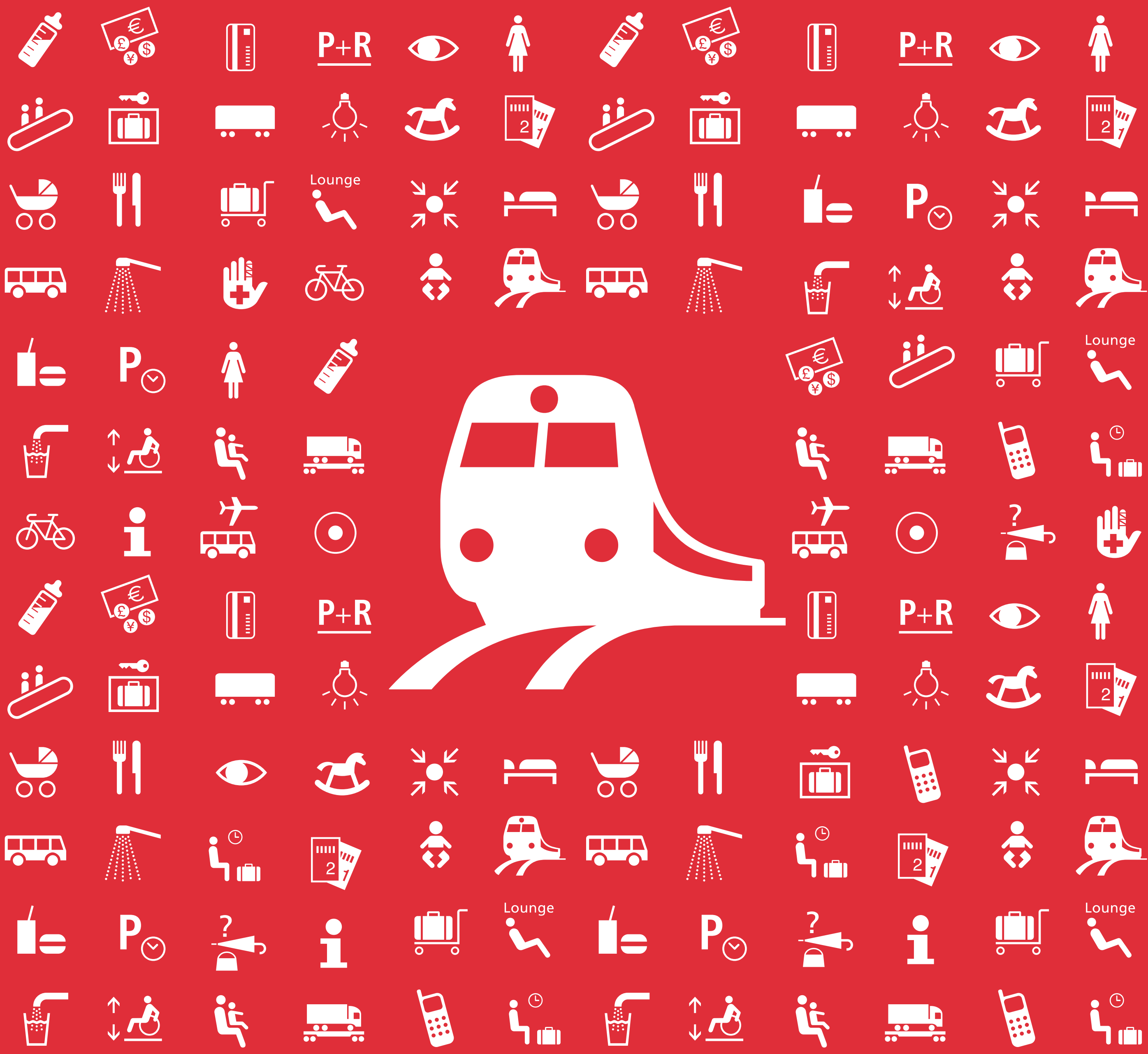
Annual Report 2013

WE GET **AUSTRIA** MOVING



ANNUAL REPORT 2013 ÖBB-INFRASTRUKTUR AG

Contents

Consolidated Management Report

A. GROUP STRUCTURE, PARTICIPATION AND BRANCH OFFICES

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

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

Investments

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

	Dec 31, 2013	Dec 31, 2012
Investment >50%	31	32
Investment 50 to 20%	3	2
thereof abroad	*1*	*1*
Other investment	2	2
thereof abroad	*1*	*1*
Total	**36**	**36**
thereof abroad	*2*	*2*

The Group and its branch offices

The ÖBB-Infrastruktur Group operates 1,128 traffic stations, as well as the railway infrastructure, which are used by ÖBB-Personenverkehr AG, Rail Cargo Austria AG, two other companies affiliated with the ÖBB Group and other railway undertakings not affiliated with the ÖBB Group. The continuation requirements for the master plan investments started before December 31, 2013 – taking into account the effects of the masterplan approved 2013 – 2018 and prevalorized at 2.5% - amount to EUR10,704.0 million.

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

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

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

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

Güterterminal Werndorf Projekt GmbH was established within the framework of a private partnership model for the purpose of the realization of the Werndorf freight terminal and purchased by the ÖBB-Infrastruktur Group in 2012.

WS Service GmbH was founded at the end of 2013 and will perform services in connection with track switches, in particular the servicing, inspection and repair of track switches.

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

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

The line of business of Breitspur Planungsgesellschaft mbH (25% shareholding) is the planning of the continuation of the 1520 millimetre broad gauge rail infrastructure from the Ukrainian border through Slovakia and into Austria. The shares were purchased in January 2013 from ÖBB-Holding AG.

Other major subsidiaries of the ÖBB-Infrastruktur Group include ÖBB-Projektentwicklung GmbH, ÖBB-Realitätenbeteiligungs GmbH & Co. KG, Gauermanngasse 2-4 Projektentwicklung GmbH & Co KG and ÖBB Telekom Service GmbH.

B. ECONOMIC REPORT AND OUTLOOK

B.1. National economic environment

Economic development

The decrease by 0.4% in the Euro Zone in 2013, which had already been anticipated in the spring of 2013, was confirmed by the EU Commission autumn forecast. An even sharper recession in the first two quarters was partially compensated for by a phase of slight recovery in the European economy with effect from the third quarter of 2013. A slight growth of 1.1% is calculated for the Euro Zone in 2014. A growth of +1.4% is anticipated in the whole of the EU.[1]

Global economic developments (Change in real terms compared to the prior year)

Gross domestic product	2010	2011	2012	2013	2014
Austria	1.8	2.8	0.9	0.3	1.7
Euro Zone	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
Global	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 the partner States weighted against Austrian export shares

The continuing banking and sovereign debt crisis in many European countries have also recently left their mark in Austria. In 2013 economic growth in Austria fell once more and was still only in the region of 0.3%. The decline in gross investments in 2013 seems particularly alarming for future development. Nonetheless, the experts from the Austrian Institute of Economic Research are anticipating an increase of 1.7% in gross domestic product and a distinct upward movement of over 5% in goods imports and exports for 2014. However, similar optimistic expectations have not been fulfilled in 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 (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
Manufacture 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	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

[1]EU Commission, Autumn Economic Forecast 2013

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

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

Economic developments:
– The effect of the global economic crisis is particularly noticeable in the reduction or even stagnation of the goods transport volumes.

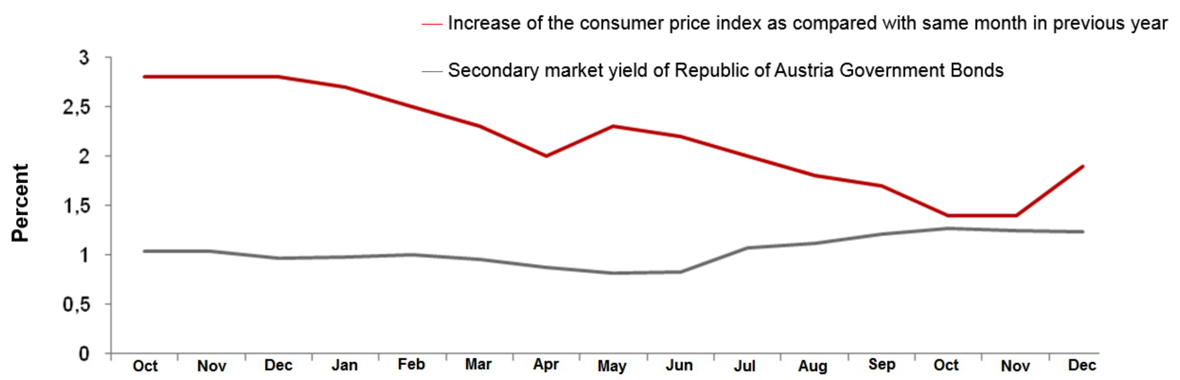
Legal developments:
– Recast of the 1st Railway Package on a European level
– Upcoming 4th Railway Package with three draft laws (unbundling, liberalization of national passenger transport and strengthening of the ERA)

Political developments:
– Due to the debt situation in the euro area, the state is under increasing pressure to economize. As a result, repeated political discussions regarding the restructuring of the expenses of the national budget and related discussions with regards to major infrastructure projects have to be expected.
– The raising of the average age of retirement and almost complete termination of early retirements

Technical developments:
– Developments of the interoperability and harmonization of the EU network (TSI, ETCS)
– Continuing global awareness and technology boost by means of an investment promotion campaign for alternative energy sources and fuel types

Capital markets and national budgets

Development of the cost of capital and consumer price index



Source: OeNB and Statistik Austria

The interest rate level of government bonds is decisive for the borrowing terms and conditions for ÖBB-Infrastruktur AG. In May 2013 the average interest rate level of Republic of Austria Government Bonds reached a record low of 0.83%. By the end of the year it sat at more than 1%. The inflation rate reduced to a large extent from just 3% at the beginning of the year, but by mid-year it was once more some 1% above the secondary market yield of government securities. The secondary market yield applies to mixed lending, with relatively short residual terms. Even long-term loans are - even if at a clearly higher level - affected by the current interest rate low. ÖBB-Infrastruktur AG uses these favourable conditions to reduce financing costs even more for the coming decades. For example, in 2012 a 20-year ÖBB-Infrastruktur AG loan was still placed at 3.375% interest; in October 2013 security with the same term at 3.0% interest was oversubscribed twofold. In 2014 ÖBB-Infrastruktur AG bond issues were also able to benefit from the continuing relatively good level of creditworthiness of the Austrian State. The prospects for the Republic of Austria were increased by Moody's rating agency at the end of February 2014 from negative to stable with an unchanged top rating of Aaa. Similarly, the long-term liabilities of ÖBB-Infrastruktur have an Aaa rating with stable prospects.

Railway transport market 2013

At the end of 2013, 31 railway undertakings (RU) were entitled to use the ÖBB-Infrastruktur. For 2014, three new access authorizations in goods transport are expected.

The progressive opening of the market in railway transport and the increased consolidation in certain market segments caused further shifting on the ÖBB-Infrastruktur network. The share of group external railway undertakings in goods transports 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%.

By virtue of the positive development in the second half of the year, the TGTkm in freight transport gained 1% on the 2012 figure. Measured in train kilometers there was a decline in freight traffic of 1% in 2013. As a consequence of the continued efforts to improve in the production process, we must take note of a sustained increase in the load factor. The average train weight in freight transport was of 1,094t, which is 12% greater than in 2009 and 2% greater than in 2012.

Since the economic crisis there has been a dramatic decline in volumes in shunting goods trains and service trains. In order to counteract this negative trend in the single wagon local transport segment as quickly as possible and thus to increase once more efficient, economic use in this area, it was necessary to introduce immediate control measures. With effect from 2013 no train-km fee was charged for shuttle service traffic (last mile). Behind the price strategy, "New train-km charge terms for shunting goods trains and service trains" there was the aim of making these types of traffic attractive, so that further market share losses in the wagonload freight traffic segment could be prevented. The "last mile" in rail transportation ensured the shuttle function of the main line freight network to loading stations and feeder lines and vice versa. Overall, these types of traffic are very important for rail freight, since the loss of the "last mile" usually causes relocation to the road of the total 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 usage principle; taking the compatibility with the railway market into account.

In 2013 in terms of train-km passenger transport gained a further 0.8% give a total of 95.6 million train-km.

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

In October 2011 the Revision of the Trans-European Transport Network (TEN-T) was submitted to the European Commission as a Draft Regulation. The purpose of the regulation is to create connections, which are at present lacking, especially in trans-border traffic, improve the quality of the infrastructure in the new Member States including development of the east-west connections, to increase the networks of transport carriers (multimodality) and to use the available financial means more efficiently, in order to reduce the greenhouse gas emissions caused by transport to 60% by 2050 (2011 Transport White Paper) and to improve interoperability.

The entire network contains a core network, which comprises that part of the infrastructure, which is strategically of greater importance and offers the most added value to Europe. This supplementary network makes it possible greatly to expand accessibility in all the regions of the Member States. In contrast to the core network, which is scheduled to be completed by 2030, we have until 2050 to complete the extended network.

The text of this law, which has to be regarded as the European Framework for developing the infrastructure, thus serves also as the basis for future funding decisions.

An enhanced concentration of resources for the development of the trans-European transport network is planned in the EU multi-annual financial framework (2014 to 2020) under the title, "Connecting Europe Facility" (CEF).

On 19.11.2013 both the TEN-T and the CEF were formally approved in the Plenary of the European Parliament. On 05.12.2013 the consent of the Council had also been obtained.

The core network and the Financial Plan for 2014 to 2020 both contain four strategically important corridors for Austria:
- Baltic – Adriatic corridor (in AT: North Railway, Pontebbana with the new Semmering Base Tunnel and Koralm Railway, Vienna – Bratislava)
- Corridor East - Eastern Mediterranean Sea (in AT: North Railway, Eastern Railway, Vienna – Bratislava)
- Scandinavia - Mediterranean Sea Corridor (in AT: Brenner Axis)
- Rhine - Danube Corridor (in AT: Danube Axis)

The TEN-T Regulation contains specifications for technical pre-requisites. In addition to the use of the TSI (Technical Specifications of Interoperability) the supplementary network must be completely electrified and equipped with the ERTMS (European Rail Traffic Management System) by 2050. The core network has a standard track gauge of 1435 mm and freight traffic rail tracks must accordingly be equipped by 31.12.2030, in order to make possible a 22.5 t load per axle, 100 km/h and a train length of 740 m.
The core network corridor will represent the tool for the realisation of the core network. The core network corridor will be geographically and structurally equivalent to the freight transport corridor pursuant to Regulation 913/2010.

The CEF has been scheduled by the Plenary of the European Parliament at some EUR23.2 billion for transport. Rail projects, which address the bottlenecks, projects, which concern cross-border traffic, strategies for reducing the noise from freight transport, strategies, which improve accessibility for persons with reduced mobility and equipping with ERTMS are to be co-financed.

Energy market

In the field of energy, we aim at increasing our own production (currently one third of the annual demand) by 25% by means of a comprehensive extension scheme, reducing our dependency on external electricity supply. A total investment of EUR220.0 million is budgeted for the planned new constructions and extensions of power plants until 2019.

As well as improving the existing hydro-electric power stations, it is planned to build plants, which will make it possible to generate rail electric power from wind and solar energy resources.

Construction industry

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

The construction price index for structural and civil engineering has increased by 1.1% in the third quarter of 2013 as compared to the same period of the previous year. The prices in structural engineering gained with a plus of 2.5% above average. Conversely, the prices in civil engineering reduced slightly - they decreased by 0.5%. Bridge building has become distinctly cheaper (minus 1.9%), road construction costs slightly less (minus 0.5%) as does other civil engineering (minus 0.3%)[2]. This development can also be seen in wholesale price indices for raw materials (e.g. stainless steel at minus 11.3%, sheet copper at minus 6.7%, gas oil (diesel) at minus 6.8%).

In its medium-term construction outlook for civil engineering in November 2013, the Austrian Economic Research Institute (WIFO) based its medium-term (2014 to 2016) forecast a slightly stable and actual growth trend[3], after considerable production losses from 2009 onwards.

B.3. Revenues

Overview of revenue development	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	718	792	-74	-9%	
Traction power from overhead contact line	1,770	1,756	14	1%	
Floor space inc. exterior spaces rented out, in thousands m^2	2,697	2,732	-35	-1%	
Revenue in mil. EUR	2,155.3	2,129.6	25.7	1%	*)
Total revenue in mil. EUR	3,047.4	2,963.0	84.4	3%	*)
Total revenue per employee in thousands EUR	189	178	11	6%	*)

Performance indicators

An important indicator for the assessment of the operative performance of the ÖBB-Infrastruktur Group is the development of the train-kilometer performance (Tkm). Compared to the prior year, the performance increased to a total of 142.8 million Tkm (prior year: 142.0 million Tkm).

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

[2] cf. http://www.solidbau.at/home/artikel/Baukonjunktur/Baupreise_im_dritten_Quartal_leicht_gestiegen/aid/21570?analytics_from=thema_single

[3] cf. http://www.viboe.at/uploads/tx_viboelinkct/131129_Bauprognose_WIFO.pdf

Development of train-kilometers by type of traffic 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%***

Another indicator for the assessment of business development is the evolution of the total gross tonnage-kilometers (TGTkm), which increased by 1% to 72,965.8 million TGTkm in the financial year 2013 (prior year: 72,443.0 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 traffic 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 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%***

The self-generated traction power from ÖBB power plants and the real estate areas rented out constitute further important performance indicators for the generated revenue.

Development of the electricity sector:

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

The surfaces available for letting developed as follows:

Floor space, incl. rentable exterior spaces, in thousands m²	2013	2012	Change	Change in %
Usage by external parties (outside the Group)	793	819	-26	-3%
Usage by ÖBB Group companies	313	340	-27	-8%
Usage by the ÖBB-Infrastruktur Group	530	493	37	8%
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 2.6 million m2 (prior year: 2.7 million m2). Of this not quite a third of 2.6 million m^2 is rented out to third parties. The rest is rented out within the Group or used by the ÖBB-Infrastruktur Group itself.

Revenue

Revenue ÖBB-Infrastruktur Group

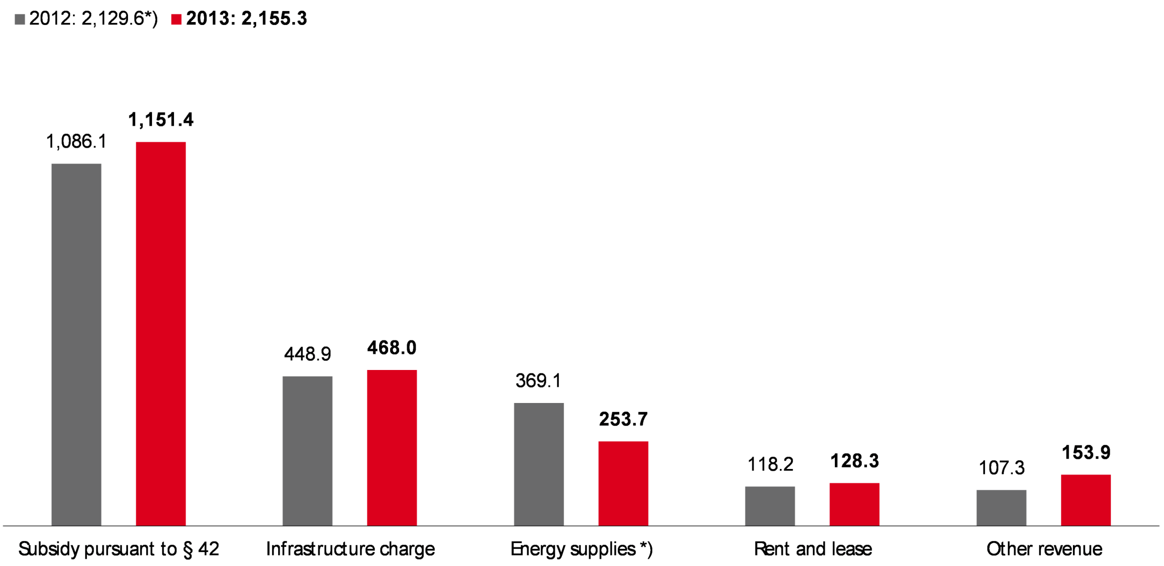
in mil. EUR	2013	2012	Change	Change in %	
Total Group revenue	2,421.7	2,428.8	-7.1	0%	*)
Intra-group revenue	-266.4	-299.2	32.8	-11%	
Group revenue	**2,155.3**	**2,129.6**	**25.7**	**1%**	*)
Other income (consolidated)	892.1	833.4	58.7	7%	*)
Total revenue of the Group	**3,047.4**	**2,963.0**	**84.4**	**3%**	*)
Thereof with other entities of the ÖBB Group	***734.1***	***749.0***	***-14.9***	***-2%***	

As detailed above, the consolidated revenue amounted to EUR2,155.3 million (prior year: EUR2,129.6 million of which EUR717.4 million (prior year: EUR730.9 million) of which were generated with companies of other sub-groups of the ÖBB Group.

The revenue per employee at an average of 16,122 employees (previous year: 16,670 employees) to. k EUR134 (previous year:. k EUR128 *)).

Revenue is mainly generated in Austria. Revenue amounting to EUR223.6 million (prior year: EUR31.0 million*)) was generated with customers abroad. This revenue mainly refers to the supply of energy and fees for use of the infrastructure.

Development of the group revenue in mil. EUR



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

B.4. Result of operations

Overview	2013	2012	Change	Change in %	
EBIT in mil. EUR	606.3	594.0	12.3	2%	*)
EBIT margin in %	19.9%	20.0%	-0.1%	-1%	*)
EBITDA in mil. EUR	1,222.7	1,133.5	89.2	8%	*)
EBT in mil. EUR	25.8	12.0	13.8	>100%	*)
Return on equity in %	2.2%	1.0%	1.2%	>100%	*)
Return on assets in %	3.0%	3.0%	0.0%	0%	

Structure of the Income Statement

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

Structure of the Income Statement in mil. EUR	2013	in % of total income	2012	in % of total income	Change	Change in %	
Revenue	2,155.3	71%	2,129.6	72%	25.7	1%	*)
Other own work capitalized	305.3	10%	311.8	11%	-6.5	-2%	
Other operating income and increase/decrease of inventories	586.8	19%	521.6	18%	65.2	13%	*)
Total income	**3,047.4**	**100%**	**2,963.0**	**100%**	**84.4**	**3%**	*)
Thereof from other Group entities	***734.1***	***24%***	***749.0***	***25%***	***-14.9***	***-2%***	
Expenses for material	134.2	4%	206.3	7%	-72.1	-35%	*)
Expenses for services received	282.2	9%	279.5	9%	2.7	1%	
Personnel expenses	1,044.0	34%	1,063.1	36%	-19.1	-2%	*)
Amortization and depreciation	616.4	20%	539.5	18%	76.9	14%	
Other operating expenses	364.3	12%	280.6	9%	83.7	30%	
Total expenses	**2,441.1**	**80%**	**2,369.0**	**80%**	**72.1**	**3%**	*)
thereof to other Group entities	***200.8***	***7%***	***151.4***	***5%***	***49.4***	***33%***	
EBIT	**606.3**	**20%**	**594.0**	**20%**	**12.3**	**2%**	*)
Financial result	-580.5	-19%	-582.0	-20%	1.5	0%	
thereof from other Group entities	*-0.8*	*0%*	*-1.2*	*0%*	*0.4*	*-33%*	
EBT	**25.8**	**1%**	**12.0**	**0%**	**13.8**	**>100%**	

The total income of the ÖBB-Infrastruktur Group amounted to EUR3,047.4 million in the year under review (prior year: EUR2,963.0 million*)), i.e. with a number of staff averaging 16,122 employees (prior year: 16,670 employees), the income per employee amounted to EUR189,000 (prior year: EUR178,000*)). This means that the total revenues per employee increased by EUR11,000 or 6% 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 on the other hand.

The ÖBB-Infrastruktur Group generated an EBIT of EUR606.3 million in 2013 (prior year: EUR594.0 million*)) and an EBIT margin[5] of 19.9% (prior year: 20.0%). The EBITDA[6] amounts to EUR1,222.7 million (prior year: EUR1,133.5 million).

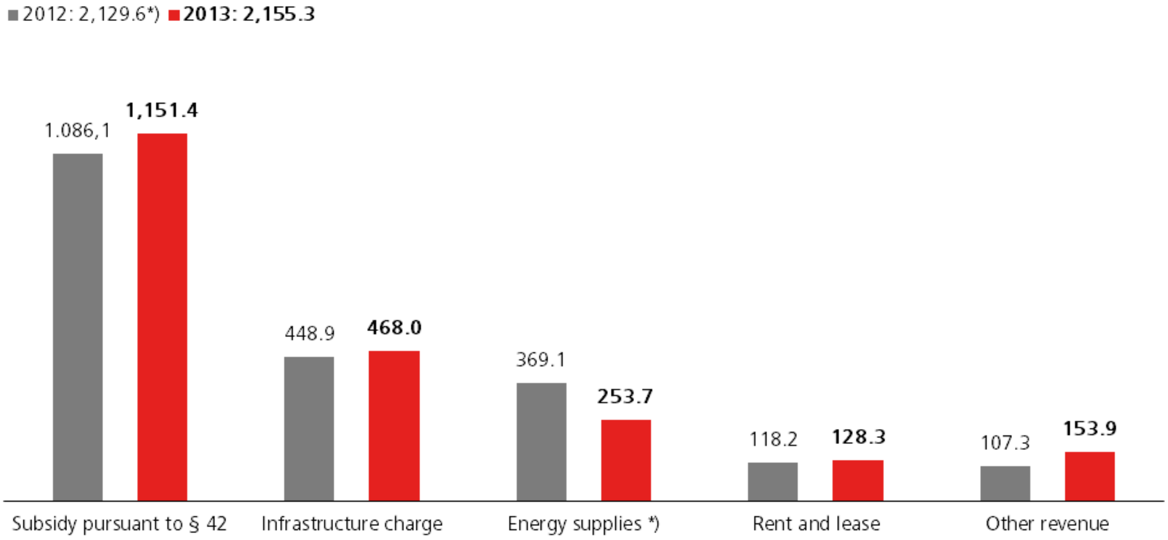
The total expenses in the OBB-Infrastructur Group amounted to approx. EUR2,441.1 million (prior year: EUR2,369.0 million*)) and these were distributed among the following types of expenses:

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

5 EBIT margin: EBIT / Total income

6 EBITDA: EBIT + depreciation and ammortization

Development of the group revenue in mil. EUR



The average personnel expenses per employee of the ÖBB-Infrastruktur Group amount to EUR65,000 (prior year: EUR64,000). This corresponds to a personnel intensity[7] of 43% (prior year: 45%*)). The material intensity[8] amounted to 5% (prior year: 9%*)). The average expenses for materials and services received per employee amounted to EUR26,000 (prior year: EUR29,000*)). The ÖBB-Infrastruktur Group 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 2012 (prior year: EUR12.0 million).

The ÖBB-Infrastruktur Group recorded a negative financial result of approx. EUR580.5 million in the reporting year (prior year: EURapprox. -582.1 million). The EBT in 2013 amounted to approx. EUR25.8 million (prior year: approx. EUR12.0 million*)).

B.5. Result of operation and financial position

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 %	90.6%	87.3%	3.3%	4%
PP&E-to-net-worth ratio in %	6.4%	6.7%	-0.3%	-4%
PP&E-to-net-worth ratio II in %	98.2%	98.2%	0.0%	0%
Equity ratio in %	5.8%	5.8%	0.0%	0%

Structure of the Statement of Financial Position

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

Structure of the Consolidated Statement of Financial Position in mil. EUR	Dec 31, 2011	Dec 31, 2012	Structure 2012	Dec 31, 2013	Structure 2013	Change from 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**
Shareholder's equity	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

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

[7] Personnel intensity: personnel cost / total expenses

[8] Material intensity: material expenses/total expenses

In 2013, the PP&E-to-total-assets ratio[9] in the ÖBB-Infrastruktur Group was 90.6% (prior year: 87.3%), and the PP&E-tonet- worth ratio[10] was 6.4% (prior year: 6.7%). Taking the non-current liabilities into account, the PP&E-to-net-worth ratio II[11] was 98.2% as in the prior year. The investment ratio[12] is 11% (prior year: 12%). The equity ratio was 5.8% as of December 31, 2013 as in the prior year: 5.9%.

The trade receivables increased from EUR142.0 million to EUR152.0 million. The working capital[13] amounted to EUR-404.4 million (prior year: EUR-465.5 million).

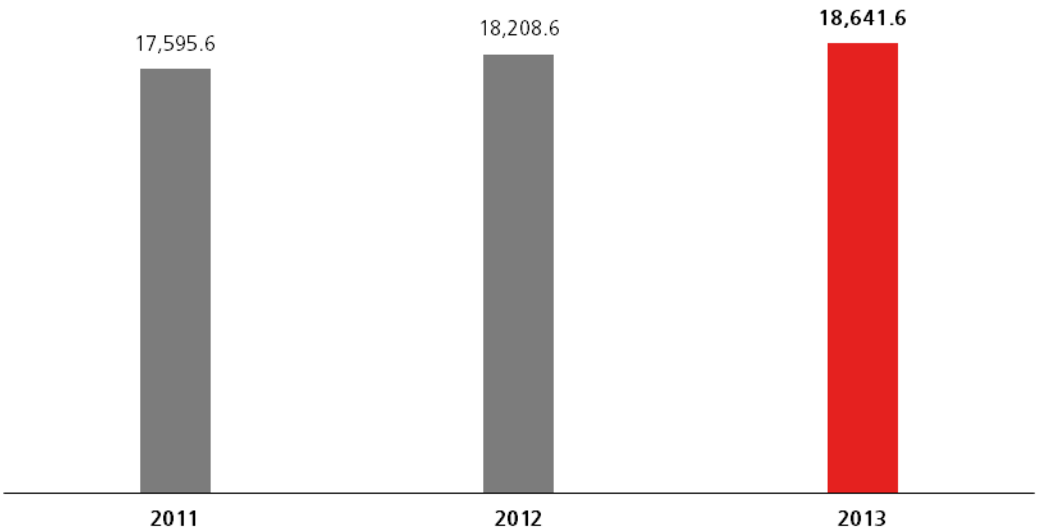
Notes on the Consolidated Cash Flow Statement

The free cash flow[14] amounted to – EUR1,274.8 million in the reporting year (prior year: - EUR900.1 million*)). The cash-effective change of funds and cash equivalents changed from –EUR*)264.6 million to EUR-388.7 million.

Abstract from the Group Cash Flow Statement in mil. EUR	Dec 31, 2013	Dec 31, 2012	Change	
Cash flow from operating activity	408.3	607.9	-199.6	*)
Cash flow from investing activity	-1,683.1	-1,508.0	-175.1	*)
Free cash flow	-1,274.8	-900.1	-374.7	*)
Cash flow from financing activities	886.1	1,164.7	-278.6	*)
Cash-effective change of funds	-388.7	264.6	-653.3	*)

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

Liabilities in mil. EUR



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

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

10 PP&E-to-net-worth ratio I: equity / property, plant and equipment

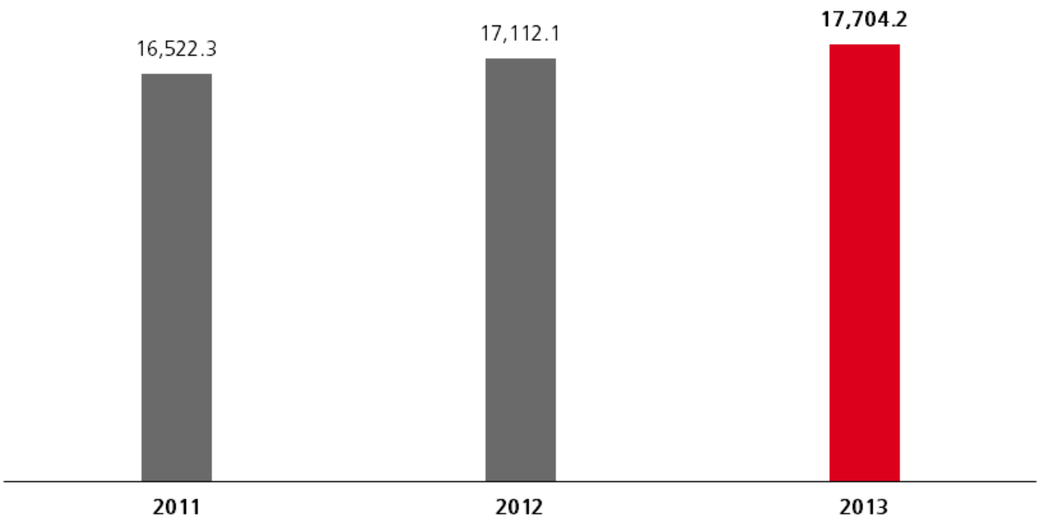
11 PP&E-to-net-worth ratio II: (equity + non-current liabilities) / property, plant and equipment

12 Investment ratio: additions to property, plant and equipment / initial carrying amount of property, plant and equipment

13 Working capital: inventories + trade receivables + prepayments on property, plant and equipment + prepayments on intangible assets - trade liabilities - prepayments on inventories

14 Free cash flow: cash flow from operating activities + cash flow from investing activities

Financial liabilities in mil. EUR



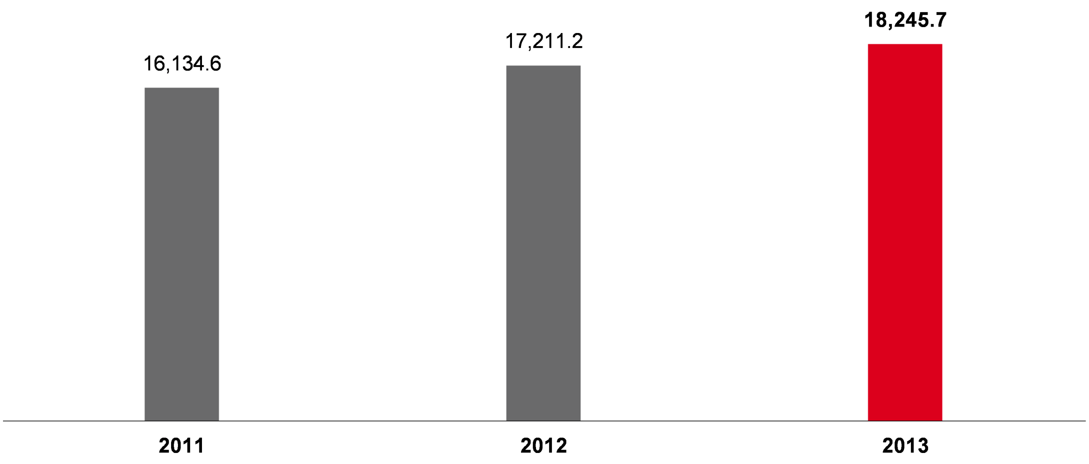
The liabilities of the ÖBB-Infrastruktur Group recorded an increase in total by 2% to EUR18,641.6 million (prior year: EUR18,208.6 million).

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.

B.6. Capital expenditure and financing measures

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 %	11%	12%	-1%	-8%

Development of property, plant and equipment in mil. EUR



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 West-route (section Vienna - Wels)
- Four-track extension of the Unterinntal route
- Extension of the South-Route (Baltic-Adriatic Corridor)
- Construction of the Brenner Base TunnelConstruction of freight terminals
- Numerous short-distance transport projects in conurbation areas
- Stations
- Improvement of tunnel safety on existing lines
- Noise pollution measures
- Construction of Park&Ride facilities
- Extensive reinvestments

Work was carried on inter alia on the following projects: Completion of the track St. Pölten–Loosdorf (freight train bypass - FTB) (Lower Austria), completion of the track Ybbs–Amstetten (Lower Austria), completion of the track Lambach–Breitenschützing, the Salzburg–Freilassing section (Salzburg), the four track extension of the Unterinntal Railway (residual work) (Tyrol), the St. Margrethen–Lauterach line extension (Vorarlberg), the new Semmering base tunnel (Lower Austria/Styria), the Koralm Tunnel (Styria/Carinthia), the Koralm Railway sections Aich/Mittlern–Althofen/Drau and Althofen/Drau–Klagenfurt (Carinthia). The station development initiatives have concentrated in particular on Graz Main Railway Station (Styria), Salzburg Main Railway Station (Salzburg) and Vienna Main Railway Station (Vienna).

In January and March 2013 in the main contract section of the twin-tunnel Koralm tunnel (KAT 2) both tunnelling machines were commissioned; these machines will start from Styria in 2016 and tunnel through the mountain towards Carinthia. In March 2013 with the new St. Margrethen–Lustenau route of lines (including the Rhine Bridge) the first section of the cross-border line between St. Margrethen in the Swiss canton of St. Gallen and Lauterach in Vorarlberg was commissioned. In August 2013 the first sod was cut for the multi-functional Vienna Inzersdorf Terminal (Vienna) and the Bruck an der Mur Station (Styria) was opened. The work on the first exploratory drilling section of the Brenner Base tunnel from Innsbruck to Ahrental was concluded and in November 2013 the next construction phase, the Wolf/Steinach access tunnel was begun. In Italy the breakthrough from the main tunnel was begun. Also in November 2013 the work on the third contract section of the Koralm tunnel (KAT 3), in Carinthia, was begun; it is here that with effect from January 2014 the two tunnel tubes will be driven through towards Styria. A timetable change and the opening of the Liefering Station (Salzburg) the Western branch line of the Salzburg S-Bahn suburban railway system - and thus the extension of the Salzburg–Freilassing section - signalled the completion of the Austrian part of the project.

Project		Capital expenditure 2013	Projected or effected completion
Modification and new construction of stations			
	Vienna Main Station (incl. Südtiroler Platz)[1]	146.6	2012/15
	Salzburg Main Station	23.4	2014
	Graz Main Station[2]	26.1	2015
	Station Hausfeldstraße[2]	1.0	2013
	Station Attnang-Puchheim[2]	12.1	2014
	Station Bruck/Mur[2]	10.3	2013
	Station Zeltweg	13.3	2014
Greater Vienna			
	Connection Ostbahn-Flughafenbahn	16.8	2014
Danube route			
	St. Pölten - Loosdorf (goods transport bypass)[2]	59.5	2017
	Track completion Ybbs - Amstetten[4]	53.8	2015
	Eastern entrance Linz Main Station	23.0	2018
	Short-distance transport Salzburg - track extension Freilassing[5]	11.1	2013/15*
	Lambach - Breitenschützing	4.2	2013
Pontebbana route			
	Pottendorfer Line (Blumental-Münchendorf)	0.6	2018
	Gloggnitz-Mürzzuschlag: existing Semmering track	11.2	2014
	Semmering – Base tunnel new	57.0	2024
	Koralm railway Graz – Klagenfurt	242.0	2023
Pyhrn-Schober route			
	Wels – Passau[3]	12.6	2019
Brenner route			
	Four track extension Unterinntal (Kundl/Radfeld - Baumkirchen)[6]	50.0	2012/14*
	Brenner Base Tunnel	4.3	2026
Arlberg route			
	Rhine Valley Concept[3]	13.3	2016
	St. Margrethen-Lauterach	23.7	2017/18
Programme			
	Noise protection	8.1	
	Park & Ride	9.8	
	Tunnel safety	1.3	
	Railway cross-roads	23.1	
Reinvestment in the railway network		580.0	
Others (incl. intangible assets)		466.8	
Total master plan and other investment projects		**1,905.0**	

[1] Partial commissioning 2012
[2] Konjunkturpaket
[3] Gradual partial commissioning of sub-projects
[4] A mstetten Station completion 2019
[5] Salzburg Freilassing: Complete commissioning of the Austrian section up to the national boundary: 2013 complete commissioning including German section (action by DB): planned for probable completion by end of 2015
[6] Commissioning of Unterinntal completed in 2012, remaining work by end of 2014

B.7. Strategy

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.

Framework 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 implementation

One large step closer to the target of earning the capital costs

Having reached a positive balance in previous years and thus having achieved a substantial portion of the overall aim, the Group has continued in 2013 successfully to follow this path. Our success is illustrated by a clearly positive business result. For ÖBB, this is an enormous step towards reaching the goal of earning the cost of capital by 2015.

Consistent improvement in customer orientation

In addition to the quantitative financial goals, we consistently continued the improvement of our customer orientation. 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 rail as a central element of mobility is also confirmed bay 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.

Consolidation and further development of Group strategy

Strategic initiatives within the Group

Starting from the Group strategy and business area strategies, the focus in 2013 has been the implementation of strategy and the complementing of the functional strategies. The following core areas have been the object of focus:
- Increasing efficiency by process and organisational initiatives in the area of infrastructure.
- Making strategic statements more detailed and
- Formulating strategic top-down targets for the budget process

Group initiatives for organisational and personnel development

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

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.

Other intra-Group 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.).

ÖBB-Infrastruktur AG basic strategic orientation

The basic strategic orientation of the ÖBB-Infrastruktur Group focuses on the core business, using two basic strategies: the cost strategy and the market strategy. In implementing the strategy, the subgroup is building on the twin corner stones of costs and marketing strategy.

Market and cost strategy

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

Cost strategy: Focus on the core business

Focus on the infrastructure core business aims at focusing the infrastructure offer on areas where the railway infrastructure is adequate in the long term.

The optimization of the added value was an important element in the development of the strategy and was developed in more detail and operationalized in 2013. Products and services that are incompatible with the core business will no longer be offered or restructured within the Group in the medium to long term.

Market strategy: Zielnetz 2025+

The long-term strategy of the ÖBB-Infrastruktur Group is described in the "Zielnetz [target network] 2025+" strategy.
The long-term infrastructure strategy of "Zielnetz 2025+" aims at the introduction of a highly synchronized timetable and the elimination of expectable capacity shortages in the network.
The long-term infrastructure strategy of "Zielnetz 2025+" aims at the introduction of a highly synchronized timetable and the elimination of expectable capacity shortages in the network.

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

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

B.8. Other important events and outlook

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

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

The efforts invested in the core services will be strategically complemented by increased involvement in innovative projects in the years to come. With current initiatives such as the "eMorail" project and SMILE, ÖBB wants to establish itself as an integral provider of mobility services who can offer the entire range of mobility solutions.

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

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

Team Target Dialogue (TTD)

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

The TTD system was introduced in November 2012 and is still ongoing. Starting from a top TTD, the contributions to the various areas in implementing corporate strategy and in meeting the targets have been developed by this method.

Milestones and setting concrete targets 2014

A further slimming-down and increase in the efficiency of the organisation by pooling technical capacities and by improving requirements management is planned for the organisational development of the infrastructure for 2014.

Further intensification of the "Years of the Customer" marketing offensive.

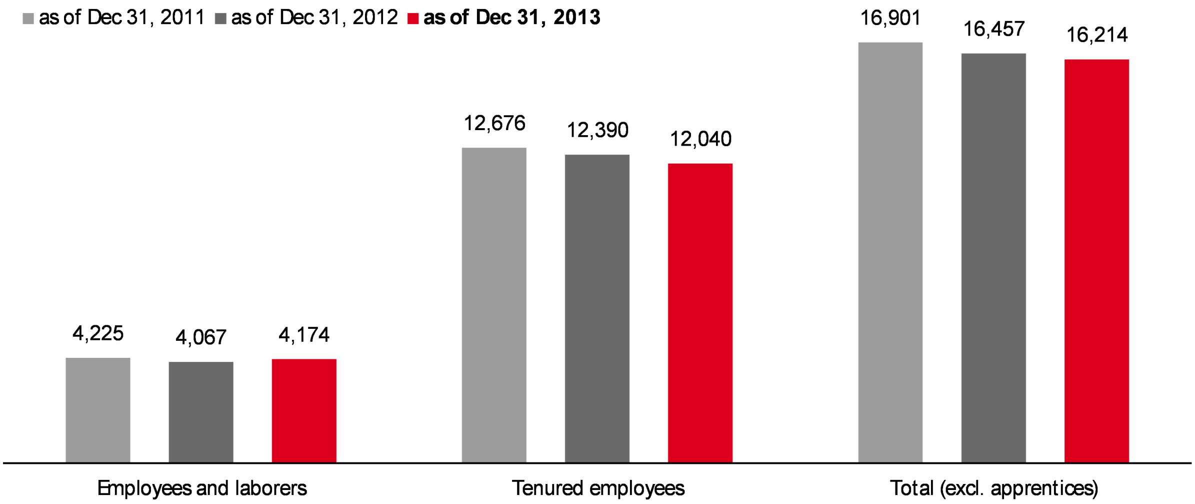
The following core areas are scheduled for 2014 in the development activities in rail infrastructure:
- Continuation of the four-track extension of the Western line (e.g. gap closure Ybbs-Amstetten, freight train by-pass St. Pölten)
- Further extension of the Southern line (e.g. new Semmering base tunnel and Koralm railway)
- Local traffic projects in conurbations and building of stations; in particular (partial) commissioning of Vienna Main Railway Station
- Transfer of routes to the State of Upper Austria (e.g. Lambach-Haag am Hausruck, Attnang/P.-Schärding)/ transfer of Linz railway bridge to Linz AG

In 2014 the planned measures should culminate in achieving the following objectives:
- Increase in ÖBB overall punctuality to 96.6%
- Reduction in lines subject to speed restrictions in the core network to 2,400 km²/h
- Substantial improvement in customer information (89 in the normal case, 70 in an exceptional case on a possible maximum point score of 100 according to the Karmasin opinion poll)
- Increase in safety (2.9 - this figure is composed of defined operational incidents and is standardised by train-kilometers travelled, based on a twelve-month review period - number of defined incidents in relation to train-kilometers travelled).

C. PERSONNEL REPORT

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

Employee structure in the ÖBB-Infrastruktur Group



Structure of workforce	Dec 31, 2013	Dec 31, 2012	Change Reference date	Change in %	Average 2013	Average 2012
Employees	4,174	4,067	107	3%	3,992	4,158
Tenured employees	12,040	12,390	-350	-3%	12,129	12,509
Total active employees	**16,214**	**16,457**	**-243**	**-1%**	**16,121**	**16,667**
Apprentices	1	2	-1	-50%	1	3
Total with apprentices	**16,215**	**16,459**	**-244**	**-1%**	**16,122**	**16,670**

During the reporting year, the number of personnel of the ÖBB-Infrastruktur Group decreased to 16,215 employees. Tenured employees accounted for 74% of the personnel. The average age in the ÖBB-Infrastruktur Group was 45.2 years (prior year: 45.2 years). The ratio of female personnel is 7.0% (prior year: 7.1%). The training of the apprentices is carried out centrally by ÖBB-Shared Service Center GmbH. As of December 31, 2013, ÖBB-Shared Service Center GmbH trained 1,329 apprentices for the ÖBB-Infrastruktur Group.

Continued training

ÖBB akademie

As a Corporate University, the ÖBB akademie combines strategically relevant continued training activities for various management levels, experts as well as newcomers and talents within the ÖBB Group and promotes the integration of hierarchy and themes. Participants in 14 training courses in the 2012/2013 semester concluded their higher education in the autumn of the current financial year. A further 15 different training courses will start as from 2014.

In September 2013 the ÖBB akademie began the third "trainees for mobility" programme with 15 university graduates. The "ÖBB new blood" becomes familiar with the Group on a programme of job rotation, Austria-wide excursion weeks, taster days with selected cooperation partners, fireside chats with members of the Executive Board and Managing Directors and much more.

Professional training courses

The range of professional training in 2013 proved to be very complex and ranged from fire protection and first aid training sessions through SAP training to safe driving training courses.

By providing specialist training courses personal development ensures maintenance and optimum development of rail operations. These courses also cover inter alia education and training prescribed by statute. A broad spectrum of training courses in the area of interpersonal skills and methodological competence rounds off the portfolio.

Talent management

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

In the 2013 financial year the first Group-overarching higher education programme, conceived especially for young employees, ended. The focus was directed towards innovation as part of the "talents for action" programme. The participants built up process expertise and learned how to implement service design as a problem-solving method.

Succession planning was moved from the planning to the implementation stage in 2013 and the first through-put was begun. In this connection ÖBB Psychology & Recruiting undertook a comprehensive analysis of potential. Personal feedback discussions with the ÖBB successors rounded off 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 expanded around cooperation with WU Top League. ÖBB achieved 3rd place in the Traffic and Transport section in the CAREER'S BEST RECRUITERS study and were awarded the Silver Seal. Career´s Best Recruiters is a study conducted annually by GPK Event- und Kommunikationsmanagement GmbH in cooperation with the Federal Ministry of Education and Research. In 2013 ÖBB occupied 2nd place in the annual The Best To Start campaign from the job and career network, absolventen.at.

Furthermore, ÖBB was selected as one of the top 50 most attractive employers in the annual Universum Student Survey Austria. In the technology/IT sector ÖBB gained 16 places and now sits at 11th place. ÖBB economy students are among the best 50. Every year the consultancy firm, Universum collects data from Austrian students about tier career aims. In 2013 more than 5,000 students, aged 24 years on average, took part in the study, which was specific to 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 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 equal treatment to be institutionalised. Ten regional Equal Opportunities Officers accompany and support colleagues; these colleagues feel disadvantaged as opposed to the other gender and feel that they have been unfairly treated. An Equal Opportunities Committee works out the details of specific programmes. Since 01.12.2011 the ÖBB Group has had a Diversity Officer.

In order to increase the proportion of women in the enterprise and to enhance diversity, concrete equality targets have been formulated in the Diversity Charter 2020. The equality targets for 2020 include:
- consistent increasing of the proportion of women when re-staffing management posts to 20%.
- consistent increasing of the proportion of women when recruiting new staff to 20%.
- consistent increasing of the proportion of women in apprentice training to 20%.
- consistent increasing of the proportion of women in higher education programmes at the ÖBB akademie to 25%
- consistent increasing of the proportion of women on the Supervisory Boards of ÖBB public limited companies and limited companies in Austria to 25%
- monitoring of the equality targets in quarterly reports and publishing them in the Financial Statement.

The equality targets are evaluated each quarter and made available in controlling reports to the competent top management for inspection and further development of the appropriate measures.
A package of measures supports the implementation of the equality targets. This includes targeted recruiting, in particular of female apprentices, places for women on the higher education programmes at the ÖBB akademie, career workshops for women from all over the ÖBB Group, the construction of an ÖBB women's network, bringing the Charter targets into team target dialogues and performance agreements, seminars on the Equal Opportunities Act and offering opportunities to management staff to qualify in gender and diversity management.

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 object is to maintain and promote 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 20 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 company rehabilitation service, which will be introduced gradually into the ÖBB Group, is intended to support employees suffering from illness or who have sustained an accident in recovering their capacity to work and to re-integrate into the working process. In 2011 and 2012 pilot projects were initiated in ÖBB-Technische Services GmbH and ÖBB-Infrastruktur AG, while in the second half of 2013 pilot projects were introduced in the Group companies, ÖBB-Personenverkehr AG, ÖBB-Postbus GmbH, Rail Cargo Austria AG and ÖBB-Produktion GmbH. A group-wide roll out is envisaged after an appropriate evaluation phase at the earliest in 2015.

Placement service

As a cost-effective instrument for managing the regional and supra-regional staffing levels in all the companies, the Placement Service supports the implementation of the Group HR strategy by relieving the load of staff expenditure, avoiding the need to recruit new staff and by using the existing employees' skills productively.

As a personnel management tool for the control of regional and cross-regional corporate personnel balancing, the placement service supports the implementation of the corporate HR strategy by a company doctor, are looked after by the Placement Service, provided with training as required and placed in suitable employment.

D. REAL ESTATE MANAGEMENT

With about 26,000 properties and a total surface of 197 million square meters, ÖBB are 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 required for operations and manages an extensive portfolio of 5,000 buildings and more than 1,100 train and traffic stations throughout their entire life. In 2013, ÖBB-Immobilienmanagement GmbH was once again an important source of revenue for the ÖBB Group. This success was due mainly to sustainable rental or leasing of properties and objects, to efficient project development, and utilization in the conurbations.

The extensive range of services is handled by the departments of project development, utilization and portfolio management and station and property management. 760 employees at the headquarters in Vienna and in five other regions handle all the activities throughout Austria in a professional and efficient way.

ÖBB-Immobilienmanagement GmbH business areas

Project development

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

Utilization and portfolio management

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

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

Station and property management

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

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

E. RESEARCH REPORT

Currently some 60 research and development projects are running from the most diverse infrastructure sectors, two examples of which are:

Loponode proof of concept

This project concerns a technology, which will make it possible in the future to disseminate data on a secure wireless system. A type of coordination middleware is used, by means of which it is simple to create the most diverse system configurations and scenarios, without modifying the hardware. In conjunction with low power nodes, this coordination middleware makes possible redundant data communication for various case uses. The use case of a level crossing serves as the basis to illustrate the software technical challenges and the feasibility and to demonstrate feasibility in the laboratory and in the field.

The Wiener Bogen© - a revolutionary development in rail layout from Austria

The Wiener Bogen© track transition curve represents a new method for improved, long-term line routing for rail tracks. This means more comfort for passengers and lower forces, leading to reduced wear and tear on the tracks. Therefore less servicing is required, which in turn produces a cost-saving. Railway lines are very long-lived components of infrastructure. The correct track planning has considerable effects on the infrastructure's maintenance costs in the area of the curves and also for the rail vehicles for many years.

F. ENVIRONMENTAL REPORT

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

Energy management

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

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

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

All the companies and all of the employees are involved in the project. Not only the specialists who optimize the energy 24 consumption in road and railway transport contribute to the project; every single employee can reduce the energy demand in their area of responsibility by using heating, lighting, equipment etc. in an energy-conscious way, thus improving the Group's energy balance.

The power mix used in train operation is crucial in the CO_2 advantages for ÖBB rail traffic: About 90% of the traction current requirement is produced from hydro-electric power, 2% from renewable energy sources and 8% from natural gas. 41% of the current that drives the trains is produced in our own hydro-electric power stations and 28% is generated in four partner hydro-electric power stations. A further 31% is drawn from the public 50 Hz grid and is converted in five converter stations and one transformer station into 16.7 Hz traction current. And ÖBB's ecological ambitions do not stop with the rails. In the station development initiative the new stations are also being equipped with environmentally-friendly systems. This is how ÖBB has committed to active climate and environmental protection in the construction of the Salzburg Main Railway Station: The new station will be heated and cooled with its own geothermal heating system. Geothermal heat can be used as an energy source for the production of heat and power. For this purpose heat is extracted from the ground soil in winter by means of sensors and heat pumps and supplied to the building. In summer the system works the other way round. The costs of the geothermal heating system at the Salzburg Main Railway Station will be amortised within eight years and will then save more than EUR100,000 in energy costs. About 80% of the cooling and 55% of the heating energy for the new main railway station will thus be covered.

A further exemplar for energy efficiency will be the new Vienna Main Railway Station: here it is planned to supply 100% of the power requirement from renewable energy sources (water, sun, earth, wind). Furthermore, 13% of the total energy requirement (electricity, heating, cooling) is generated by means of photo-voltaic and geothermal plant at the main railway station itself. The ecological production of energy at the new Vienna Main Railway Station will save a total of some 4,200 tons of CO_2 per year.

G. ACCESSIBILITY

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

The elimination of those barriers encountered by individuals restricted in their mobility is to be carried out by 2015. The measures taken are evaluated together with representatives of people with a mobility handicap, and the "Corporate coordination of accessibility" (*Konzernkoordination Barrierefreiheit*).

Infrastructure (stations)

By 2015, all traffic stations frequented by at least 2,000 passengers per day and the major traffic stations in county seatsare 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 equipped to be accessible in accordance with the Technical Specification Interoperability - Persons with Reduced Mobility (TSI-PRM) standard. Highlights in the implementation of the staged plan - since the past year under review - include the partial opening of the Salzburg Central Station to traffic; the opening of the Wien Mitte, Leibnitz, Zeltweg, Schladming and Absdorf-Hippersdorf railway stations; the modifications of the Felixdorf, Lilienfeld, Spittal-Millstätter See, Perg und Straßhof stations; and the start of the construction work at the stations of Hohenems and Lauterach. Furthermore, certain traffic stations were or are currently being equipped with elevators and guide systems for visually impaired persons (e.g. 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 in the ÖBB Group will similarly upgrade their web pages in the next few years to make them accessible. 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 language commercial offer among the reference websites to have achieved an AA ranking.

H. GROUP RELATIONSHIPS

Parent company ÖBB-Holding AG

The parent company ÖBB-Holding AG is a stock corporation incorporated under Austrian law. The registered office of the company is located at Wienerbergstraße 11, 1100 Vienna, Austria. The incorporation of the company was based on Article 2 Bundesbahnstrukturgesetz [Federal Railway Structure Act] 2003. The company is registered in the Company Register at the Commercial Court Vienna under number FN 247642f. ÖBB-Holding AG holds all the shares of ÖBBInfrastruktur AG and provides various services such as marketing and treasury services for ÖBB-Infrastruktur AG and other Group companies. These services are charged to the Group companies by means of Group allocation or cost allocation. In the financial year 2013, EUR14.3 million (prior year: EUR15.3 million) were charged to the ÖBBInfrastruktur Group.

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

ÖBB-Personenverkehr AG

The purpose of ÖBB-Personenverkehr AG is, in particular, the transportation of passengers, including the provision of public services, the production and operation of all facilities required for this purpose and the execution of all transactions related thereto or initiated thereby, as well as, in particular, the operation of public passenger transport based on tariffs and schedules. In the financial year 2013, the company generated total income amounting to EUR285.1 million (prior year: EUR275.0 million). EUR10.4 million (prior year: EUR7.8 million) were charged to the ÖBB-Infrastruktur Group.

Rail Cargo Austria AG

The purpose of Rail Cargo Austria AG is, in particular, the transportation of goods, including the provision of public services, the production and operation of all facilities required for this purpose and the execution of all transactions related thereto or initiated thereby, as well as, in particular, the operation of public goods transport based on tariffs. Rail Cargo Austria AG generated a total income amounting to EUR168.1.0 million (prior year: EUR184.0 million). Rail Cargo Logistics – Austria GmbH (formerly Express-Interfracht Internationale Spedition GmbH) is a subsidiary company of Rail Cargo Austria AG. Rail Cargo Logistics – Austria GmbH earned EUR0.9 million (previous year: EUR2.2 million) of total earnings. Rail Cargo Logistics – Austria GmbH returned to ÖBB-Infrastruktur Group EUR2.5 million (previous year: EUR24.3 million) Moreover, purchased services from Rail Cargo Logistics – Austria GmbH in the amount of EUR0.2 million (previous year: EUR6.5 million) were activated as investments.

ÖBB-Produktion Gesellschaft mbH

ÖBB-Produktion Gesellschaft mbH ("ÖBB-Produktion GmbH") is a common subsidiary of ÖBB-Personenverkehr AG and Rail Cargo Austria AG. The purpose of the company is, in particular, the provision of traction and other services for and in connection with other railway companies. In the financial year 2013, the company generated total income amounting to EUR211.4 million (prior year: EUR222.3 million). EUR14.6 million (prior year: EUR16.4 million) were charged to the ÖBBInfrastruktur Group. Services received at an amount of EUR9.6 million (prior year: EUR12.6 million) were capitalized.

ÖBB-Technische Services Gesellschaft mbH

ÖBB-Technische Services Gesellschaft mbH ("ÖBB-Technische Services GmbH") is a common subsidiary of ÖBBPersonenverkehr AG and Rail Cargo Austria AG. The purpose of the company is, in particular, the provision of services for and in connection with rail-bound vehicles. In the financial year 2013, the company generated total income amounting to EUR19.4 million (prior year: EUR28.0 million). EUR24.4 million (prior year: EUR20.9 million) were charged to the ÖBBInfrastruktur Group.

ÖBB-Shared Service Center GmbH

As an intra-Group service provider, ÖBB-Shared Service Center GmbH primarily provides standardized administrative services. In the financial year 2013, the company generated total income amounting to EUR19.4 million (prior year: EUR28.0 million). As in the prior year, EUR24.4 million were charged to the ÖBB-Infrastruktur Group. Services received at an amount of EUR0.2 million (prior year: EUR20.9 million) were capitalized.

I. RISK REPORT

The ÖBB Group is increasingly confronted with the opportunities and risks presented by the liberalization of the European rail network and the investment of the competition related to it. All identified opportunities and risks are routinely subject to a qualitative and quantative assessment, particularly with respect to any possible effects and the probability of losses occurring, by means of the updated evaluations or by virtue of empirical values. The opportunity / risk management in the ÖBB-Infrastruktur AG subgroup is an integral component of the opportunity / risk management system in the ÖBB Group

Opportunity / risk management in the ÖBB Group

Opportunities and risks are defined as events or developments that might cause a positive or negative deviation of results from the assumptions made during planning.

Corporate risk management is focussed on optimising the overall risk position. The opportunity / risk management process is targeted towards early identification, evaluation and management of those opportunities and risks, which can affect the attainment of strategic, operational and financial targets to a material extent.

In order to give comprehensive insight into our business activities, opportunities and risks are identified in a structured process. For this purpose, elements of a top-down, bottom-up approach are combined. The reporting of risks and opportunities is carried out in principle in parallel with planning (budget and forecasts), so that the regular reporting process is supplemented by an ad hoc report, in order to de-escalate critical features in good time.

The opportunity/ risk management accompanies all relevant business processes and financial items of the major Group companies. The Group Directive and the Opportunity / Risk Management Manual, both of which bind the whole Group, define rules, margins and minimum requirements in risk management for all the corporate units affected. The first objective of the risk policy is the 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 opportunity/ 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 opportunity/ risk platform, a report to the Executive Board of ÖBB-Holding AG is prepared which describes the major risks and respective counter-measures. Based on this, the Supervisory Board and the audit committee of ÖBB-Holding AG and of the Group companies are provided with detailed information regarding the current risk situation.

Areas of risk and material risks for the ÖBB-Infrastruktur subgroup

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 risks (top risks in the ÖBB Group) can be divided as follows into the opportunity/ risk fields:

- **Field Strategy:** Risks arising from the non-achievement of fixed strategy objectives. By means of strict monitoring of all
- **Field Operations:** Risks arising from events of force majeure/natural hazards are countered with well-established systems and programs: For example, a natural hazard management system has been established (incl. weather information system, flood information system/natural hazard map). Risks of failure of telecommunication services and/or major data network services for the railway operation are minimized by means of preventive measures for risk reduction such as emergency plans, provision of redundant systems or local relocation of the equipment rooms.
- **Field Finance/Accounting:** This risk field comprises counterparty credit risks, foreign exchange rate risks and measurement risks, among others. Details and measures for the minimization of these risks are described in the chapter "Risks associated to financial instruments".
- **Field Sales/Distribution:** In connection with planned take-overs of routes (of branch lines) by third parties there is on one hand the risk that notified routes are not taken over in accordance with the plan, and on the other hand there is the opportunity that - in the case of transfers where no key money is charged - provisions may be liquidated.
- **Field Personnel/Management/Organization:** If salary agreements turn out to be higher as planned, this entails a considerable risk due to the personnel expenses/total expenses ratio of the ÖBB-Infrastruktur sub-group. This risk is reduced to the greatest possible extent by corresponding negotiations.
- **Field Legal issues/Liability:** the amendment of legal provisions and technical regulations, both at the international and at the national level, can result in increased systems costs in the railway industry (e.g. through new technical or organisational specifications). Accordingly, the development of various corporate units is investigated for possible effects, in order to be able to react in good time. There is also a certain risk that RU's use legal means to oppose price increases in the Infrastructure Utilisation Fee.
- **Field Purchase/Procurement:** The main risk consists in fluctuations of the prices of certain commodities - in the infrastructure sector in particular with respect to steel. In the field of rails and points and in other construction-related areas, the development of the prices and raw material indexes are closely watched and analyzed, and the results are then included in the rolling planning and in procurement negotiations.
- **Field Information processing:** System failures can cause additional costs and loss of revenue in the operative business units. The risk is minimized by means of numerous measures developed, planned and implemented within the framework of a special IT risk management system.
- **Field Subsidiaries/Investments:** The revenue from the utilization of real estate is as a matter of cause depending on the development on the market. Risk control already starts at an early stage in the negotiations.

Pursuant to the Verbandsverantwortlichkeitsgesetz [Association Liability Law], the regulation stipulating that companies can be held liable and convicted for punishable actions of their employees or decision-makers applies to the ÖBB Group as well.In order to counter this risk, areas of significance in terms of criminal law are identified as part of managing the legal risk, the actual status is assessed and measures are put in place to avoid or limit the risk. A Compliance Management System has been introduced throughout the Group. As part of risk prevention ethical basic values and general instructions concerning behaviour have been anchored into the ÖBB Group Code of Conduct. Precautionary measures have also been put in place with the introduction of control and reporting systems and appropriate training courses and the creation of clear areas of responsibility.

Risks related to financial instruments

Original Financial instruments

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

Derivative financial instruments

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

Risk definition and risk management with respect to financial instruments

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

Liquidity risk

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

Interest rate risk

Risks arising from changes in the market interest rates can affect the financial result of the ÖBB Group due to the given structure of the Statement of Financial Position. Therefore, it is necessary to limit possible market interest rate fluctuations exceeding a certain level that has to be agreed with the Group companies, e.g. by using derivative financial instruments, in order to minimize the effects of such fluctuations on the result development.

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

Foreign exchange rate risk

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

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

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

Credit risk

The credit risk comprises the loss potential due to non-fulfillment of financial obligations of business partners (primarily money market transactions, assets, positive present value swap transactions. 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 to market disruptions in a quick and risk-oriented fashion.

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 defend the positive net present value achieved upon conclusion of the transactions, to actively manage the risk arising from the transactions and to use economically acceptable opportunities to terminate the transactions. Details on the cross-border leasing agreements are provided in Note 30.3. of the Notes on the Consolidated Financial Statements.

Internal control system

The ICS in ÖBB-Infrastruktur Group is an integral component of the ICS system in the ÖBB Group:

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

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

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

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

Furthermore, a Compliance Administrative Department has also been set up, which - supported by compliance officers in all the subgroups - operates independently as warranted in their checking activity. A further major aspect in compliance activity lies in the implementation of preventative measures.

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

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

Since 2012 the standardised ICS documentation in its minimum version has been published in the ÖBB Group in the form of minimum standards to be observed and implemented throughout the Group. Furthermore, the organisational units in the Group have the obligation to document the key controls defined within procedures with their areas of risk and the standardised software-supported test steps taken. The reporting system to management is also produced on the basis of this editable, annotated, comprehensible data.

The ICS for accounting processes is also a component of the Auditor’s Annual Audit programme. This allows the Supervisory Board to compare the results of the Annual Audit with ICS reports produced within the group.

As far as the preliminary accounting processes are concerned, since July 2013 a further standardisation has been introduced, when the procedures in question were carried over into a group-wide Financial Shared Service Unit. This standardisation, which is relevant also from the ICS standpoint, will be completed during the course of 2014.

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

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

Software, which ÖBB-Holding AG purchased in addition for itself, is used for the information in the Commentaries to the Consolidated Accounts. After the local audit by the auditors (in accordance with Austrian statutory regulations and principles of due and proper annual auditing, the International Standards on Auditing (ISA) published by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the General Terms and Conditions for Audits within the ÖBB Group), all subsidiaries deliver comprehensive Reporting Packages including all relevant accounting data (Income Statement, Statement of Financial Position, Cash Flow Statement, information to the consolidated Accounts) 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 audit system constitutes a supporting part of the ICS.

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

J. SIGNIFICANT EVENTS AFTER THE REPORTING DATE

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

K. NOTES ON THE MANAGEMENT REPORT

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

Vienna, March 31, 2014

The Executive Board

DI Franz Bauer eh	Ing. M.A. (FH) Andreas Matthä eh	KR Ing. Franz Seiser eh
(Infrastructures Provision Division)	(Finance, Marketing Service Division)	(Operations and Systems Division)

Glossary

BMF	Federal Ministry of Finance
BMVIT	Federal Ministry for Transport, Innovation and Technology
ČD	České dráhy, a.s (Czech State Railways)
DB	Deutsche Bahn/German Railways
DFI	Dynamic Passenger Information
DVB	Digital Video Broadcast
ECO-Driver-Training	Programme for fuel-efficient travel
EisbG	Railway Act
EMTN	European Medium Term Note
ETCS	European Train Control System
RU	Railway Undertakings
R&D	Research and Development
TGTkm	Total gross ton-kilometers
GSM-R	GSM-Railway
GWh	Gigawatt hours
NPS	Non-profit making services
IUE	Infrastructure Utilisation Fee
ICS	Internal Control System
ISO	International Organisation for Standardisation
MAV	Magyar Államvasutak (Hungarian State Railways)
Newcomer	Newcomer
PT	Public transport
ÖZIV	Österreichischer Zivil-Invalidenverband
railjet	New main line train
REX	Regional Express
ROLA	Rolling National Road
SBB	Schweizerische Bundesbahnen/Swiss Railways
Traction	Propulsion of trains by traction vehicles
TSI	Technical Specifications for Interoperability
UCT	Unaccompanied combined transport
VAI	Transport Labour Inspectorate

Declaration in accordance with Article 82 32 (4) clause 3 BörseG [Stock Exchange Act]

Statement of all legal representatives

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

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

Vienna, March 31, 2014

Executive Board

DI Franz Bauer eh	Ing. Mag. (FH) Andreas Matthä eh	KR Ing. Franz Seiser eh
(Department: Infrastructure facilities Provision)	(Department: Finance, Marketing, Service)	(Department: Operations and Systems)

Consolidated Financial Statements

Consolidated Income Statement 2013

	Note	2013 in kEUR	2012 adjusted *) in kEUR
Revenue	4	2,155,317.4	2,129,593.9
Change in finished goods, work in progress and services not yet chargeable		331.4	-883.9
Other own work capitalized	5	305,310.9	311,801.6
Other operating income	6	586,438.5	522,507.7
Total revenue		**3,047,398.2**	**2,963,019.3**
Expenses for materials and services received	7	-416,372.4	-485,754.4
Personnel expenses	8	-1,043,980.6	-1,063,089.7
Depreciation and amortization	9	-616,387.5	-539,463.6
Other operating expenses	10	-364,358.2	-280,639.3
Earnings before interest and taxes (EBIT excluding investments recorded at equity)		**606,299.5**	**594,072.3**
Earnings of investments recorded at equity	17	1,235.9	781.4
Interest income	11	55,928.5	87,916.9
Interest expenses	11	-643,364.6	-667,325.6
Other financial income	12	26,494.2	48,893.0
Other financial expenses	12	-20,834.1	-52,331.2
Financial result (incl. Earnings of investments recorded at equity)		**-580,540.1**	**-582,065.5**
Earnings before income taxes (EBT)		**25,759.4**	**12,006.8**
Income taxes	13	3,949.4	11,321.3
Net income for the year		**29,708.8**	**23,328.1**

*) Adjusted prior year amounts, revenue, other operating income, expenses for materials and services received, personnel expenses and income taxes, see Notes 4 and 26

Consolidated Statement of Comprehensive Income 2013

	Note	2013 in kEUR	2012 adjusted *) in kEUR
Net income for the year		**29,708.8**	**23,328.1**
Remeasurement gains/(losses) on defined benefit plans		-881.6	-3,225.3
Income taxes		8.1	201.6
Items that will never be reclassified (“recycled”) subsequently to the income statement		**-873.5**	**-3,023.7**
Unrealized loss from cash flow hedges	24	-20,772.0	-16,910.0
Reclassification of realized losses from cash flow hedges	24	23,094.0	15,614.0
Unrealized income from Available-for-Sale reserve	24	-3,389.0	16,548.0
Reclassification of realized income from available-for-sale reserve	24	-4,198.0	0.0
Income taxes		1,457.7	-2,445.0
Items that are or may be reclassified (“recycled”) subsequently to the income statement		**-3,807.3**	**12,807.0**
Other comprehensive income		**-4,680.8**	**9,783.3**
Comprehensive income		**25,028.0**	**33,111.4**

*) adjusted prior year amounts, see Note 26

Consolidated Statement of Financial Positions 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	18,245,741.9	17,211,192.1
Intangible assets	15	367,714.9	369,123.1
Investment property	16	128,214.2	102,998.2
Investments recorded at equity	17	43,856.4	43,562.8
Other financial assets	18	527,344.3	766,435.6
Other receivables and assets	20	163,461.6	142,144.1
Deferred tax assets	13	43,797.9	37,692.0
		19,520,131.2	**18,673,147.9**
Current assets			
Inventories	21	92,964.4	18,967.3
Trade receivables	20	151,994.8	141,951.8
Other receivables and assets	20	249,985.3	203,427.5
Other financial assets	18	87,197.7	212,378.1
Assets held for sale	19	3,102.8	54,283.6
Cash and cash equivalents	22	28,014.1	421,005.9
		613,259.1	**1,052,014.2**
		20,133,390.3	**19,725,162.1**

Shareholder's equity and liabilities	Note	Dec 31, 2013 in kEUR	Dec 31, 2012 in kEUR
Shareholder's equity			
Share capital	23	500,000.0	500,000.0
Additional paid-in capital	24	538,884.2	538,884.2
Cash flow hedge reserve	24	-17,106.5	-20,886.2
Available-for-sale reserve	24	8,961.0	16,548.0
Retained earnings	24	142,879.0	114,043.6
		1,173,617.7	**1,148,589.6**
Non-current liabilities			
Financial liabilities	25	16,404,219.4	15,423,241.8
Provisions	26	264,950.2	213,748.9
Other liabilities	27	80,280.4	123,406.9
		16,749,450.0	**15,760,397.6**
Current liabilities			
Financial liabilities	25	1,299,975.9	1,688,863.5
Provisions	26	53,175.4	101,599.1
Trade payables	27	592,592.0	648,547.3
Other liabilities	27	264,579.3	324,577.2
Liabilities relating to the assets held for sale	19	0.0	52,587.8
		2,210,322.6	**2,816,174.9**
		20,133,390.3	**19,725,162.1**

Consolidated Statement of Cash Flows 2013

	Note	2013 in kEUR	2012 adjusted *) in kEUR
Earnings before taxes (EBT)		25.759	12.007
Non-cash expenses and income			
+ Depreciation and amortization on property, plant and equipment, intangible assets and investment property	9	797,671	731,848
- Amortization of investment grants	9	-181,284	-192,384
+ Losses / - gains on disposal of property, plant and equipment, intangible assets and investment property		12,862	-20,764
+ Losses / - gains on disposal of financial assets		-710	0
- Other non-cash income / + other non-cash expenses		-18,947	-2,157
+ Interest expenses	11	643,365	667,326
- Interest income	11	-55,929	-87,917
Changes in assets and liabilities			
- Increase / + decrease in inventories	21	-3,002	1,991
- Increase / + decrease in trade receivables and other assets		64,221	94,116
+ Increase / - decrease in trade payables and other liabilities		-269,618	-9,899
+ Increase / - decrease in provisions	26	5,932	-12,510
- Interest paid		-613,646	-584,506
+ Interest received		2,364	10,938
- Income tax paid	13	-723	-210
Cash flow from operating activities a)		**408,315**	**607,879**
+ Proceeds from disposal of property, plant and equipment and intangible assets		32,904	117,777
- Expenditures for property, plant and equipment and intangible assets	14, 15	-1,894,035	-1,852,042
+ Proceeds from disposal of financial assets		46,237	44,570
- Expenditures for investments in financial assets		-967	-2
+ Proceeds from investment grants	14, 15	113,540	183,296
+ Proceeds from the sale of consolidated subsidiaries and other business units		18,061	0
- Expenditures for acquisition of consolidated subsidiaries		0	-2,384
+ Dividends received		960	668
+ Redemption of loans granted / - grant of loans (from investing activities)		178	165
Cash flow from investing activities b)		**-1,683,122**	**-1,507,952**
+ Proceeds from issue of bonds and loans	25	2,115,130	1,581,287
- Redemption of bonds and loans		-1,228,764	-379,066
- Payment of finance lease receivables		-240	-963
+ Proceeds from grant of loans / -redemption of other loans		4	-36,597
Cash flow from financing activities c)		**886,130**	**1,164,661**
Cash flow from operating activities a)		408,315	607,879
Cash flow from investing activities b)		-1,683,122	-1,507,952
Free Cash Flow (a+b)		**-1,274,807**	**-900,074**
Funds at the beginning of the period		*353,669*	*89,081*
Change in the funds resulting from cash flow (a+b+c)		-388,677	264,588
Funds at the end of the period		**-35,009**	**353,669**

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

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

Consolidated Statement of Changes in Shareholder's Equity 2013

	Number of shares	Share capital in kEUR	Additional paid-in capital in kEUR	Cash flow hedge reserve in kEUR	Available-for-sale reserve in kEUR	Retained earnings adjusted in kEUR	Total shareholder's equity adjusted in kEUR	*)
As of January 01, 2012	*100,000*	*500,000.0*	*538,884.2*	*-17,145.3*	*0.0*	*93,739.2*	*1,115,478.2*	
Net income						23,328.1	23,328.1	*)
Other comprehensive income				-3,741.0	16,548.0	-3,023.7	9,783.3	*)
Comprehensive income				**-3,741.0**	**16,548.0**	**20,304.4**	**33,111.4**	
As of December 31, 2012	**100,000**	**500,000.0**	**538,884.2**	**-20,886.2**	**16,548.0**	**114,043.7**	**1,148,589.6**	

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

	Number of shares	Share capital in kEUR	Additional paid-in capital in kEUR	Cash flow hedge reserve in kEUR	Available-for-sale reserve in kEUR	Retained earnings adjusted in kEUR	Total shareholder's equity adjusted in kEUR
As of January 01, 2013	*100,000*	*500,000.0*	*538,884.2*	*-20,886.2*	*16,548.0*	*114,043.7*	*1,148,589.6*
Net income						29,708.8	29,708.8
Other comprehensive income				3,779.7	-7,587.0	-873.5	-4,680.8
Comprehensive income				**3,779.7**	**-7,587.0**	**28,835.3**	**25,028.0**
As of December 31, 2013	**100,000**	**500,000.0**	**538,884.2**	**-17,106.5**	**8,961.0**	**142,879.0**	**1,173,617.7**

For further details on the Statement of changes in shareholder's equity see Notes 23 and 24.

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

A. BASIS AND METHODS

ÖBB-Infrastruktur Aktiengesellschaft, having its registered office in 1020 Vienna, Praterstern 3, FN 71396 w, is a registered stock corporation in the sense of the Austrian Aktiengesetz [Stock Corporation Act] whose shares are held by Österreichische Bundesbahnen Holding Aktiengesellschaft (hereinafter referred to as ÖBB-Holding AG).

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

The task of ÖBB-Infrastruktur AG is in particular that of a railway infrastructure company, in which reliable railway infrastructure (including high capacity routes) tailored to suit a market need is designed, built, serviced (maintenance, inspection, fault clearance, servicing and reinvestment) and operated. Furthermore, shunting can also be provided.

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

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

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

1. Accounting principles

ÖBB-Infrastruktur AG is required to issue consolidated financial statements pursuant to Article 244 Unternehmensgesetzbuch (UGB) [Austrian Commercial Code]. The Consolidated Financial Statements as of December 31, 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 and the additional requirements of Article 245a UGB. With these Consolidated Financial Statements according to the IFRS, ÖBB-Infrastruktur AG issues exempting consolidated financial statements pursuant to Article 245a UGB in accordance with internationally accepted accounting principles.

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

Disclosure on amended and new IFRS regulations

The following standards and interpretations were amended compared to the Consolidated Financial Statements as of December 31, 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; they are labeled with "yes" in the following table, if they affect the Consolidated Financial Statements:

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)	Jul 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 a 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 Value 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 and interpretations		Effective as of[1]	Expected impact on the Consolidated Financial Statements
New standards and 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 deferral 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 and 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 of 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.

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

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

Consolidation

Subsidiaries (capital consolidation)

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

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

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

Business combinations

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

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

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

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

Associated companies

An associated company is an entity where the ÖBB-Infrastruktur Group has significant influence on financial and operating decisions, but is not able to control or jointly control the company. This is generally the case when the interest held in a company is between 20% and 50%.

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

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

Joint ventures

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

Elimination of intercompany accounts

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

Revenue and expense elimination

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

Unrealized profit elimination

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

Composition of and change in the basis of consolidation

The basis of consolidation includes ÖBB-Infrastruktur AG and 10 (prior year: 11) other fully consolidated entities and 2 (prior year: 2) entities recorded at equity, i.e. a total of 13 (prior year: 14) companies. The companies included in the Consolidated Financial Statements are indicated in Note 36. It lists all investments of the ÖBB-Infrastruktur Group, including shareholder’s equity, net income according to national accounting law, and the type of consolidation. Subsidiaries consolidated in the years 2012 and 2013 and subsidiaries for which the type of consolidation changed are disclosed separately in the list of investments in Note 36.

The basis of consolidation is 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-Infrastruktur Group. The subsidiaries not consolidated are those with a small business volume whose revenues, assets and liabilities jointly account for less than 1% of the consolidated amounts. The unit “Business-IKT”, which is responsible for all general IT issues of the ÖBB-Holding Group and which was concentrated in the ÖBB-IKT GmbH, was sold to ÖBB-Holding AG on March 21, 2013.

Basis of consolidation	Consolidated	At equity method of accounting	Total
As of Jan 01, 2012	11	2	13
Initial consolidation	1	0	1
As of Dec 31, 2012	**12**	**2**	**14**
Disposal (sale)	-1	0	-1
As of Dec 31, 2013	**11**	**2**	**13**

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

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

Development of the statement of financial position in mil. EUR	Dec 31, 2011	Business Combinations	Organic incl. effects from consolidation	Dec 31, 2012	Change of consolidated companies	Organic incl. effects from consolidation	Dec 31, 2013
Non-current assets	18,162.7	44.1	466,4	18,673.2	-29,7	876,6	19,520.1
Current assets	866,2	1.9	183,9	1,052.0	-35,6	-403,1	613,3
Balance sheet total	**19,028.9**	**46.0**	**650.3**	**19,725.2**	**-65.3**	**473.5**	**20,133.4**
Shareholder's equity	1,115.5	5.5	27.6	1,148.6	-7.6	32,6	1,173.6
Non-current liabilities	16,008.8	39,7	-288,1	15,760.4	-3.4	992,5	16,749.5
Current liabilities	1,904.6	0.8	910,8	2,816.2	-54.3	-551,6	2,210.3
Balance sheet total	**19,028.9**	**46.0**	**650.3**	**19,725.2**	**-65.3**	**473.5**	**20,133.4**

Income statement development in mil. EUR	2011	Organic	2012	Change of consolidated companies	Organic	2013	
Total revenues	2,889.3	124.7	2,963.0	-140.2	224.6	3,047.4	*)
Total expenses	-2,345.4	-77.8	-2,368.9	140.2	-212.4	-2,441.1	*)
Financial result	-535.6	-46.5	-582.1	-1.1	2.7	-580.5	

*) adjusted prior year 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 policies

Basic principles for the preparation of the financial statements

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

Property, plant and equipment and investment property

Property, plant and equipment and investment property are recognized at cost less depreciation and possible impairments. Cost includes certain expenses incurred in the course of the construction or development of the railway infrastructure, such as acquisition cost, material and personnel expenses, directly attributable fixed and variable overheads, the present value of commitments 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 useful lives, and recognized in the depreciation and amortization in the Consolidated Income Statement. Leased property, plant and equipment (held under finance leases) and fixtures in third-party buildings are also depreciated over their estimated useful life if ownership is expected to be transferred at the end of the lease term; otherwise, they are depreciated over the shorter of the lease term or the useful life. Assets with costs of up to EUR400.00 are classified as low-value assets and expensed as incurred due to their insignificance.

The useful lives are:

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

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

Grants related to assets

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

Goodwill and other intangible assets

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

Intangible assets with a finite useful life are recognized at cost less amortization on a straight-line basis. Assets with costs of up to EUR400.00 are classified as low-value assets expensed as incurred due to their insignificance.

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

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

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

Impairment of property, plant and equipment and intangible assets

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 (2014 budget and 2015-2019 medium-term plan) reflect the weighted average growth rates based on market estimates. Cash flow projections beyond the period of the business plan will be calculated based on a constant growth rate for subsequent years, and do not exceed the long-term 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 impairment loss is entirely or partially reversed through profit or loss, up to a maximum of the amortized cost.

The criteria for the cash-generating units are based on the structure of business operations and correspond to the business areas and business activities.

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 information is given in the chapter "Service relations with the Federal Government, master plan for infrastructure investments and guarantees provided by the Federal Government" in Note 32.

Impairment of investments recognized at equity

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

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

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

Inventories

Inventories include material and spare parts used primarily for the expansion, maintenance and repair of 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 re-conditioned reusable materials are capitalized at production cost. For obsolete inventory and excessive production cost, cost is written down to net realizable value.

For materials and spare parts, replacement costs are deemed to be 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.

Financial instruments

General information

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

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

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

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

Cash and cash equivalents

The ÖBB-Infrastruktur Group recognizes cash on hand, cash in banks, highly liquid financial investments with remaining maturities of three months or less and deposits with the affiliated company ÖBB-Finanzierungsservice GmbH, who manages the liquidity between the subsidiaries of the ÖBB-Holding Group, as cash and cash equivalents. Money market deposits with original maturities of more than three months are classified as current financial assets along with securities. Cash and cash equivalents including current liabilities due to ÖBB-Finanzierungsservice GmbH are integrated into the fund for the cash flow statement.

Financial assets and liabilities

Financial instruments disclosed in the Statement of Financial Position as financial assets and derivative financial instruments are measured at their fair value with the exception of loans and receivables and assets held to maturity. Financial instruments disclosed in the Statement of Financial Position as financial liabilities are measured at amortized cost with the exception of derivative financial instruments and one bond that is subject to fair value hedge accounting and which was repaid in 2013. Derivative financial instruments are measured at market value. The bond that is designated as the hedged item in a fair value hedge is measured at amortized cost adjusted for the changes in the fair value of hedged risk. Changes in the fair value of derivative financial instruments are recognized in profit or loss or in the other comprehensive income, depending on whether the derivative financial instrument is designated to hedge the fair value of assets or liabilities recognized in the Statement of Financial Position (fair value hedge) or fluctuations of future cash flows (cash flow hedge). For derivative financial instruments designated as fair value hedges, changes of the fair value of the hedged asset or liability and of the hedging instrument are recognized in profit or loss. For derivative financial instruments designated as cash flow hedges, changes in the fair value of the effective portion of the hedging instrument are recognized via the other comprehensive income in shareholder’s equity (cash flow hedge reserve). Effects recognized in other comprehensive income are transferred to profit or loss when the hedged item affects profit and loss. Changes in the fair value of the ineffective portion of the hedge and changes in the fair value of derivative financial instruments not designated as hedges are recognized in profit or loss immediately. Hedge accounting is applied in the ÖBB-Infrastruktur Group, and a general description is given in Note 29.2.

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

In accordance with IAS 39, securities and certain non-current financial instruments are classified as financial assets available for sale (AfS) by the ÖBB-Infrastruktur Group, and are measured 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 the case where a derivative financial instrument has an overall clearly negative fair value, any current positive portion is not recognized as a current asset because this presentation would be misleading against the background of the clearly negative fair value, but it is reported collectively as non-current liability. The same applies to the reverse case of a derivative financial instrument with an overall clearly positive fair value and a negative fair value of the current portion.

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

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

Trade receivables

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

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

Fair value of financial instruments

The carrying amounts of cash and cash equivalents, trade receivables and payables, receivables due from and liabilities due to related companies approximate their fair values. The fair values of available-for-sale securities are derived from directly or indirectly derived prices (Level 2). The fair value of non-current financial receivables, financial liabilities and swap agreements is based on the present value of future cash flows, discounted at the ÖBB-Infrastruktur Group’s estimated current interest rate at which comparable financial instruments may be concluded. Existing credit risk is considered when determining the fair values.

The ÖBB-Infrastruktur Group estimates, based on the audited financial statements, if any, whether the fair value of assets for which no quoted prices are available – mainly investments – corresponds to their carrying amount or cost. These assets are subject to impairment testing if the investment generates losses over an extended period or in the event of significant changes in the business environment. For further information on accounting and measurement methods see Note 29.

Provisions

Provisions are recognized when commitments to a third party were assumed or exist which will probably result in payments made by the ÖBB-Infrastruktur Group, and the amount can be reasonably estimated. Non-current provisions are recognized at their present value. For further information see Note 26.2.

Leases

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

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

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

Employee benefit commitments

The ÖBB-Infrastruktur Group has entered into only one individual pension commitment for a former member of the Executive Board. Apart from this commitment, there are only defined contribution plans with respect to pensions. The ÖBB-Infrastruktur Group pays contributions to publicly or privately administered pension or severance insurance plans on a mandatory or contractual basis for these defined contribution plans. Apart from the contribution payments, there are no further payment commitments. 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-Infrastruktur 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 Decommissioning, Restoration and Similar Liabilities

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

Revenue recognition

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

Grants related to income

Grants related to expense and income provided to the ÖBB-Infrastruktur Group are recognized in profit or loss immediately upon fulfillment of the preconditions. Regarding the particularities of the grant from the Federal Government for the financing of the infrastructure see Note 32.

Interest, royalties and dividends

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

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

Research and development costs

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

Income taxes

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

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

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

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

Deferred taxes

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

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

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

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

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

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

Use of estimates and judgment

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

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

a. Employee benefit plans

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-Infrastruktur Group. The impact of possible changes of parameters is disclosed in Note 26.1.

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

Estimated useful lives are determined according to the circumstances of the company with usual maintenance. The actual use may differ from these estimates. A sensitivity analysis showed that with a change in the useful life of +/- 1 year the depreciation increased by EUR54.8 million (prior year: EUR57.3 million) or decreased by EUR59.1 million (prior year: EUR62.7 million). In the financial year 2013, useful lives for data networks and ETCS systems that no longer meet the current state of the art, as well as for properties which are scheduled to be demolished, were reduced to the expected remaining useful life, resulting in an additional depreciation charge of EUR18.6 million. For further disclosures see Note 14.

c. Provisions

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

d. Deferred taxes

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

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

e. Cross-border leasing (CBL)

For contracting parties for investments with an AA+ rating or better or for which a subsidiary guarantor liability is assumed by the government, the default risk is still regarded as extremely low. Accordingly, there is no need for adjustments in line with present assessments, and these transactions can continue to be presented "off balance". Should there be unexpected defaults on these investments or should requirements for the minimum rating no longer be fulfilled, the commitments from the transactions and the investments will be recognized in the Statement of Financial Position, allowances impairments on the investments will be recognized or payment undertakers will be replaced.

Concentration of risks

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

Capital management

The objective of the financial management of the ÖBB-Infrastruktur Group is to sustainably increase the shareholder value and to maintain a capital structure appropriate for upholding the excellent credit rating. Due to the Company's special situation and its statutory mission, and also as a result of the government's commitment to subsidize infrastructure expenditures (both construction and operation and maintenance) not covered by the Company's income from current operations, the control of the capital structure focuses mainly on ratios measuring the debts and compared to the respective budgeted values. The Company defines equity as shareholder's capital, reserves, retained earnings and non-controlling interests, if any. The managed equity as of 31.12.2013 amounted to EUR1,173.6 million (prior year: EUR1,148.6 million).

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

4. Revenue

	2013 in mil. EUR	2012 in mil. EUR	
Government grant pursuant to Article 42 *Bundesbahngesetz* for infrastructure operation	1,151.4	1,086.1	
Infrastructure usage charge	468.0	448.9	
Revenue from power supply	253.7	264.7	*)
Revenue from rent	128.3	118.2	
Other revenue	153.9	211.7	*)
Total	**2,155.3**	**2,129.6**	*)
thereof from affiliated companies	*690.6*	*730.9*	

*) 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 do not cover the expenses incurred with economical and efficient management. Further information on the grant agreement is given in Note 32.

Revenue from rent is generated by the rent and lease of properties. Revenues from energy supplies result largely from traction power supplies and electricity transactions.

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 representation of results. In this context, the previous year was adjusted accordingly and proceeds from energy supplies in the amount of EUR127.2 million netted against the cost of materials.

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 material expenses were increased by EUR76.2 million and the other operating income was decreased by EUR28.2 million.

The revenue from construction contracts recognized in other revenue during the period under review amounts to EUR27.8 million (prior year: EUR38.2 million), of which EUR10.7 million (prior year: EUR11.4 million) were generated with affiliated companies of the ÖBB Group. These revenues are matched by contract costs amounting to EUR26.6 million (prior year: EUR38.5 million). Furthermore, the other revenue comprises revenue from telecommunication services, from the repair of damage and from cleaning and security services.

For the composition of revenue by business unit and according to geographic aspects see Note 33 (segment reporting).

5. 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. Such own work is mainly incurred in connection with the construction or extension of the railway infrastructure.

6. Other operating income

	2013 in mil. EUR	2012 in mil. EUR	
Grant from the Federal Government pursuant to Article 42 *Bundesbahngesetz* for infrastructure	517.5	454.4	
Gain from the disposal of property, plant and equipment, intangible assets, investment property and non-current assets held for sale	25.6	21.0	*)
Miscellaneous other operating income	17.6	19.8	
Revenue from the sale of materials	15.9	18.0	
Personnel leasing to third parties	9.8	9.3	
Total	**586.4**	**522.5**	*)
thereof from affiliated companies	*16.8*	*24.7*	

*) 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 provided in Note 32.

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

7. Expenses for materials and services received

	2013 in mil. EUR	2012 in mil. EUR	
Expenses for materials	134.2	206.3	*)
Expenses for services received	282.2	279.5	
Total	**416.4**	**485.8**	*)
thereof with affiliated companies	*61.3*	*66.4*	

*) adjusted prior year amounts, see Note 4

The material expenses include expenses for the external procurement of traction current or the purchase of electricity for resale to third parties in the amount of EUR100.3 million (prior year: EUR113.1 million). The expenses for real estate projects amount to EUR14.4 million (prior year: EUR76.2 million).

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

8. Personnel expenses and employees

	2013 in mil. EUR	2012 in mil. EUR	
Wages and salaries	816.4	829.5	
Statutory social security contributions	213.2	213.6	
Expenses for severance payments	6.1	11.4	*)
Pension costs	8.3	8.6	
Total	**1,044.0**	**1,063.1**	*)

*) adjusted prior year amounts, see Note 26.1

			Change		Average	
Employee structure	Dec 31, 2013	Dec 31, 2012	Reporting date	in %	2013	2012
Employees and workers	4,174	4,067	107	3%	3,992	4,158
Tenured employees	12,040	12,390	-350	-3%	12,129	12,509
Total (excl. apprentices)	**16,214**	**16,457**	**-243**	**-1%**	**16,121**	**16,667**
Apprentices	1	2	-1	-50%	1	3
Total (incl. apprentices)	**16,215**	**16,459**	**-244**	**-1%**	**16,122**	**16,670**

9. Depreciation

	2013 in mil. EUR	2012 in mil. EUR
Depreciation on property, plant and equipment	758.7	687.5
Amortization of intangible assets	35.0	36.1
Impairment on assets held for sale	0.3	4.6
Depreciation on investment property	3.8	3.7
less amortization of investment grants	-181.4	-192.4
Total depreciation and amortization	**616.4**	**539.5**

10. Other operating expenses

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

	2013 in mil. EUR	2012 in mil. EUR
Cost of operation	104.4	99.9
Loss on the disposal of property, plant and equipment and intangible assets	38.5	28.5
Non-income taxes	37.6	41.9
Training and continuing education	31.5	32.0
Miscellaneous	152.4	78.3
Total	**364.4**	**280.6**
thereof with affiliated companies	*130.0*	*86.0*

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

The miscellaneous operating expenses mainly refer to expenses for office needs, renting, leasing and licensing expenses, travel and other allowances, insurances, events of loss, marketing and advertising costs, lease of personnel, payments to affiliated companies for transport services of employees and canteens.

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

	2013 in kEUR	2012 in kEUR
Annual financial statements and consolidated annual financial statements audit	312	294
Other auditing services	24	9
Consulting services	23	119
Other services	111	0
Total	**470**	**422**

11. Interest income and expenses

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

Interest income/ expenses	2013 in mi. EUR	2012 in mil. EUR
Interest income	55.9	87.9
thereof from affiliated companies	*9.7*	*29.4*
Interest expenses	-643.4	-667.3
thereof to affiliated companies	*-8.9*	*-26.2*
Total	**-587.5**	**-579.4**
thereof relating to affiliated companies	*0.8*	*3.2*

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

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

The interest expenses refer to bonds at an amount of EUR534.0 million (prior year: EUR503.6 million) In addition, Interest is paid for EUROFIMA loans and other borrowings and interest-related expenses. The expenses for guarantee fees amount to EUR18.0 million (prior year: EUR16.8 million). The other interest expenses mainly comprise interest payments and deferrals from cross-border leasing transactions and amount to EUR30.8 million (prior year: EUR52.8 million).

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

12. Other financial result

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

Other financial result	2013 in mil. EUR	2012 in mil. EUR
Other financial income	26.5	48.9
thereof income from disposal and revaluation of financial assets	*1.4*	*5.3*
thereof form measurement/ foreign currency translation differences	*20.9*	*41.4*
thereof from affiliated companies	*0.0*	*0.6*
Other financial expenses	-20.8	-52.3
thereof from measurement/ foreign currency translation differences	*-17.6*	*-37.3*
thereof with affiliated companies	*-1.5*	*-4.9*
Total	**5.7**	**-3.4**

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

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

13. Income taxes

Tax expenses/tax benefit

The Income taxes are broken down as follows:

	2013 in mil. EUR	2012 in mil. EUR	
Expense/ benefit from tax allocation (group taxation)	-0.6	-1.6	
Deferred tax expense/ benefit	4.5	12.9	*)
Income taxes	**3.9**	**11.3**	*)

*) adjusted prior year amounts, see Note 26.1

The taxes are calculated with 25% of the estimated taxable profit for the financial year. Income taxes in the amount of EUR1.5 million (prior year: EUR2.4 million) are recognized via other comprehensive income in the cash flow hedge reserve for electricity.

The deferred taxes were as follows:

	2013 in mil. EUR	2012 in mil. EUR	
Deferred tax assets	*37.7*	*22.2*	
Recognized amounts as of Jan 01	**37.7**	**22.2**	
Change in deferred taxes			
recognized in other comprehensive income	*1.5*	*2.6*	*)
recognized in profit or loss	*4.5*	*12.9*	*)
Recognized amounts as of Dec 31	**43.7**	**37.7**	
thereof deferred tax assets	*43.8*	*37.7*	
thereof deferred tax liabilities	*-0.1*	*0.0*	

*) adjusted prior year amounts, see Note 26.1

Deferred taxes recognized in other comprehensive income resulted primarily from differences between the IFRS carrying value and the tax bases of resulting from power derivatives, other CF hedges and actuarial gains and losses according to IAS 19.

Due to the underlying temporary differences between the carrying amounts in the IFRS consolidated financial statements and the relevant tax bases, the deferred taxes at an amount of EUR36.2 million (prior year: EUR31.3million) are to be assessed as long term. Regarded as short-term are deferred taxes on loss carryforwards in the amount of EUR7.5 million (prior year: EUR6.3 million), which can be expected to be used in the 2014 financial year.

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

	2013 in mil. EUR	2012 in mil. EUR	
Income before income tax according to IFRS	25.8	12.0	*)
Adjustment of tax-exempt portion pursuant to Article 50 (2) *Bundesbahngesetz*	62.1	64.1	*)
Taxable portion of the income	**87.9**	**76.1**	*)
Group tax rate	*25%*	*25%*	
Expected expense (-) or benefit (+) from taxes in the financial year	-22.0	-19.0	*)
Investment income	0.5	0.8	
Effects of changes of recognition	25.6	29.7	
Non-deductible operating expenses and other additions	-0.2	-0.2	
Accounted income taxes	**3.9**	**11.3**	*)
Effective corporate tax rate	**-4.5%**	**-14.9%**	*)

*) adjusted prior year amounts, see Note 26.1

The effective corporate tax rate of -4.5% (prior year: -15.1%) which deviates significantly from the statutory corporate tax rate of 25%, primarily results from the changes of recognized deferred taxes on loss carry-forwards.

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

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

	Deferred tax 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
Assets				
Property, plant and equipment	15.3	-1.6	11.8	-2.2
Intangible assets	0.0	0.0	0.0	-0.1
Financial assets	0.9	-5.9	0.0	-11.9
	16.3	**-7.6**	**11.8**	**-14.1**
Liabilities				
Provisions	0.5	-4.6	1.5	-5.5
Other financial liabilities	12.1	0.0	17.3	0.0
	12.6	**-4.6**	**18.8**	**-5.5**
Tax losses carried forward	26.9	0.0	26.8	0.0
Deferred tax assets or deferred tax liabilities	**55.8**	**-12.1**	**57.4**	**-19.7**
Offsetting	-12.0	12.0	-19.7	19.7
Net deferred tax assets or deferred tax liabilities	**43.8**	**-0.1**	**37.7**	**0.0**

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 considers the scheduled reversal of deferred tax liabilities and projected future taxable income when making this assessment.

By drawing on the historical taxable income and projections for future taxable income over the years in which tax assets can be utilized, the Board believes that the realization of tax benefits from deferred tax assets in the amount of EUR43.7 million (prior year: EUR37.7 million) is probable. The temporary differences in the positions of tangible and intangible assets result primarily from the different depreciation start (pro rata in accordance with IFRS as compared to the half-year rule after tax) as well as from different amortized costs. The temporary differences from the financial assets and liabilities arise from the different valuation of electricity derivatives under IFRS (fair value) and tax law (provision for onerous contracts).

The tax loss carry-forwards are from companies in Austria and are carried forward indefinitely. The annual usage with loss carryforwards is limited in Austria to 75% of the respective taxable income, however, EUR2,453.8 million (prior year: EUR2,488.6 million) resulted from the pre-consolidation losses of ÖBB-Infrastruktur AG and this is therefore netted entirely against tax results achieved in future periods.

For tax loss carry-forwards in the amount of EUR2,353.4 million (prior year: EUR2,381.3 million) no deferred taxes are recognized as the recovery is not assured in the foreseeable future.

14. Property, plant and equipment

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

in mil. EUR	Land and buildings	Automobiles and trucks	Technical equipment and machinery	Technical equipment and machinery leased	Other plant, furniture and fixtures	Assets under construction and prepayments	Total
Cost 2013							
Cost as of Jan 01, 2013	22,960.8	317.3	7,957.4	2.6	117.1	2,206.2	33,561.4
Additions	23.0	0.1	3.4	0.0	7.4	1,836.1	1,870.0
Disposals	-128.4	-18.6	-78.7	0.0	-3.3	-22.5	-251.5
Change in reporting entities	-0.1	0.0	-0.9	0.0	-42.2	-2.5	-45.7
Transfers	1,016.1	53.1	412.6	-1.1	50.4	-1,609.4	-78.3
Cost as of Dec 31, 2013	23,871.4	351.9	8,293.7	1.5	129.4	2,407.9	35,055.8
Accumulated depreciation as of Jan 01, 2013	-6,826.6	-174.0	-3,998.9	-1.8	-74.5	0.0	-11,075.8
Depreciation	-421.6	-29.3	-292.0	-0.2	-15.6	0.0	-758.7
Disposals	103.4	14.3	73.7	0.0	3.1	0.0	194.5
Change in reporting entities	0.0	0.0	0.9	0.0	25.3	0.0	26.2
Transfers	14.2	0.0	-1.0	1.1	-25.3	0.0	-11.0
Accumulated depreciation as of Dec 31, 2013	-7,130.5	-188.9	-4,217.3	-0.9	-87.0	0.0	-11,624.7
Carrying amounts before investment grants as of Jan 01, 2013	**16,134.2**	**143.3**	**3,958.5**	**0.8**	**42.6**	**2,206.2**	**22,485.6**
Carrying amounts before investment grants as of Dec 31, 2013	**16,740.9**	**162.9**	**4,076.4**	**0.6**	**42.4**	**2,407.9**	**23,431.1**
Investment grants 2013							
As of Jan 01, 2013	-9,490.0	-7.2	-2,964.2	0.0	-5.5	-385.9	-12,852.8
Additions	-56.7	0.0	-10.7	0.0	0.0	-35.3	-102.7
Disposals	53.6	0.0	15.8	0.0	0.1	3.8	73.3
Change in reporting entities	-0.3	0.0	-0.2	0.0	0.7	0.0	0.2
Transfers	-58.2	0.0	-4.8	0.0	0.0	67.0	4.0
As of Dec 31, 2013	-9,551.6	-7.2	-2,964.2	0.0	-4.7	-350.5	-12,878.1
Accumulated depreciation as of Jan 01 ,2013	5,272.8	7.0	2,294.3	0.0	4.3	0.0	7,578.4
Depreciation	112.3	0.1	61.4	0.0	0.3	0.0	174.1
Disposals	-42.8	0.0	-14.2	0.0	-0.1	0.0	-57.1
Change in reporting entities	0.0	0.0	-0.1	0.0	-0.7	0.0	-0.8
Transfers	-1.8	0.0	0.0	0.0	0.0	0.0	-1.8
Accumulated depreciation as of Dec 31, 2013	5,340.4	7.1	2,341.5	0.0	3.7	0.0	7,692.8
Investment grants as of Jan 01, 2013	**-4,217.2**	**-0.2**	**-669.9**	**0.0**	**-1.2**	**-385.9**	**-5,274.4**
Investment grants as of Dec 31, 2013	**-4,211.1**	**-0.1**	**-622.7**	**0.0**	**-0.9**	**-350.5**	**-5,185.3**
Carrying amounts after investment grants as of Jan 01, 2013	**11,917.0**	**143.1**	**3,288.6**	**0.8**	**41.4**	**1,820.3**	**17,211.2**
Carrying amounts after investment grants as of Dec 31, 2013	**12,529.8**	**162.8**	**3,453.7**	**0.6**	**41.4**	**2,057.4**	**18,245.7**

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

The ÖBB-Infrastruktur Group received non-repayable investment grants for property plant and equipment, which are represented in an acquisition cost-reducing manner. Both the depreciation of these assets and the dissolution of the cost contributions are recognized in profit or loss under “depreciation”. Additions to property plant and equipment due to first-time consolidated companies or disposals from final consolidation are presented in separate rows in the 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”

In the financial year the ÖBB-Infrastruktur Group activated interest on cost of qualifying assets in the amount of EUR43.2 million (prior year: EUR33.7 million) in accordance with the provisions of IAS 23. The underlying borrowing rate amounts to 3.76% (prior year: 3.98%).

As of Dec 31, 2013, the contractual commitments for the acquisition of property, plant and equipment (purchase commitments) amounted to EUR1,867.1 million (prior year: EUR1,374.4 million).

Borrowings are secured by tangible assets with the following carrying amounts:

	2013 in mil. EUR	2012 in mil. EUR
Land and buildings	82.0	76.9
Other technical equipment and machinery	226.7	218.4
Automobiles and trucks	57.1	41.1
Total	**365.8**	**336.4**

These assets in the amount of EUR308.7 million (prior year: EUR295.3 million) serve as collateral for liabilities from cross-border leasing transactions, and in the amount of EUR57.1 million (prior year: EUR41.1 million) as collateral for EUROFIMA loans.

Losses on disposal of fixed assets amounted EUR38.5 million (prior year: EUR28.5 million) and this resulted from the scrapping and demolition of assets or the sale of vehicles and other operating equipment as well as from the disposal of planning project cost.

Investment grants

The development of the grants is shown in the attached summary of fixed assets. The main providers of the grants are the following:

	Dec 31, 2013 in mil. EUR	Dec 31, 2012 in mil. EUR
Republic of Austria	2,416.2	2,390.8
Schieneninfrastrukturfinanzierungs GmbH	1,398.3	1,466.9
former Eisenbahn-Hochleistungsstrecken AG	1,378.5	1,402.3
Other third parties	126.4	144.9
Total	**5,319.4**	**5,404.9**

The grants paid by these cost contributors for intangible assets amount to EUR134.1 million (prior year: EUR130.5 million) and are included in this list.

Leased and rented assets

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

15. Intangible assets

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

	Concessions, property rights, licenses in mil. EUR	Investment grants to third parties in mil. EUR	Down payments on intangible assets in mil. EUR	Total in mil. EUR
Accumulated cost and amortization 2013				
Cost as of Jan 01, 2013	117.9	798.5	18.0	934.4
Additions	3.1	6.1	25.8	35.0
Disposals	-3.5	-0.9	0.0	-4.4
Chnage in reporting entities	-23.4	-0.6	0.0	-24.0
Transfers	32.9	19.8	-26.8	25.9
Cost as of Dec 31, 2013	127.1	823.0	16.9	967.0
Accumulated amortization as of Jan 01, 2013	-58.2	-376.6	0.0	-434.8
Amortization	-10.2	-24.8	0.0	-35.0
Disposals	3.5	0.6	0.0	4.1
Change in reporting entities	14.3	0.7	0.0	15.0
Transfers	-14.3	0.0	0.0	-14.3
Accumulated amortization as of Dec 31, 2013	-64.9	-400.2	0.0	-465.1
Carrying amounts before investment grants as of Jan 01, 2013	**59.7**	**421.8**	**18.0**	**499.5**
Carrying amounts before investment grants as of Dec 31, 2013	**62.1**	**422.8**	**16.9**	**501.9**
Investment grants 2013				
As of Jan 01, 2013	-35.0	-412.7	0.0	-447.7
Additions	-2.0	-8.9	0.0	-10.9
Disposals	0.0	0.1	0.0	0.1
Change in reporting entities	2.2	0.0	0.0	2.2
Transfers	0.5	-0.6	0.0	-0.1
As of Dec 31, 2013	-34.1	-422.2	0.0	-456.3
Accumulated amortization as of Jan 01, 2013	14.5	302.7	0.0	317.2
Amortization	1.7	5.6	0.0	7.3
Disposals	0.0	-0.1	0.0	-0.1
Chnage in reporting entites	-2.2	0.0	0.0	-2.2
Accumulated amortization as of Dec 31, 2013	13.8	308.3	0.0	322.1
Investment grants as of Jan 01, 2013	**-20.5**	**-110.0**	**0.0**	**-130.5**
Investment grants as of Dec 31, 2013	**-20.3**	**-113.8**	**0.0**	**-134.1**
Carrying amounts after investment grants as of Jan 01, 2013	**39.2**	**311.9**	**18.0**	**369.1**
Carrying amounts after investment grants as of Dec 31, 2013	**41.9**	**308.9**	**16.9**	**367.7**

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

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

Development costs were not recognized as an intangible asset, because a clear distinction from the research phase of the projects was not possible and the ability to generate future economic benefits was considered uncertain; therefore, the entire expenses for research and development amounting to EUR4.8 million (prior year: EUR3.4 million) were recognized in income.

16. Investment property (IAS 40)

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

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

	2013 in mil. EUR	2012 in mil. EUR
Cost		
As of Jan 01	*274.2*	*272.4*
Additions	11.3	5.8
Disposals	-2.6	-4.0
Transfers	18.4	0.0
As of Dec 31	**301.3**	**274.2**
Accumulated depreciation		
As of Jan 01	*171.2*	*171.5*
Depreciation	3.8	3.7
Disposals	-1.8	-4.0
Transfers	-0.1	0.0
As of Dec 31	**173.1**	**171.2**
Net carrying amounts as of Dec 31	**128.2**	**103.0**

All properties held by the ÖBB-Infrastruktur Group as financial investments are leased in the context of operating leases. The resulting rental income without operating costs amounted to EUR16.7 million (prior year: EUR15.6 million), from which attributable expenses (including repairs and maintenance, but excluding operating costs) in the amount of EUR7.5 million (prior year: EUR6.7 million) are deducted. In addition to that, operating expenses in the amount of EUR0.3 million (prior year: EUR0.3 million) were incurred, against which no rental income was pitted. The ÖBB Infrastructure Group has not entered into any contracts for the maintenance of its properties held as investment properties, which lead to a commitment concerning this matter.

The fair value amounts to EUR306.4 million (prior year: EUR298.7 million). The fair value of investment property was not determined by external experts, but by ÖBB Immobilien Management GmbH intragroup experts with due regard to the existing market data based on the benchmark rents for each state, including any additions and deductions depending on the condition and location of the building using the DCF method. Due to this adjustment of the input factors observed in the market the assignment of the fair value hierarchy to Level 3 is according to IFRS 13. To determine the fair value a position-dependent rate of 4% – 5% was applied in both years. A change to the discounts from the benchmark rents by + / - 10% would lead to a reduction in the fair value of 19.6% or an increase of 16.8%. Furthermore, there were additions as a result of EUR0.9 million (prior year: EUR1.4 million) due to subsequent acquisition costs.

17. Investments recorded at equity

A summary of the financial information for the companies accounted for using the equity method, in which ÖBB-Infrastruktur AG is involved as of the reporting date, is presented in the following tables:

2013 investment, name and registered office	Assets in mil.	Debts in mil.	Revenues in mil.	EBIT in mil.	Net income in mil.
Joint ventures recorded at equity					
50% Galleria di Base del Brennero - Brenner Basistunnel BBT SE	105.1	24.0	0.0	-1.5	0.0
thereof current	*44.9*	*23.3*			
thereof non-current	60.2	0.7			
Associated entities recorded at equity					
30% Weichenwerk Wörth GmbH	22.5	11.5	32.8	4.5	3.3

2012 investment, name and registered office	Assets in mil.	Debts in mil.	Revenues in mil.	EBIT in mil.	Net income in mil.
Joint ventures recorded at equity					
50% Galleria di Base del Brennero - Brenner Basistunnel BBT SE	118.1	37.0	0.0	-1.2	0.0
thereof current	104.1	36.5			
thereof non-current	14.1	0.5			
Associated entities recorded at equity					
30% Weichenwerk Wörth GmbH	19.0	8.9	28.1	3.1	2.4

In its annual financial statements, Galleria di Base del Brennero - Brenner Basistunnel BBT SE reports besides the values indicated above, total revenue of EUR11.7 million (prior year: EUR10.8 million) and total expenses in the amount of EUR13.2 million (prior year: EUR12.0 million).

For the Galleria di Base del Brennero – Brenner Basistunnel BBT SE EUR4.3 million (prior year: EUR25.7 million) were paid as cost contributions. This amount was refunded in both years, firstly by the federal government in the amount of EUR0.2 million (prior year: EUR17.5 million) and, secondly, on the basis of the share purchase agreement dated 18.04.2011 by the federal state of Tyrol in the amount of EUR4.1 million (prior year: EUR8.2 million).

The reporting date of Weichenwerk Wörth GmbH is 31.03. This company is included on the basis of interim financial statements in accordance with IFRS as of 31.12. The following table shows the roll forward of the investments in companies recorded at equity:

	2013 in mil. EUR	2012 in mil. EUR
As of Jan 01	*43.6*	*43.7*
Share of income	1.2	0.8
Dividends	-0.9	-0.9
As of Dec 31	**43.9**	**43.6**

18. Other financial assets

2013	Current in mil. EUR	Non-current in mil. EUR	Total in mil. EUR
Investments	0.0	3.7	3.7
Financial assets - leasing	46.0	472.9	518.9
thereof with affiliated companies	*30.0*	*141.7*	*171.7*
Other financials assets	41.2	50.7	91.9
thereof with affiliated companies	*0.7*	*0.0*	*0.7*
Total	**87.2**	**527.3**	**614.5**
thereof with affiliated companies	*30.7*	*141.7*	*172.4*

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

Investments

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

Financial assets - leasing

The financial assets in connection with leases relate to EUR156.4 million (prior year: EUR187.3 million) in receivables from Sublease contracts to ÖBB-Produktion GmbH, ÖBB-Personenverkehr AG and Rail Cargo Austria AG and with EUR347.3 million (prior year: EUR557.6 million in assets from cross-border lease transactions (CBL). In addition, charged-claims are included against other companies of the ÖBB Group from impairments in connection with CBL transactions to the extent of EUR15.3 million (prior year: EUR17.6 million).

The financial assets from non-linked CBL transactions in the amount of EUR347.3 million (prior year: EUR557.6 million) relate mainly to long-term loans and securities and are used to cover future payment commitments (lease and purchase price). Capital income from accumulating investments increase the items, and the loans used for the operation of the payment commitments reduce the items. These assets are matched by interest expenses in the amount of EUR340.6 million (prior year: EUR545.5 million). For financial assets from leases of EUR308.7 million, there are restrictions on rights of disposal. Details of the lease and CBL transactions can be found in Notes 30.1 and 30.3.

Other financial assets

The remaining financial assets for 2012 relate mainly to receivables from the affiliated companies ÖBB-Personenverkehr AG in the amount of EUR35.2 million and Rail Cargo Austria AG in the amount of EUR11.0 million. In 2013 there were no material loans to affiliated companies. Furthermore, derivatives in connection with electricity trading transactions in the amount of EUR23.3 million (prior year: EUR47.5 million) or interest rate derivatives of EUR0.4 million (prior year: EUR40.3 million) and residual deposits from the release of CBL transactions of EUR51.8 million (prior year: EUR56.3 million) are included in this position.

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

The line item for "Assets held for sale" is as follows:

Assets held for sale	2013 in mil. EUR	2012 in mil. EUR
As of Jan 01	*54.3*	*1.0*
Additions (single assets)	3.4	10.4
Additions (group of assets)	0.0	47.5
Impairment	-0.3	-4.6
Disposals by sale	-54.3	0.0
As of Dec 31	**3.1**	**54.3**
of which reported at amortized cost	*1.9*	52.8
of which reported at fair value less costs to sell	*1.2*	1.5

The assets reported under this balance sheet item in the financial year 2013 were predominantly properties for which the sale will take place in 2014. The fair values correspond to the agreed purchase price or the expected outcome of negotiations with the parties, with which the allocation of the fair value to hierarchy level 3 is done according to IFRS 13.

In the context of organizational development the disposal group "Business-ICT", which has overall responsibility for all IT topics of the ÖBB-Holding Group, was summarized in the ÖBB-IKT GmbH and sold to ÖBB-Holding AG for a fee (currency) of EUR7.8 million with effect from 27.03.2013. The disposal was without effect on income. As part of the sale, liabilities owed to ÖBB-Finanzierungsservice GmbH were disposed from the Group's clearing of EUR10.4 million (cash equivalents). In addition, long-term assets (particularly fixed assets) of EUR26.5 million, current assets of EUR18.4 million, personnel provisions of EUR2.5 million and short-term debt of EUR23.6 million were disposed.

As of 31.12.2012 the disposal group is composed as follows:

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

The 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. In 2013 property classified as assets held for sale and measured at fair value, an impairment in the amount of EUR0.3 million (prior year: EUR4.6 million) had to be reported. Thereby the assets were written down to the agreed purchase price according to sales contracts or negotiation results with the contractors. The ÖBB-Infrastruktur Group has recognized total gains from assets held for sale in the amount of EUR11.8 million (prior year: EUR3.4 million), which are reported together with the result from the sale of other assets in other operating income.

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

The following table shows the development of the fair values:

Development of fair value	2013 in mil. EUR
As of Jan 01	*1.5*
Disposal	-1.5
Addition	1.2
As of Dec 31	**1.2**

20. Trade and other receivables

This item is broken down as follows:

Dec 31, 2013	Current in mil. EUR	Non-current in mil. EUR	Total in mil. EUR
Trade receivables	152.0	0.0	152.0
thereof from affiliated companies	*78.3*	*0.0*	*78.3*
thereof from construction contracts	*6.8*	*0.0*	*6.8*
Other receivables and deferrals	250.0	163.5	413.5
Total	**402.0**	**163.5**	**565.5**

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

The carrying amounts of trade receivables and other receivables (insofar as financial instruments are concerned) approximately correspond to the fair value due to the short duration. In the trade receivables, receivables with a remaining term of more than 1 year in the amount of EUR2.7 million (prior year: EUR4.8 million) are included.

In the receivables from deliveries and services construction contracts are recognized in the context of services for third parties where the provision of services is not yet complete.

The other receivables and deferrals mainly comprise prepaid guarantee premiums amounting to EUR178.5 million (prior year: EUR154.3 million), the salaries for January which were paid out in December in the amount of EUR29.9 million (prior year: EUR30.0 million), receivables relating to the sale of land in the amount of EUR25.9 million (prior year: EUR31.2 million), receivables relating to investment grants amounting to EUR20.2 million (prior year: EUR22.4 million) as well as receivables from tax credit.

The value adjustments were as follows:

	Trade receivables		Other receivables	
	2013 in mil. EUR	2012 in mil. EUR	2013 in mil. EUR	2012 in mil. EUR
As of Jan 01	*8.8*	*9.9*	*0.0*	*14.4*
Utilization	-0.6	-0.8	0.0	-2.1
Release	-1.3	-2.3	0.0	-12.3
Additions	4.1	2.0	0.0	0.0
As of Dec 31	**11.0**	**8.8**	**0.0**	**0.0**

The overdue or value adjusted receivables that are not overdue are as follows:

Dec 31, 2013 Analysis of past due/ impaired receivables	Gross carrying amount (before impairment) in mil. EUR	thereof not individually impaired in mil. EUR	thereof individually impaired (gross) in mil. EUR	Allowance in mil. EUR	thereof individual allowance in mil. EUR	thereof portfolio allowance in mil. EUR	Net carrying amount in mil. EUR
Receivables not past due but impaired	0.1	0.0	0.1	0.1	0.1	0.0	0.0
up to 90 days past due	7.0	0.6	6.4	0.2	0.2	0.0	6.8
90 to 180 days past due	5.2	0.0	5.2	2.9	2.9	0.0	2.3
180 to 360 days past due	2.2	0.2	2.0	1.4	1.4	0.0	0.8
more than 360 days past due	15.5	0.5	15.0	6.4	6.3	0.1	9.1
Total exposure	**30.0**	**1.3**	**28.7**	**11.0**	**10.9**	**0.1**	**19.0**

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

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

Further information is provided in Note 29.1.c.

21. Inventories

This balance sheet item is composed as follows:

	Dec 31, 2013 in mil. EUR	Dec 31, 2012 in mil. EUR
Inventories	95.1	19.9
less write down	-2.1	-1.3
Total	**93.0**	**19.0**
thereof measured at cost	*93.0*	*18.7*
thereof measured at net realizable value	*0.0*	*0.3*

The expenses for materials and other services received are shown in Note 7. No reversals of previous write-downs on inventories were recorded in the period under review. The real estate projects refer to those properties, which are no longer operationally used and which are developed for later sale. These are former railway station and railway systems which were used for continuous operation. Affected are key projects, such as the site of the former Südbahnhof and the Wien Nord freight station, which are being developed on a large scale.

In 2013, the write downs amounted to EUR0.8 million (prior year: EUR0.9 million).

22. Cash and cash equivalents

This item is broken down as follows:

	Dec 31, 2013 in mil. EUR	Dec 31, 2012 in mil. EUR
Cash on and checks	0.1	0.1
Cash in banks	8.5	8.6
Current account ÖBB-Finanzierungsservice GmbH (Group clearing)	19.4	412.3
Total	**28.0**	**421.0**

This item includes investments and credits with financial institutions, ÖBB-Finanzierungsservice GmbH as well as cash holdings, all of which are short-term (maturity less than 3 months). The carrying value of these assets corresponds to their fair value. All components of liquid resources are freely available to the ÖBB-Infrastruktur Group. The financial fund according to the cash flow statement is made up from the Group clearing of the above-mentioned liquid funds and the liabilities of individual Group companies owed to ÖBB-Finanzierungsservice GmbH in the amount of EUR63.0 million (prior year EUR67.3 million).

23. Share capital

The share capital of ÖBB-Infrastruktur AG remains at EUR500.0 million. The share capital is divided into 100,000 registered shares. All shares are held by ÖBB-Holding AG.

24. Reserves, accumulated income

Available-for-sale reserves are composed as follows:

	Available-for-sale reserve		**Cash flow hedge reserve**	
	Development of the carrying amount in mil. EUR	Income taxes included therein in mil. EUR	Development of the carrying amount in mil. EUR	Income taxes included therein in mil. EUR
As of Jan 01, 2012	*0.0*	*0.0*	*-17.1*	*0.7*
Changes in the fair values	16.5	0.0	-19.4	4.7
Realized gains and losses	0.0	0.0	15.6	-2.3
As of Dec 31, 2012	**16.5**	**0.0**	**-20.9**	**3.1**
Changes in the fair values	-3.3	0.0	-17.2	-3.6
Realized gains and losses	-4.2	0.0	21.0	2.1
As of Dec 31, 2013	**9.0**	**0.0**	**-17.1**	**1.6**

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

25. Financial liabilities

The financial liabilities are composed as follows:

Dec 31, 2013	< 1 year in mil. EUR	1 - 5 years in mil. EUR	> 5 years in mil. EUR	Total in mil. EUR
Bonds	703.6	1,934.6	11,738.2	14,376.4
Bank loans	10.5	32.8	1,988.0	2,031.3
Financial liabilities leasing	43.7	214.6	239.3	497.6
thereof with affiliated companies	*27.5*	*84.6*	*44.2*	*156.3*
Other financial liabilities	542.2	96.2	160.5	798.9
thereof with affiliated companies	*65.2*	*3.8*	*0.0*	*69.0*
Total	**1,300.0**	**2,278.2**	**14,126.0**	**17,704.2**
thereof with affiliated companies	*92.7*	*88.4*	*44.2*	*225.3*

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

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

Of the liabilities owed to credit institutes EUR1,966.7 million (prior year: EUR1,967.9 million) affect financing from the European Investment Bank (EIB).

Liabilities of the federal government

Liabilities of the federal government exist for bonds in the amount of EUR14,370.9 million (prior year: EUR13,356.7 million) and in 2012, for borrowing in the amount of EUR3.5 million. Furthermore, liabilities with EUROFIMA in the amount of EUR367.6 million (prior year: EUR352.2 million) are covered by guarantee of the Federal Government.

Issued bonds

The bonds are classified as follows:

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)Premature cancellation by the investor in 2015, 2) Premature cancellation by the investor in 2016, 3) 3.409% as long as the 1 Year EURIBOR Swap rate <5%, otherwise 1 Year EURIBOR swap rate -0.2%, 4) Premature cancellation by the investor in 2014, 5) Premature cancellation by the Investor in 2017, 6) stockpiling

In 2005, ÖBB-Infrastruktur AG initiated a Euro Medium Term Note ("EMTN") program. The payments in respect of bonds issued under this contract are guaranteed unconditionally and irrevocably by the Republic of Austria. All bonds since 2005 are issued by ÖBB-Infrastruktur AG under this program.

As of 31.12.2013, the company has fulfilled all commitments under the loan and credit agreements.

Financial liabilities leasing

The lease liabilities with affiliated companies are due to ÖBB-Finanzierungsservice GmbH and refer to the financing of the sub-lease transactions with ÖBB-Produktion Gesellschaft mbH, ÖBB-Personenverkehr AG and Rail Cargo Austria AG. These liabilities are matched with financial receivables due from the three affiliated companies indicated above. The lease liabilities due to unrelated parties result in particular from non-linked CBL transactions and amount to EUR340.6 million (prior year: EUR545.6 million).

Financial assets in the amount of EUR308.7 million (prior year: EUR492.2 million) have been pledged to cover the liabilities from CBL transactions. For details on collateral securities see Note 14.

Other financial liabilities

The other financial liabilities due to affiliated companies are due to ÖBB-Finanzierungsservice GmbH and mainly relate to liabilities from current financing activities at an amount of EUR63.0 million (prior year: EUR67.3 million).

Other financial liabilities to other companies consist mainly of EUROFIMA loans in the amount of EUR367.6 million (prior year: EUR352.2 million), accrued interest in the amount of EUR224.6 million (prior year: EUR208.9 million) as well as liabilities on derivative financial instruments in the amount of EUR67.6 million (prior year: EUR231.5 million). Of the derivative financial instruments, derivatives with a carrying amount of EUR21.9 million (prior year: EUR159.2 million) affect hedging instruments.

Furthermore, included in other current other financial liabilities are the redemption amounts from the pre-financing of construction projects in the amount of EUR18.4 million (prior year: EUR21.1 million).

Information on leasing transactions can be found in Note 30 and information in accordance with IFRS 7 can be found in Note 29.

26. Provisions

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

26.1. Personnel provisions

	Dec 31, 2013 in mil. EUR	Dec 31, 2012 in mil. EUR
Statutory severance payments	18.9	17.4
Pensions	1.0	1.0
Anniversary bonuses	108.8	100.9
Total	**128.7**	**119.3**

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 commitments 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

For the termination benefits of any employees who are not tenured arising from individual employment law or contractual provisions, a provision for severance pay was set. 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.

As described below, severance benefit commitments for employees whose employment commenced prior to 01.01.2003 are covered by defined benefit plans. Following a legal change, employees whose employment commenced in Austria after the 01.01.2003, are subject to a defined contributions system pension scheme. In this context, the ÖBB-Infrastruktur Group has paid EUR1.8 million and EUR1.9 into the defined contributions system pension scheme (VBV Vorsorgekasse AG or APK-PENSIONSKASSE AG) in the years 2013 and 2012.

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

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

	2013 in mil. EUR	2012 in mil. EUR
Service cost	0.9	0.9
Interest cost	0.5	0.7
Actuarial losses (+) / gains (-)	0.9	3.2
Net periodic cost of statutory severance	**2.3**	**4.8**

	2013 in mil. EUR	2012 in mil. EUR
Defined benefit commitment as of Jan 01	*17.4*	*13.8*
Service cost	0.9	0.9
Interest cost	0.5	0.7
Subtotal recorded in the net income	1.4	1.6
actuarial losses (+) / gains (-) from changes in demographic assumptions	-0.4	0.0
actuarial losses (+) / gains (-) from changes in financial assumptions	1.3	3.0
experience adjustments	-0.1	-0.3
Subtotal included in other income (actuarial losses (+) / gains (-))	0.9	2.7
Severance payments	-1.0	-0.9
Company sales and acquisitions as well as transfers in the Group	0.2	-0.3
Present value of the commitment as of Dec 31	**18.9**	**17.4**

Provisions for severance payments in the amount of EUR0.7 million are due in 2014, in the amount of EUR2.1 million in 2015 – 2018 and in the amount of EUR16.1 million after 2018. The average remaining maturity (duration) is 16.3 years

In the sensitivity analysis for severance payments, the impact on the commitments resulting from changes in key actuarial assumptions was demonstrated. In each case a significant factor was changed, while the other factors were kept constant. In reality, however, it is unlikely that these factors do not correlate. The measurement of the modified benefit obligation is performed analogous 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 in %	Increase of the parameter / change DBO in mil. EUR	Reduction of the parameter / change DBO in mil. EUR
Interest rate	+/-0,5	-1.4	1.6
Salary increases	+/-0,5	1.6	-1.4

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 personnel expenses	3,225.3
Increase in income taxes	201.6
Increase in consolidated earnings	3,023.7
Attributable to:	
Shareholder of the parent company	3,023.7
Non-controlling interests	0.0
Impact on the consolidated statement of comprehensive income in 2012	
Increase in income taxes on components which are recognized directly in equity	201.6
Decrease in income recognized directly in equity	3,023.7
Change in the consolidated statement of comprehensive income	0.0
Impact on the consolidated cash flow statement	
Increase in income before income taxes (EBT)	3,225.3
Decrease in other non-cash income/expenses	3,225.3
Change in cash flow from operating activities	0.0

Anniversary bonuses

Employees are tenured and certain employees (together "employees") are entitled to anniversary bonuses. In accordance with the statutory and contractual provisions 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.

Due to amendments of the retirement regulations, the provisions for voluntary severance payments were transferred back to the provisions for anniversary bonuses in 2012.

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

	2013 in mil. EUR	2012 in mil. EUR
Service cost	4.1	3.4
Interest cost	3.3	3.7
Actuarial losses (+) / gains (-)	6.3	26.0
thereof due to changes of retirement regulations	*0.0*	*11.5*
Net periodic cost of anniversary bonuses	**13.7**	**33.1**

	2013 in mil. EUR	2012 in mil. EUR
Defined benefit commitment as of Jan 01	100.9	70.5
Service cost	4.1	3.4
Interest cost	3.3	3.7
Severance payments	-7.0	-8.3
Reclassification of voluntary severance commitments	0.0	5.6
Company sales and business combinations as well as transfers in the Group	1.2	0.0
Actuarial losses (+) / gains (-)	6.3	26.0
thereof due to changes of retirement regulations	*0.0*	*11.5*
Present value of the commitment as of Dec 31	**108.8**	**100.9**

The average remaining maturity (duration) is 8.3 years

Sensitivity analysis of the provision for anniversary bonuses	Change in assumption in %	Increase of the parameter / change DBO in mil. EUR	Reduction of the parameter / change DBO in mil. EUR
Interest rate	+/-0,5	-4.2	4.5
Salary increases	+/-0,5	4.5	-4.2

Pensions

Defined contribution plans

In Austria, pension benefits for employees are generally provided by the social security institutions, and for tenured railway employees by the Versicherungsanstalt für Eisenbahn und Bergbau [insurance institution for railway and mining] or the Federal Government pursuant to Article 52 Bundesbahngesetz. The ÖBB-Infrastruktur Group is required to pay pension and health care contributions for current and retired tenured employees and their surviving dependents. The Company is legally obliged to make annual contributions to the Versicherungsanstalt für Eisenbahn und Bergbau for active tenured employees. Additionally, the Company offers a defined contribution plan to all employees of the ÖBB-Infrastruktur Group in Austria. The contributions of the Company are calculated as a percentage of the compensation and must not exceed 1.2%. The contribution to this plan amounted to EUR8.4 million und EUR8.5 million.

Defined benefit plan

A defined benefit plan is provided for one former member of the Executive Board (payments beginning with the 60th birthday), under which the ÖBB-Infrastruktur Group has been making payments according to a defined benefit plan since 2010. This unfunded plan provides for pension payments calculated as a percentage of the salary based on the years of service. The pension amounts to a maximum of 13.2% of the last salary, including the public pension scheme. The calculation was based on actuarial principles, assuming a discount factor of 3.5% and an age of retirement of 60 years.

26.2. Other provisions

	As of Jan 01, 2013 in mil. EUR	Utilization in mil. EUR	Disposal of consolidated companies in mil. EUR	Release in mil. EUR	Interest effects in mil. EUR	Additions in mil. EUR	As of Dec 31, 2013 in mil. EUR
Asset retirement commitment	108.6			-12.0	0.7	6.6	103.9
Environmental protection measures	24.3	-0.6		-0.3		0.2	23.6
Demolition cost and similar obligations	13.5	-1.6		-1.7	0.2	4.6	15.0
Non-income taxes and fees	16.9	-0.1	-0.9	-5.1		3.0	13.8
Litigations	18.5	-1.0		-8.9		2.7	11.3
Liability pensions	3.5			-0.8	0.6	1.0	4.3
Project cost	0.7			-0.7			0.0
Miscellaneous	10.1	-1.6	-0.7	-0.4	0.1	10.0	17.5
Total other provisions	**196.1**	**-4.9**	**-1.6**	**-29.9**	**1.6**	**28.1**	**189.4**
thereof long-term	*94.5*						*136.2*

The provision for asset retirement costs relates to future expenses in connection with the demolition and removal of assets and the restoration of sites. This refers to already closed railway lines or railway lines which are to be decommissioned in the near future. This provision is only recognized for lines when it is sufficient certainty that they will be closed down. In the reporting year provisions in the amount of EUR6.6 million (prior year: EUR7.7 million were recognized due to revised and interest rate adjustments.

The provision for environmental protection measures relates to expected restoration measures for contaminated sites. The provision was recognized under the relevant statutory provisions with the likely anticipated expenses.

The provision for demolition cost and similar obligations comprises demolition costs in connection with real estate sales. In the reporting year, with regard to the absence of obligations in the area of the former freight railway station Wien Nord, EUR1.3 million (prior year: EUR12.4 million) could be dissolved in existing provisions. The allocation of provisions concern commitments from basic transactions that took place in 2013 on the territory of the former Südbahnhof.

Due to the division of the ÖBB company into nine independent companies under the umbrella of ÖBB-Holding AG as part of the Bundesbahnstrukturgesetzes 2003 (Federal Railway Structure Act), legally independent companies came into existence that are no longer recognized as carriers by the competent tax authority within the meaning of § 3 of the EStG (Income Tax Act). For the affected companies (i.e. all Group companies with the exception of ÖBB-Personenverkehr AG and ÖBB-Produktion GmbH) the favored transport of their own employees applies as tax and social security contributions benefit from the employment relationship, which is why a provision for the resulting taxes and duties (non-tariff travel discount) was formed. For details on the release of provision see Note 20.

The provision for litigation was recognized for all identifiable litigation risk which are identifiable in the reporting date based on management`s best estimate. The provision comprises numerous litigations resulting from the Company`s normal course of business..

The obligation from liability pensions are measured on the basis of mortality tables and discounted at a discount interest rate of 1.7% 1.7% (prior year: 3.5%).

The remaining other provisions mainly include provisions in connection with the threshold disposal and for commitments associated with the damage caused in the rail head area as well as for railway embankments.

Anticipated cash outflow for the provisions:

Long-term provisions are discounted at interest rates of 0.4% – 2.7% (prior year: 0.6% – 2.4%). Adjustments due to changes in the discount rate were insignificant. Of the other provisions are EUR136.2 million (prior year: EUR94.5 million) are classified as long term. For these provisions, the expected payment date is after 2014. For provisions classified as current, it is expected that there will be a cash outflow in 2014, whereby primarily the provisions for nontariff travel discounts, litigation and parts of provisions for environmental protection measures have been classified as short-term. When the maturity is uncertain, the provisions concerned were mainly classified as short-term (mainly relates to the remaining other provisions).

27. Trade payables and other liabilities

2013	Current in mil. EUR	Non-current in mil. EUR	Total in mil. EUR
Trade payables	592.6	0.0	592.6
thereof to affiliated companies	*44.0*	*0.0*	*44.0*
thereof to third parties	*548.6*	*0.0*	*548.6*
Other liabilities	264.6	80.2	344.8
thereof taxes	*25.0*	*0.0*	*25.0*
thereof social security	*8.4*	*0.0*	*8.4*
thereof accrued personnel liabilities	*95.5*	*0.0*	*95.5*
thereof other deferrals	*17.6*	*55.2*	*72.8*
Total	**857.2**	**80.2**	**937.4**

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

Liabilities from deliveries and services include liabilities with a remaining term of more than 1 year in the amount of EUR5.1 million (prior year: EUR4.9 million). Other liabilities include the commitment to the Federal Ministry of Finance in connection with the subsequent payment of deductibles from the care allowance for the years 1993 to 2009 in the amount of EUR43.1 million (prior year: EUR64.5 million). Furthermore, the commitment to pay a cost contribution to the State of Lower Austria from the sale of routes is reported here in the amount of EUR12.5 million (prior year: EUR32.3 million) which is to be fulfilled next year.

In the accruals for staff, the overtime and unused vacation items are especially recognized. Also reported here are possible entitlements of employees to subsequent adjustment of vacation and holiday charges and overtime allowances amounting to EUR45.6 million (prior year: EUR29.2 million).

Any remaining other accruals are composed mainly of the identified tax benefit from the CBL transactions in the amount of EUR2.8 million (prior year: EUR12.8 million), accrued income from land lease contracts of EUR67.6 million (prior year: EUR167.2 million) and rental and lease expenses in the amount of EUR1.7 million (prior year: EUR2.5 million).

C. OTHER NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. Other liabilities and contingent liabilities

The contingent liabilities are composed as follows:

	2013 in mil. EUR	2012 in mil. EUR
Contingent liabilities from lease transactions	469.8	578.8
Other contingent liabilities	3.9	0.0
Total	**473.7**	**578.8**

Contingent liabilities from lease transactions (Cross Border Leasing)

Contingent liabilities from leases include any cross-border leasing transactions, which under the provisions of SIC 27 have no economic substance and for which consequently the related investments and liabilities are not recognized in the balance sheet. With these transactions the ÖBB-Infrastruktur Group assumes that the contractual partners of the underlying investments – as before – will continue to meet their contractually agreed payment commitments and thus no cash outflows above the payments upon completion of the transaction are to be expected. The contracting partners of the affected investments have a credit rating at Standard & Poor's of at least AA+ or there are subsidiary guarantor liabilities from the public sector. Due to the existing debt commitments of the ÖBB-Infrastruktur Group arising from cross-border lease agreements with respect to the unredeemed lease liabilities a corresponding note of these commitments is made under the contingent liabilities. For the unredeemed lease commitments securities exist in the form of pledged investments.

In the event of a claim arising from cross-border lease commitments recourse claims against other companies of the ÖBB Group exist in the amount of EUR447.9 million (prior year: EUR442.3 million).

29. Financial instruments

29.1. Risk management

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

A key task of the risk management is to identify, assess and limit financial risks. Risk limitation does not mean absolute elimination of financial risks, but reasonable control of risk positions quantified at all times within a concrete and agreed framework.

ÖBB-Holding AG, which effects transactions on behalf and for the account of ÖBB-Infrastruktur AG and its subsidiaries 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 ÖBB-Infrastruktur Group's assets is the first priority for any and all financial activities.

Financial risks are defined as follows:

- 29.1.a. Interest rate risk
- 29.1.b. 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 represent risks to the profitability and value of the ÖBB-Infrastruktur Group and can occur in the following forms:

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

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

Derivative financial instruments that are suitable for the management of interest rate risks (interest rate swaps) are concluded based on portfolio analyses and recommendations of ÖBB-Holding AG and on corresponding decisions of the companies of the subgroup ÖBB-Infrastruktur AG. The ÖBB-Infrastruktur Group is mainly exposed to interest rate risks in the Euro Zone. Considering the existing debt structure, interest rate derivatives are used as efficiently as possible to implement the risk strategy.

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	557.8	0.1
Cash and cash equivalents	0.0	28.0
thereof with affiliated companies	*0.0*	*19.4*
Total	**557.8**	**28.1**
thereof with affiliated companies	*156.4*	*19.4*
Financial liabilities	17,225.0	170.8
thereof with affiliated companies	*162.0*	*62.9*

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

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

Sensitivity analysis interest rate risk

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

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

In the case of fair value hedges designated to hedge against interest rate fluctuations, the change in the fair value of the hedged item and the hedging instrument resulting from changes in interest rates in the same period are compensated in the income statement. Consequently, these financial instruments are not exposed to any interest rate risks either.

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

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

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

	Effect in income statement		**Effect in shareholder's equity**	
Sensitivity analysis interest rate risk as of Dec 31, 2013	in mil. EUR + 100 base points	in mil. EUR - 100 base points	in mil. EUR + 100 base points	in mil. EUR - 100 base points
Assets				
Cash and cash equivalents	0.2	-0.1	0.1	0.0
Liabilities				
Financial liabilities	-1.7	1.7	1.6	-1.7

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

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. These risks are partially hedged. At the reporting date, ÖBB-Infrastruktur AG was not exposed to any significant risks resulting from liabilities denominated in foreign currencies, with the exception of one foreign currency position amounting to CHF120 million. Cross-currency swaps are used to convert financial liabilities denominated in foreign currencies to Euros.

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

The following table shows the net foreign currency risk:

Currency-sensitive financial instruments 2013	USD in mil.	CHF in mil.	CAD in mil.
Other financial assets	490.0	0.0	0.0
Other financial liabilities	-489.0	-120.0	0.0
	1.0	**-120.0**	**0.0**
less forward foreign exchange contracts/ currency swaps	0.0	0.0	0.0
Net exchange rate risk	**1.0**	**-120.0**	**0.0**

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

Sensitivity analysis exchange rate risk

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

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

The ÖBB-Infrastruktur Group is therefore only exposed to exchange rate risks resulting from liabilities denominated in foreign currencies that are not hedged. Gains and losses resulting from the changes in the exchange rate of the currency in which these transactions are denominated are recognized in the Income Statement. A revaluation (devaluation) of the Euro compared to the CHF by 10% would have resulted in an increase in income amounting to EUR10.0 million higher (EUR10.0 million lower). If the Euro had appreciated (depreciated) by 10% against the U.S. dollar, there would be no significant effects on earnings for both reporting dates.

29.1.c. Credit risk

The credit risk comprises the loss potential due to non-fulfillment of financial commitments by finance partners (primarily 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-Infrastruktur Group maintains business relations only with financial partners who have a defined rating and for which an objective risk assessment of the capital market exists.

The ÖBB-Infrastruktur Group has introduced a counterparty risk management, in which the limit setting and allocation is based primarily on the analysis of credit default swap data of the ÖBB-Holding Group financial partners. In this way a rapid response to changing risk assessments of the capital market regarding such financial partners is ensured. 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-Infrastruktur Group mainly comprise cash in banks, trade and other receivables and receivables from finance leases and securities. These items represent the maximum loss exposure of the ÖBB-Infrastruktur Group with respect to its financial assets. The credit risk is composed as follows:

Credit risk form financial instruments recognized in the Statement of Financial Position	Gross exposure (carrying amount plus impairments) in mil. EUR	less collateral (FV) in mil. EUR	Net exposure in mil. EUR
Total exposure 2013			
Financial assets	616.9	0.0	616.9
Trade receivables	163.0	-6.8	156.2
Other receivables and assets	413.5	-330.6	82.9
Cash and cash equivalents	28.0	0.0	28.0
Risk current and non-current assets	**1,221.4**	**-337.4**	**884.0**
thereof neither past due nor impaired			*854.0*
thereof not past due because renegotiated or impaired			*0.1*
thereof past due			*29.9*
Credit risk form issued guarantees	**469.8**	**-447.9**	**21.9**
Total credit risk as of Dec 31, 2013	**1,691.2**	**-785.3**	**905.9**
Total exposure 2012			
Financial assets	983.3	0.0	983.3
Trade receivables	150.8	-5.7	145.1
Other receivables and assets	345.5	-277.6	67.9
Cash and cash equivalents	421.0	0.0	421.0
Risk current and non-current assets	**1,900.6**	**-283.3**	**1,617.3**
thereof neither past due nor impaired			*1,567.7*
thereof not past due because renegotiated or impaired			*1.4*
thereof past due			*48.2*
Credit risk form issued guarantees	**578.8**	**-442.3**	**136.5**
Total credit risk as of Dec 31, 2012	**2,479.4**	**-725.6**	**1,753.8**

For details on the maturity of receivables see Note 20.

29.1.d. Liquidity risk

The first-priority objective in the Finance department of the ÖBB-Infrastruktur Group is the safeguarding of the necessary liquidity margin for all of the ÖBB-Infrastruktur Group companies. For the ÖBB-Infrastruktur Group, liquidity risk further means any limitation of the borrowing capacity or the ability to raise capital (e.g. due to a lower credit rating by a rating agency or by a bank-internal rating) with respect to volume and conditions for raising financial funds, whereby the realization of the Company's strategy or of the financial leeway might be limited.

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

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

	Carrying amount Dec 31, 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	2,031.2	82.3	10.5	327.2	32.8	744.6	1,988.0
Finance lease, sub-lease and CBL liabilities	497.6	22.3	43.7	72.2	214.6	51.0	239.3
Other financial liabilities	731.3	13.2	497.8	34.4	82.3	17.4	151.2
Trade payables							
non-interest bearing	*592.6*	*0.0*	*592.6*	*0.0*	*0.0*	*0.0*	*0.0*
Other liabilities							
non-interest bearing	*102.2*	*0.0*	*98.4*	*0.0*	*3.5*	*0.0*	*0.3*
Total	**18,331.3**	**651.0**	**1,946.6**	**2,319.6**	**2,267.8**	**3,498.4**	**14,117.0**

	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	2,076.1	82.3	94.2	322.1	21.6	815.7	1,960.3
Finance lease, sub-lease and CBL liabilities	733.7	24.0	57.1	124.4	323.9	85.2	352.7
Other financial liabilities	704.9	13.8	292.5	40.3	218.3	24.6	194.1
Trade payables							
non-interest bearing	*631.2*	*0.0*	*631.2*	*0.0*	*0.0*	*0.0*	*0.0*
Other liabilities							
non-interest bearing	*98.7*	*0.0*	*85.2*	*0.0*	*13.1*	*0.0*	*0.4*
Total	**17,610.5**	**644.7**	**2,202.4**	**2,257.1**	**3,219.7**	**3,401.9**	**12,188.4**

	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 liabilities							
Interest rate derivatives not designated as hedges	7.5	1.3	0.3	3.3	0.6	3.3	0.0
Power derivatives designated as cash flow hedges	16.8	0.0	28.7	0.0	39.3	0.0	0.0
Interest rate derivatives designated as cash flow hedges	5.1	2.3	0.0	4.5	0.0	0.0	0.0
Other derivatives not designated as hedges	38.2	0.0	126.7	0.0	32.2	0.0	0.0
Total	**67.6**	**3.6**	**155.7**	**7.8**	**72.1**	**3.3**	**0.0**
Financial guarantees							
Guarantees from cross-border leasing	469.8	21.9	25.1	100.7	214.9	115.5	229.8
Other guarantees	3.9	0.0	3.7	0.0	0.2	0.0	0.0

		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 liabilities							
Foreign currency forwards designated as fair value hedges	28.0	-13.2	40.2	0.0	0.0	0.0	0.0
Cash received		*-14.4*	*-303.4*				
Cash paid		*1.2*	*343.6*				
Power derivatives designated as cash flow hedges	12.8	0.0	27.6	0.0	30.5	0.0	21.5
Interest rate derivatives designated as cash flow hedges	15.7	8.2	1.3	0.0	3.7	0.0	0.5
Foreign currency forwards designated as cash flow hedges	102.7	16.4	86.8				
Cash received		*-7.6*	*-587.2*				
Cash paid		*24.0*	*674.0*				
Other derivatives not designated as hedges	71.5	1.6	283.7	3.7	75.1	4.1	5.9
Foreign currency forwards not designated as hedges	0.8	0.0	0.2	0.0	0.5		
Cash received		*0.0*	*-3.9*	*0.0*	*-9.7*		
Cash paid		*0.0*	*4.1*	*0.0*	*10.2*		
Total	**231.5**	**66.4**	**386.4**	**3.7**	**109.8**	**4.1**	**27.9**
Financial guarantees							
Guarantees from cross-border leasing	578.80	31.6	35.1	91	188.5	183.3	355.2

All financial instruments included in the portfolio as of the reporting date for which payments have already been contractually agreed are included in this table. Anticipated new liabilities were not included. Amounts in foreign currencies were translated at the rate applicable at the reporting date. Variable interest payments from financial instruments were determined based on the interest rates applicable on 31.12.2013.

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

		Cash-Flows 2014		Cash-Flows 2015-18		Cash-Flows 2019 et seq.	
	Carrying amount Dec 31, 2013 in mil. EUR	Interest 2014 in mil. EUR	Redemption 2014 in mil. EUR	Interest 2015-2018 in mil. EUR	Redemption 2015-2018 in mil. EUR	Interest 2019 et seq. in mil. EUR	Redemption 2019 et seq. in mil. EUR
Derivative financial assets							
Other derivatives not designated as hedges	22.8	0.0	89.2	0.0	9.3	0.0	0.0
Foreign currency forwards designated as cash flow hedges	0.4	-0.9	0.0	-3.8	0.0	-0.9	
thereof cash received		*0.7*	*0.0*	*2.8*	*0.0*	*0.7*	
thereof cash paid		*-1.6*	*0.0*	*-6.6*	*0.0*	*-1.6*	
Total	**23.2**	**-0.9**	**89.2**	**-3.8**	**9.3**	**-0.9**	**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
Derivative financial assets							
Other derivatives not designated as hedges	46.4	0.0	239.5	0.0	58.1	0.0	5.4
Interest rate derivatives designated as cash flow hedges	17.8	19.7	0.0	0.0	0.0	0.0	0.0
Foreign currency forwards designated as cash flow hedges	22.5	-0.7	22.6				
thereof cash received		*3.8*	*136.7*				
thereof cash paid		*-4.5*	*-114.1*				
Total	**86.7**	**19.0**	**262.1**	**0.0**	**58.1**	**0.0**	**5.4**

29.2. Hedging transactions

Hedge Accounting

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

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

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

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

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

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

Fair value hedges

For the purpose of hedging the fair value or present value risk of fixed interest rate liabilities, the ÖBB-Infrastruktur Group entered into receiver interest swaps (“receive fixed - pay variable”) denominated in EUR. A USD fixed interest rate bond was designated as hedged item. Changes in the fair value of this hedged item resulting from changes in the market interest rate and exchange rate are offset by the changes in the fair value of the interest rate and cross currency swap. The objective of this hedge transaction is to transform the fixed interest rate bond into a debt at variable interest rate, thus hedging the fair value of the financial liability. As of 31.12.2012 there was a contract 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 is assessed on a prospective basis using the Critical Terms Match method pursuant to IAS 39.AG 108. On a retrospective basis, the effectiveness is assessed at each reporting date by an effectiveness test using the Dollar-Offset method. The Dollar-Offset method compares the cumulative changes in the fair value of the hedged item, expressed in monetary units, to the cumulative changes in the fair value of the interest swap, expressed in monetary units. The changes in the value of both transactions are calculated based on the cash flows outstanding at the beginning and at the end of the test period and are adjusted for accrued interest. The effectiveness of all hedging relationships was within the range of the quotient of both accumulated value changes required by IAS 39 (between 80% and 125%). The fair value arising from the change in the credit spread (component depending on the creditworthiness) was not considered in the effectiveness assessment.

In 2013, changes of the basis adjustment of the hedged items were recognized other financial income in an amount of EUR10.2 million (prior year: EUR12.2 million); Losses from the changes in the fair value of the hedging derivative of EUR10.0 million (prior year: EUR12.5 million) were recognized in the same position.

Cash flow hedges - Interest rate risks/exchange rate risks

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

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

Financial instruments Maturity	Dec 31, 2013 Number of swaps	 Nominal volume in mil. EUR	 Maturity	Dec 31, 2012 Number of swaps	 Nominal volume in mil. EUR
Portfolio	6	168.5	Portfolio	13	1,565.9
thereof maturing in 2014	*2*	*30.0*	*thereof maturing in 2013*	*7*	*1,396.4*
thereof maturing in 2015	*1*	*1.5*	*thereof maturing in 2014*	*2*	*30.0*
thereof maturing in 2016	*0*	*0.0*	*thereof maturing in 2015*	*1*	*2.5*
thereof maturing in 2018 et seq.	*3*	*137.0*	*thereof maturing in 2017*	*3*	*137.0*

The effectiveness of the hedging relationship is assessed on a prospective basis using the Critical Terms Match method pursuant to IAS 39.AG 108. On a retrospective basis, the effectiveness is assessed at each reporting date by an effectiveness test using the Dollar-Offset method. A hypothetical derivative financial instrument serves as the hedged item. All hedging relationships of this type were effective as of the reporting date. As the table of present values of derivative financial instruments shows, the ÖBB-Infrastruktur Group designated derivative financial instruments totaling EUR168.5 million (prior year: EUR1.565,9 million) as is shown by the table of present values of derivative as financial instruments in the context of cash flow hedges. In 2013, an amount of –EUR17.2 million (prior year:-EUR19.4 million) recognized in the cash flow hedge reserve resulted from the change in value of the hedging instruments recognized in the other comprehensive income. For reference 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. These amounts are recognized in finance costs in the period in which the corresponding interest payments from the hedged item affect profit and loss. EUR14.6 million [prior year: EUR10.0 million]). Furthermore, ineffective portions of hedge accounting transactions amounting to EUR0.4 million (prior year: EUR0.5 million earnings) were recognized In 2013 amounts related to foreign currency amounting to EUR32.4 million prior year: EUR10.6 million earnings) were booked to expenses in the profit and loss account under other financial expenses or in other financial income. As a result of discontinuing of hedging instruments (cash flow hedges), as of the reporting date, EUR0.1 million (prior year: EUR0.3 million) was recognized via other comprehensive income in equity, which will be reclassified in to profit or loss in 2014.

Power derivatives

a) Cash Flow Hedges

Power derivatives designated as hedges Maturity	Dec 31, 2013 Number of swaps	 Nominal volume in mil. EUR		Dec 31, 2012 Number of swaps	 Nominal volume 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 a hedging instrument is assessed prospectively within the framework of its designation and retrospectively at each reporting date. In the course of this effectiveness test, proof has to be provided that the change in the fair value of the derivative is between 80% and 125% of the change in the fair value of the designated hedged item resulting from the hedged risk. The hedging relations established are micro-hedges for which all parameters of the hedged item and the hedging transaction that determine the scope of the hedged change in the value are identical but opposed. This indicates an entirely efficient hedging relation, both from a prospective and from a retrospective point of view. The effectiveness was determined retrospectively using the Change in Fair Value method, i.e. the change in the fair value of the hedging instrument was compared to the change in the value of the hedged item.

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

The recognition of power purchase and power sale forwards as hedging transactions in the financial year of 2013 resulted in an amount of EUR6.0 million (prior year: EUR9.8 million) less income taxes of EUR1.4 million (prior year: EUR0.7 million) via other comprehensive income in the cash flow hedge reserve.

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			
Power derivatives not designated as hedges	Number of swaps	Nominal volume	Number of swaps	Nominal volume
Maturity	Purchases	in mil. ELUR	Sales	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			
Power derivatives not designated as hedges	Number of swaps	Nominal volume	Number of swaps	Nominal volume
Maturity	Purchases	in mil. ELUR	Sales	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

29.3. Additional disclosures according to IFRS 7

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

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

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

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

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

Derivative financial instruments are used by ÖBB-Infrastruktur AG for the purpose of hedging its exposure to interest rate and exchange rate risks resulting from financial transactions as well as market value fluctuations with respect to purchased power. All derivative financial instruments are recognized either as assets or liabilities in the Statement of Financial Position and measured at their fair value (market value) in accordance with IAS 39. Changes in the fair value of derivative financial instruments designated as hedging instruments in accordance with IAS 39 are recognized through profit or loss in the Income Statement or in equity via the other comprehensive income (cash flow hedge reserve), depending on whether the derivative financial instrument is used to hedge the fair value of an item in the Statement of Financial Position (fair value hedge) or future cash flows (cash flow hedge). If the transaction does not qualify for hedge accounting, the derivative financial instrument must mandatorily be classified as held for trading and is therefore measured at fair value through profit or loss.

Additional disclosures regarding the financial instruments

Cash and cash equivalents, trade receivables and other receivables, 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 values. The fair values of other non-current receivables correspond to the present values of the payments associated with these assets discounted at the respective interest rates.

The carrying amounts of trade payables and other liabilities approximately represent the fair values. Non-current other receivables and assets and other long-term liabilities mainly represent "non-financial-instruments". The fair values of bank loans and other financial liabilities are determined as the present values of the payments associated with the liabilities, based on the applicable interest curve. The following reconciliation shows non-financial instruments and financial instruments from hedge accounting in a separate column in order to enable reconciliation to the carrying amount of the items reported in the Statement of Financial Position.

The fair values indicated in the following table for each carrying amount 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 fair values of Level 2. Level 2 measurements are based on input parameters other 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.

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	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
Non-current assets										
Financial assets	527.3	0.0	527.3	36.7	3.6	0.0	486.6	0.0	0.4	596.3
Other receivables and assets	163.5	163.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current assets										
Financial assets	87.2	0.0	87.2	0.1	0.0	22.8	64.3	0.0	0.0	87.2
Trade receivables	152.0	6.8	145.2	0.0	0.0	0.0	145.2	0.0	0.0	145.2
Other receivables and assets	250.0	170.1	79.9	0.0	0.0	0.0	79.9	0.0	0.0	79.9
Cash and cash equivalents	28.0	0.0	28.0	0.0	0.0	0.0	0.0	28.0	0.0	28.0
Total carrying amount per category				**36.8**	**3.6**	**22.8**	**776.0**	**28.0**	**0.4**	

Financial liabilities as of Dec 31, 2013 **in mil. EUR**	Carrying amount	Less Non-Financial Instruments	Financial Instruments	At Amortised Cost	At Fair Value through Profit and Loss (Held for Trading)	Hedge Accounting	Finance Lease	Fair Value
Non-current liabilities								
Financial liabilities	16,404.2	0.0	16,404.2	16,380.5	12.6	10.7	0.4	18,736.3
thereof interest-bearing liabilities	*16,380.0*	*0.0*	16,380.0	*16,379.6*	*0.0*	*0.0*	*0.4*	*18,713.0*
Other liabilities	80.2	76.9	3.3	3.3	0.0	0.0	0.0	3.3
Current liabilities								
Financial liabilities	1,300.0	0.0	1,300.0	1,255.5	33.1	11.2	0.2	1,328.6
thereof interest-bearing liabilities	*1,015.8*	*0.0*	1,015.8	*1,015.6*	*0.0*	*0.0*	*0.2*	*1,044.4*
Trade payables	592.6	0.0	592.6	592.6	0.0	0.0	0.0	592.6
Other liabilities	264.6	165.7	98.9	98.9	0.0	0.0	0.0	98.9
Total carrying amount per category				**18,330.8**	**45.7**	**21.9**	**0.6**	
thereof interest-bearing liabilities				*17,395.2*	*0.0*	*0.0*	*0.6*	

Financial assets as of Dec 31, 2012 **in mil. EUR**	Carrying amount	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 Receiv-ables	Cash	Hedge Accoun-ting	Fair Value
Non-current assets										
Financial assets	766.4	0.0	766.4	66.5	62.0	0.0	637.9	0.0	0.0	920.1
Other receivables and assets	142.1	142.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current assets										
Financial assets	212.4	0.0	212.4	0.0	0.2	46.4	125.5	0.0	40.3	211.9
Trade receivables	142.0	5.0	137.0	0.0	0.0	0.0	137.0	0.0	0.0	135.6
Other receivables and assets	203.4	142.9	60.5	0.0	0.0	0.0	60.5	0.0	0.0	60.5
Cash and cash equivalents	421.0	0.0	421.0	0.0	0.0	0.0	0.0	421.0	0.0	421.0
Total carrying amount per category				**66.5**	**62.2**	**46.4**	**960.9**	**421.0**	**40.3**	

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

Bonds and other secured liabilities comprise changes from fair value hedge accounting in an amount of EUR10.2 million (prior year: EUR12.2 million).

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

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

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

Net financial results by category

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

		Result of subsequent measurement				
Dec 31, 2013	Interest result in mil. EUR	At fair value in mil. EUR	Foreign currency translation in mil. EUR	Impairment/ appreciation in mil. EUR	Result from disposal in mil. EUR	Result from investments in mil. EUR
Loans and Receivables (LaR)	40.6	0.0	0.0	0.0	3.7	0.0
Held-to-Maturity Investments (HtM)	0.0	0.0	0.0	0.0	0.0	0.0
Available for Sale Financial Assets (AfS)	4.3	0.0	0.0	0.0	0.7	-0.1
Financial Instruments Held-for-Trading (FAHfT, FLHfT)	0.0	2.4	0.0	0.0	1.4	0.0
Financial Liabilities Measured at Amortized Cost (FLAC)	-644.8	0.0	1.9	0.0	29.7	0.0
Hedge Accounting	3.5	0.0	0.0	0.0	-32.2	0.0
Cash and cash equivalents	0.5	0.0	0.0	0.0	0.0	0.0

Dec 31, 2012	Result of subsequent measurement Interest result in mil. EUR	At fair value in mil. EUR	Foreign currency translation in mil. EUR	Impairment/ appreciation in mil. EUR	Result from disposal in mil. EUR	Result from investments in mil. EUR
Loans and Receivables (LaR)	76.7	0.0	29.3	-12.6	0.0	0.0
Held-to-Maturity Investments (HtM)	0.9	0.0	0.0	0.0	0.0	0.0
Available for Sale Financial Assets (AfS)	3.2	0.0	0.0	0.0	0.0	0.7
Financial Instruments Held-for-Trading (FAHfT, FLHfT)	0.0	-6.0	0.0	0.0	5.3	0.0
Financial Liabilities Measured at Amortized Cost (FLAC)	-661.7	0.0	-12.9	0.0	0.0	0.0
Hedge Accounting	1.0	-17.6	0.0	0.0	0.0	0.0
Cash and cash equivalents	3.3	0.0	0.0	0.0	0.0	0.0

The interest result from financial liabilities classified as "Financial liabilities measured at amortized cost" mainly comprises interest expenses from bonds and loans and cross-border leasing transactions. The ÖBB-Infrastruktur Group recognizes other components of the net result in the other financial expenses or income. The total interest income calculated according to the effective interest method amounts to EUR41.1 million (prior year: EUR80.9 million)

29.5. Derivative financial instruments

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

	Assets		Liabilities	
	Carrying amounts Dec 31, 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 hedge relation	0.0	0.0	6.6	8.0
designated as cash flow hedge	0.4	17.8	5.1	15.7
Cross currency swaps				
without hedge relation	0.0	0.0	0.9	0.8
designated as fair value hedge	0.0	0.0	0.0	28.0
designated as cash flow hedge	0.0	22.5	0.0	102.7
Power forwards				
without hedge relation	22.8	46.4	31.5	56.2
designated as cash flow hedge	0.0	0.0	16.8	12.8
Other derivatives				
without hedge relation	0.0	0.0	6.7	7.3
Total	**23.2**	**86.7**	**67.6**	**231.5**

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

Fair value hierarchy

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

Dec 31, 2013	Level 1	Level 2
Derivatives designated as hedge instrument	0.0	0.4
Derivate Fair Value Option	0.0	22.8
Available for Sale	0.0	36.8
Financial assets	**0.0**	**60.0**
Derivatives designated as hedge instrument	0.0	21.9
Derivatives held for trading	0.0	45.7
Financial liabilities	**0.0**	**67.6**

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

The levels were defined as follows:

Level 1: Quoted prices (unadjusted) are available from an active market for identical financial instruments.
Level 2: Other parameters than those stated for level 1 were used which are observable for the financial instrument (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. For further details on these financial instruments see Note 29.3.

30. Leasing transactions

30.1. Lessor

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

The assets leased to third parties are on the one hand leased buildings (IAS 40) and on the other hand buildings partially leased out, the leased share of which is not predominant and which therefore do not fall under the scope of IAS 40 and cannot be recognized separately. The vast majority of the leases can be terminated. The infrastructure provided for usage to Rail Cargo Austria, ÖBB-Personenverkehr AG and other railway operators against payment of a usage fee (including compensation to 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 about 28,000 lease agreements, predominantly with indefinite terms, which can be terminated with a notice period of 6 months maximum. These include about 6,300 external lease agreements, which end between 2014 and 2059, and 15 agreements within the Group, which end between 2014 and 2107. The long-term agreements refer to building leases granted for property. Contingent lease payments relate exclusively to lease agreements concluded with third parties, not with Group companies.

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

The minimum lease payments from the non-cancelable operating lease agreements as of 31.12.2013 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	364.5	26.0	56.8	281.7
thereof with affiliated companies	*75.2*	*0.8*	*3.3*	*71.1*
Automobiles and trucks	9.6	4.1	5.5	0.0
thereof with affiliated companies	*7.7*	*3.1*	*4.6*	*0.0*
Other technical equipment and machinery	*1.1*	*0.1*	*0.2*	*0.8*

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

In 2013, contingent lease payments were recognized in profit or loss in an amount of EUR1.9 million (prior year: EUR1.2 million).

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

As of Dec 31, 2013	Minimum lease payments in mil. EUR	Interest expense included in mil. EUR	Present value in mil. EUR
2014	0.7	0.5	0.2
2015- 2018	2.6	1.7	0.9
after 2018	8.0	2.7	5.3
Total of minimum lease payments	**11.3**	**4.9**	**6.4**
less interest	-4.9		
Present value of lease payments	**6.4**		
less current portion	-0.2		
Non-current lease liabilities	**6.2**		

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

30.2. Lessees

Finance leases

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

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

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

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

As of Dec 31, 2013	Minimum lease payments in mil. EUR	Interest expense included in mil. EUR	Present value in mil. EUR
2014	0.2	0.0	0.2
2015 - 2018	0.4	0.0	0.4
after 2018	0.0	0.0	0.0
Total of minimum lease payments	**0.6**	**0.0**	**0.6**
less interest	0.0		
Present value of lease payments	**0.6**		
less current portion	-0.2		
Non-current liabilities	**0.4**		

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

Operatives Leasing

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	8.3	32.2	81.1
Other technical equipment and machinery	0.0	0.1	0.0
Other plant, furniture and fixtures	0.1	0.2	0.0
Total	**8.4**	**32.5**	**81.1**

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

The operating lease agreements mainly refer to buildings and furniture and fixtures. Contingent lease payments have not been agreed. The lease term of the agreements ends in 2040 (signaling and control center). In 2013 minimum lease payments in the amount of EUR17.2 million (prior year: EUR16.1 million) were recognized as expense of which EUR8.2 million (prior year: EUR2.3 million) was to affiliated companies.

30.3. Cross border lease agreements

Between May 1995 and December 2002, Österreichische Bundesbahnen (now ÖBB-Infrastruktur AG) entered into 17 cross-border lease ("CBL") transactions regarding infrastructure facilities and rolling stock, 9 of which are still valid as of December 31, 2013 (prior year: 14)

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

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

In the course of the reorganization of ÖBB at the beginning of 2005, sub-lease agreements were concluded with other ÖBB Group companies with respect to 8 (prior year: 10) (still valid) transactions, and the deferred tax benefits were transferred to the respective companies on a pro rata basis. In the external relation with the investor, ÖBB-Infrastruktur AG remains the contractual partner.

Amounts (purchase price or upfront lease payment) received by Österreichische Bundesbahnen at the inception of the CBL transactions were invested in specially structured products in such a way that the future commitments can be serviced from the investments (taking generated interest into account). The CBL agreements grant ÖBB-Infrastruktur AG early buyout options at a fixed price and at defined dates.

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

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

Premature termination of CBL transactions

During the year 2013 three CBL transactions were terminated prematurely. The CBL transactions terminated in their entirety during the reporting year legally relate to ÖBB-Infrastruktur AG in external relations. Two transactions were recharged internally, one transaction to the Group company ÖBB-Personenverkehr AG and one transaction to the Group company RCA AG. One transaction has affected the ÖBB-Infrastruktur itself.

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

Accounting

General principles for all CBL transactions:

The ÖBB-Infrastruktur Group remains the beneficial owner of the assets: Due to continuing beneficial ownership, property, plant and equipment sold and leased back is still recognized in the property, plant and equipment of the ÖBB-Infrastruktur Group. The assets transferred to other ÖBB Group companies within the framework of sub-lease agreements are recognized in the Statement of Financial Position of these companies. The ÖBB-Infrastruktur Group therefore continues to recognize the infrastructure assets involved in the CBL transactions.

Amortization of the deferred tax benefit: The deferred tax benefit realized at the inception of the transaction is recognized in other liabilities and amortized pro rata temporis over the term of the contracts. As of December 31, 2012, the deferred tax benefit not yet amortized attributable to the ÖBB-Infrastruktur Group amounted to EUR2.8 million (prior year: EUR12.8 million). Income from the amortization of the deferred tax benefit in 2013 amounting to EUR10.0 million (prior year: EUR2.6 million) is recognized as interest income in the interest result.

Classification of lease transactions according to their substance:

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

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

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

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

If recognition in the Statement of Financial Position is required, the securities were classified as held to maturity (bonds) or loans and receivables (deposits with banks and payment undertaking agreements) and measured at amortized cost. Initially, the financial assets are matched with lease liabilities in the same amount. Amounts denominated in foreign currencies are translated at the exchange rate applicable at the reporting date. Any changes in the value of the assets resulting from changes in exchange rates are offset by corresponding exchange rate effects on the lease liabilities. As one CBL transaction that included securities classified as held to maturity was terminated prematurely in 2012, all securities of this category had to be transferred to the category "available-for-sale (at fair value)" and are measured at their respective fair value.

As of 31.12.2013, all banks and financial institutions with which investments were concluded in the framework of cross-border leasing transactions have an investment grade rating. Recourse rights applicable in case of loss due to the default of an investment exist due to the sub-lease agreements concluded with other ÖBB Group companies, with the exception of one transaction for which ÖBB-Infrastruktur AG bears the economic risk.

Higher credit risks were considered by recording allowances on investments with those contractual parties which have a Standard & Poor's rating below AA and for which no additional collaterals in the form of a guarantor liability or pledged marketable securities of the highest rating in favor of the ÖBB-Infrastruktur Group exist. The amount of the respective impairment is determined by way of portfolio allowance depending on historical probabilities of default, measured by the rating of the contractual parties and the residual term of the transaction, considering the individual circumstances. As of December 31, 2013, the company recognized impairments on investments of EUR2.4 million (prior year: EUR4.5 million). Based on the risk transfer agreed in the sub-lease agreements concluded with other ÖBB Group companies, the allowance recognized were charged to ÖBB-Personenverkehr AG, Rail Cargo Austria AG and ÖBB-Produktion Gesellschaft mbH accordingly. In total, the impairments on assets from the transactions attributable to ÖBB-Infrastruktur AG amounted to EUR0.1 million (prior year: EUR0.7 million).

In the Consolidated Financial Statements as of December 31, 2013, the financial assets in connection with non-linked lease transactions amount to EUR347.3 million (prior year: EUR557.6 million). The related financial liabilities as of December 31, 2013 amount to EUR340.6 million (prior year: EUR545.6 million). Changes in the fair value of the available-for-sale securities were recognized in the other comprehensive income at an amount of EUR-4.2million.

In 2013, an amount of EUR30.8 million (prior year: EUR52.8 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 EUR30.8 million (prior year: EUR52.8 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 commitments under the lease agreements are recognized as contingent liabilities in case the respective contractual partners of the payment undertaking agreements fail to make payments. As of December 31, 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 area of the Liechtenstein railway infrastructure concession. On June 13, 1977, ÖBB-Infrastruktur Bau AG (now ÖBB-Infrastruktur AG) was granted a concession to operate railways in the Principality of Liechtenstein, which is valid until December 31, 2017. Accordingly, ÖBB-Infrastruktur AG is entitled and obliged 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 have a carrying amount of EUR16.2 million as of December 12, 2013. The increase in 2013 compared to the previous year resulted from additions in the amount of EUR10.6 million. The concessionaire is responsible for the transportation of people, luggage and goods.

An extension of the concession is sought. The new Liechtenstein Railways Act was agreed in 2011 and has come into effect. This change in the legal position, according to which Liechtenstein law also has to implement the network access, 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 should be 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 firstly, 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 secondly, the provision of reversion of the assets without compensation provided in the Railways Act at least requires reconsideration from a legal point of view and the government draft law provides for a waiver of the escheat law as well.

32. Related party transactions

Supplies to and from related parties

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

The Company maintains business relationships at arm's lengths, within the scope of activities of the ÖBB-Infrastruktur Group, with companies in which the Republic of Austria directly or indirectly holds an interest (e.g. Österreichische Industrieholding AG, ÖMV Aktiengesellschaft, ASFINAG AG, Telekom Austria AG, Schieneninfrastruktur-Dienstleistungsgesellschaft mbH), and which are also classified as related parties in accordance with IAS 24. The transactions in the sense of IAS 24 that were carried out with these companies during the year under review referred to ordinary transactions in the course of the operating business and were, overall, insignificant. Receivables due from and liabilities due to these companies are disclosed as trade receivables and trade payables.

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:

	Affiliated companies of the Rail Cargo Austria sub-group		**Affiliated companies of the ÖBB-Personenverkehr sub-group**		**Other affiliated companies**	
in mil. EUR, rounded	2013	2012	2013	2012	2013	2012
Sale of goods/ rendering of services	198.8	227.3	291.5	283	242.9	238.2
Purchase of gods/ services/ fixed assets	58.8	52.8	14.5	12	128.2	88.1
Receivables as of Dec 31	32.9	52.0	102.8	161.1	192.8	103.8
thereof other financial assets	*10.7*	*24.3*	*77.6*	*132.8*	*83.4*	*94.0*
thereof trade receivables	*22.2*	*27.7*	*25.2*	*28.3*	*109.4*	*9.8*
Liabilities as of Dec 31	13.1	46.6	5.3	2.9	229.0	242.8
thereof other financial liabilities	*5.7*	*7.5*	*0.0*	*0.0*	*219.2*	*239.8*
thereof trade payables	*7.4*	*39.1*	*5.3*	*2.9*	*9.8*	*3.1*

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

On the part of the parent company ÖBB-Holding AG services during the reporting year, among others in the areas of management accounting, finance, communications, marketing, manufacturing, engineering, security, auditing, corporate accounting, accounting, and control, strategy, corporate development, legal, compliance, and strategic corporate purchasing, strategic IT management and strategic human resource management are provided, which are charged based on either individual agreements or allocations. Revenues amounted to EUR0.9 million (prior year: EUR2.5 million), expenses EUR15.7 million (prior year: EUR18.9 million). As of 31.12.2013 receivables amounting to EUR83.4 million (prior year: EUR53.5 million) and liabilities of EUR2.7 million (prior year: EUR11.8 million) were reported. Receivables due from ÖBB-Holding AG mainly result from value-added tax credits (value-added tax group).

Logistics centers with a value of EUR44.9 million were acquired by Rail Cargo Austria AG and further leased out to them and European Contract Logistics – Austria GmbH in the context of an operating lease. As for lease agreements, a finance lease agreement regarding the Meidling apprentice hostel was concluded with ÖBB-Shared Service Center GmbH. The recognized lease receivable amounts to EUR6.3 million (prior year: EUR6.6 million. A financial liability exists to Rail Cargo Austria AG from the transfer of the Linz logistics center Linz of EUR5.7 million (prior year: EUR7.5 million), which is reported under financial liabilities. To non-group affiliated companies grants of EUR0.3 million (prior year: EUR0.2 million) were provided, from non-group affiliated companies no grants (prior year: EUR0.2 million) were received.

	Associated companies		**Members of the Supervisory Board**	
in mil. EUR, rounded	2013	2012	2013	2012
Sale of goods/ provision of services (total revenue)	5.3	4.3	0.4	1.0
Purchase of goods/ services/ fixed assets (total expenses)	31	23.5	0.3	0.0
Receivables as of Dec 31	27	1.2	0.0	0.7
Liabilities as of Dec 31	6.8	2.8	0.2	

In 2013, an amount of EUR4.3 million (prior year: EUR25.7 million) was paid to the Galleria di Base del Brennero as an investment grant. These grants were firstly refunded by the Federal Government at an amount of EUR0.2million (prior year: EUR17.5 million) and secondly by the Federal State of Tyrol at an amount of EUR4.1 million (prior year: EUR8.2 on the basis of the agreement.

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

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

Service relations with the Federal Government, master plan for infrastructure investments and guarantees provided by the Federal Government

General

ÖBB-Infrastruktur AG is a railway infrastructure company whose activities are of public interest and further defined in Article 31 Bundesbahngesetz. The basis for the financing of the Company is given in Article 47 Bundesbahngesetz, according to which the Federal Government is responsible for ensuring that ÖBB-Infrastruktur AG has the funds required to fulfill its tasks and maintain its liquidity and the 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 the compliance of the commitments 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 April 23, 2012. 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 grants 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 75% for the years 2017 and 2018 80%; for these investments, grants are granted in the form of an annuity as funding for depreciation and financing costs allocated over 30 years as grant for depreciation and amortization and financing costs. For the Brenner base tunnel project, the Federal Government provides a 100% grant in the form of an annuity allocated over 50 years. The interest rate corresponds to the rate applicable for long-term financing measures of ÖBB-Infrastruktur AG.

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

The Federal Government is also providing a grant for the inspection/maintenance, fault clearance and repair of the rail infrastructure to be operated by ÖBB-Infrastruktur AG. The Federal Government also grants a grant for inspection and maintenance, elimination of malfunctions and repair of the railway infrastructure operated by ÖBB-Infrastruktur AG. The amount of the grant is fixed with consideration of the liquidity requirements based on the business plan of ÖBB-Infrastruktur AG, the limit of the total grant prescribed by Article 42 Bundesbahngesetz and the achievement of 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.

In the reporting years, 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 2013; for inspection, maintenance and elimination of malfunctions, an amount of EUR487.5 million (prior year: EUR475.6 million) was granted. With the letter dated 12.13.2013, the grant agreement pursuant to § 42 (2) Bundesbahngesetz (Federal Railway Act) has been adjusted due to the flood disaster in 2013, whereby the 2013 grant for expansion and reinvestments was increased by EUR0.9 million and the 2013 grant for inspection, maintenance and fault clearance was increased by EUR17.5 million. EUR517.5 million (prior year: EUR454.4) 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) which were refunded to the company after the deduction of the payments agreed with the with the federal state of Tyrol in the course of the acquisition in the amount of EUR0.2 million (prior year: EUR17.5 million).

Infrastructure operation and apprenticeship costs

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

ÖBB-Infrastruktur AG has submitted an annual rationalization and savings plan with a semi-annual forecast statement to the Bundesministerin für Verkehr, Innovation und Technologie (Federal Minister for Transport, Innovation and Technology) and to the 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 commitments assumed by ÖBB-Infrastruktur AG under the grant agreement.

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

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

The compliance with the commitment 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 (6) Bundesbahngesetz. The total grant pursuant to Article 42 Bundesbahngesetz in 2012 therefore amounted to EUR1,576.9 million (prior year: EUR1,423,7 million).

The total grant awarded during the year according to § 42 of the Bundesbahngesetz (Federal Railway Act) is EUR1,709.5 million (prior year: EUR1,576.9 million). The grant for expansion and reinvestments in the amount of EUR534.1 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) due to a lower implementation of measures and is recognized in other operating income. The grant for the expansion and reinvestment in the amount of EUR1,175.4 million (prior year: EUR1,104.6 million) was reduced by EUR10 million with respect to the shifting of the maintenance to 2014. Furthermore due to performance improvements in the operational management as well as actual expenditures for apprenticeships and with respect to the income from the premature termination of CBL transactions the grant was reduced by EUR14.0 million (prior year: EUR18.5 million) to EUR1.151,4 million (prior year: EUR1,086.1 million) and is reported under revenue. The amount accrued in connection with the grant for expansion and reinvestment in the amount of EUR16.6 million (prior year: EUR17.9 million) and in connection with the operational management and apprenticeships 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	Accruals	Income or loss in 2013
§ 42 (1) operational management (incl. apprentices)	670.4	-	670.4	- 14.0	656.4
§ 42 (2) inspection/maintenance/repair	487.5	17.5	505.0	- 10.0	495.0
Group revenue	**1,157.9**	**17.5**	**1,175.4**	**- 24.0**	**1,151.4**
§ 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 costs for investment measures) amounting to EUR48.3 million (prior year: EUR100.4 million) were made by the of the Austrian provincial governments and municipalities; 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 EUR2.5 million exist. Furthermore, the EU has guaranteed funding in the amount of EUR3.9 million (prior year: EUR40.2 million). The investment grants and EU grants are grants from the public authorities are recognized as a reduction of cost of the related assets.

Remuneration of members of the Executive Board

As of both reporting dates, the Executive Board of ÖBB-Infrastruktur AG consists of three members. For the remuneration of the Executive Board k EUR1,094 (prior year: k EUR1,234) were spent, which also includes the variable components in 2013, which was paid for a former member of the board for 2012. In 2012, contractual severance payments of k EUR379 are included. Statutory contributions to employee pension funds of k EUR15 (prior year: k EUR5) were made. k EUR26 were paid to pension funds in 2012. For former Board members pension payments in the amount of k EUR40 (prior year: k EUR39) were incurred. Additions to provisions for pensions amounting in total to k EUR59 (prior year: k EUR219) were recorded.

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.

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

Remuneration of members of the Supervisory Board

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

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

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

33. Segment reporting

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

Information on company level

In accordance with IFRS 8.34, ÖBB-Personenverkehr AG (earnings of EUR285.1 million [prior year: EUR275.0 million]), ÖBB-Produktion GmbH AG (earnings of EUR211.4 million [prior year: EUR222.3 million]) and Rail Cargo Austria AG (earnings of EUR168.1 million [prior year: EUR184.0 million]) are important customers. These revenues result from the infrastructure usage charges and the sale of traction power. These companies are members of the ÖBB Group and thus affiliated companies.

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

Total revenues	2013 in mil. EUR	2012 in mil. EUR	
Austria	3,023.8	2,932.0	
Germany	21.8	30.4	*)
Other markets	1.8	0.6	*)
Total	**3,047.4**	**2,963.0**	*)

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

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

Information on segment reporting

Segment reporting in the ÖBB-Infrastruktur Group is done in accordance with the management structure. In contrast to the previous years, power transactions with third parties have significantly decreased, which is why a separate reporting to the Board of this area was no longer done. Therefore, the ÖBB-Infrastruktur Group has only one segment – rail infrastructure.

34. Notes on the Cash Flow Statement

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

Liquid funds include cash and cash equivalents and current receivables due from and liabilities due to ÖBB-Finanzierungsservice GmbH. Short-term receivables exist to ÖBB-Finanzierungsservice GmbH (reported under cash and cash equivalents) in the amount of EUR19.4 million (prior year: EUR412.3 million) as well as short-term liabilities (reported under current financial liabilities) in the amount of EUR63.0 million (prior year: EUR67.3 million).

Important non-cash transactions carried out during the year under review mainly refer to the accounting of investments and commitments from CBL transactions.

35. Subsidiaries

The following tables provide information about the existing subsidiaries, affiliated companies, investments and other interests of the ÖBB-Infrastruktur Group as of 31.12.2013.

The following associated companies were part of the ÖBB-Infrastruktur Group in the previous year and were disposed in the 2013 reporting year:

Disposal from ÖBB-Infrastruktur Group	Country, registered office, type of consolidation and purpose			Equity 2012 in kEUR	Profit or loss 2012 in kEUR
├▶ 100% Nordbahnhof Projekte Holding GmbH (disposal December 2013)	A-1020 Vienna	V0	b)	29590	-2
├▶ 100% Nordbahnhof Baufeld Fünf Projektentwicklung GmbH (disposal December 2013)	A-1020 Vienna	V0	b)	11608	-101
├▶ 100% Nordbahnhof Baufeld Sieben Projektentwicklung GmbH (disposal December 2013)	A-1020 Vienna	V0	b)	8629	-101
└▶ 100% Nordbahnhof Baufeld Acht Projektentwicklung GmbH (disposal December 2013)	A-1020 Vienna	V0	b)	9116	-101
└▶ 100% ÖBB-IKT GmbH (disposal March 2013)	A-1010 Vienna	V	i)	7133	259

The following table presents an overview of all the subsidiaries in which ÖBB-Infrastruktur AG holds investments, either directly or indirectly through other affiliated companies, as of the reporting date. The respective purpose of the subsidiaries is described by the letters a) to i). The majority of the subsidiaries founded for the purpose of project development and marked with the letter b) have not yet taken up their activities. Changes in the type of consolidation are remarked in footnotes. In accordance with Articel 265 (2) UGB the previous year's amounts have been provided if the subsidiary was also part of the ÖBB-Infrastruktur Group in the previous year.

ÖBB-Infrastruktur Group	Country, registered office, type of consolidation and purpose		Equity in kEUR (prior year)	profit or loss in kEUR (prior year)	
100% ÖBB-Infrastruktur Aktiengesellschaft	A-1020 Vienna	V d)			
100% Austrian Rail Construction & Consulting GmbH	A-1020 Vienna	V0 g)	141 (prior year: 140)	0 (prior year: 11)	
100% Austrian Rail Construction & Consulting GmbH & Co KG	A-1020 Vienna	V0 g)	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)	4)
100% Hauptbahnhof Zwei Holding GmbH (sale with reporting date 01.01.2014)	A-1020 Vienna	V0 b)	26,837 (prior year: 39)	-2 (prior year: -3)	
100% HBF Fünf Epsilon Projektentwicklung Eins GmbH & Co KG (startup 20.12.2013 and sale with reporting date 1.1.2014)	A-1020 Vienna	V0 b)	n/a		
100% HBF Fünf Epsilon Projektentwicklung Zwei GmbH & Co KG (startup 20.12.2013 and sale with reporting date 1.1.2014)	A-1020 Vienna	V0 b)	n/a		
100% HBF Fünf Epsilon Projektentwicklung Drei GmbH & Co KG (startup 20.12.2013 and sale with reporting date 1.1.2014)	A-1020 Vienna	V0 b)	n/a		
100% HBF Fünf Epsilon Projektentwicklungs GmbH (sale with reporting date 01.01.2014)	A-1020 Vienna	V0 b)	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 b)	25.464 (prior year: 6)	-2 (prior year: -2)	
100% Mungos Sicher & Sauber GmbH	A-1020 Vienna	V f)			
100% Mungos Sicher & Sauber GmbH & Co KG	A-1020 Vienna	V f)			
100% Netz- und Streckenentwicklung GmbH	A-1020 Vienna	V0 e)	378 (prior year: 376)	3 (prior year: -27)	
100% ÖBB-Immobilienmanagement Gesellschaft mbH	A-1020 Vienna	V a)			
100% ÖBB-Projektentwicklung GmbH	A-1020 Vienna	V b)			
100% ÖBB-Realitätenbeteiligungs GmbH & Co KG	A-1020 Vienna	V b)			
100% Elisabethstraße 7 Projektentwicklung GmbH & CO KG (formerly : BahnhofCity WBHF Alpha GmbH & Co KG)	A-1020 Vienna	V0 b)	10.180 (prior year: [1]	-1 (prior year: -1)	
100% BahnhofCity WBHF Beta GmbH & Co KG	A-1020 Vienna	V0 b)	10.110 (prior year: [1]	-1 (prior year: -1)	
100% Businesscenter Linz Entwicklungs- und Verwertungs GmbH & Co KG	A-1020 Vienna	V0 b)	0 (prior year: [1]	-1 (prior year: -1)	
100% Elisabethstraße 9 Projektentwicklung GmbH & Co KG	A-1020 Vienna	V0 b)	36.590 (prior year: [1]	-1 (prior year: -1)	
100% Europaplatz 1 Projektentwicklung GmbH & Co KG	A-1020 Vienna	V0 b)	0 (prior year: [1]	-1 (prioryear: -1)	
100% Gauermanngasse 2-4 Projektentwicklung GmbH & Co KG	A-1020 Vienna	V b)			
100% Mariannengasse 16-20 Projektentwicklung GmbH & Co KG	A-1020 Vienna	V0 b)	12.963 prior year: 12.935	27 (prior year: -1)	
100% Modul Office Hauptbahnhof Graz GmbH & Co KG	A-1020 Vienna	V0 b)	0 (prior year: [1]	-1 (prior year: -1)	
100% Nordbahnhof Baufeld Sechs Projektentwicklung GmbH & Co KG	A-1020 Vienna	V0 b)	12.800 (prior year: [1]	-1 (prior year: -1)	
100% Nordbahnhof Baufeld 39 Projektentwicklung GmbH & Co KG	A-1020 Vienna	V0 b)	14.820 (prior year: [1]	-1 (prior year: -1)	
100% ÖBB Telekom Service GmbH	A-1210 Vienna	V c)			
100% Rail Equipment GmbH	A-1040 Vienna	V h)			
100% Rail Equipment GmbH & Co KG	A-1040 Vienna	V h)			
100% WS Service GmbH (startup December 2013)	A-1020 Vienna	V0 d)	35	0	
100% Güterterminal Werndorf Projekt GmbH	A-1020 Vienna	V e)			
30% Weichenwerk Wörth GmbH	A-3151 St. Georgen am Steinfeld	E e)			
50% Galleria di Base del Brennero – Brenner Basistunnel BBT SE	I-39100 Bozen	E d)			3)
25% Breitspur Planungsgesellschaft mbH (Kauf 2013)	A-1010 Vienna	E0 j)	2.180	-275	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			1)
partnership Tiefgarage Stuben Gesellschaft m.b.H. & Co. KG	A-6762	0			2)

Stuben/Arlberg

The values were determined in accordance with the respective national accounting laws. Disclosures in accordance with the IFRS were marked with a footnote.
If the figure is preceded by "py", it refers to the previous year.
Abbreviations:
1) Silent contribution
2) KG share
3) Preliminary amounts as of Dec 31, 2012
4) Values as of Dec 31, 2012
n/s not specified

Type of consolidation

V	Affiliated, fully consolidated company
V0	Affiliated company not fully consolidated due to its insignificance
E	Investment recorded at equity (associated company)
E0	Associated company not accounted for using the equity method because of their minor importance
0	Other associated company

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

36. Subsequent events

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

Board change

At the extraordinary Supervisory Board meeting held on 17.02.2014, a change of the members of the Board was decided as follows. Franz Seiser is moving 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 Operational and Systems Division on January 1, 2014. Former Divisional Board Member Siegfried Stumpf is moving on the same date to ÖBB-Personenverkehr AG.

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 combined 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 01.02.2014. Subsequently, the details of the new structure and the adaptation of the processes are being developed. From 01.04.2014 the new target structure of ÖBB-Infrastruktur AG comes into being.

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 1, 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 the 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.

Moreover, there are no reportable events after the reporting date that have a material effect on the asset, financial and earnings position.

Public Corporate Governance Code

On March 31, 2014 the Company's Articles of Association were amended at an Extraordinary General Meeting of ÖBB-Holding AG. With this amendment, the institutions of the Group were obliged to comply with the Public Corporate Governance Code of the Federal Government according to a resolution of the Austrian Federal Government on October10, 2012, providing this does not conflict with mandatory legal provisions.

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.

37. Executive bodies of the parent company of the Group

Members of the Executive Board		
DI Franz Bauer		
Ing. Mag. (FH) Andreas Matthä		
Siegfried Stumpf	until 28.02.2014	
KR Ing. Franz Seiser	from 01.03.2014	
Members of the Supervisory Board		
KR Ing. Franz Seiser	until 28.02.2014	Chairman until 17.02.2014*
Mag. Christian Kern		Chairman from 17.02.2014*
Mag. Christian Kern		[1] Deputy Chairman until 17.02.2014
Mag. Josef Halbmayr, MBA		[1] Deputy Chairman from 17.02.2014
DI Herbert Kasser		2nd Deputy Chairman
Lic.iur. Philippe Gauderon		
Mag. Maria Kubitschek		
Dr. Tanja Wielgoß		
Günter Blumthaler		Employee representative
Peter Dyduch		Employee representative
Franz Eder	until 10.03.2014	Employee representative
Gottfried Winkler		Employee representative

*) Change of Chairman in the Extraordinary Meeting of the Board on 17.02.2014

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

Vienna, March 31, 2014

The Executive Board

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

Auditor's Report *)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **ÖBB-Infrastruktur Aktiengesellschaft,** 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. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of December 31, 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 UGB (Austrian Commercial Code) are appropriate.

Vienna, March 31, 2014

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Elfriede Baumann mp	Mag. Christoph Harreither mp
Certified Auditor	Certified Auditor

*) This report is a translation of the original report in German, which is solely valid. Publication of the consolidated financial statements together with our auditor's opinion may only be made if the consolidated financial statements and the consolidated management report are identical with the audited version attached to this report. Section 281 paragraph 2 UGB (Austrian Commercial Code) applies.

Legal information

Published by
ÖBB-Infrastruktur AG
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Disclaimer
The information provided in this report has been compiled to the best of our knowledge and verified with due and proper care. Subject to type-setting errors and misprints. This annual report is available only in electronic form at: infra.oebb.at/gb2013

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