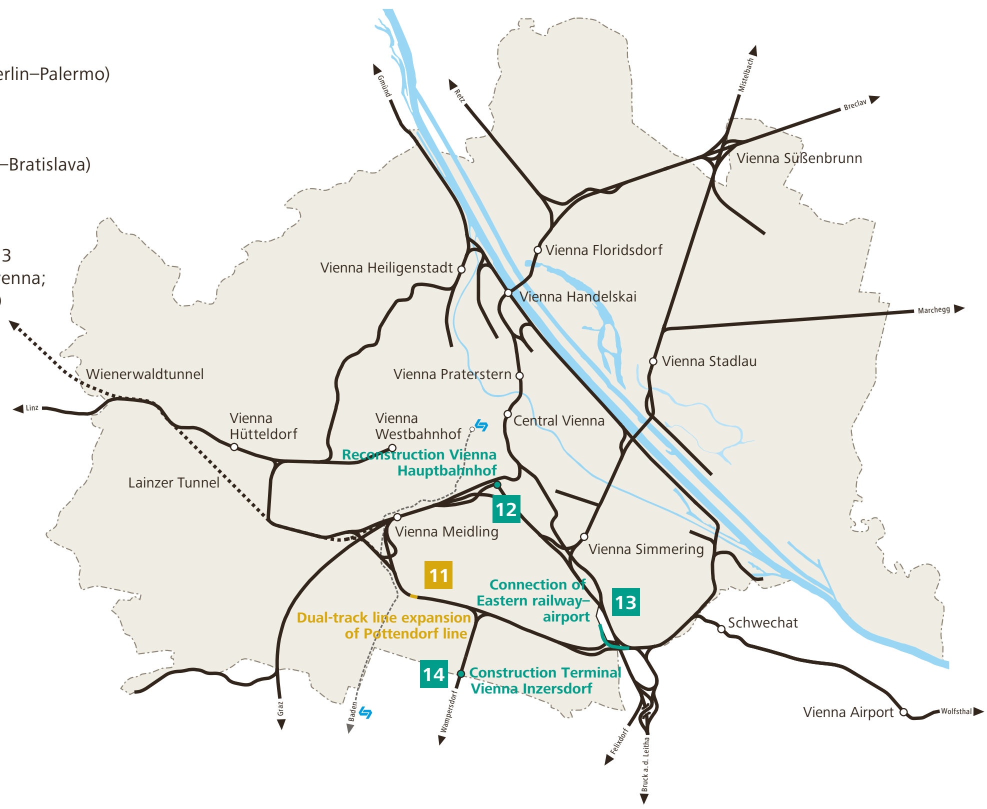
The new terminal will be created on the 55 hectare area surrounding the intersection to the S1. The concentration of freight logistics on the Inzersdorf location relieves the inner-city area from train and shunting tours. After completion, several freight stations in and around Vienna will be closed down.
P: EUR299.5 million. **C:** 2013–2017

* Source: BMVIT Master Plan 2013–2018

Main routes

- Arlberg axis
- Brenner axis / Lower Inn Valley (part of TEN 1 Berlin–Palermo)
- Tauern axis
- Danube axis / Western line (part of TEN 17 Paris–Bratislava)
- Metropolitan area of Vienna
- Baltic-Adriatic axis / Southern line (part of TEN 23 Gdansk – Vienna, incl. planned extension to Ravenna; as well as TEN 22 Athens – Nuremberg/Dresden)
- Pyhrn-Schober axis

TEN = Trans-European Network



BECOMING A EUROPEAN PIONEER IN INNOVATION

Research and development.

Austria's railway industry is one of the absolute innovation pioneers worldwide.

Mobility of tomorrow is and must be designed and implemented in a more sustainable, efficient and environmentally friendly manner. We need intelligent, networked mobility solutions which are superior to private transport: because they are available everywhere, because they are easy to use and because they are extremely reliable. These are all requirements which railways as a means of transport already largely meet, but the evolution never stops. Already today, we need to develop and consistently pursue innovative solutions to handle the mobility requirements of tomorrow. Being innovative means keeping the wheel turning – and at ÖBB, we take this in a quite literal sense. It has been 176 years since the era of railways began in Austria. Today, thanks to countless innovations, trains are travelling at speeds of up to 230 km/h, and they are secure, reliable, clean, quiet and comfortable.

Innovation & technology

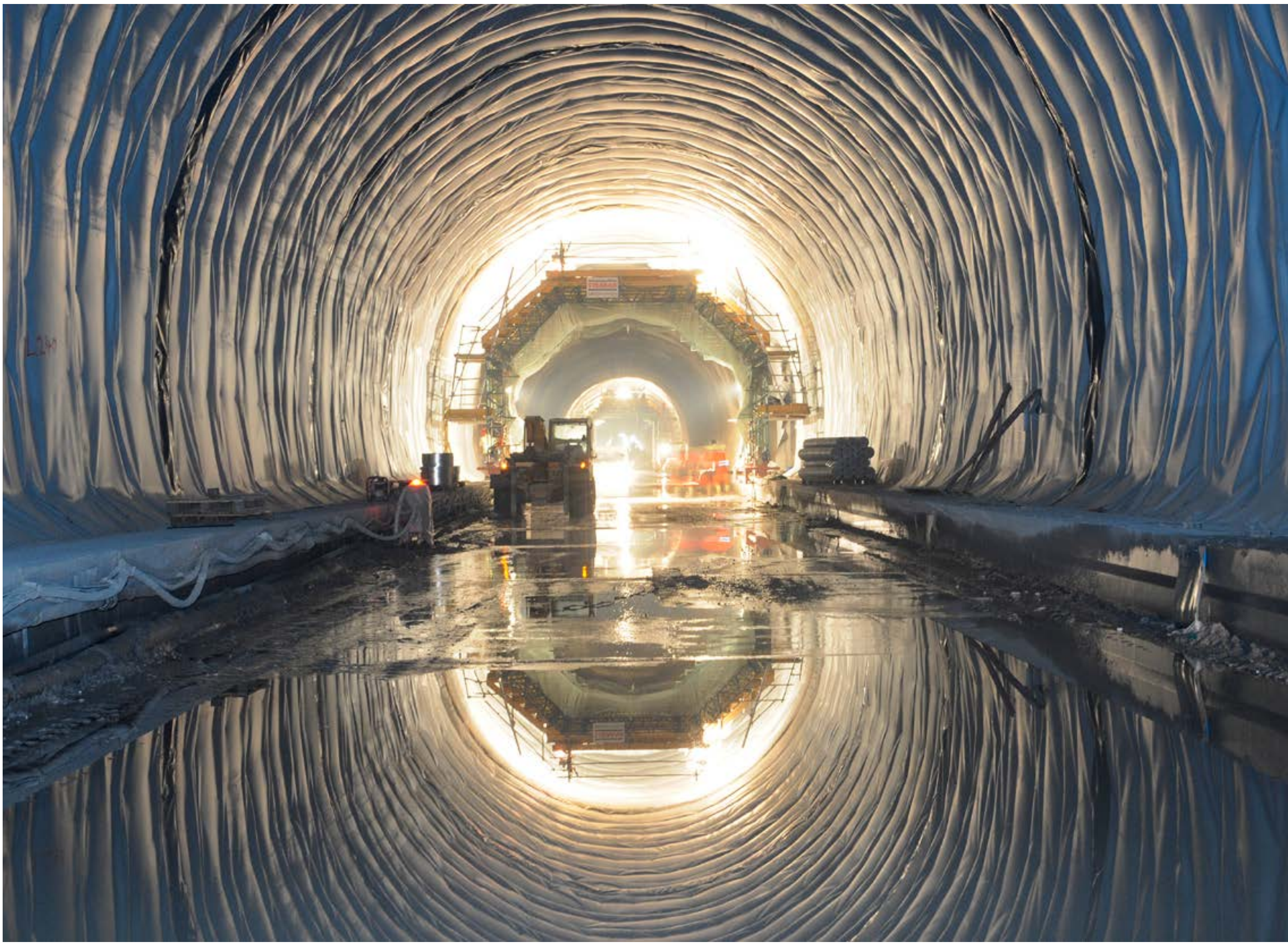
But not every innovation which would be technically possible is also actually implemented. The decisive factor is whether it offers benefits and improvements to our customers, increases the efficiency and thereby the competitiveness of our railway transport services or makes a positive contribution to safety and quality. One important factor: innovations need staying power, they must be strategic and proactive, and they need to be coordinated between the individual subsidiaries within the ÖBB Group.
This is why in 2013, ÖBB established an independent coordination office for innovation and technology. This strategic superstructure, as it were, is where now the innovative minds within the company come together. Currently, we are conducting 70 research projects, some of which are carried out in collaboration with external partners from industry, business, science and research institutions, as well as other European railway operators. Regarding their subject matters, these research projects include all different kinds of technological innovations. Some of them, for example, will ensure that in the future, trains will operate more securely, but a lot more quietly and efficiently. Others aim at improving the availability and cost efficiency of infrastructure installations. And then there are activities focussing on innovations in the area of benefits to the customer. The overriding objective is to become the European innovation pioneer in the railway sector – a role which ÖBB strives for on the international railway stage.

Trendsetter ÖBB

But even if you are innovative in one country, you are still dependent on other states. The best example for this is the railway security system ETCS (European Train Control System) which is planned to be implemented for the entire European railway system. The objective is to unify the different national train safety systems, so that in the future all locomotives and engines only need to be equipped with one single system. Switzerland and Austria have already implemented the ETCS on

DOUBLE SLIP SWITCH. Complex structural elements require a close collaboration with industry

Already today, we are developing innovative solutions for the mobility requirements of tomorrow.



WIENERWALD TUNNEL. The tunnel construction projects along the high-performance route are state-of-the-art, with some of the most innovative approaches anywhere

several main routes. EUR200 million – this is what ÖBB has invested in the required infrastructure, in addition to EUR120 million used to retrofit the vehicles.

A driving force

As a matter of fact, the railway system's significance reaches far beyond our national borders. It is a major driving force for international research activities, making a substantial contribution to international competitiveness. This is due to the consistent investments in research and development, mainly in the area of locomotives, engines and rail track systems, but also regarding electronic components used throughout the entire railway network. Regarding R&D investments in the area of railway vehicle manufacturing, Austria is Europe's number one. When it comes to patents in the area of railway technology, the Austrian railway industry is proud to actually have the highest number of inventors per capita worldwide. During a period of ten years, for example, 1,170 patents for the railway sector were filed by a total of 771 Austrian investors. On the world market for the export of railway vehicles and railway-related equipment, Austria commands a share of 6.5 %. In absolute numbers, the country thereby takes fifth place behind countries such as Germany and the USA.

From a perspective of innovative capacity (measured by the number of patents related to domestic inventors in the area of trains and railways), Austria is the global leader in innovation on a per-capita basis. The Austrian railway industry is a true "hidden champion". With approximately 8,100 employees and an export ratio of 71 percent, we generate revenues of EUR2.6 billion and generate value added amounting to approximately EUR900 million per year. More than half of the domestic revenues are based on ÖBB orders. Without this domestic pilot and reference market with a stable demand, such extraordinary successes regarding export and innovation would not be possible. With this, the railway is not just a means of transport, but also a stable and strong driver of innovation and economic growth in Austria.

ÖBB TAKES ITS CORPORATE RESPONSIBILITY SERIOUSLY

Corporate Social Responsibility (CSR). Moving Austria, as an environmentally beneficial and climate-friendly mobility service provider.

ÖBB acts as a sustainable company, offering sustainable mobility. It is a well-known fact that railways are climate-friendly. ÖBB's commitment to CSR, however, goes far beyond environmental benefits. ÖBB is a unique company. No other company in Austria has such an extensive footprint, reaching so many people. ÖBB is number one when it comes to transport and climate-friendly mobility. Many people only experience ÖBB when travelling by train or bus, but ÖBB is so much more. We are an employer for nearly 40,000 people, Austria's largest provider of technical training and an important logistics service provider. ÖBB creates infrastructure on behalf of the Republic and is one of the domestic economy's largest clients. The company operates a large number of hydropower plants generating "clean" electricity, and is also one of the country's most important real estate administrators.
With its CSR strategy, ÖBB pursues a structured approach to the further enhancement of its CSR performance. The three classic aspects of sustainability (economics, ecology and social affairs) were expanded to five major thematic CSR categories: customers, employees, economy, environment and society.
For each thematic category, we have defined fields of action, for which in turn clear action guidelines or strategic directions have been specified.
Within each thematic category, ÖBB pursues different kinds of ambitions:

Customers: As a priority, our services are adjusted to the needs of our customers and the constantly changing market situation. Innovative, environmentally friendly, barrier-free and socially balanced offerings are very well received by our customers.

Employees: We are one of Austria's largest employers. For us, sustainability also means dealing with our employees in a responsible manner.

Economy: We strike out in new directions and ensure modern and sustainable mobility within Austria and Europe – with this, we create the basis for our economic success, securing jobs with a future. Sustainability, customer-orientation and transparency are important to us. The same applies to responsible handling of the assets entrusted to us by their owners.

Environment: We are Austria's most environmentally and climate-friendly mobility service provider.

Society: Our actions have a strong impact on society. We live up to this responsibility.

ÖBB's CSR-related activities across all thematic categories are multi-faceted. This once more became evident during the past financial year. Here is an extract from our CSR performance:

Consumer education

ÖBB takes its responsibility seriously. This also includes the issue of consumer education, in particular with regard to children and adolescents. For example, ÖBB supports the "ÖKOLOG Schools" in their initiatives against particulate matter. Or the "Klimameilen" campaign conducted by the Climate Alliance, which reaches approximately 30,000 children at 250 schools and kindergartens throughout Austria.

Diversity charter

ÖBB has taken further sustainable measures aimed at reaching equality objectives. The ÖBB Group has had an equality policy in place since 01 July 2011. The goals are: to ensure equal treatment irrespective of sex, age, ethnic origin, sexual orientation or handicap; and to promote equal opportunities and a better reconciliation of work life and care responsibilities through special programmes.

ÖBB is number one in the area of transport and climate-friendly mobility.

CLEAN RAILWAY. 41 percent of the railway's electricity is generated at ÖBB's own hydropower plants – here the Tauernmoos Lake

The transport sector's CO_2 footprint

The railway is one of Austria's most climate-friendly means of transport. This is also confirmed by the annual CO_2 calculations carried out for ÖBB's transport sector by the Federal Environmental Agency. The results in short: CO_2 emissions have declined by 27 % between 2006 and 2012 – and that despite an increase in the number of passenger. All in all, ÖBB is 12 times more climate-friendly than a car and 15 time more climate-friendly than an airplane. In the area of freight transport, ÖBB even emits approximately 18 times less CO_2 than a truck. An ÖBB Postbus also offers CO_2 benefits per passenger-kilometre when compared to a car.

An apprenticeship with ÖBB: the great opportunity

With approximately 1,800 apprentices, the ÖBB Group is Austria's second largest company offering vocational training, and the largest such employer when it comes to technical jobs. Every year, ÖBB accepts apprentices in its training workshops as well as for commercial apprenticeships, thereby not only securing highly skilled junior employees for the ÖBB Group, but also guaranteeing first-rate specialists for the Austrian economy.

Sustainability report

Sustainability magazine

Sustainability Report

For further information on **ÖBB's CSR performance** (detailed information on the thematic CSR categories, short videos, background information, CSR basics, as well as CSR-related key performance indicators), please refer to the CSR blog which can be found online at the following address: blog.oebb.at/csr

EMPLOYEES WITH RESPONSIBILITY – RESPONSIBILITY FOR EMPLOYEES

Competency & know-how. Day after day, 39,513 employees contribute to ÖBB's success, while at the same time acting as our most important brand ambassadors.

The friendly train assistant taking care of the elderly lady, the bus driver who waits even for the last late student, the engineer chairing a construction meeting at the Central Train Station in Vienna, the service staff cleaning the station concourse, the construction crew working on the overhead contact lines on the side track. They all offer passengers and customers as well as the public an impression of how we work at ÖBB. Day after day, 39,513 ÖBB employees contribute to the company's success, while at the same time acting as the most important ambassadors for the ÖBB brand. Our efforts to look after our customers during daily rail and bus operations is well received: in the most recent customer satisfaction survey, ÖBB employees with direct customer contact, i.e. those working on the trains and buses, received top grades.

Qualification & appreciation

Employees can only achieve truly good, consistent results if they are qualified for their activities and feel well within their working environment, and if both executives and customers treat them with respect and appreciation.
In 2013, ÖBB's management wanted to know exactly where we stand. All employees in Austria and Hungary, on the tracks, on the trains or in the office, with a migrant background or on maternity leave, apprentices and older employees were asked to voice their opinion regarding their workplace at ÖBB during the first group-wide employee survey. The survey was conducted by an external polling institute, ensuring complete anonymity. Approximately 50 percent of all employees took the opportunity and evaluated their activities, managers, working climate, demands, perspectives, development opportunities, health promotion, etc. The results showed that the job satisfaction is very high and that the employees display an above-average loyalty towards their company. Of course, there was also criticism. This had been expected and planned, as these are the areas where we now can develop and implement measures for improvement.

ÖBB offers diverse possibilities of continuing education within the company.

Diverse demands

The demands which the ÖBB Group makes towards its employees are as varied as the services which a modern mobility service provider nowadays needs to deliver. Safe, reliable transport is just as much part of our daily life as extremely complex construction projects and elaborate logistics solutions. The classic job in the office, in shunting or in a locomotive's driver's cab still exists. Countless railway-specific jobs require exactly this knowledge, and numerous service employees provide direct service to our passengers day after day.
This is also reflected in the diversity of the Group's employees – a diversity which the Company quite deliberately uses to its benefit. At ÖBB, a migrant background is anything but an obstacle. On the contrary: in light of our multi-cultural society, we even actively promote it. People with different types of education and knowledge backgrounds offer diverse competencies for heterogeneous teams. Diversity also means, however, that ÖBB wants to increase the percentage of women working in the Company considerably. A side-effect of the high number of technically oriented occupations is that in some areas it can (still) be difficult to recruit well-trained women. The activities which ÖBB is already conducting in this area at universities and polytechnics, as well as for apprenticeship training, should make it possible to attract more women to railway jobs over the coming years. In-

EMPLOYEE SURVEY. Approximately 50 percent of ÖBB's employees participated in the first Group-wide survey

ternally, measures aimed at raising gender / diversity awareness contribute to this cultural change within the Company. At any rate, the goal set out in ÖBB's diversity charter is ambitious: by the year 2020, the percentage of women is to be increased to 20 %. This applies equally to new appointments to leadership positions, to new recruits and to apprenticeship training.

Vocational training at ÖBB

ÖBB is not only one of the largest and most diverse employers in Austria, but with approximately 1,800 apprentices also one of Austria's largest companies offering vocational training,

Further Information

In 2013 ÖBB relied on the competency, the know-how and the commitment of **39,513 employees** – 15,262 workers and salaried employees, as well as 24,251 employees with tenure-track position. At ÖBB, training and further education has a high priority. All in all, **1,761 apprentices** in a total of **22 occupations requiring an apprenticeship** were trained in 2013. For this purpose, ÖBB operates **11 training workshops,** as well as **4 apprentice homes.** In addition to this, 860 employees participated in educational measures provided by the "ÖBB academy" during the year 2013. Another approximately 1,000 employees took part in training and further education courses offered by "ÖBB bildung".

and the largest such employer when it comes to technical jobs. The high quality of training in 22 occupations – 98 % of the apprentices pass their final apprenticeship examination on the first try – is to the benefit of the entire labour market, as with the support of the Ministry of Transportation ÖBB is able to train more young people than the company itself needs. Approximately half of the apprentices remain within the company. As skilled employees, the other ones face a strong demand, making it easy for them to find good jobs in business and industry.

In addition to this, ÖBB offers diverse opportunities to continue your education within the company and to advance your own career. The goal is always to fill top positions with employees who have come up through the ranks.

Once a year, ÖBB's management goes on a "rail tour", spending a whole day visiting its employees. This year, more than 50 executives participated, visiting nine locations where they answered questions, debated current issues openly and were able to personally gain a first-hand impression. Because one thing always holds true: only satisfied, highly qualified employees do their job well and ensure satisfied customers.

WORKING MORE EFFICIENTLY – WITH LEANER STRUCTURES

Change process. Ready for the future, with less effort and lower costs for administrative tasks.

In a Group with approximately 40,000 employees and a structure which has evolved over decades – and not always necessarily in a beneficial way – realignment is required every now and again. FIT 2015 – this is the name of the programme which ÖBB has been implementing for three years. It aims at making the Group's structures leaner and at taking more advantage of synergies.
We started this process in 2010. The owner's requirement to ÖBB-Holding AG was to improve by EUR500 million within five years. The challenges resulting therefrom were accepted, some areas were completely redesigned, and the restructuring measures are making good progress in terms of efficiency. In 2013, the strategic changes mainly involved accounting, procurement management and information technology.

Economic efficiency

Since July of 2013, the newly created financial service department (FiS) is responsible for almost all accounting and billing processes. Apart from considerable cost-savings effects, the FiS competence centre offers several qualitative advantages, such as a standardization of processes, an increased transparency and consistency of data, as well as a faster preparation of financial statements. FiS is also well-prepared for the transfer of invoices without physical documentation which the Republic of Austria requires from its suppliers and service providers from 2014 onwards. Electronic invoicing makes billing and booking processes significantly easier, and in the medium term ÖBB will also urge its suppliers to invoice their services electronically.
ÖBB-IKT GmbH was also restructured and now operates on a more efficient level. We were able to not only achieve the desired savings, but to also improve the service quality for the customers, i.e. the other companies within the ÖBB Group.
In 2013, a clear separation was made between telematics/telecommunications and IT services. As logic suggests, the telematics area remains where it is closest to its customers, i.e. within ÖBB-Infrastruktur AG. Meanwhile, the holding company's wholly-owned subsidiary ÖBB-IKT GmbH is in charge of all Group-wide IT-related issues.
The target for the Group purchasing department was to achieve savings with an impact of EUR100 million on the budget by 2015. The way towards this goal involved a complete realignment: away from pure order processing and towards strategic procurement with a high degree of economic efficiency. This was mainly achieved through the creation of new purchasing categories, as well as respective specialised category managers. The latter maintain a strong focus on the Group-wide management and further development of their areas. This system results in a specialisation which improves the quality of procurement, while at the same time making it more efficient. As a major supporting element for buyers – who can now fully focus on their actual responsibilities – an electronic procurement process (e-procurement) was introduced.
This process makes quicker handling, legally compliant archiving and complete transparency of ordering processes much easier. In addition to this,

STRONG COMMITMENT. ÖBB employees with direct customer contact received top grades from our passengers

... making the Group's structures leaner and exploiting synergies.

SHORT DISTANCES. From the autumn of 2014 onwards, 1,700 ÖBB employees are brought together in the new Group headquarters at the Vienna Central Train Station

the new system has been imitated many times over within the international buyer network.

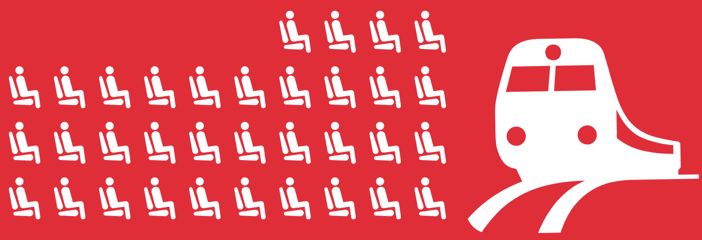
Structural change

The new Group headquarters, the construction of which advanced rapidly during 2013, should improve the collaboration between different ÖBB companies, as distances become shorter and contact is more direct. The settlement plans have been finalised, and from the middle of 2014 onwards, the planned concentration on the new location in Vienna will begin. 1,700 employees from several ÖBB companies will be moving to the new building located immediately next to the Vienna Central Train Station. This physical closeness to one of Europe's most modern train stations is no coincidence: through this immediate proximity, even employees working in administrative areas will, quite literally, be closer to the product. From 2015 onwards, the many different ÖBB locations scattered throughout Vienna will be reduced to only three: Praterstern, Erdberg and Central Train Station. This allows us to take advantage of synergies, simplify work processes and shorten communication channels. In general, deploying more employees in our core business area, increasing the benefits to our customers, putting less effort into administrative tasks, incurring lower related costs, and making the structures on all levels leaner – this is the strategy set out by FIT 2015. As we can see, this structural change has, in the meantime, also contributed to ÖBB being back in the black.

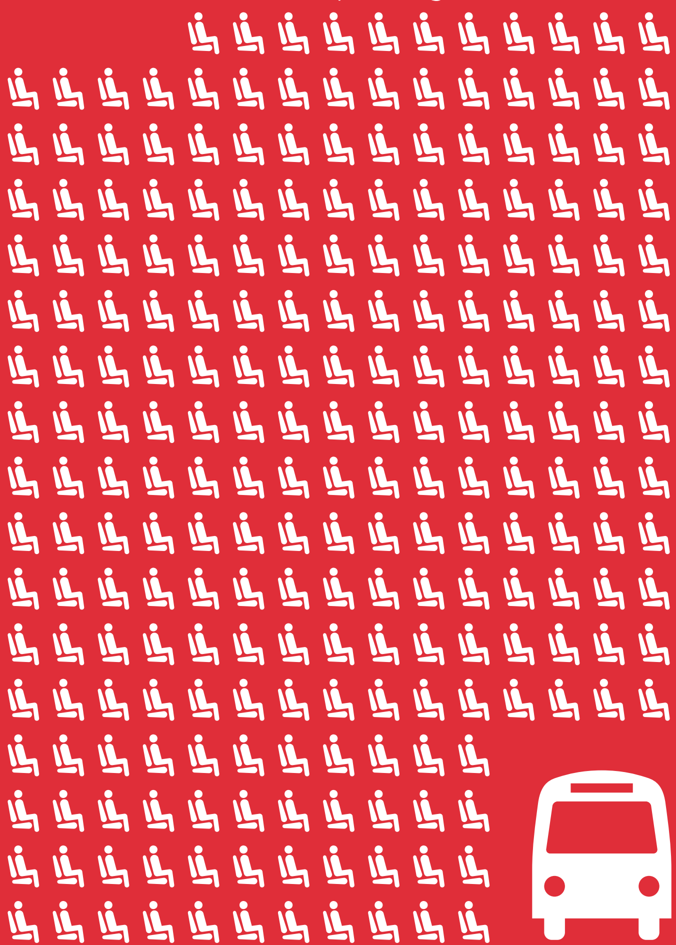
And this process is set to continue: at the end of 2013, the foundation for further streamlining of the Group's leadership structure was laid –illustrated, for example, by the reduction of the holding company's Executive Board from three to two members. We are also planning to merge the SSC (Shared Service Center) with ICT to form one single company. This should further strengthen collaboration within the Group and allow the Company to enhance its focus on the demands of the market and the wishes of our customers. ÖBB is on the move – and not just with respect to its service offerings, but also in terms of its structures.

200 million regional transport passengers

34 million long-distance passengers



235 million bus passengers



Passenger numbers. In 2013, 469 million passengers availed themselves of the mobility services provided by ÖBB, including 200 million on local and regional transport trains, 34 million on long-distance trains and 235 million on ÖBB-Postbus busses.

Corporate Governance

Transparency. The legal and factual regulatory framework for the management and supervision of the ÖBB Group's business activities.

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 corporate governance at 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 at 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. Deviations from the so-called “comply or explain” regulations (“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 and amended in June of 2012:

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. 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 Stellenbesetzungsgesetz [Austrian Appointment Act]), it is more advantageous for ÖBB-Holding AG 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. The reason for this is that ÖBB-Holding AG’s Executive Committee fulfils this responsibility. “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 decision to disclose and publish the principles regarding profit-sharing with the Executive Board and the personal remuneration of the members of the Supervisory Board lies with each individual member of the Executive Board and the Supervisory Board. The Corporate Governance Report provides general information on the remuneration of the management and a disclosure of the remuneration for the Executive Board and the Supervisory Board. The following "C" regulations are applied only in parts: 29., 30., 31., 51., 60.

PUBLICATIONS

The following information and documents are available for inspection at the website 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 and ÖBB-Infrastruktur AG
- Members of the audit committees

INDEPENDENCE

The criteria defined in the Austrian Corporate Governance Code (Appendix 1) 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.

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, which are available for inspection at konzern.oebb.at/de/konzern, in accordance with the regulations of the "International Federation of Accountants" for the execution of audit and revision assignments and prepared corresponding reports. 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.

REMUNERATION REPORT

Remuneration of the members of the Executive Board in kEUR

Fixed		Variable		Total	
2013	2012	2013	2012	2013	2012
1,113	1,085	670	575	1,783	1,660

The remuneration report explains the amount and the structure of the remuneration received by members of ÖBB-Holding AG's Executive Board. The remuneration system includes fixed and variable salary components. The variable remuneration is paid out in the following year, as the achievement of objectives can only be determined upon preparation of the annual financial statement. The disclosures therefore include the variable remuneration received by the members of the Executive Board during the year 2013 for the financial year 2012.

The variable remuneration is performance-based and limited to a certain percentage of the respective fixed remuneration. This percentage lies between 67 % and 75 %. The amount of the performance-related remuneration components is subject to the achievement of agreed objectives. In 2013, the MbO system focussed on the four strategic target categories – market & efficiency, customers, strategic initiatives and team. 30 % of the agreement on objectives was based on the achievement of the planned Group results.

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). During the financial year 2013, pension fund contributions for the Executive Board amounting to approximately EUR 76,000 were paid.

As in the previous year, no loans or advances were paid to management bodies of the Group or its subsidiaries.

D&O LIABILITY INSURANCE

The ÖBB Group has contracted a pecuniary damage liability insurance covering its directors and officers. It covers all members of the Executive Board and the Supervisory Board, the senior staff of ÖBB-Holding AG, as well as all members of the Executive Board, the Supervisory Board, the Advisory Board and the management team as well as authorized signatories and other senior staff of subsidiaries in which the Company holds a majority share. The expenses are borne by the Company.

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 EUR 9,000 per year. In addition, each Supervisory Board member receives an attendance fee of EUR 200 for each meeting of a Supervisory Board, the Executive Committee or any other committee. The 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 EUR 27,000 (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 approximately EUR 144,000 (prior year: approximately EUR 132,000). The remuneration of the other members of the Supervisory Boards of the Group companies amounted to EUR 40,000 (prior year: approximately EUR 40,000).

COMPLIANCE

Within the framework of the Governance and Compliance initiatives, the ÖBB Group's Compliance Office has been established within ÖBB-Holding AG. The Chief Compliance Officer acts autonomously and reports directly to the Supervisory Board. The same applies to the sub-group parent companies ÖBB-Infrastruktur AG, ÖBB-Personenverkehr AG and Rail Cargo Austria AG which also have an autonomous Compliance Officer. The key tasks of the Chief Compliance Officer include the creation and continuous further development of a standardized compliance management system within the ÖBB Group.

The key tasks of the compliance organisation include the avoidance of liability and criminal liability risks for the ÖBB Group, as well as the implementation of instruments and measures offering employees better future support in handling legal risks.

The most important components of the compliance culture are the implementation of the compliance objectives, the focus on avoidance, early recognition and reaction, as well as 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. The reinforcement of criminal law provisions which came into force on 1 January 2013 and also applies to all employees and executive bodies of the ÖBB Group, which since then are included in the definition of an office holder, resulted in the additional need to intensify compliance efforts. This change means that the reinforced criminal law provisions regarding corruption stipulated by KorrStrÄG 2012 also apply to the ÖBB Group. Since this time, compliance violations may have not only company-internal consequences for employees, but also consequences under criminal law.

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, 2013. The recommendations for further development of the risk management system of the ÖBB Group issued by the auditors will be implemented during the year 2014.

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 approximately EUR 1.3 million in 2013; in 2012, these expenses amounted to approximately EUR 1.4 million.

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

ÖBB as a company strives for an active equal treatment of women and men. Since 1 July 2011, the ÖBB Group has had its own equality policy in place. Its goals: Ensuring equal treatment without regard to gender, age, ethnicity, sexual orientation or handicap; promotion of equal opportunities and a better reconciliation of work life and care responsibilities through special programmes.

The policy provides for an institutionalisation of equality. Ten regional equality officers attend to and support colleagues who feel damnified or unfairly treated vis-à-vis the other gender. An equality committee develops special programmes. The ÖBB Group has had a diversity officer since 1 December 2011.

In order to increase the share of women within the Company and to enhance diversity, concrete equality goals were formulated in the diversity charter. The equality goals for 2020 include:

- Continuous increase of the proportion of women to 20 % when making new appointments to leadership positions
- Continuous increase of the proportion of women among new hires to 20 %
- Continuous increase of the proportion of women in apprenticeship training to 20 %
- Continuous increase of the proportion of women in the further education programmes offered by ÖBB akademie to 25 %
- Continuous increase of the proportion of women in the supervisory boards of domestic ÖBB AGs and GmbHs to 25 %
- Monitoring of the equality goals in quarterly reports and publication in the annual report

The equality goals are evaluated on a quarterly basis and provided to the responsible top management members as controlling reports for evaluation and further development of suitable measures.

An array of measures supports the implementation of the equality goals. These include, among others, targeted recruiting of female apprentices in particular, female quotas for ÖBB akademie training programmes, career workshops for women from the entire ÖBB Group, the establishment of an ÖBB women's network, inclusion of the charter goals in the team target dialogues and performance agreements, seminars on the Equal Treatment Act, as well as qualification offerings in gender & diversity management for executives.

THE EXECUTIVE BOARD OF ÖBB-HOLDING AG

Mag. Christian Kern	Group strategy and corporate development, strategic Group human resource management, Group communications and marketing, Group law and the Executive Board Secretariat, QSU/Production/Technology, strategic Group purchasing
Mag. Josef Halbmayr MBA	Group accounting, financial statements and taxes, Group controlling, Group finance, strategic Group IT management
KR Ing. Franz Seiser	Born 1958, member of the Executive Board of ÖBB-Holding AG (COO) from 01 April 2010 through 29 February 2014, competences: QSU / Production / Technology, strategic Group purchasing, strategic Group IT management

MAG. CHRISTIAN KERN

Born in 1966, Chairman of the Executive Board of ÖBB-Holding AG (CEO) since 07 June 2010, appointed until 30 June 2019

Other functions within the ÖBB Group

Company	Position	Initial appointment	End of the current term
ÖBB-Personenverkehr AG	Chairman of the Supervisory Board	7 June 2010	Annual General Meeting 2015
Rail Cargo Austria AG	Chairman of the Supervisory Board	7 June 2010	Annual General Meeting 2015
ÖBB-Infrastruktur AG	Chairman of the Supervisory Board since 17 February 2014, prior to that first deputy	7 June 2010	Annual General Meeting 2015
ÖBB-Immobilienmanagement GmbH	Chairman of the Supervisory Board until 28 February 2014	26 January 2011, first appointed as member of the Supervisory Board on 31 December 2010	
ÖBB-Shared Service Center GmbH	Deputy of the Chairman of the Supervisory Board	14 September 2010, first appointed as member of the Supervisory Board on 29 July 2010	General Assembly 2015
ÖBB-IKT GmbH	Deputy of the Chairman of the Supervisory Board	19 March 2013	General Assembly 2015
Rail Cargo Logistics-Austria GmbH	Chairman of the Supervisory Board until 10 March 2014	18 October 2013	
European Contract Logistics-Austria GmbH	Chairman of the Supervisory Board	16 December 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

MAG. JOSEF HALBMAYR MBA

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

Other functions within the ÖBB Group

Company	Position	Initial appointment	End of the current term
ÖBB-Shared Service Center GmbH	Chairman of the Supervisory Board	14 October 2010, first appointed as member of the Supervisory Board on 29 July 2010	Annual General Meeting 2015
ÖBB-IKT GmbH	Chairman of the Supervisory Board	12 March 2014, first appointed as member of the Supervisory Board on 21 March 2013	General Assembly 2015
ÖBB-Infrastruktur AG	First deputy of the Chairman of the Supervisory Board	17 February 2014, first appointed as member of the Supervisory Board on 7 June 2010	Annual General Meeting 2015
European Contract Logistics-Austria GmbH	Deputy of the Chairman of the Supervisory Board	16 December 2013	General Assembly 2015
Rail Cargo Austria AG	Second deputy of the Chairman of the Supervisory Board	10 March 2014, first appointed as member of the Supervisory Board on 25 February 2009	Annual General Meeting 2015
ÖBB-Personenverkehr AG	Second deputy of the Chairman of the Supervisory Board	10 March 2014, first appointed as member of the Supervisory Board on 7 June 2010	Annual General Meeting 2015
ÖBB-Produktion GmbH	Member of the Executive Board until 4 March 2014	14 March 2013	
ÖBB-Technische Services GmbH	Member of the Executive Board until 4 March 2014	14 March 2013	

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 fulfil 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 fulfils 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 Pöchhacker

Born in 1938, Chairman, independent
First elected on 29 May 2007,
appointed until the Annual General Meeting in 2015

Further functions within the ÖBB Group:
- First deputy of the Chairman of the Supervisory Board of ÖBB-Personenverkehr AG, first elected on 29 May 2007, appointed until the Annual General Meeting in 2015
- First deputy of the Chairman of the Supervisory Board of Rail Cargo Austria AG, first elected on 29 May 2007, 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 26 June 2012, independent
First elected on 25 June 2012,
appointed until the Annual General Meeting in 2015

Supervisory Board functions outside the ÖBB Group:
- Linz AG
- Asamer Familienholding AG

DI Herbert Kasser

Born in 1964, second deputy of the Chairman since 26 June 2012, previously first deputy, independent
First elected on 27 April 2007,
appointed until the Annual General Meeting in 2015

Further functions within the ÖBB Group:
- Second deputy of the Chairman of the Supervisory Board of ÖBB-Infrastruktur AG,

first elected on 16 March 2005,
appointed until the Annual General Meeting in 2015

KR Kurt Eder

Born in 1946, independent
First elected on 13 August 2008,
appointed until the Annual General Meeting in 2015

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

Dr. Gertrude Tumpel-Gugerell

Born in 1952, independent
First elected on 18 August 2011,
appointed until the Annual General Meeting in 2015

Supervisory Board functions outside the ÖBB Group:
- Commerzbank AG
- Vienna Insurance Group

Mag. Brigitte Ederer

Born in 1956, independent
First elected on 28 February 2014,
appointed until the Annual General Meeting in 2015

Supervisory Board functions outside the ÖBB Group:
- Jenoptik AG

Dr. Leopold Specht
Born in 1956, independent
First elected on 27 April 2007,
appointed until the Annual General Meeting in 2015

Lic. rer. pol. Paul Blumenthal
Born in 1955, independent
First elected on 18 January 2010,
appointed until the Annual General Meeting in 2015

Further functions within the ÖBB Group:
- Member of the Supervisory Board of ÖBB-Personenverkehr AG, first elected on 7 June 2010, appointed until the Annual General Meeting in 2015
- Member of the Supervisory Board of Rail Cargo Austria AG, first elected on 7 June 2010, appointed until the Annual General Meeting in 2015

Roman Hebenstreit
(Employee representative), born in 1971, third deputy of the Chairman since 26 June 2012, independent
First delegated on 1 December 2011

Further Supervisory Board functions within the ÖBB Group:
- Member of the Supervisory Board of Rail Cargo Austria AG, first delegated on 5 October 2010

Gottfried Winkler
(Employee representative), born in 1956, independent
First delegated on 31 March 2004
Gottfried Winkler has been delegated as member of the Supervisory Board of Österreichische Bundesbahnen since 11 November 1999.

Further Supervisory Board functions within the ÖBB Group:
- Member of the Supervisory Board of ÖBB-Infrastruktur AG, first delegated on 7 June 2004

Mag. Andreas Martinsich
(Employee representative), born in 1964, independent
First delegated on 25 April 2006

Günter Blumthaler
(Employee representative), born in 1968, independent
First delegated on 29 January 2014

Further Supervisory Board functions within the ÖBB Group:
- Member of the Supervisory Board of ÖBB-Infrastruktur AG, first delegated on 14 January 2012

RETIRED MEMBERS OF THE SUPERVISORY BOARD

Mag. Ursula Zechner
Born in 1968, independent, until 3 February 2014
First elected on 25 June 2012

Peter Dyduch
(Employee representative), born in 1963, independent, until 28 January 2014
First delegated on 30 October 2012

Further Supervisory Board functions within the ÖBB Group:
- Member of the Supervisory Board of ÖBB-Infrastruktur AG, first delegated on 1 July 2010

MEMBERS OF THE EXECUTIVE COMMITTEE
- DI Horst Pöchhacker, Chairman
- KR Mag. Dr. Ludwig Scharinger
- DI Herbert Kasser
- Roman Hebenstreit (employee representative)

MEMBERS OF THE AUDIT COMMITTEE
- Dr. Gertrude Tumpel-Gugerell, Chairwoman
- DI Herbert Kasser, deputy of the Chairwoman
- DI Horst Pöchhacker
- KR Mag. Dr. Ludwig Scharinger since 5 March 2013
- Roman Hebenstreit
- Mag. Andreas Martinsich

MEETINGS OF THE SUPERVISORY BOARD OF ÖBB-HOLDING AG IN THE FINANCIAL YEAR 2013
- 4 regular meetings
- 2 extraordinary meetings
- 2 meetings of the Audit Committee

MEMBERS OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD OF THE SUB-GROUPS

ÖBB-PERSONENVERKEHR AG

EXECUTIVE BOARD

Birgit Wagner, born in 1972,
term of office from 1 April 2011 until 31 March 2016, competences: long-distance transport, local and regional transport, marketing and sales

Mag. Georg Lauber, born in 1976,
term of office from 25 January 2011 until 31 March 2016, competences: human resources, corporate development, controlling, legal, IT services

Siegfried Stumpf, born in 1957,
term of office from 1 March 2014 until 28 February 2017; competences: production management, safety/quality/technology

SUPERVISORY BOARD

Mag. Christian Kern, born in 1966,
Chairman of the Supervisory Board
First elected on 7 June 2010,
appointed until the Annual General Meeting in 2015

DI Horst Pöchhacker, born in 1938,
first deputy of the Chairman, independent
First elected on 29 May 2007,
appointed until the Annual General Meeting in 2015

Mag. Josef Halbmayr MBA, born in 1955,
second deputy of the Chairman
First elected on 7 June 2010

Dr. Gabriele Ambros, born in 1957,
independent
First elected on 16 November 2009,
appointed until the Annual General Meeting in 2015

Lic. rer. pol. Paul Blumenthal, born in 1955,
independent
First elected on 18 January 2010,
appointed until the Annual General Meeting in 2015

KR Kurt Eder, born in 1946,
independent
First elected on 14 April 2008,
appointed until the Annual General Meeting in 2015

Wilhelm Paar, born in 1960,
(employee representative), independent
First delegated on 25 June 2013

Hans Jürgen Jarius, born in 1962,
(employee representative), independent
First delegated on 24 April 2008

Helmut Radlingmayr, born in 1957,
(employee representative), independent
First delegated on 17 May 2004

RETIRED MEMBERS OF THE SUPERVISORY BOARD

KR Ing. Franz Seiser, born in 1958,
First deputy of the Chairman until 28 February 2014
First elected on 7 June 2010

Ernst Friedl, born in 1956,
(employee representative), independent,
until 25 June 2013
First delegated on 17 May 2004

Thomas Lintner, born in 1966,
(employee representative), independent,
until 25 June 2013
First delegated on 13 October 2009

Gerhard Kausl, born in 1963,
(employee representative), independent,
until 4 March 2014
First delegated on 25 June 2013

MEMBERS OF THE EXECUTIVE COMMITTEE

- Mag. Christian Kern, Chairman
- DI Horst Pöchhacker
- Mag. Josef Halbmayr MBA

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
- DI Horst Pöchhacker
- Mag. Josef Halbmayr MBA
- Wilhelm Paar
- 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
- DI Horst Pöchhacker,
- Mag. Josef Halbmayr MBA
- Hans Jürgen Jarius
- Helmut Radlingmayr

MEETINGS

- 4 regular meetings
- 2 extraordinary meetings
- 2 meetings of the Audit Committee
- 3 meetings of the nomination/personnel committee

RAIL CARGO AUSTRIA AG

EXECUTIVE BOARD

Drs. Erik Regter, born in 1964,
term of office from 15 February 2011 until 14 February 2016, competences: sales

Dr. Georg Kasperkovitz MBA, born in 1966,
term of office from 15 August 2012 until 14 February 2016, competences: production and finance

Reinhard Bamberger, born in 1963,
term of office from 11 July 2013 until 10 July 2016, competences: sales

Mag. Arnold Schiefer, born in 1966,
term of office from 15 August 2012 until 16 March 2013, competences: sales to end customers, sales management, order management, human resources

SUPERVISORY BOARD

Mag. Christian Kern, born in 1966,
Chairman of the Supervisory Board
First elected on 7 June 2010,
appointed until the Annual General Meeting in 2015

DI Horst Pöchhacker, born in 1938,
first deputy of the Chairman, independent
First elected on 29 May 2007,
appointed until the Annual General Meeting in 2015

Mag. Josef Halbmayr MBA, born in 1955,
second deputy of the Chairman
First elected on 25 February 2009,
appointed until the Annual General Meeting in 2015

Dr. Gabriele Ambros, born in 1957,
independent
First elected on 7 June 2010,
appointed until the Annual General Meeting in 2015

Lic. rer. pol. Paul Blumenthal, born in 1955,
independent
First elected on 7 June 2010,
appointed until the Annual General Meeting in 2015

KR Kurt Eder, born in 1946, independent
First elected on 14 April 2008,
appointed until the Annual General Meeting in 2015

Werner Harrer, born in 1954,
(employee representative), independent
First delegated on 17 May 2004

Roman Hebenstreit, born in 1971,
(employee representative), independent
First delegated on 15 October 2010

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

RETIRED MEMBERS OF THE SUPERVISORY BOARD

KR Ing. Franz Seiser, born in 1958,
First deputy of the Chairman until 28 February 2014
First elected on 7 June 2010

Mag. Bernhard Moser, born in 1966,
(employee representative), independent,
until 3 March 2014
First delegated on 15 April 2008

MEMBERS OF THE EXECUTIVE COMMITTEE

- Mag. Christian Kern, Chairman
- DI Horst Pöchhacker
- Mag. Josef Halbmayr MBA

MEMBERS OF THE AUDIT COMMITTEE

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

- Mag. Christian Kern, Vorsitzender
- DI Horst Pöchhacker
- Mag. Josef Halbmayr MBA
- Werner Harrer

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
- DI Horst Pöchhacker
- Mag. Josef Halbmayr MBA
- Werner Harrer
- Norbert Rothbart

MEETINGS

- 5 regular meetings
- 2 meetings of the Audit Committee
- 2 meetings of the nomination/personnel committee

ÖBB-INFRASTRUKTUR AG

EXECUTIVE BOARD

Ing. Mag (FH) Andreas Matthä, born in 1962,
spokesman of the Executive Board,
term of office from 1 August 2008 until 31 July 2017,
competences: finance, market, services

DI Franz Bauer, born in 1956,
term of office from 1 January 2013 until 31 December 2017, competences: provision of infrastructure

KR Ing. Franz Seiser, born in 1958,
term of office from 1 March 2014 until 28 February 2019,
competences: operations and systems

Siegfried Stumpf, born in 1957,
term of office from 1 December 2011 until 28 February 2014, competences: operations

SUPERVISORY BOARD

Mag. Christian Kern, born in 1966,
Chairman of the Supervisory Board
First elected on 7 June 2010,
appointed until the Annual General Meeting in 2015

Mag. Josef Halbmayr MBA, born in 1955,
first deputy of the Chairman
First elected on 7 June 2010,
appointed until the Annual General Meeting in 2015

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

Mag. Maria Kubitschek, born in 1962,
independent
First elected on 7 June 2010,
appointed until the Annual General Meeting in 2015

Dr. Tanja Wielgoß, born in 1972,
independent
First elected on 7 June 2010,
appointed until the Annual General Meeting in 2015

Lic. iur. Phlippe Gauderon, born in 1955,
independent
First elected on 1 July 2010,
appointed until the Annual General Meeting in 2015

Peter Dyduch, born in 1963,
(employee representative), independent
First delegated on 1 July 2010

Günther Blumthaler, born in 1968,
(employee representative), independent
First delegated on 14 January 2012

Gottfried Winkler, born in 1956,
(employee representative), independent
First delegated on 7 June 2004

RETIRED MEMBERS OF THE SUPERVISORY BOARD

KR Ing. Franz Seiser, born in 1958,
First deputy of the Chairman until 28 February 2014
First elected on 7 June 2010

Franz Eder, born in 1959,
(employee representative), independent,
until 10 March 2014
First delegated on 15 April 2008

MEMBERS OF THE EXECUTIVE COMMITTEE

- Mag. Christian Kern, Chairman
- Mag. Josef Halbmayr MBA
- DI Herbert Kasser

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
- DI Herbert Kasser
- Mag. Josef Halbmayr MBA
- Günter Blumthaler
- Gottfried Winkler

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
- DI Herbert Kasser
- Mag. Josef Halbmayr MBA
- Peter Dyduch
- Günter Blumthaler

MEMBERS OF THE INFRASTRUCTURE INVESTMENT COMMITTEE

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

- Mag. Christian Kern
- DI Herbert Kasser
- Mag. Josef Halbmayr MBA
- Peter Dyduch

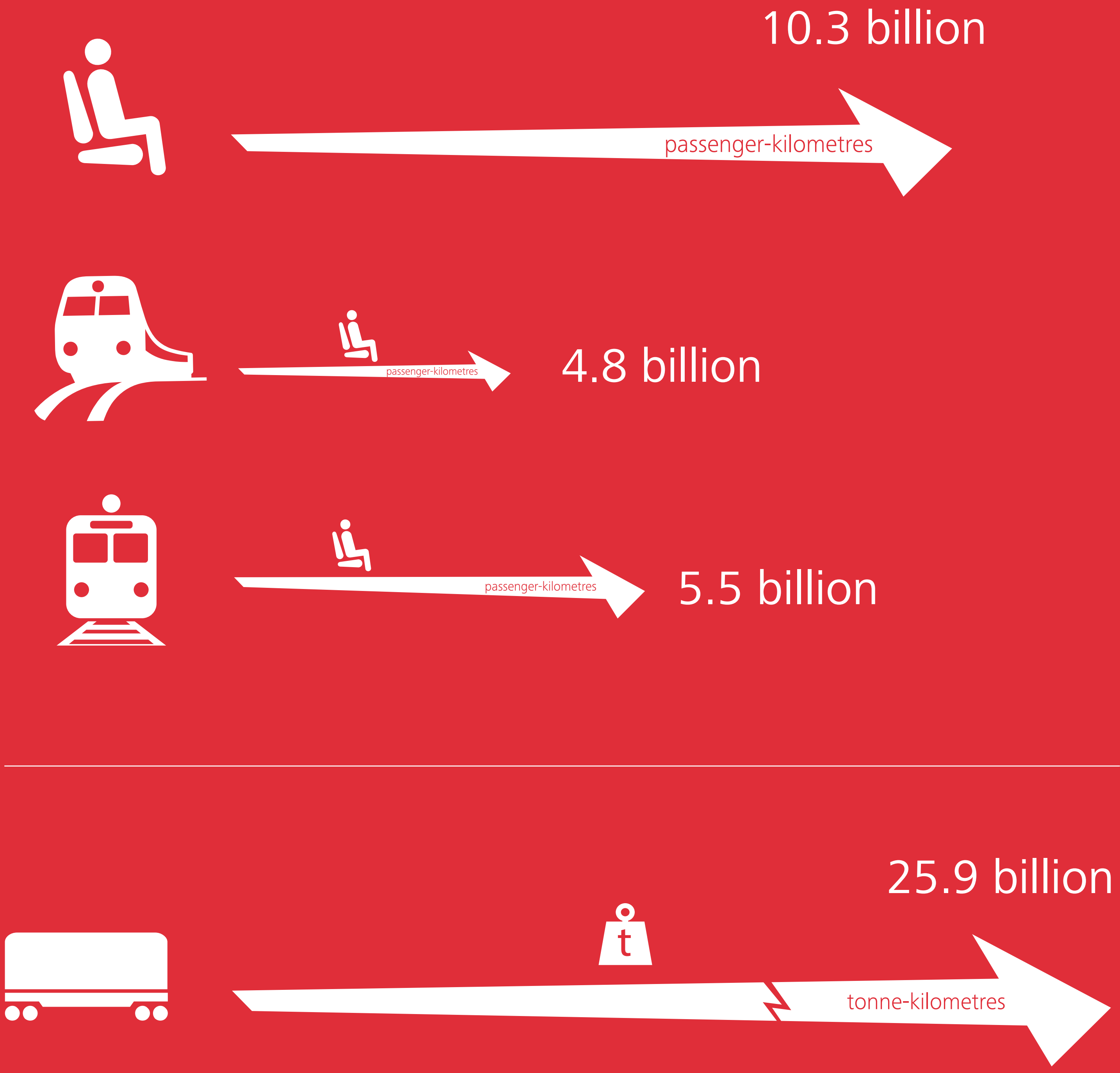
MEETINGS

- 5 regular meetings
- 2 meetings of the Audit Committee
- 3 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 2013, 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	23,574
	Goods supplied and services provided by the ÖBB Group	10,013
Lic. rer. pol. Paul Blumenthal (Blumenthal-Consulting GmbH)	Goods supplied and services provided to the ÖBB Group	37
Dr. Gabriele Ambros (Bohmann Druck und Verlag Ges.m.b.H. & Co KG)	Services provided to the ÖBB Group, primarily press and public relations services	6



Results in kilometres. In the year 2013, ÖBB trains "travelled" 10.3 billion passenger kilometres, including 4.8 million in long-distance transport and 5.5 billion in regional transport. As a comparison: ÖBB-Postbus achieved 3 billion passenger-kilometres. Another impressive result was achieved by RCA: delivering 25.9 billion tonne-kilometres.

Consolidated Management Report

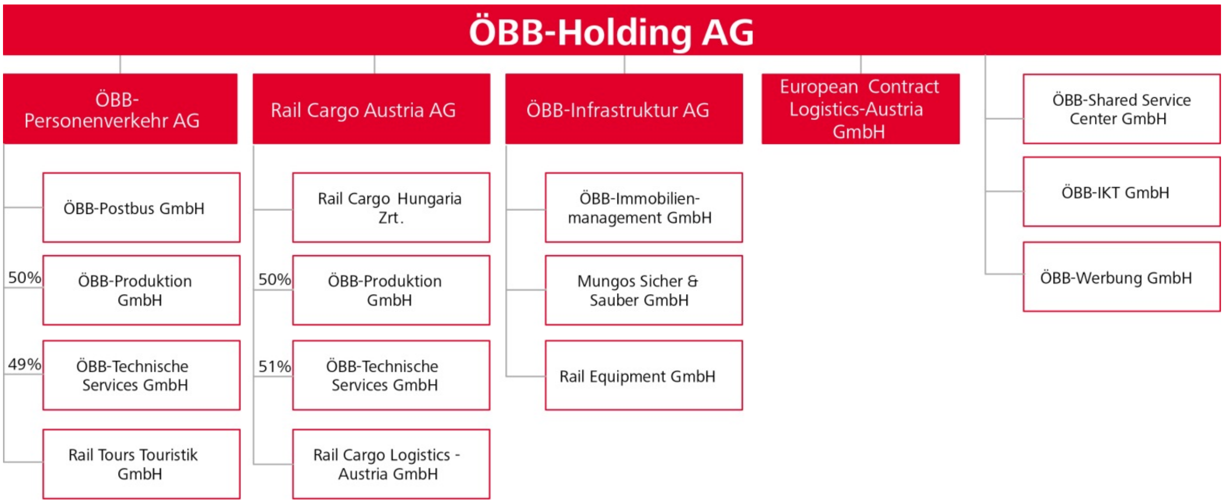
Insights & outlook. The business performance achieved by the ÖBB Group and its sub-groups during the year 2013, as well as an outlook and development opportunities.

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, 2013, 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, 2013. 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

ÖBB Group structure



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. ÖBB-Shared Service Center GmbH provides services in the areas of accounting, human resources and purchasing, ÖBB-IKT GmbH provides IT services. ÖBB-Werbung GmbH is the internal service provider for marketing activities and is externally responsible for the marketing of all ÖBB advertising space. In 2013, the Contract Logistics area of Rail Cargo Austria was outsourced to European Contract Logistics GmbH (formerly EC Logistik). By December 01, 2013 the partial operation which had until then been associated with Rail Cargo Austria AG was economically sold and transferred to European Contract Logistics GmbH by means of a corporate acquisition (asset deal). Under the share purchase agreement, all shares of European Contract Logistics GmbH were economically transferred to ÖBB-Holding AG as of 31 December, 2013. As of 01 Jan, 2014, the new cargo company European Contract Logistics GmbH, including all national and international investments, emerged on the market as an independent subsidiary of ÖBB-Holding AG. Maintaining the quality of leadership, further strengthening and expanding our market position are the main focus points.

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 e is the internationally operating freight subsidiary which, together with its subsidiaries and associated companies, operates under the umbrella brand of the Rail Cargo Group. Based on the domestic markets in Austria and Hungary, it aims at maintaining its market leadership in Austria while further developing its market position between the North Sea, Black Sea and Mediterranean. 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 1,128 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.

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.

Number of investments by sub-group

	Sub-group (including double counts)						
	ÖBB-Personen-verkehr	Rail Cargo Austria	ÖBB-Infrastruktur	Others	Total	DC ²)	Total (without DC)1)
affiliated subsidiaries	7	46	31	11	95	1	96
thereof abroad	*1*	*40*	-	*4*	*45*	-	*45*
participating subsidiaries	3	19	3	2	27	-3	24
thereof abroad	-	*13*	*1*	*1*	*15*	-	*15*
Other subsidiaries	3	7	3	1	14	-1	13
thereof abroad	*3*	*7*	*1*	*1*	*12*	*-1*	*11*
Total	**13**	**72**	**37**	**14**	**136**	**-3**	**133**
thereof abroad	*4*	*60*	*2*	*6*	*72*	*-1*	*71*

QUOTE "[1] only companies that can be influenced directly
[2] double count: subsidiary whose shares are held by several sub-groups

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

Outside Austria, the ÖBB Group holds investments in 71 companies whose registered offices are located in the following countries: Hungary (21), The Czech Republic (8), Italy (6), Romania (5), Slovakia (5), Belgium (3), The Netherlands (3), Poland (3), Slovenia (3), Bulgaria (2), Germany (2), Croatia (2) and one investment in Bosnia and Herzegovina, Greece, Liechtenstein, Russia, Switzerland, Serbia, Spain and Turkey.

B. General conditions and market environment

B.1. General economic conditions

The recent shrinking of the euro zone already expected in spring 2013 by 0.4% in 2013 was confirmed by the autumn forecast of the European Commission. An even steeper decline in the first two quarters was partially offset by a slight recovery of the European economy from the third quarter of 2013. For 2014, a modest growth of 1.1% is expected in the euro zone. Growth of 1.4% is expected for the entire EU.[1]

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

Gross domestic product	2010	2011	2012	2013	2014
Austria	1.8	2.8	0.9	0.3	1.7
Eurozone	2.0	1.6	-0.7	-0.4	1.1
new EU members	2.2	3.3	0.9	1.3	2.5
EU	2.0	1.7	-0.4	0.0	1.4
USA	2.5	1.8	2.8	1.7	2.5
China	10.4	9.3	7.7	7.7	7.9
Worldwide	5.2	3.9	3.2	2.8	3.6
Market growth Austria *	11.9	6.5	1.7	2.3	5.5

Source: WIFO Monthly Report 1/2014 forecast for 2014
* Change in real imports of partner countries weighted with Austrian export shares

Also in Austria, the ongoing banking and sovereign debt crisis in many European countries again left their mark. In 2013 growth fell back in Austria and was only at 0.3%. Of particular concern for the future development of is the decline of gross capital expenditures in 2013. For 2014, WIFO experts nevertheless expect an increase in the gross domestic product by 1.7% and a significant increase in merchandise imports and exports by over 5%. However, similarly optimistic expectations were not fulfilled in the two previous years.

Key data and forecasts for the economic situation in Austria

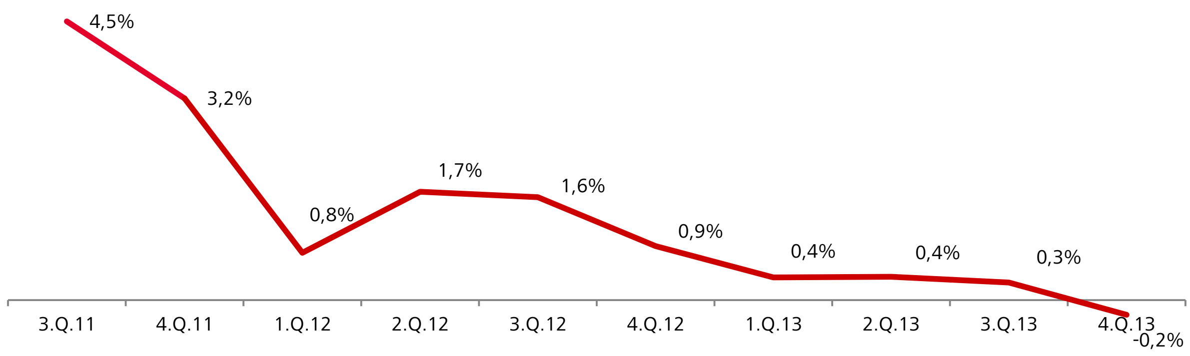
Parameter	Unit	2010	2011	2012	2013	2014
Gross domestic product	Change in % compared to the Prior year in % (real)	1.8	2.8	0.9	0.3	1.7
Goods exports		13.6	8.1	0.8	2.5	5.5
Goods imports		11.7	8.6	-1.3	0.4	5.5
Purchase of goods		7.6	8.3	1.1	0.8	3.5
Gross investments		-1.4	8.5	1.6	-1.4	3.0
Crude oil price (Brent)	Change in % compared to the Prior year in %	29.0	40.0	0.0	-3.0	-3.0
Net borrowing of the state	% of the GDP	-4.5	-2.5	-2.5	-2.6	-2.0
Unemployment rate	% of the labor force	4.4	4.2	4.3	4.9	5.2

Source: WIFO Monthly Report 1/2014, forecast for 2014

The development of the components "production of goods" and "merchandise import / export" is in particular crucial for rail freight. The production of goods remained mainly stagnant, contrary to the original expectation of growth of over 4%. The growth of imports and exports also fell well short of expectations in 2013. The growth rate of commodity production was less than 1% in the year 2013 as a whole and therefore somewhat lower than in 2012. For 2014, an increase of commodity production by 3.5% is expected.[2]

1 EU Commission, forecast fall 2013
2 WIFO, Forecast for 2013 and 2014, September 28, 2013

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



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

The most important trade partner – Germany – recorded an economic growth rate of only 0.5% in 2013. In several southern and eastern neighbors, the recession has also stopped in 2013. The Slovenian economy has shrunk again in 2013 by 2.7%. In Croatia, the decline was 0.7%. The Italian economy contracted by 1.8% and the Czech by 1%.[3] The transport rates in European road freight transport fell again after a decline of 2.9% in 2012, and again by 2.5% in 2013.[4]

The prospects for 2014 are – in terms of the development of prior years – relatively optimistic. Growth of 1.7% for Germany is predicted.[5] Italy should at least find itself just out of recession. In the Czech Republic, Hungary, Croatia, Slovakia, Romania and Bulgaria, growth in the 2% range is expected. Only Slovenia is likely to remain in the recession with -1.0%.

The development of world trade could stimulate growth in 2014. The “Baltic Dry” Index indicates the development of freight rates in the global ship transportation of raw materials. It is therefore regarded as an important early indicator of the development of the world economy. For the first time since the end of 2011, the "Baltic Dry" from October 2013 has repeatedly risen to scores of over 2000. However, at the end of January 2014 it had for the time slipped back to the 1000-point mark.[6] In contrast to Baltic Dry, the HARPEX Index indicates the development of freight rates in container transport with finished products. [7] At the beginning of 2014 there was still no sign of a remarkable economic recovery here.

Capital markets and national budgets

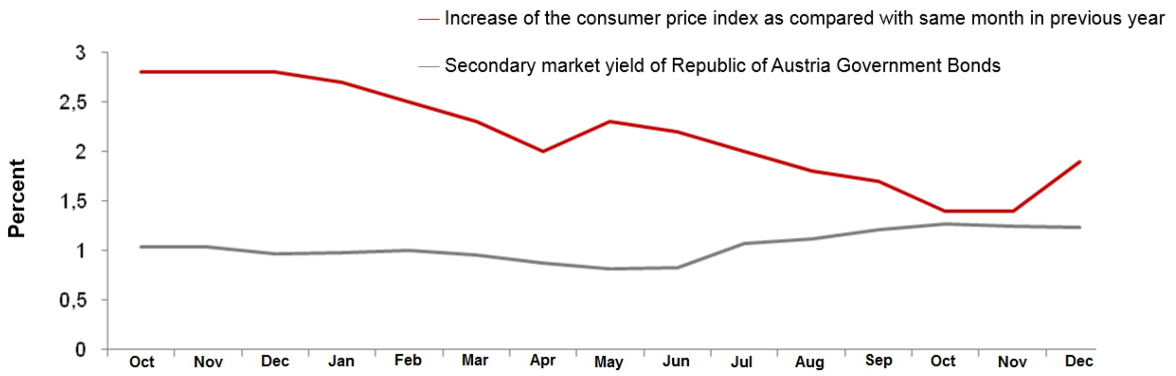
After the subsiding of the sense of alarm about the Cypriot banking crisis in spring 2013 there has now been a return to business as usual in dealing with the banking and sovereign debt crisis in the euro area, although the crisis is far from being overcome. Conflicting signals are coming from the crisis countries. On the one hand the balance of payments has improved, on the other hand reforms are repeatedly running into obstacles. Therefore, for example, a further tranche of aid money for Greece was frozen in late 2013. In Slovenia too, the banking crisis has worsened with year-end 2013.

The European Central Bank ECB continues to buy government bonds of troubled countries in order to reduce their refinancing costs. It has also further opened the floodgates in October 2013 with a reduction in the base rate to 0.25% again. An even stronger boost to the economy by way of money supply therefore seems hardly possible. Against this backdrop the “end of the recession in the euro area” proclaimed by the forecasters of the Austrian National Bank in December 2013 is being viewed cautiously in the prior year similar growth forecasts had not occurred.

3 EU Commission, fall forecast 2013
4 Capgemini Consulting 2013, values for 1st to 3rd quarter 2013
5 EU Commission, fall forecast 2013
6 http://www.balticexchange.com http://ycharts.com/indices/%5EBDIY
7 http://www.harperpetersen.com/harpex/harpexVP.do

On the global financial mistrust is growing against the flood of cheap money, with which the central banks of Japan, the euro countries the USA are supplying their governments and banks. New speculation bubbles on financial and real estate markets are feared. The German stock index DAX and the Dow Jones index increased by approximately 20% in 2013; the Japanese Nikkei index by as much as almost 50%. This development might be seen as a flight to tangible assets rather than a growing confidence in the positive economic development. Increased confidence of investors led to the first corrections on the equity markets at the end of January 2014. In general, the actions of the central banks are also likely to contribute to the climate on the financial markets in 2014 remaining rather low for borrowers – especially those with high credit ratings.

Development of the capital costs and the consumer price index



The interest rate level of government bonds is decisive for the borrowing terms and conditions for ÖBB-Infrastruktur AG. In May 2013, the average secondary market yield of Austrian government bonds has gone through a record low of 0.83%. Towards the end of the year it is again about 1%. The inflation rate has dropped significantly from just under 3% at the beginning of the year, but at the middle of the year it was again about 1% above the secondary market yield for government bonds. The secondary market yield applies to a bond mix, with relatively short maturities. Long-term bonds are also affected by the current low interest rates, although on a much higher level. ÖBB-Infrastruktur AG are using these favorable conditions to reduce the cost of funding in the coming decades as well. For example, in 2012 a 20-year bond of ÖBB-Infrastruktur AG was offered in the stock market at 3.375% interest; in October 2013, the same length running paper was two times oversubscribed with 3.0% interest. And in 2014 too, bond issues are expected to benefit from the continued relatively good credit of the Austrian state. At the end of February 2014, the outlook for the Republic of Austria was increased from negative to stable by the rating agency Moody's, with an unchanged top score of Aaa. Similarly, the long-term liabilities of ÖBB-Infrastruktur have an Aaa rating with a stable outlook.

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

Recast of the First Railway Package

At the end of October 2012, the revision 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 pricing 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 member states have to implement the Directive within 30 months after publication in the Official Journal of the European Union, i.e. it has to be adopted into national law by 2015.

In 2013, the European Commission started to work on implementing acts, however, a concrete decision on their interpretation has not yet been made.

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:

- Further opening up of the national railway passenger transport market, including a revision of the regulation on public service contracts (1370/2007) which would result in an obligation to tender instead of allowing the choice between tendering and direct award;
- Unbundling of railway infrastructure and railway companies: this means that vertically integrated companies and a holding structure like that of ÖBB can only be maintained if strict "Chinese walls" are maintained 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) as well as changes in the safety and interoperability directives.

The negotiations between the European Commission, the European Parliament and the European Council are currently underway. The first reading of the European Parliament on the whole package took place in February 2014. The Council of Ministers is expected to reach an agreement on all the contents of the package at the earliest by the end of 2014. Therefore, a final agreement between the relevant EU institutions is not to be expected until 2015. Up to this point, the contents of the packet can still change. If the core requirements of the Commission proposal are adopted in full, a strong impact on the ÖBB Group is to be expected. The Parliament has already proposed amendments that recognize the strengths of holding structures and foresee longer transition periods with market opening.

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

In October 2011, the European Commission submitted a draft regulation for the revised Trans-European Transport Networks (TEN-T). The purpose of the Regulation is to establish missing links, especially in cross-border transport, to improve the quality of infrastructure in the new Member States, incl. developing the East-West connections, increasing the networking of transport (multimodal) and 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 achieve an improvement of interoperability.

The overall network comprises a core network that consists of the 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.

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 (Danzig–Ravenna) including the new Semmering base tunnel and the Koralmbahn Graz–Klagenfurt

The legal text, which is to be understood as a "European framework" for infrastructure development, thus serves the basis for future funding decisions.

Under the headline "Connecting Europe Facility" (CEF), the draft for the multi-annual financial framework of the EU (2014 to 2020) provides for an increased concentration of funds for the extension of the Trans-European Transport Network.

On November 19, 2013, both the TEN-T and the CEF were formally adopted in Plenary of the European Parliament. On December 05, 2013 the approval was also granted by the Council.

The TEN-T Regulation provides guidance on technical requirements. In addition to using the TSI (Technical Specifications of Interoperability) the complementary network must be fully electrified by 2050 and equipped with ERTMS (European Rail Traffic Management System). The core network has a standard gauge of 1435 mm, and freight lines must be equipped accordingly by December 31, 2030 in order to enable a 22.5 t axle load, 100km/h and a train length of 740 m.

The core network corridors will represent the tool for the implementation of the core network. The core network corridors are geographically and structurally aligned with the freight corridors in accordance with Regulation 913/2010.

The CEF is the plenary of the European Parliament with EUR23.2 billion set aside for transport. Railway projects that address bottlenecks, projects that concern cross-border transport, measures to reduce freight traffic noise, measures that improve access for people with disabilities and the fitting of ERTMS are all co-financed.

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 entailed a number of measures and initiatives for 2012/2013:

– "Road pricing" Directive: Member States are to be allowed to collect tolls on a voluntary basis for trucks weighing more than 3.5 tons according to the distance traveled. If Member States decide to implement this, they will need to charge external costs. As of 2019, these changes are to be mandatory. At least 70% of the revenue must flow into the transport system. The proposal is completed, but is currently on ice in the Commission - it will be advised whether a release during the current term of the European Parliament (until May 2014) is still worthwhile. The voluntary nature of the scheme is to be rated negatively, but the positive track-bound charging and the inclusion of external costs are considered positive.
– 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 had 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. On the one hand, a tax of EUR20.00 per ton is to be introduced on CO_2 emissions from energy products, on the other hand, a tax of EUR9.60 per gigajoule on the energy content is to be introduced.
  The current Austrian tax rate results from the proposed minimum rates for road traffic diesel fuel. For diesel fuel rail traffic, only the CO2 components are to be paid mandatorily according to the draft.
  This proposal should have entered into force in 2013, but is still being advised on in the European Council of Ministers.

Euro vignette, the road pricing initiative and energy tax are no more than small contributions to a fairer way of charging 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 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. In contrast, the CO2 component and the part of the energy tax, which is to pay for fuel, are not transport-specific. This would emphasize the lack of cost transparency in truck transport – also relating to the loss caused road costs – even more. Of high concern are the time delays in the publication of the "road pricing" proposal and concerning energy tax.

Megatrucks ("Gigaliners")

On April 15, 2013, the European Commission presented a legislative amendment proposal for Directive 96/53/EG – laying down for certain road vehicles circulating within the Community the maximum authorized dimensions in national and international traffic and the maximum authorized weights in international traffic.

Four major changes are included in the Directive:

– Measures for the use of aerodynamic bodies
– Allowing the use of 45-foot containers
– Improved procedures for checking the weight of vehicles
– Cross-border allowance of mega trucks between countries that agree to this

The cross-border allowance of mega trucks would in particular have a negative impact on the competitiveness of rail freight. The competent committee of the European Parliament has now voted against a cross-border admission and linked a possible re-submission of the issue to an impact assessment report of the Commission which is to be submitted. The parliamentary plenary and the Council of the European Union must still approve the result of this vote. A final decision on the directive is to be expected towards the end of the first half of 2014.

For the ÖBB this policy is mainly significant for the following reasons:

– due to the introduction of gigaliners there has been a shift from rail to road
– Combined transport/rolling road is reduced by changing the dimensions & weights

Passenger rights

Passenger rights of rail customers were affected in 2013 by two issues.

ECJ judgment on passenger rights in the event of force majeure

The European Court ruled that in case of delay the railway undertakings have to reimburse their customers fares partially, if force majeure, such as storms or landslides, is the reason for the delay. The judgment concerns all the European railway undertakings. Clauses in conditions of transport which exclude compensation in cases of force majeure are therefore invalid.

However, as Austria has already introduced this scheme, no changes or adaptations of current practice are necessary on the part of the ÖBB.

Revision of the EU Air Passenger Rights Regulation

On March 14, 2013, the European Commission published a proposal to revise the Air Passenger Rights Regulation. Among other things, the proposal intends to oblige airlines to use alternative modes of transportation in order to enable transport of their customers within twelve hours in case of delays or cancellation of flights – however the price for this should be no more than the average price of their own offer in the previous three months - i.e. the difference could then be chargeable to the railway undertaking required to do the transport.

The European Parliament is currently considering the proposal. Among the things being discussed is the deletion of the above-mentioned point, but at the same time the idea of rating connecting trains for flights as equivalent to connecting flights. Should a passenger miss his flight due to train delays, he shall be entitled to assistance and where appropriate compensation from the railway company.

B.3. Market environment

Market environment of the ÖBB-Personenverkehr sub-group

Development of the overall passenger transport in Austria

Preliminary estimates of the total passenger transport in Austria indicate growth of 3.5% (growth in passenger-kilometers) in the railway sector. In air transport for the first time since 2009 there was a decline of 1.3%.

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

Passenger transport	2008	2009	2010	2011	2012	2013	
all railway companies (passenger-kilometers)	13.8	-0.7	1.0	6.8	1.7	3.5	*
Air transport (passengers)	4.2	-8.5	6.7	5.6	3.0	-1.3	**
New registration of passenger cars	-1.5	8.8	2.8	8.4	-3.1	-5.1	

*Preliminary estimates for 2013 ** preliminary estimates for 2013, excluding transit passengers
Source: Statistik Austria, BMVIT, ÖBB-Personenverkehr, own calculations

Development of the ÖBB-Personenverkehr sub-group

Short-distance and regional passenger transport

With 200.0 million passengers, the sub-group ÖBB-Personenverkehr recorded a plus of 10.0 million travelers in local and regional passenger rail transport compared to 2012. In 2013, the decision was made to invest in 100 new short-distance traffic vehicles of the type "Desiro ML" from the manufacturer Siemens AG. These vehicles will be introduced from the end of 2015 in regional and suburban railway traffic for the federal provinces of Vienna, Lower Austria, Upper Austria and Styria. The high-quality equipment, technical soundness and good handling characteristics of this vehicle mean this investment will form the basis for sustained growth in Austrian railway traffic.

Long-distance passenger transport

With 34.0 million passengers, the sub-group ÖBB-Personenverkehr was able to keep the number of travelers in passenger rail transport constant compared to 2012. In 2013, the most important change in long-distance traffic was in the full operation of the new high-speed route through the Tullnerfeld and the Wienerwald tunnel. The travel time on the main axis of ÖBB-Fernverkehr was able to be greatly reduced. Accordingly, the number of passengers on all axes developed positively. This positive trend is also to be recorded on the Vienna-Salzburg route which is operated in competition. A major contribution also comes from the improved connections and the inclusion of new connections, such as between Graz and Salzburg. In December 2013, the consistent further development of the timetable was accelerated, new direct connections between Vienna and the Lower Inn Valley, Vienna and Munich but also between Graz and Linz were included.

International traffic also developed very positively in 2013: The markets Hungary Budapest (+ 17%) and Switzerland (+ 11%) developed particularly positively and long-distance passenger transport towards Germany, Italy and the Czech Republic increased as well.

Bus transport

ÖBB-Postbus GmbH transported 228 million passengers in 2013. 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 146 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 and can cover a distance of 11 million km, 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 development of European rail freight transport in 2013 can only be tentatively derived from predominantly still incomplete performance data from the state railways. According to current results of the German rail, freight transport performance appears to have declined in Germany by about 2.5%. In France, the decline was about 3.5%, in Slovakia and the Czech Republic about 6%, and in Hungary at about 8%. The decline in the freight transport performance of the Romanian state railway CFR can be estimated at 10% for the entire 2013 year. The Polish PKP at least maintained its transport performance from last year's service until the third quarter. Performance declines in state railways are believed to have been partially offset by increases in rail competitors, because in 2013, the industrial production e.g. in Hungary actually increased slightly, and even rose sharply in Slovakia and Romania. Even if the expected slight economic growth occurs in 2014, is on average only likely to lead to a stagnation of rail freight transport at the level of this year.

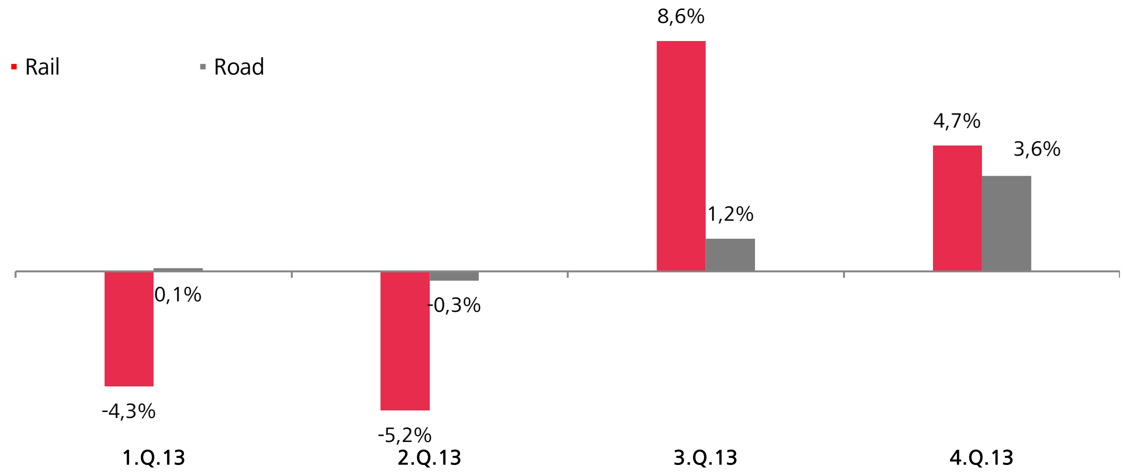
Parameters of the goods transport in Austria (change compared to the prior year in %)

Goods transport	2008	2009	2010	2011	2012	2013*
all railway companies (net tonne-kilometers)	2.5	-18.9	13.0	2.6	-4.2	1.0
Road (tonnage-kilometers)	-0.4	-12.4	3.7	3.8	0.1	0.9
New registration of trucks	2.2	-23.6	9.4	16.3	1.4	0.1
of which heavy goods vehicles				*16.6*	*-7.3*	*13.0*

*preliminary estimates for 2013
Source: Statistics Austria, BMVIT, ÖBB calculations

Due to growth in the second half of the year, road freight transport has increased by 0.9% in year-on-year comparison. The drastic decline of rail freight in the first two quarters was offset by increases in the second half of the year. According to preliminary estimates of the development of transportation services of private freight railroad companies the net ton kilometers of the total rail freight transport have increased by 1% compared to the previous year.

Development of goods transport volumes on the road and railways in Austria in 2013:
(Change compared to the previous quarter)



Source: ASFINAG, ÖBB/RCA, Statistik Austria, ÖBB calculations, own calculations and estimates

Development of the Rail Cargo Austria sub-group

The Rail Cargo Austria sub-group recorded a decrease of the consolidated volumes in goods transport from approx113.0 million to 109.3 million tons in the year under review compared to the prior year. Strong competitive pressures coupled with low traffic volumes in the first half of 2013 resulted in declines in tonnage in almost all segments. However, positive economic developments in the second half of 2013 weakened this development. In Austria especially, any traffic which could not be managed profitably and in which structural changes were set out to improve economic efficiency declined in combined traffic. Examples include the withdrawal of the offer at the National Intermodalnetz (NINA) and the employment of two ROLA relations. In Hungary too, the ROLA offer was withdrawn and there cyclical declines in the mining segment.

Rail Cargo Logistics (organizational unit Cargo industries):

Montane:
The steel industry was subject to wide fluctuations in 2013. After initial declines – especially in the direction of Italy – stabilization was evident towards the end of the year. Forecasts for 2014 are cautiously optimistic. By retaining regular customers the development of this segment is to be safeguarded for the future Work is being done with the TOP clients on the development of innovative transportation solutions. At international level, the development to a total logistics provider for through transport with a focus on own traction and equipment position was pursued.

Automotive, building materials, consumer goods
- The automotive market has improved slightly in sales and in the tonnage compared to the previous year.
- In the building materials segment, despite bad weather conditions in the first quarter and a major insolvency, sales both domestically and at international traffic level were kept at the level of 2012.
- In the consumer goods sector, there were increases in the Italian transport in certain destinations within the country.

Petroleum / Agricultural / Chemical:
- The competition in the transport of goods from the chemical and petroleum industry is particularly strong. The aim is to preserve and safeguard the high market shares in Austria / Hungary which are high in international comparison. Romania, Czech Republic and the European seaports were defined as growth regions.
- In the agricultural sector, many providers are competing for the existing quantity. Transported quantities are dependent on the number of cars available and the pricing policy of the railways concerned. Alternative providers such as trucks and ships increase competition and cause high price pressure. This leads to a corresponding decline in margins in connection with new competitors pushing into the market.

Wood / Paper
- In the wood sector an improvement in the cost situation was achieved again.
- In the finished product/semi-finished goods – panel industry sector quantity growth is to be generated through internationalization. Import shipments have also developed positively in 2013. In individual transport routes, there was a high volatility due to a tight supply of wood in the paper industry
- In the paper there was a slight decline in market share development.

Rail Cargo Operator (organizational unit partner sales):

- *Unaccompanied combined transport:* The year 2013 was characterized by massively increased competitive pressure. Countermeasures have been successfully taken through both through increases in productivity as well as marketing activities. Numerous products were newly developed and introduced, such as shuttle trains in the Italy – Russia and Slovakia – Netherlands relations. The National Intermodal Network Austria (NINA) 2013 was re-optimized and marketed in cooperation.
- *Combined road/ railway transport:* The ROLA program was optimized with a focus on meeting customer requirements. Force majeure in June 2013 led to significant performance impairment as the Brenner and Phyrn routes had to be closed due to mudslides as a result of floods.

Contract logistics / cargo:

The Contract Logistics was able to successfully continue its course of the last two years – the optimization of profit margins and cost shares in all areas. The year 2013 was dominated by the preparation for the outsourcing of this area to European Contract Logistics GmbH (formerly EC logistics). At the end of 2013, the contract logistics partial operation of Rail Cargo Austria AG was economically transferred to European Contract Logistics GmbH by means of a corporate acquisition (asset deal). All of Rail Cargo AG shares of European Contract Logistics were then transferred to ÖBB-Holding AG by means of a share deal. As a result of this the contract logistics section is separating from the sub-group Rail Cargo Austria at the end of 2013. As of 01 Jan, 2014, the new cargo company European Contract Logistics GmbH, including all national and international investments, emerged on the market as an independent subsidiary of ÖBB-Holding AG. Maintaining the quality of leadership, further strengthening and expanding our market position are the main focus points.

Market environment of the ÖBB-Infrastruktur sub-group

31 railway undertakings were entitled to use the ÖBB infrastructure as of the end of 2013. For 2014, three new access permissions are expected in freight transport.

The progressive opening of the market in railway transport and the increased consolidation in certain market segments caused further shifting of the market shares for the network of ÖBB-Infrastruktur. The share of group-external railway undertakings in goods transport increased to 19% of the total gross tonnage-kilometers (TGTkm) in 2013. The largest market share (TGTkm), namely 45%, was achieved by the external railway undertakings in combined freight transport (KLV); in direct transport, the external railway undertakings achieved a market share of 23%.

The TGTkm of freight transport increased by 1% compared to 2012 due to the positive development in the second half of the year. With a view to train-kilometers (Tkm), there way decrease in freight transport of 1% in 2013. As a result of the continued efforts to optimize the production process, the load factor is continuously increasing. The average draw weight for freight was 1,094t which was 12% higher than in 2009 and 2% higher than in 2012.

Since the economic crisis there have been enormous quantity declines in transport and operating trains. In order to counteract this negative trend in the single wagon transport sector as soon as possible and thus to increase the economic and efficient use in this area again, it was necessary to take immediate control measures. As of 2013, no train km fee was charged for feeder services (last mile). Behind the price action "reassessment of the train km fee for shunting and operating trains" is the goal to make these services more attractive, so that further losses in market share of wagonload traffic segment can be avoided. In rail transport, the "last mile" ensures the feeder function of the long-distance freight transport network to loading points and connecting railways and vice versa. Overall this traffic is generally very important for rail freight transport, since the loss of the "last mile" usually causes a shift to the road on the entire transport route. In the medium term, the ÖBB-Infrastruktur Group will progressively introduce a more differentiated route price model that is based in particular on the cost-by-cause and usage principle, taking the compatibility with the railway market into account.

In 2013, passenger traffic with the Tkm grew by a further 0.8% to 95.6 million Tkm.

C. Economic report and outlook

C.1. Revenues

Structure of revenues by sub-group in mil. EUR	2013	2012	Change	Change in %	
ÖBB-Personenverkehr sub-group	1,898.3	1,842.4	55.9	3%	
Rail Cargo Austria sub-group	2,280.9	2,340.0	-59.1	-3%	
ÖBB-Infrastruktur sub-group	2,155.3	2,129.6	25.7	1%	*)
ÖBB-Holding AG and other companies	1,185.0	990.9	194.1	20%	
less consolidation of sub-groups	-2,280.3	-2,081.7	-198.6	-10%	
Group revenue acc. to Consolidated Financial Statements	**5,239.2**	**5,221.2**	**18.0**	**0%**	*)
Other income (consolidated)	1,009.1	995.0	14.1	1%	*)
Total income	**6,248.3**	**6,216.2**	**32.1**	**1%**	*)
Total income per employee in thousand EUR	152	149	3	2%	*)

In the 2013 financial year, the revenue of the ÖBB Group amounted to EUR5,239.2 million (prior year: EUR5,221.2 million. Total revenues amounted to EUR6,248.3 million (prior year: EUR6,216.2 million*)).

Due to the decrease of the average number of staff from 41,845 to 40,977 employees, the figure "Total income per employee"[8] increased to kEUR152 (prior year: kEUR149*)). The revenue generated abroad, which amounts to EUR1,382.3 million (prior year: EUR1,485.4 million), accounts for 16% (prior year: 18%) of the unconsolidated Group revenues.

Revenue of the ÖBB-Personenverkehr sub-group

Overview	2013	2012	Change	Change in %
Revenue in mil. EUR	1,898.3	1,842.4	55.9	3%
thereof public services contracted by the federal government	*618.8*	*606.9*	*11.9*	*2%*
of which traffic service orders of the countries and communities	*268.7*	*257.3*	*11.4*	*4%*
Other income in mil. EUR	29.1	32.3	-3.2	-10%
Total income in mil. EUR	1,927.5	1,874.7	52.8	3%
Total income per employee in thousand EUR	277	264	13	5%

Passengers in million	2013	2012	Change	Change in %
Long-distance railway transport	34	34	-	-
Short-distance railway transport	200	190	10	5%
Total railway	**234**	**224**	**10**	**4%**
Bus	235	240	-5	-2%
Total	**469**	**464**	**5**	**1%**

With an increase of the number of railway passengers to 234 million passengers (prior year: 224 million), the ÖBB-Personenverkehr sub-group achieved a 3% increase in total income. Passenger numbers in the bus corporate sector recorded a slight decrease to 235 million passengers (prior year: 240 million).

With a number of staff averaging 6,956 employees (prior year: 7,113), the total income per employee equals kEUR277 (prior year: kEUR264).

With respect to the revenue, an increase of 3% to EUR1,898.3 million (prior year: EUR1,842.4 million) was registered in the year under review 2013. The foreign share of unconsolidated revenues amounted to EUR162.9 million (prior year: EUR165.0 million) 8% (prior year: 9%). The revenue generated abroad thus decreased by EUR2.1 million or 1%.

EUR618.8 million (prior year: EUR607.0 million) of the sales result from Federal purchase orders (public service contracts), EUR268.7 million (prior year: EUR257.3 million) result from transport service orders from countries and communities.

8 Total income per employee: total income / average number of employees

Revenue of the Rail Cargo Austria sub-group

Overview	2013	2012	Change	Change in %
Net tons transported in mil. tons (consolidated)	109.3	113.0	-3.7	-3%
Revenue in mil. EUR	2,280.9	2,340.0	-59.1	-3%
thereof public services contracted by the federal government	*77.6*	*77.2*	*0.4*	*1%*
Other income in mil. EUR	122.9	95.8	27.1	28%
Total income in mil. EUR	2,403.9	2,435.8	-31.9	-1%
Total income per employee in thousand EUR	259	249	10	4%

Due to the difficult economic situation, the total income of the Rail Cargo Austria sub-group decreased by 1% to EUR2,403.9 million (prior year: EUR2,435.8 million). With a number of staff averaging 9,275 employees (prior year: 9,784), the total income per employee equals kEUR259 (prior year: kEUR249). The revenue generated abroad, which amounts to EUR1,169.1 million (prior year: EUR1,097.9 million), accounts for 37% (prior year: 36%) of the unconsolidated Group revenues. The revenue generated abroad thus increased by EUR71.2 million or 6%.

In total, the revenue of the Rail Cargo Austria sub-group decreased by 3% to EUR2,280.9 million (prior year: EUR2,340.0 million). The compensation of the federal government for the execution of public service orders accounted for EUR77.6 million or 3% of the revenue (prior year: EUR77.2 million or 3%). ÖBB-Technische Services-Gesellschaft mbH accounts for EUR337.5 million (prior year: EUR350.2 million).

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

The Rail Cargo Austria sub-group recorded a decrease of the consolidated volumes in goods transport from approx113.0 million to 109.3 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	
Net tons transported in mil.	2013	2012	2013	2012	2013	2012	2013	2012	**2013**	**2012**
Rail Cargo Austria AG excl. abroad	60.2	61.7	14.3	15.1	7.5	9.4	1.4	1.5	**83.4**	**87.7**
Rail Cargo Austria AG abroad	5.3	2.9	1.8	1.1	1.5	1.0	-	-	**8.6**	**5.0**
Rail Cargo Hungaria Zrt.	30.2	30.3	2.3	2.4	-	0.9	-	-	**32.5**	**33.6**
Rail Cargo Romania s.r.l.	0.4	0.2	-	-	-	-	-	-	**0.4**	**0.2**
Rail Cargo Italia s.r.l.	1.2	1.4	1.3	0.4	-	-	-	-	**2.5**	**1.8**
Rail Cargo Carrier Kft.	3.6	-	-	-	-	-	-	-	**3.6**	**-**
Total not consolidated	**100.9**	**96.5**	**19.7**	**19.0**	**9.0**	**11.3**	**1.4**	**1.5**	**131.0**	**128.3**
less intra-group transports	*-16.6*	*-11.5*	*-3.6*	*-1.9*	*-1.5*	*-1.9*	-	-	*-21.7*	*-15.3*
Total consolidated	**84.3**	**85.0**	**16.1**	**17.1**	**7.5**	**9.4**	**1.4**	**1.5**	**109.3**	**113.0**

Revenue of the ÖBB-Infrastruktur sub-group

Overview	2013	2012	Change	Change in %	
Mil. train-kilometers	142.8	142.0	0.8	1%	
Total gross tonnage-kilometers in mil.	72,965.8	72,442.6	523.2	1%	
Self-generated traction power from ÖBB power plants in GWh	718	792	-74	-9%	
Traction power from the overhead contact line in GWh	1,770	1,756	14	1%	
Floor space, incl. rentable exterior spaces, in thousand m²	2,697	2,732	-35	-1%	
Revenue in mil. EUR	2,155.3	2,129.6	25.7	1%	*)
Other income in mil. EUR	892.1	833.4	58.7	7%	*)
Total income in mil. EUR	3,047.4	2,963.0	84.4	3%	*)
Total income per employee in thousand EUR	189	178	11	6%	*)

*) adjusted values, see Note 4 to the Consolidated Financial Statements

The revenues of the sub-group amounted to EUR2,155.3 million (prior year: EUR2,129.6 million*)) of which EUR717.4 million (prior year: EUR730.9 million) were generated with companies of other sub-groups of the ÖBB Group. Revenue is mainly generated in Austria. Revenue in the amount of EUR23.6 million (prior year: EUR31.0 million*)) was generated with companies abroad. This revenue mainly refers to the supply of energy and the infrastructure usage charge.

The income per employee at an average of 16,122 employees (prior year: 16,670 employees) amounts to kEUR189 (prior year: kEUR178*)).

Compared to prior year the train-kilometers increased to 142.8 million Tkm (prior year: 142.0 million Tkm).

Development of train-kilometers by type of transport in mil.	2013	2012	Change	Change in %
Passenger transport	95.6	94.9	0.7	1%
thereof ÖBB Group	*91.2*	*90.8*	*0.4*	0%
Goods transport	39.7	40.0	-0.3	-1%
thereof ÖBB Group	*33.1*	*34.5*	*-1.4*	-4%
Service trains and light engines	7.4	7.1	0.3	5%
thereof ÖBB Group	*6.5*	*6.4*	*0.1*	2%
Total	**142.8**	**142.0**	**0.8**	**1%**
thereof ÖBB Group	***130.8***	***131.7***	***-0.9***	***-1%***

In 2013 financial year, the total gross ton-kilometers (TGTkm) increased by 523.2 million TGTkm. While external railway undertakings accounted for 8.3 million TGTkm or 11% of the total in the financial year 2012, in 2013 they accounted for 9.8 million TGTkm, which corresponds to 13% of the total.

Development of gross tonnage-kilometers by type of transport in mil.	2013	2012	Change	Change in %
Passenger transport	28,348.5	28,329.7	18.8	0%
thereof ÖBB Group	*26,991.5*	*27,066.4*	*-74.9*	*0%*
Goods transport	43,489.4	43,073.3	416.1	1%
thereof ÖBB Group	*35,163.1*	*36,193.1*	*-1,030.0*	*-3%*
Service trains and light engines	1,127.9	1,039.6	88.3	8%
thereof ÖBB Group	*988.4*	*928.8*	*59.6*	*6%*
Total	**72,965.8**	**72,442.6**	**523.2**	**1%**
thereof ÖBB Group	***63,143.0***	***64,188.3***	***-1,045.3***	**-2%**

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

Development of the electricity sector:

Traction power in GWh	2013	2012	Change	Change in %
Self-generated traction power from ÖBB power plants	718	792	-74	-9%
Consumption of traction power from the overhead contact line	1,770	1,756	14	1%

In power plants owned by the sub-group ÖBB-Infrastruktur 718 GWh (prior year: 792 GWh traction power were produced in the 2013 financial year.

Development of the rentable areas:

Floor space, incl. rentable exterior spaces, in thousand m²	2013	2012	Change	Change in %
Usage by external parties (outside the Group)	793	819	-26	-3%
Usage by Group companies	843	833	10	1%
Vacant and public space	1,040	1,055	-15	-1%
Floor space	**2,676**	**2,707**	**-31**	**-1%**
Exterior spaces rented out	21	25	-4	-16%
Total portfolio	**2,697**	**2,732**	**-35**	**-1%**

The floor space of buildings incl. rentable exterior spaces amounts to 2.7 million m^2 (prior year: 2.7 million m^2), 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.

Payments of the federal government

Payments of the federal government in mil. EUR	ÖBB-Personenverkehr	Rail Cargo Austria	ÖBB-Infrastructure
Public service contracts	618.8	77.6	-
	(prior year: 607.0)	*(prior year: 77.2)*	-
Government grant for expansion and reinvestment	-	-	517.5
	-	-	*(prior year: 454.4)*
Government grant for operation, maintenance and infrastructure*)	-	-	1,151.4
	-	-	*(prior year: 1,086.1)*
Total payments of the of the federal government	**618.8**	**77.6**	**1,668.9**
	(prior year: 607.0)	*(prior year: 77.2)*	*(prior year: 1,540.4)*

*) including apprentices and refinancing existing network

The federal payments are based on Federal laws and private law contracts.

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. In the reporting year these amounted to EUR618.8 million (prior year: EUR607.0 million. The increased power of the federal compensation resulted primarily from higher train-km orders and netbacks of existing services. This however meant that the development of increased maintenance costs according to market indicators was only partially met.

The payments to the subgroup Rail Cargo Austria result from the provision of rail freight services in the production forms of single wagon traffic, unaccompanied combined traffic as well as rolling road and are based on the “Beihilfenprogramm für die Erbringung von Schienengüterverkehrsleistungen in bestimmten Produktionsformen in Österreich” (Aid program for the provision of rail freight services in certain production forms inn Austria) notified by the EU. The payments in the reporting year amounted to EUR77.6 million (prior year: 77.2 million).

On behalf of the Republic of Austria ÖBB-Infrastruktur AG are operating a building program of historic dimensions until 2024. According to the grant agreement 2013 – 2018, the federal government shall assume 75% of the annual investments in expansion and reinvestments according to the 2013 – 2018 master plan (with the exception of the Brenner base tunnel) until 2017 and 80% in 2018; for these investments, subsidies are granted in the form of a repayment rate 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. In 2013, this Federal contribution amounts to EUR517.5 million (prior year: 454.4 million).

In addition, the federal government provides a subsidy for the provision and maintenance of the operational infrastructure. 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. In the reporting year these compensations amount to EUR1,151.4 million (prior year: EUR1,086.1 million.

C.2. Result of operations

Result of operations of the ÖBB Group

Notes on the financial performance

The 2013 financial year was characterized by a favorable trend in earnings, which is expressed both by an increase in EBIT as well as by an improvement of EBT. This positive trend is visible in all parts of the Group and is primarily the result of an improved ratio of the slight rise in revenues to the noticeable decrease in material expenses, including expenses for services. This is noticeable through an improvement in the EBIT margin from 11.3% to 12.1% and is also proof of the profitability improvement.

It is worth noting that personnel costs were reduced by EUR17.1 million, leading to an improvement in the EBIT by EUR54.2 million to EUR755.1 million, although depreciation and amortization due to route commissioning and other operating expenses as a result of period expenses have not increased irrelevantly.

Included in the result in addition to the cited operational developments are a number of effects not resulting from operating business, which in total form a negative balance. These include provisions for legal proceedings and the devaluation of the shares held for sale in Express Slovakia “Medzinárodná preprava, as”. Furthermore, the effect of the first application of IAS 19 (2011) on the adjusted EBT in the prior year with EUR8.0 million was significantly more positive and higher than the effect on the 2013 financial year (EUR0.8 million).

This positive development is also reflected in increased capital rates of return. The return on equity rose by 24% to 6.5%, the return on assets improved to 3.1%. An even better Group result was prevented by effects from non-operating business.

Overview	2013	2012	Change	Change in %	
EBIT in mil. EUR	755.1	700.9	54.2	8%	*)
EBIT margin in %	12.1%	11.3%	0.8%	7%	*)
EBITDA in mil.	1,584.0	1,451.0	133.0	9%	*)
EBT in mil. EUR	102.5	74.5	28.0	38%	*)
Return on equity in %	6.5%	5.2%	1.2%	24%	*)
Total return on equity in %	3.1%	2.9%	0.2%	7%	

Structure of the Consolidated Profit and Loss Account (in mil. EUR)	2013	in % of the total income	2012	in % of the total income	Change	Change in %	
Revenue	5,239.2	84%	5,221.2	84%	18.0	0%	*)
Other own work capitalized	359.2	6%	400.1	6%	-40.9	-10%	
Other revenue and increase/decrease of inventories	649.9	10%	594.9	10%	55.0	9%	*)
Total income	**6,248.3**	**100%**	**6,216.2**	**100%**	**32.1**	**1%**	*)
Expenses for materials	412.2	7%	500.9	8%	-88.7	-18%	*)
Expenses for services received	1,380.7	22%	1,427.9	23%	-47.2	-3%	
Personnel expenses	2,341.3	37%	2,358.4	38%	-17.1	-1%	*)
Amortization (incl. impairment)	829.0	13%	750.1	12%	78.9	11%	
Other operating expenses	530.1	8%	478.0	8%	52.1	11%	
Total expenses	**5,493.3**	**88%**	**5,515.3**	**89%**	**-22.0**	**0%**	*)
EBIT	**755.1**	**12%**	**700.9**	**11%**	**54.2**	**8%**	*)
Financial result	-652.6	-10%	-626.4	-10%	-26.2	-4%	
EBT	**102.5**	**2%**	**74.5**	**1%**	**28.0**	**38%**	*)

With EUR6,248.3 million (prior year: EUR6,216.2 million*)) total income was increased slightly. The EBIT of the ÖBB Group increased by 8% to EUR755.1 million (prior year: EUR700.9 million.*)). Accordingly, the EBIT margin[11] increased from 11.3%*) in the prior year to 12.1%. After the positive result of EUR74.5 million*) in the prior year, this year shows a positive EBT of EUR102.5 million. The EBITDA[12] amounts to EUR1,584.0 million (prior year: EUR1,451.0 million*)). The return on equity[13] increased to 6.5% (prior year: 5.2%*)), the return on assets[14] amounted to 3.1% (prior year: 2.9%).

*) adjusted values, see Notes 4 and 26 to the Consolidated Financial Statements

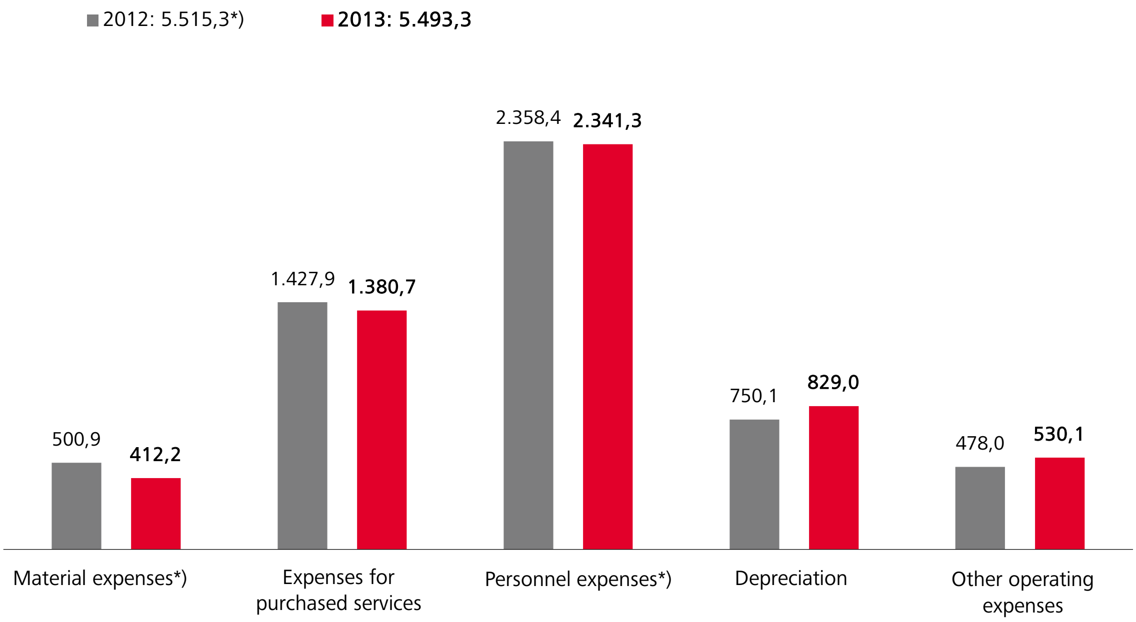
11 EBIT margin: EBIT / total income

12 EBITDA: EBIT + depreciation and amortization

13 Return on equity: EBT / shareholder’s equity

14 Total return on equity: EBIT / total capital

Development of operating expenses in EUR million



In the financial year 2013, the total expenses decreased by EUR22.0 million to EUR5,493.3 million (prior year: EUR5,515.3 million*)).

The personnel expenses decreased by 1% compared to the prior year to EUR2,341.3 million (prior year: EUR2,358.4 million*)) and still constitute the largest expense category. The average personnel expenses per employee amount to kEUR57 (prior year: kEUR56*)). With 37% (prior year: 38%), the personnel expenses/total income ratio[15] – which measures the share of the personnel expenses in the total income – were able to be reduced slightly . More information on the personnel structure and the development of the number of staff is provided in Chapter D. Personnel Report.

Expenses for materials decreased to EUR412.2 million (prior year: EUR500.9 million*)). This item comprises expenses for purchased traction power amounting to EUR123.8 million (prior year: EUR131.1 million*)) and expenses for liquid fuels amounting to EUR95.5 million (prior year: EUR102.3 million).

The expenses for services received amounting to EUR1,380.7 million (prior year: EUR1,427.9 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 29% (prior year: 31%*)). The depreciation expenses increased by EUR78.9 million to EUR829.0 million (prior year: EUR750.1 million).

A reduction was achieved with rent, leasing and licensing expenses (-11% to EUR29.5 million), with expenses for information technology and office supplies (-19% to EUR22.8 million) and with taxes and duties (-13% to EUR42.2 million). An increase was however recorded in operating costs (4% to EUR120.0 million) as well as with the remaining other expenses (24% to EUR299.7 million). In total, other operating expenses increased by EUR52.1 million or 11% to EUR530.1 million (prior year: EUR478.0 million or 11%.

The ÖBB Group presents a negative financial result amounting to EUR652.6 million for the financial year 2013 (prior year: -EUR626.4 million). The interest expense is EUR738.4 million.

*) adjusted values, see Notes 4 and 26 to the Consolidated Financial Statements

15 Personnel expenses / total income ratio: personnel expenses / total income

Result of operations of the ÖBB-Personenverkehr sub-group

Overview	2013	2012	Change	Change in %	
Revenue in mil. EUR	1,898.3	1,842.4	55.9	3%	
Total income in mil. EUR	1,927.5	1,874.7	52.8	3%	
Total expenses in mil. EUR	-1,852.6	-1,798.8	-53.8	-3%	*)
EBIT in mil. EUR	74.9	75.9	-1.0	-1%	*)
EBIT margin in %	3.9%	4.0%	-0.1%	-3%	
EBITDA in mil.	178.7	173.0	5.7	3%	*)
Financial result in mil. EUR	-16.3	-31.8	15.5	49%	*)
EBT in mil. EUR	58.6	44.1	14.5	33%	*)
Return on equity in %	9.3%	8.6%	0.7%	8%	*)
Total return on equity in %	2.7%	2.7%	0.0%	0%	*)

The ÖBB-Personenverkehr sub-group recorded an increase in revenue by 3% to EUR1,898.3 million (prior year: EUR1,842.4 million) during the year under review. Expenses for materials increased by 1% to EUR133.4 million (prior year: EUR134.5 million). After earnings in the amount of EUR75.9 million*) in the prior year, in the 2013 financial year the sub-group has an EBIT of EUR74.9 million. In the financial result an improvement to -EUR16.3 million (prior year:. -EUR31.8 million*)) was recognized. The sub-group presents an EBT amounting to EUR58.6 million for the financial year 2013 (prior year: EUR44.1 million*)). The return on equity amounts to 9.3% in 2013 (prior year: 8.6%*)), the return on assets amounts to 2.7% (prior year: 2.7%*)). The EBIT margin decreased from 4.0% in the prior year to 3.9%. The EBITDA amounts to EUR178.7 million (prior year: EUR173.0 million*)).

The personnel expenses of the sub-group amounted to EUR372.3 million in the financial year 2013 (prior year: EUR378.1 million*)), which corresponds to a slight increase by EUR5.8 million or 2%. The average personnel expenses per employee amount to kEUR54 (prior year: kEUR53). The share of the personnel expenses in the total income was reduced to 19% (prior year: 20%). The expenses for materials amounting to EUR133.4 million (prior year: EUR134.5 million) comprise, among others, expenses for traction power amounting to EUR39.4 million (prior year: EUR39.6 million) and for liquid fuels amounting to EUR55.6 million (prior year: EUR59.3 million). The services received increased by 7% compared to the prior year to EUR1,073.9 million (prior year: EUR1,005.3 million). This item comprises fees for rented vehicles amounting to EUR22.1 million (prior year: EUR21.9 million), transport services amounting to EUR477.4 million (prior year: EUR461.1 million) and infrastructure usage charges for third-party railways amounting to EUR291.1 million (prior year: EUR269.1 million). The combined share of the expenses for materials and services received in the total income accounted for 63% (prior year: 61%).

Result of operations of the Rail Cargo Austria sub-group

Overview	2013	2012	Change	Change in %	
Revenue in mil. EUR	2,280.9	2,340.0	-59.1	-3%	
Total income in mil. EUR	2,403.9	2,435.8	-31.9	-1%	
Total expenses in mil. EUR	-2,327.9	-2,377.9	50.0	2%	*)
EBIT in mil. EUR	76.0	57.9	18.1	31%	*)
EBIT margin in %	3.2%	2.4%	0.8%	35%	*)
EBITDA in mil.	134.4	121.3	13.1	11%	*)
Financial result in mil. EUR	-17.6	-26.9	9.3	35%	*)
EBT in mil. EUR	58.4	31.0	27.4	88%	*)
Return on equity in %	**)	**)	**)	**)	
Total return on equity in %	3.9%	3.0%	0.9%	30%	*)

**) Ratio not significant

In 2013 financial year, significant steps in implementing the turnaround program Fit 2015 were successfully completed. The Rail Cargo Austria sub-group was able to increase the EBIT to EUR76.0 million (prior year: EUR57.9 million*)). In the year under review, this increase of the EBIT amounted to EUR18.1 million. The decrease in total income by 1% to EUR2,403.9 million (prior year: EUR2,435.8 million) results in an EBIT margin of 3.2%, after 2.4% in the prior year. The financial result increased from -EUR26.9 million in the prior year to -EUR17.6 million. Accordingly, an EBT of EUR58.4 million (prior year: -EUR31.0 million*)) is recognized for 2013. Due to the negative amount of the shareholder's equity, the return on equity was not calculated. The return on assets amounts to 3.9% (prior year: 3.0%*)), and the EBITDA amounts to EUR134.4 million (prior year: EUR121.3 million*)).

The total expenses of the Rail Cargo Austria sub-group amounting to EUR2,327.9 million (prior year: EUR2,377.9 million*)) were 2% lower than in the prior year. The expenses for services received, which decreased by 4% to

*) adjusted values, see Note 26 to the Consolidated Financial Statements

EUR1,481.3 million in the year under review (prior year: EUR1,543.7 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 decreased to EUR418.7 million in the year under review (prior year: EUR433.5 million*)). As the average number of staff decreased, the average personnel expenses per employee increased from kEUR44 in the prior year to kEUR45. The share of the personnel expenses in the total income was 17% (prior year: 18%). The total of the expenses for materials and services received corresponds to 69% (prior year: 70%) of the total income.

Result of operations of the ÖBB-Infrastruktur sub-group

Overview	2013	2012	Change	Change in %	
Revenue in mil. EUR	2,155.3	2,129.6	25.7	1%	*)
Total income in mil. EUR	3,047.4	2,963.0	84.4	3%	*)
Total expenses in mil. EUR	-2,441.1	-2,369.0	-72.1	-3%	*)
EBIT in mil. EUR	606.3	594.0	12.3	2%	*)
EBIT margin in %	19.9%	20.0%	-0.1%	-1%	*)
EBITDA in mil.	1,222.7	1,133.5	89.2	8%	*)
Financial result in mil. EUR	-580.5	-582.1	1.6	-	
EBT in mil. EUR	25.8	12.0	13.8	>100%	*)
Return on equity in %	2.2%	1.0%	1.2%	>100%	*)

The total income of ÖBB-Infrastruktur amounted to EUR3,047.4 million in the year under review (prior year: EUR2,963.0 million*)), i.e. with a number of employees averaging 16,122 (prior year: 16,670 employees), the income per employee amounted to kEUR189 (prior year: kEUR178*)). This represents an increase in total revenues of EUR84.4 million or 3% compared to 2012. This increase results from an increase of the government grant pursuant to Article 42 Bundesbahngesetz [Federal Railways Act] for the infrastructure on the one hand, and from an increase in the infrastructure usage charge.

The ÖBB-Infrastruktur sub-group generated an EBIT of EUR606.3 million in 2013 (prior year: EUR594.0 million*)) and an EBIT margin[16] of 19.9% (prior year: 20.0%*)).

The sub-group ÖBB-Infrastruktur generated a negative financial result amounting to EUR580.5 million (prior year: -EUR582.1 million) in the year under review. The EBT amounted to EUR25.8 million in 2013 (prior year: EUR12.0 million*)).

The total expenses of the sub-group increased by 3% to EUR2,441.1 million in 2013 (prior year: EUR2,369.0 million*)). The personnel expenses constituted the largest expense item in 2013, decreasing by 2% to EUR1,044.0 million (prior year: EUR1,063.1 million*)). The average personnel expenses per employee amounted to kEUR65 (prior year: kEUR64). The share of the personnel expenses in the total income of the sub-group corresponds to 34% (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 14% to EUR616.4 million in the year under review (prior year: EUR539.5 million 13% (prior year: 16%*)) of the total income were 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	2013	2012	Change	Change in %
Total assets in mil. EUR	24,631.3	24,084.3	547.0	2%
PP&E-to-total-assets ratio in %	88%	86%	2%	2%
PP&E-to-net-worth ratio in %	7%	7%	0%	0%
PP&E-to-net-worth ratio II in %	97%	98%	-1%	-1%
Working capital in mil. EUR	8.9	-232.9	241.8	>100%
Equity ratio in %	7%	6%	1%	17%
Cash-effective change of funds in mil. in mil. EUR	-383.9	334.9	-718.8	>-100%

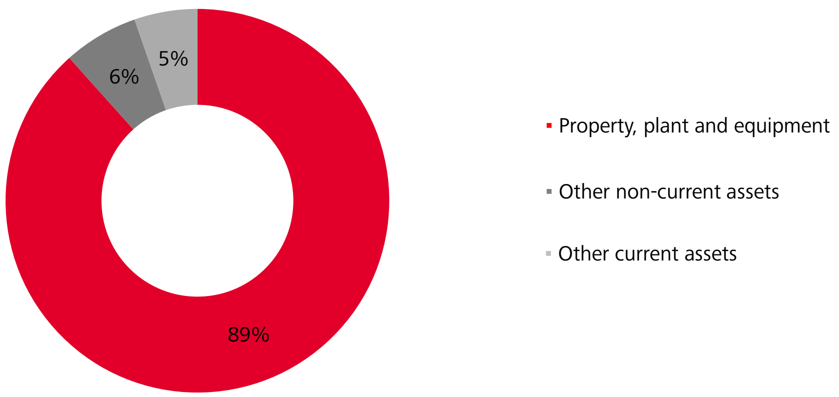
*) adjusted values, see Notes 4 and 26 to the Consolidated Financial Statements
16 EBIT margin: EBIT / total income

Structure of the Statement of Financial Position (in mil. EUR)	Dec 31, 2011	Dec 31, 2012	Structure 2012	Dec 31, 2013	Structure 2013	Change 2012 to 2013
Property, plant and equipment	19,597.6	20,748.9	86%	21,765.5	89%	1,016.6
Other long-term assets	1,837.4	1,697.1	7%	1,556.1	6%	-141.0
Current assets	1,447.8	1,638.3	7%	1,309.7	5%	-328.6
Total assets	**22,882.8**	**24,084.3**	**100%**	**24,631.3**	**100%**	**547.0**
Equity capital	1,369.7	1,430.8	7%	1,588.9	7%	158.1
Financial liabilities	19,033.7	20,177.3	84%	20,778.4	84%	601.1
Other liabilities	2,479.4	2,476.2	9%	2,264.0	9%	-212.2

Mainly because of the investments in property, plant and equipment, the total assets of the ÖBB Group increased by 2% to EUR24,631.3 million in the year under review (prior year: EUR24,084.3 million).

Assets

Balance-sheet structure assets



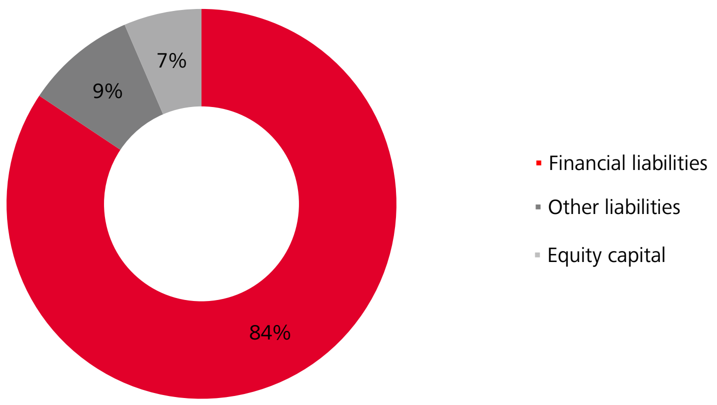
Property, plant and equipment accounted for 88% (prior year: 86%) of the total assets (PP&E-to-total-assets ratio)[17] as of the reporting date. These investments were primarily financed with borrowings through the issue of bonds. The PP&E-to-net-worth ratio[18] as of December 31, 2013 was 7% as in the prior year. Taking non-current borrowings into account, the resulting PP&E-to-net-worth ratio II[19] is 97% (prior year: 98%).

The working capital[20] amounts to EUR8.9 million (prior year: EUR-232.9 million).

17 PP&E-to-total-assets ratio: PP&E / total assets
18 PP&E-to-net-worth ratio: shareholder's equity * 100 / PP&E
19 PP&E-to-net-worth ratio II: (shareholder's equity + long-term liabilities) / PP&E
20 Working capital:inventories (excl. exploitation objects) + trade receivables + down payments on non-current assets – trade payables – down payments on orders received

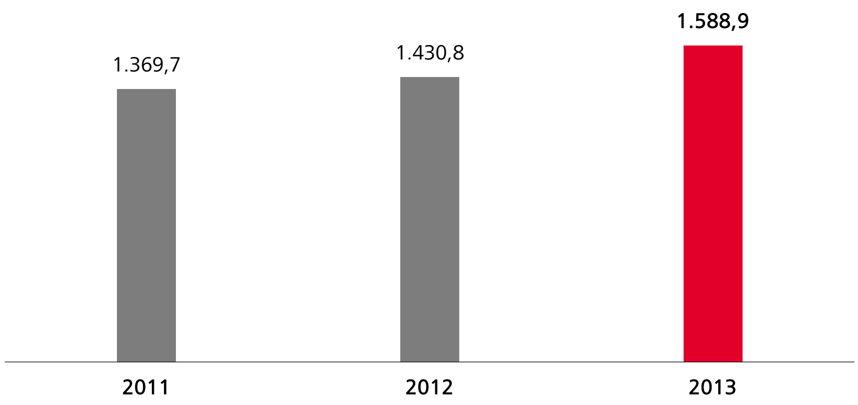
Total liabilities and stockholders' equity

Balance sheet structure total liabilities



As of December 31, 2013 the ÖBB Group reports an equity ratio[21] of 7% (prior year: 6%). The increase of the total on the liabilities side is primarily due to new issues of bonds.

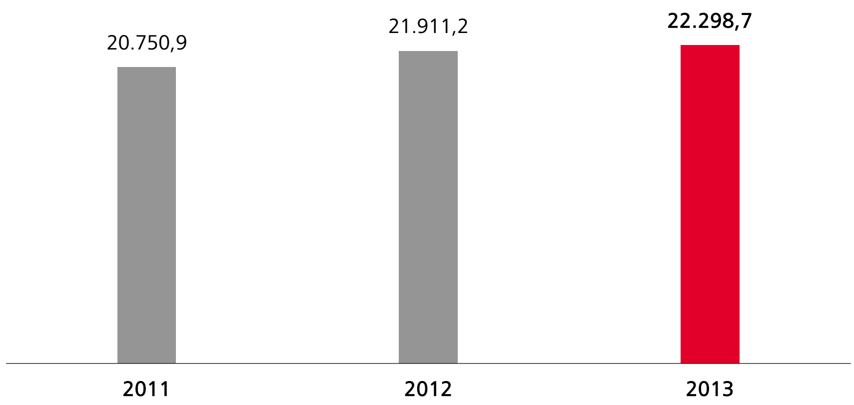
Development of equity capital in EUR million



The liabilities of the ÖBB Group amounted to a total of EUR22,298.7 million in 2013 (prior year: EUR21,911.2 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 EUR14,376.4 million (prior year: EUR13,365.9 million).

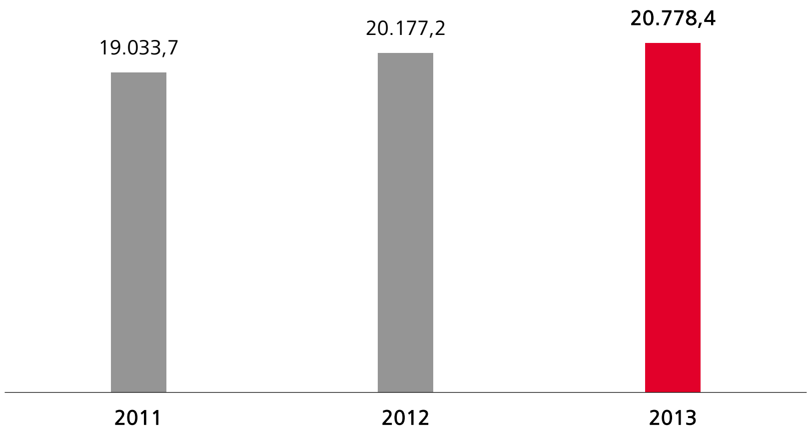
21 Equity ratio: Equity capita l/ total capital

Liabilities in EUR million

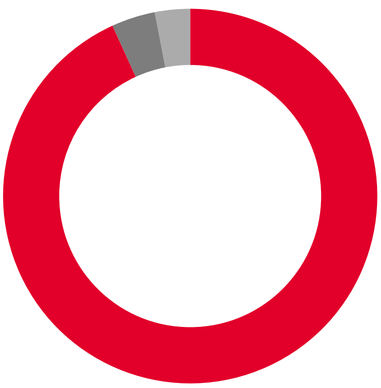


The financial liabilities of the ÖBB Group comprise all liabilities from bonds and liabilities due to banks and EUROFIMA Europäische Gesellschaft für die Finanzierung von Eisenbahnmaterial AG [European Company for the Financing of Railroad Rolling Stock]. In total, the financial liabilities increased by 3% or EUR601.2 million to EUR20,778.4 million in the year under review (prior year: EUR20,177.2 million).

Financial liabilities in EUR million



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



Financial liabilities in EUR million

- 20.778,4 Financial liabilities
- 843,1 Liabilities from deliveries and services
- 677,2 Other liabilities

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

Terms of the liabilities in mil. in mil. EUR	Total	thereof current	in %	thereof non-current	in %
Financial liabilities	20,778.4	1,730.2	8%	19,048.2	92%
Trade payables	843.1	843.1	100%	0.0	0%
Other liabilities	677.1	549.4	81%	127.7	19%

Notes on the Consolidated Cash Flow Statement

The free cash flow[22] amounted to -EUR1,312.9 million in the reporting year (prior year: -EUR969.0 million). The cash-effective change of funds and cash equivalents changed from EUR334.9 million to -EUR383.9 million.

Extract from the Consolidated Cash Flow Statement in mil. EUR	Dec 31, 2013	Dec 31, 2012	Change
Cash flow from operating activities	630.8	778.3	-147.5
Cash flow from investing activities	-1,943.7	-1,747.3	-196.4
Free cash flow	-1,312.9	-969.0	-343.9
Cash flow from financing activities	929.0	1,303.9	-374.9
Cash-effective change of funds in mil.	-383.9	334.9	-718.8

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

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

Overview	2013	2012	Change	Change in %
Total assets in mil. EUR	2,789.0	2,810.7	-21.7	-1%
PP&E-to-total-assets ratio in %	69%	66%	3%	5%
PP&E-to-net-worth ratio in %	33%	28%	5%	18%
PP&E-to-net-worth ratio II in %	111%	119%	-8%	-7%
Equity ratio in %	23%	18%	5%	28%

Structure of the Statement of Financial Position (in mil. EUR)	Dec 31, 2011	Dec 31, 2012	Structure 2012	Dec 31, 2013	Structure 2013	Change 2012 to 2013
Non-current assets	2,493.8	2,403.1	85%	2,492.4	89%	89.3
Current assets	451.4	407.6	15%	296.6	11%	-111.0
Total assets	**2,945.2**	**2,810.7**	**100%**	**2,789.0**	**100%**	**-21.7**
Equity capital	488.0	512.2	18%	631.7	23%	119.5
Non-current liabilities	1,869.2	1,691.5	60%	1,517.8	54%	-173.7
Current liabilities	588.0	607.0	22%	639.5	23%	32.5

The total assets of the ÖBB-Personenverkehr sub-group decreased by EUR21.7 million to EUR2,789.0 million in the year under review (prior year: EUR2,810.7 million). Property, plant and equipment accounted for 69% of the total assets (PP&E-to-total-assets ratio) as of the reporting date (prior year: 66%). The PP&E-to-net-worth ratio was 33% at this date (prior year: 28%), the PP&E-to-net-worth ratio II was 111% (prior year: 119%). The working capital amounted to EUR91.3 million (prior year: -EUR108.0 million). Following an increase of the shareholder's equity by EUR119.5 million to EUR631.7 million (prior year: EUR512.2 million), the resulting equity ratio is 23% (prior year: 18%).

The liabilities of the ÖBB-Personenverkehr sub-group recorded an overall decrease by 6% to EUR1,968.4 million (prior year: EUR2,101.0 million). The financial liabilities decreased by EUR68.4 million or 4% to EUR1,659.5 million in the year under review (prior year: EUR1,727.9 million).

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

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

Overview	2013	2012	Change	Change in %
Total assets in mil. EUR	1,936.6	1,962.6	-26.0	-1%
PP&E-to-total-assets ratio in %	44%	44%	0%	0%
PP&E-to-net-worth ratio in %	-3%	-11%	8%	73%
Equity ratio in %	-1%	-5%	4%	80%

Structure of the Consolidated Statement of Financial Position in mil. EUR	Dec 31, 2011	Dec 31, 2012	Structure 2012	Dec 31, 2013	Structure 2013	Change 2012 to 2013
Non-current assets	1,253.5	1,256.8	64%	1,263.7	65%	6.9
Current assets	818.0	705.8	36%	672.9	35%	-32.9
Total assets	**2,071.5**	**1,962.6**	**100%**	**1,936.6**	**100%**	**-26.0**
Equity capital	-114.7	-97.2	-5%	-28.5	-1%	68.7
Non-current liabilities	1,074.3	1,296.2	66%	1,174.7	61%	-121.5
Current liabilities	1,111.9	763.6	39%	790.5	41%	26.9

The total assets of the sub-group decreased by EUR26.0 million or 1% compared to the prior year to EUR1,936.6 million (prior year: EUR1,962.6 million). As of the reporting date, the property, plant and equipment accounted for 44% of the total assets (PP&E-to-total-assets ratio) as in the prior year. The PP&E-to-net-worth ratio was -3% (prior year: -11%). The working capital amounted to EUR259.7 million (prior year: EUR240.7 million). Following an increase of the shareholder's equity by EUR68.7 million to approx -EUR28.5 million (prior year: -EUR97.2 million), the resulting equity ratio as of December 31, is -1% (prior year: -5%).

The liabilities of the sub-group recorded an overall decrease by EUR110.8 million or 6% to EUR1,811.8 million (prior year: EUR1,922.6 million). The financial liabilities decreased to EUR1,414.9 million (prior year: EUR1,453.6 million).

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

Overview	2013	2012	Change	Change in %
Total assets in mil. EUR	20,133.4	19,725.2	408.2	2%
PP&E-to-total-assets ratio in %	91%	87%	4%	4%
PP&E-to-net-worth ratio in %	6%	7%	-1%	-14%
PP&E-to-net-worth ratio II in %	98%	98%	0%	0%
Equity ratio in %	6%	6%	0%	0%

Structure of the Consolidated Statement of Financial Position in mil. EUR	Dec 31, 2011	Dec 31, 2012	Structure 2012	Dec 31, 2013	Structure 2013	Change 2012 to 2013
Non-current assets	18,162.7	18,673.2	95%	19,520.1	97%	846.9
Current assets	866.2	1,052.0	5%	613.3	3%	-438.7
Total assets	**19,028.9**	**19,725.2**	**100%**	**20,133.4**	**100%**	**408.2**
Equity capital	1,115.5	1,148.6	6%	1,173.6	6%	25.0
Non-current liabilities	16,008.8	15,760.4	80%	16,749.5	83%	989.1
Current liabilities	1,904.6	2,816.2	14%	2,210.3	11%	-605.9

The total assets of the ÖBB-Infrastruktur sub-group increased by 2% to EUR20,133.4 million as of the end of the year 2013 (prior year: EUR19,725.2 million). The PP&E-to-total-assets ratio was 91% (prior year: 87%). The PP&E-to-net-worth ratio was 6% as of the reporting date 2013 (prior year: 7%). Taking non-current borrowings into account, the resulting PP&E-to-net-worth ratio II is 98%, as in the prior year. The working capital amounted to -EUR330.1 million (prior year: -EUR465.4 million). Following an increase of the shareholder's equity by EUR25.0 million to EUR1,173.6 million (prior year: EUR1,148.6 million), the resulting equity ratio is 6%, as in the prior year.

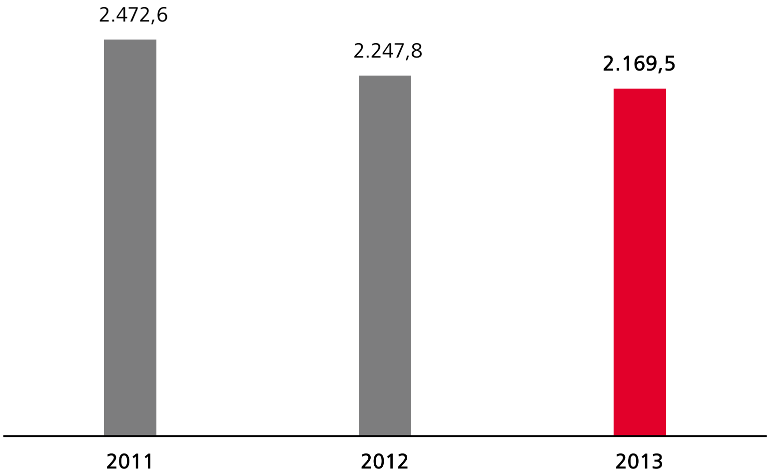
The liabilities of the ÖBB-Infrastruktur sub-group recorded an overall increase by 2% to EUR18,641.6 million in the year under review (prior year: EUR18,208.6 million). After an increase of the financial liabilities by 3% to EUR17,704.2 million (prior year: EUR17,112.1 million), this category accounts for 95% (prior year: 94%) of all liabilities of this category.

In the reporting year 2013 fixed-interest bonds amounting to EUR2.1 billion (previous year: EUR1.4 billion) were issued through the Euro Medium Term Note (EMTN) - Program ("Debt Issuance Programme") which was set at EUR10.0 billion in 2005 and increased to EUR20.0 billion in 2011 for the financing of investments in infrastructure and for the re-financing of bonds due.

C.4. Capital expenditure and financing measures

Overview	2013	2012	Change	Change in %
Capital expenditure in mil. EUR	2,169.5	2,247.8	-78.3	-3%
Capital expenditure ratio of total income in %	34%	35%	-1%	-3%
Capital expenditure ratio of carrying amounts in %	10%	11%	-1%	-9%

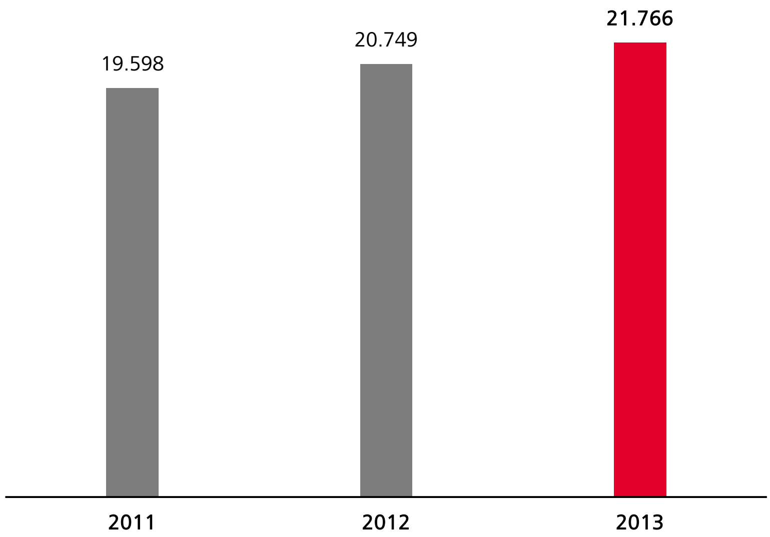
Investments in EUR million



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 EUR2,169.5 million (prior year: EUR2,247.8 million) in property, plant and equipment and intangible assets. This amount corresponds to a capital expenditure ratio of 34% (prior year: 35%) of total income [23]or 10% (prior year: 11%) according to the carrying amounts[24] as of January 01.

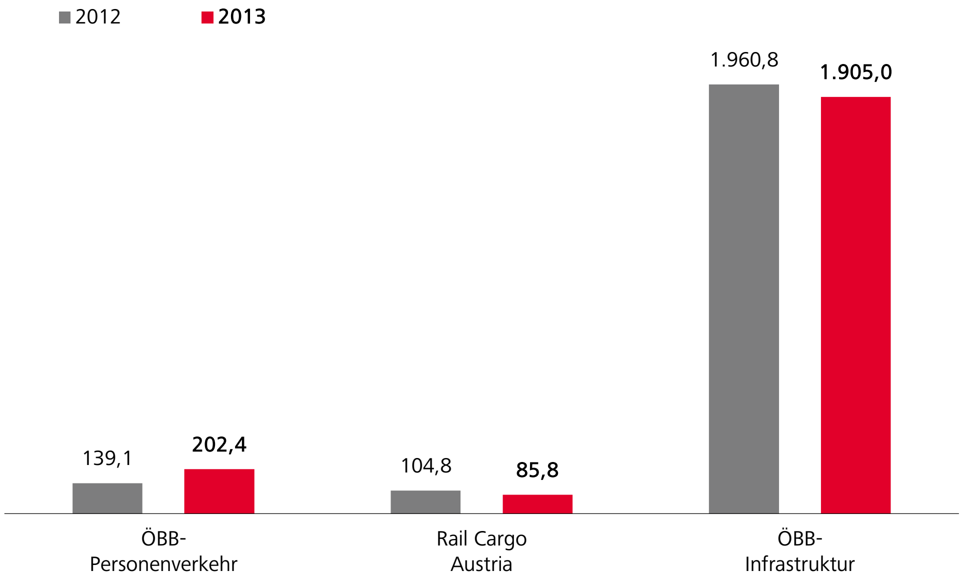
23 Capital expenditure ratio: investment in property, plant and equiptment / total income
24 Capital expenditure ratio: investment in property, plant and equiptment / carrying amounts of PP&E as of January 01

Tangible assets in EUR million



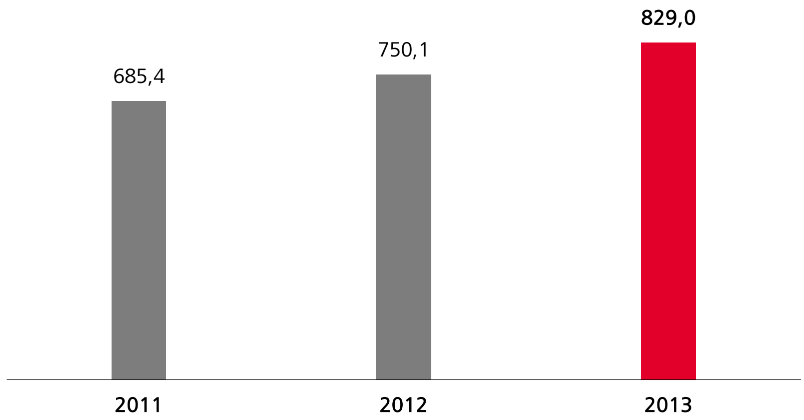
The overall capital expenditures and financing measures amounted to EUR2,169.5 million (prior year: EUR2,247.8 million); the ÖBB-Infrastruktur sub-group accounts for the largest part of this amount, namely EUR1,905.0 million (prior year: EUR1,960.8. The property, plant and equipment of this sub-group with a carrying amount of EUR18,245.7 million (prior year: EUR17,211.2 million) account for about 84% (prior year: 83%) of the entire property, plant and equipment of the ÖBB Group, which amounts to EUR21,765.5 million (prior year: EUR20,748.9 million).

Overview of investment by Sub-group
In EUR million (before consolidation at group level)



The depreciation expenses increased by EUR78.9 million to EUR829.0 million (prior year: EUR750.1 million).

Development of the depreciation of the ÖBB Group in EUR million



Capital expenditures of the ÖBB-Personenverkehr sub-group

Overview	2013	2012	Change	Change in %
Capital expenditure in mil. EUR	202.4	139.1	63.3	46%
Capital expenditure ratio of total income in %	10%	7%	3%	43%
Capital expenditure ratio of carrying amounts in %	11%	8%	3%	38%

During the year under review, the ÖBB-Personenverkehr sub-group invested EUR202.4 million (prior year: EUR139.1 million) in intangible assets and property, plant and equipment. This corresponds to a capital expenditure ratio of 10% (prior year: 7%) of the total income or 11% (prior year: 8%) of the carrying amounts as of January 01.

Capital expenditures	Amount in mil. EUR
Short-distance traffic investments	191.3
Long-distance traffic investments	1.1
Technical equipment and machinery	4.3
Other property, plants and equipment investments	5.5
Software	0.2
Total capital expenditures	**202.4**

Capital expenditures of the Rail Cargo Austria sub-group

Overview	2013	2012	Change	Change in %
Capital expenditure in mil. EUR	85.8	104.8	-19	-18%
Capital expenditure ratio of total income in %	3%	4%	-1%	-25%
Capital expenditure ratio of carrying amounts in %	7%	13%	-6%	-46%

During the year under review, the Rail Cargo Austria sub-group invested EUR85.8 million (prior year: EUR104.8 million) in intangible assets and property, plant and equipment. This corresponds to a capital expenditure ratio of 3% (prior year: 4%) of the total income or 7% (prior year: 13%) of the carrying amounts as of January 01.

Capital expenditures	Amount in mil. EUR
Property, plant and equipment	**60.2**
Rolling stock	14.8
Workshops	22.1
Other property, plant and equipment	23.3
Intangible assets	**25.6**
Total	**85.8**

Capital expenditures of the ÖBB-Infrastruktur sub-group

Overview	2013	2012	Change	Change in %
Capital expenditure in mil. EUR	1,905.0	1,960.8	-55.8	-3%
Capital expenditure ratio of total income in %	61%	62%	-1%	-2%
Capital expenditure ratio of carrying amounts in %	12%	12%	-	-

In total, the ÖBB-Infrastruktur sub-group invested EUR1,905.0 million in the year under review (prior year: EUR1,960.8 million), resulting in a capital expenditure ratio of 61% (prior year: 62%) of the total income and as in the prior year 12% of the carrying amounts as of January 01.

With a carrying amount of EUR18,245.7 million (prior year: EUR17,211.2 million), the property, plant and equipment of the ÖBB-Infrastruktur sub-group account for about 84% (prior year: 83%) of the entire property, plant and equipment of the ÖBB Group.

Main capital expenditure according to the master plan 2013 - 2018

The ÖBB-Infrastruktur Group defined the following main capital expenditure areas for 2013 according to the current master plan 2013 – 2018:
- Four-track extension of the Western line (section Vienna - Wels).
- Four-track extension of the Lower Inn Valley route
- Expansion of the southern section to four tracks (Baltic-Adriatic Corridor)
- Construction of the Brenner Base Tunnel
- Construction of freight terminals
- Numerous short-distance transport projects in conurbation areas
- Train stations
- Improvement of tunnel safety on existing lines
- Noise protection measures
- Construction of Park & Ride facilities
- Extensive reinvestments

The following projects, among others, were worked on during the period under review: Completion of the track St. Pölten–Loosdorf (freight train bypass) (Lower Austria), completion of the track Ybbs–Amstetten (Lower Austria), completion of the track Lambach–Breitenschützing, Salzburg–Freilassing section (Salzburg), four-track expansion of the Lower Inn Valley railway (Tyrol) (remaining work), track expansion of St.Margrethen–Lauterach (Vorarlberg), Semmering base tunnel (Lower Austria/Styria), Koralmtunnel (Styria/Carinthia), Koralmbahn sections Aich/Mittlern-Althofen/Drau as well as Althofen/Drau–Klagenfurt (Carinthia). Within the framework of the station promotion campaign, work was done in particular on the Graz Main Station (Styria), the Salzburg Main Station (Salzburg) and the Vienna Main Station (Wien).

In January and March 2013 both tunneling machines, which until 2016 are going to be working their wax through the mountain from Styria in the direction of Carinthia, were put into operation for the main contract section of the twin-tube Koralm tunnel (CAT 2). In March 2013, the first section of the cross-border route between St.Margrethen in the Swiss Canton of St. Gallen and Lauterach was put into operation in Vorarlberg with the new St. Margrethen–Lustenau (including the Rhine bridge) route. In August 2013, the groundbreaking ceremony for the multifunctional Vienna Inzersdorf terminal (Wien) was held and the Bruck an der Mur station (Styria) was opened. Work on the first exploratory tunnel section Innsbruck–Ahrental of the Brenner base tunnel was completed and launched in November of 2013 with the next phase of construction of the Wolf/Steinach access tunnel. In Italy, the expansion of the main tunnel was begun. Also in November 2013, work began on the third contract Section of the Koralm Tunnel (CAT 3) – located in Carinthia , from which as of January 2014, the two tunnel tubes are being advanced in the direction of Styria. With the change of timetable the expansion of the west branch of the Salzburg S-Bahn system – and thus the expansion of the Salzburg–Freilassing section – was concluded on the Austrian side with the opening of the Liefering stop (Salzburg).

C.5. Corporate strategy

Challenges for the ÖBB Group

In the year 2010, the FIT 2015 programme was established, defining clear goals for ÖBB's strategy over the next few years, with the overriding objective being to create an economically sustainable ÖBB Group. Over the past years, we have consistently pursued this path. In 2013, we once more implemented clear strategic measures throughout all areas of the Group.

General conditions and challenges

Apart from the current state of the macroeconomic environment described in detail in chapters B.1 and B.2, international developments continue to raise challenges for ÖBB as a company. Global crises impact the development of the market for freight transport, while urbanization and social as well as ecological (behavioural) changes influence the mobility behaviour of the Company's customers. In light of these general conditions, efforts aiming at continuously, actively and successfully transforming the ÖBB Group into a modern, innovative and economically sustainable and stable company have been intensified.

European guidelines and national legislation stipulate a gradual market liberalisation in Austria. This is illustrated by the constantly increasing number of third-party providers of rail freight services, as well as the intensifying competition for long-distance passenger transport. The ÖBB Group's goal is to make the railway system more attractive, thereby achieving an increase in rail passenger transport in Austria; the same applies to freight transport on the domestic market as well as within the CEE countries.

Apart from the mentioned external framework conditions, challenges also remain within ÖBB's corporate system. These require particular efforts: an improvement of the cost structure, an increase in investment capabilities through higher equity levels, an optimisation of a demand-oriented human resource deployment, and an increase in the usability and quality of information related to ÖBB's offerings.

Strategy and strategy implementation

A significant step towards the goal of covering our cost of capital

After all sub-groups of the ÖBB Group had already achieved positive results in 2012, thereby reaching an important strategic subgoal a year earlier than anticipated, the Group continued to pursue its successful course in 2013. Our success is illustrated by a clearly positive business result in all sub-groups. For ÖBB, this is an enormous step towards reaching our goal of earning our cost of capital by 2015.

Consistent improvement of customer orientation

In addition to the quantitative financial goals, we consistently continued the improvement of our customer orientation. This is reflected in a stable modal split, an increase in the number of passengers and the fact that ÖBB continues to be ranked as number one among the most punctual railways within the EU.

The positive development at ÖBB has also led to a further increase in the Company's brand value and was rewarded with numerous awards (e.g. for project "eMorail" for integrated mobility, for the companywide communication initiative "Rail Tour", as well as the "Lovestorm" initiative which provided support for the homeless during the wintertime).

The railway as a central element of mobility is also confirmed by external studies

The positive trend regarding the developments at ÖBB and the meaningfulness of the railway as a central element of mobility are also confirmed by external studies. A report regarding the "ecological footprint of the railway system" prepared by the Economica Institute for Economic Research on behalf of the Federation of Austrian Industry confirms the sustainability of the investments carried out by ÖBB on behalf of its owner, the Republic of Austria. This also provides objective evidence for the efficiency of the railway system as a whole. 54,000 persons are employed in the railway sector, generating revenues of approximately EUR8.4 billion and creating a gross value added of approximately EUR4.1 billion. Year after year, ÖBB-Infrastruktur's annual investments of approximately EUR2.0 billion create and secure 24,000 jobs, contributing 0.6 % to our country's gross domestic product.

Intensification and further development of the Group and sub-group strategies

Strategic initiatives within the Group

Based on the Group strategy as well as the individual business sector strategies, the main focus during the year 2013 was on an implementation of the strategy and a complementation of the functional strategies. A special emphasis was placed on the following issues:
- Intensification of market and competitive analyses
- Intensification of the sales strategy pursued by the market segments
- Increase in efficiency through process-related and organizational initiatives in the area of infrastructure
- Further detailing of the strategic statements throughout the entire Group, and
- Formulation of strategic top-down objectives for the budget process

Group initiatives for organisational and human resource-related developments

During the year 2013, the consolidation of all accounting and billing processes within the new Group segment "Financial Services" was completed.

Within ÖBB-Infrastruktur AG, a programme aimed at increasing efficiency in the area of overhead through process optimisation was concluded.

In the autumn of 2013, a Group-wide employee survey was carried out, resulting in a participation of more than 46 % of the Group's staff. The overall results were published, and a process for a consistent communication and a derivation of corrective measures was initiated. (See also the following chapter "C.6. Other important occurrences and outlook".)

Other Group-wide initiatives

During the past year, the Group-wide efforts to achieve an integrated interval timetable were intensified. As objectives, "more intervals", "more speed" and "more offerings" had been defined. For ÖBB customers, this translates into:
- Comprehensive coverage with long-distance access nodes as a basis for an optimal integration with regional transport
- Optimisation of the interval nodes within regional transport and the interface rail/bus
- Reduction of travel times on the East-West axis (to be fully implemented by 2016), as well as the North-South axis (complete implementation by 2025)
- For long-distance transport, all national axes are serviced with hourly intervals
- Regional transport always operates at hourly intervals, with shorter intervals on important routes

In addition to this, the initiatives aimed at efficiency improvements as well as initiatives for the optimization of systems and innovations were consistently implemented. At the same time, new enhancing programmes were initiated (for example: production optimisation, purchasing initiative, IT cost structure, integrated multimodal mobility, European Train Control System ETCS, energy savings, etc.).

Passenger transport initiatives

In 2013, ÖBB was able to maintain its high degree of punctuality and to achieve a slight further increase in customer satisfaction in the area of passenger transport. At the same time, the services provided to rail customers were enhanced further: the complex rate structure was simplified, and the VORTEILSCARD received a full make-over. In the future, it will be a lot easier for our customers to order this card, and they will also be able to take it along digitally on their smartphone. In addition to this, the introduction of the „train radar" http://zugradar.oebb.at has improved our customers' options of obtaining information in the event of disruptions.

The new timetable which was introduced at the end of 2013 offers numerous improvements to our train offerings. For example, new long-distance connections between Vienna and Venice, Munich or Innsbruck have been introduced. Regarding regional transport, we invested in the future by deciding to purchase 100 new regional trains; these trains will be put into operation in 2016, resulting in a completely new travel experience for local and regional transport.

Within a particularly important area of the functional strategies pursued by the passenger transport sub-group, a sustainable and customer-oriented sales strategy for 2020 was developed and passed. Firmly embedded in this strategy are the measures relevant to all sales channels and systems which allow us to achieve a future-proof and customer-oriented sale of ÖBB tickets.

Freight transport initiatives

Despite a continued stagnation of the market environment within the freight transport and logistics industry, the ÖBB Group's freight transport segment was able to post quite a successful year. This was mainly made possible by the following factors:

- Consistent focus on rail-based freight transport and optimisation of the investment structure, including a disposal of minority interests and non-core business segments
- Market-oriented optimisation of the structure (sales structure aligned with the market and the customers, and efficient management through a consolidation of tasks, resources and responsibilities in 5 transnational business segments)
- Profitable organic growth through intensified and focused sales activities in the area of end customers and through an optimisation of offerings within our operator business
- Sustainable cost reduction along the entire cost structure
- Successful management of the relevant risks through the implementation of a risk management system and a focus on compliance

Infrastructure initiatives

ÖBB-Infrastruktur AG continued to focus strongly on the provision of equipment and facilities (including development, planning and establishment), as well as on operations within ÖBB's railway network.

In terms of strategic implementation, the sub-group focused on the two corner stones of "cost and market strategy":

Cost strategy: concentration on the core business

The intention behind the concentration on the core infrastructure business was to focus the infrastructure offerings on areas where a sustainable railway infrastructure is adequate. The optimisation of the value added was an important element of strategy development and was further detailed and operationalised during the year 2013. Products and services which are not compatible with the core business will no longer be offered or reorganised within the Group in the medium to long term.

Market strategy: Target Network 2025+

ÖBB-Infrastruktur AG's long-term strategy is formulated in the "Target Network 2025+". As a long-term infrastructure strategy, Target Network 2025+ aims at introducing an integrated interval timetable and at eliminating foreseeable capacity bottlenecks within the network. The Target Network offers a consistent overall concept and is based on detailed market analyses and long-term demand forecasts (traffic forecast prepared by BMVIT).

C.6. Other important occurrences and outlook

Outlook for the ÖBB Group

In 2014, we will focus on further increasing our customers' satisfaction and enhancing the quality of our products on the one hand and on a further stabilisation of results in order to improve our investment and financing capacity and to strengthen our equity levels on the other.

A major emphasis will be on strategic human resource planning. Factors such as the demographic development require a systematic and methodical development of human resource capacities and requirements, underpinned by training concepts which aim at ensuring long-term stability of operating and customer-related processes.

A further employee survey is planned for the autumn of 2014, in order to evaluate the effectiveness of the measures introduced since the survey carried out in 2013. The ÖBB Group's medium-term goal is to rank among Austria's most attractive employers.

At the end of 2013, a further rationalization of the ÖBB Group's leadership structure was decided. As of 1 March 2014, the Executive Board of ÖBB-Holding AG was reduced from three to two persons. At the same time, the role of a COO was established within ÖBB-Personenverkehrs AG in order to strengthen the area of operations. In addition to this, it is planned to merge "ÖBB-Shared Service Center GmbH" and "ÖBB-IKT GmbH" into one single company. Overall, we pursue the goal of strengthening the Group-wide structure and of intensifying collaboration in order to be optimally positioned for an increase in competitiveness within a market environment which continues to be challenging.

Outlook for the ÖBB-Personenverkehr sub-group

Over the coming year, the main focus will be on a further improvement of customer satisfaction, as well as on the continued development of digital services. In this regard, ÖBB strives to be among Europe's leading railway operators when it comes to user-friendliness and simplicity regarding information and ticket purchasing. As large parts of the Vienna Central Train Station will be put into operation by December of 2014, significant improvements to the timetable will be implemented. For the first time ever, attractive interconnections through Vienna will become possible, which will result in significant travel time improvements for European transport axes.

Outlook for the Rail Cargo Austria sub-group

In light of the forecasts for the industry, the year 2014 will be a challenging one for ÖBB's freight transport segment. The Group intends to overcome these challenges by consistently implementing the agreed strategic initiatives. Key elements of this strategy include a concentration on the core business and profitable growth in the number of customers, a market-oriented optimization of the organization and an empowerment of employees, as well as a sustainable reduction in costs. On a detailed level, this means a further optimisation of RCA AG's investment portfolio, a reduction in capital lockup, and an expansion of own traction services, as well as an integration and expansion of the rail cargo operator network. Key success factors for this will be an alignment of the sales structure with the market and our customers, a simplification as well as enhanced transparency through a consolidation of tasks, and the implementation of a resource and customer-oriented control logic. These measures will be reinforced through sustainable training programmes for apprentices, young talents and executives.

Outlook for the ÖBB-Infrastruktur sub-group

Regarding the organisational development of the infrastructure, it is planned to make the organization leaner and more efficient in 2014 by pooling technical capacities and by optimizing our requirements management. The objectives continue to be an increase in ÖBB's overall punctuality, a reduction in the number of low-speed sections within the core network, as well as a substantial improvement of customer information – both for regular information and in the event of deviations.

Regarding the activities for an expansion of the railway infrastructure, the following focal points are planned for 2014:
- Continuation of the four-track expansion of the Western line (e.g. closing the gap from Ybbs to Amstetten, freight train bypass St. Pölten)
- Further expansion of the Southern line (e.g. new Semmering base tunnel and Koralmbahn)
- Regional transport projects in conurbations and train station construction; in particular (partial) commissioning of the Central Train Station in Vienna
- Transfer of routes to the State of Upper Austria (e.g. Lambach-Haag am Hausruck, Attnang/P.-Schärding)/ transfer of the Linz railway bridge to Linz AG

D. Personnel report

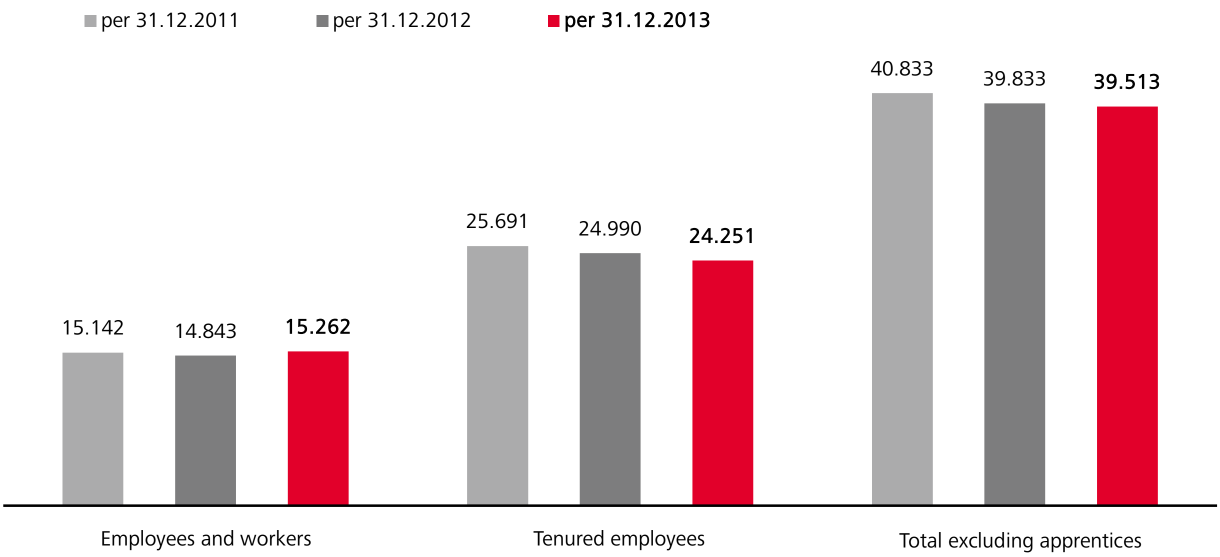
The ÖBB Group is one of Austria's largest employers. As of the end of the year 2013, the Group (including the Rail Cargo Hungaria Group) had 39,513 active employees (without apprentices). Compared to the previous year, this corresponds to a reduction in the number of employees by approximately 1%. The ÖBB Group is one of the largest training centres in Austria. As of the end of 2013, the Group employed 1,663 apprentices. In addition to this, 98 further apprentices were accepted via the Allgemeine Privatstiftung für berufliche Bildung (general private trust for vocational training). The average age was approximately 43.6 (previous year: 43.0) years. As of 31 December, 2013 the proportion of women was 11.5 % (previous year: 11.3%).

The employee structure in the ÖBB Group

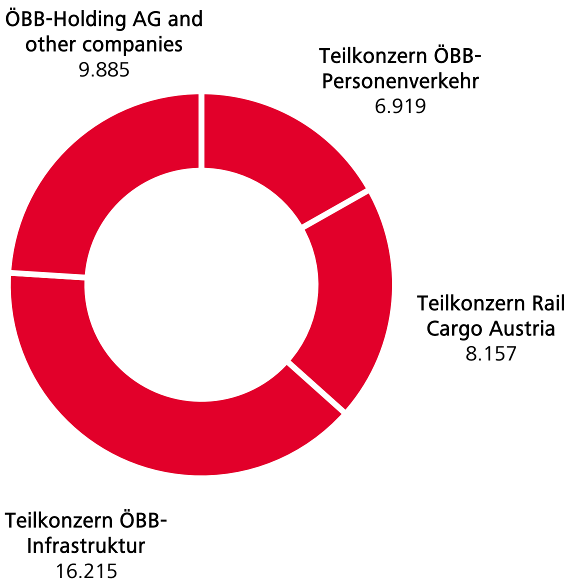
Employee structure	Dec 31, 2013	Dec 31, 2012	Change Reporting date	in %	2013	Average 2012
Employees and workers	15,262	14,843	419	3%	14,925	15,057
Tenured employees	24,251	24,990	-739	-3%	24,581	25,271
Total active employees	**39,513**	**39,833**	**-320**	**-1%**	**39,506**	**40,328**
Apprentices *)	1,663	1,710	-47	-3%	1,471	1,517
Total including apprentices	**41,176**	**41,543**	**-367**	**-1%**	**40,977**	**41,845**

*) In addition, in the 2013 financial year 98 apprentices were accepted through the foundation "Allgemeine Privatstiftung für berufliche Bildung".

Employee structure of the ÖBB Group



Distribution of employees as of Dec 31, 2013



The ÖBB-Infrastruktur sub-group, which accounts for 39% of all employees, and the Rail Cargo Austria sub-group accounting for 20% constitute the company units with the highest number of staff in 2013.

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 professions at several sites. The sub-groups ÖBB-Personenverkehr and Rail Cargo Austria mainly offer commercial apprenticeships, while the ÖBB-Shared Service Center Gesellschaft mbH and der ÖBB-Postbus GmbH mainly offer technical 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 project "Safety @ Work" was first held in 2013. 10 teams of apprentices worked out projects related to safety at work. The objective is to sustainably reduce labor accidents in our company.

Continued training

ÖBB akademie:

As Corporate University, the ÖBB akademie combines strategically relevant continued training activities for various management levels, experts, newcomers and talents within the ÖBB Group and promotes a hierarchy and cross-thematic networking. The participants of 14 training courses from the 2012/2013 semester finished their training in the autumn of this financial year. As of the 2014 financial year another 15 different courses start.

In September 2013 the third program "trainees für mobilität" (trainees for mobility) started in the ÖBB academie area with 15 university graduates. Young ÖBB academics get to know the the Group and its broad working spectrum in the context of job rotation, Austria-wide excursion weeks, taster days with selected partners, fireside chats with directors and managers, etc.

Specialized training

The specialized training options on offer in 2013 were very diverse, ranging from fire protection and first aid courses to SAP training and driving safety courses.

Staff development ensures the maintenance and the optimal handling of railway operations with subject-specific courses. In this context, this refers to the statutory initial and further training, among others. A wide range of training courses in the area of social and methodological skills round off the portfolio.

Talent management

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

In 2013 financial year, the first Group-wide further training program – especially for young employees – ended. The focus was directed towards innovation in the context of the „talents for action" program. The participants relied on process know-how and learned how to use service design as a problem solving method.

In 2013 the succession planning was taken from the planning phase to the implementation phase and the first passage was started. In this context, ÖBB psychology & recruiting implemented a comprehensive analysis of potential. Personal feedback meetings with ÖBB successors completed the initiatives.

Employer Branding

The ÖBB Employer Branding team organized a total of ten recruiting trade fairs in 2013, four for university graduates and six for apprentices. The main target groups for the fairs in 2013 were potential apprentices as well as university students of technical and economical branches.

The cooperation with the TU Career Center and the Career Center (Zentrum für Berufsplanung, ZBP) of the Vienna University of Economics and Business were continued, and and expanded to include a collaboration with WU Top League. Within the framework of the CAREER'S BEST RECRUITERS survey, ÖBB came third in the "Transport und Verkehr" (Transport and traffic) sector and won the silver seal. "Career's Best Recruiters" is an annual survey carried out by GPK Event- und Kommunikationsmanagement GmbH in cooperation with the Ministry of Science. At the 2013 annual "The Best To Start" campaign by Job- und Karrierenetzwerk absolventen.at, the ÖBB came second.

In addition, the ÖBB were voted among the top 50 most attractive employers in Austria by the annual Universum Student Survey Austria. In the area of technology/IT, the ÖBB has improved by 16 places and is now ranked 11th. With the economy students the ÖBB are among the best 50. Every year the consulting firm Universum carries out a survey on the career goals of the Austrian students. About 5,000 students with an average age of 24 participated in the 2013 study which was customized for Austria.

Equality in the ÖBB Group

The ÖBB as company aims at an active equal treatment of men and women. Since July 01, 2011, the ÖBB Group has its own equality policy. The objectives: ensuring equality of treatment without consideration of the sex, age, ethnicity, sexual orientation, or handicaps; promotion of equal opportunities and improvement of the compatibility of job and care obligations by means of special programs.

The policy provides for the institutionalization of equal treatment. Ten regional equality officers accompany and support colleagues who feel that they are at a disadvantage and treated unfairly vis-à-vis the other sex. An equality body works out special programs. Since December 01, 2011, the ÖBB Group has had its own diversity officer.

In order to increase the proportion of women in the company and strengthen diversity, specific equality objectives were formulated in the Diversity Charta 2020. The equality objectives 2020 include:
- Continuous increase in the proportion of women among new managerial positions filled – up to 20%
- Continuous increase in the proportion of women among new appointments – up to 20%
- Continuous increase in the proportion of women in apprenticeship training – up to 20%
- Continuous increase in the proportion of women in the ÖBB akademie advanced training programs – up to 25%
- Continuous increase in the proportion of women in the supervisory boards of ÖBB-Inland AG and GmbH – up to 25%
- Monitoring of equality objectives in quarterly reports and publication in the business report

The equality objectives are evaluated on a quarterly basis and provided in controlling reports to the responsible top management for review and further development of appropriate measures.

The implementation of the equality objectives is supported by a number of measures, including targeted recruiting, in particular of female apprentices, places in training reserved for women in training programs of the ÖBB akademie, career workshops for women from the entire ÖBB Group, the development of an ÖBB women's network as well as the incorporation of the Charter goals into the team goal dialogs and performance agreement, seminars on the Equal Treatment Act, and training in Gender & Diversity Management for Executives.

Social benefits

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

Health care management

The 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.

The occupational reintegration, which is being gradually implemented into ÖBB Group, aims to support staff who have been taken ill or have suffered an accident to regain their ability to work and reintegrate themselves back into the working process. In 2011/2012 pilot projects were initiated in ÖBB-Technische Services GmbH and in ÖBB-Infrastruktur AG, and in 2013 further pilot projects were initiated in the Group companies ÖBB-Personenverkehr AG, ÖBB-Postbus GmbH, Rail Cargo Austria AG and ÖBB-Produktion GmbH. A Group-wide roll-out is scheduled to start after an appropriate evaluation phase in 2015 at the earliest.

Placement service

As personnel management tool for the control of regional and cross-regional corporate personnel balancing, the placement service supports the implementation of the corporate HR strategy through a reduction in personnel expenses by preventing new admissions and/or by the productive use of available staff capacity.

Employees who could no longer be employed in their original area due to organizational streamlining and reorganization measures or corresponding service retraction or due to inaptitude or determined by an occupational physician and service retraction are taken care of, requalified and placed by the placement service.

E. Real estate management

With about 25,000 properties and a total surface of 197 million square meters, ÖBB is one of the largest real estate owners in Austria. ÖBB-Immobilienmanagement GmbH - a wholly-owned subsidiary of ÖBB-Infrastruktur AG - acts as a professional integrated real estate service provider primarily within the ÖBB Group, but also on third markets.

It develops properties that are not necessary for operations and manages an extensive portfolio of 5,000 buildings and more than 1,100 stations and stops throughout their entire life. In 2013, 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.

In September 2013, the first ÖBB Rail Innovation Forum was held, where more than 170 top managers from home and abroad discussed the role of research, development and innovation for companies.

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.

The aim of the CSR strategy is to promote and support 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, emissions, 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, fields of action and the direction of thrust were defined for certain CSR subject fields – including the subject field of the environment. The activities on this subject area that are to be worked on in a structured over the next few years are:
- Climate protection & energy management
- Emissions (noise, air pollutants…)
- Nature conservation & biodiversity
- Waste
- Resources

The corresponding ÖBB performance in these fields of action is being continuously further developed – below is a partial overview:

The ÖBB stand for climate-friendly mobility. In rail transport, the advantages of CO2 over other modes of transport are justified in the high proportion of "clean" energy. 92% of the ÖBB traction electricity comes from renewable sources. This puts the ÖBB among the best in the European railways. In rail passenger transport the ÖBB caused 12x less CO_2 per passenger kilometer than a journey in an average car, in air traffic, the difference is even greater: Compared to trains Airplanes have 15x higher CO_2 emissions. In freight transport, the ÖBB even emitted about 18x less CO_2 emissions than a truck.

Energy efficiency is an important issue in all areas of the ÖBB. For this reason, the ÖBB already initialed a Group-wide energy saving project in 2011.

The ÖBB routes go both through and to the nature. This brings many points of contact – including for purposes of biodiversity (species diversity). Viewed overall, a very extensive topic area – the spectrum ranges from recultivation and natural hazard management to specific mobility solutions with exciting character.

Accessibility

ÖBB implemented numerous improvements in order to enable people with mobility handicaps 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 elimination of those barriers that persons restricted in their mobility encounter are carried out in 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 traffic

The modernization of the short-distance train fleet (utilization of new trains with barrier-free access) is therefore under-way at full force. In 2013, 188 Talent coaches, 60 Desiro coaches and 67 double-decker cars were in use as barrier-free low-loader wagons.

Long-distance traffic

Currently, 51 railjet sets are in use. These 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 1999, all newly acquired low-floor vehicles were purchased with mechanical or electrical folding ramps. Making all seats suitable for disabled passenger is already standard practice. In future there are plans to equip special use areas with restraint systems by default. By 2013 around 65% of the bus fleet were wheelchair accessible. EUR7.1 million have been spent for additional equipment for accessibility since 2006. From today's perspective, the entire bus fleet planning should be barrier-free by 2018.

Infrastructure (stations)

By 2015, all traffic stations frequented by at least 2,000 passengers per day and the major traffic stations in county seats are planned to be barrier-free. A total of 170 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). Highlights in the implemen-tation of the staged plan since the past year under review include the partial opening of the Salzburg Central Station to traffic; the opening of the Wien Mitte, Leibnitz Zeltweg, Schladming and Absdorf-Hippersdorf railway stations; the modifications of the Felixdorf, Lilienfeld, Spittal-Millstätter See, Perg and Straßhof stations; and the start of the construc-tion work at the stations of Hohenems and Lauterach. Furthermore, certain traffic stations were or are currently being equipped with elevators and guide systems for visually impaired persons (e.g. Mistelbach, Gänserndorf, Deutsch-Wagram).

Website

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

H. 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 risk management accompanies all relevant business processes and financial items of the major Group companies. The corporate Directive and also the opportunity-/risk-management manual that are binding for the entire Group define rules, margins and minimum requirements of risk management for all entities involved. The first objective of the risk policy is unrestricted safeguarding of the business activity. According to this, risks may only be taken if they are calculable and associated to an increase in income and in the company value. It is based on comprehensive risk identification, risk assessment, risk control and risk reporting. This process is supported by risk management software. Following assessment and consolidation of the individual risks/opportunities in the corporate risk/opportunity platform, a report to the Executive Board of ÖBB-Holding AG is prepared which describes the major risks and respective counter-measures and/or opportunities. Based on these reports, the Supervisory Board and the audit committee of ÖBB-Holding AG and of the Group companies can be provided with detailed information regarding the current opportunity/risk situation.

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

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

For the year 2014, the most important opportunities and risks are distributed to the opportunity/risk fields as follows:
- **Strategy:** Risks arising from the non-achievement of fixed strategy objectives, above all in the sub-group Rail Cargo Austria. They are reduced by means of strict controlling.
- **Operations:** 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.
- **Finance/Accounting:** See chapter "Risks related to financial instruments".
- **Sales/Distribution:** Risks arise firstly from the aftereffects of the economic crisis that can still be felt and secondly from the lower economic growth. Close monitoring and analysis of customer behavior and the adjustment of the offer help to reduce this risk.
- **Personnel/Management/Organization:** There is a risk here that failure to implement planned measures could lead to increases in staff costs.
- **Legal issues/Liability:** With the introduction of the "Code of Conduct", the risk of costs due to fines for infringement of provisions under anti-trust law will be reduced in the future. The Compliance Team setup in 2013 assist primarily in

this area of risk as part of an early warning and monitoring system, with the ultimate aim of avoiding risk and thus the prevent damage.
- **Purchase/Procurement:** The main risk consists in fluctuations of the prices of certain commodities
- **Information processing:** System failures can cause additional costs and loss of revenue in the operative business units.
- **Subsidiaries/Investments:** The main risk 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.

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 have also been established by introducing monitoring and reporting systems and by issuing general behavior directives in the Code of Conduct. Corresponding trainings and the creation of clear and unambiguous areas of responsibility also aim at minimizing risks.

Risks related to financial instruments

Original Financial instruments

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

Derivative financial instruments

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

The majority of the derivatives used in the Group (93% of the nominal volume) are unstructured standard transactions (plain vanilla interest rate swaps and cross currency interest rate swaps). Structured derivatives only account for a small portion, namely 7% 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, Hungarian forint and Czech koruna.

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). 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 2013, 3 transactions were terminated prematurely while maintaining the overall positive net present value. The strategy of ÖBB has not changed: to preserve the positive net present value achieved upon conclusion of the transactions, to actively manage the risk arising from the transactions and to use economically acceptable opportunities to terminate the transactions. Details on the cross-border leasing agreements are provided in Note 30.3. of the Notes on the Consolidated Financial Statements.

Internal control system

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

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

An Internal Review unit was established within the ÖBB Group due to the size of the company. 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.

In addition, a compliance department was established, which – supported by compliance officers in all sub-groups – acts without instructions in its event-related inspection activities. Another essential aspect of the compliance activity is the implementation of preventive measures.

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

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 published in 2012 in the form of a minimum standard applicable throughout the entire Group that has to be implemented. The organizational units of the Group furthermore have the possibility of preparing the 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. Reporting to management is done based on this non-editable, annotated, verifiable data material.

The ICS for the accounting process is also part of the regular audit schedule of the auditors within the framework of the annual audit, with the subsequent results being presented to the Audit Committee of the Supervisory Board in addition to the Group-internal ICS reports.

With regard to the preliminary processes for accounting, further standardization to the effect has been ongoing since July 2013, when the processes concerned were transferred to a group-wide operating Financial Shared Services unit. This standardization, relevant also from an ICS point of view, will be completed during the year 2014.

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 on the Consolidated Financial Statements. 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 Reporting 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.

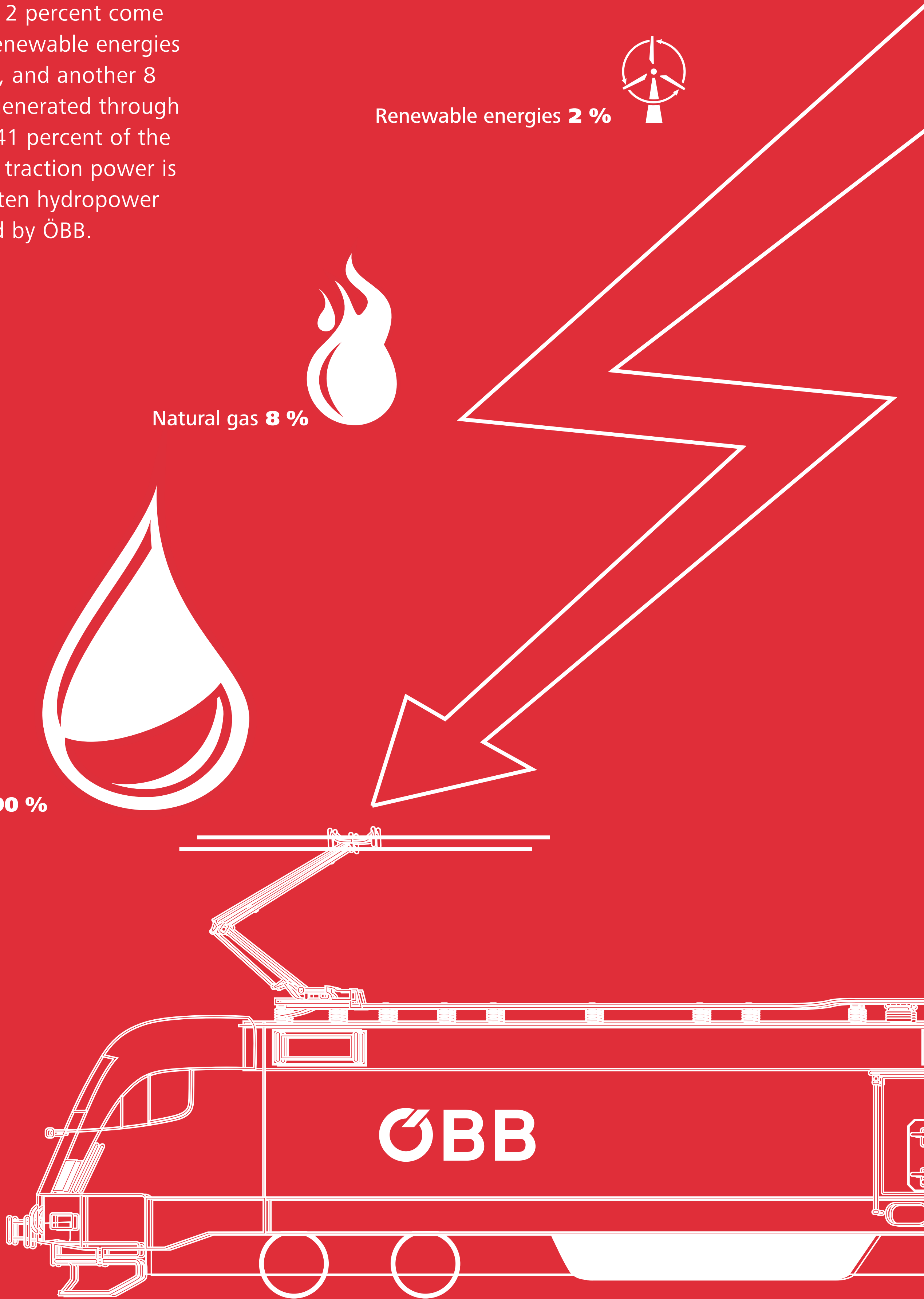
Vienna, March 31, 2014

The Executive Board

Mag. Christian Kern eh

Mag. Josef Halbmayr MBA eh

Climate-friendly mobility.
90 percent of the traction power used by ÖBB is hydropower, while 2 percent come from other renewable energies such as wind, and another 8 percent are generated through natural gas. 41 percent of the hydroelectric traction power is produced at ten hydropower plants owned by ÖBB.



Consolidated Financial Statements

Annual consolidated financial statements. ÖBB's consolidated financial statements for the year 2013, including the auditor's report.

Consolidated Financial Statements

Consolidated Income Statment 2013

	Note	2013 in kEUR	2012 adjusted *) in kEUR
Revenue	4	5,239,217.6	5,221,164.5
Change in finished goods, work in progress and services not yet chargeable		1,043.3	689.3
Other own work capitalized	5	359,208.5	400,068.3
Other operating income	6	648,864.8	594,242.3
Total income		**6,248,334.2**	**6,216,164.4**
Expenses for materials and services received	7	-1,792,947.8	-1,928,855.5
Personnel expenses	8	-2,341,255.1	-2,358,367.0
Depreciation and amortization	9	-828,967.7	-750,064.6
Other operating expenses	10	-530,081.4	-477,952.8
Earnings before interest and taxes (EBIT excluding investments recorded at equity)		**755,082.2**	**700,924.5**
Earnings of investments recorded at equity	17	15,270.1	5,451.0
Interest income	11	61,692.6	116,737.3
Interest expenses	11	-738,355.5	-744,490.5
Other financial income	12	41,853.4	86,714.8
Other financial expense	12	-33,026.0	-90,845.7
Financial result (incl. earnings of investments recorded at equity)		**-652,565.5**	**-626,433.1**
Earnings before income tax (EBT)		**102,516.8**	**74,491.4**
Income tax	13	-622.7	11,239.7
Net income		**101,894.1**	**85,731.1**
Consolidated net income attributable on a pro rata basis:			
to the shareholder of the parent company		102,006.8	85,717.0
to non-controlling interests		-112.7	14.1

*) adjusted comparison values, sales revenues, other operating income, cost of materials and purchased services, personnel expenses and income taxes, (see Note 4 and 26)

Consolidated Statement of Comprehensive Income 2013

	Note	2013 in kEUR	2012 adjusted *) in kEUR
Net income fort he year		**101,894.1**	**85,731.1**
Remeasurement gains (losses) on defined benefit plans		-821.6	-8,032.7
Income taxes		13.1	1,360.6
Items that will never be reclassified ('recycled') subsequently to the income statement		-808.5	-6,672.1
Cash flow hedges	24	67,852.0	-44,183.8
Available for sale reserve	24	-7,587.0	16,551.2
Unrealized income from currency translation	24	-5,860.7	13,362.0
Items that are or may be reclassified ('recycled') subsequently to the income statement		54,404.3	-14,270.6
Other results		53,595.8	-20,942.7
Comprehensive income		**155,489.9**	**64,788.4**
Comprehensive income attributable on a pro rata basis:			
to the shareholder of the parent company		155,602.6	64,774.2
to non-controlling interests		-112.7	14.2

*) adjusted prior year amounts, see Note 26

Consolidated Statement of Financial Position as of December 31, 2013

Assets	Note	Dec 31, 2013 in kEUR	Dec 31, 2012 in kEUR
Non-current assets			
Property, plant and equipment	14	21,765,462.9	20,748,853.9
Intangible assets	15	608,159.2	593,846.7
Investment properties	16	128,245.9	104,740.9
Investments recorded at equity	17	56,538.3	66,998.9
Other non-current financial assets	18	535,286.3	751,757.2
Other receivables and assets	20	169,135.5	147,766.5
Deferred tax assets	13	58,795.4	32,021.9
		23,321,623.5	**22,445,986.0**
Current assets			
Inventories	21	231,115.6	157,936.7
Trade receivables	20	519,993.6	498,404.3
Other receivables and assets	20	313,574.3	281,776.6
Income tax receivables	13	385.3	1,653.2
Other non-current financial assets	18	72,045.8	151,687.4
Non-current assets held for sale	19	16,269.7	6,718.4
Cash and cash equivalents	22	156,273.9	540,140.1
		1,309,658.2	**1,638,316.7**
		24,631,281.7	**24,084,302.7**

Shareholder's equity and liabilities	Note	Dec 31, 2013 in kEUR	Dec 31, 2012 in kEUR
Equity capital			
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	-105,552.7	-159,957.0
Retained earnings	24	-471,578.1	-571,648.0
Equity attributable to the shareholder of the parent company		**1,583,681.4**	**1,429,207.2**
Non-controlling interests	24	5,199.5	1,608.9
		1,588,880.9	**1,430,816.1**
Non-current liabilities			
Financial liabilities	25	19,048,200.5	18,303,569.2
Provisions	26	435,066.2	407,134.4
Other liabilities	27	127,674.7	222,254.6
Deferred tax liabilities	13	5,441.7	1,910.8
		19,616,383.1	**18,934,869.0**
Current liabilities			
Financial liabilities	25	1,730,238.1	1,873,672.4
Provisions	26	303,235.0	333,235.0
Trade payables	27	843,113.6	920,339.9
Other liabilities	27	549,431.0	591,370.3
		3,426,017.7	**3,718,617.6**
		24,631,281.7	**24,084,302.7**

Consolidated Statement of Cash Flows 2013

	Note	2013 in kEUR	2012 adjusted *) in kEUR
Earnings before income tax (EBT)		102,516	74,491
Non-cash expenses and income			
+ Depreciation and amortization on property, plant and equipment, intangible assets and investment property	9	1,028,282	960,557
+ Depreciation / - appreciation on non-current financial assets		-322	78
- Amortization of investment grants	9	-199,314	-210,492
+ Losses / - gains on disposal of property, plant and equipment and intangible assets		11,289	-33,156
+ Losses / - gains on disposal of financial assets		160	-2,338
- Gains on exchange rates / + losses on exchange rates		-1,155	-242
- Other non-cash income / + other non-cash expenses		-21,329	-19,838
+ Interest expense	11	738,356	744,490
- Interest income	11	-61,693	-116,737
Changes in assets and liabilities			
- Increase / + decrease in inventories	21	-8,108	-367
- Increase / + decrease in trade receivables and other assets		90,608	73,443
+ Increase / - decrease in trade payables and other liabilities		-346,728	-21,558
+ Increase / - decrease in provisions	26	13,423	-41,884
- Interest paid		-719,614	-683,643
+ Interest received		12,940	63,285
- Income tax paid	13	-8,541	-7,817
Cash flow from operating activities a)		**630,770**	**778,273**
+ Proceeds from disposal of property, plant and equipment and intangible assets		42,537	128,420
- Expenditures for property, plant and equipment and intangible assets	14, 15	-2,115,047	-2,074,412
+ Proceeds from disposal of financial assets		175	4,827
- Expenditures for financial assets		-1,275	-221
+ Proceeds from investment grants	14, 15	139,455	193,883
+ Proceeds from the sale of consolidated subsidiaries and other business units		206	762
- Expenditures for the acquisition of consolidated companies and other business units		-11,779	-2,768
+ Dividends received		1,939	1,432
+ Redemption of loans granted / - grant of loans (from investing activities)		141	767
Cash flow from investing activities b)		**-1,943,648**	**-1,747,310**
- Payments to owner and non-controlling interests		-1,888	-508
+ Proceeds from issue of bonds and loans taken	25	2,282,790	1,867,046
- Redemption of bonds and loans		-1,312,937	-493,892
- Payment of finance lease financing		-39,121	-15,158
+ Proceeds from grant / - redemption of other loans		150	-53,539
Cash flow from financing activities c)		**928,994**	**1,303,949**
Cash flow from operating activities a)		630,770	778,273
Cash flow from investing activities b)		-1,943,648	-1,747,310
Free cash flow (a+b)		**-1,312,879**	**-969,037**
Funds at the beginning of the period		*534,182*	*198,718*
change resulting from the basis of consolidation		0	-404
Foreign currency translation		-693	957
Change in the funds resulting from cash flow (a+b+c)		-383,884	334,912
Funds at the end of the period		**149,605**	**534,183**

*) adjusted prior year amounts: income before income taxes and other non-cash income / + other non-cash expenses
see Notes 4 and 26

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

Consolidated Statement of Changes in Shareholder's Equity 2013

in kEUR	Share capital	Additional paid-in capital	Cash flow hedge reserve	Available-for-sale reserve	Foreign currency translation	Retained earnings adjusted	Total	Non-controlling interests	Total share-holder's equity adjusted *)
		equity attributable to the shareholder of the parent company							
			Other reserves						
As of January 01, 2012	*1,900,000.0*	*260,812.2*	*-106,912.0*	*-1.8*	*-38,772.6*	*-647,139.2*	*1,367,986.6*	*1,720.8*	*1,369,707.5*
Net income						85,717.0	85,717.0	14.1	85,731.1
Other results			-44,183.8	16,551.2	13,362.0	-6,672.1	-20,942.7		-20,942.7
Comprehensive income			**-44,183.8**	**16,551.2**	**13,362.0**	**79,044.9**	**64,774.3**	**14.1**	**64,788.4**
Purchase/sale of investments						2,800.0	2,800.0	-126.1	2,674.0
Other changes						-6,353.7	-6,353.7		-6,353.7
As of December 31, 2012	**1,900,000.0**	**260,812.2**	**-151,095.8**	**16,549.4**	**-25,410.6**	**-571,647.9**	**1,429,207.2**	**1,608.9**	**1,430,816.1**

*) adjusted prior year amounts, Consolidated net income and other comprehensive income, see Note 26

in kEUR	Share capital	Additional paid-in capital	Cash flow hedge reserve	Available-for-sale reserve	Foreign currency translation	Foreign currency translation retained earnings	Total	Non-controlling interests	Total share-holder's equity
		equity attributable to the shareholder of the parent company							
			Other reserves						
As of January 01, 2013	*1,900,000.0*	*260,812.2*	*-151,095.8*	*16,549.4*	*-25,410.6*	*-571,647.9*	*1,429,207.2*	*1,608.9*	*1,430,816.1*
Net income						102,006.8	102,006.8	-112.7	101,894.1
Other results			67,852.0	-7,587.0	-5,860.7	-808.5	53,595.8		53,595.8
Comprehensive income			**67,852.0**	**-7,587.0**	**-5,860.7**	**101,198.3**	**155,602.6**	**-112.7**	**155,489.9**
Other changes						-1,128.4	-1,128.4	3,703.3	2,574.9
As of December 31, 2013	**1,900,000.0**	**260,812.2**	**-83,243.8**	**8,962.4**	**-31,271.3**	**-471,578.1**	**1,583,681.4**	**5,199.5**	**1,588,880.9**

The number of shares remains unchanged at 190,000.

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

Notes to the Consolidated Financial Statements as of December 31, 2013

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 BGBl. [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

In accordance with Article 244 of the UGB (Austrian Commercial Code) ÖBB-Holding AG are obliged to prepare a consolidated financial statement. The Consolidated Financial Statements as of December 31, 2013 (including the figures from the prior year as of December 31, 2012) were prepared pursuant to Article 245a (2) UGB in conjunction with the "IFRS Regulation" in accordance with the International Financial Reporting Standards ("IFRS", "IAS") issued by the International Accounting Standards Board ("IASB") and the interpretations of the International Financial Reporting Interpretation Committee ("IFRIC", "SIC"), which were effective as of December 31, 2013 and endorsed by the European Union. With these Consolidated Financial Statements according to the IFRS, ÖBB-Holding AG issues exempting consolidated financial statements pursuant to Article 245a UGB in accordance with internationally accepted accounting principles.

The Consolidated Financial Statements are presented in Euro (EUR). All amounts indicated in these Notes are presented in million EUR, unless another currency unit is indicated. Since with the rounded representation in the internal calculation accuracy the digits not shown are also considered, 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, 2012, 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:

Further disclosed is the amendment to IAS 36, which was early adopted in the 2013 reporting year.

Revised and amended standards/interpretations		Effective as of[1)]	Impact on the Consolidated Financial Statements
IAS 1	Presentation of Items of Other Comprehensive Income (OCI)	July 01, 2012	yes
IAS 12	Income taxes – Recovery of Underlying Assets	Jan 01, 2013	no
IAS 19	Employee benefits	Jan 01, 2013	yes
IAS 36	Recoverable Amount Disclosure for Non-financial Assets	Jan 01, 2014	no
IFRS 1	Sever Hyperinflation and Removal of Fixed Dates for First-time Adopters	Jan 01, 2013	no
IFRS 1	Loans Received from Government at a Below-market Rate of Interest	Jan 01, 2013	no
IFRS 7	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities	Jan 01, 2013	no
IFRS 13	Fair Value Measurement	Jan 01, 2013	yes
	Improvements to IFRS, cycle 2009-2011	Jan 01, 2013	no
IFRIC 20	Stripping costs in the Production Phase of Surface Mine	Jan 01, 2013	no

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

IAS 1 Presentation of items of other comprehensive income (OCI)

The amendments to IAS 1 aim to more clearly present of the increasing number of items of other comprehensive income. A differentiation is now made between items of other comprehensive income that may subsequently be reclassified to profit or loss (so-called "recycling"), and items for which such reclassification will be never be done. The recommended name is changed from "comprehensive income" to "profit and loss account and other comprehensive income". The implementation of the amendment resulted in a corresponding reclassification of the items presented in comprehensive income.

IAS 19 Employee Benefits

The amendments of IAS 19 mainly resulted in major changes of the accounting for post-employment benefits. The full net defined benefit obligation is now reported in the statement of financial position. Actual gains and losses are recognized in other comprehensive income and are never reclassified as profit and loss. Likewise, past-service costs are recognized in profit or loss immediately. In accordance with the transitional provisions in the revised standard, in 2013, the Group has applied IAS 19 (2011) retrospectively. The remeasurement of the net liability of defined benefit plans in accordance with IAS 19.127 (2011) only relates to actuarial gains and losses at ÖBB-Infrastruktur. The consolidated income statement for the earliest comparative period presented, the related notes and the statement of cash flows have been adjusted accordingly. Any effects due to the amendments to IAS 19 relate to personnel expenses, income taxes and other comprehensive income and are presented in detail in Note 26.

IFRS 13 Fair Values Measurement

The Standard establishes uniform guidelines for fair value measurement. The Standard does not deal with the question of when assets and liabilities are to be measured at fair value, but only how the fair value is properly determined under IFRS. IFRS 13 defines the fair value as an exit price. Due to the guidelines of IFRS 13, the Group has reviewed its accounting policy for the measurement of the fair value, including in particular the input parameters such as the non-performance risk when determining the fair value of debt. IFRS 13 also defines additional disclosure requirements. The adoption of IFRS 13 had no significant effect on the Group's measurement of its fair values. Required disclosures are reported in the respective notes to the individual assets and liabilities for which fair values are reported. The fair value hierarchy is presented in the notes. The standard only relates to disclosures and has no impact on the net assets, financial position and results of operations of the ÖBB-Infrastruktur Group.

IAS 36 Recoverable amount disclosures for non-financial assets

The amendments of IAS 36 represent a correction of disclosure requirements that were changed in connection with IFRS 13 more than intended. This concerns impaired assets for which the recoverable amount corresponds to the fair value less costs to sell. Currently, the recoverable amount is disclosed irrespective of whether there is an impairment or not. The correction henceforth limits the disclosure requirement to actual impairment conditions, but expands the necessary disclosures in these cases. The amendments were early adopted. The amendment of IAS 36 requires disclosure of the recoverable amount of a cash-generating unit only when an impairment or reversal of impairment has occurred. Since in both reporting years, no impairment or reversal of impairment has occurred due to an impairment test, the amendment had impact on the consolidated financial statements of ÖBB-Infrastruktur AG.

Outlook on future IFRS amendments

The following standards and interpretations were issued by the IASB but those labeled with footnote two have not been endorsed by the EU until the reporting date. The ÖBB-Infrastructur Group has not – with the exception of the amendment to IAS 36 – early adopted any of these standards. Possible effects of these revised and amended standards are currently being evaluated.

Standards/interpretations		Effective as of[1]	presumed impact impact on the Consolidated Financial Statements
New standards/interpretations			
IFRS 10	Consolidated Financial Statements	Jan 01, 2014	no
IFRS 11	Joint Arrangement	Jan 01, 2014	no
IFRS 12	Disclosure of Interests in Other Entities	Jan 01, 2014	yes
IFRS 14	Regulatory deferal accounts	Jan 01, 2016[2]	no
IFRIC 21	Levies	Jan 01, 2014[2]	no
IFRS 9	Financial instruments	At the earliest as of financial year 2017	yes
Amended standards/interpretations			
IAS 27	Separate Financial Statements	Jan 01, 2014	no
IAS 28	Investments in Associates and Joint Ventures	Jan 01, 2014	no
IAS 32	Financial Instruments: Presentation'	Jan 01, 2014	no
IAS 39	Novation of derivatives and continuation of hedge accounting	Jan 01, 2014	no
IAS 19	Recognition contributions from employees or third parties for a defined benefit plan	Jan 01, 2015[2]	no
	Improvement to IFRS, cycle 2010-2012	Jan 01, 2015[2]	no
	Improvement to IFRS, cycle 2011-2013	Jan 01, 2015[2]	no

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

IFRS 12 defines the required disclosures for entities that account 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 9 reflects the first phase of the IASB project to replace IAS 39 and deals with the classification and measurement of financial assets and financial liabilities.. In future phases the IASB addresses the accounting for hedging relationships. Subsequently, the IASB will address the impairment of financial assets. The application of the improvements of IFRS 9 will have an effect on the classification and measurement of financial assets as well as hedge accounting, but does not affect the classification and measurement of financial liabilities of the Group.

2. Consolidation principles and scope 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):

	Reporting date rate		Annual average rate	
rounded in EUR	Dec 31, 2013	Dec 31, 2012	2013	2012
Bulgarian Lev (BGN)	1.956	1.956	1.956	1.956
Swiss Francs (CHF)	1.228	1.207	1.231	1.205
Czech Korunas (CZK)	27.427	25.151	25.980	25.149
Croatian Kuna (HRK)	7.627	7.558	7.579	7.522
Hungarian Forint (HUF)	297.040	292.300	296.870	289.250
Polish Zloty (PLN)	4.154	4.074	4.198	4.185
Romanian Leu (RON)	4.471	4.445	4.419	4.459
Russian Ruble (RUB)	45.325	40.330	42.337	39.926
New Turkish Lira (TRY)	2.961	2.355	2.534	2.314
US Dollar (USD)	1.379	1.319	1.328	1.285

Consolidation

Subsidiaries

Entities are considered subsidiaries, if the ÖBB-Infrastruktur Group can exercise control over the financial and operating policies by holding voting rights of more than 50%. In determining whether control is exercised, the existence and impact of potential voting rights currently exercisable or convertible is taken into consideration. Subsidiaries are included in the Consolidated Financial Statements (full consolidation) from the date the ÖBB Group obtains control. Upon expiration of control, these entities are deconsolidated. 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 measured at cost, determined as the excess amount of the total consideration transferred plus the amount of the non-controlling interest over the identifiable assets acquired and liabilities assumed. If this consideration is less than the fair value of the net assets acquired, the difference is recognized in the income statement. After the initial recognition, goodwill is measured at cost less cumulative impairment charges. For the purpose of the impairment test and from the time of acquisition, the goodwill acquired in the course of a business combination is allocated to those cash-generating units of the Group that are expected to 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-Infrastruktur Group exceeds the fair values of the identifiable assets and liabilities of the associated company at the date of acquisition, such excess amount is accounted for as goodwill included in the value of the investment. If the acquisition cost of the interest acquired by the ÖBB-Infrastruktur Group is less than the fair values of the identifiable assets and liabilities at the date of acquisition (i.e. discount upon acquisition), the difference is recognized in the income statement in the period the acquisition occurred. However, if the negative difference is caused by shareholder’s relations, the difference is recognized in the additional paid-in capital.

Joint ventures

A joint venture is a contractual arrangement regarding an economic activity in which two or more parties have joint control. Joint ventures are recorded 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 consolidated at an amount of EUR2.2 billion (prior year: rd. EUR2.9 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. Within the EBIT, total income at an amount of EUR3.4 billion (prior year: EUR3.2 billion) was offset 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 56 (prior year: 59) other fully consolidated entities and10 (prior year: 13) entities recorded at equity, i.e. a total of 67 (prior year: 73) 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 2012 und 2013, and subsidiaries for which the type of consolidation changed are marked in the list of investments in Note 36.

The basis of consolidation is defined 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 not consolidated are those with a small business volume whose revenues, sales and equity account for less than 1% of the consolidated amounts. As of September 30, 2013 the subsidiary Rail Cargo Logistics has been included in the scope of full consolidation for the first time. For the changes in scope of consolidation in 2013 see Note 36 and for effects from company acquisitions see Note 32.

Changes in the basis of consolidation in 2012 and 2013

The basis of consolidation has developed as follows:

The basis of consolidation	Basis of consolidation	Fully consolidated equity method of accounting	Total
As of Jan 01, 2012	61	15	76
thereof foreign companies	*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**
thereof foreign companies	*30*	*7*	*37*
Mergers	-3	0	-3
Change E to V	1	-1	0
Final consolidation	-1	-2	-3
As of Jan 01, 2013	**57**	**10**	**67**
thereof foreign companies	*28*	*5*	*33*

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

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.

Business acquisitions

Within the Rail Cargo Austria sub-group the investments ChemFreight Transport, Logistik & Waggonvermietung GmbH (henceforth Chemfreight) and AgroFreight Spedition GmbH (henceforth Agrofreight) were merged in October 2013 and the new company renamed Rail Cargo Logistics GmbH. Until the merger the introduced the company's shares in AgroFreight were 75% and in Chemfreight 50%. AgroFreight had already been fully consolidated; Chemfreight was included using the equity method.

As part of the merger, Rail Cargo Austria acquired 66% of the share capital of Rail Cargo Logistics through contribution of shares in AgroFreight and Chemfreight and a compensation payment to the copartner. After the merger, the new company will be controlled by the subgroup Rail Cargo Austria.

Through the acquisition of Chemfreight the ÖBB Group can strengthen its market position in the rail logistics of bulk goods for the oil, agricultural and chemical industries.

Agrofreight and Chemfreight each operate a business within the meaning of IFRS 3. Since Agrofreight was previously fully consolidated in the consolidated financial statements, no initial consolidation was to be made at the time of the merger for this business. Since Chemfreight was included up until September 30, 2013 using the equity method, this business was to undergo a first-time consolidation in accordance with IFRS 3 in the RCA consolidated financial statements.

The purchaser within the meaning of the applicable purchase method was in this context, the sub-group Rail Cargo Austria, represented by Express-Inter Internationale Spedition GmbH, which holds the equity interest in the new company. Acquired were the assets and liabilities of Chemfreight as of September 30, 2013. Considerations for the acquisition of 66% of the shares in the Chemfreight were:

– the hitherto 50% of equity shares in Chemfreight held by the sub-group Rail Cargo Austria held (EUR18.0 million).
– Compensation (EUR5.5 million)
– 9% equity stake in the Agrofreight (EUR0.6 million).

From the acquisition there arises due to IFRS 3 a mandatory revaluation recognized in income of the previously held equity interest in Chemfreight, which was reported in the line item "Investments in associates" in the amount of EUR14.0 million, which was recorded in the profits and losses of companies accounted for by the equity method. As described in the segment reporting (Note 33), these and other positive special effects are offset by opposing higher negative special effects at Group level.

This resulted in a total consideration of EUR24.1 million for 66% in Chemfreight. Therefore, the purchase price is based on prevailing market rates.

The goodwill resulting as part of the business acquisition (EUR15.4 million) mainly reflects the advantage of the significant strengthening of the market position in the rail logistics of bulk goods for the oil, agricultural and chemical industries and expected synergies. The goodwill is not usable for tax purposes.

The fair values were determined based on the final allocation of the consideration transferred to the assets and liabilities. The fair values of the assets and liabilities of Chemfreight as of the acquisition date are as follows:

fair value at the acquisition date	in mil. EUR	in mil. EUR	
Non-current assets			
Other intangible assets	0.5		
Customer relationships	7.1		
Intangible assets		7.6	
Property, plant and equipment		2.5	
		10.1	
Assets			
Trade receivables		22.4	
Other non-current financial assets		2.5	
Cash and cash equivalents		0.0	*)
		24.9	
Non-current liabilities			
Provisions		0.5	
deferred taxes customer relationships		1.8	
		2.3	
Current liabilities			
Financial liabilities		5.6	
Provisions		0.1	
Trade payables		11.4	
Other liabilities		2.2	
		19.4	
Sum of the net assets at fair value		**13.2**	
Non-controlling interests measured at fair value		-4.5	
Goodwill		15.4	
consideration transferred		24.1	

*) small amount

According to the requirements of IFRS 3 in conjunction with IAS 38, customer-related intangible assets (contractual customer relationships) in the amount of EUR7.1 million was capitalized and deferred taxes in the amount of EUR1.8 million passivated. By means of a residual profit process, attributable net cash flows were estimated and discounted to the valuation date with an expected rate of return that reflects the relative risk for reaching the respective cash flows and the fair value of the money.

The non-controlling interests at the date of the business combination (EUR4.5 million) are accounted for in accordance with the partial goodwill method. The fair value and therefore the expected payment of trade receivables is EUR22.4 million. This corresponds to the carrying amount. In the course of the company acquisitions, transaction costs in the amount of EUR0.1 million were incurred. These are included in other operating expenses. No contingent liabilities were acquired.

Since the date of acquisition Rail Cargo Logistics GmbH has contributed EUR63.1 million to revenues. Profit after tax amounted to EUR0.3 million. Had the acquisition taken place at the beginning of the year Rail Cargo Logistics GmbH would have contributed a further EUR104.4 million to revenues and EUR2.1 million to EBIT.

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, rounded	Dec 31, 2012	Change in basis of consolidation	EUR Currency and consolidation effects	Dec 31, 2012	Change in basis of consolidation	EUR Currency and consolidation effects	Dec 31, 2013
Non-current assets	21,435.0	-42.5	1,053.5	22,446.0	8.5	867.1	23,321.6
Current assets	1,447.8	-0.5	191.0	1,638.3	21.7	-350.3	1,309.7
Total assets	**22,882.8**	**-43.0**	**1,244.5**	**24,084.3**	**30.2**	**516.8**	**24,631.3**
Equity capital	1,369.7	-2.4	63.5	1,430.8	9.0	149.1	1,588.9
Non-current liabilities	18,724.4	-39.8	250.3	18,934.9	2.3	679.2	19,616.4
Current liabilities	2,788.7	-0.8	930.7	3,718.6	18.9	-311.5	3,426.0
Total assets	**22,882.8**	**-43.0**	**1,244.5**	**24,084.3**	**30.2**	**516.8**	**24,631.3**

Income Statement development in mil. EUR, rounded	2011	Change in basis of consolidation	EUR Currency effects	2012 *)	Change in basis of consolidation	EUR Currency effects	2013
Total income	6,202.4	-16.2	30.0	6,216.2	21.7	10.4	6,248.3
Total expenses	-5,609.2	16.7	77.2	-5,515.3	-20.6	42.6	-5,493.3
Financial result	-621.1	0.0	-5.3	-626.4	-0.1	-26.1	-652.6

*) adjusted amounts, see Notes 4 and 26

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

3. Summary of significant accounting and valuation methods

Basis of preparation of financial statements

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

Property, plant and equipment and investment property

Property, plant and equipment and investment property are recognized at cost less depreciation and possible impairments. Cost includes certain expenses incurred in the course of the construction or development, such as material and personnel expenses, directly attributable fixed and variable overheads, the present value of obligations resulting from demolition, disposal of assets and restoration of sites, and borrowing cost directly attributable to qualifying assets. Value added tax charged by suppliers and entitling to input tax deduction is not included in cost. Property, plant and equipment under finance lease are recognized at the lower of the present value of the minimum lease payments or its fair value.

Property, plant and equipment and investment property is depreciated on a straight-line basis over the estimated economic useful lives, and recognized in the depreciation and amortization in the Consolidated Income Statement. Leased property, plant and equipment (held under finance leases) and fixtures in third-party buildings are also depreciated over their estimated useful life if ownership is expected to be transferred at the end of the lease term; otherwise, they are depreciated over the shorter of the lease term or the useful life. Assets with costs of up to EUR400.00 are classified as low-value assets and expensed as incurred due to their insignificance.

The useful lives are:

	Years
Buildings	
Substructure	20–150
Superstructure	10–50
Roadbed and track	35–40
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

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

In 2012 the useful lives of standard freight cars for non-corroding consignments were extended from 20 years to the expected remaining useful life of 30 years, resulting in a decrease of depreciation of EUR8.6 million. In the current reporting year, there were no adjustments to useful lives.

Cost contributions 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. 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-Infrastruktur Group does not balance any significant other intangible assets with indefinite useful lives. Intangible assets are recognized at cost less amortization on a straight-line basis. Assets with costs of up to EUR400.00 are classified as low-value assets expensed as incurred due to their insignificance.

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

If changes in circumstances indicate that the carrying amount of an asset exceeds its fair value, the value in use is calculated in the context of the impairment test. The value in use is determined by estimating the future cash flows of the cash-generating units based on the business plans that were derived from past results and the best estimates of management of future developments. The growth rates assumed in the business plans (budget 2014 and medium-term plan 2015 - – 2019) reflect the weighted average growth rates based on market estimates. Cash flow forecasts going beyond the period covered by the business plan are based on steady growth rates for subsequent years and do not exceed the long-term weighted average growth rate for the industry and the country in which the cash-generating unit operates.

If the recoverable amount of the cash-generating unit exceeds its carrying value, no impairment exists for the relevant cash-generating unit. If the recoverable amount of the cash-generating unit is less than its carrying value, an impairment loss is recorded for this unit. The impairment loss is allocated proportionately to the assets of the cash-generating unit however, the assets of the cash-generating unit may not measure below their recoverable amount. The reduction of the carrying value is represents expenses from the impairment of individual assets.

If there is any indication that an impairment of assets (other than goodwill) no longer exists, the ÖBB Group shall reverse the impairment wholly or partially in the consolidated net profit maximum up to the amortized acquisition or production costs. For goodwill and financial assets which are accounted for 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.

Following the adoption of medium-term plans in the Supervisory Board regularly checks are now made to ascertain whether a triggering event for impairment exists. Should current findings from the business development or changes in premises indicate a significant change in the value in use during the year, additional checks are made.

Structure of the cash-generating units and calculation premises

Each cash-generating unit consists of a part or a number of legally independent companies. The delimitation criteria for the cash-generating units are based on the structure of business operations and correspond to the business areas and 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

In the 2012 financial year the cash-generating units of Rail Cargo Austria are as follows: Cargo & Logistics (C&L), Unaccompanied Transport (UKV), Combined Road/Railway Transport (RoLa), Contracted Logistics (KL), Freight Forwarders (SPED) and Technical Services (TS)

In 2013 financial year, the Rail Cargo Group was reorganized. The aim was to simplify the structure and simplify the control logic. This was achieved by focusing on rail logistics and reconciliation in benchmark-capable areas, which are broken down as follows:

- Shipping: Rail Cargo Logistics – rail shipping with industry expertise
- Operator: Rail Cargo Operator – high-frequency long haul shuttles (IM, conventional, mix) between economic regions
- Carrier: Rail Cargo Carrier – RU (railway undertaking = carrier service) for own traction (e.g. base load, single car transport)
- Car: Rail Cargo Wagon – wagon lessor
- TS: Technical Services – Maintenance of rolling stock

The objectives of this organizational structure are:

- Focus on the core competency of rail logistics
- Transparency through simplification, five shops with their own business models and markets (internal, external)
- Pooling of expertise, resources and responsibility
- Consistent brand architecture

In planning and reporting the described organizational structure was consistently implemented in the entire sub-group. As the structure of the cash-generating units has to follow the control logic an adaptation of the structure of the cash-generating units was the logical consequence. Due to the sale of European-Contract Logistics – Austria GmbH to ÖBB-Holding AG, the cash-generating unit contract logistics is no longer part of the Rail Cargo segment.

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.

For the cash flow projections after the planning period (accounted for by a perpetual annuity) the impairment test growth rates which correspond to a realistic assessment of the specific market development were assumed. An unvarying growth factor of 1.33% (2/3 of the rate of inflation) was used for the perpetuity from 2020. This is based on the assumption that 2/3 of inflation-induced price increases can be passed on to end users.

The following discount rates were applied:

For the cash-generating units of Rail Cargo Austria	Shipping	Operator	Carrier	Car	TS *
as of Dec 31, 2013					
Austria					
Before tax					
Interest rate 2014 – 2019	9.7%	10.0%	9.6%	9.5%	7.9%
Interest rate perpetuity	8.4%	8.6%	8.2%	8.2%	6.6%
After tax					
Interest rate 2014 – 2019	7.7%	7.7%	7.7%	7.7%	6.3%
Interest rate perpetuity	6.4%	6.4%	6.4%	6.4%	5.0%
Hungary					
Before tax					
Interest rate 2014 – 2019	11.3%	11.3%	11.2%	11.0%	9.6%
Interest rate perpetuity	10.0%	10.0%	9.8%	9.7%	8.3%
After tax					
Interest rate 2014 – 2019	9.5%	9.5%	9.5%	9.5%	8.0%
Interest rate perpetuity	8.2%	8.2%	8.2%	8.2%	6.7%

*) Slovakia – own rate of interest not listed as insignificant

Due to the change in the structure of the cash-generating units no comparable figures are available.

For the cash-generating unit contract logistics which consists of European Contract Logistics – Austria GmbH and its subsidiaries and which is represented in the segment reporting in the “Other” column, a pre-tax interest rate for 2014 – 2019 of 11.5% was used and for the perpetuity a rate of 10.2%. After taxes are the interest rates for 2014 – 2019 are: 7.7% or 6.4% for the perpetuity. In the prior year this cash-generating unit was part of the Rail Cargo Austria segment and the interest rates were: pre-tax for 2013 – 2018 14.6% and for the perpetuity 13.3% and after-tax for 2013 – 2018 6.8% and for the perpetuity 5.5%.

The pre-tax discount rates shown were calculated by the method of internal rate of return. The value in use of the cash-generating units is determined based on the after-tax discount rates. The specified pre-tax discount rates are for information purposes only.

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

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

Further details are contained in Notes 9, 14 and 15.

Impairment of equity investments

After application of the equity method according to IAS 28.31, it has to be determined whether there is any objective indication of an impairment of the carrying amount in accordance with IAS 39.58 et seq. If indicators are identified, the recoverable amount of the investment shall be determined according to IAS 36 Impairment of assets. If an impairment has occurred, the investment is to be devalued 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 cost to sell 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, in case of an investment, in the 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. More detailed information can be found in Note 34

Financial assets and liabilities

Financial instruments disclosed in the Statement of Financial Position as financial assets and derivative financial instruments are measured at their fair value with the exception of loans and receivables and assets held to maturity. Financial instruments disclosed in the Statement of Financial Position as financial liabilities are measured at amortized cost with the exception of derivative financial instruments and one bond that is subject to fair value hedge accounting and which was repaid in 2013. Derivative financial instruments are measured at fair value. 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. Hedge accounting is applied in the ÖBB-Infrastruktur Group, and a general description is given in Note 29.2.

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

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

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

The 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.

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

Trade receivables

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

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

Fair value of financial instruments

The carrying amounts of cash and cash equivalents, trade receivables and payables, receivables due from and liabilities due to related companies approximate their fair values. The fair values of available-for-sale securities result from directly or indirectly derivable prices (Level 2). The fair value of non-current, financial liabilities and swap agreements is based on the present value of 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 include material and spare parts used primarily for the expansion, maintenance and repair of faults of the Group's own railway networks and real estate under development to prepare for disposal. Materials and spare parts are measured at the lower of cost or net realizable value, cost being determined on the basis of the weighted average price method. The net realizable value is determined based on the estimated selling price in the ordinary course of business, less estimated production cost to complete and selling costs still to be incurred. Self-manufactured inventories and reconditioned reusable materials are capitalized at production cost. For obsolete inventory and excessive production cost, cost is written down to net realizable value.

For spare parts and materials replacement costs represent the best available measure of their net realizable value.

In addition, no longer used real estate under development to prepare for disposal ("real estate projects") is presented in inventories. These are former railway station and railway systems which were used for continuous operation. Affected are significant projects that will be developed on a large scale. These real estate projects are held for immediate sales in the ordinary course of business or are in the process of production for such sales.

The real estate projects are recognized at cost and measured at the reporting date at the lower of cost or net realizable value. The net realizable value is the estimated selling price less estimated cost of completion and estimated selling cost. The acquisition or production costs of inventories include all costs of purchase, development and processing, as well as any other costs incurred to bring the inventories to their present condition.

If the production costs exceed the net realizable value a write down is recorded.

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 were classified as finance leases. Otherwise, they are classified as operating leases. Property, plant and equipment acquired by way of finance leasing is recognized at the lower of the leased item's fair value or the present value of the minimum lease payments at inception of the lease, less depreciation and impairment losses.

If substantially all risks and rewards of ownership are attributable to the ÖBB Group as lessor, the leased item is recognized 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 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 commitments

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 commitments (severance payments and anniversary bonuses) 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 (2011) ("Employee Benefits"). The remeasurement of net defined benefit obligation according to IAS 19.127 (2011) contains only actuarial gains or losses. The defined benefit obligations are measured using actuarial methods on the basis of appropriate estimates of the discount rate, rate of compensation increase and employee turnover. According to this method, the company henceforth recognizes actuarial gains and losses from provisions for severance payments immediately and fully directly in equity via other comprehensive income and those from provisions for anniversary bonuses in personnel expenses. For more 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. 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 they are recognized as expenses in the period in which they were incurred. Development costs are defined as costs incurred for using research findings to achieve technical and commercial feasibility. If development costs cannot be separated from research costs, they are recognized as expenses in the period in which they were incurred in accordance with IAS 38. If the capitalization requirements of IAS 38 are not met, research and development costs are recognized as expenses in the period in which they were incurred. If the capitalization requirements of IAS 38 are met, development costs shall be capitalized as intangible assets.

Income tax

In accordance with Article 50 (2) Bundesbahngesetz as amended by BGBl. 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 juridical administration fees to the extent that such taxes and duties result from the execution of the respective tasks under the Bundesbahngesetz (partial tax exemption).

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

- Income from energy power transactions
- Management of
- real estate not representing railway assets as defined in Article 10a Eisenbahngesetz;
- 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 the Consolidated Financial Statements requires the Executive Board to make estimates and assumptions that may affect the amounts of assets, liabilities and contingent liabilities reported at the reporting date and the amounts of income and expenses of the period under review. Actual results may differ from these estimates. All estimates and assumptions are updated on a regular basis and based on experience and other factors including expectations with respect to future events deemed to be reasonable under the given circumstances.

In applying the accounting policies of the ÖBB Group the Board has made estimates and has proceeded particularly responsibly when doing so. The useful lives were reviewed but changes in the reporting year were not required. The economic risk was properly taken into account by carefully measuring the provisions in the required amount. The adequacy of the allowances was reviewed. The parameters for the impairment test of the cash-generating units have been updated according to the interest rates and the industry standard benchmarks. The insurance and financial mathematics determinations for the measurement of severance payments and anniversary bonuses were determined responsibly. All transactions between Group companies, such as sales of tangible fixed assets (for example, logistics center, traction units) were neutralized in terms of revenue as required by law and thus have no effects on the consolidated profit and loss account. The activation of goodwill is exclusively based on external expertise.

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

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

b. Impairments

Impairment testing of intangible assets and tangible assets is generally based on discounted estimated future net cash flows that are expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Factors such as lower sales and the resulting decreases in net cash flows and changes in the discount rates used can lead to impairments. Impairment tests were performed on the reporting dates which ultimately led to impairment charges in 2010, after the usage value was below the current carrying values in some cases.

A sensitivity analysis showed that with a change in the discount rate by +/- 0.25% a need for impairment amounting to EUR0.0 million or EUR50.8 million in attribution would have resulted. In the prior year, the need for impairment would have increased by EUR25.0 million, but nevertheless resulted in EUR1.9 million attribution. For the carrying amounts of intangible assets and tangible fixed assets see the summary of fixed assets in Note 14 and 15 and/or Note 9.

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

Estimated useful lives are determined according to the circumstances of the company with usual maintenance costs. 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 EUR86.4 million (prior year: EUR74.4 million) or a decrease amounting to EUR85.3 million (prior year: EUR89.4 million), respectively.

In the financial year 2013 useful lives current for data networks and ETCS equipment that no longer correspond to the current state of the art, as well as for properties that are scheduled to be demolished in the next few years, have been reduced to the expected remaining useful life, resulting in an additional depreciation of EUR18.6 million. In 2012 the useful lives of standard freight cars for non-corroding consignments were extended from 20 years to the expected remaining useful life of 30 years), resulting in a decrease of depreciation of EUR8.6 million. In addition, useful lives for certain assets were shortened to the expected remaining useful life, unscheduled impairments and adjustments were made on estimates of residual values and/or carrying amounts reduced to calculated values according to various expert opinions, which resulted in additional depreciation amounting to EUR4.2 million (prior year: EUR13.4 million.

More information can be found in Note 14 and in Note 3 "Property 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. For the carrying amounts see 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")
The Hungarian Competition Authority imposed a fine in the amount of HUF850 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. For other legal risks, appropriate provisions have been made. These include provisions for risks arising from the currently ongoing antitrust investigation against a group company. These investigations are expected to continue for some time. The amount of any relevant registration fines and claims of third parties arising is fraught with uncertainty. To minimize the risk under process a no further breakdown is done.

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 profits are insufficient, this may have a significant impact on the amount of deferred tax assets. When assessing deferred tax assets, the Executive Board evaluates the prospective usage within the 5-year tax planning period (see Note 13).

f. Cross-border leasing

With respect to contracting parties for investments with an AA+ rating or better or for which a subsidiary guarantor liability is assumed by the government, the default risk is still regarded as extremely low. Accordingly, there is no need for adjustments in line with present assessments, and these transactions can continue to be presented "off balance". Should there be unexpected defaults on these investments or should requirements for the minimum rating no longer be fulfilled, the obligations from the transactions 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

	2013 in mil. EUR	2012 in mil. EUR	
Goods transport	1,816.5	1,866.2	
thereof public services contracted by the federal government	*77.6*	*77.2*	
Passenger and baggage transport	1,515.9	1,477.9	
thereof public services contracted by the federal government	*618.8*	*606.9*	
Government grant pursuant to Article 42 Bundesbahngesetz for operation of the infrastructure	1,151.4	1,086.1	
Traffic service orders	268.7	257.3	
Rent and lease	180.1	173.8	
Recovery objects	60.1	104.4	*)
Energy	48.5	57.3	*)
Infrastructure usage charge	37.6	31.5	
Maintenance/repair	35.3	46.8	
Traction services	26.0	28.5	
Other revenue	99.1	91.4	
Total	**5,239.2**	**5,221.2**	

*) adjusted prior year amounts

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

After a thorough analysis of the transactions in the energy sector it has been found that, due to the change in reporting practice of electricity trading revenues in energy companies, a more extensive netting of revenues with procurement expenditure for electricity trading activities leads to a more reliable and more relevant presentation of results. In this context, the prior year value was adjusted accordingly and proceeds from energy supplies in the amount of EUR127.2 million offset against the material expense with no impact on income (segment infrastructure).

Furthermore, real estate projects have gained importance in the past years to such an extent that they have become a part of the core activities of ÖBB-Infrastruktur. Therefore the related gain is no longer reported in other operating income but is recognized gross as revenue and material expenses, as this leads to a more appropriate and more relevant presentation of results. The prior year amounts in other operating income were increased by EUR104.4 million, the cost of materials was increased by EUR76.2 million and other operating income was decreased by EUR28.2 million (segment infrastructure). This gross presentation of real estate projects is used for an improved presentation of results and has no overall impact on earnings.

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

5. Other own work capitalized

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

6. Other operating income

	2013 in mil. EUR	2012 in mil. EUR	
Grant of the federal government pursuant to Article 42 Bundesbahngesetz for infrastructure	517.5	454.4	
Proceeds from the disposal of property, plant and equipment, intangible assets, investment property and non-current assets held for sale	32.9	35.0	*)
Proceeds from leisure time service	14.8	15.1	
Personnel leasing to third parties	13.1	13.4	
Proceeds from sale of materials	10.4	8.6	
Exchange rate differences	8.1	8.0	
Compensation received	6.4	5.4	
Miscellaneous operating income	45.7	54.3	
Total	**648.9**	**594.2**	

*) adjusted prior year amounts, see Note 4

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 given in Note 32.

The miscellaneous operating income includes income from rent and lease of advertising space, damage compensation and income from canteens, among others.

7. Expenses for materials and services received

Expenses for materials and services received	2013 in mil. EUR	2012 in mil. EUR	
Electricity	123.8	131.1	*)
Raw materials and supplies	171.2	175.4	
Other expenses for materials	117.2	194.5	*)
Subtotal expenses for materials	**412.2**	**501.0**	
Third-party transport services	359.4	343.8	
Infrastructure usage charge	60.7	70.2	
Rent for rail and road vehicles	84.3	85.4	
Other services received	876.3	928.5	
Subtotal expenses for services received	**1,380.7**	**1,427.9**	
Total	**1,792.9**	**1,928.9**	

*) adjusted prior year amounts, see Note 4

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. The cost of recycling objects amounts to EUR14.4 million (prior year: EUR76.2 million).

8. Personnel expenses and employees

	2013 in mil. EUR	2012 in mil. EUR	
Wages und Salaries	1,808.8	1,822.0	
Statutory social contributions	489.7	485.1	
Expenses for pension plans	26.7	27.5	
Expenses for severance payments	10.5	17.1	*)
Other social expenses	5.6	6.7	
Total	**2,341.3**	**2,358.4**	

*) adjusted prior year amounts, see Note 26

The employee structure is composed as follows:

Employee structure	Dec 31, 2013	Dec 31, 2012	Reporting date	Change in %	2013	Average 2012
Employees and workers	15,262	14,843	419	3%	14,925	15,057
Tenured employees	24,251	24,990	-739	-3%	24,581	25,271
Total active employees	**39,513**	**39,833**	**-320**	**-1%**	**39,506**	**40,328**
Apprentices	1,663	1,710	-47	-3%	1,471	1,517
Total including apprentices	**41,176**	**41,543**	**-367**	**-1%**	**40,977**	**41,845**

9. Depreciation and amortization

	2013 in mil. EUR	2012 in mil. EUR
Depreciation on property, plant and equipment	973.9	901.9
thereof low-value assets	*4.4*	*8.2*
Amortization on intangible assets	50.3	50.4
Depreciation on investment property	3.8	3.7
Impairment on non-current assets held for sale	0.3	4.6
less amortization of investment grants	-199.3	-210.5
Total depreciation and amortization	**829.0**	**750.1**

10. Other operating expenses

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

	2013 in mil. EUR	2012 in mil. EUR
Cost of operation	120.0	115.3
Compensation for travel and other expenses	47.4	48.6
Loss on the disposal of property, plant and equipment and intangible assets	44.0	30.0
non-income taxes	42.2	48.3
Rent, lease and license expenses	29.5	33.0
Marketing, sales and customer service	27.4	27.8
Office supplies	22.8	28.0
Legal and consultancy fees	18.9	20.1
Miscellaneous operating expenses	177.9	126.9
Total	**530.1**	**478.0**

The resolution of disputes increased consolidated net income by EUR3.2 million (prior year: approx EUR7.3 million). The development of the provision for litigation is apparent from the provision (Note 26.2).

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:

Total auditors' fees	2013 in kEUR	2012 in kEUR
Annual financial statements and Consolidated Financial Statements audit	1,329	1,426
Consulting services	171	339
Other auditing services	34	12
Other services	152	39
Total	**1,686**	**1,816**

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	2013 in kEUR	2012 in kEUR
Annual financial statements and Consolidated Financial Statements audit	456	599
Consulting services	147	270
Other auditing services	24	1
Other services	121	8
Total	**748**	**878**

11. Interest result

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

Interest result	2013 in mil. EUR	2012 in mil. EUR
Interest income	61.7	116.7
Interest expenses	-738.4	-744.5
Total	**-676.7**	**-627.8**

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 marketable deposits made in connection with cross-border leasing transactions. The borrowing costs amounting to EUR534.0 million (prior year: EUR503.6 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	2013 in mil. EUR	2012 in mil. EUR
Other financial income	41.9	86.7
thereof from measurement/ foreign currency translation differences	*26.0*	*68.6*
thereof income from disposal and appreciation of financial assets	*1.8*	*8.8*
thereof income from investments	*0.7*	*1.4*
Other financial expenses	-33.0	-90.8
thereof from measurement/ foreign currency translation differences	*-23.1*	*-56.8*
Total	**8.9**	**-4.1**

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

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

13. Income tax

The item income taxes is composed as follows:

	2013 in mil. EUR	2012 *) in mil. EUR
Current income taxes	-10.0	-10.1
Deferred tax benefit	9.4	21.3
Income tax	**-0.6**	**11.2**

*) adjusted prior year amounts, see Note 26.1

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:

	2013 in mil. EUR	2012 *) in mil. EUR
Recognized amounts as of Jan 01	*30.1*	*-0.1*
Change in deferred taxes		
thereof in profit and loss	9.4	21.3
thereof in the other comprehensive income	13.9	8.9
Recognized amounts as of Dec 31	**53.4**	**30.1**
thereof deferred tax assets	*58.8*	*32.1*
thereof deferred tax liabilities	*-5.4*	*-1.9*

*) adjusted prior year amounts, see Note 26.1

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.

	2013 in mil. EUR	2012 *) in mil. EUR
Income before income tax according to IFRS	102.5	74.5
Adjustment of the tax-exempt portion pursuant to Article 50 (2) Bundesbahngesetz	62.1	64.1
Taxable portion of the net income	**164.6**	**138.6**
Group tax rate	*25%*	*25%*
Expected income/expense from taxes in the financial year	-41.2	-34.7
Tax rate differences between foreign companies and the corporate tax rate	1.4	-3.6
Other tax-exempt income and other reductions	6.8	18.9
Non-deductible operating expenses and other additions	-0.7	-11.2
Effects of taxes from previous years recognized in the financial year	-3.4	66.2
Effects of tax rate changes	0.1	-0.1
Offsetting from consolidation	2.9	-60.4
Effects of changes in recognition	11.8	11.2
Other effects	21.6	25.1
Income taxes	**-0.6**	**11.3**
Effective corporate tax rate	**0.4%**	**-8.1%**

*) adjusted prior year amounts, see Note 26.1

Deferred tax assets and liabilities

Deferred tax assets and deferred tax liabilities as of December 31, 2012, and December 31, 2013, 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 are allocated to the following items in the Statement of Financial Position, losses carried forward and tax credits:	deferred tax assets Dec 31, 2013 in mil. EUR	deferred tax liabilities Dec 31, 2013 in mil. EUR	deferred tax assets Dec 31, 2012 in mil. EUR	deferred tax liabilities Dec 31, 2012 in mil. EUR
non-current assets				
Property, plant and equipment	33.0	-73.5	41.5	-65.3
Intangible assets	0.3	-0.9	0.0	-0.8
Investment properties	0.0	0.0	0.0	0.0
Financial assets	12.3	-7.5	2.8	-12.5
Other receivables and assets	0.0	-0.6	0.0	-0.1
	45.6	**-82.5**	**44.3**	**-78.7**
current assets				
Inventories	0.0	-0.4	0.0	-0.1
Trade receivables	0.8	0.0	0.0	-0.3
Other receivables and assets	0.5	0.0	0.0	0.0
Financial assets	1.1	-4.9	0.0	-2.8
	2.3	**-5.3**	**0.0**	**-3.1**
non-current liabilities				
Financial liabilities	62.4	-31.8	62.8	-2.5
Other financial liabilities	0.0	0.0	0.0	0.0
Provisions	18.9	-3.9	16.9	-5.5
Other liabilities	17.1	0.0	22.2	0.0
	98.4	**-35.8**	**101.9**	**-8.0**
current liabilities				
Financial liabilities	65.8	-2.8	4.8	-1.8
Provisions	3.8	-30.8	3.1	-26.8
Trade payables	0.0	-0.5	0.0	-0.5
Other liabilities	0.8	-5.4	0.0	-5.2
	70.3	**-39.6**	**7.9**	**-34.2**
Deferred tax assets /deferred tax liabilities	**216.6**	**-163.2**	**154.2**	**-124.0**
Offsetting	-157.8	157.8	-122.1	122.1
Accumulated deferred tax assets/deferred tax liabilities	**58.8**	**-5.4**	**32.1**	**-1.9**

With respect to seventh-part depreciations of investments not yet claimed as operational expense, depreciations in accordance with Article 12 (3) Körperschaftsteuergesetz (Corporate Tax Act) in an amount of EUR157.2 million (prior year: EUR219.3 million) were open as of December 31, 2013. Deferred tax assets on investments were not established. No deferred taxes were recognized on investments.

When assessing deferred tax assets, the Executive Board evaluates the prospective usage within the 5-year tax planning period. The usability of deferred tax assets requires sufficient taxable income during the periods in which the temporary differences or tax losses can be utilized. The Board resorts to the scheduled release of deferred tax assets and the projected taxable income for this measurement. The temporary differences in the positions of tangible and intangible assets result mainly from the different depreciation start (pro rata in accordance with IFRS compared to the half-year rule and in accordance with the tax code) as well as from different acquisition costs. The temporary differences from the financial assets and liabilities mainly arise due to the different measurement of derivatives under IFRS (fair value measurement) (provision for onerous contracts).

As a result of this planning statement, the utilization of tax loss carryforwards and of active temporary differences for the Austrian corporate tax group in the amount of EUR56.8 million (prior year: EUR30.7 million) as well as deferred tax liabilities in the amount of -EUR0.8 million (prior year: approx -EUR0.1 million is probable. In addition to that, deferred tax assets amounting to EUR2.0 million (prior year: EUR1.4 million) and deferred tax liabilities amounting to -EUR4.6 million (prior year: -EUR1.8 million) originate from foreign subsidiaries. Deferred taxes result from active or passive overhangs made after netting out at company level.

Tax loss carry-forwards in the amount of EUR5,744.4 million (prior year: EUR5,674.3 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, EUR3,999.6 million (prior year: EUR4,032.7 million) result from pre-tax group losses and can therefore be utilized in their entirety against taxable income generated in future periods.

14. property, plants and equipment

in mil. EUR	Land and buildings	Lease of land and buil-dings	Automo-biles and trucks	Automo-biles and trucks leased	Technical equipment and machinery	Leasing Technical equipment and machinery	Other plant, furniture and fixtures	Assets under construc-tion and prepay-ments	Total
2013 acquisition and production costs									
Cost as of Jan 01, 2013	*23,504.2*	*14.1*	*6,058.6*	*908.7*	*8,224.7*	*2.8*	*303.0*	*2,268.5*	*41,284.6*
Translation differences	-1.1	0.2	-6.0	-0.5	-0.3	0.0	-0.3	-0.4	-8.4
Additions	30.4	0.0	17.3	0.0	11.0	0.0	15.9	2,028.3	2,102.9
Business acquisition	3.0	0.0	2.0	0.0	0.1	0.0	0.2	0.0	5.3
Disposals	-130.6	0.0	-155.7	-8.4	-105.3	0.0	-30.8	-24.3	-455.1
Exit from basis of consolidation	-0.4	0.0	0.0	0.0	0.0	0.0	-0.2	-0.1	-0.7
Transfers	952.1	0.0	154.1	-61.0	428.2	-1.1	20.6	-1,649.7	-156.8
Cost as of Dec 31, 2013	24,357.7	14.3	6,070.3	838.8	8,558.4	1.7	308.4	2,622.3	42,771.8
Accumulated depreciation as of Jan 01, 2013 (incl. impairment)	*-7,201.0*	*-7.9*	*-3,216.9*	*-301.0*	*-4,202.6*	*-1.9*	*-218.7*	-1.2	*-15,151.2*
Translation differences	0.7	-0.2	2.3	0.2	0.2	-0.1	0.1	0.0	3.2
Depreciation and amortization	-434.3	-0.3	-169.4	-34.2	-299.5	-0.2	-35.4	-0.5	-973.9
Business acquisition	-0.6	0.0	-1.0	0.0	-0.1	0.0	-0.1	0.0	-1.8
Disposals	109.8	0.0	147.5	8.3	94.2	0.0	27.9	0.1	387.8
Exit from basis of consolidation	0.2	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.4
Transfers	39.7	0.0	-26.4	26.4	-7.9	1.1	0.0	0.0	32.9
Accumulated depreciation As of Dec 31, 2013	-7,485.5	-8.4	-3,263.9	-300.3	-4,415.6	-1.1	-226.0	-1.6	-15,702.4
Carrying amounts before investment grants as of Jan 01, 2013	***16,303.2***	***6.2***	***2,841.7***	***607.7***	***4,022.1***	***0.9***	***84.3***	***2,267.3***	***26,133.4***
Carrying amounts before investment grants as of Dec 31, 2013	**16,872.1**	**5.9**	**2,806.4**	**538.5**	**4,142.8**	**0.6**	**82.4**	**2,620.7**	**27,069.4**
Investment grants 2013									
As of Jan 01, 2013	*-9,495.6*	*0.0*	*-421.9*	*0.0*	*-2,967.3*	*0.0*	*-10.1*	*-388.2*	*-13,283.1*
Additions	-59.7	0.0	-1.7	0.0	-10.6	0.0	0.0	-47.9	-119.9
Business acquisition	-1.1	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	-1.2
Disposals	55.9	0.0	0.3	0.0	16.0	0.0	0.8	3.8	76.8
Exit from basis of consolidation	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9
Transfers	-55.2	0.0	0.0	0.0	-4.8	0.0	0.0	64.0	4.0
As of Dec 31, 2013	-9,554.7	0.0	-423.4	0.0	-2,966.7	0.0	-9.3	-368.3	-13,322.5
Accumulated amortization as of Jan 01, 2013	*5,282.9*	*0.0*	*307.8*	*0.0*	*2,301.4*	*0.0*	*6.5*	*0.0*	*7,898.6*
Depreciation and amortization	116.1	0.0	14.5	0.0	60.8	0.0	0.6	0.0	192.0
Business acquisition	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Disposals	-49.8	0.0	-4.5	0.0	-14.4	0.0	-0.8	0.0	-69.5
Exit from basis of consolidation	-0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.9
Transfers	-1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.8
Accumulated depreciation as of Dec 31, 2013	**5,346.7**	**0.0**	**317.8**	**0.0**	**2,347.8**	**0.0**	**6.3**	**0.0**	**8,018.6**
Investment grants as of Jan 01, 2013	***-4,212.7***	***0.0***	***-114.1***	***0.0***	***-665.9***	***0.0***	***-3.6***	***-388.2***	***-5,384.5***
Investment grants as of Dec 31, 2013	**-4,208.0**	**0.0**	**-105.7**	**0.0**	**-618.9**	**0.0**	**-3.0**	**-368.3**	**-5,303.9**
Carrying amounts after investment grants as of Jan 01, 2013	***12,090.5***	***6.2***	***2,727.6***	***607.7***	***3,356.2***	***0.9***	***80.7***	***1,879.1***	***20,748.9***
Carrying amounts after investment grants as of Dec 31, 2013	**12,664.1**	**5.9**	**2,700.7**	**538.5**	**3,523.9**	**0.6**	**79.4**	**2,252.3**	**21,765.5**

in mil. EUR	Land and buildings	Lease of land and buil-dings	Automo-biles and trucks	Automo-biles and trucks leased	Technical equipment and machinery	Leasing Technical equipment and machinery	Other plant, furniture and fixtures	Assets under construc-tion and pre-payments	Total
2012 acquisition and production costs									
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 acquisition	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)	*-6,926.3*	*-7.6*	*-3,096.5*	*-333.4*	*-3,990.8*	*-6.9*	*-200.6*	*-1.3*	*-14,563.4*
Translation differences	-0.2	0.0	-3.6	-1.0	-0.3	0.0	-0.2	0.1	-5.2
Depreciation and amortization	-388.9	-0.3	-171.4	-41.7	-261.0	-0.7	-37.9	0.0	-901.9
Business acquisition	-16.8	0.0	-0.6	0.0	-1.8	0.0	0.0	0.0	-19.2
Disposals	131.7	0.0	129.9	0.4	57.1	0.0	19.9	0.0	339.0
Exit from basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1
Transfers	-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 acquisition	-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 amortization as of Jan 01, 2012	*5,214.4*	*0.0*	*297.7*	*0.0*	*2,254.0*	*0.0*	*6.0*	*0.0*	*7,772.1*
Depreciation and amortization	126.5	0.0	10.3	0.0	64.6	0.0	0.7	0.0	202.1
Business acquisition	3.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0	3.3
Disposals	-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**

The above schedule shows the structure of the tangible fixed assets, the changes in the financial year, and the development of cost contributions (investment grants) for property, plant and equipment.

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 amortization of these assets and the amortization of the grants are recognized in profit or loss in the line item “Depreciation and amortization”.

Additions to property, plants and equipment due to first-time consolidated companies or disposals from disposal are presented in separate rows in the summary of fixed assets.

The transfers include reclassified amount from “prepayments and assets under construction” to the specific investment accounts for finished assets of property, plant and equipment and intangible assets and reclassified assets to ”Assets held for sale” and “Inventories” (see Note 19). Regarding the information on change in accounting estimates s, see Note 3 on “Estimated useful life of the property, plant and equipment and intangible assets”

The ÖBB Group capitalized interest on construction costs of qualifying assets amounting to EUR43.2 million (prior year: EUR33.7 million) in accordance with the provisions of IAS 23. The underlying interest rate for borrowed capital is 3.76% (prior year: 3.98%). Losses from the disposal of property, plant and equipment were incurred at an amount of EUR44.0 million (prior year: EUR30.0 million), resulting from retirement by scrapping and the demolition of assets and from the sale of vehicles and other plant equipment as well as from the disposal of planning systems.

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

	2013 in mil. EUR	2012 in mil. EUR
Land and buildings	82.3	77.1
Automobiles and trucks	1,660.4	1,987.5
Other technical equipment and machinery	57.1	41.1

In total, other assets amounting to EUR1,022.3 million (prior year: EUR860.4 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 EUR2,287.3 million (prior year: EUR1,439.7 million). Further information on changes in estimates can be found in Note 3.

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, 2013 in mil. EUR	Dec 31, 2012 in mil. EUR
Republic of Austria	2,417.4	2,391.1
Schieneninfrastrukturfinanzierungs GmbH	1,401.2	1,466.9
former Eisenbahn-Hochleistungsstrecken AG	1,378.5	1,402.3
ASFINAG	103.6	109.9
Other third parties	137.5	144.9
Total	**5,438.2**	**5,515.1**

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 2013					
Cost as of Jan 01, 2013	*308.5*	*833.5*	*271.9*	*18.1*	*1,432.0*
Translation differences	-0.4	0.1	-4.1	0.0	-4.5
Additions	10.4	1.8	15.4	31.7	59.3
Business acquisition	2.0	0.0	0.0	0.0	2.0
Disposals	-20.4	-1.7	0.0	0.0	-22.1
Exit from basis of consolidation	-0.9	0.0	0.0	0.0	-0.9
Transfers	21.3	24.6	0.0	-31.6	14.2
Cost as of Dec 31, 2013	320.5	858.3	283.1	18.2	1,480.0
Accumulated amortization as of Jan 01, 2013 (incl. impairment)	*-198.1*	*-411.3*	*-98.2*	*0.0*	*-707.6*
Translation differences	0.1	0.2	1.5	0.0	1.9
Amortization 2013	-25.1	-25.1	0.0	0.0	-50.3
Business acquisition	-1.4	0.0	0.0	0.0	-1.4
Disposals	17.9	1.0	0.0	0.0	18.9
Exit from basis of consolidation	0.9	0.0	0.0	0.0	0.9
Accumulated amortization as of Dec 31, 2013 (incl. impairment)	-205.7	-435.2	-96.7	0.0	-737.6
Carrying amounts before investment grants as of Jan 01, 2013	***110.4***	***422.2***	***173.7***	***18.1***	***724.4***
Carrying amounts before investment grants as of Dec 31, 2013	**114.8**	**423.0**	**186.4**	**18.2**	**742.4**
Investment grants 2013					
As of Jan 01, 2013	*-35.3*	*-435.3*	*0.0*	*0.0*	*-470.6*
Additions	-2.0	-8.9	0.0	0.0	-10.9
Disposals	0.0	0.1	0.0	0.0	0.1
Transfers	0.5	-0.6	0.0	0.0	-0.1
As of Dec 31, 2013	-36.6	-444.8	0.0	0.0	-481.4
Accumulated amortization as of Jan 01, 2013	*14.7*	*325.3*	*0.0*	*0.0*	*340.0*
Amortization 2013	1.7	5.6	0.0	0.0	7.3
Disposals	0.0	-0.1	0.0	0.0	-0.1
Accumulated amortization as of Dec 31, 2013	16.3	330.9	0.0	0.0	347.2
Investment grants as of Jan 01, 2013	***-20.6***	***-110.0***	***0.0***	***0.0***	***-130.6***
Investment grants as of Dec 31, 2013	**-20.3**	**-113.9**	**0.0**	**0.0**	**-134.3**
Carrying amounts after investment grants as of Jan 01, 2013	**89.8**	**312.2**	**173.7**	**18.1**	**593.8**
Carrying amounts after investment grants as of Dec 31, 2013	**94.5**	**309.1**	**186.4**	**18.2**	**608.2**

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 acquisition	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
Accumulated amortization as of Jan 01, 2012 (incl. impairment)	*-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 acquisition	-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**

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 EUR5.2 million (prior year: EUR3.4 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 property for lease and agricultural land. The useful live of these properties corresponds 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:

	2013 in mil. EUR	2012 in mil. EUR
Acquisition and production costs		
As of Jan 01	*281.4*	*279.7*
Additions	11.3	5.8
Disposals	-9.7	-4.1
Transfers	18.4	0.0
As of Dec 31	**301.4**	**281.4**
Accumulated depreciation		
As of Jan 01	*176.7*	*177.0*
Depreciation and amortization	3.8	3.7
Disposals	-7.2	-4.0
Transfers	-0.1	0.0
As of Dec 31	**173.2**	**176.7**
Net carrying amount as of Dec 31	**128.2**	**104.7**

All properties held by the ÖBB Group as investments are leased under operating leases. Rental income from these leases amounted to EUR16.8 million, not including operating costs (prior year: EUR15.8 million); expenses directly attributable to rental income (including repair and maintenance, but not including operating costs) amounted to EUR7.5 million (prior year: EUR6.7 million, not including operating costs). In addition to that, operating expenses were incurred in the amount of EUR0.4 million (prior year: EUR0.3 million, which are not offset by rental income. The ÖBB Group has not entered into any contracts for the maintenance of its properties held as a financial investment that lead to a related obligation.

The fair value of investment properties was not determined by external experts, but by ÖBB-Immobilienmanagement GmbH intragroup experts with due regard to the existing market data on the basis of the benchmark rents for the respective state, taking into account any additions and deductions, depending on the condition and location of the building and using the DCF method. This amounted to EUR306.4 million (prior year: EUR300.4 million. Due to this correction of the input factors observed in the market, the allocation of fair value for hierarchy level 3 is done in accordance with IFRS 13 To determine the fair value a position-dependent rate of 4% – 8%was applied in both reporting years. A change to the fees of the benchmark rents by +/- 10% would lead to a reduction in the fair value of 19.6% and an increase of 16.8%. Additions amounting to EUR1.0 million (prior year: EUR1.4 million) result from subsequent acquisitions cost.

17. Investments recorded at equity

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

	2013 in mil. EUR	2012 in mil. EUR
As of Jan 01	*67.0*	*68.8*
Disposals	-5.1	0.0
Impairment and reclassification to "Assets held for sale"	-7.0	0.0
Share of income	15.3	5.5
Dividends	-13.7	-7.3
As of Dec 31	**56.5**	**67.0**

*) small amount

The results recognized in the profit and loss account from companies accounted for using the equity method correspond to the share of annual results attributable to the ÖBB Group.

The Galleria di Base del Brenner – Brenner Base Tunnel BBT SE is accounted for as a joint venture using the equity method. Galleria di Base del Brennero – Brenner Basistunnel BBT SE received investment grants in an amount of EUR4.3 million (prior year: EUR25.7 million). These grants were refunded by the federal government at an amount of EUR0.2 million (prior year: EUR17.5 million) on the one hand, and by the federal state of Tyrol at an amount of EUR4.1 million (prior year: EUR8.2 million) on the basis of the Share Purchase Agreement from April 18, 2011 on the other hand.

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).

2013	Assets in mil. EUR	Liabilities in mil. EUR	Sales revenue in mil. EUR	Operating income in mil. EUR	Net income in mil. EUR
associated entities reported using the equity method	66.5	27.6	108.4	9.1	6.7
joint ventures reported using the equity method	105.1	24.0	0.0	-1.5	0.0
thereof current	*44.9*	*23.3*			
thereof long-term	*60.2*	*0.7*			

2012	Assets in mil. EUR	Liabilities in mil. EUR	Sales revenue in mil. EUR	Operating income in mil. EUR	Net income in mil. EUR
associated entities reported using the equity method	186.4	120.0	462.4	17.6	15.2
joint ventures reported using the equity method	118.1	37.0	0.0	-1.2	0.0
thereof current	104.1	36.5			
thereof long-term	14.1	0.5			

In its annual financial statements, Galleria di Base del Brennero – Brenner Basistunnel BBT SE reports besides the values indicated above, total revenue of to kEUR11.7 (prior year: kEUR10.8) and total expenses amounting to kEUR13.2 (prior year: kEUR12.0).

18. Other non-current financial assets

2013	current in mil. EUR	non-current in mil. EUR	Total in mil. EUR
Investments	0.0	9.4	9.4
Financial assets – leasing	18.3	470.4	488.7
Other financial assets	53.7	55.5	109.2
Total	**72.0**	**535.3**	**607.3**

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**

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 2013 reporting year, the financial assets – leasing (long term) comprise the residual value of assets leased out, which amounts to EUR81.8 million (prior year: EUR81.8), 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. No other financial assets (prior year: EUR4.7 million) were pledged as security for liabilities.

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

Non-current assets held for sale	2013 in mil. EUR	2012 in mil. EUR
As of Jan 01	*6.7*	*1.0*
Additions	0.1	10.3
Disposal by sale	-6.7	0.0
Impairment	-0.3	-4.6
Reclassification from tangible fixed assets	13.5	0.0
Reclassification from investments recorded at equity	3.0	0.0
As of Dec 31	**16.3**	**6.7**
of which reported at amortized cost	12.1	5.2
of which reported at fair value less costs to sell	4.2	1.5

The amounts reported under this balance sheet item in the 2013 reporting year assets are Real Estate and, in the amount of EUR3.0 million, the investment held in Express Slovakia "Medzinárodná preprava, a.s.", which as of December 31, 2012 were still included in the consolidated financial statements according to the equity method with which the sale will take place in 2014. The fair values correspond to the agreed purchase price or the expected outcome of negotiations with contractual partners, whereby the allocation of the fair value to hierarchy level 3 is done in accordance with IFRS 13. The assets are allocated to the reportable infrastructure segment in the amount of EUR3.1 million (prior year: EUR6.7 million), to the passenger traffic segment in the amount of EUR10.2 million and to the Rail Cargo segment in the amount of EUR3.0 million.

The estimated revenues for 2014 for assets held for sale are in excess of the current carrying amounts of the assets. Impairment charges were recognized in the line item depreciation and amortization in the income statement. During the year 2013, an impairment in the amount of EUR0.3 million (prior year: 4.6 million) was recorded for properties which were reclassified in the portfolio of assets held for sale and carried at fair value. The held-for-sale investment was devalued by EUR4.0 million, whereby this expenditure is recognized in income from companies accounted for using the equity method. The agreed purchase price was devalued according to sales contracts or negotiation results with the contracting partners. The ÖBB Group recognized proceeds from assets held for sale amounting to EUR11.2 million in the year under review (prior year: EUR3.4 million), which are recognized in the other operating income, together with the income from the sale of other assets.

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

The following table shows the development of the fair values.

Fair value development	2013 in mil. EUR
As of Jan 01	1.5
Disposal	-1.5
Access	19.8
As of Dec 31	19.8

20. Trade and other receivables

Dec 31, 2013	current in mil. EUR	non-current in mil. EUR	Total in mil. EUR
Trade receivables	520.0	0.0	520.0
thereof from construction contracts	*9.5*	*0.0*	*9.5*
Other receivables and deferrals	313.6	169.1	482.7
Income tax receivables	0.4	0.0	0.4
Total	**834.0**	**169.1**	**1,003.1**

Dec 31, 2012	current in mil. EUR	non-current in mil. EUR	Total in mil. EUR
Trade receivables	498.4	0.0	498.4
thereof from construction contracts	*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**

Noneof the receivables were secured by a bill of exchange in either the reporting year or the prior year.

The trade receivables result primarily from transport services. 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. For construction contracts, contract revenues of EUR45.4 million (prior year: EUR61.2 million) were realized. In the reporting year, 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: EUR0.3 million), for which a provision was made.

The other receivables are 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 EUR267.7 million (prior year: EUR244.1 million). The deferral items mainly refer to prepaid guarantee premiums amounting to EUR178.5 million (prior year: EUR154.3 million) and to the salaries including the charges for January 2014 paid in December 2013 amounting to EUR57.3 million (prior year: EUR57.3 million).

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

	2013 in mil. EUR	2012 in mil. EUR
As of Jan 01	*50.8*	*83.5*
Reclassifications	0.7	1.8
Consumption	-7.8	-19.1
Release	-5.9	-31.6
New formation	10.5	16.2
As of Dec 31	**48.3**	**50.8**

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

Dec 31, 2013 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	11.2	0.8	10.4	0.2	0.1	0.1	11.0
up to 90 days past due	73.0	49.7	23.3	0.5	0.4	0.1	72.5
90 to 180 days past due	7.6	6.3	1.3	3.5	3.5	0.0	4.1
180 to 360 days past due	12.2	3.3	8.9	4.0	3.7	0.3	8.2
more than 360 days past due	50.1	5.2	44.9	40.1	30.3	9.8	10.0
Total exposure	**154.1**	**65.3**	**88.8**	**48.3**	**38.0**	**10.3**	**105.8**

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**

Past due but unimpaired receivables amounting to EUR64.5 million (prior year: EUR43.5 million) are subject to regular monitoring.

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, 2013 in mil. EUR	Dec 31, 2012 in mil. EUR
Inventories	217.7	146.2
finished goods	6.8	8.2
down payments	6.6	3.5
Total	**231.1**	**157.9**
thereof measured at cost	*219.6*	*149.0*
thereof measured at net realizable value	*11.5*	*8.9*

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 EUR2.9 million (prior year: EUR1.0 million). No reversals of previous write downs through profit and loss were recorded.

22. Cash and cash equivalents

	Dec 31, 2013 in mil. EUR	Dec 31, 2012 in mil. EUR
Cash on hand and checks	3.8	3.9
Cash in banks	152.5	536.2
Total	**156.3**	**540.1**

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 unchanged 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, 2013 in mil. EUR	Dec 31, 2012 in mil. EUR
Additional paid-in capital	260.8	260.8
Other reserves	-105.5	-160.0
thereof cash flow hedge reserve	*-83.2*	*-151.1*
thereof available-for-sale reserve	*9.0*	*16.5*
thereof translation differences	*-31.3*	*-25.4*
Retained earnings	-471.6	-571.6

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. From the disposal of fully consolidated companies, the reserve for exchange rate differences increases in the amount of EUR0.1 million (prior year: decrease in the amount of EUR0.1 million).

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 contained therein in mil. EUR	Development of the carrying amount in mil. EUR	income taxes contained therein in mil. EUR
As of Jan 01, 2012	*-106.9*	*27.6*	*0.0*	*0.0*
Realized gains and losses	39.5	-9.9	0.0	0.0
Changes in the fair values	-83.7	20.9	16.5	0.0
As of Dec 31, 2012	**-151.1**	**38.6**	**16.5**	**0.0**
Realized gains and losses	-62.2	16.3	-4.1	0.0
Changes in the fair values	130.1	-30.1	-3.4	0.0
As of Jan 01, 2013	**-83.2**	**24.8**	**9.0**	**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

Dec 31, 2013	up to 1 year in mil. EUR	1 – 5 years in mil. EUR	more than 5 years in mil. EUR	Total in mil. EUR
Bonds	703.6	1,934.6	11,738.2	14,376.4
Bank loans	158.6	503.3	2,072.5	2,734.4
Financial liabilities leasing	333.6	120.4	492.2	946.2
Other financial liabilities	534.4	465.3	1,721.7	2,721.4
Total	**1,730.2**	**3,023.6**	**16,024.6**	**20,778.4**

Dec 31, 2012	up to 1 year in mil. EUR	1 – 5 years in mil. EUR	more than 5 years in mil. EUR	Total in mil. EUR
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**

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
4,050,000.00	EUR	2003 – 2015	AT0000171723	EIB Poolrate
1,500,000.00	EUR	2003 – 2015	AT0000171731	EIB Poolrate
650,000,000.00	EUR	2004 – 2014	XS0206152810	3.8750%
1,000,000,000.00	EUR	2005 – 2020	XS0232778083	3.5000%
300,000,000.00	EUR	2010 – 2020 [6)]	XS0232778083	3.5000%
100,000,000.00	EUR	2006 – 2036 [2)]	XS0243862876	3.4200%
100,000,000.00	EUR	2006 – 2036 [2)]	XS0244522396	3.4800%
100,000,000.00	EUR	2006 – 2036 [2)]	XS0252697130	[3)]
50,000,000.00	EUR	2006 – 2036 [2)]	XS0252721450	[3)]
1,000,000,000.00	EUR	2006 – 2016	XS0271660242	3.8750%
100,000,000.00	EUR	2006 – 2036 [1)]	XS0275973278	3.4900%
80,000,000.00	EUR	2006 – 2036 [1)]	XS0275974599	3.4900%
1,300,000,000.00	EUR	2007 – 2022	XS0307792159	4.8750%
200,000,000.00	EUR	2008 – 2022 [6)]	XS0307792159	4.8750%
100,000,000.00	EUR	2007 – 2037 [5)]	XS0321318163	4.1750%
100,000,000.00	EUR	2007 – 2037 [5)]	XS0324893626	4.3975%
50,000,000.00	EUR	2007 – 2037 [5)]	XS0324895670	4.3975%
100,000,000.00	EUR	2007 – 2037 [5)]	XS0328866982	4.2270%
50,000,000.00	EUR	2007 – 2037 [5)]	XS0331427905	4.1950%
50,000,000.00	EUR	2007 – 2037 [4)]	XS0336043517	3.9850%
1,250,000,000.00	EUR	2009 – 2019	XS0436314545	4.5000%
100,000,000.00	EUR	2010 – 2019 [6)]	XS0436314545	4.5000%
50,000,000.00	EUR	2011 – 2019 [6)]	XS0436314545	4.5000%
100,000,000.00	EUR	2009 – 2019	XS0463371236	3MoEURIBOR +0.46%
40,000,000.00	EUR	2009 – 2019	XS0475835863	3.7500%
50,000,000.00	EUR	2010 – 2030	XS0497430172	4.2100%
70,000,000.00	EUR	2010 – 2030	XS0503724642	4.2000%
100,000,000.00	EUR	2010 – 2030	XS0512125849	3.9000%
1,500,000,000.00	EUR	2010 – 2025	XS0520578096	3.8750%
1,000,000,000.00	EUR	2011 – 2021	XS0648186517	3.6250%
50,000,000.00	EUR	2011 – 2021 [6)]	XS0648186517	3.6250%
1,000,000,000.00	EUR	2011 – 2026	XS0691970601	3.5000%
200,000,000.00	EUR	2011 – 2031	XS0717614951	4.0000%
1,350,000,000.00	EUR	2012 – 2032	XS0782697071	3.3750%
1,000,000,000.00	EUR	2013 – 2023	XS0949964810	2.2500%
75,000,000.00	EUR	2013 – 2033	XS0954197470	2.1250%
1,000,000,000.00	EUR	2013 – 2033	XS0984087204	3.0000%

1) 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"). Payments concerning Bonds issued under this framework agreement are guaranteed unconditionally and irrevocably by the Republic of Austria. All bonds since 2005 were issued by ÖBB-Infrastruktur AG as part of this program.

As of December 31, 2013, the Group has fulfilled all obligations under the loan and credit agreements.

EUR1,966.6 million (prior year: EUR1.967,9 million) of the bank loans relate to financing from 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 EUR2,094.9 million (prior year: EUR2,054.3 million), of which in 2013, an amount of EUR231.2 million (prior year: EUR1.8 million) has a residual maturity of less than one year. Apart from that, this line item also includes the negative present values of derivative financial instruments.

Financial liabilities from leases amounting to EUR308.7 million (prior year: EUR492.2 million) and other financial liabilities amounting to EUR1,051.6 million (prior year: EUR1,522.9 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 of the federal government

The federal government issued guarantees with respect to bonds and bank loans amounting to EUR14,370.9 million (prior year: EUR13,360.1 million). Furthermore, obligations to EUROFIMA in the amount of EUR2,094.9 million (prior year: EUR2,054.3 million approx) are covered by guarantees of the federal government. Guarantees for financial liabilities in the amount of EUR61.4 million (prior year: Approximately EUR67.8 million) were taken over by Österreichische Kontrollbank Aktiengesellschaft.

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. 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, 2013 in mil. EUR	Dec 31, 2012 in mil. EUR
statutory severance payments	47.0	37.9
Pensions	1.0	1.0
Anniversary bonuses	226.3	214.4
other provisions for personnel	4.1	19.7
Total	**278.4**	**273.0**
thereof long-term	*274.9*	*269.6*

Short-term provisions are mainly constituted by the other provisions for personnel. Except for the actuarial results from the provision for statutory severance payments and pensions all subsequent changes to the employee benefits are recognized in personnel expenses.

Actuarial assumptions

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

	Dec 31, 2013	Dec 31, 2012
Discount rate	3.30%	3.50%
Rate of compensation increase	4.20%	3.95%
Employee turnover rate of tenured employees	0.0 – 3.47%	0.0 – 6.94%
Employee turnover rate of other workers and employees	0.0 – 9.21%	0.0 – 7.96%

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 BGBl. 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 (2011). 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 01, 2003, are covered by defined benefit plans as described below. Following a legal amendment, obligations for employees hired in Austria after January 01, 2003, are covered by a defined contribution plan. With respect to this, the ÖBB Group paid EUR5.2 million (prior year: EUR4.9 million to this defined contribution plan (VBV Vorsorgekasse AG or APK-PENSIONSKASSE AG) in the reporting years.

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:

	2013 in mil. EUR	2012 in mil. EUR
Service cost	2.8	2.3
Interest cost	1.5	1.6
Actuarial losses (+) / gains (-)	0.8	8.0
Net periodic cost of statutory severance	**5.1**	**11.9**

	2013 in mil. EUR	2012 in mil. EUR
Defined benefit obligation as of Jan 01	53.7	*34.9*
Service cost	2.8	2.3
Interest cost	1.5	1.6
Subtotal recognized in the net income	4.3	3.9
actuarial losses (+) / gains (-) from changes in demographic assumptions	-0.9	0.0
actuarial losses (+) / gains (-) from changes in financial assumptions	3.1	8.2
experience adjustments	-1.4	-0.2
Subtotal included in other comprehensive income (Actuarial losses (+) / gains (-))	0.8	8.0
Transfers	-10.0	0.0
Severance payments	-2.1	6.3
Company sales and acquisitions as well as transfers in the Group	0.3	0.6
Present value of the obligation as of Dec 31	**47.0**	**53.7**

Provisions for severance payments in the amount of EUR1.3 million are due in 2014, between 2015–2018 in the amount of EUR6.6 million, and after 2018 in the amount of EUR39.1 million. The average remaining maturity (duration) is 15.9 years. In the following sensitivity analysis for severance payments, the effect on the obligations of changes in key actuarial assumptions is presented. In each case, a significant factor was changed, while the other factors were kept constant. In reality, however, it is unlikely that these factors will not correlate. The measurement of the modified benefit obligation is performed analogously to the measurement of the actual obligation using the projected unit credit method (PUC method) in accordance with IAS 19 (2011). A change in the actuarial assumptions would have the following effects:

Sensitivity analysis of the provision for severance payments	Change in assumption	Increase of the parameter/ Change in DBO	Decrease of the parameter/ Change in DBO
	in %	in mil. EUR	in mil. EUR
Interest rate	+/-0.5	-4.9	2.2
Pay increase	+/-0.5	2.1	-4.9

With the entry into force of IAS 19 (2011), an adaptation of the previous year's figures must be made. The impact of the adoption of IAS 19 (2011) on the consolidated Income Statement in 2012 is provided in the table below.

	2012
	in kEUR
Impact on the 2012 consolidated income statement	
Decrease in staff expenses	8,032.7
Increase in income taxes	1,360.6
Increase in consolidated earnings	6,672.1
attributable to:	
the shareholder of the parent company	6,672.1
Non-controlling interests	0.0
Impact on the 2012 consolidated statement of comprehensive income	
Increase in income taxes on components which are recognized directly in equity	1,360.6
Decrease in income recognized directly in equity	8,032.7
Change in other comprehensive income	-6,672.1
Impact on the consolidated cash flow statement	
Increase in earnings before income tax (EBT)	8,032.7
Decrease in other non-cash income/expenses	8,032.7
Change in cash flow from operating activities	0.0

Due to the revised IAS 19 (2011) Standard, an adjustment in the form of an improvement in consolidated net income by kEUR6672.1 is necessary for the 2012 financial year. The effects on the consolidated income statement and the consolidated cash flow statement are solely reclassifications.

Anniversary bonuses

Employees are tenured and certain employees (together "employees") are entitled to anniversary bonuses. In accordance with the statutory and contractual those entitled receive two months salary after 25 years of service and four months salary after 40 years of service. Employees who have achieved at least 35 years of service at the time of retiring also receive anniversary bonuses of four months salary. The calculation of the provision is done on the basis of actuarial assumptions according to the projected unit credit method (PUC method) which is prescribed for measurements according to IAS 19 (2011). The calculation is based on the biometric actuarial bases of the Aktuarvereinigung Österreichs (the Actuarial Association of Austria) (AVO) 2008-P by Pagler & Pagler. The employee benefits are accrued over the period of service, taking into account an employee turnover deduction for employees retiring early from service. Actuarial gains and losses are recognized with an effect on profit 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 in 2012.

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

	2013 in mil. EUR	2012 in mil. EUR
Service cost	9.7	7.4
Interest cost	7.3	7.9
Actuarial losses (+) / gains (-)	9.8	48.7
thereof due to changes of retirement regulations	*0.0*	*20.2*
Net periodic cost of anniversary bonuses	**26.8**	**64.0**

	2013 in mil. EUR	2012 in mil. EUR
Defined benefit obligation as of Jan 01	214.4	*147.1*
Service cost	9.7	7.4
Interest cost	7.3	7.9
Anniversary bonuses	-15.3	-11.4
Reclassifications	0.0	14.7
Company sales and business combinations as well as transfers in the Group	0.4	0.0
Actuarial losses (+) / gains (-)	9.8	48.7
thereof due to changes of retirement regulations	*0.0*	*20.2*
Present value of the obligation as of Dec 31	**226.3**	**214.4**

The average maturity is 8.5 years. A change in the actuarial assumptions would have the following effects:

Sensitivity analysis of the provisions for anniversaries	Change in assumption in %	Increase of the parameter/ Change in DBO in mil. EUR	Decrease of the parameter/ Change in DBO in mil. EUR
Interest rate	+/-0.5	-8.9	9.6
Pay increase	+/-0.5	9.5	-8.9

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. The contributions of the Company are calculated as a percentage of the compensation and must not exceed 1.2%. The cost of this plan in both reporting years amounted to EUR16.4 million (prior year: EUR13.4 million)

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, 2013	Change in scope of consolidation	Consumption	Release	Transfers	Interest effects	Translation effects	Appropriation	As of Jan 01, 2013
Asset retirement obligation	108.7	0.0	0.0	-12.0	0.0	0.7	0.0	6.6	104.0
Public services according to EU Directive 1370/2007	50.5	0.0	-2.5	0.0	0.0	0.0	0.0	1.9	49.9
Bad debts and public services	49.9	0.0	-6.0	-6.7	0.0	0.0	0.0	9.0	46.2
Free student and apprentice tickets	39.4	0.0	-0.4	0.0	0.0	0.0	0.0	2.2	41.2
Litigations	33.2	0.0	-0.8	-9.3	0.0	0.0	-0.7	3.7	26.1
Environmental protection measures	24.4	0.0	-0.6	-0.3	0.0	0.0	0.0	0.2	23.7
Non-income taxes and fees	27.8	0.0	-1.2	-8.1	0.0	0.0	0.0	4.7	23.2
loss set-aside	19.8	0.0	-16.0	-0.2	-0.4	0.0	0.0	15.0	18.2
Reorganization	16.5	0.0	-6.1	0.0	0.0	0.0	0.0	6.9	17.3
Prepayments and similar obligations	13.6	0.0	-1.6	-1.7	0.0	0.2	0.0	4.6	15.1
Deferrals	0.7	0.0	-0.4	-0.3	0.0	0.0	0.0	0.3	0.3
Project cost	1.0	0.0	0.0	-0.7	0.0	0.0	0.0	0.0	0.3
Others	81.9	-1.3	-23.1	-15.6	5.5	0.7	-0.2	46.6	94.5
Total	**467.4**	**-1.3**	**-58.7**	**-54.9**	**5.1**	**1.6**	**-0.9**	**101.7**	**460.0**
thereof long-term	*137.6*								*160.2*

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

Asset retirement

The provision for decommissioning costs relates to future expenses in connection with the demolition and clearing of assets and the restoration of sites. These are railway lines which have already been decommissioned or which are to be decommissioned in the near future. This item was created only for those routes, for which if can be assumed with sufficient certainty that they are decommissioned. In the reporting year, additional provisions in the amount of EUR6.6 million (prior year: EUR7.7 million were recorded on the basis of interest and cost rate adjustments.

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 these, EUR25.0 million were already repaid in the 2013 financial year. The remainder of the payment is attributable to the year 2014.

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 2010 to 2013, and corresponding provisions were made.

Public services according to EU Directive 1370/2007

The settlement of the (Association of German Transport Undertakings - VDV) is audited annually ex-post by an independent auditor. For any possible repayment claims of the State and obligations due to the liberalization of the European rail traffic in connection with the EU Directive 1370/2007 a corresponding provision is recognized.

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 EStG [Income Tax Act] by the relevant tax authorities. Privileged transport of own employees constitutes a taxable employment benefit that is subject to social security contributions for the companies concerned (i.e. all Group companies with the exception of ÖBB-Personenverkehr AG and ÖBB-Produktion GmbH); therefore, a provision was recognized for the resulting taxes and duties (reduced tickets outside tariff).

For risks with respect to the measurement of employment benefits, provisions in the amount of EUR17.0 million (prior year: EUR24.8 million).

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 EUR1.3 million (prior year: EUR12.4 million) were released due to the cessation of obligations with respect to the site of the former cargo station Vienna North. The allocation of provisions in the amount of EUR4.6 million (prior year: EUR4.7 million) refers to the sale of land on the site of the former Südbahnhof which took place in 2013.

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 0.4 – 2.65% (prior year: 0.6 – 2.4%) Adjustments due to changes in the discount rate were insignificant.

EUR160.2 million (prior year: EUR137.6 million) of the miscellaneous provisions are classified as non-current. The payment for these provisions is anticipated after 2014. For provisions classified as current, cash outflows are anticipated in the year 2014. When the maturity is uncertain, the provisions concerned were mainly classified as short-term.

27. Trade payables and other liabilities

Dec 31, 2013	current in mil. EUR	non-current in mil. EUR	Total in mil. EUR
Trade payables	843.1	0.0	843.1
Other liabilities	549.4	127.7	677.1
thereof other deferrals	*65.4*	*82.0*	*147.4*
thereof taxes	*44.3*	*0.0*	*44.3*
thereof accrued employee liabilities	*205.1*	*0.0*	*205.1*
thereof social security	*32.1*	*0.0*	*32.1*
thereof miscellaneous liabilities	*202.5*	*45.7*	*248.2*
Total	**1,392.5**	**127.7**	**1,520.2**

Dec 31, 2012	current in mil. EUR	non-current in mil. EUR	Total in mil. EUR
Trade payables	920.3	0.0	920.3
Other liabilities	591.4	222.3	813.7
thereof other deferrals	*164.0*	*100.6*	*264.6*
thereof taxes	*49.4*	*0.0*	*49.4*
thereof accrued employee liabilities	*162.3*	*0.0*	*162.3*
thereof social security	*28.3*	*0.0*	*28.3*
thereof miscellaneous liabilities	*187.0*	*121.7*	*308.7*
Total	**1,511.7**	**222.3**	**1,734.0**

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

Liabilities from deliveries and services of EUR0.0 million (prior year: EUR0.2 million) are materially secured.

Accrued employee liabilities include in particular overtime at an amount of EUR30.4 million (prior year: EUR12.9 million) and vacation days not yet taken at an amount of EUR67.2 million (prior year: EUR61.5 million).

Other deferrals also include the net present value benefit from the CBL transactions in the amount of EUR27.5 million (prior year: EUR43.6 million) and from the advance sale of tickets in the amount of EUR18.2 million (prior year: EUR18.6 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:

	2013 in mil. EUR	2012 in mil. EUR
Contingent liabilities from leases	469.8	578.8
Other contingent liabilities	34.3	37.4
Total	**504.1**	**616.2**

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 EUR27.9 million (prior year: EUR32.0 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.

A 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 (93% [prior year: 97%] of the nominal volume) are unstructured standard transactions (plain vanilla interest rate swaps and/or cross currency interest rate swaps and currency swaps). A share of 7% (prior year: 3%) after nominal is attributable to structured derivatives. 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 arising from market interest rate fluctuations may affect the financial result of the ÖBB Group due to the given structure of the 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 effects of such fluctuations on the development of 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) **Dec 31, 2013**	fixed interest financial instruments in mil. EUR	variable interest financial instruments in mil. EUR
Financial assets	484.5	72.3
Trade receivables	0.0	2.4
Other receivables and assets	0.4	0.9
Cash and cash equivalents	24.8	144.7
Total	**509.7**	**220.3**
Financial liabilities	19,290.3	633.3
Total	**19,290.3**	**633.3**

Financial instruments (current and non-current) **Dec 31, 2012**	fixed interest financial instruments in mil. EUR	variable interest financial instruments in mil. EUR
Financial assets	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**

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.

	Effect in income statement		Effect in shareholder´s equity	
	in mil. EUR	in mil. EUR	in mil. EUR	in mil. EUR
Sensitivity analysis interest rate risk as of Dec 31, 2013	+ 100 base points	- 100 base points	+ 100 base points	- 100 base points
Assets				
Financial assets	0.7	-0.7	0.0	0.0
Trade receivables	2.4	-2.4	0.0	0.0
other receivables	0.9	-0.9	0.0	0.0
Cash and cash equivalents	0.6	-0.5	0.0	0.0
Liabilities				
Financial liabilities	-7.0	6.9	52.5	-57.9
Consolidated effect 2013	**-2.4**	**2.4**	**52.5**	**-57.9**

	Effect in income statement		Effect in shareholder´s equity	
	in mil. EUR	in mil. EUR	in mil. EUR	in mil. EUR
Sensitivity analysis interest rate risk as of Dec 31, 2012	+ 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**

29.1.b. Exchange rate risk

The exposure of ÖBB-Infrastruktur AG to exchange rate risks primarily results from original financial liabilities denominated in foreign currencies. The predominant part of these risks is hedged. At the reporting date, 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 the Hungarian companies reporting in Hungarian forint.

With cross-border lease transactions, all cash flows (lease payments and return on assets) are processed in US dollars or in Canadian dollars (CAD) in the prior year 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 2013	USD in mil	CHF in mil	CAD in mil
Trade receivables	2.0	0.0	0.0
Other financial assets	490.0	0.0	0.0
Trade payables	-1.0	0.0	0.0
Other financial liabilities	-489.0	-120.0	0.0
	2.0	**-120.0**	**0.0**
less forward foreign exchange contracts and currency swaps	0.0	0.0	0.0
Net exchange rate risk	**2.0**	**-120.0**	**0.0**

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**

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.

If the Euro had appreciated (depreciated) by 10% against to the CHF the income as of 31 December 2013, would have been EUR10.0 million higher (EUR10.0 million lower) and, as of 31 December 2012, EUR10.0 million higher (EUR10.0 million lower). In both years there were no significant effects on earnings against the U.S. dollar.

29.1.c. Credit risk

The credit risk comprises the loss potential due to non-fulfillment of financial obligations of financial partners (predominantly money market transactions, assets, funds, positive present value swap transactions). Compliance with the limits underlying the credit risk management and individually allocated to each financial partner is checked daily by ÖBB-Holding AG. The ÖBB Group only maintains 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 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 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. Details on the cross-border leasing agreements are provided in 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:

Credit risk from financial instruments	Gross exposure (carrying amount plus impairment) in mil. EUR	less collateral (FV) in mil. EUR	Net exposure in mil. EUR
Total exposure 2013			
Financial assets	607.3	0.0	607.3
Trade receivables	566.1	-12.5	553.6
Other receivables and assets	484.8	-333.0	151.8
Cash and cash equivalents	156.3	-0.4	155.9
Risk from non-current and current assets	**1,814.5**	**-345.9**	**1,468.6**
thereof neither past due nor impaired			*1,314.5*
thereof not past due because renegotiated			*11.2*
thereof past due			*142.9*
Contingent liabilities from leases	469.8	0.0	469.8
Other contingent liabilities	34.3	0.0	34.3
Credit risk from issued guarantees	**504.1**	**0.0**	**504.1**
Total credit risk as of Dec 31, 2013	**2,318.6**	**-345.9**	**1,972.7**
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**
thereof neither past due nor impaired			*1,838.2*
thereof not past due because renegotiated			*26.3*
thereof past due			*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**

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, 2013 in mil. EUR	Cash flows 2014 Interest 2014 in mil. EUR	Redemption 2014 in mil. EUR	Cash flows 2015-18 Interest 2015-2018 in mil. EUR	Redemption 2015-2018 in mil. EUR	Cash flows 2019 et seq. Interest 2019 et seq. in mil. EUR	Redemption 2019 et seq. in mil. EUR
Original financial liabilities							
Bonds	14,376.4	533.2	703.6	1,885.8	1,934.6	2,685.4	11,738.2
Bank loans	2,734.4	100.5	158.6	366.5	503.3	747.7	2,072.5
Finance leasing, sub-lease and CBL liabilities	946.2	36.5	333.6	108.3	120.4	110.8	492.2
other financial liabilities	2,721.4	49.6	493.3	177.6	515.2	110.0	1,712.9
Trade payables	843.1	0.0	843.1	0.0	0.0	0.0	0.0
Non-interest bearing liabilities	*843.1*	*0.0*	*843.1*	*0.0*	*0.0*	*0.0*	*0.0*
Other liabilities	677.0	0.1	549.4	0.0	123.5	0.0	4.1
Non-interest bearing liabilities	*677.0*	*0.1*	*549.4*	*0.0*	*123.5*	*0.0*	*4.1*

	Carrying amount Dec 31, 2013 in mil. EUR	Cash flows 2014 Interest 2014 in mil. EUR	Redemption 2014 in mil. EUR	Cash flows 2015-18 Interest 2015-2018 in mil. EUR	Redemption 2015-2018 in mil. EUR	Cash flows 2019 et seq. Interest 2019 et seq. in mil. EUR	Redemption 2019 et seq. in mil. EUR
Derivative financial receivables							
Other derivatives not designated as hedges	22.8	0.0	89.2	0.0	9.3	0.0	0.0
Foreign currency interest rate derivatives - cash flow hedges	0.4	-0.9	0.0	-3.8	0.0	-0.9	0.0
Cash received		*0.7*	*0.0*	*2.8*	*0.0*	*0.7*	*0.0*
Cash paid		*-1.6*	*0.0*	*-6.6*	*0.0*	*-1.6*	*0.0*
Derivative financial liabilities							
Interest rate derivatives not designated as hedges	20.3	6.5	0.3	8.1	0.5	3.3	0.0
Interest rate derivatives - Cash Flow Hedges	109.9	34.0	0.0	98.2	0.0	86.8	0.0
Electricity derivatives - Cash Flow Hedges	16.8	0.0	28.7	0.0	39.3	0.0	0.0
Other derivatives not designated as hedges	38.2	0.0	126.7	0.0	32.2	0.0	0.0
Financial guarantees							
Contingent liability from cross-border leasing	469.8	21.9	25.1	100.7	214.9	115.5	229.7
other contingent liabilities	34.3	0.0	33.8	0.0	0.5	0.0	0.0

	Carrying amount Dec 31, 2012 in mil. EUR	Cash flows 2013 Interest 2013 in mil. EUR	Redemption 2013 in mil. EUR	Cash flows 2014-17 Interest 2014-2017 in mil. EUR	Redemption 2014-2017 in mil. EUR	Cash flows 2018 et seq. Interest 2018 et seq. in mil. EUR	Redemption 2018 et seq. in mil. EUR
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
Non-interest bearing liabilities	*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
Non-interest bearing liabilities	*813.1*	*0.0*	*591.0*	*0.0*	*205.1*	*0.0*	*17.0*

		Cash flows 2013		Cash flows 2014-17		Cash flows 2018 et seq.	
	Carrying amount Dec 31, 2012 in mil. EUR	Interest 2013 in mil. EUR	Redemption 2013 in mil. EUR	Interest 2014-2017 in mil. EUR	Redemption 2014-2017 in mil. EUR	Interest 2018 et seq. in mil. EUR	Redemption 2018 et seq. in mil. EUR
Derivative financial receivables							
Other derivatives not designated as hedges	46.4	0.0	239.5	0.0	58.1	0.0	5.4
Interest rate derivatives - Cash Flow Hedges	17.8	19.7	0.0	0.0	0.0	0.0	0.0
Foreign currency interest rate derivatives - cash flow hedges	22.5	-0.7	22.6				
Cash received		*3.8*	*136.7*				
Cash paid		*-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 interest rate derivatives - fair value hedges	28.0	-13.2	40.2	0.0	0.0	0.0	0.0
Cash received		*-14.4*	*-303.4*				
Cash paid		*1.2*	*343.6*				
Interest rate derivatives - Cash Flow Hedges	171.5	42.0	1.3	88.1	3.8	87.1	0.5
Foreign currency interest rate derivatives - cash flow hedges	102.7	16.4	86.8				
Cash received		*-7.6*	*-587.2*				
Cash paid		*24.0*	*674.0*				
Electricity derivatives - Cash Flow 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		
Cash received		*0.0*	*-3.9*	*0.0*	*-9.7*		
Cash paid		*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

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 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 were used until 3013 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 interest swaps ("receive fixed - pay variable") denominated in EUR. A USD fixed interest rate bond was designated as hedged item. A fixed-rate U.S. dollar bond has been designated as the 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. As of December 31, 2012 a contract existed with a nominal volume of EUR343.6 million and a maturity date in 2013. This contract expired in 2013.

The effectiveness of the hedging relationship was assessed on a prospective basis using the Critical Terms Match method pursuant to IAS 39.AG 108. On a retrospective basis, the effectiveness was 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 were calculated based on the cash flows outstanding at the beginning and at the end of the test period and are adjusted for accrued interest. The effectiveness of all hedging relationships was within the range of the quotient of both accumulated value changes required by IAS 39 (between 80% and 125%). The fair value arising from the change in the credit spread (component depending on the creditworthiness) was not considered in the effectiveness assessment.

The change in the carrying amount of the hedged items resulted in gains amounting to EUR10.2 million in 2013 (prior year: EUR12.2 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 EUR10.0 million (prior year: EUR12.5 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, 2013 Maturity	Number of contracts	Nominal volume in mil. EUR
Portfolio	54	1,115.8
thereof maturing in 2014	*8*	*111.7*
thereof maturing in 2015	*6*	*54.7*
thereof maturing in 2016	*8*	*126.6*
thereof maturing in 2017	*5*	*102.0*
thereof maturing in 2018 et seq.	*27*	*720.8*

Dec 31, 2012 Maturity	Number of contracts	Nominal volume in mil. EUR
Portfolio	65	2,600.2
thereof maturing in 2013	*12*	*1,484.4*
thereof maturing in 2014	*8*	*111.7*
thereof maturing in 2015	*6*	*55.7*
thereof maturing in 2016	*8*	*126.6*
thereof maturing in 2017 et seq.	*31*	*821.8*

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, the ÖBB Group designated derivative financial instruments totaling EUR1,115.8 million as of December 31, 2013 (prior year: EUR2,600.2 million) as cash flow hedges. Recognized amounts of EUR130.1 million (VJ: -EUR83.7 million). From the determination of the changes in values of the hedging transactions in other comprehensive income result in the cash flow hedge reserve in the financial year. 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 liabilities are recognized in shareholder's equity via the other comprehensive income (see statement of changes in 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 (rd. 48.4 million [prior year: 35.9 million expenses]). In 2013, amounts related to foreign currency amounting to EUR32.4 million (prior year: EUR10.6 million) were booked to expenses in the consolidated profit and loss account. Furthermore, ineffective portions of hedge accounting transactions amounting to EUR2.5 million (prior year: EUR0.1 million) were recognized in expenses. As a result of discontinued hedging instruments (cash flow hedges), an amount of EUR3.0 million (prior year: EUR3.7 million) was recognized at the reporting date in shareholder's equity via other comprehensive income, which will be realized as follows: 2014: EUR0.7 million, from 2015 – 2017: EUR1.0 million, 2018ff: EUR1.3 million.

Power derivatives

a) Cash flow hedges

	Dec 31, 2013			Dec 31, 2012	
Power derivatives designated as hedges Maturity	Number of contracts	Nominal volumes in mil. EUR		Number of contracts	Nominal volumes in mil. EUR
Portfolio	38	66.4	Portfolio	39	79.6
thereof maturing in 2014	16	27.7	*thereof maturing in 2013*	*13*	27.6
thereof maturing in 2015	*13*	*23.2*	*thereof maturing in 2014*	*15*	*30.5*
thereof maturing in 2016	*9*	*15.5*	*thereof maturing in 2015*	*11*	21.5

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

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

The fair value of the 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 power purchase and power sale forwards as hedging transactions resulted in an amount of EUR6.0 million (prior year: EUR9.8 million) less income taxes in the amount of EUR1.4 million (prior year: EUR2,4 million) being recognized in the cash flow hedge reserve via the other comprehensive income in the financial year 2013.

b) Other derivatives

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

	Dec 31, 2013			
Electricity derivatives without a hedging relationship Maturity	Number of contracts Purchase/	Nominal volumes in mil. EUR	Number of contracts Sales	Nominal volumes in mil. EUR
Portfolio	65	167.9	49	112.2
thereof maturing in 2014	44	133.6	42	102.9
thereof maturing in 2015	17	27.5	6	7.5
thereof maturing in 2016	4	6.7	1	1.8

	Dec 31, 2012			
Electricity derivatives without a hedging relationship Maturity	Number of contracts Purchase/	Nominal volumes in mil. EUR	Number of contracts Sales	Nominal volumes in mil. EUR
Portfolio	140	357.4	132	303.1
thereof maturing in 2013	107	276.4	105	239.5
thereof maturing in 2014	31	75.2	24	58.1
thereof maturing in 2015	2	5.9	3	5.4

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 correspond to the market prices of the financial assets.

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

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 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 their fair value in accordance with IAS 39. Changes in the fair value of derivative financial instruments designated as hedging instruments in accordance with IAS 39 are recognized through profit or loss in the Consolidated Income Statement or 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, as far as they are financial instruments, mainly have a short residual term. Therefore, their carrying amounts as at the reporting date approximate their fair value. The fair values of other non-current receivables correspond to the present values of the payments associated with these assets discounted at the respective interest rates.

Trade payables and other liabilities are mainly short-term; the amounts reported approximate the fair values. The fair values of bank loans and other financial liabilities are determined as the present values of the Interest payments and principal repayments based on the applicable interest curve. The following reconciliation shows non-financial instruments and financial instruments from hedge accounting in a separate column in order to enable reconciliation to the carrying amount of the items reported in the Statement of Financial Position.

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

For the indicated fair value of issued bonds in the amount of EUR15,650.0 million (prior year: EUR14,198.7 million) market prices are used, thus a Level 1 rating exists. Level 1 measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. The sources of the notations are Bloomberg and Reuters. The sources of the notations are Bloomberg and Reuters.

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, 2013 in mil. EUR	Carrying amount as of Dec 31, 2013	less non-financial instruments	Financial instruments	Available for Sale (at Fair Value)	Available for Sale (at Cost)	At Fair Value through Profit and Loss (Held for Trading)	Loans and Receivables	Cash	Hedge Accounting	Fair value as of Dec 31, 2013
Non-current assets										
Financial assets	535.3	0.0	535.3	36.7	184.0	0.0	314.2	0.0	0.4	610.2
Other receivables and assets	169.1	169.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.7
Current assets										
Financial assets	72.0	0.0	72.0	0.1	0.0	22.8	49.1	0.0	0.0	71.5
Trade receivables	520.0	9.5	510.5	0.0	0.0	0.0	510.5	0.0	0.0	501.3
Other receivables and assets	313.6	217.5	96.1	0.0	0.0	0.0	96.1	0.0	0.0	95.7
Cash and cash equivalents	156.3	0.0	156.3	0.0	0.0	0.0	0.0	156.3	0.0	156.3
Total carrying amount per category				**36.8**	**184.0**	**22.8**	**969.9**	**156.3**	**0.4**	

Financial liabilities as of Dec 31, 2013 in mil. EUR	Carrying amount as of Dec 31, 2013	less Non-Financial Instruments	Financial instruments	At Amortized Cost	At Fair Value through Profit and Loss (Held for Trading)	Hedge Accounting	Finance Lease	Fair value as of Dec 31, 2013
Non-current liabilities								
Financial liabilities	19,048.2	0.0	19,048.2	18,839.6	18.7	85.4	104.5	18,725.8
thereof interest-bearing liabilities	*18,522.4*	*0.0*	*18,522.4*	*18,417.9*	*0.0*	*0.0*	*104.5*	*18,200.0*
Other liabilities	127.7	108.1	19.6	19.6	0.0	0.0	0.0	19.6
Current liabilities								
Financial liabilities	1,730.2	0.0	1,730.2	1,462.1	39.8	41.3	187.0	1,756.2
thereof interest-bearing liabilities	*1,401.2*	*0.0*	*1,401.2*	*1,214.2*	*0.0*	*0.0*	*187.0*	*1,427.4*
Trade payables	843.1	12.3	830.8	830.8	0.0	0.0	0.0	824.5
Other liabilities	677.1	460.3	216.8	216.8	0.0	0.0	0.0	216.8
Total carrying amount per category				**21,368.9**	**58.5**	**126.7**	**291.5**	
thereof interest-bearing liabilities				*19,632.1*	*0.0*	*0.0*	*291.5*	

Financial assets as of Dec 31, 2012 in mil. EUR	Carrying amount as of Dec 31, 2012	less non-financial instruments	Financial instruments	Available for Sale (at Fair Value)	Available for Sale (at Cost)	At Fair Value through Profit and Loss (Held for Trading)	Loans and Receivables	Cash	Hedge Accounting	Fair value as of Dec 31, 2012
Non-current assets										
Financial assets	751.8	0.0	751.8	66.5	90.4	0.0	594.9	0.0	0.0	955.4
Other receivables and assets	147.8	147.5	0.3	0.0	0.0	0.0	0.3	0.0	0.0	0.3
Current assets										
Financial assets	151.7	0.0	151.7	0.0	0.1	46.4	64.9	0.0	40.3	151.3
Trade receivables	498.4	6.1	492.3	0.0	0.0	0.0	492.3	0.0	0.0	463.0
Other receivables and assets	281.8	215.0	66.8	0.0	0.0	0.0	66.8	0.0	0.0	66.7
Cash and cash equivalents	540.1	0.0	540.1	0.0	0.0	0.0	3.4	536.7	0.0	540.1
Total carrying amount per category				**66.5**	**90.5**	**46.4**	**1,222.3**	**536.7**	**40.3**	

Financial liabilities as of Dec 31, 2012 in mil. EUR	Carrying amount as of Dec 31, 2012	less Non-Financial Instruments	Financial instruments	At Amortized Cost	At Fair Value through Profit and Loss (Held for Trading)	Hedge Accounting	Finance Lease	Fair value as of Dec 31, 2012
Non-current liabilities								
Financial liabilities	18,303.6	0.0	18,303.6	17,809.3	26.3	138.3	329.7	17,819.9
thereof interest-bearing liabilities	*17,727.4*	*0.0*	*17,727.4*	*17,397.7*	*0.0*	*0.0*	*329.7*	*17,235.6*
Other liabilities	222.3	148.9	73.4	73.4	0.0	0.0	0.0	115.7
Current liabilities								
Financial liabilities	1,873.7	0.0	1,873.7	1,547.6	79.6	176.7	69.8	1,855.2
thereof interest-bearing liabilities	*1,374.9*	*0.0*	*1,374.9*	*1,306.0*	*0.0*	*0.0*	*68.9*	*1,356.5*
Trade payables	920.3	32.0	888.3	888.3	0.0	0.0	0.0	877.2
Other liabilities	591.4	405.6	185.8	185.8	0.0	0.0	0.0	185.8
Total carrying amount per category				**20,504.4**	**105.9**	**315.0**	**399.5**	
thereof interest-bearing liabilities				*18,703.7*	*0.0*	*0.0*	*398.6*	

Net financial results by category

The net financial result by category presents itself as follows:

Result of subsequent measurement Dec 31, 2013	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
Loans and Receivables (LaR)	35.6	0.0	-2.0	3.7	0.0
Held-to-Maturity Investments (HtM)	0.0	0.0	0.0	0.0	0.0
Available-for-Sale Financial Assets (AfS)	4.3	-1.4	0.0	0.2	1.5
Financial Instruments Held for Trading (FAHfT, FLHfT)	-0.3	9.6	1.8	0.2	0.0
Financial Liabilities Measured at Amortized Cost (FLAC)	-778.0	0.0	1.9	29.6	0.0
Hedge Accounting	-30.4	0.0	0.0	-32.2	0.0
Cash and cash equivalents	1.8	0.0	0.0	0.0	0.0

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
Loans and Receivables (LaR)	81.7	0.0	10.4	0.0	0.0
Held-to-Maturity Investments (HtM)	0.9	0.0	0.0	0.0	0.0
Available-for-Sale Financial Assets (AfS)	3.2	-0.7	0.0	0.6	1.4
Financial Instruments Held for Trading (FAHfT, FLHfT)	0.0	2.1	4.5	0.2	0.0
Financial Liabilities Measured at Amortized Cost (FLAC)	-707.7	0.0	4.2	2.7	0.0
Hedge Accounting	-24.5	-17.6	0.0	0.0	0.0
Cash and cash equivalents	18.6	0.0	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 from financial liabilities classified as "Financial liabilities measured at amortized cost" (expenses in the net amount of approximately EUR778.0 million. [prior year: EUR707,7]) mainly comprises interest expenses from bonds and loans. Furthermore, interest income from the compounding and discounting of liabilities from deliveries and services is subsumed.

Valuation losses are recognized at the end of the financial year as part of the determination of changes in value of financial assets classified as available-for-sale through other comprehensive income. From the amounts recognized in equity in the 2013 financial year, gains amounting to approx EUR3.4 million (prior year: approx EUR0.0 million) were transferred to the profit and loss account. For information regarding these financial instruments see in Note 24.

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, 2013 in mil. EUR	Carrying amounts Dec 31, 2012 in mil. EUR	Carrying amounts Dec 31, 2013 in mil. EUR	Carrying amounts Dec 31, 2012 in mil. EUR
Interest rate swaps				
without designated as hedge	0.0	0.0	20.3	41.6
with cash flow hedges	0.4	17.8	109.9	171.5
Cross currency swaps				
without designated as hedge	0.0	0.0	0.9	0.8
with fair value hedges	0.0	0.0	0.0	28.0
with cash flow hedges	0.0	22.5	0.0	102.7
Power forwards				
without a hedging relationship	22.8	46.4	31.6	56.2
with cash flow hedges	0.0	0.0	16.8	12.8
Other derivatives				
Derivatives without a hedging relationship	0.0	0.0	5.7	7.3
Total	**23.2**	**86.7**	**185.2**	**420.9**

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, 2013	Level 1	Level 2	Total
Derivatives subject to hedge accounting	0.0	0.4	0.4
Derivatives for trading	0.0	22.8	22.8
Available-for-Sale	0.0	36.8	36.8
Financial assets	**0.0**	**60.0**	**60.0**
Derivatives for trading	0.0	58.5	58.5
Derivatives subject to hedge accounting	0.0	126.7	126.7
Financial liabilities	**0.0**	**185.2**	**185.2**

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**

The levels were determined as follows:

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

Transfers between the individual levels were not carried out. 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 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.

There are 28,000 lease agreements, predominantly with indefinite terms, which can be terminated with a notice period of 6 months maximum. These include approx 6,300 external lease agreements exist, which end between 2014 and 2059. The long-term agreements refer to building leases granted for property. Contingent lease payments relate exclusively to lease agreements.

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

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

Dec 31, 2013	Total in mil. EUR	up to 1 year in mil. EUR	1 to 5 years in mil. EUR	more than 5 years in mil. EUR
Land and buildings	237.7	21.3	42.3	174.1
Other technical equipment and machinery	1.2	0.1	0.2	0.9
Other equipment and operating and office equipment	0.2	0.1	0.1	0.0
Automobiles and trucks	3.4	1.5	1.9	0.0

Dec 31, 2012	Total in mil. EUR	up to 1 year in mil. EUR	1 to 5 years in mil. EUR	more than 5 years in mil. EUR
Land and buildings	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

Contingent lease payments were recognized in the period under review as income from land and buildings at an amount of EUR1.9 million (prior year: EUR1.2 million) and for technical equipment and machinery and automobiles and trucks at an amount of EUR0.0 million (prior year: EUR5.1 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:

Net carrying amount of the finance lease assets per group of assets for each group of assets	Dec 31, 2013 in mil. EUR	Dec 31, 2012 in mil. EUR
Investment properties	131.1	107.6
Land and buildings	46.4	47.6
Technical equipment and machinery	7.9	8.9
Other equipment and operating and office equipment	0.5	0.0
Intangible assets	0.1	0.1
Total	**186.0**	**164.2**

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 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:

As of Dec 31, 2013	Minimum lease payments in mil. EUR	Interest expense included in mil. EUR
2013	334.8	18.3
2014 – 2017	64.1	34.6
after 2017	239.6	54.8
Total of minimum lease payments	**638.5**	**107.7**
less interest	-107.7	
Present value of lease payments	**530.8**	

As of Dec 31, 2012	Minimum lease payments in mil. EUR	Interest expense included in mil. EUR
2012	101.1	16.9
2013 – 2016	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**	

Contingent lease payments were made at an amount of EUR6.3 million (prior year: EUR3.9 million).

Operating leases

Payments of minimum lease payments amounting to EUR179.9 million (prior year: EUR53.1 million) were recognized as expenses in the respective reporting periods.

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

2013	up to 1 year in mil. EUR	1 - 5 years in mil. EUR	more than 5 years in mil. EUR
Land and buildings	19.0	98.7	176.0
Automobiles and trucks	13.1	10.1	0.0
Other technical equipment and machinery	5.3	18.2	0.0
Other plant, furniture and fixtures	2.6	0.2	0.0
Total	**40.0**	**127.2**	**176.0**

2012	up to 1 year in mil. EUR	1 - 5 years in mil. EUR	more than 5 years in mil. EUR
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**

The operating lease agreements mainly refer to buildings, automobiles and trucks as well as furniture and fixtures. Contingent lease payments have not been agreed. The term of the lease agreements ends in 2040 (signaling and control center). In 2013 and 2012, 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 9 (prior year: 12) 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.

Essentially two types of transactions have been applied:

- 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 leasing transactions are invested in specially structured products in such a way that above all the future obligations can be serviced from the investments (taking generated interest into account). The CBL agreements grant the companies of The ÖBB Group early buyout options at a fixed price and at defined dates.

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

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

During the 2013 financial year three CBL transactions were terminated prematurely. The CBL transactions terminated in their entirety during the reporting year relate to ÖBB-Infrastruktur AG in their external relation. Two transactions were in turn charged in the internal relationship, one to ÖBB-Personenverkehr AG and one transaction to the affiliated company RCA AG. One transaction has affected ÖBB-Infrastruktur itself. Furthermore, the early buyout option was exercised with respect to four 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 the group company 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 other liabilities and amortized pro rata temporis over the term of the contracts. As of December 31, 2013, the deferred tax benefit not yet amortized amounted to EUR32.9 million (prior year: EUR49.3 million). Income from the amortization of the deferred tax benefit amounting in 2013 to EUR16.5 million (prior year: EUR45.0 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 of the agreements, and are therefore not accounted for ("off balance"). Therefore, for some transactions in the consolidated financial statements a (partial) account is required in the ("on balance") balance sheet ("non-linked transactions").

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

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

If recognition in the Statement of Financial Position is required, the securities were classified as held to maturity (bonds) or loans and receivables (deposits with banks and payment undertaking agreements) and measured at amortized cost. Initially, the financial assets are matched with lease liabilities in the same amount. Amounts denominated in foreign currencies are translated at the exchange rate applicable at the reporting date. Any changes in the value of the assets resulting from changes in exchange rates are offset by corresponding exchange rate effects on the lease liabilities.

Higher credit risks were considered by recording allowances on investments with those contractual parties which have a Standard & Poor's rating below AA and for which no additional collaterals in the form of a guarantor liability or pledged marketable securities of the highest rating (AAA) in favor of the ÖBB Group exist. The amount of the respective impairment is determined by way of portfolio allowance depending on historical probabilities of default, measured by the rating of the contractual parties and the residual term of the transaction, considering the individual circumstances. As of December 31, 2013, the Company recognized impairments on investments of EUR2.6 million (prior year: EUR4.6 million).

In the Consolidated Financial Statements as of December 31, 2013, the financial assets in connection with non-linked lease transactions amount to EUR488.8 million (prior year: EUR701.3 million). The related financial liabilities as of December 31, 2013 amount to EUR600.8 million (prior year: EUR809.8 million). These lease liabilities include finance lease liabilities at an amount of EUR185.8 million (prior year: EUR188.8 million). Therefore, this amount is indicated in the table in Note 30.2.

In 2013, an amount of EUR37.5 million (prior year: EUR59.6 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 EUR43.1 million (prior year: EUR65.2 million).

Accounting for transactions without substance (linked transactions)

In accordance with SIC 27, the Company did not recognize any assets or liabilities for these transactions. Therefore, the deposits made and marketable securities purchased in connection with the payment undertaking agreements and the lease prepayments received under the master lease agreement are not recognized in the Statement of Financial Position. Legal obligations under the lease agreements 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, 2013, contingent liabilities from CBL transactions amounted to EUR469.8 million (prior year: EUR578.8 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 infrastructure concession area. On June 13, 1977, ÖBB-Infrastruktur Bau AG (now ÖBB-Infrastruktur AG) was granted a concession to operate railways in the Principality of Liechtenstein, which is valid until December 31, 2017. Accordingly, ÖBB-Infrastruktur AG is entitled and obligated to operate the licensed public transport railways in Liechtenstein without disruption and in compliance with regulations throughout the entire period of the concession. The infrastructure assets located in Liechtenstein are owned by ÖBB-Infrastruktur AG and as of Dec 31, 2013 has a carrying amount of EUR16.2 million. The increase in 2013 compared to the previous year resulted from additions of EUR10.6 million. 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. This change in the legal situation, in accordance with which even Liechtenstein law is to be implemented, is relevant for the decision on the application for a license. A draft of the concession is currently being processed in Liechtenstein. The progress of the negotiations on the partially double-track line expansion according to the demands of short-distance transport, for which under Liechtenstein law a referendum is likely to held, is expected to have significant influence on the timeframe of the concession proceedings. Although upon expiration of the concession in 2017, the assets would be transferred to Liechtenstein, the property, plant and equipment concerned are depreciated over the anticipated longer useful life, because on the one hand, an extension of the concession is likely to be granted due to the scheduled new construction of the track (which constitutes the subject-matter of international agreements) and due to the fact that ÖBB is the only applicant for the concession, and because on the other hand, the provision of reversion of the assets without compensation provided in the Railways Act at least requires reconsideration from a legal point of view and in the draft law a waiver of the Escheat law is provided 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) and which are also classified as related parties in accordance with IAS 24. With the exception of the acquisition of Güterterminal Werndorf Projekt GmbH in 2012, the transactions in the sense of IAS 24 that were carried out with these companies during the two years under review referred to ordinary transactions in the course of the operating business were overall insignificant and amounted to less than 1% of revenues or 1% of the expense. Receivables due from and liabilities due to these companies are disclosed as trade receivables and trade payables and at this point no longer treated separately.

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

	Members of the Supervisory Board and persons related to other bodies		Associated companies	
in mil. EUR, rounded	2013	2012	2013	2012
Sale of goods/provision of services (total revenue)	0.0	0.0	64.3	175.2
Purchase of goods/services (total expenditure)	0.1	0.3	57.8	82.8
Receivables as of Dec 31			54.2	26.1
Liabilities as of Dec 31			37,4	10.8

In 2012, an amount of EUR4.3 million (prior year: 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 EUR0.2 million (prior year: EUR17.5 million) on the one hand, and on the other hand refunded in the amount of EUR4.1 million (prior year: EUR8.2 million) on the basis of the agreement of the State of Tyrol.

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: EUR27.0 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 provision of rail freight services in the production forms of single wagon traffic, of unaccompanied combined transport as well as the rolling road, based on the aid program notified by the EU for the provision of rail freight services in certain forms of production in Austria. The services charged for the Republic of Austria amount to EUR696.4 million (prior year: EUR684.2 million). On the basis of transport service agreements, services are provided for the federal states and the communities that were charged at EUR268.7 million (prior year: EUR257.3 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 guarantee the value of the assets of ÖBB-Infrastruktur AG used for the tasks pursuant to Article 31 Bundesbahngesetz, which also conforms to the official task according to the Bundesbahngesetz.

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

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

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

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

The master plan for the period 2013 – 2018 was approved by the Supervisory Board of ÖBB-Infrastruktur AG on Dec 07, 2013. In November 2013, 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 2013 onwards.

Infrastructure financing

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

According to the grant agreement 2013 – 2018, the federal government shall bear 75% of the annual investments in expansion and reinvestments according to the master plan 2013 – 2018 (with the exception of the Brenner base tunnel) until 2016 and 80% for the years 2017 and 2018; for these investments, subsidies are granted in the form of an annuity allocated over 30 years. For the Brenner base tunnel project, the federal government provides a 100% grant in the form of an annuity allocated over 50 years. The interest rate corresponds to the rate respectively applicable for long-term financing measures of ÖBB-Infrastruktur AG.

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

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

Based on the valid master plan agreement 2013 to 2018, an amount of EUR533.2 million (prior year: EUR472.3 million) was granted for investments in expansion and reinvestments (with the exception of the Brenner base tunnel) in the reporting year; for inspection, maintenance and elimination of malfunctions, an amount of EUR487.5 million (prior year: EUR475.6 million) was granted. With the letter dated December 31, 2013 the grant agreement according to article 42 (2) of the Bundesbahngesetz (Federal Railway Act) was adjusted due to the flood disaster in 2013, whereby the expansion and reinvestment for 2013 was raised by EUR0.9 million and the grant for inspection, maintenance and fault clearance by EUR17.5 million. EUR517.5 million (prior year: EUR454.4 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.

For construction costs of the Brenner base tunnel ÖBB-Infrastruktur AG has provided investment grants in the amount of EUR4.3 million (prior year: EUR25.7 million) that were reimbursed to the company by the federal government after deduction of the payments agreed contractually with the federal state of Tyrol in the course of acquisition in the amount of EUR0.2 million (prior year: EUR17.5 million).

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.

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

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.

The total grant awarded during the year according to article 42 Bundesbahngesetz is EUR1,709.5 million (prior year: EUR1,576.9 million). The grant for expansion and reinvestment in the amount of EUR533.2 million (prior year: EUR472.3 million) was reduced in the 2012 reporting year by EUR16.6 million (prior year: EUR17.9 million) to EUR517.5 million (prior year: EUR454.4 million) and is recognized in other operating income. The grant for operation and maintenance in the amount of EUR1,175.4 million (prior year: EUR1,104.6 million) was reduced by EUR10 million with regard to the shifting of maintenance to the year 2014, furthermore by EUR14.0 million (prior year: EUR18.5 million) to EUR1,151.4 million (prior year: EUR1,086.1 million) due to performance improvements in operational management as well as the actual cost of the apprenticeship training and with regard to the income from the premature termination of the company's CBL transaction. The amount accrued in connection with the grant for expansion and reinvestment in the amount of EUR16.6 million (prior year: EUR17.9 million) as well as in connection with the operational management and apprenticeship training in the amount of EUR14.0 million (prior year: EUR18.5 million) is reported under other liabilities.

in mil. EUR	Grant agreement 2013-2018	Grant increase	Total grant	Limitations	Income or loss in 2013
article 42 (1) management (incl. apprentices:	670.4	0.0	670.4	-14.0	656.4
article 42 (2) inspection/maintenance/repair	487.5	17.5	505.0	-10.0	495.0
Revenue	**1,157.9**	**17.5**	**1,175.4**	**-24.0**	**1,151.4**
article 42 (2) Investment (annuity)	533.2	0.9	534.1	-16.6	517.5
Other operating income	**533.2**	**0.9**	**534.1**	**-16.6**	**517.5**
Total	**1,691.1**	**18.4**	**1,709.5**	**-40.6**	**1,668.9**

In addition, contributions (usually grants for investment measures) amounting to EUR48.3 million (prior year: EUR100.4 million) were made by the Austrian provincial governments and municipalties; of these as of the reporting date receivables in the amount of EUR7.1 million (prior year: EUR19.1 million) are still outstanding and liabilities in the amount of to EUR2.5 million exist. Furthermore, EU subsidies amounting to EUR3.9 million (prior year: EUR40.2 million) were granted. The investment grants and EU grants are grants from the public authorities and are recognized as a reduction of cost of the related assets.

Remuneration of members of the Executive Board

The Executive Board of ÖBB-Holding AG consists of three members. In 2013, the ÖBB-Holding AG Board compensation for Board members amounted to kEUR1,783 (prior year: kEUR1.660). This includes claims from previous periods. Furthermore, statutory contributions to the severance insurance scheme amounted to kEUR20 in the year under review (prior year: kEUR18), and contributions to a pension fund amounted to kEUR76 (prior year: kEUR83). The provision for severance payments was increased by kEUR111 to EUR468 (prior year: kEUR357).

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 principle, 2/3rds of the remuneration of top executives consist in a fixed base salary, and 1/3rd is a variable performance-related component. At the beginning of each financial year, an individual score card is developed for each company for the purpose of agreeing upon clearly defined, mainly quantitative objectives. These objectives are based on the Group’s overall results, its strategy and the focus of the Group’s activities. The variable components of the salaries that were paid out are included in the remuneration of the Executive Board indicated above.

The members of the Executive Board of ÖBB-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 compensation to the shareholders' representatives on the Supervisory Board.

The basic remuneration for a Supervisory Board member amounts to kEUR9 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 kEUR27 (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 remuneration of the shareholder representatives on the Supervisory Board for their work in the ÖBB-Holding Group amounted to kEUR144 (prior year: kEUR132). The remuneration of the other Supervisory Board members in the Group companies amounted to kEUR40 (prior year: kEUR40).

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 segment results include positive special effects, such as from a revaluation profit or loss from a business combination and from early terminations of CBL transactions, which, however are countered by higher opposite negative special effects. These include provisions for legal proceedings and the devaluation of the shares held for sale in Express Slovakia "Medzinárodná preprava, a.s.".

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.

Infrastructure

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 and utilization 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 principles of segment reporting correspond to the IFRS regulations used in the preparation of the Consolidated Financial Statements. The operating profit is used as a performance measure. Interest income and expenses are allocated.

The accounting principles for inter-segmental transactions with a reporting obligation are standardized and correspond to Note 3.

With the contract dated November 14, 2013 ÖBB-Infrastruktur AG (segment Infrastruktur) of Rail Cargo Austria AG (Segment Rail Cargo Austria) has acquired the properties of five logistics centers (St. Michael, Wörgl, Linz, Wels, St. Pölten) and with the exception of St. Pölten retroactively leased them to the Rail Cargo Austria AG as of October 1, 2013. The plot of the Wolfurt location was acquired with the contract dated 28 November, 2013 with retroactive effect from 01.11.2013 and Rail Cargo Austria AG were granted a building lease contract from September 9, 2013. The purchase price of the logistics center was established with expert advice and amounted to EUR44.9 million. The logistics centers had a carrying amount of EUR0 in the Rail Cargo Austria segment due to impairment charges from previous years, therefore earnings in the amount of EUR44.9 million were recognized in the Rail Cargo Austria segment. No impact on earnings in the 2013 financial year results from this transaction at Group level.

With the contract from June 26, 2013 ÖBB-Infrastruktur AG has acquired the partial operation Terminal Services from Rail Cargo Austria AG with economic effect as of July 7, 2013

100% of the shares in European Contract Logistics-Austria GmbH (ECL) and its subsidiaries are sold to Österreichische Bundesbahnen-Holding Aktiengesellschaft (Segment Other) by Rail Cargo Austria AG with transfer date December 31, 2013. The fixed purchase price of EUR14.0 million budgeted in the Share Purchase Agreement is specified by an appraisal report, in which the enterprise value less the net debt was determined. The share purchase is made contractually under a share purchase agreement, along with other agreements. In addition to the fixed purchase price, payments for the case that the current plan data used in the appraisal report improves in subsequent periods are on the one hand agreed in the Share Purchase Agreement (Option Agreement). On the other hand, the Rail Cargo Group has an concluded excess payment agreement in the amount of EUR16.4 million with a term until 2019.

Investment expenses

Investments are recognized prior to the deduction of grants, if any.

2013	Passenger transport in mil. EUR	Rail Cargo Austria in mil. EUR	Infrastructure in mil. EUR	Others in mil. EUR	Transition in mil. EUR	Total in mil. EUR
Total income						
Total income unconsolidated	1,961.0	3,309.3	3,313.9	1,163.1	0.0	9,747.3
thereof revenue	*1,930.6*	*3,131.3*	*2,421.7*	*1,133.5*	*0.0*	*8,617.1*
thereof other income	*30.4*	*178.0*	*892.2*	*29.6*	*0.0*	*1,130.2*
Elimination of income in the segment	-33.5	-905.4	-266.5	-1,295.9	-997.7	-3,499.0
thereof revenue	*-32.3*	*-850.4*	*-266.3*	*-1,269.2*	*-959.7*	*-3,377.9*
thereof other income	-1.2	*-55.0*	*-0.2*	*-26.7*	*-38.0*	*-121.1*
Total segment income	**1,927.5**	**2,403.9**	**3,047.4**	**-132.8**	**-997.7**	**6,248.3**
thereof revenue	*1,898.3*	*2,280.9*	*2,155.4*	*-135.7*	*-959.7*	*5,239.2*
thereof other income	*29.2*	*123.0*	*892.0*	*2.9*	*-38.0*	*1,009.1*
Elimination of income between segments	-25.9	-424.1	-743.6	195.9	997.7	0.0
thereof revenue	*-1,871.8*	*-2,249.2*	*-1,574.8*	*145.7*	*5,550.1*	*0.0*
thereof other income	*1,845.9*	*1,825.1*	*831.2*	*50.2*	*-4,552.4*	*0.0*
Total income from third parties	**1,901.6**	**1,979.8**	**2,303.8**	**63.1**	**0.0**	**6,248.3**
thereof revenue	*1,875.1*	*1,948.1*	*1,723.2*	*53.1*	*-360.3*	*5,239.2*
thereof other income	*26.5*	*31.7*	*580.6*	*10.0*	*360.3*	*1,009.1*
Expenses for materials and services received	-1,207.4	-1,639.9	-416.4	-93.0	1,563.8	-1,792.9
Personnel expenses	-372.3	-418.7	-1,044.0	-514.8	8.5	-2,341.3
Depreciation and amortization	-103.8	-58.4	-616.4	-52.5	2.1	-829.0
Other operating expenses	-169.1	-210.9	-364.3	-72.2	286.5	-530.0
Earnings before interest and taxes (EBIT)	**74.9**	**76.0**	**606.3**	**-865.3**	**863.2**	**755.1**
Earnings of investments recorded at equity	20.5	29.3	1.2	0.1	-35.8	15.3
Interest income	12.6	3.3	55.9	5.6	-15.7	61.7
Interest expenses	-55.6	-46.4	-643.4	-18.5	25.5	-738.4
Other financial result	6.2	-3.8	5.8	0.4	0.2	8.8
Earnings before income tax (EBT)	**58.6**	**58.4**	**25.8**	**-877.7**	**837.4**	**102.5**
Income tax	16.7	-3.2	3.9	-16.8	-1.2	-0.6

Dec 31, 2012	Passenger transport in mil. EUR	Rail Cargo Austria in mil. EUR	Infrastructure in mil. EUR	Others in mil. EUR	Transition in mil. EUR	Total in mil. EUR
Assets	2,789.0	1,936.6	20,133.4	5,628.3	-5,856.0	24,631.3
Investments recorded at equity	317.6	194.3	194.3	0.3	-650.0	56.5
Liabilities						
Liabilities unconsolidated	2,216.2	2,252.3	19,119.9	1,846.0	-97.7	25,336.7
Elimination of liabilities in the segment	-58.9	-287.1	-160.1	-343.2	-1,445.0	-2,294.3
Liabilities of the segment	**2,157.3**	**1,965.2**	**18,959.8**	**1,502.8**	**-1,542.7**	**23,042.4**
Elimination of liabilities between segments	-201.8	-504.5	-269.4	-567.0	1,542.7	0.0
Liabilities towards third parties	**1,955.5**	**1,460.7**	**18,690.4**	**935.8**	**0.0**	**23,042.4**

2013	Passenger transport in mil. EUR	Rail Cargo Austria in mil. EUR	Infrastructure in mil. EUR	Others in mil. EUR	Transition in mil. EUR	Total in mil. EUR
Other information						
Investment expenses (property, plant and equipment and intangible assets)	202.4	85.8	1,905.0	21.6	-45.3	2,169.5

2012	Passenger transport in mil. EUR	Rail Cargo Austria in mil. EUR	Infrastructure in mil. EUR	Others in mil. EUR	Transition in mil. EUR	Total in mil. EUR *)
Total income						
Total income unconsolidated	1,909.1	3,283.9	3,279.9	1,020.6	0.0	9,493.5
thereof revenue	*1,875.4*	*3,107.1*	*2,428.8*	*991.0*	*0.0*	*8,402.3*
thereof other income	*33.7*	*176.8*	*851.1*	*29.6*	*0.0*	*1,091.2*
Elimination of income in the segment	-34.4	-848.1	-316.9	-952.0	-1,125.9	-3,277.3
thereof revenue	*-33.0*	*-767.2*	*-299.2*	*-948.4*	*-1,133.3*	*-3,181.1*
thereof other income	*-1.4*	*-80.9*	*-17.7*	*-3.6*	*7.4*	*-96.2*
Total segment income	**1,874.7**	**2,435.8**	**2,963.0**	**68.6**	**-1,125.9**	**6,216.2**
thereof revenue	*1,842.4*	*2,339.9*	*2,129.6*	*42.6*	*-1,133.3*	*5,221.2*
thereof other income	*32.3*	*95.9*	*833.4*	*26.0*	*7.4*	*995.0*
Elimination of income between segments	-25.5	-355.0	-745.2	-0.2	1,125.9	0.0
thereof revenue	*-24.1*	*-378.2*	*-759.2*	*-0.1*	*1,161.6*	*0.0*
thereof other income	*-1.4*	*23.2*	*14.0*	*-0.1*	*-35.7*	*0.0*
Total income from third parties	**1,849.2**	**2,080.8**	**2,217.8**	**68.4**	**0.0**	**6,216.2**
thereof revenue	*1,818.3*	*1,961.7*	*1,370.4*	*42.5*	*28.3*	*5,221.2*
thereof other income	*30.9*	*119.1*	*847.4*	*25.9*	*-28.3*	*995.0*
Expenses for materials and services received	-1,139.8	-1,722.5	-485.8	-55.4	1,474.6	-1,928.9
Personnel expenses	-378.1	-433.5	-1,063.1	-483.7	0.0	-2,358.4
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)	**75.9**	**58.0**	**594.0**	**-594.2**	**567.2**	**700.9**
Earnings of investments recorded at equity	5.9	5.9	0.8	0.0	-7.1	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)	**44.1**	**31.2**	**12.0**	**-574.6**	**561.8**	**74.5**
Income tax	14.0	-8.9	10.7	-5.2	0.0	10.6

*) adjusted prior year amounts (see Note 4 and 26)

Dec 31, 2012	Passenger transport in mil. EUR	Rail Cargo Austria in mil. EUR	Infrastructure in mil. EUR	Others in mil. EUR	Transition in mil. EUR	Total in mil. EUR
Assets	2,810.7	1,962.6	19,725.2	5,819.0	-6,233.2	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**

2012	Passenger transport in mil. EUR	Rail Cargo Austria in mil. EUR	Infrastructure in mil. EUR	Others in mil. EUR	Transition in mil. EUR	Total in mil. EUR
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

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:

Total income 2013	Passenger transport in mil. EUR	Rail Cargo Austria in mil. EUR	Infrastructure in mil. EUR	Others Transition in mil. EUR	Total in mil. EUR
Domestic	1,149.0	1,884.5	1,246.6	1,099.1	5,379.2
Foreign	162.8	1,169.2	23.6	34.5	1,390.1
thereof Germany	*77.9*	*307.3*	*21.8*	*11.8*	*418.8*
thereof Switzerland	*18.4*	*44.7*	*0.0*	*0.1*	*63.2*
thereof Hungary	*17.4*	*322.7*	*0.0*	*14.3*	*354.4*
other markets	*49.1*	*494.5*	*1.8*	*8.3*	*553.7*
Total unconsolidated	**1,311.8**	**3,053.7**	**1,270.2**	**1,133.6**	**6,769.3**
Income from public service orders	618.8	77.6	0.0	0.0	696.4
Government grant pursuant to Article 42 Bundesbahngesetz	0.0	0.0	1,151.4	0.0	1,151.4
less internal turnover	-32.3	-850.4	-266.3	-2,228.9	-3,377.9
Segment turnover	**1,898.3**	**2,280.9**	**2,155.3**	**-1,095.3**	**5,239.2**
Other operating income incl. other own work capitalized	29.2	123.0	892.1	-35.2	1,009.1
Total segment income	**1,927.5**	**2,403.9**	**3,047.4**	**-1,130.5**	**6,248.3**

Total income 2012	Passenger transport in mil. EUR	Rail Cargo Austria in mil. EUR	Infrastructure in mil. EUR	Others Transition in mil. EUR	Total in mil. EUR *)
Domestic	1,103.5	1,854.8	1,311.7	963.2	5,233.2
Foreign	165.0	1,175.2	31.0	27.7	1,398.9
thereof Germany	*67.9*	*285.9*	*30.4*	*12.1*	*396.3*
thereof Switzerland	*19.0*	*42.5*	*0.0*	*0.1*	*61.6*
thereof Hungary	*13.6*	*366.1*	*0.0*	*7.4*	*387.1*
other markets	*64.5*	*480.7*	*0.6*	*8.1*	*553.9*
Total unconsolidated	**1,268.5**	**3,030.0**	**1,342.7**	**990.9**	**6,632.1**
Income from public service orders	606.9	77.2	0.0	0.0	684.1
Government grant pursuant to Article 42 Bundesbahngesetz	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**	**2,129.6**	**-1,090.8**	**5,221.2**
Other operating income incl. other own work capitalized	32.3	95.8	833.4	33.5	995.0
Total segment income	**1,874.7**	**2,435.8**	**2,963.0**	**-1,057.3**	**6,216.2**

*) 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, 2013 in mil. EUR	Dec 31, 2012 in mil. EUR	Dec 31, 2013 in mil. EUR	Dec 31, 2012 in mil. EUR
Segment ÖBB-Personenverkehr				
Domestic	1,940.2	1,865.9	200.3	135.5
Foreign	8.9	10.3	2.1	3.6
thereof Eastern Europe	*8.9*	*10.3*	*2.1*	*3.6*
Total	**1,949.1**	**1,876.2**	**202.4**	**139.1**
Segment Rail Cargo Austria				
Domestic	631.6	620.4	65.3	65.0
Foreign	414.9	422.4	20.5	39.8
thereof Hungary	*376.5*	*384.7*	*16.5*	*39.2*
thereof Italy	*10.8*	*11.2*	*0.1*	*0.2*
thereof Eastern Europe	*14.1*	*13.2*	*1.7*	*0.2*
Rest of Europe	*13.5*	*13.3*	*2.2*	*0.2*
Total	**1,046.5**	**1,042.8**	**85.8**	**104.8**
Segment ÖBB-Infrastruktur	18,613.5	17,580.3	1,905.0	1,960.8
Domestic	18,613.5	17,580.3	1,905.0	1,960.8
Segment Holding and other companies	849.3	852.4	21.6	43.3
Domestic	849.3	852.4	21.6	43.3
Sub-total segments	**22,458.4**	**21,351.7**	**2,214.8**	**2,248.0**
less consolidation	-84.8	-9.0	-45.3	-0.2
According to Consolidated Financial Statements	**22,373.6**	**21,342.7**	**2,169.5**	**2,247.8**
thereof domestic	*21,949.8*	*20,910.0*	*2,146.9*	*2,204.4*
thereof foreign	*423.8*	*432.7*	*22.6*	*43.4*

34. Notes on the Cash Flow Statement

The Cash Flow Statement shows the change in cash of the ÖBB Group from inflows and outflows of funds in the reporting year. The Cash Flow Statement is divided into cash flows from operating activities, from investment activities and from financing activities. Operating parts of the Cash Flow Statement are presented using the indirect method.

Liquid funds include cash and cash equivalents and current liabilities (recognized in the current liabilities) in the amount of EUR6.7 million (prior year: EUR6.0 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 reporting year HUNGARO-RAIL Kft and Express Slovakia "Medzinárodná preprava, a.s." were dropped from the consolidated group of companies accounted for using the equity method.

Furthermore, with Rail Cargo Logistics GmbH (formerly ChemFreight Transport, Logistik & Waggonvermietung GmbH) a switch has been made from the accounting the equity method to full consolidation

In the year under review, the following companies perished due to mergers:
– Slovenská kombinovaná doprava INTRANS a.s.
– ÖKOMBI GmbH
– AgroFreight Spedition GmbH

The company HUNGAROKOMBI KFT which is currently in liquidation was deconsolidated as of Jan 1, 2013.

Other changes in the schedule of investments

Further acquisitions, newly incorporated companies and changes in the type of consolidation are noted in brackets in the schedule of investments below.

ÖBB-Personenverkehr Group	Country, registered office and type of consolidation		Shareholder's equity Dec 31. 2012 in kEUR	Net income 2012 in kEUR
Merger with ÖBB-Postbus GmbH				
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

Rail Cargo Austria Group	Country, registered office and type of consolidation		Shareholder's equity prior year in kEUR	Net income prior year in kEUR	
Liquidation					
100% MÁVTRANSSPED Gesellschaft m.b. H. (Liquidation in January 2013)	A-1040 Vienna	V0		n/a	
Sales					
1% Asotra-Internationale Speditions- und Transport-Gesellschaft mit beschränkter Haftung	A-2000 Stockerau	0		n/a	
60% SKAT-EXPRES TOV	UA-3150 Kiev	V0	-829	-103	1)
10% (prior year: 20%) Bohemiakombi spol. s.r.o. (2012: Sale of 10%, 2013: Sale of 10%)	CZ-11376 Prague	0[6)]		n/a	
45,35% EUROCARGO – RAIL SPÓLKA z.o.o.	PL-00696 Warszawa	E0	81	4	1)
Termination					
4% (11%)Bulkombi Co.Ltd (in Liquidation)	BG-1000 Sofia	0		n/a	
Withdrawal					
5,882% (11,765%) [2011: 5.56% (16.67%)] Union International des Sociétés de Transport Combine Rail-Route s.c.	B-1000 Brussels	0		n/a	
Liquidation					
51% FR Logistik-Betriebs GmbH (in Liquidation, 2012: Merger with FR-Logistik-Betriebs GmbH & Co KG)	A-8141 Zettling	V0		n/a	

ÖBB-Infrastruktur Group	Country, registered office and type of consolidation		Shareholder's equity 2012 in kEUR	Net income 2012 in kEUR
100% Nordbahnhof Projekte Holding GmbH (disposal December 2013)	A-1020 Vienna	V0	29,590	-2
100% Nordbahnhof Baufeld Fünf Projektentwicklung GmbH (disposal December 2013)	A-1020 Vienna	V0	11,608	-101
100% Nordbahnhof Baufeld Sieben Projektentwicklung GmbH (disposal December 2013)	A-1020 Vienna	V0	8,629	-101
100% Nordbahnhof Baufeld Acht Projektentwicklung GmbH (disposal December 2013)	A-1020 Vienna	V0	9,116	-101

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 and type of consolidation		Equity capital in kEUR	Profit or loss in kEUR
100% Österreichische Bundesbahnen-Holding Aktiengesellschaft	A-1100 Vienna	V		

ÖBB-Personenverkehr Group	Country, registered office and type of consolidation		Equity capital in kEUR	Profit or loss in kEUR
100% ÖBB-Personenverkehr Aktiengesellschaft	A-1220 Vienna	V		
├▶ 100% BD Gastservice GmbH (in Liquidation)	A-1220 Vienna	V0	in liquidation	
├▶ 100% ÖBB-Postbus GmbH (2013: Merger as the acquiring company with Koch Busverkehr GmbH and "KÖB" Kraftwagenbetrieb der Österreichischen Bundesbahnen Gesellschaft m.b.H.)	A-1220 Vienna	V		
└▶ 100% ČSAD AUTOBUSY České Budějovice a.s.	CZ-37027 České Budějovice	V		
├▶ 100% Österreichische Postbus Aktiengesellschaft	A-1220 Vienna	V		
├▶ 100% Rail Tours Touristik Gesellschaft m.b.H	A-1220 Vienna	V		
├▶ 98.57% FZB Fahrzeugbetrieb GmbH	A-1220 Vienna	V		
├▶ 49.9% City Air Terminal Betriebsgesellschaft m.b.H.	A-1300 Vienna-Airport	E		
├▶ 50% (100%) ÖBB-Produktion Gesellschaft mbH	A-1150 Vienna	E		
├▶ 49% (100%) ÖBB-Technische Services-Gesellschaft mbH	A-1110 Vienna	E		
├▶ 100% Technical Services Hungaria Járműjavító Kft.	HU-3527 Miskolc	0		
├▶ 51% Technical Services Slovakia, s.r.o.	SK-91701 Trnava	0		
└▶ 51% TS-MÁV Gépészet Services Kft.	HU-1097 Budapest	0		
├▶ 10% RailLink B.V.	NE-1012 AB Amsterdam	0		
├▶ 10% Railteam B.V.	NE-1012 AB Amsterdam	0		
└▶ 6.71% (7.38%) Bureau central de clearing s.c.r.l.	B-1060 Brussels	0		

Rail Cargo Austria Group	Country, registered office and type of consolidation		Equity capital in kEUR	Profit or loss in kEUR	
100% Rail Cargo Austria Aktiengesellschaft (2013: Merger with ÖKOMBI GmbH)	A-1030 Vienna	V			
close corporation ▶ 100% Rail Cargo Logistics – Austria GmbH (until February 2014: Express-Interfracht Internationale Spedition GmbH)	A-1030 Vienna	V			
├▶ 100% BURGYSPED, S.L.	E-20302 Irún	V			
├▶ 100% Express-Interfracht Polska Sp. z.o.o.	PL-42500 Bedzin	V			
├▶ 100% Rail Cargo Environmental Services GmbH (until February 2014: Entsorgungslogistik Austria GmbH)	A-1020 Vienna	V			
├▶ 50% AUL Abfallumladelogistik Austria GmbH	A-2344 Maria Enzersdorf	E0	443 (prior year: 395)	19 (prior year: 4)	5)
├▶ 50% HAELA Abfallverwertung GmbH	A-4470 Enns	E0	390 (prior year: 310)	80 (prior year: 61)	
├▶ 50% ELATEC Metallverwertungs GmbH (in Liquidation)	A-2201 Gerasdorf bei Wien	E			
└▶ 33.33% Ökologische Bodenaufbereitung GmbH (Sale with reporting date 07.03.2014)	A-2475 Neudorf/Parndorf	E0	2 (prior year: 2)	-5 (prior year: 2)	
├▶ 100% Express-Interfracht Bulgaria Speditions-gesellschaft EOOD	BG-1000 Sofia	V0	1,105 (prior year: 1,226)	-33 (prior year: -122)	1)
├▶ 100% Express-Interfracht Hellas S.A.	GR-57022 Thessaloniki	V			
▶ 100% Rail Cargo Logistics – Czech Republic s.r.o. (until February 2014: Express-Interfracht Czech s.r.o.	CZ-61400 Brno	V			
├▶ 100% Express-Interfracht Romania s.r.l.	RO-75100 Otopeni	V			
├▶ 100% Rail Cargo Logistics Uluslararası Taşımacılık Lojistik ve Ticaret Limited Şirketii (until February 2014: Express-Interfracht Uluslararasi Tasimacilik Ticaret Limited Sirketi) (previously: Express-Interfracht Uluslararasi Tasimacilik Ticaret Limited Sirketi)	TR-34303 Halkali-Kücükcekmece	V			
▶ 100% Rail Cargo Logistics – Italy S.r.l. (previously: EXPRESS-INTERFRACHT ITALIA S.R.L.	I-20121 Milano	V			
▶ 100% Rail Cargo Terminal – S. Stino S.r.l. (previously: MAGAZZINI DEL VENETO ORIENTALE S.R.L.	I-30029 Santo Stino di Livenza	V			
▶ 100% Rail Cargo Terminal – Desio S.r.l. (previously: M.D.B. – MAGAZZINI DESIO BRIANZA S.R.L.)	I-20033 Desio	V			
├▶ 100% Express Polska Sp. z o.o.	PL-02796 Warszawa	V			
└▶ 50% RAILPORT Sławków Sp. z o.o.	PL-02796 Warszawa	E0	74 (prior year: 65)	49 (prior year: 4)	1)
├▶ 100% Kadmos Line s.r.o. (in Liquidation; Liquidation in March 2014)	SK-82109 Bratislava	V0	in liquidation		
├▶ 100% EXPRESS-INTERFRACHT CROATIA d.o.o.	HR-10000 Zagreb	V			
├▶ 100% Express-Interfracht Hungaria Kft.	HU-1037 Budapest	V			
├▶ 100% ooo "Express-Interfracht RUS"	RU-620014 Yekaterinburg	V			
├▶ 100% (prior year: 50%) HUNGARO-RAIL Kft.	HU-1023 Budapest	V0	200 (prior year: 231)	-94 (prior year: -96)	
▶ 100% Rail Cargo Logistics – Germany GmbH (new foundation)	D-60329 Frankfurt am Main	V0	13	-12	
├▶ 74.6% Express-Interfracht Internationale Spedition AG Liechtenstein (in liquidation)	FL-9494 Schaan	V0	in liquidation		
├▶ 51% BIHATEAM d.o.o. Sarajevo	BiH-71000 Sarajevo	V			
├▶ 50% INTEREUROPA-FLG, d.o.o.	SLO-1001 Ljubljana	E			
├▶ 50% Trans Cargo Logistic GmbH	A-1030 Vienna	E			
├▶ 46.5% VADECO SRL (sale to RCA in January 2014)	RO-900733 Constanta	E			
└▶ 33% Express Slovakia "Medzinárodná preprava, a.s." (sale in January 2014)	SK-82109 Bratislava	E0			
├▶ 66% (prior year: 50%) Rail Cargo Logistics GmbH (previously: ChemFreight Transport, Logistik & Waggonvermietung GmbH; 2013: Merger with AgroFreight Spedition GmbH)	A-1030 Vienna	V			
└▶ 100% Rail Cargo Logistics s.r.o. (until January 2014: AgroFreight Spedition CZ s.r.o.)	CZ-61200 Brno	V			
▶ 100% Rail Cargo Operator – ČSKD s.r.o. (previously: Česká a slovenská kombinovaná doprava – INTRANS s.r.o.; 2013: Merger with Slovenská kombinovaná doprava INTRANS a.s.)	CZ-13000 Prague	V			

Rail Cargo Austria-Group (continued)	Country, registered office and type of consolidation		Equity capital in kEUR	Profit or loss in kEUR	
├▶ 100% (prior year: 90%) Rail Cargo Operator-Port/Rail Services GmbH (previously: INTRANS Port/Rail Services GmbH)	D-28195 Bremen	V0	-4 (prior year: 0)	-3 (prior year: 17)	1)
└▶ 33.07% (prior year: 33.06%) Terminal Brno, a.s.	CZ-61900 Brno	E0	2,730 (prior year: 2,009)	33 (prior year: -89)	1)
├▶ 100% HUNGAROKOMBI KFT (in liquidation)	HU–1133 Budapest	V0	in liquidation		
├▶ 12% (65.2%) KOMBISZTÁR Kft. (in liquidation)	HU-8000 Székesfehérvár	V0	in liquidation		
└▶ 5% EURO KAPU Kft.	HU-4624 Tiszabezdéd	0			
├▶ 100% Rail Cargo Carrier Kft. (previously: RAIL SERVICE HUNGARIA KFT.)	HU-1133 Budapest	V			
├▶ 100% Rail Cargo Carrier d.o.o. (New foundation in March 2014)	SLO-1000 Ljubljana	V0			
├▶ 100% RAIL CARGO CARRIER – BULGARIA EOOD (New foundation 2013)	BG-1000 Sofia	V0	-29	-29	5)
├▶ 100% Rail Cargo Carrier-Croatia d.o.o. (New foundation 2013)	HR-10000 Zagreb	V0	-8	-11	
├▶ 100% Rail Cargo Carrier – Slovakia s.r.o. (previously: Wagon service s.r.o.)	SK-81105 Bratislava	V0	-189 (prior year: -106)	-67 (prior year: 0)	1)
├▶ 100% RAIL CARGO ROMANIA S.R.L.	RO-75100 Otopeni	V			
├▶ 100% Rail Cargo Carrier – Czech Republic s.r.o. (New foundation 2013)	CZ-13000 Prague	V0	26	0	
├▶ 50.2% (65.2%) KOMBISZTÁR Kft. (in liquidation)	HU-8000 Székesfehérvár	V0	in liquidation		
└▶ 33.33% RAILPORT ARAD SRL	RO-315200 Arad	E			
├▶ 100% Rail Cargo Carrier – Italy s.r.l. (previously: Rail Cargo Italia S.R.L.)	I-15067 Novi Ligure	V			
├▶ 100% Rail Cargo Operator – Hungaria Kft. (previously: HUNGARIA INTERMODAL Kft.)	HU-1133 Budapest	V			
├▶ 100% Rail Cargo Wagon-Austria GmbH	A-1030 Vienna	V			
?? 100% RCA Terminal s.r.o.	CZ-13000 Prague	V			
├▶ 51% (100%) ÖBB-Technische Services-Gesellschaft mbH	A-1110 Vienna	V			
├▶ 100% Technical Services Hungaria Járműjavító Kft.	HU-3527 Miskolc	V			
├▶ 51% Technical Services Slovakia, s.r.o.	SK-91701 Trnava	V			
└▶ 51% TS-MÁV Gépészet Services Kft.	HU-1097 Budapest	V			
├▶ 50% (100%) ÖBB-Produktion Gesellschaft mbH	A-1150 Vienna	E			
├▶ 37.08% ICA Romania s.r.l. (in insolvency)	RO-020572 Bucharest	E0	in insolvency		
├▶ 25,1% ADRIA KOMBI d.o.o., Ljubljana (previously: ADRIA KOMBI NOVA d.o.o., Ljubljana;)	SLO-1000 Ljubljana	E0			
├▶ 16% X-Rail s.a.	B-1000 Brussels	0			
├▶ 3.53% Intercontainer-Interfrigo (ICF) SA (in liquidation)	B-1060 Brussels	0			
├▶ KD share Kombiverkehr Deutsche Gesellschaft für kombinierten Güterverkehr mbH & Co. Kommanditgesellsch.	D-60486 Frankfurt am Main	0			
└▶ 99.99% Rail Cargo Hungaria Zrt.	HU-1133 Budapest	V			
├▶ 100% Blue Real Estate Kft.	HU-1133 Budapest	V0	683 (prior year: 730)	-15 (prior year: -23)	1)
├▶ 100% Rail Cargo Terminal – BILK (Fejlesztő és Üzemeltető Zártkörűen Működő Részvénytársaság) Zrt. (previously: BILK KOMBITERMINÁL Zrt.)	HU-1239 Budapest	V			
├▶ 53.82% (prior year: 53.73%) LOGISZTÁR Kft.	HU-8000 Székesfehérvár	V0	2,122 (prior year: 2,956)	-81 (prior year: -89)	1)
└▶ 3% (65.2%) KOMBISZTÁR Kft. (in liquidation)	HU-8000 Székesfehérvár	V0	in liquidation		
├▶ 45% Kelenföld Konténer Depo Kft.	HU-1239 Budapest	E0	1,380 (prior year: 1,050)	158 (prior year: 192)	1)
├▶ 33.33% boxXagency Kft.	HU-1239 Budapest	E0	104 (prior year: 20)	82 (prior year: 92)	1)
├▶ 25% BILK-TRANS Kft. (Sale in January 2014)	HU-1239 Budapest	E0	65 (prior year: 30)	20 (prior year: 0)	1)
└▶ 5% ZÁHONY TÉRSÉGI LOGISZTIKAI KLASZTER KFT. (in liquidation)	HU-4625 Záhony	0			
├▶ 32% EAST Rail srl. (in liquidation)	I-34132 Trieste	E0	in liquidation		
├▶ 30% Agrochimtranspack Kft.	HU-1117 Budapest	E0	695 (prior year: 875)	-83 (prior year: 21)	5)
├▶ 15.25% UniverTrans Kft.	HU-1211 Budapest	0			
├▶ 6.67% HUNGRAIL Magyar Vasúti Fuvarozói Egyesülés	HU-1138 Budapest	0			
└▶ 0.67% (7.38%) Bureau central de clearing s.c.r.l.	B-1060 Brussels	0			

ÖBB-Infrastruktur Group	Country, registered office and type of consolidation		Equity capital in kEUR	Profit or loss in kEUR	
100% ÖBB-Infrastruktur Aktiengesellschaft	A-1020 Vienna	V			
├▶ 100% Austrian Rail Construction & Consulting GmbH	A-1020 Vienna	V0	141 (prior year: 140)	0 (prior year: 11)	
├▶ 100% Austrian Rail Construction & Consulting GmbH & Co KG	A-1020 Vienna	V0	213 (prior year: 210)	3 (prior year: -6)	
├▶ 100% Hans Hechenbichler Erdölprodukte Gesellschaft m.b.H.	A-1020 Vienna	V0	439 (prior year: 430)	639 (prior year: 639)	1)
├▶ 100% Hauptbahnhof Zwei Holding GmbH (Sale with reporting date 01.01.2014)	A-1020 Vienna	V0	26,837 (prior year: 39)	-2 (prior year: -3)	
├▶ 100% HBF Fünf Epsilon Projektentwicklung Eins GmbH & Co KG (new foundation 20.12.2013 and sale with reporting date 01.01.2014)	A-1020 Vienna	V0	n/a		
├▶ 100% HBF Fünf Epsilon Projektentwicklung Zwei GmbH & Co KG (new foundation 20.12.2013 and sale with reporting date 01.01.2014)	A-1020 Vienna	V0	n/a		
├▶ 100% HBF Fünf Epsilon Projektentwicklung Drei GmbH & Co KG (new foundation 20.12.2013 and sale with reporting date 01.01.2014)	A-1020 Vienna	V0	n/a		
├▶ 100% HBF Fünf Epsilon Projektentwicklungs GmbH (Sale with reporting date 01.01.2014)	A-1020 Vienna	V0	1,344 (prior year: 6)	-2 (prior year: -2)	
└▶ 100% HBF Sechs Gamma Projektentwicklungs GmbH (Sale with reporting date 01.01.2014)	A-1020 Vienna	V0	25,464 (prior year: 6)	-2 (prior year: -2)	
├▶ 100% Mungos Sicher & Sauber GmbH	A-1150 Vienna	V			
├▶ 100% Mungos Sicher & Sauber GmbH & Co KG	A-1150 Vienna	V			
├▶ 100% Netz- und Streckenentwicklung GmbH	A-1020 Vienna	V0	378 (prior year: 376)	3 (prior year: -27)	
├▶ 100% ÖBB-Immobilienmanagement Gesellschaft mbH	A-1020 Vienna	V			
├▶ 100% ÖBB-Projektentwicklung GmbH	A-1020 Vienna	V			
├▶ 100% ÖBB-Realitätenbeteiligungs GmbH & Co KG	A-1020 Vienna	V			
├▶ 100% Elisabethstraße 7 Projektentwicklung GmbH & CO KG (previously: BahnhofCity WBHF Alpha GmbH & Co KG)	A-1020 Vienna	V0	10,180 (prior year: 1)	-1 (prior year: -1)	
├▶ 100% BahnhofCity WBHF Beta GmbH & Co KG	A-1020 Vienna	V0	10,110 (prior year: 1)	-1 (prior year: -1)	
├▶ 100% Businesscenter Linz Entwicklungs- und Verwertungs GmbH & Co KG	A-1020 Vienna	V0	0 (prior year: 1)	-1 (prior year: -1)	
├▶ 100% Elisabethstraße 9 Projektentwicklung GmbH & Co KG	A-1020 Vienna	V0	36,590 (prior year: 1)	-1 (prior year: -1)	
├▶ 100% Europaplatz 1 Projektentwicklung GmbH & Co KG	A-1020 Vienna	V0	0 (prior year: 1)	-1 (prior year: -1)	
├▶ 100% Gauermanngasse 2-4 Projektentwicklung GmbH & Co KG	A-1020 Vienna	V			
├▶ 100% Mariannengasse 16-20 Projektentwicklung GmbH & Co KG	A-1020 Vienna	V0	12,963 (prior year: 12,935)	27 (prior year: -1)	
├▶ 100% Modul Office Hauptbahnhof Graz GmbH & Co KG	A-1020 Vienna	V0	0 (prior year: 1)	-1 (prior year: -1)	
├▶ 100% Nordbahnhof Baufeld Sechs Projektentwicklung GmbH & Co KG	A-1020 Vienna	V0	12,800 (prior year: 1)	-1 (prior year: -1)	
└▶ 100% Nordbahnhof Baufeld 39 Projektentwicklung GmbH & Co KG	A-1020 Vienna	V0	14,820 (prior year: 1)	-1 (prior year: -1)	
├▶ 100% ÖBB Telekom Service GmbH	A-1210 Vienna	V			
├▶ 100% Rail Equipment GmbH	A-1040 Vienna	V			
├▶ 100% Rail Equipment GmbH & Co KG	A-1040 Vienna	V			
├▶ 100% WS Service GmbH (new foundation December 2013)	A-1020 Vienna	V0	35	0	
├▶ 100% Güterterminal Werndorf Projekt GmbH	A-1020 Vienna	V			
├▶ 30% Weichenwerk Wörth GmbH	A-3151 St. Georgen am Steinfeld	E			
├▶ 50% Galleria di Base del Brennero – Brenner Basistunnel BBT SE	I-39100 Bozen	E			
├▶ 25% Breitspur Planungsgesellschaft mbH	A-1010 Vienna	E0	2,180 (prior year: 2,454)	-275 (prior year: -171)	3)
├▶ 8% HIT Rail B.V.	NL-3500 HA Utrecht	0			
├▶ silent partnership "Am Hafen" Garagenerrichtungs- und Betriebs GmbH & Co KG	A-6900 Bregenz	0			
└▶ partnership Tiefgarage Stuben Gesellschaft m.b.H. & Co. KG	A-6762 Stuben/Arlberg	0			

Others	Country, registered office and type of consolidation		Equity capital in kEUR	Profit or loss in kEUR	
100% ÖBB-Werbung GmbH	A-1100 Vienna	V			
100% ÖBB-Finanzierungsservice GmbH	A-1100 Vienna	V			
100% ÖBB-Shared Service Center Gesellschaft mbH	A-1100 Vienna	V			
├▶ 100% ÖBB-Stiftungs Management Gesellschaft mbH	A-1100 Vienna	V0	70 (prior year: 73)	-2 (prior year: 0)	
└▶ 34% Wellcon Gesellschaft für Prävention und Arbeitsmedizin GmbH	A-1030 Vienna	E			
100% ÖBB-IKT GmbH	A-1010 Vienna	V			
100% European Contract Logistics – Austria GmbH (previously: EC LOGISTIK GmbH)	A-1220 Vienna	V			
├▶ 100% European Contract Logistics – Slovakia s.r.o. (previously: SLOVAKTEAM s.r.o.)	SK-83104 Bratislava	V0	142 (prior year: 70)	72 (prior year: 85)	1)
├▶ 100% European Contract Logistics (podjetje za spedicijo, prevoznistvo in trgovino) d.o.o. (previously: TEAMTRANS d.o.o.)	SLO-2000 Maribor	V0	-147 (prior year: -24)	-126 (prior year: 52)	1)
├▶ 95% European Contract Logistics – Serbia d.o.o. (previously: 6.OKTOBAR d.o.o)	SRB-11070 Novi Beograd	V0	123 (prior year: 104)	36 (prior year: 30)	1)
├▶ 100% (90%) European Contract Logistics – Czech Republic s.r.o. (previously: TRANSPED-SOC spol. s.r.o.)	CZ-50002 Hradec Králov	V			
└▶ 45% logMASter Kft.	HU-1139 Budapest	E			
2% EUROFIMA Europäische Gesellschaft für die Finanzierung von Eisenbahnmaterial AG	CH-4001 Basel	0			

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 in 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
0	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 March 31, 2012
4)	Initial consolidation as of December 31, 2013
5)	Amounts as of September 30, 2011
6)	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.

Board change

At the extraordinary Supervisory Board meeting held on February 17, 2014, the Board changed the premature extension of the contract of ÖBB Chairman of the Board Mag. Christian Kern for another five years, it was decided on unanimously. KR Ing. Franz Seiser is switching from ÖBB-Holding AG, where he had been a member of the Board since April 2010 (COO), to the Board of ÖBB-Infrastruktur AG, and is taking over the operating and systems department on January 03, 2014. Former Divisional Board Member Siegfried Stumpf is switching on the same date to ÖBB-Personenverkehr AG.

ÖBB-Infrastruktur sub-group

Management structure

In order to achieve a stronger customer focus, an increase in quality in the provision of infrastructure facilities as well as at the same time more economical use of taxpayers' money in the company, the Board has initiated the project „Weiterentwicklung ÖBB-Infrastruktur" (Further development of ÖBB-Infrastruktur). The three divisions: finance, market, services and infrastructure deployment as well as operations and systems have been redesigned. Associated tasks and activities are being accordingly bundled into the main processes in order to reduce interfaces and duplication as much as possible. Shorter decision-making procedures and clear responsibilities enable higher efficiency and quality in the core activities of ÖBB-Infrastruktur AG. A major milestone in this project is the appointment of the new management team, which will begin work on February 01, 2014. Subsequently, the details of the new structure and the adaptation of the processes are being developed. From April 01, 2014 the new target structure of ÖBB-Infrastruktur AG is beginning.

Rating of the company

On July 22, 2013 Standard & Poor's confirmed the AA+/A-1+ rating and a stable outlook of ÖBB-Infrastruktur AG. Moody's again set the Aaa Outlook Negative rating confirmed on January 30, 2013 as Aaa outlook stable on March 04, 2014. All changes are immediate consequences of the corresponding changes in the rating of the Republic of Austria.

Danube bridge in Linz

A political agreement was reached with the city of Linz on the transfer of Danube bridge in Linz. The details of this acquisition are now being negotiated between ÖBB-Infrastruktur AG and Linz AG. As well as the actual date on which the ownership rights of the railway infrastructure and the bridge should be transferred to the Linz AG, the extent of the commitments to be taken over by the ÖBB-Infrastruktur AG is also open.

Premature termination of a further cross-border leasing transaction

On March 24, 2014 a further cross-border leasing transaction was terminated prematurely. This legally affects the ÖBB-Infrastruktur AG in external relations, but is attributed internally, economically and entirely to consolidated affiliates based on sublease agreements.

Rail Cargo Austria sub-group

Sale of Express Slovakia „Medzinárodná preprava, a.s."

The shares in the Slovakia „Medzinárodná preprava, a.s.", which as of December 31, 2013 has been recognized in the balance sheet item "Assets held for sale (IFRS 5)", was sold as of January 01, 2014.

Moreover, there are no reportable events after the balance sheet date that have a material effect on the assets, finances and income.

37. Executive bodies of the parent company of the ÖBB Group

In the 2013 financial year (up to the time of the preparation of the consolidated financial statements), 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 Halbmayr MBA		
KR Ing. Franz Seiser	until February 28, 2014	

Members of the Supervisory Board

DI Horst Pöchhacker		chairman
KR Mag. Dr. 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	until February 03, 2012	
Dr. Leopold Specht		
KR Kurt Eder		
Lic.rer.pol. Paul Blumenthal		
Dr. Gertrude Tumpel-Gugerell		
Mag. Brigitte Ederer	from February 28, 2014	
Peter Dyduch *	until January 28, 2014	
Mag. Andreas Martinsich *		
Gottfried Winkler *		
Günter Blumthaler *	from January 29, 2014	

* employee representative

A report on compensations paid during the reporting period is presented in Note 32 (“Related party transactions”).

Vienna, March 31, 2014

The Executive Board

Mag. Christian Kern eh

Mag. Josef Halbmayr MBA eh

Auditor's report (TRANSLATION) *)

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Österreichische Bundesbahnen-Holding Aktiengesellschaft, Vienna, for the fiscal year from January 1, 2013 to December 31, 2013. These consolidated financial statements comprise the consolidated balance sheet as of December 31, 2013, 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, 2013, 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, and the additional requirements under Section 245a UGB. 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 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, 2013 and of its financial performance and its cash flows for the fiscal year from January 1, 2013 to December 31, 2013 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 (2) UGB (Austrian Commercial Code) are appropriate.

Vienna, March 31, 2014

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Elfriede Baumann mp	Mag. Karl Rab mp
Wirtschaftsprüferin / Certified Auditor	Wirtschaftsprüfer / 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.

GLOSSARY OF TERMS

AVB	General Terms and Conditions for Employment with Österreichische Bundesbahnen
BMF	Federal Ministry of Finance
BMVIT	Federal Ministry for Transport, Innovation and Technology
Capital employed	= equity + interest-bearing borrowings - interest-bearing assets
CBL	Cross-border leasing
CEE	Central Eastern Europe
CEF	Connecting Europe Facility
COSO	Committee of Sponsoring Organisations of the Treadway Commission
CSR	Corporate Social Responsibiltiy
CT	Combined transport
D&O insurance	Directors' and officers' liability insurance
EBIT margin	= EBIT / total revenues
ECB	European Central Bank
EIB	European Investment Bank
EMTN	European Medium Term Note
Equity ratio	= equity / total capital
ERA	European Railway Agency
ERTMS	European Rail Traffic Management System
ETCS	European Train Control System
Fixed asset coverage	= equity x 100 / fixed assets
Fixed asset coverage II	= (equity + long-term borrowings) / fixed assets
Fixed asset intensity	= fixed assets / total assets
Free cash flow	= cash flow from operating activities + cash flow from investing activities
GWh	Gigawatt-hour
GWL	Public services
IASB	International Accounting Standards Board
IFAC	International Federation of Accounts
IFRS/IAS	International Financial Reporting Standards
IFRIC	International Financial Reporting Committee
ICS	Internal control system
Interoperability	Suitability of the trans-European railway system for secure and uninterrupted railway operations
ISAs	International Standards on Auditing
KL	Contract logistics
MbO	Management by objectives
MFW	Multifunctional rail car

Net debt	= interest-bearing borrowings - interest-bearing assets
Net gearing	= net debt / equity
NINA	National Intermodal Network Austria
OeNB	National Bank of Austria
Personnel intensity	= personnel expenses / total revenues
PKM	Passenger-kilometres: passengers transported x kilometres driven
R&D	Research and development
Return on assets	= EBIT / total capital
Return on equity	= EBT / equity
RO	Railway operator
ROCE	= EBIT / Capital employed
ROLA	Combined road/railway transport
SCHIG	Railway infrastructure service company
SIC	Standards Interpretation Committee
SLF	Free tickets for students and apprentices
Tenure-track position	"Employees with a tenure-track position" are ÖBB employees who are subject to the "General Terms and Conditions for Employment with Österreichische Bundesbahnen" (AVB), joined the company before 01 January 1995 and according to the provisions of the AVB have tenure
TEN-T	Trans-European Transport Network
TGTkm	Total gross tonnage-kilometres: (= cargo weight + weight of the train x train-kilometres)
Traction	Propulsion of trains by tractive units
TSI	Technical specifications for interoperability
WIFO	Austrian Institute of Economic Research
Working Capital	= inventories (excl. objects to be utilized) + trade receivables + prepayments on fixed assets - trade payables - prepayments on orders

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4,859 km
ROUTE NETWORK

469 mil.
CUSTOMERS
(RAILWAY AND POSTBUS)

6,320
TRAINS DAILY

2,220
BUSSES

39,513
EMPLOYEES

1,761
APPRENTICES

92 %
TRACTION POWER FROM
RENEWABLE ENERGIES

27 %
CO_2 REDUCTION SINCE 2006