Oostende, 15:21

EUROFIMA®

Annual report 2008

Important data

Financial data: all amounts in million CHF
Railway equipment financed: in units

	2008	2007 (1)
Balance sheet		
Total	**40 444**	38 500
Assets		
Financial investments	**1 911**	1 935
Equipment financing contracts	**35 453**	34 164
Derivative financial instruments	**2 439**	1 539
Liabilities		
Outstanding borrowings (2)	**33 863**	31 755
Derivative financial instruments	**5 254**	5 413
Equity		
Equity + Callable share capital	**3 386**	3 367
Net profit and appropriation to reserves		
Net profit for the financial year	**48**	44
Appropriation to statutory reserves	**24**	25
Ratios in %		
Operating cost (3) / Net operating income (4)	**17.0**	16.6
Net profit / Average equity (5)	**3.8**	3.4
Equity + Callable share capital / Outstanding borrowings	**10.0**	10.6
Borrowings and repayments during the financial year		
Borrowings	**8 733**	8 374
Repayments	**6 383**	7 105
Repayment rate in %	**73.1**	84.8
Railway equipment financed during the financial year		
Locomotives	**182**	257
Multiple-unit trains		
– Motor units	**674**	267
– Trailer cars	**629**	254
Passenger cars	**314**	480
Freight cars	**458**	1 106
Other equipment	**0**	0

(1) Restated due to new accounting policies introduced at January 1, 2008
(2) Amounts due to credit institutions and customers and debts evidenced by certificates
(3) Commission expenses and fees paid and general administrative expenses and depreciation on fixed assets
(4) Net interest income and commission income and fees received and net profit or loss on financial operations
(5) Average equity is calculated on a daily basis

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

EUROFIMA® European Company for the Financing of Railroad

EUROFIMA is a supranational organization. Its shareholders, which are also its customers, are the railways of its member States. EUROFIMA fulfills a task of public interest. It is located in Basle, Switzerland.

Constitution and mission

EUROFIMA was established on November 20, 1956 based on an international treaty (the "Convention") between sovereign States. It is governed by the Convention signed by its member States, its articles of association ("Statutes") and in a subsidiary manner by the law of the country in which it is located. It was originally founded for a period of 50 years. The decision taken by the extraordinary General Assembly of February 1, 1984 to extend this period for an additional 50 years, until 2056, was approved by all member States. EUROFIMA's shareholders are railways of the European member States which are parties to the Convention.

EUROFIMA's mission is to support the development of rail transportation in Europe and to support the railways which are its shareholders, as well as other railway bodies, in renewing and modernizing their equipment.

Activity

EUROFIMA finances railway equipment through borrowings or equity capital and encourages joint purchases. EUROFIMA secures title to or obtains security interests deemed equivalent (in particular

Shareholders' distribution at December 31, 2008 and 2007

Shareholders		Number of shares	in % of share capital	Subscribed share capital 2008	Subscribed share capital 2007	Callable share capital 2008	Callable share capital 2007
Deutsche Bahn AG	DB AG	58 760	22.60 %	587 600 000	587 600 000	470 080 000	470 080 000
French National Railways	SNCF	58 760	22.60 %	587 600 000	587 600 000	470 080 000	470 080 000
Ferrovie dello Stato S.p.A.	FS	35 100	13.50 %	351 000 000	351 000 000	280 800 000	280 800 000
SNCB Holding	SNCB	25 480	9.80 %	254 800 000	254 800 000	203 840 000	203 840 000
NV Nederlandse Spoorwegen	NS	15 080	5.80 %	150 800 000	150 800 000	120 640 000	120 640 000
RENFE Operadora	RENFE	13 572	5.22 %	135 720 000	135 720 000	108 576 000	108 576 000
Swiss Federal Railways	SBB	13 000	5.00 %	130 000 000	130 000 000	104 000 000	104 000 000
Železnice Srbije	ŽS	5 824 (1)	2.24 %	58 240 000	58 240 000	46 592 000	46 592 000
Swedish State Railways	SJ	5 200	2.00 %	52 000 000	52 000 000	41 600 000	41 600 000
Luxembourg National Railways	CFL	5 200	2.00 %	52 000 000	52 000 000	41 600 000	41 600 000
ÖBB-Holding AG	ÖBB	5 200	2.00 %	52 000 000	52 000 000	41 600 000	41 600 000
Portuguese Railways	CP	5 200	2.00 %	52 000 000	52 000 000	41 600 000	41 600 000
Hellenic Railways	OSE	5 200	2.00 %	52 000 000	52 000 000	41 600 000	41 600 000
České dráhy, a.s.	ČD	2 600	1.00 %	26 000 000	26 000 000	20 800 000	20 800 000
Hungarian State Railways Ltd.	MÁV	1 820	0.70 %	18 200 000	18 200 000	14 560 000	14 560 000
Železničná spoločnosť Slovensko, a.s.	ŽSSK	1 300	0.50 %	13 000 000	13 000 000	10 400 000	10 400 000
HŽ Putnički prijevoz d.o.o.	HŽ	520	0.20 %	5 200 000	5 200 000	4 160 000	4 160 000
Slovenske železnice d.o.o.	SŽ	520	0.20 %	5 200 000	5 200 000	4 160 000	4 160 000
Bosnia and Herzegovina Railways	ŽBH	520	0.20 %	5 200 000	5 200 000	4 160 000	4 160 000
Bulgarian State Railways Ltd.	BDZ	520	0.20 %	5 200 000	5 200 000	4 160 000	4 160 000
Javno pretprijatie Makedonski Železnici-Infrastruktura	MŽI	208	0.08 %	2 080 000	2 080 000	1 664 000	1 664 000
Željeznički Prevoz Crne Gore A.D.	ŽCG-T	156	0.06 %	1 560 000	1 560 000	1 248 000	1 248 000
Turkish State Railways	TCDD	104	0.04 %	1 040 000	1 040 000	832 000	832 000
Danish State Railways	DSB	52	0.02 %	520 000	520 000	416 000	416 000
Norwegian State Railways	NSB	52	0.02 %	520 000	520 000	416 000	416 000
Makedonski Železnici – Transport A.D.	MŽT	52	0.02 %	520 000	520 000	416 000	416 000
Total		**260 000**	**100.00 %**	**2 600 000 000**	**2 600 000 000**	**2 080 000 000**	**2 080 000 000**

(1) 2 830 shares of which EUROFIMA holds in trust

The unpaid subscribed share capital may be called in unconditionally at any time by decision of the Board of Directors.

Rolling Stock

pledges) on or in respect of equipment. The general principles of EUROFIMA's activity are defined in an agreement (the "Basic Agreement") between the railways and EUROFIMA. The Basic Agreement remains valid for the entire duration of EUROFIMA's existence and can only be altered with the consent of all the railways and EUROFIMA. EUROFIMA's equity is primarily used for investments in money market paper or bonds and, to a limited extent, for financing railway equipment.

Equipment
EUROFIMA ever holds title to the equipment until the financing has been completely reimbursed or it holds a direct or indirect security interest deemed equivalent, particularly pledges. The equipment is recorded in the company's register with its number and type. Each railway is responsible for maintaining the equipment. In case of damage or loss, the equipment must be replaced without delay and at the railway's expense. If a railway does not fulfill its obligations, EUROFIMA has the right to repossess the equipment to cover its exposure. The railway continues to assume responsibility for all contracts into which it has entered with the company. EUROFIMA has never experienced a loss due to the failure of a railway to assume its contractual obligations.

Guarantee reserve and joint shareholders' guarantee
In the event of default by a railway, the guarantee reserve, as described in Article 30 of the Statutes, may be called upon. According to this article, the yearly allocation to the guarantee reserve corresponds to the balance of the net annual profit, after allocation to the ordinary reserve of 5 % of the net profit and the payment of a dividend, statutorily fixed at a maximum of 4 % of the paid-in share capital. After appropriation of the surplus, the guarantee reserve reached CHF 464.0 million. In addition, according to Article 27 of the Statutes, each shareholder guarantees the fulfillment of all of EUROFIMA's equipment financing contracts in proportion to its holding in EUROFIMA's share capital and up to a maximum amount equal to the par value of its holding. This joint shareholders' guarantee is invoked only if the obligations due by a railway exceed the guarantee reserve and are not covered by its member State.

State guarantee
The railway shareholders' obligations towards EUROFIMA benefit from a double guarantee. Firstly, each member State is either directly liable for or guarantees the obligations of its railway under the equipment financing contracts. Secondly, each member State is either directly liable for or guarantees the obligations of its railway in such railway's capacity as a shareholder of EUROFIMA. In addition, the member States take the necessary measures to assure the transfer of funds arising from the company's activity. On December 31, 2008, borrowings were 113 % covered by equity and the various guarantees.

Rating of the member States at December 31, 2008 and 2007

	2008		2007	
	Moody's Investors Service Inc.	Standard & Poor's Corp.	Moody's Investors Service Inc.	Standard & Poor's Corp.
Germany	Aaa	AAA	Aaa	AAA
France	Aaa	AAA	Aaa	AAA
Italy	Aa2	A+	Aa2	A+
Belgium	Aa1	AA+	Aa1	AA+
Netherlands	Aaa	AAA	Aaa	AAA
Spain	Aaa	AAA	Aaa	AAA
Switzerland	Aaa	AAA	Aaa	AAA
Serbia	–	BB–	–	BB–
Sweden	Aaa	AAA	Aaa	AAA
Luxembourg	Aaa	AAA	Aaa	AAA
Austria	Aaa	AAA	Aaa	AAA
Portugal	Aa2	AA–	Aa2	AA–
Czech Republic	A1	A	A1	A
Greece	A1	A	A1	A
Hungary	A3	BBB	A2	BBB+
Croatia	Baa3	BBB	Baa3	BBB
Slovenia	Aa2	AA	Aa2	AA
Bosnia and Herzegovina	B2	B+	B2	–
Bulgaria	Baa3	BBB	Baa3	BBB+
Slovakia	A1	A+	A1	A
FYR Macedonia	–	BB+	–	BB+
Montenegro	Ba2	BB+	–	BB+
Turkey	Ba3	BB–	Ba3	BB–
Denmark	Aaa	AAA	Aaa	AAA
Norway	Aaa	AAA	Aaa	AAA

Rating of EUROFIMA at December 31, 2008

	Moody's Investors Service Inc.	Standard & Poor's Corp.
Long term	Aaa	AAA
Short term	P-1	A-1+
Outlook	stable	stable

Report of the Board of Directors to the General Assembly

Annual report 2008
52nd financial year

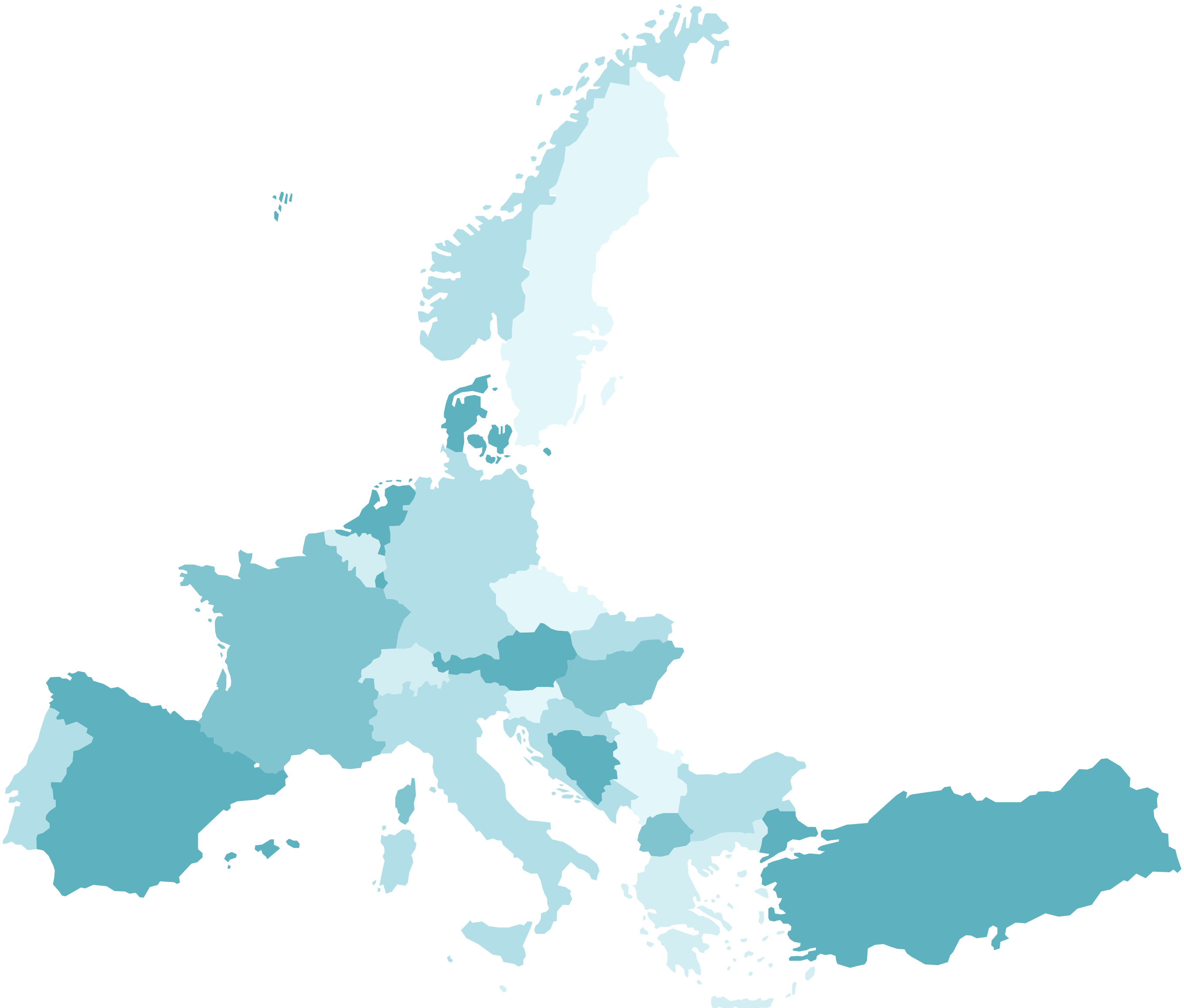
European Company
for the Financing
of Railroad Rolling Stock

Europäische Gesellschaft
für die Finanzierung
von Eisenbahnmaterial

Société européenne
pour le financement
de matériel ferroviaire

Società europea
per il finanziamento
di materiale ferroviario

EUROFIMA®



This annual report is also available on EUROFIMA's website www.eurofima.org

Namur – Ciney, 08:50

Leuven – Brussels, 14:31

Contents

Antwerp-Central railway station, 15:51

Chairman’s statement

Against the odds of an economic crisis on a global scale and of unprecedented magnitude, we pride ourselves to report for our financial year ending December 31, 2008 a 10 % increase in net profit over the preceding year.

The financial soundness of our organization has not been adversely affected by the dire economic conditions. Per December 31, 2008 none of our financial assets are in arrears or non performing.

Despite the difficult environment, our core business has not been negatively impacted. An aggregate amount of CHF 3.9 billion has been disbursed during 2008 to finance rolling stock for our railway partners. For the first time ever, two USD 1 billion benchmark bond issues were placed in the same year at prime terms to fund our lending book.

With the introduction of a new accounting and management information system in 2008, we adopted key elements of the International Financial Reporting Standards and improved our risk monitoring capabilities.

Looking to the immediate future and beyond, while the global economic conditions will remain difficult in 2009, we hope that the governments and their central banks will succeed in stemming the sharp decline of their economies to reverse this fatal trend. Substantial funds

Antwerp, 14:02

Antwerp-Central railway station, 16:19

have been earmarked for investment in environmentally friendly infrastructure projects positively impacting the investment cycle of the European railways and finally, our core business.

The grave financial crisis of 2008 has emphasized the usefulness of EUROFIMA's financing model. The organization remains well positioned to fully play its role in the service of the development of railway transportation in Europe.

These turbulent times have been very demanding for EUROFIMA's management and staff. I am pleased to convey to them the Board of Directors' gratitude for their dedication and the result achieved.

Marcel NIGGEBRUGGE
Chairman of the Board

Governing bodies

As a public international body, EUROFIMA is governed in the first place by an international Treaty (the "Convention") concluded between 25 sovereign member States, its articles of association ("Statutes") and only subsidiarily by Swiss law. The member States have reserved extensive corporate governance rights over EUROFIMA. The following changes to EUROFIMA's organization require the consent of the member States: head office, objective, duration, conditions for admission of shareholders, quora applicable to important shareholders' resolutions, equal voting rights of directors, all terms dealing with the shareholders' liability and the establishment of branches. EUROFIMA has to report on its activities to the member States annually.
EUROFIMA is managed and administered by the General Assembly, the Board of Directors and the Management.

General Assembly
The General Assembly convenes at least once annually. It decides on the maximum amount of borrowings to be contracted during a given period. It approves the management rules established by the Board of Directors and the financial statements. Decisions are taken by the majority of votes of the shares represented. However, to amend the Statutes, to reduce or to increase the stated share capital, to transfer shares and subscription rights, to dissolve the company, to appoint liquidators and to extend the company's duration, a majority representing at least seven-tenths of the stated share capital is required.

Board of Directors
The Board of Directors is responsible for conducting the company's business. It adopts decisions in matters that involve lending, borrowing and administrative matters. It meets at least once quarterly, taking decisions on the basis of the majority of the directors present or represented. With the exception of certain reserved powers, the Board of Directors is authorized to entrust all or part of the management of the company to one or several of its members (representatives) or third persons who need not necessarily be directors (members of the Management). As a result, the day to day management has been delegated to members of the Management. In this regard, the Board of Directors establishes management rules and guidelines determining the rights and responsibilities of the Board of Directors, its representatives and the Management. The Board of Directors authorizes all equipment financing contracts, all borrowings within the limits laid down by the General Assembly and is responsible for the financial statements.
The Board members including the Chairman and Vice Chairmen are appointed by the General Assembly, with two members for each shareholder holding at least 2 % of the share capital. They are appointed for a period of three years and are eligible for re-election. The Board of Directors presently consists of 24 members. The Chairman calls the Board meetings with sufficient notice and draws up the agenda. Any other Board member has the right to call an additional meeting, if deemed necessary. In order to ensure an efficient interaction with the Board of Directors, the meetings are also attended by the Chief Executive Officer and, as appropriate, by other management representatives. Minutes are kept of the proceedings and decisions of the Board of Directors.
The Board of Directors met on four occasions in 2008. The main subjects examined by the Board of Directors on which it took decisions were: the annual budget, the general authorization to carry out borrowing transactions and associated treasury and derivatives transactions, the financial statements, the annual report to the General Assembly, the implementation of a new information system, the adoption of new accounting policies, the assessment of risks and the policy on internal control system over financial reporting.

Auditors Committee
The Auditors Committee is composed of five members appointed by the General Assembly. They are normally designated for a period of three years and are eligible for re-election. Its activities cover the audit of the financial statements as well as the monitoring of the financial reporting process and the effectiveness of the internal control. It met twice in 2008. The major topics examined by the Auditors Committee concerned: the approval of the yearly internal control programme, the review of the internal control reports, the drawing up of the financial statements, the adoption of new accounting policies, the implementation of a new information system and the evolution of financial risks. In connection with the audit of the financial statements, the Auditors Committee consulted the independent auditors, reviewed their audit planning process and independence as well as examined and discussed their reports. Members of the Auditors Committee also receive the minutes of the meetings of the Board of Directors.
No advance or credit is granted to members of EUROFIMA's administrative, managerial and supervisory bodies, and no commitment is entered into on their behalf by way of guarantees of any kind by EUROFIMA.

Libramont – Marbehan, 10:17

Board of Directors
as of January 1, 2009

Honorary Chairpersons:
Claire Dreyfus-Cloarec
Paris
Etienne Schouppe
Liedekerke
Wolfgang Vaerst
Frankfurt am Main

Chairman:
Marcel Niggebrugge
Member of the Board,
Chief Financial Officer,
NV Nederlandse Spoorwegen, Utrecht

Vice Chairmen:
Reto Feissli
Head Corporate Treasury,
Swiss Federal Railways SBB, Bern
Luigi Lenci
Chief Financial Officer,
Ferrovie dello Stato S.p.A., Rome
Wolfgang Reuter
Group Treasurer,
Deutsche Bahn AG, Berlin

Members:
Michel Allé
Chief Financial Officer,
SNCB Holding, Brussels
Nicholas Th. Beis
General Director of Administration and Finance, Hellenic Railways, Athens
Nikolaos M. Empeoglou
Chairman of the Board of Directors,
Hellenic Railways, Athens
Pilar Cutanda González
Financial Director,
RENFE Operadora, Madrid
Lennart Dahlborg
President,
Swedish State Railways, Stockholm
Paulo José da Silva Magina
Member of the Board of Directors,
Portuguese Railways, Lisbon
Jean-Luc Drugeon
Director of Financial Operations, French National Railways Company, Paris
Natalia Garzón Pacheco
General Director of Finance and Planning, RENFE Operadora, Madrid
Jannie Haek
Chief Executive Officer,
SNCB Holding, Brussels
Mats Hanser
Member of the Board of Directors,
Swedish State Railways, Stockholm
Bojan Ilkic
Assistant General Manager for Strategy and Development, Železnice Srbije, Belgrade
Ronald Klein Wassink
Corporate Treasurer,
NV Nederlandse Spoorwegen, Utrecht
Alex Kremer
General Director, Luxembourg National Railways, Luxembourg
Gerhard Leitner
Director Finance,
Rail Cargo Austria AG, Vienna
Milovan Marković
General Director,
Železnice Srbije, Belgrade
Stefano Pierini
Head of Finance,
Ferrovie dello Stato S.p.A., Rome
Alfeu Pimentel Saraiva
Director of Finance,
Portuguese Railways, Lisbon
Georg Radon
Chief Financial Officer,
Swiss Federal Railways SBB, Bern
Hartwig Schneidereit
Head of Capital Market Department,
Deutsche Bahn AG, Berlin
Jeannot Waringo
Chairman of the Board of Directors,
Luxembourg National Railways,
Luxembourg

Secretary:
Susanne Honegger
Assistant to the Chief Executive Officer

Auditors Committee:
José Luis Martínez Giménez
Director of Accounting Systems,
RENFE Operadora, Madrid
Alfred Lutschinger
Director of Finance and Participations,
ÖBB-Infrastruktur Betrieb AG, Vienna
Stefano Pierini
Head of Finance,
Ferrovie dello Stato S.p.A., Rome
Dick Snel
Chief Financial Officer, Servex BV
(NV Nederlandse Spoorwegen), Utrecht
Marc Wengler
Deputy General Director, Luxembourg National Railways, Luxembourg

Management:
André Bovet
Chief Executive Officer
Martin Fleischer
Senior Vice President,
Head of Capital Markets
Marco Termignone
Senior Vice President,
Head of Accounting, IT, Payments

Independent auditors:
PricewaterhouseCoopers AG
St. Jakobs-Strasse 25
P.O. Box
CH-4002 Basle
Tel: + 41 58 792 51 11
Fax: + 41 58 792 58 82

Changes in the Board of Directors:
The following members resigned in 2008:
Aggelos N. Androulidakis
Claude Alain Dulex
Jean-Pierre Menanteau
Milanko Šarančić
Erich Söllinger

The outgoing members were sincerely thanked for their active service.

Activity report

Borrowings and repayments during the financial year 2008

Equipment financed during the financial year 2008

Distribution of equipment financing contracts by types of equipment

Results in 2008 and outlook for 2009

SNCB maintenance hall, Schaarbeek

Borrowings and repayments during the financial year 2008

Borrowings from capital markets

EUROFIMA weathered the difficult financial markets of 2008 unscathed as well in its borrowing activities. In line with the previous years, it tapped the capital markets for an aggregate volume of CHF 4 billion in six different currencies. A predominant part was raised in the public bond markets, in which the organization showed a prominent presence throughout the whole year.

For the first time ever, two US dollar benchmark bonds of USD 1 billion each were launched in the same year. Following several 10-year bond issues in the previous years, EUROFIMA aimed at accommodating investors' strong preferences for the short end of the maturity scale by issuing a USD 1 billion bond due 2010 and a USD 1 billion bond due 2013. Both offerings allowed EUROFIMA to significantly diversify its already broad investor base and to enhance its recognition as a regular issuer of investment paper of the highest grade in the Americas.

In the Kangaroo bond market, two previously placed issues were increased: the one maturing in 2018 by AUD 500 million, raising the overall outstanding amount to a remarkable AUD 1.5 billion; the other, maturing in 2010, by AUD 450 million to an aggregate nominal outstanding of AUD 850 million.

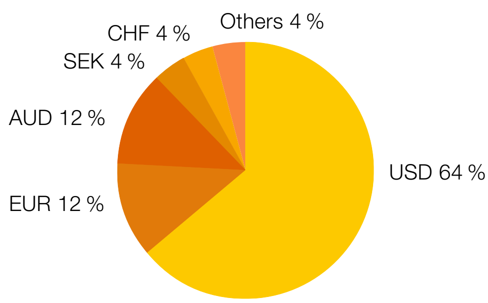
Having become a well established and recognized name in the region as a regular issuer of bonds in the Australian domestic market, EUROFIMA saw the opportunity to place an inaugural NZD 275 million Kauri bond due in 2013 directly in the New Zealand domestic market.

After successfully filing a "Uridashi" shelf registration with the Japanese regulatory authorities in 2006, two placements were made for the first time under this scheme, one for AUD 400 million, the other for NZD 105 million, both targeted to local retail accounts.

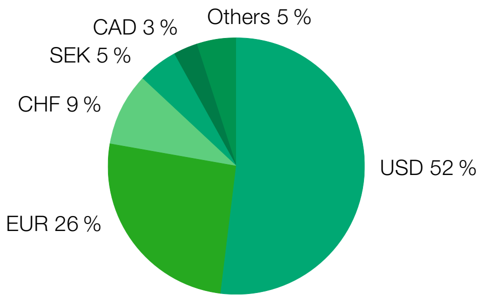
Borrowings

Type of borrowings	**2008**	2007
Listed bond issues	3 360 962 077	3 888 791 239
Unlisted bond issues	574 251 880	57 850 000
Loans	987 253 750	708 310 280
Commercial paper	3 810 214 043	3 718 761 461
Total	**8 732 681 750**	**8 373 712 980**

Borrowings breakdown per currency



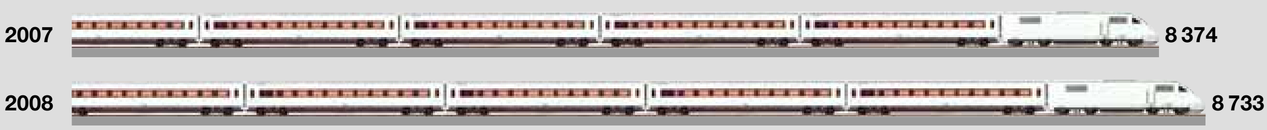
Repayments breakdown per currency



Repayments

Based on the exchange rates fixed at the date of the balance sheet, repayments reached the equivalent of CHF 6 383 million, CHF 4 748 million of which are due to repayments on short-term financing.

Evolution of borrowings (in million CHF)



Equipment financed during the financial year 2008

EUROFIMA concluded 26 contracts with 11 shareholders or their affiliates for the financing of railway equipment or leasing contracts concluded by the shareholders. The railway equipment and the related financing amounts are given below.

Country	Railway/ Company	Locomotives			Multiple-unit trains			Passenger cars	Freight cars	New financing (in million CHF)
		main-line		shunting	motor units		trailer cars			
		diesel	electric		diesel	electric				
France	SNCF					32	128			442
Italy	FS		60		200	84	142	104		891
Spain	RENFE	25				52	52			554
Switzerland	SBB		56			52	40	106		794
Montenegro	ŽCG-T	4	1			2	2			10
Austria	ÖBB				36	104	148	28	373	548
Portugal	CP		28			88	109	23		444
Greece	OSE				4		8		85	104
Slovenia	SŽ		6							32
Slovakia	ŽSSK		2		10	10		18		40
Bulgaria	BDZ							35		30
Total		**29**	**153**	**0**	**250**	**424**	**629**	**314**	**458**	**3 889**

EUROFIMA holds title or security interests deemed equivalent (in particular pledges) to the railway equipment until the funds have been fully reimbursed. For the distribution of the railway equipment see page 11.

Distribution of equipment financing contracts by types of equipment

The following table indicates the equipment of each shareholder or their affiliates to which the company holds title or in which it has direct or indirect security interests deemed equivalent, in particular pledges.

Equipment at December 31, 2008

Country	Railway/ Company	Locomotives			Multiple-unit trains			Passenger cars	Freight cars	Other equipment	Book value of outstanding equipment financing contracts
		main-line		shunting	motor units		trailer cars				
		diesel	electric		diesel	electric					
Germany	DB AG		443	12	14	40	260		3 161	5	2 536 789 865
France	SNCF		233	2		306	1 184		12		6 004 278 294
Italy	FS	1	685		275	428	606	3 001			4 917 429 411
Belgium	SNCB	101	166	11	152	190	267	1 013	1 300	28	4 220 392 673
Netherlands	NS		49	80		63	140	241			1 081 886 405
Spain	RENFE	29	261		9	469	595	39			3 393 779 411
Switzerland	SBB		151	48		310	579	106			3 791 482 890
	CISALPINO AG					12	30				189 092 424
Serbia	ŽS	2	58	33		31	37	54			175 968 903
Montenegro	ŽCG-T	12	8	1		10	10	22	10		35 579 769
Sweden	SJ	50	146			68	163	425	5 856		1 125 702 086
Luxembourg	CFL					24	36		470		286 396 210
Austria	ÖBB	84	382	92	68	290	376	406	284		2 832 763 408
	Rail Equipment GmbH & Co KG								35		54 304 466
	CRL								340		22 272 738
	IWAG	3	44	7					8 423		396 654 221
Portugal	CP	28	75	46	128	351	523	104	1 488		1 561 140 649
Hungary	MÁV	140	218	99	71	15		137			422 529 458 (1)
Czech Republic	ČD		5			15	30	26			248 933 030
Slovakia	ŽSSK	2			54		21	141			183 240 583
Greece	OSE	36	30		62	40	159	266	363		1 530 851 293
Croatia	HŽ		1	5	9	4	7	122	565	22	112 716 834 (2)
Slovenia	SŽ		26			60	20				264 484 307
Bosnia and Herzegovina	ŽBH							3	58		13 209 034
Bulgaria	BDZ	5	8					35			44 831 944
FYR Macedonia	MŽI							1			240 750
	MŽT		3								5 731 460
Total		**493**	**2 992**	**436**	**842**	**2 726**	**5 043**	**6 142**	**22 365**	**55**	**35 452 682 516**
of which under construction			69			60	60	80	370		

(1) 147.3 million of which assumed by the Hungarian State
(2) 75,0 million of which assumed by the Croatian State

Results in 2008 and outlook for 2009

Results 2008

In spite of clearly deteriorating global economic conditions and a severe financial crisis EUROFIMA achieved in 2008 a very satisfactory financial performance. EUROFIMA's core activity, the financing of railway equipment, developed successfully. At CHF 3.9 billion, the volume of new railway equipment financing concluded during the year rose by 21.3 %. Earnings developed also positively. EUROFIMA recorded a net profit of CHF 48.4 million for the financial year 2008, compared with CHF 44.0 million in 2007.

Income statement

At CHF 37.9 million, net interest income grew by 35.6 % and continued to be the largest source of income. Yields on new financial investments were slightly higher than on maturing investments. With the turbulences in the financial markets favoring high quality issuers, EUROFIMA also profited from reduced borrowing costs.

At CHF 18.0 million, commission income and fees received increased by 2.3 % and remained the second largest source of income. The commission income on equipment financing contracts, which accounted for 95 % of the total commission income, was positively influenced by the increased activity in new railway equipment financing. Commissions earned in relation to leasing transactions were an additional factor contributing to this favorable evolution.

At CHF 2.6 million, the third largest source of income, namely net profit or loss on financial operations, decreased by 64.5 %. This volatile income position, made up predominantly of realized and unrealized gains and losses on financial instruments, was negatively affected by the turbulences in the financial markets.

Total operating cost, which comprises general administrative expenses, depreciation on fixed assets as well as commission expenses and fees paid, amounted to CHF 9.9 million versus CHF 8.8 million in the previous year. This growth of 13.4 % was largely due to the implementation of a new information system and higher personnel costs.

Balance sheet

At CHF 40.4 billion, total assets grew by CHF 1.9 billion (+5.1 %). Based on the same exchange rates used at the end of 2007, total assets would reach CHF 43.0 billion (+11.7 %).

At year end, the book value of the outstanding equipment financing contracts totaled CHF 35.5 billion (2007: CHF 34.2 billion). Accounting for 88 % of total assets this position represents the largest single asset in EUROFIMA's balance sheet. The credit quality of this portfolio remained sound. No impairment charges had to be recognized during the year for any equipment financing contract or other financial asset. As of December 31, 2008, no asset was in arrears or non performing.

Regarding the financial investments, as a result of a conservative investment policy, EUROFIMA coped reasonably well with the difficult conditions prevailing in the financial markets. The general widening in credit spreads had a negative effect on the market valuation of the financial investments. Nevertheless, in the context of the extreme market conditions of 2008, this resulted in a modest negative impact only with unrealized losses on financial assets classified as available for sale increasing by CHF 8.6 million.

Net profit (in million CHF)

Outstanding borrowings [1] and equity and callable share capital (in million CHF)

(1) Amounts due to credit institutions and customers and debts evidenced by certificates

Antwerp-Central railway station, 16:47

The balance sheet remained sound. As of December 31, 2008, the sum of equity and callable share capital amounted to 10.0 % of total borrowings, compared to 10.6 % in 2007. After the proposed appropriation of surplus, the statutory reserves and the fund for general risks totaled CHF 803.0 million (2007: CHF 750.3 million).

With the sum of cash and cash equivalents and financial investments amounting to CHF 2.5 billion, the liquidity position of the organization remained particularly strong taking into account EUROFIMA's matched asset and liability management.

Outlook for 2009

Even after the far-reaching steps taken by governments to restore confidence in the financial markets and stimulate economic growth, global economic conditions are expected to remain difficult in 2009. In such an environment an even greater emphasis will be placed by EUROFIMA on maintaining the organization's financial soundness. In this regard, the monitoring and the management of financial risks will remain a key priority. Despite this difficult economic environment EUROFIMA is confident to achieve again a satisfactory financial performance in 2009. As a result of an even stronger focus on a prudent and risk avert business approach, both new equipment financing volume and earnings are expected to remain below the level of the previous year.

Financial statements

Oostende, 15:39

Brussels Atomium

Income statement

(all amounts in CHF)	Notes	**2008**	2007
Interest and similar income	3	2 112 798 916	2 059 052 099
Interest and similar charges	3	–2 074 946 994	–2 031 135 961
Net interest income		**37 851 922**	**27 916 138**
Commission income and fees received	4	17 970 520	17 568 726
Commission expenses and fees paid	4	–1 141 340	–1 018 738
Net profit or loss on financial operations	5	2 563 305	7 214 145
Net profit or loss on other financial operations		**19 392 485**	**23 764 133**
Foreign exchange gains / losses		–32 326	30 606
General administrative expenses	6	–8 796 081	–7 706 184
Depreciation on fixed assets		0	–35 968
Impairment charge	7	0	0
Net profit for the financial year		**48 416 000**	**43 968 725**
Appropriation to / from fund for general risks		0	0
Profit to be appropriated		**48 416 000**	**43 968 725**

Balance sheet

(all amounts in CHF)	Notes	**December 31, 2008**	**%**	December 31, 2007	%
Assets					
Cash and cash equivalents		627 282 503	2 %	848 723 096	2 %
Financial investments	8	1 911 065 322	5 %	1 935 221 783	5 %
Placements with credit institutions		539 678 319	1 %	313 754 591	1 %
Debt securities		1 311 811 342	3 %	1 555 029 052	4 %
Other		59 575 661	0 %	66 438 141	0 %
Equipment financing contracts	9	35 452 682 516	88 %	34 163 506 701	89 %
Derivative financial instruments	10	2 439 433 504	6 %	1 538 508 708	4 %
Other assets		6 223 160	0 %	6 257 982	0 %
Accrued income and prepaid expenses	11	7 425 997	0 %	7 963 383	0 %
Fixed assets	12	1	0 %	1	0 %
Total assets		**40 444 113 001**	100 %	**38 500 181 655**	100 %
Liabilities					
Amounts due to credit institutions and customers	13	4 591 026 966	12 %	4 331 502 955	12 %
Debts evidenced by certificates	14	29 271 480 652	75 %	27 423 928 495	74 %
Senior borrowings		26 761 584 888	68 %	25 046 603 329	67 %
Other debts evidenced by certificates		2 509 895 764	6 %	2 377 325 165	6 %
Derivative financial instruments	15	5 253 631 603	13 %	5 413 447 273	15 %
Other liabilities		21 020 337	0 %	43 709 531	0 %
Accrued expenses and deferred income	16	1 116 190	0 %	732 472	0 %
Total liabilities		**39 138 275 748**	100 %	**37 213 320 726**	100 %
Equity					
Subscribed share capital		2 600 000 000	199 %	2 600 000 000	202 %
Callable share capital		–2 080 000 000	–159 %	–2 080 000 000	–162 %
Statutory reserves	17	500 936 000	38 %	476 709 000	37 %
Fund for general risks		249 368 388	19 %	249 368 388	19 %
Other value adjustments		–38 434 872	–3 %	–29 795 196	–2 %
Surplus to be distributed		73 967 738	6 %	70 578 738	5 %
Unappropriated surplus previous year		263 298	0 %	1 321 573	0 %
Net profit for the financial year, before appropriation		48 416 000	4 %	43 968 725	3 %
Appropriation to / from fund for general risks		0	0 %	0	0 %
Net result from transition to new accounting policies		25 288 439	2 %	25 288 439	2 %
Total equity		**1 305 837 253**	100 %	**1 286 860 929**	100 %
Total liabilities and equity		**40 444 113 001**		**38 500 181 655**	

Statement of changes in equity

(all amounts in CHF)	Subscribed share capital	Callable share capital	Statutory reserves	Fund for general risks	Other value adjustments	Surplus to be distributed	**Total**
Balance at January 1, 2007	**2 600 000 000**	**–2 080 000 000**	**451 940 000**	**249 368 388**	**–12 318 061**	**72 179 012**	**1 281 169 339**
Unrealized gains / losses							
– available-for-sale financial assets					–17 477 135		**–17 477 135**
Net income / (expense)							
recognized directly into equity					**–17 477 135**		**–17 477 135**
Profit of the year						43 968 725	**43 968 725**
Total recognized income for 2007					**–17 477 135**	**43 968 725**	**26 491 590**
Appropriation between reserves			24 769 000			–24 769 000	**0**
Dividend payment						–20 800 000	**–20 800 000**
Paid-in capital							**0**
Balance at December 31, 2007	**2 600 000 000**	**-2 080 000 000**	**476 709 000**	**249 368 388**	**-29 795 196**	**70 578 738**	**1 286 860 929**

(all amounts in CHF)	Subscribed share capital	Callable share capital	Statutory reserves	Fund for general risks	Other value adjustments	Surplus to be distributed	**Total**
Balance at January 1, 2008	**2 600 000 000**	**–2 080 000 000**	**476 709 000**	**249 368 388**	**–29 795 196**	**70 578 738**	**1 286 860 929**
Unrealized gains / losses							
– available-for-sale financial assets					–8 639 676		**–8 639 676**
Net income / (expense)							
recognized directly into equity					**–8 639 676**		**–8 639 676**
Profit of the year						48 416 000	**48 416 000**
Total recognized income for 2008					**–8 639 676**	**48 416 000**	**39 776 324**
Appropriation between reserves			24 227 000			–24 227 000	**0**
Dividend payment						–20 800 000	**–20 800 000**
Paid-in capital							**0**
Balance at December 31, 2008	**2 600 000 000**	**–2 080 000 000**	**500 936 000**	**249 368 388**	**–38 434 872**	**73 967 738**	**1 305 837 253**

Statement of cash flows

(all amounts in CHF)	**2008**	2007
Cash flows from operating activities (direct method)		
FX amounts paid	–34 848 586	–19 762 269
FX amounts received	34 822 879	19 755 055
Interest paid	–3 194 967 348	–3 036 424 904
Interest received	3 224 926 947	3 067 812 416
Operational cash flows paid	–335 211 454	–497 656 302
Operational cash flows received	304 476 558	491 187 522
Commission and fees received	17 329 135	17 793 235
Dividend paid	–20 706 320	–20 706 320
Net cash from operating activities	**–4 178 189**	**21 998 432**
Cash flows from investing activities		
Lending		
Disbursement of equipment financings	–4 573 520 129	–3 763 667 659
Repayments of equipment financings	1 710 476 571	1 834 559 383
Financial investments		
Purchase of debt securities	–538 734 028	–911 875 003
Redemptions	504 600 160	999 305 914
Sales of debt securities	198 170 501	133 253 573
Placement with credit institutions	–695 820 040	–230 480 002
Repayment of placements with credit institutions	455 531 470	128 113 730
Other financial investments	0	–65 832 000
Repayment of other financial investments	0	0
Other items		
Net movements in other assets	0	0
Net movements in fixed assets	0	0
Net cash from investing activities	**–2 939 295 494**	**–1 876 622 063**

(all amounts in CHF)	**2008**	2007
Cash flows from financing activities		
Issues of new debt	8 385 331 750	7 805 725 916
Redemptions	–5 422 013 534	–6 194 907 538
Placements from credit institutions and customers	991 203 642	681 288 159
Redemptions of placements from credit institutions and customers	–927 665 926	–714 436 704
Net cash flow from derivative financial instruments	–198 988 956	464 378 398
Paid-in capital	0	0
Net cash from financing activities	**2 827 866 975**	**2 042 048 230**
Exchange rate difference	–109 427 660	22 690 801
Others	3 593 775	761 082
(Decrease)/increase in cash and cash equivalents	**–221 440 593**	**210 876 483**
Cash and cash equivalents at the beginning of the year	848 723 096	637 846 614
Cash and cash equivalents at the end of the year	627 282 503	848 723 096

Schaarbeek, 10:37

Antwerp, 16:09

Notes to the financial statements

Changes in accounting policies

As of January 1, 2008, in order to achieve a conformity as close as possible with International Financial Reporting Standards, EUROFIMA modified some of the accounting policies it uses to draw up its financial statements. For comparative purpose, the financial statements for the year 2007 have been restated to conform with the changes adopted for the current year's presentation.

Major changes comprise:
– Accrued interest is included in the book value of all interest bearing financial instruments.
– The callable share capital is now a component of the equity. Together with the subscribed share capital it sums up to the paid-in share capital.
– Available-for-sale financial assets are now carried at fair value with unrealized gains and losses included in the equity.
– The practice of precautionary provisioning is replaced by the impairment policy.
– Derivatives are now carried at fair value and shown either as an asset or a liability.
– In order to avoid potential accounting mismatches EUROFIMA makes use of the Fair Value Option.

Effects of new accounting policies on previously reported shareholders' equity and results

The effects of adopting new accounting policies on the previously reported total shareholders' equity as of January 1, 2008 and January 1, 2007 were as follows:

Reconciliation of equity	Open balance at January 1, 2008	Open balance at January 1, 2007
Total shareholders' equity under previous accounting policies	**3 122 562 589**	**3 098 830 573**
Adjustments:		
– Callable share capital (previously reported under assets)	–2 080 000 000	–2 080 000 000
– Fund for general risks (previously reported under provisions)	249 368 388	249 368 388
– Net unrealized gains and losses on available-for-sale assets	–29 795 196	–12 318 061
– Net result from transition	25 288 439	25 288 439
– Change from restated net profit for the financial year 2007	–563 291	0
Total shareholders' equity restated under new accounting policies	**1 286 860 929**	**1 281 169 339**

The first time application effects of some new accounting policies were gathered in the net result from transition. The significant components of this item were the former global value adjustment on the book value of investment securities holdings, the former provisions covering expenses for various projects as well as measurement changes for some financial instruments.

The effects of changing to new accounting policies on the previously reported net income for the year 2007 were as follows:

Reconciliation of net profit	2007
Total net profit as reported under previous accounting policies	**44 532 016**
Adjustments:	
– Previously deferred income and expenses	–3 697 631
– Measurement change of financial instruments	3 143 853
– Other	–9 513
Total net profit restated under new accounting policies	**43 968 725**

Note 1: Significant accounting policies

Basis of preparation

While EUROFIMA is not subject to legislation by the European Union, the financial statements have been prepared in accordance with the general principles of the European Parliament and European Union Council directive on the annual accounts and consolidated accounts of banks and other financial institutions (Directive 86/635/EEC). However, the financial statements do not include any management report. An activity report is prepared and presented separately from the financial statements. Its consistency with the financial statements is not audited. With the exceptions noted below, the financial statements are based on historical cost, as modified by available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

As of January 1, 2008 the company adopted some new accounting policies. It has accordingly restated its previously reported 2007 financial statements which are presented for comparison purposes. The major changes in the accounting policies and the effect of their adoption are included in “Effects of new accounting policies on previously reported shareholders’ equity and results” (see page 22).

The financial statements were reviewed and authorized by the Board of Directors on March 27, 2009. They were approved by the General Assembly on the same date.

Significant accounting judgments and estimates

In preparing the financial statements, the Management is required to make certain critical accounting estimates and assumptions that affect the reported profits, financial position and other information disclosed in the financial statements. These estimates are based on available information and judgment made by the Management. Actual results in the future could deviate from such estimates and the difference may be material to the financial statements. The two main areas involving higher degree of judgment and complexity or areas where assumptions and estimates are significant to the financial statements are the determination of fair values of financial instruments and impairments. Where the fair values of financial assets and financial liabilities are not obtained from external pricing services (e.g. Reuters and Bloomberg), they are determined using internal valuation techniques. The resulting estimated fair values are highly dependent on the market data used, such as interest rates and foreign exchange rates as well as other factors. Regarding impairments, in the presence of impairment indicators judgment by the Management is required to estimate the amount and timing of future cash flows when determining impairment charges.

Recognition and derecognition of financial instruments

Financial instruments are recognized and derecognized in the balance sheet using settlement date accounting. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and EUROFIMA has transferred substantially all rights and rewards of ownership. Financial liabilities are derecognized when the obligations specified in the contract are discharged or have expired.

Foreign currency translation

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements are presented in Swiss Francs (“the presentation currency”).

Foreign currency transactions are translated into the measurement currency using the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the translation of all assets and liabilities denominated in foreign currencies are recognized in the income statement under the heading “foreign exchange gains/losses”.

EUROFIMA uses the official foreign exchange rates published by the European Central Bank.

Determination of fair value

The fair values of quoted debt securities issued by third parties are based on current prices provided by external pricing services. If such prices are not available, EUROFIMA establishes the fair value by using valuation techniques. These may include the use of recent arm’s length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis. For all other financial instruments, in particular for the swaps, the borrowings and the equipment financing contracts, the fair values are determined through an internal discounted cash flow model. This process involves the determination of future expected cash flows and the computation of their present value using current money market yield curves, swap yield curves and foreign exchange rates. The present value calculation does not take into account additional credit spreads than those included in the yield curves. Therefore, the estimated fair value of such financial instruments may not be realizable in the market and deviate significantly under different assumptions and parameters.

Cash and cash equivalents

Cash and cash equivalents comprise cash deposits held at call with banks and other short-term investments with original maturities of 3 months or less, calculated from the date the placement or the

acquisition was made. In the balance sheet, bank overdrafts are included in amounts due to credit institutions and customers.

Financial investments

EUROFIMA classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets or financial liabilities designated as at fair value through profit or loss

This category has two sub-categories: financial assets or financial liabilities held for trading, and those designated as at fair value through profit or loss at inception.

1. A financial asset or financial liability is classified in this category if acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if so designated by management. Derivatives are also classified as held for trading.
2. For financial assets or financial liabilities designated as at fair value through profit or loss, the criteria for so designating such financial assets or financial liabilities on initial recognition is that all these positions including derivatives are significantly matched together offsetting the changes in fair values in the income statement. In such instances the application of the Fair Value Option results in more relevant information, as accounting mismatches are significantly reduced in the sense that the same accounting valuation can be applied for all involved financial instruments. Without the use of the Fair Value Option an accounting mismatch would arise as only some of the instruments would be measured at fair value through profit or loss (i.e. derivatives).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when EUROFIMA provides money or services directly to a debtor with no intention of trading the receivable.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that EUROFIMA's management has the positive intention and ability to hold to maturity. Such investments can never be sold nor exchanged, except under exceptional circumstances.

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are either designated in this category or not classified in any of the other categories.

Financial assets are initially recognized at fair value plus, in the case of financial assets not carried at fair value through profit or loss, transaction costs. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity assets are carried at amortized cost using the effective interest method. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are included in the income statement in the period in which they arise under the heading "net profit or loss on financial operations". Unrealized gains and losses arising from changes in the fair value of available-for-sale financial assets are included under a specific heading in the equity "other value adjustments". Available-for-sale financial assets may be sold in anticipation of or in response to changes in interest level, creditworthiness or liquidity needs. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments are included in the income statement.

EUROFIMA assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss) is removed from equity and recognized in the income statement.

Equipment financing contracts

Equipment financing contracts are measured at amortized cost if the Fair Value Option is not applied. In most cases the equipment financing contract meets the eligibility criteria for the Fair Value Option and EUROFIMA designates the equipment financing contract irrevocably on initial recognition as financial asset at fair value through profit or loss. The matching of the equipment financing contracts, swaps and borrowings is one key criterion for the application of the Fair Value Option and for the designation at fair value of all involved financial instruments.

Derivative financial instruments

Derivative financial instruments are initially recognized in the balance sheet at cost and are subsequently remeasured at fair value. They are recorded in the balance sheet under the item "derivative

financial instruments" as an asset in cases of positive fair value and as a liability in cases of negative fair value.

While in most cases derivative transactions provide effective economic hedges under EUROFIMA's risk management policies, EUROFIMA does not use hedge accounting, but applies the Fair Value Option. With the Fair Value Option a natural hedge can be achieved. Opposite changes in fair values of financial assets and liabilities and related derivative instruments tend to offset each other. As a result, an accounting mismatch is avoided. The application of the Fair Value Option is based on a clearly documented relationship between the derivative transaction and the related borrowings and equipment financing contracts established at the time the transactions are entered into. The matching of the cash flows is also assessed on a regular basis.

Fixed assets

Fixed assets include the company's office building "Ritterhof", office equipment and other tangible assets owned by the company. All property and equipment are stated at historical cost less depreciation less any impairment loss. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the income statement. Assets which are purchased with a low cost are not recorded as tangible fixed assets, but recognized as an immediate cost in the income statement. A threshold of CHF 20 000 is used for the capitalization of equipment.

Amounts due to credit institutions and customers

Outstanding borrowings are carried at amortized cost using the effective interest method if the Fair Value Option is not applied. In most cases borrowings involved in the financing of railway equipment are designated as at fair value through profit or loss (see section above). The matching of the equipment financing contracts, swaps and borrowings is the reason for the designation at fair value through profit or loss of all involved financial instruments.

Borrowings carried at amortized cost are recognized initially at fair value, net of transaction cost incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction cost) and the redemption value is recognized in the income statement over the period of the borrowing using the effective interest method.

Debts evidenced by certificates

Outstanding debts evidenced by certificates are carried at amortized cost using the effective interest method if the Fair Value Option is not applied. In most cases borrowings involved in the financing of railway equipment are designated as at fair value through profit or loss (see section above). The matching of the equipment financing contracts, swaps and borrowings is the reason for the designation at fair value through profit or loss of all involved financial instruments.

Borrowings carried at amortized cost are recognized initially at fair value, net of transaction cost incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction cost) and the redemption value is recognized in the income statement over the period of the borrowing using the effective interest method.

Impairment of assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in the income statement under "impairment charge" for the amount by which the asset's carrying amount exceeds its recoverable amount or net present value of expected future cash flows.

Equity

The subscribed share capital is made up of 260 000 registered shares of a nominal value of CHF 10 000, 20 % of which is paid in. The unpaid subscribed share capital may be called in unconditionally at any time by decision of the Board of Directors.

The statutory reserves are made of the ordinary reserve and the guarantee reserve. In the event of a default under an equipment financing contract the guarantee reserve, as described in article 30 of the Statutes, may be called upon.

The fund for general risks includes amounts which EUROFIMA decides to put aside to cover risks associated with equipment financing contracts and other financial operations such as swaps having regard to the particular risks attached to such operations.

Interest, fees and commissions

- Interest income and interest expenses are recognized in the income statement on an accrual basis using the effective interest method. The effective interest rate is the rate that discounts future cash flows to the net carrying amount of the instrument. Accrued interest is included in the book value of all interest bearing financial instruments.
- Commissions on equipment financing contracts are recorded on an accrual basis. The commission rate is based on the borrower's creditworthiness. It varies between 0.025 % and 0.5 % per annum. Fees received on leasing contracts are taken to income upfront. Issuance fees and redemption premiums or discounts are accrued over the period to maturity of the related borrowings.

Net profit or loss on financial operations

EUROFIMA recognizes in “net profit or loss on financial operations” both realized and unrealized gains and losses on debt securities and other financial instruments.

Taxation

As a supranational organization set up by a large number of States EUROFIMA benefits from comprehensive tax exemptions pursuant to the Additional Protocol to the Convention. In Switzerland, besides being exempt from any income and capital taxes otherwise levied from corporations, such privileges include the following privileges relevant to the capital market: exemption from stamp duties on any issuance of debt instruments by EUROFIMA and exemption of EUROFIMA’s debt instruments issued outside Switzerland from turnover taxes and finally exemption of debt instruments issued outside Switzerland from Swiss withholding taxes.

Dividend distribution

Dividend distribution to the company’s shareholders is recognized as a liability after the dividends are approved by the General Assembly.

Note 2: Financial risk management

Within the normal course of its borrowing, lending and investment activities, EUROFIMA is exposed to a variety of financial risks. The main risks are: credit risk, market risk and liquidity risk. EUROFIMA’s overall risk management focuses on the unpredictability of financial markets and aims at minimizing potential adverse effects on the financial performance of EUROFIMA. Risk management activities seek to appropriately identify, measure, monitor and report all types of financial risks inherent in the company’s operations. EUROFIMA regularly reviews its risk management and control processes.

A comprehensive set of written internal guidelines and policies covering specific areas such as credit risk, foreign exchange risk, interest rate risk, use of derivative financial instruments and liquidity risk has been laid down by the Management and the Board of Directors. Systems and procedures are in place to control and report on the main financial risks. Exposure to credit risk, market risk and liquidity risk is controlled by a system of pre-approved risk limits. Such limits are reviewed and adjusted periodically in the light of external developments and experience. The compliance with established limits and policies is monitored independently by financial control and internal audit. Such compliance checks are reviewed by the Management and the Auditors Committee.

EUROFIMA is an end user of derivative financial instruments such as interest rate and currency swaps. It uses derivative financial instruments to hedge market risk exposure. The company does not perform any trading activities. It is not a user of credit derivatives.

(i) Credit risk

Credit risk is the risk of financial loss resulting from a counterparty failing to discharge an obligation. Credit risk is the main financial risk inherent in EUROFIMA’s operations. EUROFIMA is primarily exposed to credit risk in its core activities, namely borrowing and lending. It is also exposed to a lesser extent to credit risk in its treasury operations through the financial instruments used for investing and managing the liquidity.

EUROFIMA follows a prudent approach towards credit risk. Individual counterparty limits are monitored and reviewed on a regular basis. EUROFIMA’s policies on credit risk set out minimum credit quality levels for counterparties on the basis of the ratings attributed to counterparties by the rating agencies. For investment in securities of maturities greater than one year, the minimum rating at the time of purchase is AA–/Aa3. For instruments maturing in less than one year, a prerequisite minimum rating is A1/P1. Swap counterparties must have at the outset a minimum rating of AA–/Aa3. The estimated net positive replacement value of all interest rate and currency swaps concluded with financial counterparties reached CHF 1 083.7 million as of December 31, 2008. In order to reduce credit exposures of swaps, EUROFIMA has entered into one-way credit support agreements with some of its major swap counterparties. Such credit support agreements result in collateral (first class bonds) being posted by the swap counterparty once the exposure exceeds a pre-agreed threshold. The total market value of the collateral received by EUROFIMA per December 31, 2008 reached CHF 215.2 million. As a rule, swaps are concluded in the contractual framework of ISDA master agreements. In case of insolvency such agreements permit the netting of the obligations arising under all derivative transactions covered by the agreement. All swaps are valued at their net present value.

The credit risk inherent in the portfolio of equipment financing contracts is reviewed as well and monitored regularly. As of December 31, 2008 all company’s assets were fully performing with no past due amount.

(ii) Market risk

Market risk includes the risk that losses incur as a result of adverse fluctuations in exchange rates or interest rates.

EUROFIMA is exposed in its core activities to foreign exchange and interest rates fluctuations primarily from the fact that

borrowing operations are often carried out in a currency and with interest rate structures differing from those of the equipment financing contracts. Without hedging this would result in currency and interest rate mismatches between assets and liabilities. The key principle adopted by EUROFIMA is a systematic hedging of such mismatches so that the potential adverse effect of foreign exchange and interest rate fluctuations be reduced to virtually nil. In order to hedge such mismatches EUROFIMA resorts to interest rate and currency swaps. These swaps are used within the ambit of micro-hedging with their cash flows matching those of specific assets and liabilities. As a result, the currency and interest rate profile of the borrowings is matched with the profile of equipment financing contracts.

Pre-funding is limited to a maximum amount equivalent to EUR 1 billion. Pre-funding allows tapping into the capital markets when borrowing conditions are favorable. All pre-funding operations are transacted (after swaps) on a variable interest rate basis so that the funds can be warehoused with a minimum interest rate risk until they are needed for lending disbursement.

A residual exposure to market risk arises mainly in the investment of the funded liquidity and equity funds. EUROFIMA applies a framework of limits and various tools to monitor and manage such residual market risk exposure. Maximum exposure limits are set by the Management and the Board of Directors. Compliance with these limits is controlled and reported on a regular basis by financial control and internal audit.

The funded liquidity and the largest part of the equity are invested in interest-bearing securities and placements with credit institutions. The investment in interest-bearing securities consists primarily of senior debt issued by highly rated financial institutions (including CHF 159.8 million of asset-backed securities per year end 2008), governments and supranational public institutions. As of December 31, 2008 none of the securities were lent. Such investments are exposed to changes in market interest rates. First, the future interest income derived from such investments is influenced by the level of market interest rate prevailing at the time of their investment or re-investment. Second, the company's earnings and equity are also affected by the fluctuations in the fair value of such investments which are induced by changes in market interest rates and credit spreads, when classified as "at fair value through profit or loss" or "available for sale".

Equity funds are also used to a limited extent to fund individual equipment financing contracts (at year end: CHF 231.3 million).

As a consequence of the unprecedented turbulences in the financial markets, credit spreads widened very significantly in 2008. This leads to a negative marked-to-market effect. As a result, the total value adjustment reported in the equity for the securities classified as "available for sale" amounted to CHF –38.4 million (2007: CHF –29.8 million). Such value adjustments are not realized losses but reductions in market valuations.

EUROFIMA measures and manages its foreign exchange positions in terms of the difference between assets and liabilities per currency on a daily basis. As of December 31, 2008 the counter value in Swiss francs of all net open foreign exchange positions amounted to CHF 0.7 million.

(iii) Liquidity risk

Liquidity risk is the risk that the company be unable to meet out of available funds all payment obligations when they become due.

The main objective of EUROFIMA's liquidity management is to make sure that it can meet its payment obligations punctually and in full. The planning of the liquidity takes into account all known future cash flows, especially the needs to service its debts, the disbursements and repayments from the equipment financing contracts as well as the cash flows from the swap portfolio. The projected liquidity position is subject to a daily monitoring. EUROFIMA maintains a pool of liquidity and spreads the maturities of its placements to take into account the forecasted liquidity needs. The pool of liquidity is invested in highly rated debt instruments and placements with credit institutions. EUROFIMA strives to secure a level of net liquidity that would meet its expected liquidity requirements for a period of 12 months.

On a quarterly basis the Board of Directors receives from the Management a status report on the financial results of the company. In addition the Board of Directors receives detailed management information on the development of main risk parameters such as liquidity ratios, foreign exchange positions, credit risk exposure of swaps and securities portfolios. The Management also provides the Board of Directors with regular updates on key issues and significant events, as is deemed appropriate or requested.

A review of the major risks which could affect the financials of the company is included in the agenda of every regular Board meeting. For each category of risk the assessment takes into account the probability of occurrence and the potential impact on the financials. The last assessment of risks by the Board of Directors was done on December 19, 2008.

Note 3: Net interest income

	2008	2007
Cash and cash equivalents	48 325 182	32 160 874
Financial investments	60 934 804	57 266 492
Placements with credit institutions	12 126 537	5 866 147
Debt securities	45 658 457	51 149 366
Other	3 149 811	250 979
Equipment financing contracts	1 774 909 351	1 703 628 144
Derivative financial instruments	228 462 204	265 835 053
Other interest income	167 374	161 536
Total interest and similar income	**2 112 798 916**	**2 059 052 099**
Amounts due to credit institutions and customers	–181 956 871	–211 314 478
Debt evidenced by certificates	–1 337 053 350	–1 314 475 829
Senior borrowings	–1 237 380 852	–1 221 747 462
Other debts evidenced by certificates	–99 672 497	–92 728 367
Derivative financial instruments	–555 836 320	–505 229 210
Other interest expenses	–100 453	–116 444
Total interest and similar charges	**–2 074 946 994**	**–2 031 135 961**

Note 4: Commission income and fees received and commission expenses and fees paid

	2008	2007
Commission on equipment financing contracts	16 994 667	17 005 231
Upfront fees	886 223	433 390
Commission on lending of securities	89 629	130 104
Commission expenses and fees paid	–1 141 340	–1 018 738
Total commission income and fees received and commission expenses and fees paid	**16 829 181**	**16 549 988**

Note 5: Net profit or loss on financial operations

	2008	2007
Realized gains / losses on financial instruments	8 883 018	6 547 725
Unrealized gains / losses on financial instruments	–6 474 710	–4 876 055
Repurchase of EUROFIMA securities	0	0
Other	154 997	5 542 475
Total net profit or loss on financial operations	**2 563 305**	**7 214 145**

Note 6: General administrative expenses

	2008	2007
Personnel costs	–4 896 378	–4 477 650
Social security and pension costs	–1 367 944	–1 340 658
Office premises cost	–114 906	–88 107
Other general administrative expenses	–2 443 240	–1 799 769
Cost coverage, rental and other administrative income	26 388	0
Total general administrative expenses	**–8 796 081**	**–7 706 184**

On December 31, 2008 EUROFIMA had 31 employees in permanent positions. The average age of EUROFIMA's employees was 43.4 years and the average length of service was 9.3 years.

Amounts paid to the independent auditors

	2008	2007
Audit fees	307 700	125 000
Non-audit services	0	72 010
Total	**307 700**	**197 010**

Note 7: Impairment charge

	2008	2007
Impairment charge	0	0
Reversals of impairment	0	0
Total impairment charge	**0**	**0**

Note 8: Financial investments

The financial investments are shown with their long-term rating. If a specific rating is not available, the issuer or the guarantor rating is applied, whichever is better.

Placements with credit institutions

Standard & Poor's ratings	**December 31, 2008**	December 31, 2007
AAA	0	0
AA+	0	0
AA	150 036 106	17 116 395
AA–	100 884 783	116 512 066
A+	185 562 899	0
A	103 194 531	93 889 818
not rated	0	86 236 312
Total	**539 678 319**	**313 754 591**

Moody's ratings	**December 31, 2008**	December 31, 2007
Aaa	0	2 023 340
Aa1	72 647 951	101 329 366
Aa2	374 014 617	210 401 884
Aa3	10 935 352	0
A1	82 080 399	0
A2	0	0
not rated	0	0
Total	**539 678 319**	**313 754 591**

Debt securities – bonds

Standard & Poor's ratings	**December 31, 2008**	December 31, 2007
AAA	914 884 937	849 829 163
AA+	20 369 740	20 368 962
AA	67 259 927	161 987 317
AA–	118 136 760	87 254 585
A+	70 132 013	0
A	0	0
A–	0	0
BBB+	0	0
not rated	104 466 117	131 095 421
Total	**1 295 249 493**	**1 250 535 448**

Moody's ratings	**December 31, 2008**	December 31, 2007
Aaa	980 053 952	921 652 548
Aa1	205 143 174	211 101 497
Aa2	77 321 834	117 781 402
Aa3	10 164 188	0
A1	9 100 938	0
A2	0	0
A3	0	0
Baa1	5 660 491	0
not rated	7 804 917	0
Total	**1 295 249 493**	**1 250 535 448**

Debt securities – commercial paper

Standard & Poor's ratings	December 31, 2008	December 31, 2007
AAA	0	49 186 466
AA+	0	0
AA	0	180 168 107
AA–	16 561 849	0
A+	0	29 420 807
A	0	45 718 224
not rated	0	0
Total	**16 561 849**	**304 493 604**

Moody's ratings	December 31, 2008	December 31, 2007
Aaa	0	0
Aa1	16 561 849	180 168 107
Aa2	0	29 420 807
Aa3	0	0
A1	0	45 718 224
A2	0	0
not rated	0	49 186 466
Total	**16 561 849**	**304 493 604**

Other financial investments

Standard & Poor's ratings	December 31, 2008	December 31, 2007
AAA	0	0
AA+	0	0
AA	0	66 438 141
AA–	0	0
A+	0	0
A	59 575 661	0
not rated	0	0
Total	**59 575 661**	**66 438 141**

Moody's ratings	December 31, 2008	December 31, 2007
Aaa	0	0
Aa1	0	66 438 141
Aa2	0	0
Aa3	59 575 661	0
A1	0	0
A2	0	0
not rated	0	0
Total	**59 575 661**	**66 438 141**

Financial investments neither rated by Standard & Poor's nor Moody's

	December 31, 2008	December 31, 2007
Placements with credit institutions	0	0
Debt securities – bonds	7 804 917	0
Debt securities – commercial paper	0	0
Other financial investments	0	0
Total	**7 804 917**	**0**

Classification of debt securities

	December 31, 2008	December 31, 2007
Debt securities classified as financial assets at fair value through profit or loss	16 561 849	304 493 604
Debt securities classified as available for sale	1 093 136 260	1 043 417 049
Debt securities classified as held to maturity	126 373 520	106 158 118
Debt securities classified as loans and receivables	75 739 712	100 960 281
Total debt securities	**1 311 811 342**	**1 555 029 052**

Available-for-sale investments

	December 31, 2008	December 31, 2007
Balance at January 1,	1 043 417 049	961 206 125
Difference to principal	17 599 862	989 624
Principal at January 1,	1 061 016 911	962 195 749
Exchange rate difference	–57 467 273	5 908 181
Additions (gross)	365 498 238	275 464 361
Sales (gross)	–154 224 649	–125 126 832
Redemptions (gross)	–97 762 276	–57 424 547
Principal at December 31,	1 117 060 952	1 061 016 911
Difference to book value	–23 924 692	–17 599 862
Balance at December 31,	**1 093 136 260**	**1 043 417 049**

Note 9: Equipment financing contracts

These equipment financing contracts were concluded exclusively with shareholders or their guaranteed affiliates.

Classification of equipment financing contracts

	December 31, 2008	December 31, 2007
Equipment financing contracts classified as financial assets at fair value through profit or loss	35 221 385 316	33 942 705 252
Equipment financing contracts classified as loans and receivables	231 297 200	220 801 449
Total equipment financing contracts	**35 452 682 516**	**34 163 506 701**

Currency distribution

	Equipment financing contracts at December 31, 2008			Equipment financing contracts at December 31, 2007		
Currency	Principal in currency units	Principal in CHF	%	Principal in currency units	Principal in CHF	%
CHF	2 839 911 261	2 839 911 261	8.95 %	2 248 169 261	2 248 169 261	7.07 %
EUR	14 476 341 798	21 497 367 569	67.74 %	12 457 794 559	20 613 912 656	64.82 %
JPY	3 300 000 000	38 849 691	0.12 %	3 300 000 000	33 108 046	0.10 %
SEK	3 611 717 479	493 413 105	1.55 %	3 729 266 297	653 584 382	2.06 %
USD	6 434 962 366	6 866 364 241	21.64 %	7 342 296 011	8 253 037 979	25.95 %
Total		**31 735 905 867**	100.00 %		**31 801 812 323**	100.00 %
Difference to book value		3 716 776 648			2 361 694 377	
Total book value		**35 452 682 516**			**34 163 506 701**	

Geographical distribution of equipment financing contracts at December 31, 2008

Country	Railway/ Company	Principal at January 1, 2008	Exchange rate difference / currency change difference	Financing	Redemptions	Principal at December 31, 2008 CHF	in %
Germany	DB AG	2 661 826 438	–272 987 216	0	0	2 388 839 222	7.5 %
France	SNCF	4 725 622 055	–332 576 585	456 626 558	–183 803 255	4 665 868 773	14.7 %
Italy	FS	4 455 114 280	–456 900 280	891 000 000	0	4 889 214 000	15.4 %
Belgium	SNCB	3 730 798 583	–315 181 016	423 722 808	–549 662 157	3 289 678 219	10.4 %
Netherlands	NS	1 070 104 470	–87 343 922	5 550 670	–18 116 633	970 194 585	3.1 %
Spain	RENFE	2 967 295 979	–304 315 059	553 608 000	–3 696 571	3 212 892 350	10.1 %
Switzerland	SBB	3 102 468 814	–74 117 821	961 232 961	–496 988 187	3 492 595 767	11.0 %
	CISALPINO AG	187 482 380	–2 613 380	0	0	184 869 000	0.6 %
Serbia	ŽS	187 489 764	0	0	–17 989 764	169 500 000	0.5 %
Montenegro	ŽCG-T	26 510 236	0	10 000 000	–2 010 236	34 500 000	0.1 %
Sweden	SJ	1 344 231 640	–117 709 209	9 720 470	–369 491 060	866 751 841	2.7 %
Luxembourg	CFL	294 864 331	–46 102 250	0	–8 785 481	239 976 600	0.8 %
Austria	ÖBB	2 477 981 686	–201 566 671	478 743 090	–179 302 691	2 575 855 415	8.1 %
	Rail Equipment GmbH & Co KG	0	0	54 870 750	0	54 870 750	0.2 %
	CRL	24 820 500	–2 545 500	22 275 000	–22 275 000	22 275 000	0.1 %
	IWAG	404 756 167	–41 510 317	29 700 000	0	392 945 850	1.2 %
Portugal	CP	1 243 205 186	–127 498 592	444 312 000	–21 214 074	1 538 804 520	4.8 %
Hungary	MÁV	506 970 700	–47 685 700	113 517 855	–155 517 855	417 285 000 (1)	1.3 %
	ROeEE/GySEV	4 000 000	0	0	–4 000 000	0	0.0 %
Czech Republic	ČD	273 022 191	–28 000 161	0	0	245 022 030	0.8 %
Slovakia	ŽSSK	156 534 620	–16 053 620	40 095 000	0	180 576 000	0.6 %
Greece	OSE	1 525 236 721	–156 422 718	426 728 709	–322 778 709	1 472 764 003	4.6 %
Croatia	HŽ	138 426 091	–10 504 446	0	–21 000 000	106 921 644 (2)	0.3 %
Slovenia	SŽ	254 823 800	–26 133 800	32 292 000	0	260 982 000	0.8 %
Bosnia and Herzegovina	ŽBH	13 460 347	–867 662	0	0	12 592 684	0.0 %
Bulgaria	BDZ	16 547 000	–1 697 000	29 700 000	0	44 550 000	0.1 %
FYR Macedonia	MŽI	261 425	–26 811	0	0	234 614	0.0 %
	MŽT	7 956 920	–610 920	0	–2 000 000	5 346 000	0.0 %
Total principal		**31 801 812 323**	**–2 670 970 655**	**4 983 695 872**	**–2 378 631 673**	**31 735 905 867**	**100.0 %**
Difference to book value		2 361 694 377				3 716 776 648	
Total book value		**34 163 506 701**				**35 452 682 516**	

(1) 145.5 million of which assumed by the Hungarian State
(2) 69.8 million of which assumed by the Croatian State

Note 10: Derivative financial instruments – assets

	December 31, 2008	December 31, 2007
Derivative financial instruments with positive fair value included in assets:		
Forex forward	680 434	1 941
Forex swap	17 451 744	178 193
Forex swap forward	0	0
Forward rate agreement	0	0
Cross currency swap	1 684 574 844	1 188 118 474
Interest rate swap	731 060 937	342 410 872
Other	5 665 545	7 799 229
Total book value	**2 439 433 504**	**1 538 508 708**

Derivative financial instruments are carried at fair value in the balance sheet net per contract. Derivative financial instruments with a negative net fair value are reported under liabilities.

Note 11: Accrued income and prepaid expenses

	December 31, 2008	December 31, 2007
Commissions on equipment financing contracts	7 425 997	7 963 383
Other accrued income and prepaid expenses	0	0
Total accrued income and prepaid expenses	**7 425 997**	**7 963 383**

Note 12: Fixed assets

The fixed assets covered the premises of EUROFIMA "Ritterhof" at Rittergasse 20 in Basel with a fire insurance value at January 1, 2009 of CHF 12 605 000.

Note 13: Amounts due to credit institutions and customers

	December 31, 2008		December 31, 2007	
Balance at January 1,	4 331 502 955		4 865 172 506	
Difference to principal	–514 278 412		–562 944 859	
Principal at January 1,	3 817 224 543		4 302 227 647	
Exchange rate difference	58 222 985		–180 605 761	
Financing during the year	987 253 750		708 310 280	
Redemptions during the year	–1 176 014 973		–1 012 707 623	
Principal at December 31,	3 686 686 304		3 817 224 543	
Difference to book value	904 340 662		514 278 412	
Balance at December 31,	**4 591 026 966**		**4 331 502 955**	
The structure according to the maturities was as follows:				
– less than 1 year	161 745 357	4%	103 660 495	3 %
– from 1 to 5 years	729 044 577	20%	1 109 247 397	29 %
– more than 5 years	2 795 896 370	76%	2 604 316 650	68 %
Principal at December 31,	**3 686 686 304**	**100%**	**3 817 224 543**	**100 %**

The book value of amounts due to shareholders and related entities included in this item reached CHF 2 466 608 431 as of December 31, 2008.
The book value of amounts due to credit institutions and customers payable on demand was 0 as of December 31, 2008.

Note 14: Debts evidenced by certificates

Classification of debts evidenced by certificates

	December 31, 2008	December 31, 2007
Debts evidenced by certificates designated at fair value through profit or loss	29 251 832 675	27 128 350 728
Debts evidenced by certificates measured at amortized cost	19 647 976	295 577 767
Total debts evidenced by certificates	**29 271 480 652**	**27 423 928 495**

	December 31, 2008		December 31, 2007	
Balance at January 1,	27 423 928 495		26 532 856 103	
Difference to principal	–158 969 639		–721 449 369	
Principal at January 1,	27 264 958 855		25 811 406 735	
Exchange rate difference	–3 206 138 858		–119 785 112	
Financing during the year	7 745 428 000		7 665 402 700	
Redemptions during the year	–5 206 662 078		–6 092 065 468	
Principal at December 31,	26 597 585 919		27 264 958 855	
Difference to book value	2 673 894 732		158 969 639	
Balance at December 31,	**29 271 480 652**		**27 423 928 495**	
The structure according to the maturities was as follows:				
– less than 1 year	3 501 299 814	13 %	2 418 534 744	9 %
– from 1 to 5 years	8 473 088 001	32 %	8 860 198 642	32 %
– more than 5 years	14 623 198 105	55 %	15 986 225 470	59 %
Principal at December 31,	**26 597 585 919**	**100 %**	**27 264 958 855**	**100 %**

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Bond issues

Maturity	Callable	Interest rate in %		Year of issuance	Principal at December 31, 2008	Book value at December 31, 2008
AUD						
15.09.2009		5.5	(1)	08.02.2005 / 12.10.2004	335 000 000	342 324 464
15.08.2010		6	(1)	22.05.2008 / 15.04.2008 / 10.10.2007 / 29.06.2005 / 18.03.2005	850 000 000	896 249 402
22.08.2011		6.5	(1)	18.07.2002 / 10.07.2002 / 07.03.2002 / 05.11.2001 / 22.08.2001	1 000 000 000	1 092 103 432
28.01.2014		6	(1)	09.03.2007 / 13.12.2006 / 08.11.2005 / 29.09.2005 / 11.08.2005 / 28.01.2004	1 000 000 000	1 104 782 892
29.07.2015		5.625	(1)	09.09.2008 / 29.05.2007 / 29.07.2005	225 000 000	246 658 668
24.10.2016		5.625	(1)	30.10.2007 / 30.08.2006 / 29.06.2006 / 24.10.2005	650 000 000	712 876 789
28.12.2018		6.25	(1)	28.03.2008 / 22.01.2008 / 12.12.2005 / 08.11.2005 / 11.08.2005 / 13.12.2004 / 23.01.2004 / 30.12.2003	1 500 000 000	1 732 627 356
30.06.2020		5.5	(1)	18.09.2007 / 22.05.2007 / 11.08.2005 / 30.06.2005	500 000 000	554 583 314
30.03.2022		6	(1)	30.03.2007	200 000 000	238 419 949
CAD						
30.01.2009		4	(1)	13.10.2004	150 000 000	155 735 030
18.07.2012		5.25	(1)	23.01.2003 / 18.07.2002	200 000 000	231 109 946
04.12.2012		4.875	(1)	04.12.2002	200 000 000	226 532 738
12.05.2014		4.875	(1)	12.05.2004	100 000 000	119 586 614
13.12.2019		5.15	(1)	13.12.2004	250 000 000	312 954 590
30.03.2027		4.55	(1)	08.05.2007 / 30.03.2007	300 000 000	357 180 816
CHF						
30.10.2009		2.75		01.09.1999 / 30.04.1999	600 000 000	611 583 623
03.11.2009		1.805		03.11.2008	200 000 000	201 953 762
27.07.2010		3.375		27.07.2001	250 000 000	262 553 787
26.09.2011		2.625		01.10.2003	200 000 000	208 356 304
16.11.2011		3.375		16.11.2001	250 000 000	265 101 166
19.12.2011		2.5		29.09.2004 / 30.06.2003 / 19.05.2003	445 000 000	459 461 157
27.02.2012		3.5		27.03.2002 / 27.02.2002	500 000 000	546 092 492

Bond issues (continued)

Maturity	Callable	Interest rate in %		Year of issuance	Principal at December 31, 2008	Book value at December 31, 2008
CHF						
09.08.2012		4.375		09.08.2000	200 000 000	222 938 976
04.12.2012		2.375		06.05.2003 / 17.03.2003	515 000 000	529 576 226
19.06.2015		2.75		19.11.2004 / 19.06.2003	565 000 000	592 760 011
15.06.2016		2.25		15.06.2005	350 000 000	352 653 809
28.12.2018		3.25		06.05.2004 / 30.12.2003	450 000 000	476 933 178
03.08.2020		2.375		30.11.2005 / 10.08.2005 / 03.08.2005	345 000 000	338 569 217
29.12.2020		3.375		15.05.2008 / 29.06.2004	215 000 000	230 586 583
22.05.2024		3		18.09.2007 / 22.05.2007	600 000 000	625 493 155
15.05.2026		3		02.04.2007 / 30.08.2006 / 15.08.2006 / 03.08.2006 / 15.05.2006	1 000 000 000	1 048 841 117
04.02.2030		2.875		30.07.2007 / 21.06.2007 / 04.02.2005	400 000 000	420 697 930
EUR						
27.10.2009		5.75	(1)	27.10.1999	400 000 000	412 766 965
27.12.2012		4.02	(4)	20.03.1998	120 202 400	124 291 882
18.11.2014		11	(4)	18.11.1994	120 202 400	170 657 405
03.11.2015		10.68	(4)	03.11.1995	120 202 000	174 941 290
25.02.2019	25.02.2009	10.75 / 5 / 4.25 / 4 / FRN	(1)(2)	25.02.1999	75 000 000	94 727 030
21.10.2019		4.375	(1)	21.10.2004	500 000 000	531 638 602
(DEM) (3)						
18.12.2009		5.625		18.12.1997	525 000 000	538 730 166
(ITL) (3)						
30.12.2009		12.5 / 8 / FRN	(1)(2)	30.12.1997	100 000 000 000	105 902 947 244
16.02.2011		11.5 / 7 / FRN	(1)(2)	16.02.1998	200 000 000 000	226 266 668 762
GBP						
11.02.2013		4.375	(1)	11.02.2003	100 000 000	108 813 399
14.10.2014		6.125	(1)	16.10.2000 / 08.12.1999 / 14.10.1999	265 000 000	307 986 576
07.06.2032		5.5	(1)	10.10.2002 / 12.07.2001	150 000 000	200 547 878
ISK						
05.02.2010		11	(1)	05.02.2008	5 000 000 000	5 278 406 347
JPY						
14.05.2009		structured	(1)	14.05.1997	3 000 000 000	3 026 564 274
21.05.2009		structured	(1)	21.05.1997	400 000 000	403 465 984

Bond issues (continued)

Maturity	Callable	Interest rate in %		Year of issuance	Principal at December 31, 2008	Book value at December 31, 2008
MXN						
21.12.2010		10	(1)	29.06.2005	700 000 000	722 280 589
NOK						
15.04.2009		6.625	(1)	15.04.2002	400 000 000	421 780 015
NZD						
21.10.2010		6.5	(1)	25.01.2007 / 31.10.2005 / 21.10.2004	300 000 000	313 576 992
22.05.2013		7.125	(1)	22.05.2008	275 000 000	304 514 766
SEK						
29.12.2011		4.375	(1)	31.08.2007 / 29.09.2004	700 000 000	740 937 190
TRY						
05.05.2009		14.25	(1)	31.10.2007	100 000 000	108 160 702
USD						
15.12.2009		3.92	(1)	05.11.2003	100 000 000	101 991 950
15.12.2009		4.36	(1)	01.10.2003	140 000 000	143 396 614
15.11.2010		3.25	(1)	06.10.2008	1 000 000 000	1 036 139 532
02.08.2012		5.125	(1)	02.08.2002	500 000 000	567 394 142
14.12.2012		4.39	(1)	14.12.2004	100 000 000	109 713 244
05.09.2013		4.25	(1)	18.06.2008	1 000 000 000	1 112 329 580
04.02.2014		4.25	(1)	12.11.2004 / 04.08.2004 / 30.04.2004 / 04.02.2004	1 000 000 000	1 142 244 955
06.03.2015		4.5	(1)	29.09.2005 / 07.03.2005	1 000 000 000	1 168 307 263
07.04.2016		5.25	(1)	07.04.2006	1 000 000 000	1 234 835 157
03.04.2017		5	(1)	03.04.2007	1 000 000 000	1 233 821 014
25.03.2022	25.03.2010	6.31	(1)	25.03.2002	20 000 000	29 248 394
ZAR						
15.06.2011		8.5	(1)	30.10.2006	460 000 000	482 848 768
Total bond issues (in CHF)					**24 204 063 431**	**26 761 584 888**

(1) Issued under the programme for the issuance of debt instruments
(2) With special conditions
(3) The ISO codes in parentheses correspond to the original currencies of the bond issues which have not been redenominated by EUROFIMA
(4) Redenominated

Other debts evidenced by certificates

	Book value at December 31, 2008	Book value at December 31, 2007
Unlisted stand-alone issues	164 479 438	260 478 565
Unlisted issues under the programme for the issuance of debt instruments	1 506 047 199	1 102 583 103
Commercial paper	839 369 127	1 014 263 497
Total other debts evidenced by certificates	**2 509 895 764**	**2 377 325 165**

Note 15: Derivative financial instruments – liabilities

	December 31, 2008	December 31, 2007
Derivative financial instruments with negative fair value included in liabilities:		
Forex forward	317 044	178 341
Forex swap	49 489 593	3 113 303
Forex swap forward	4 860 808	5 644 583
Forward rate agreement	0	0
Cross currency swap	5 133 236 801	5 358 134 212
Interest rate swap	60 544 676	44 924 111
Other	5 182 680	1 452 724
Total book value	**5 253 631 603**	**5 413 447 273**

Derivative financial instruments are carried at fair value in the balance sheet net per contract. Derivative financial instruments with a positive net fair value are reported under assets.

Note 16: Accrued expenses and deferred income

	December 31, 2008	December 31, 2007
Accrued general administrative expenses	1 014 549	732 472
Other accrued expenses and deferred income	101 641	0
Total accrued expenses and deferred income	**1 116 190**	**732 472**

Note 17: Statutory reserves

	December 31, 2008	December 31, 2007
Ordinary reserve	61 936 000	59 709 000
Guarantee reserve	439 000 000	417 000 000
Total statutory reserves	**500 936 000**	**476 709 000**

SNCB maintenance hall, Schaarbeek

Note 18: Maturity profile

(all amounts in million CHF)

December 31, 2008	0–3 months	3–6 months	6–12 months	1–5 years	5–10 years	More than 10 years	Undefined	Total	Difference to book value	Book value
Assets										
Cash and cash equivalents	624	0	0	0	0	0	5	629	–1	627
Financial investments	116	471	246	734	541	15	0	2 124	–212	1 911
Placements with credit institutions	106	284	155	0	0	0	0	545	–6	540
Debt securities	10	127	91	734	541	15	0	1 518	–206	1 312
Other	1	60	0	0	0	0	0	60	–1	60
Equipment financing contracts	1 385	341	2 251	13 994	14 137	11 762	0	43 871	–8 418	35 453
Derivative financial instruments	–172	64	692	764	590	–645	0	1 293	1 147	2 439
Other assets	0	0	0	5	0	0	1	6	0	6
Accrued income and prepaid expenses	4	4	8	48	30	13	0	107	–100	7
Fixed assets	0	0	0	0	0	0	0	0	0	0
Total assets	**1 957**	**880**	**3 197**	**15 546**	**15 298**	**11 146**	**6**	**48 030**	**–7 586**	**40 444**
Liabilities										
Amounts due to credit institutions and customers	257	27	44	1 312	1 210	2 620	0	5 471	–880	4 591
Debts evidenced by certificates	925	768	3 112	12 011	11 884	5 711	0	34 411	–5 140	29 271
Senior borrowings	365	464	2 957	11 289	11 067	5 578	0	31 721	–4 959	26 762
Other debts evidenced by certificates	560	304	154	722	818	132	0	2 690	–180	2 510
Derivative financial instruments	551	–70	–161	1 634	1 585	3 100	0	6 640	–1 386	5 254
Other liabilities	0	1	0	0	0	0	20	21	0	21
Accrued expenses and deferred income	0	0	0	0	0	0	1	1	0	1
Equity	0	0	0	0	0	0	1 306	1 306	0	1 306
Total liabilities and equity	**1 734**	**727**	**2 995**	**14 958**	**14 680**	**11 430**	**1 327**	**47 850**	**–7 406**	**40 444**
Net during the period	223	153	201	589	619	–284	–1 321	180	–180	0
Cumulative net during the period	**223**	**376**	**578**	**1 166**	**1 785**	**1 501**	**180**	**180**	**–180**	**0**

Note 19: Net currency position

(all amounts in CHF)

December 31, 2008	CHF	EUR	USD	AUD	Other	Total book value
Assets						
Cash and cash equivalents	152 542 327	472 478 720	2 141 538	527	119 391	627 282 503
Financial investments						
Placements with credit institutions	243 835 906	295 842 413	0	0	0	539 678 319
Debt securities	645 840 019	615 377 130	50 594 193	0	0	1 311 811 342
Other	0	59 575 661	0	0	0	59 575 661
Equipment financing contracts	2 844 498 140	22 269 306 773	9 630 153 780	0	708 723 822	35 452 682 516
Derivative financial instruments	6 282 747 427	–10 249 473 770	4 173 821 305	77 231 944	2 155 106 599	2 439 433 504
Other assets	6 212 092	11 068	0	0	0	6 223 160
Accrued income and prepaid expenses	1 146 938	5 821 722	1 103	0	456 233	7 425 997
Fixed assets	1	0	0	0	0	1
Total assets	**10 176 822 849**	**13 468 939 717**	**13 856 711 920**	**77 232 470**	**2 864 406 045**	**40 444 113 001**
Liabilities						
Amounts due to credit institutions and customers	587 790 162	263 115 969	2 124 171 381	0	1 615 949 455	4 591 026 966
Debts evidenced by certificates						
Senior borrowings	7 394 152 492	2 904 693 895	8 408 142 608	5 069 118 085	2 985 477 807	26 761 584 888
Other debts evidenced by certificates	127 890 585	506 463 361	862 213 529	314 357 498	698 970 792	2 509 895 764
Derivative financial instruments	741 791 830	9 792 400 956	2 462 039 223	–5 306 243 639	–2 436 356 767	5 253 631 603
Other liabilities	18 979 895	489 371	1 510 087	0	40 984	21 020 337
Accrued expenses and deferred income	1 116 190	0	0	0	0	1 116 190
Total liabilities	**8 871 721 154**	**13 467 163 551**	**13 858 076 828**	**77 231 944**	**2 864 082 271**	**39 138 275 748**
Net currency position	**1 305 101 695**	**1 776 166**	**–1 364 908**	**527**	**323 774**	**1 305 837 253**

Note 20: Foreign exchange rates

CHF exchange rates		**December 31, 2008**	December 31, 2007	CHF exchange rates		**December 31, 2008**	December 31, 2007
1	AUD	0.732465	0.987468	100	JPY	1.177263	1.003274
1	CAD	0.873632	1.145200	100	MXN	7.720984	10.296334
100	CZK	5.525581	6.214135	100	NOK	15.230769	20.792913
100	DKK	19.931281	22.186021	1	NZD	0.613865	0.869796
1	EUR	1.485000	1.654700	100	SEK	13.661454	17.525817
1	GBP	1.559055	2.256358	1	TRY	0.691083	0.963716
1	HKD	0.137681	0.144138	1	USD	1.067040	1.124040
100	ISK	0.512069	1.800544	1	ZAR	0.113648	0.164978

EUROFIMA uses the official foreign exchange rates published by the European Central Bank.

Note 21: Off-balance sheet business

	December 31, 2008		December 31, 2007	
	Principal	Fair value	Principal	Fair value
Contingent liabilities	0	0	0	0
Off-balance liabilities for which recourse is limited to or which are offset by a matching off-balance asset of the company	926 677 079	1 139 099 315	1 104 336 066	1 261 581 493
Total	**926 677 079**	**1 139 099 315**	**1 104 336 066**	**1 261 581 493**

Note 22: Proposed appropriation of surplus

With restated last year's unappropriated surplus of 263 298 carried forward, the net profit for the financial year 2008 of 48 416 000 and the net result from transition to new accounting policies of 25 288 439, the surplus to be distributed is 73 967 738. According to article 30 of the statutes, the Board of Directors proposes the following allocation of the surplus to the General Assembly:

Appropriation to the ordinary reserve	2 421 000
Dividend of 4% (statutory maximum) on the paid-in share capital of 520 million	20 800 000
Appropriation to the guarantee reserve	25 000 000
Appropriation to the fund for general risks	25 288 439
Unappropriated surplus to be carried forward	458 299

Auditors’ reports

Report of the independent auditors on the financial statements

In accordance with the mandate given to us, according to Article 22 of the Statutes, we have audited the accompanying financial statements of EUROFIMA, which comprise the income statement, the balance sheet, the statement of cash flows, the statement of changes in equity and the notes, for the year ended December 31, 2008 (on pages 16 to 41).

Board of Directors’ Responsibility
The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of the international Convention for the establishment of the company, the Statutes and the Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Independent Auditor’s Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss Auditing Standards and with the International Standards on Auditing. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the independent auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the independent auditor considers the internal control system relevant to the entity’s preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements for the year ended December 31, 2008 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the general directives of the European Union and the accounting and valuation principles described in the annual report. Furthermore, the accounting records and the financial statements comply with the international Convention for the establishment of the company, the Statutes and the Swiss law.

Report on other legal requirements
We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Martin Frei Audit expert Auditor in charge	Diego J. Alvarez Audit expert

Basle, March 6, 2009

Brussels, 14:37

Report of the Auditors Committee

to the General Assembly of the shareholders of EUROFIMA European Company for the Financing of Railroad Rolling Stock, Basle

Mr. Chairman, Ladies and Gentlemen,

As auditors of your company, elected by the General Assembly according to Article 28 of the Statutes, we have audited the accounting records and the financial statements, consisting of the income statement, the balance sheet, the statement of changes in equity, the statement of cash flows and the notes to the financial statements for the year ended December 31, 2008.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we have the professional qualification and independence necessary to fulfill this task.

We believe that our own examination and the review of the independent auditors' report of March 6, 2009 prepared by PricewaterhouseCoopers AG, Basle, constitute a reasonable basis for our opinion.

In our opinion, the financial statements for the year ended December 31, 2008 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the general principles of the European Parliament and European Union Council directive on the annual accounts of banks and other financial institutions (Directive 86/635/EEC) and the significant accounting policies described in the note 1 to the financial statements. Furthermore, the accounting records and the financial statements comply with the international Convention for the establishment of the company, the Statutes and the Swiss law.

We recommend that the financial statements submitted to you be approved.

José Luis Martínez Giménez	Dick Snel
Stefano Pierini	Marc Wengler

Basle, March 6, 2009

Milestones in development

1957 First issue in Swiss francs
1961 First issue in Dutch guilders
1962 First share capital increase from 50 to 100 million Swiss francs
1964 First issue in Deutsche Mark
1967 First issue in US dollars in the Euromarket
1970 Second share capital increase from 100 to 300 million Swiss francs
1971 First issue in French francs
First issue in Luxembourg francs
1972 First issue in Belgian francs
1974 First issue in US dollars in the Middle East
1975 First issue in US dollars in the "Yankee" market
1976 Third share capital increase from 300 to 500 million Swiss francs
1978 First issue in Yen in the "Samurai" market
1979 First issue in Austrian shillings
1982 First issue in Sterling
1984 Extension of the duration of the company for another 50 years, until 2056
Fourth share capital increase from 500 to 750 million Swiss francs
First issue in ECU
1986 Total assets exceed 10 billion Swiss francs for the first time
First issue in Italian lira
1987 EUROFIMA opens the Spanish "Matador" market
First issue in Australian, Canadian and New Zealand dollars
1988 Multi-currency Euro and US commercial paper programs
1989 First issue in Swedish krona
First issue in Portuguese escudos
1990 Fifth share capital increase from 750 to 1 050 million Swiss francs
1991 Total assets exceed 20 billion Swiss francs for the first time
Programme for the Issuance of Debt Instruments
1992 First global bond issue in Australian dollars
Admission of the Hungarian State Railways (MÁV)
1993 Sixth share capital increase from 1 050 to 2 100 million Swiss francs
1994 Total assets exceed 30 billion Swiss francs for the first time
Admission of the Croatian (HŽ) and the Slovenian (SŽ) Railways
1995 First issue in Hong Kong dollars
1996 Admission of the Railways of Bosnia and Herzegovina (ŽBH) and the Railways of the Former Yugoslav Republic of Macedonia (CFARYM)
1997 First issue in South African rand
Seventh share capital increase from 2 100 to 2 600 million Swiss francs
First financing of other railway equipment
1998 First issue in Czech koruna
First issue in Polish zlotys
First issue in Greek drachmas
1999 First issue in Euro
Admission of the Bulgarian State Railways (BDZ)
2000 Adhesion of the Slovak Republic to EUROFIMA's Convention
2001 Admission of the Railways of the Slovak Republic (ZSSK)
First domestic "Kangaroo" issue in Australian dollars
2002 First issue in Norwegian krona
Admission of the Railways of the Czech Republic (ČD)
2003 Increase of Railway Company JSC's (ZSSK) participation in EUROFIMA's share capital
Increase of Hungarian State Railways Ltd.'s (MÁV) participation in EUROFIMA's share capital
2004 Increase of Czech Railways JSC's (ČD) participation in EUROFIMA's share capital
Increase of Hellenic Railways' (OSE) participation in EUROFIMA's share capital
First US dollar 1 billion benchmark issue
2005 First issue in Mexican pesos
First issue in Turkish lira
First domestic "Maple" issue in Canadian dollars
2006 Increase of Hungarian State Railways Ltd.'s (MÁV) participation in EUROFIMA's share capital
First issue in Icelandic krona
50th Anniversary of EUROFIMA
2007 Increase of Portuguese Railways' (CP) participation in EUROFIMA's share capital
Increase of Hellenic Railways' (OSE) participation in EUROFIMA's share capital
First Swiss franc 1 billion benchmark issue
2008 Total assets exceed 40 billion Swiss francs for the first time
First domestic "Kauri" issue in New Zealand dollars
First issue in the Japanese "Uridashi" market

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