Prague, main station; 13:55

EUROFIMA®

Annual report 2011

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 Basel, 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. EUROFIMA secures title to or obtains security interests deemed equivalent (in particular pledges) on or in respect of equipment. The general principles of EUROFIMA's activity are defined in an agreement (the "Basic Agreement") between the

Shareholders' distribution

Shareholders		Number of shares	in % of share capital	Subscribed share capital (in CHF) 2011	Subscribed share capital (in CHF) 2010	Callable share capital (1) (in CHF) 2011	Callable share capital (1) (in CHF) 2010
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 Italiane 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
N.V. 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
Akcionarsko društvo Železnice Srbije	ŽS	5 824 (2)	2.24 %	58 240 000	58 240 000	46 592 000	46 592 000
Swedish State Railways		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
CP-Comboios de Portugal, E.P.E.	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 spoločnost' 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
Holding Balgarski Darzhavni Zheleznitsi EAD	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 AD	ŽPCG	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 AD	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) As per Article 21 of the Statutes the callable share capital may be called in unconditionally at any time by decision of the Board of Directors

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

Prague, Masarykovo nádraži; 08:03

Rolling Stock

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 either 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 subsidiary shareholder guarantee

In the event of a default by a railway, the guarantee reserve, as contemplated in Article 29 of the Statutes, may be called upon. According to this article, the yearly allocation to the guarantee reserve corresponds to the balance of the annual profit, after allocation to the ordinary reserve of 5 % of the net profit and the eventual payment of a dividend, statutorily limited to a maximum of 4 % of the paid-in share capital. After appropriation of the 2011 surplus, the guarantee reserve reached CHF 590.5 million.

In addition, pursuant to Article 26 of the Statutes, each shareholder guarantees the fulfillment of all equipment financing contracts in proportion to its participation in EUROFIMA's share capital and up to a maximum amount equal to its participation in EUROFIMA's subscribed share capital. This subsidiary shareholder guarantee can only be called where (i) a railway and its guaranteeing member State have not discharged obligations under equipment financing contracts and (ii) the guarantee reserve, as contemplated by Article 29 of the Statutes, is not sufficient to cover the loss resulting from such non-payment.

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. As at December 31, 2011 the equity and the sum of the uncalled capital and the shareholder guarantee, both taking into account only shareholders from member States rated AAA or AA, corresponded to 16.8 % respectively 15.8 % of outstanding borrowings based on Standard & Poor's and Moody's ratings.

Rating of the member States at December 31, 2011 and 2010

	2011		2010	
	Standard & Poor's Corp.	Moody's Investors Service Inc.	Standard & Poor's Corp.	Moody's Investors Service Inc.
Germany	AAA	Aaa	AAA	Aaa
France	AAA	Aaa	AAA	Aaa
Italy	A	A2	A+	Aa2
Belgium	AA	Aa3	AA+	Aa1
Netherlands	AAA	Aaa	AAA	Aaa
Spain	AA–	A1	AA	Aa1
Switzerland	AAA	Aaa	AAA	Aaa
Serbia	BB	–	BB–	–
Sweden	AAA	Aaa	AAA	Aaa
Luxembourg	AAA	Aaa	AAA	Aaa
Austria	AAA	Aaa	AAA	Aaa
Portugal	BBB–	Ba2	A–	A1
Czech Republic	AA–	A1	A	A1
Greece	CC	Ca	BB+	Ba1
Hungary	BB+	Ba1	BBB–	Baa3
Croatia	BBB–	Baa3	BBB–	Baa3
Slovenia	AA–	A1	AA	Aa2
Bosnia and Herzegovina	B	B2	B+	B2
Bulgaria	BBB	Baa2	BBB	Baa3
Slovakia	A+	A1	A+	A1
FYR Macedonia	BB	–	BB	–
Montenegro	BB	Ba3	BB	Ba3
Turkey	BB	Ba2	BB	Ba2
Denmark	AAA	Aaa	AAA	Aaa
Norway	AAA	Aaa	AAA	Aaa

Rating of EUROFIMA at December 31, 2011

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

Important data

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

	2011	2010	2009
Balance sheet			
Total	34 367	34 281	37 387
Assets			
Liquid assets [(1)]	3 836	3 570	2 730
Equipment financing contracts	25 600	26 374	32 421
Derivative financial instruments	4 916	4 322	2 215
Liabilities			
Outstanding borrowings [(2)]	30 661	30 376	32 216
Derivative financial instruments	2 203	2 443	3 757
Equity			
Equity + Callable share capital	3 560	3 520	3 471
Net profit and appropriation to reserves			
Net profit for the financial year	41	46	51
Appropriation to statutory reserves	46	51	27
Ratios in %			
Operating cost [(3)] / Net operating income [(4)]	19.6	17.0	14.0
Net profit / Average equity [(5)]	2.8	3.2	3.8
(Equity + Callable share capital) / Outstanding borrowings	11.6	11.6	10.8
(Sound share capital [(6)] + Shareholders' guarantee AAA/AA) / Outstanding borrowings	16.8	16.6	15.5
(Sound share capital [(7)] + Shareholders' guarantee Aaa/Aa) / Outstanding borrowings	15.8	18.7	17.8
Borrowings and repayments during the financial year			
Borrowings	3 948	5 311	4 330
Repayments	4 771	5 987	5 724
Repayment rate in %	120.9	112.7	132.2
Railway equipment financed during the financial year			
Locomotives	51	79	180
Multiple-unit trains			
– Motor units	283	405	155
– Trailer cars	156	349	174
Passenger cars	565	192	13
Freight cars	105	890	1 472
Other equipment	0	0	0

(1) Cash and cash equivalents and financial investments
(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
(6) Equity and callable share capital AAA/AA
(7) Equity and callable share capital Aaa/Aa

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.

Report of the Board of Directors to the General Assembly

Annual report 2011
55th financial year

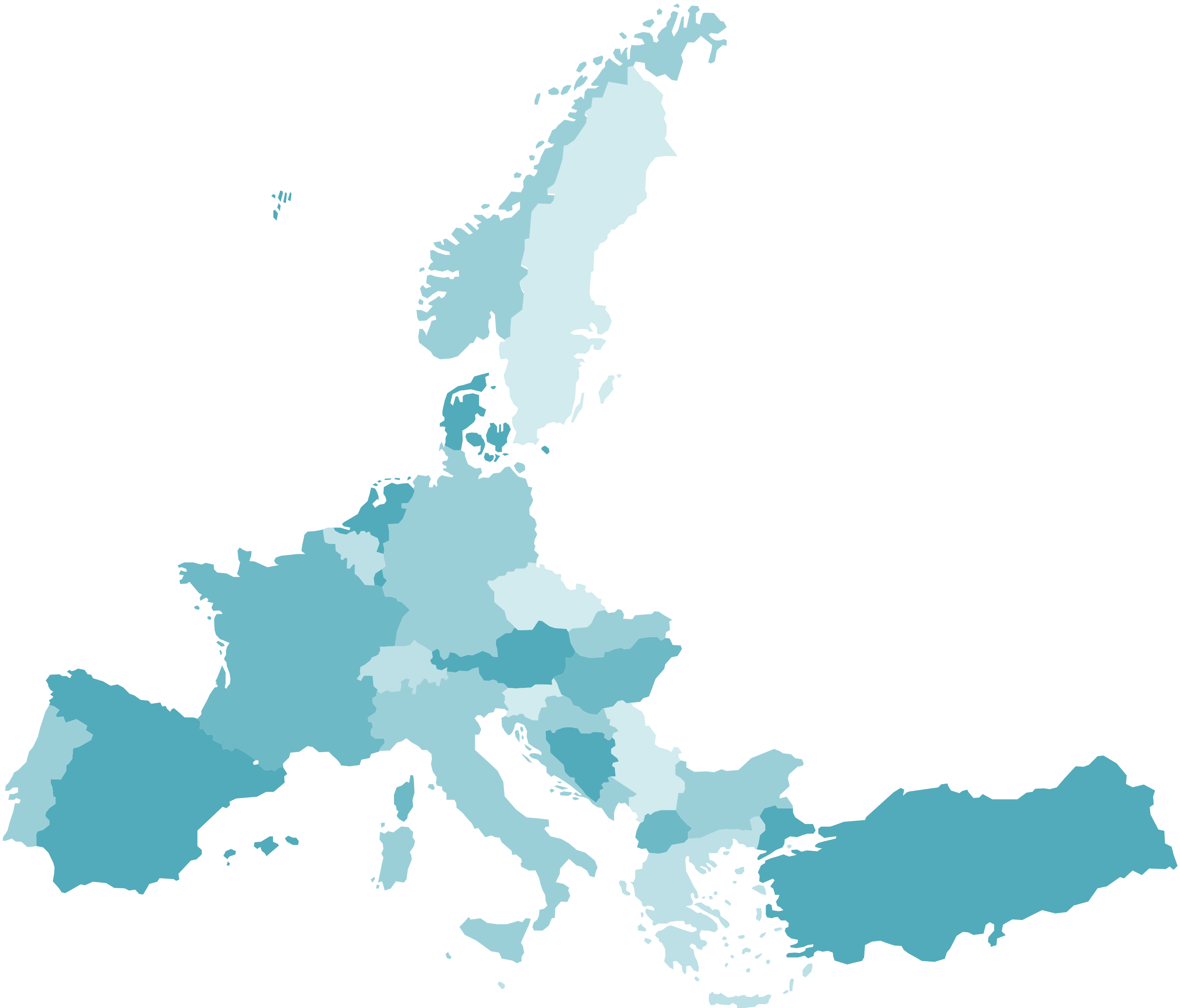
European Company
for the Financing
of Railroad Rolling Stock

Europäische Gesellschaft
für die Finanzierung
von Eisenbahnmaterial

Société européenne
pour le financement
de matériel ferroviaire

Società europea
per il finanziamento
di materiale ferroviario

EUROFIMA®



EUROFIMA's annual report is published annually. It covers the period January 1st to December 31st.
It is also available under **www.eurofima.org**.

02

Benešov – Olbramovice; 09:02

Břeclav; 10:59

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Veselí nad Lužnicí – České Budějovice; 10:41

Message from the Chairman

After a relatively benign start, 2011 turned out to be another challenging year. The launch of the inaugural bond of the European Financial Stability Facility in the first quarter restored confidence, dispelled doubts and demonstrated investors' trust in the European mechanism, enabling issuers to fund themselves at a sustained pace. However, from the second quarter onwards an extraordinary sequence of negative events took uncertainty and volatility to center stage: various geopolitical events in the Middle East and North Africa, the earthquake in Japan, rumors surrounding Greek debt restructuring, rating downgrades and negative outlook announcements on sovereigns and supranational institutions, and the threat of a euro break-up. Above all, the European governments' difficulty in reaching an agreement on an efficient response to tackle the sovereign and banking crisis hit investors' confidence hard, pushing credit spreads wider for most European issuers and reducing liquidity in the market.

Given the persistently difficult environment in 2011, our institution continued to implement the strategies initiated at the end of 2008 of risk reduction and strengthening of equity base, asset quality and liquidity. The pursuit of these goals has led in the last three years to a more restrictive lending to our shareholder railways. As a consequence, our loan portfolio was further reduced in 2011. With no payment overdue, the loan book reached CHF 25.6 billion as at December 31, 2011, which represents a contraction of 28 % over the past three years.

As a result of the continued implementation of our risk reduction strategy the net profit decreased in 2011 by 12.5 % to CHF 40.6 million. The very low interest rate environment and the strong Swiss franc weighed as well on the net profit. As in the previous years, the entire net profit is earmarked to build up our reserves.

In addition, actions were taken to strengthen the governing structure of our institution. Statutes were modified to simplify a call of the unpaid equity capital, should it become necessary. A smaller executive committee within our Board was formally established and a resizing of our Board initiated.

Looking forward, there are many reasons to be cautious on the economic outlook for 2012. All European countries remain under pressure from the markets and rating agencies. European governments are taking significant measures to cut public deficits. Banks and financial institutions are forced to recapitalize ahead of accelerating requests from European regulators, leading to a significant deleveraging for many of them. Last but not least, growth prospects for the euro zone have been revised downwards.

On the positive side, the ECB's decisions in December to cut the main refinancing rate and to extend 3-year facilities to banks helped maintain ample liquidity in the market, keep rates at historically low levels and ease any concern on that front. As banks' funding needs are being dramatically reduced in line with their deleveraging, we can also expect funding cost tensions to ease.

Nonetheless, the scale and depth of this financial crisis confirm the importance of the strategic decisions we have taken since 2008. They will remain our priorities in 2012. In line with our mission to provide, on a sustainable basis, long-term financing for investments in railway equipment, the focus will remain on preserving the financial stability of our institution rather than pursuing short-term profit and lending maximization.

Thankful for the results achieved in 2011 and the commitment demonstrated, I would like to convey to the Management and staff the Board of Directors' gratitude and appreciation.

Alain PICARD
Chairman of the Board

Corporate governance

Prague, main station; 14:06

Governing bodies

Governing bodies
As a public international body, EUROFIMA is governed in the first place by its constitutive documents and only subsidiarily by Swiss law. Its constitutive documents are the Convention, the Statutes and the Basic Agreement. The organization's legal framework sets out the structure for EUROFIMA's governance. In addition to the constitutive documents EUROFIMA's activities are governed by a set of policies, guidelines and rules of procedures adopted by the General Assembly, the Board of Directors or the Management. As a supranational organization, EUROFIMA is not subject to any national or international regulatory authority.

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 annually on its development and its financial position to its member States. Such a reporting is done through the International Transport Forum. Transformed from the European Conference of Ministers of Transport, the International Transport Forum is an intergovernmental organization within the OECD family.

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 approves the annual report of the Board of Directors, the audited financial statements, the appropriation of the annual surplus, the discharge of the acts of the Management and the Board of Directors. It also approves the maximum amount of borrowings to be contracted during a given period and the organization regulations established by the Board of Directors. Decisions are taken by the majority of votes of the shares represented. However, to amend the Statutes, to reduce or to increase the subscribed share capital, to transfer shares and subscription rights, to dissolve the organization, to appoint liquidators and to extend the organization's duration, a supermajority representing at least seven tenths of the subscribed share capital is required. The General Assembly decides upon any other questions which are submitted to it by the Board of Directors.

Board of Directors
The Board of Directors is responsible for conducting the organization's business. It adopts decisions in matters that involve lending, borrowing and administrative matters.

It meets at least once quarterly. Each director has one vote. A majority of directors present or represented constitute a quorum. Decisions are taken on the basis of the majority of the directors present or represented except for the conclusion of borrowings where a three-fourths majority is required. In urgent cases, decisions may be reached according to a written procedure.

With the exception of certain reserved powers, the Board of Directors is authorized to entrust all or part of the management of the institution 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 has established organization regulations determining the rights and responsibilities of the Board of Directors, its representatives and the Management. The Management consists of the Chief Executive Officer, the Chief Financial Officer, the Chief Operating and Risk Officer as well as the Chief Information Officer. The members of the Management are appointed by the Board of Directors.

The Board of Directors authorizes all equipment financing contracts and all borrowings within the limits laid down by the General Assembly. It is responsible for the financial statements as well as the existence and maintenance of the internal control system on financial reporting. The Board of Directors is the competent body to call in the non paid-in share capital.

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. As at January 1, 2012 the Board of Directors consisted of 26 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. Minutes are kept of the proceedings and decisions of the Board of Directors.

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 members of the Management. The Chairman works closely with the Chief Executive Officer in between the meetings of the Board of Directors. The Chairman's Committee is the sole regular committee established by the Board of Directors. It acts as an advisory body of the Board of Directors, the Chairman and the Chief Executive Officer. It consists of the Chairman, the Vice-Chairmen and two other Board members. The work of the Chairman's Committee is governed by rules of procedures approved by the Board of Directors.

The Board of Directors met on four occasions in 2011. The main subjects examined by the Board of Directors on which it took decisions were: the annual budget, the long-term financial plan, the general authorization to carry out borrowing transactions and associated treasury and derivative transactions, the quarterly and annual financial statements, the engagement of the independent auditors, the annual report to the General Assembly, the main internal policies, the accounting strategy, the lending and pricing rules, the calling of non paid-in share capital, the report to the Governments parties to EUROFIMA's Convention, the assessment of risk and capital adequacy, the conclusion of borrowings and equipment financing contracts, the rules of procedures for the Chairman's Committee, the resizing of the Board of Directors as well as the organization regulations.

The members of the Board of Directors and the Management are listed on page 9.

Controlling bodies

Auditors Committee

The Auditors Committee is comprised of five members appointed by the General Assembly. They are normally designated for a period of three years and are eligible for re-election. The work of the Auditors Committee is governed by its rules of procedure. Decisions concerning the financial statements and the annual report to be delivered by the Committee shall be unanimous.

The activities of the Auditors Committee cover the audit of the financial statements as well as the monitoring of the financial reporting process and the effectiveness of the internal control. In addition, it reviews the independence of the independent auditors and in particular the provision of additional services by the independent auditors. Each year the Committee provides statements on whether the financial statements give a true and fair view of the financial position of the organization.

The Auditors Committee met three times in 2011. The Committee carried out its audit as follows: it consulted the Management and other pertinent staff, scrutinized the financial statements, examined the reports of the internal auditing, consulted the independent auditors, reviewed their audit planning process and examined their detailed report as well as obtained the opinion signed by the independent auditors. Other major issues examined by the Auditors Committee on which it took decisions or issued recommendations were: the approval of the annual plan for the internal auditing, the assessment of risks and capital adequacy, the accounting strategy, the engagement of the independent auditors, the information technology strategy, the rules of procedures for the Auditors Committee, the policy on internal control system on financial reporting and the findings of the independent auditors. Members of the Auditors Committee receive the minutes of the meetings of the Board of Directors.

The members of the Auditors Committee are listed on page 9.

Independent Auditors

The independent auditors are mandated by the Board of Directors in accordance with Article 21 of the Statutes. The task of the independent auditors is to audit the financial statements. They carry out their audit in accordance with Swiss Auditing Standards and International Standards on Auditing. The independent auditors also verify that an internal control system exists which has been designed for the preparation of the financial statements.

At the end of each financial year, following their review of the financial statements, the independent auditors issue a detailed report on the financial statements and the internal control system on financial reporting. The fee paid to the independent auditors is disclosed in note 6 to the financial statements. The independent auditors also receive the minutes of the meetings of the Board of Directors and the General Assembly.

Internal Control

The objective of internal control is to ensure a proper functioning of business operations. EUROFIMA's internal control is focused on the financial reporting process and the management of risks. It covers the entire range of policies, procedures, systems and controls for managing and monitoring the organization's operations, risk exposure and financial reporting process.

EUROFIMA strives for a balanced mix of both preventive and detective controls taking place at the process levels and at the entity level. The main principle for organizing EUROFIMA's work flows and reducing the risk of error or inappropriate actions is segregation of duties.

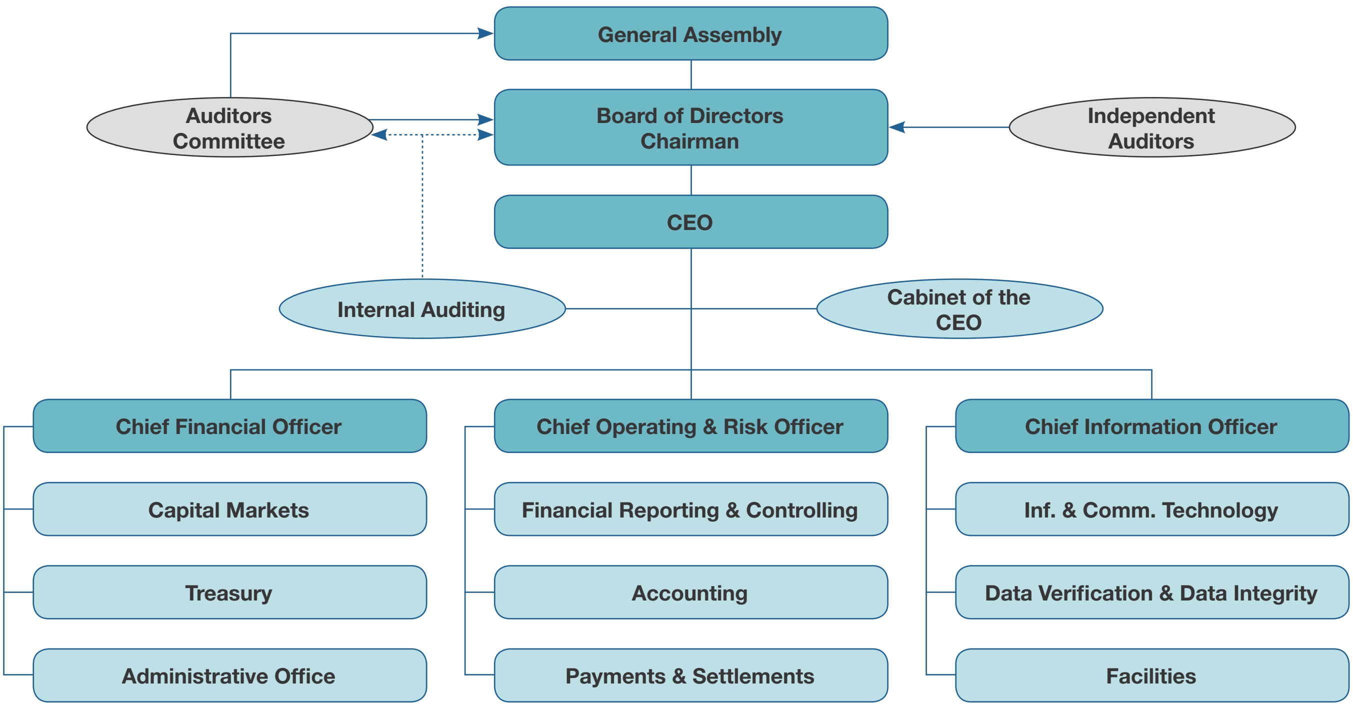
The ultimate responsibility for the existence and maintenance of the internal control system is with the Board of Directors. The Management is responsible for its implementation and execution. The Auditors Committee assesses the quality of the internal control system performance over time. It issues a yearly written statement to the Board of Directors covering its assessment of the internal control system. Independent auditors are responsible for verifying yearly the existence and the implementation of the internal control system on financial reporting. Their findings are included in their annual detailed report to the Board of Directors and the Auditors Committee.

Internal auditing completes the internal control system with periodic internal reviews of the organization's activities and ensures that they comply with the policies and procedures adopted by the governing bodies. Internal auditing reports to the Auditors Committee and the Chairman of the Board of Directors. It works administratively under the auspices of the Chief Executive Officer. The annual plan for the internal auditing is reviewed by the independent auditors and approved by the Auditors Committee.

Further information on risk management is included in note 2 to the financial statements.

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.

Organizational chart



Members of governing and controlling bodies as at January 1, 2012

Board of Directors
Chairman
Alain Picard (1963, FR)
Chief Financial Officer of SNCF group, Paris

Vice Chairmen
Michel Allé (1950, BE)
Chief Financial Officer, SNCB Holding, Brussels
Luigi Lenci (1947, IT)
Chief Financial Officer,
Ferrovie dello Stato Italiane S.p.A., Rome
Harry Müller (1959, DE)
Head Corporate Treasury of
Swiss Federal Railways, Bern
Wolfgang Reuter (1950, DE)
Group Treasurer,
Head of Affiliated Companies Division and M&A, Deutsche Bahn AG, Berlin

Members
Pilar Cutanda González (1962, ES)
Financial Manager,
RENFE Operadora, Madrid
Lennart Dahlborg (1943, SE)
Director General,
Swedish State Railways, Stockholm
Lars Falksveden (1971, SE)
Chief Treasury Officer,
Swedish State Railways, Stockholm
Francisco Celso Gonzalez (1949, ES)
General Director Finance,
RENFE Operadora, Madrid
Jannie Haek (1965, BE)
Chief Executive Officer,
SNCB Holding, Brussels
Josef Halbmayr (1955, AT)
Chief Financial Officer,
ÖBB-Holding AG, Vienna
Bojan Ilkic (1964, RS)
Assistant Director
General for Strategy and Planning,
Akcionarsko društvo Železnice Srbije,
Belgrade
Ronald Klein Wassink (1966, NL)
Corporate Treasurer,
N.V. Nederlandse Spoorwegen, Utrecht
Vassilis Kontarinis (1966, GR)
Head of Debt Department,
Hellenic Railways, Athens
Alex Kremer (1947, LU)
General Director,
Luxembourg National Railways,
Luxembourg
Milovan Markovič (1954, RS)
General Director,
Akcionarsko društvo Železnice Srbije,
Belgrade
Alfredo Vicente Pereira (1952, PT)
Vice President of the Board of Directors,
CP-Comboios de Portugal, E.P.E., Lisbon
Véronique Piegts (1956, FR)
Financing and Treasury Manager,
SNCF, Paris
Stefano Pierini (1965, IT)
Head of Finance,
Ferrovie dello Stato Italiane S.p.A., Rome
Alfeu Pimentel Saraiva (1950, PT)
Director of Finance,
CP-Comboios de Portugal, E.P.E., Lisbon
Georg Radon (1958, CH)
Chief Financial Officer,
Swiss Federal Railways, Bern
Markus Richter (1962, DE)
Head of Group Finance,
ÖBB-Holding AG, Vienna
Engelhardt Robbe (1955, NL)
Member of the Board,
Chief Financial Officer,
N.V. Nederlandse Spoorwegen, Utrecht
Hartwig Schneidereit (1951, DE)
Head of Capital Market Department,
Deutsche Bahn AG, Berlin
Panagiotis Theofanopoulos (1955, GR)
Managing Director,
Hellenic Railways, Athens
Marc Wengler (1967, LU)
Deputy General Director,
Luxembourg National Railways,
Luxembourg

Secretary
Susanne Honegger (1961, CH)
Assistant to the Chief Executive Officer

Auditors Committee
José Antonio Alonso Martin-Loeches (1964, ES)
Accounting Systems Manager,
RENFE Operadora, Madrid
Roberto Mannozzi (1958, IT)
Head of Administration,
Ferrovie dello Stato Italiane S.p.A., Rome
Kurt Röck (1958, AT)
Head of Finance, Accounting, Controlling,
ÖBB-Personenverkehr AG, Vienna
Gilbert Schock (1957, LU)
Head of Finance,
Luxembourg National Railways,
Luxembourg
Dick Snel (1967, NL)
Managing Director,
Servex France SAS, Paris

Management
André Bovet (1954, CH)
Chief Executive Officer
Martin Fleischer (1970, AT)
Chief Financial Officer
Marco Termignone (1959, CH)
Chief Information Officer
Patrick Tschudin (1974, CH)
Chief Operating and Risk Officer

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

Changes in the Board of Directors
The following members resigned in 2011:
Marcel Niggebrugge
Reto Feissli
Gerhard Leitner

The outgoing members were sincerely thanked for their active service.

Activity report

Brno; 11:21

2011 activities, results and outlook for 2012

Borrowings and repayments during the financial year 2011

Equipment financed during the financial year 2011

Distribution of equipment financing contracts by types of equipment

2011 activities, results and outlook for 2012

2011 activities

As a result of the European sovereign debt and banking crisis, the strengthening of the Swiss franc and interest rates close to zero, EUROFIMA faced a difficult and demanding economic environment in 2011. In response to this challenging environment, EUROFIMA actively pursued the strategies initiated in 2008 to reduce risk and strengthen asset quality, equity and liquidity.

The loan book was reduced for the third consecutive year. New equipment financing contracts with lower rated countries were avoided despite the related reduction in commission income. Rollover of maturing financial investments was executed with an even greater focus on credit quality at the expense of a decreasing net interest income. The exposure to foreign exchange risk in the balance sheet was kept at a negligible level. Liquid assets were strengthened to reach per year end the highest level in four years. The coverage by collateral of swap credit exposure to financial counterparties improved considerably. A new policy covering the setting of maximum lending limits and the pricing of equipment financing was put into force. In order to reinforce the equity position, the entire profit was again earmarked to build up the reserves. Moreover, the Statutes were modified to simplify a capital call should it become necessary.

In line with EUROFIMA's mission to provide, on a sustainable basis, long-term financing for investments in railway equipment, the focus remained on preserving the financial stability of the organization rather than pursuing short-term profit and lending maximization.

2011 results

EUROFIMA's earnings remained below the level of the previous year and slightly below the budgeted target. Net profit for the financial year 2011 amounted to CHF 40.6 million, compared to CHF 46.4 million in the previous year (–12.5 %). The lower net profit originated primarily from the shrinking of the loan book, the reduction of risk, the strengthening of the Swiss franc and the historically low interest rate environment.

Income statement

At CHF 31.3 million, the largest source of income, namely net interest income, decreased by 11.3 % or CHF 4.0 million. The rollover of maturing investment securities in a historically low interest rate environment and the preference for high quality issuers were the driving factors behind this development. Nevertheless, the net interest income for 2011 exceeded the budgeted target.

At CHF 17.1 million, commission income and fees received rose by 8.4 % or CHF 1.3 million. This positive development was due to the new pricing policy applied by EUROFIMA. This rise was dampened by the strength of the Swiss franc during the year. Therefore, commission income and fees received came up short of the budgeted target.

At CHF 2.2 million, net profit on financial operations decreased by 55.1 %. This source of income was predominantly made up of realized and unrealized gains and losses on debt securities and other financial instruments.

Total operating cost, including general administrative expenses, depreciation on fixed assets as well as commission expenses and fees paid, increased by CHF 0.4 million to CHF 9.9 million. This growth of 4.3 % was largely due to investments in information technology.

Balance sheet

At year-end, total assets remained nearly unchanged compared to the previous year. At constant interest rates compared to the previous year, total assets would have reached CHF 32.7 billion.

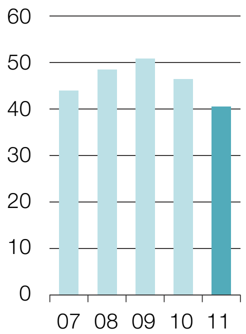
The targeted consolidation of the loan book was carried on for the third consecutive year. Equipment financing contracts decreased by 2.9 % or CHF 0.8 billion. Over the past three years this balance sheet position was successfully contracted from CHF 35.5 billion to CHF 25.6 billion (–27.8 %). The risk profile of this largest asset position, accounting for 74.5 % of the total balance sheet, remained sound. As at December 31, 2011, no financial asset was overdue and no impairment charge had to be recognized.

While cash and cash equivalents increased from CHF 1.1 billion (2010) to CHF 1.5 billion, financial investments decreased by CHF 0.2 billion to CHF 2.3 billion. Due to the strong focus on reducing counterparty risk, the credit quality of the financial investments remained high throughout 2011.

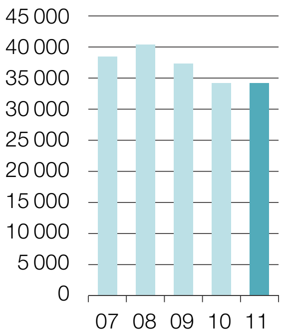
Liquid assets, consisting of cash and cash equivalents and financial investments, amounted to CHF 3.8 billion (+7.5 %) and reached 73.9 % (2010: 79.8 %) of the total one year debt service.

As at December 31, 2011 equity plus callable share capital reached 11.6 % of outstanding borrowings and remained unchanged compared to the end of 2010. After appropriation of the surplus, the statutory reserves and the fund for general risks totalled CHF 947.7 million (2010: CHF 907.1 million).

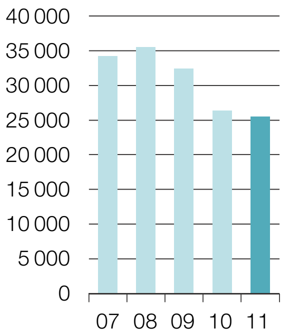
Net profit for the financial year
(in million CHF)



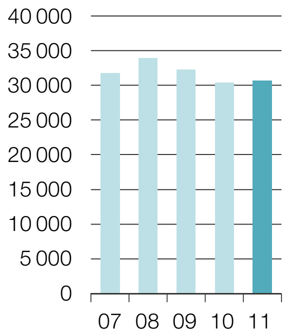
Total assets
(in million CHF)



Equipment financing contracts
(in million CHF)



Outstanding borrowings
(in million CHF)



Outlook for 2012

In 2012 the sovereign debt and banking crisis will enter its fifth year with unfortunately no sign of abating. With the fear of a sovereign default or a collapse of a large bank still hovering over the financial markets, uncertainty will remain high. Against a background of global growth decelerating and high uncertainty, fiscal austerity measures risk to push eurozone economies into recession.

Given these conditions, EUROFIMA again anticipates a difficult and challenging operating environment in 2012. Consequently, strategies to reduce risk and strengthen asset quality, equity and liquidity will be even more actively pursued. In this regard, in order to further shrink the loan book, the granting of new loans will be limited to an exceptionally low level. The emphasis placed on risk reduction is expected to result in earnings below the level of previous years.

Prague, Masarykovo nádraži; 07:50

Borrowings and repayments during the financial year 2011

Borrowings

2011 in the debt capital markets proved to be a very volatile year. The European sovereign crisis continued to worsen, evolving from an issue which primarily affected a few countries outside the core of the euro zone into a pan-European phenomenon. The second half of the year in particular saw mounting pressures on the whole European public and financial sectors from the markets and the rating agencies, leading to a strong and generalized effort to deleverage.

In such an environment, EUROFIMA maintained its clear focus on risk mitigation and control, rather than business volume. The borrowing activity in the debt capital markets reached the amount of CHF 1 188 million at the end of the year, a reduction of more than 62 % compared to 2010.

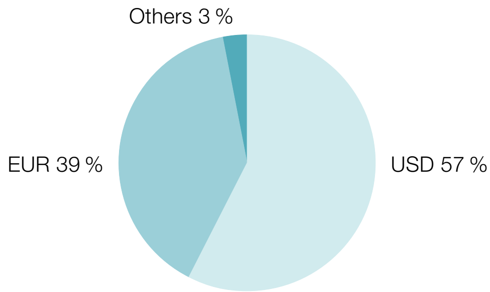
Following its successful return to the euro market in 2009, EUROFIMA increased its issuance in this market in 2011. In particular new bonds were issued with maturities ranging from 2012 to 2022 and in floating and fixed-rate formats to reach a wide international investor base.

Also, other currency markets such as the Japanese yen and the Australian dollars were tapped to meet demand from local institutional investors.

Finally, EUROFIMA tapped the money market throughout the year. Commercial paper was issued for an equivalent amount of CHF 2 168 million, primarily in US dollars and three-months maturity.

Type of borrowings (in CHF)	**2011**	2010
Listed bond issues	1 001 333 637	2 834 045 200
Unlisted bond issues	186 364 417	315 778 345
Loans	592 073 975	310 173 057
Commercial paper	2 167 956 225	1 850 614 459
Total	**3 947 728 255**	**5 310 611 061**

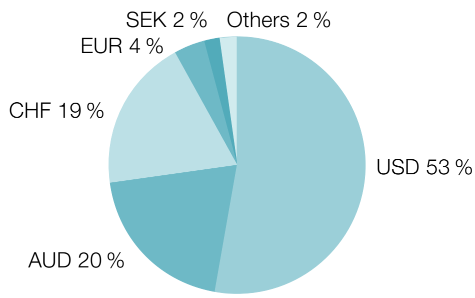
Borrowings breakdown per currency



Repayments

Based on the exchange rates at the date of the balance sheet, repayments reached the equivalent of CHF 4 771 million, CHF 2 298 million of which were due to repayments of short-term borrowings.

Repayments breakdown per currency



Equipment financed during the financial year 2011

EUROFIMA concluded 11 contracts with 5 shareholders or their affiliates for the financing of railway equipment. The railway equipment and the related financing amounts are given below.

Member State	Railway/ Company	Locomotives main-line diesel	Locomotives main-line electric	Locomotives shunting	Multiple-unit trains motor units diesel	Multiple-unit trains motor units electric	Multiple-unit trains trailer cars	Passenger cars	Freight cars	New financing (in million CHF)
Belgium	SNCB		51			78	39	116		577
Netherlands	NS					204	117	312		432
Switzerland	SBB							17		25
Austria	ÖBB							120	105	203
Serbia	ŽS				1					3
Total		**0**	**51**	**0**	**1**	**282**	**156**	**565**	**105**	**1 240**

EUROFIMA holds title or securities 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 15.

Prague, main station; 13:44

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, 2011

Member State	Railway/ Company	Locomotives			Multiple-unit trains			Pas-senger cars	Freight cars	Other equip-ment	Book value of equipment financing contracts (in CHF)
		main-line		shunting	motor units		trailer cars				
		diesel	electric		diesel	electric					
Germany	DB AG		198		14	90	260				1 524 009 682
France	SNCF		103	2		190	748	45	7		2 451 581 169
Italy	FS	1	682		279	501	612	2 649			4 001 373 922
	CISALPINO AG					8	20				155 691 935
Belgium	SNCB	101	206	5	144	199	218	746	449	28	3 381 319 730
Netherlands	NS					240	188	336			597 532 244
Spain	RENFE	90	253		9	515	671	39			3 110 230 322
Switzerland	SBB		134	48		254	493	63			3 335 256 797
	CISALPINO AG					10	25				155 691 935
Serbia	ŽS	2	52	20	4	24	24	13			124 770 947
Sweden	SWEDISH STATE RAILWAYS					7	54				126 937 663
Luxembourg	CFL					24	36		470		243 180 031
Austria	ÖBB	87	341	99	68	344	414	397	4 230		3 342 567 832
Portugal	CP		41		45	245	327	26			836 746 353
Greece	OSE	20	27		53	40	147	266	351		1 071 333 326
Czech Republic	ČD		5			15	30	26			201 296 406
Hungary	MÁV	105	172	61	68	11		138			285 552 458(1)
Slovakia	ŽSSK	2			54		21	132			155 207 861
Croatia	HŽ		1		4	0	3	67	226	5	74 333 880(2)
Slovenia	SŽ		32			60	20				260 540 852
Bulgaria	BDZ	5	8					35	4		36 547 461
Montenegro	ŽPCG	9	8	1		10	10	22	10		34 061 870(3)
Denmark	DSB				20		10				91 051 085
FYR Macedonia	MŽT		3								2 919 727
Total		**422**	**2 266**	**236**	**762**	**2 787**	**4 331**	**5 000**	**5 747**	**33**	**25 599 735 488**
of which under construction			54			78	39	18	217		

(1) 73.7 million of which assumed by Hungary
(2) 43.9 million of which assumed by Croatia
(3) 34.1 million assumed by Montenegro

Financial statements

Hodonin – Přerov ; 12:14

Prague, Masarykovo nádraži; 07:42

Income statement

(all amounts in CHF)	Notes	**2011**	2010
Interest and similar income	3	1 400 327 118	1 698 943 753
Interest and similar charges	3	–1 369 041 807	–1 663 679 850
Net interest income		**31 285 312**	**35 263 903**
Commission income and fees received	4	17 058 497	15 736 159
Commission expenses and fees paid	4	–1 062 447	–1 210 140
Net profit on financial operations	5	2 216 603	4 933 869
Net profit on other financial operations		**18 212 653**	**19 459 888**
Foreign exchange gains / losses		–56 036	–67 541
General administrative expenses	6	–8 674 273	–8 131 510
Depreciation on fixed assets		–180 221	–164 911
Impairment charge	7	0	0
Net profit for the financial year		**40 587 435**	**46 359 829**

Balance sheet

(all amounts in CHF)	Notes	December 31, 2011	%	December 31, 2010	%
Assets					
Cash and cash equivalents		1 539 405 252	4 %	1 059 583 407	3 %
Financial investments	8	2 296 386 167	7 %	2 510 006 717	7 %
Placements with credit institutions		85 915 454	0 %	186 982 520	1 %
Debt securities		2 101 733 801	6 %	2 191 947 894	6 %
Other		108 736 912	0 %	131 076 303	0 %
Equipment financing contracts	9	25 599 735 488	74 %	26 374 158 831	77 %
Derivative financial instruments	10	4 915 639 120	14 %	4 322 369 413	13 %
Other assets		2 265 793	0 %	1 288 797	0 %
Accrued income and prepaid expenses	11	6 305 316	0 %	6 672 745	0 %
Fixed assets	12	7 015 538	0 %	7 195 759	0 %
Total assets		**34 366 752 674**	100 %	**34 281 275 669**	100 %
Liabilities					
Amounts due to credit institutions and customers	13	2 913 683 698	9 %	2 457 405 745	7 %
Debts evidenced by certificates	14	27 747 041 426	84 %	27 918 650 643	85 %
Senior borrowings		25 385 708 024	77 %	25 715 008 898	78 %
Other debts evidenced by certificates		2 361 333 402	7 %	2 203 641 745	7 %
Derivative financial instruments	15	2 203 127 803	7 %	2 442 837 218	7 %
Other liabilities		21 855 192	0 %	21 789 414	0 %
Accrued expenses and deferred income	16	647 119	0 %	745 627	0 %
Total liabilities		**32 886 355 239**	100 %	**32 841 428 647**	100 %
Equity					
Subscribed share capital		2 600 000 000	176 %	2 600 000 000	181 %
Callable share capital		–2 080 000 000	–141 %	–2 080 000 000	–144 %
Statutory reserves	17	625 214 000	42 %	578 896 000	40 %
Fund for general risks		281 906 827	19 %	281 906 827	20 %
Other value adjustments		11 964 665	1 %	12 001 686	1 %
Surplus to be distributed		41 311 944	3 %	47 042 509	3 %
Unappropriated surplus previous year		724 509	0 %	682 680	0 %
Net profit for the financial year, before appropriation		40 587 435	3 %	46 359 829	3 %
Net result from transition to new accounting policies		0	0 %	0	0 %
Total equity		**1 480 397 436**	100 %	**1 439 847 022**	100 %
Total liabilities and equity		**34 366 752 674**		**34 281 275 669**	

Statement of comprehensive income

(all amounts in CHF)	Note	2011	2010
Net profit for the financial year		**40 587 435**	**46 359 829**
Other comprehensive income			
Fair value adjustments on available-for-sale financial assets	18	–37 021	2 170 864
Other comprehensive income for the financial year		**–37 021**	**2 170 864**
Total comprehensive income for the financial year		**40 550 414**	**48 530 693**

Statement of changes in equity

(all amounts in CHF)	Subscribed share capital	Callable share capital	Statutory reserves	Fund for general risks	Available-for-sale financial assets	Surplus to be distributed	**Total**
Balance at January 1, 2010	**2 600 000 000**	**–2 080 000 000**	**528 357 000**	**274 656 827**	**9 830 822**	**58 471 680**	**1 391 316 329**
Appropriation between reserves			50 539 000	7 250 000		–57 789 000	**0**
Dividend payment							**0**
Paid-in capital							**0**
Total comprehensive income for the financial year					2 170 864	46 359 829	**48 530 693**
Balance at December 31, 2010	**2 600 000 000**	**–2 080 000 000**	**578 896 000**	**281 906 827**	**12 001 686**	**47 042 509**	**1 439 847 022**

(all amounts in CHF)	Subscribed share capital	Callable share capital	Statutory reserves	Fund for general risks	Available-for-sale financial assets	Surplus to be distributed	**Total**
Balance at January 1, 2011	**2 600 000 000**	**–2 080 000 000**	**578 896 000**	**281 906 827**	**12 001 686**	**47 042 509**	**1 439 847 022**
Appropriation between reserves			46 318 000			–46 318 000	**0**
Dividend payment							**0**
Paid-in capital							**0**
Total comprehensive income for the financial year					–37 021	40 587 435	**40 550 414**
Balance at December 31, 2011	**2 600 000 000**	**–2 080 000 000**	**625 214 000**	**281 906 827**	**11 964 665**	**41 311 944**	**1 480 397 436**

Statement of cash flows

(all amounts in CHF)	**2011**	2010
Cash flows from operating activities (direct method)		
FX amounts paid	–72 764 509	–79 076 324
FX amounts received	73 102 119	78 974 892
Interest paid	–1 653 183 540	–1 854 621 864
Interest received	1 690 905 594	1 901 427 786
Operational cash flows paid	–198 149 571	–265 051 937
Operational cash flows received	201 604 573	256 791 434
Commission and fees received	17 217 184	15 188 169
Dividend paid	0	0
Net cash from operating activities	**58 731 849**	**53 632 157**
Cash flows from investing activities		
Lending		
Disbursements of equipment financings	–1 269 268 556	–2 179 262 594
Repayments of equipment financings	1 505 656 064	2 913 095 862
Financial investments		
Purchases of debt securities	–1 252 257 984	–1 887 291 775
Redemptions	1 048 783 876	861 589 447
Sales of debt securities	283 386 098	142 259 000
Placements with credit institutions	–398 699 325	–401 253 809
Repayments of placements with credit institutions	503 012 776	347 806 230
Other financial investments	–356 268 608	–246 115 800
Repayments of other financial investments	357 115 973	101 240 000
Other items		
Net movements in other assets	0	5 000 000
Net movements in fixed assets	0	–122 511
Net cash from investing activities	**421 460 314**	**–343 055 950**

(all amounts in CHF)	**2011**	2010
Cash flows from financing activities		
Issues of new debt	3 224 363 584	5 576 072 679
Redemptions	–4 182 373 283	–4 913 159 266
Placements from credit institutions and customers	569 139 366	309 341 475
Redemptions of placements from credit institutions and customers	–153 561 069	–1 162 517 894
Net cash flow from derivative financial instruments	554 790 731	674 625 529
Paid-in capital	0	0
Net cash from financing activities	**12 359 329**	**484 362 524**
Exchange rate difference	–12 643 804	–140 773 080
Others	–85 843	–939 089
(Decrease)/increase in cash and cash equivalents	**479 821 845**	**53 226 561**
Cash and cash equivalents at the beginning of the year	1 059 583 407	1 006 356 847
Cash and cash equivalents at the end of the year	1 539 405 252	1 059 583 407

Notes to the financial statements

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.

The financial statements were reviewed and authorized by the Board of Directors on March 23, 2012. They were approved by the General Assembly on the same date.

Scope

EUROFIMA is a single unit organization without subsidiaries and operates as a one segment entity.

Germany and France hold 22.6 % of EUROFIMA's share capital each through their fully owned state railways DB AG and SNCF and are thus related parties together with their railways.

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. According to the fair value measurement hierarchy stated in note 21, these instruments are classified as "Level 1". 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. If the measurement is mainly based on observable market data, the instruments are classified as "Level 2". In cases where fair value determination is not based on observable market data, the instruments are classified as "Level 3".

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 reevaluates 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 held for trading 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 at 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 premises "Ritterhof", office equipment and other tangible assets owned by the company. The company's premises "Ritterhof" are stated at deemed cost as at November 30, 2009 plus historical cost of subsequent investments which increase the premises' value less depreciation less any impairment loss. All other 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 costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) 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 costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) 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 29 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.
- Fees received for the participation in structured equipment financing are taken to income upfront. Issuance fees and redemption premiums or discounts are accrued over the period to maturity of the related borrowings.
- Commissions on equipment financing contracts are recorded on an accrual basis.

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 and capital management

Financial risk management

The identification, measurement, monitoring and control of risk are key management responsibilities. The principles and policies for risk management are established by the Board of Directors. The compliance with these guidelines and the implementation of controls are within the Management’s responsibility.

Within the normal course of its activities, EUROFIMA is exposed to a variety of financial risks. The main risks are: credit risk, market risk and liquidity risk. EUROFIMA’s risk management focuses on the unpredictability of financial markets and aims at minimizing potential adverse effects on the financial performance of the institution. EUROFIMA’s risk management seeks to appropriately identify, measure, monitor and report all types of financial risks inherent in the institution’s operations. The risk management and control processes are reviewed and refined on a regular basis.

(i) Risk assessment

On a quarterly basis the Board of Directors receives from the Management both a risk report and a status report on the financial results of the institution. The risk report provides the Board of Directors with the status of various quantitative risk parameters. In terms of credit risk, such parameters include the credit exposure per consolidated one obligor, the breakdown of assets per credit rating and the composition of the swap book and security portfolios. In terms of interest rate and foreign exchange risk, such indicators include the sensitivity of the fair value of instruments classified as “available for sale”, the treasury gap, the maturity profile of the whole balance sheet and

the foreign exchange position. Regarding the liquidity risk, the risk report includes the overall liquidity position and liquidity ratios. The Management also provides the Board of Directors with regular updates on key risk issues and other significant events deemed appropriate or requested.

A review of the major risks which could affect the financials of the institution is included in the agenda of every quarterly 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 performed on December 16, 2011.

The Board of Directors approves the policies regulating the treasury and capital market activities. These policies cover the management of credit risk, market risk and liquidity risk. In this regard, 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 light of external developments and experience. Compliance with established limits and policies is monitored by financial controlling and internal audit which are independent from the units carrying out the transactions. The results of such compliance checks are periodically reviewed by the Management and the Auditors Committee.

EUROFIMA is an end user of derivative financial instruments. It does not perform any trading activities and uses derivative financial instruments solely for hedging market risk exposure. It uses predominantly interest rate and currency swaps. It is not a user of credit derivatives.

(ii) 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 in EUROFIMA's operations. It primarily originates from EUROFIMA's core activities, namely borrowing and lending. EUROFIMA 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. Policies approved by the Board of Directors 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 (based on Standard & Poor's and/or Moody's ratings). For instruments maturing in less than one year, a prerequisite minimum rating is A-1/P-1.

Individual counterparty limits are set and reviewed on a monthly basis by the Management. Credit exposure is reported to the Board of Directors quarterly on a one obligor basis, i.e. the exposure to connected individual counterparties is consolidated. The breakdown by rating of the financial investments is given in note 8. As at year-end 2011, the principal amount of credit exposure in asset-backed securities amounted to CHF 55.6 million (2010: CHF 87.4 million). All short-term positions under cash and cash equivalents were either rated A-1+ / A-1 or P-1. EUROFIMA did not enter into any security lending transaction in 2011.

The estimated net positive replacement value of all interest rate and currency swaps concluded with financial counterparties reached CHF 4 010.6 million as at December 31, 2011 (2010: CHF 3 053.0 million). This increase was caused for the most part by decreasing medium and long-term interest rates and to a lesser extent by the weaker euro. In order to reduce the credit exposures of swaps, EUROFIMA has entered into one-way credit support annex (CSA) collateral agreements with various major swap counterparties. Such CSA agreements require that collateral be posted by the swap counterparty once the exposure exceeds a pre-agreed threshold. The total market value of the collateral received by EUROFIMA as at December 31, 2011 reached CHF 2 667.1 million (2010: CHF 1 797.4 million). This surge was driven by an increase in the swap exposure and by additionally concluded CSA collateral agreements. As at year-end 2011, 66.5 % of the net positive replacement value of all swaps concluded with financial counterparties was covered by collateral (2010: 58.9 %). This collateral consisted exclusively of high quality bonds issued by governments and supranational agencies. As a rule, swaps are concluded within the contractual framework of International Swaps and Derivatives Association (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 and the positions per counterparty are monitored on a daily basis.

Jistebnik – Suchdol nad Odrou ; 13:58

The credit risk inherent in the portfolio of equipment financing contracts is reviewed and monitored regularly. The principal amount of equipment financing contracts in non-investment grade or unrated countries increased: based on Standard & Poor's ratings it amounted to CHF 1 460.6 million at year-end 2011 (2010: CHF 1 321.9 million), based on Moody's ratings it added up to CHF 2 280.1 million at year-end 2011 (2010: CHF 1 321.9 million). As at December 31, 2011 all assets were fully performing. A breakdown by rating of the portfolio of equipment financing contracts is given in note 9.

(iii) Market risk

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

EUROFIMA is exposed in its core activities to foreign exchange and interest rate 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 risk management 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 utilizes interest rate and currency swaps. These swaps are used within the ambit of micro-hedging with their cash flows matching those of related assets and liabilities. As a result, the currency and interest rate profile of the borrowings is matched with the profile of equipment financing contracts.

As at year-end 2011, pre-funding for future equipment financing was limited to a maximum amount equivalent to EUR 1 billion. Pre-funding allows tapping into the capital markets when borrowing conditions are favourable. Usually, such 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 almost exclusively in the investment of the funded liquidity and equity funds. EUROFIMA applies a framework of limits to control 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 on a regular basis by financial controlling and internal auditing.

Investments of the funded liquidity and of the equity are exposed to changes in market interest rates. Firstly, the future interest income derived from such investments is influenced by the level of market interest rates prevailing at the time of their investment or reinvestment. Secondly, the institution's net profit and equity (in case of investments classified as "at fair value through profit or loss" or "available for sale") are also affected by the fluctuations in the fair value of such investments caused by changes in market interest rates and credit spreads. EUROFIMA measures its exposure to interest rate risks through sensitivity analysis. Such an analysis indicates the sensitivity of the fair value of financial instruments classified as "at fair value through profit or loss" and "available for sale" to parallel shifts in all yield curves. Based on the balance sheet as at December 31, 2011 the sensitivity analysis indicates that if all rates rose by 100 basis points the net profit would increase by CHF 0.3 million and the equity would decrease by CHF 28.2 million. Conversely, the net profit would decrease by CHF 0.3 million and the equity would increase by CHF 30.0 million if rates fell by 100 basis points.

In 2011 a decreasing interest rate environment was largely compensated by a widening of credit spreads. As a result, the total value adjustments reported in the equity for the securities classified as "available for sale" remained unchanged at CHF 12.0 million.

EUROFIMA measures and manages its foreign exchange risk in terms of the difference between assets and liabilities per currency on a daily basis. It aims at keeping such foreign exchange risk as close as possible to zero. Future net interest income and commission income in foreign currency are not hedged. As at December 31, 2011 the counter value in Swiss francs of all net foreign exchange positions amounted to CHF 0.3 million (2010: CHF 0.3 million).

(iv) Liquidity risk

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

The main objective of liquidity management is to make sure that EUROFIMA can meet its payment obligations punctually and in

full. The planning of liquidity takes into account all known future cash flows, especially the need to service the 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 daily computation and monitoring.

EUROFIMA maintains a pool of liquidity and spreads the maturities of its placements taking into account the forecasted liquidity needs. The pool of liquidity is invested in highly rated debt instruments and placements with credit institutions. According to the treasury policy, a minimum volume of the pool of liquidity has to be invested at all times in securities of sovereign issuers or issuers with an explicit sovereign guarantee.

As at year-end 2011, a committed CHF 300 million repo line was in place with a bank rated AAA/Aaa. Under this repo line EUROFIMA may borrow money by selling specified securities and simultaneously agreeing to buy them back at a later time.

EUROFIMA strives to secure a level of net liquidity that meets its expected liquidity requirements for a period of 12 months. To compute such liquidity requirements a default probability of 100 % is applied to assets below the long-term rating A– or A3 according to Standard and Poor's or Moody's.

As at year-end 2011, total liquid assets, consisting of cash and cash equivalents as well as financial investments, represented 73.9 % of the total one year debt service (2010: 79.8 %).

Capital Management

As at December 31, 2011 the ratio resulting from dividing total equity plus callable share capital by total outstanding borrowings remained unchanged at 11.6 %. At constant interest rates this ratio would have amounted to 12.1 %.

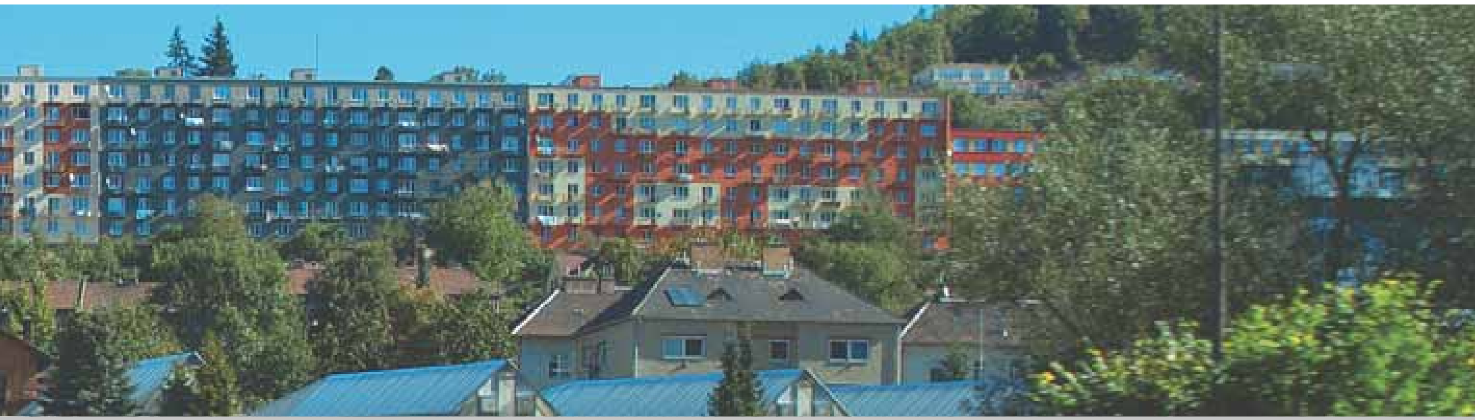
As a supranational institution, EUROFIMA is not subject to regulatory capital requirements. However, the adequacy of the capital base is assessed at each quarterly Board meeting.

The Basel II capital ratio is one of the tools used to estimate the capital requirements for each major risk. The Standardized Approach is adopted to calculate the capital requirement for the credit risk. The Standardized Measurement Method is used to calculate the capital requirement for market risk and the Basic Indicator Approach is adopted to estimate the operational risk charge. As at December 31, 2011 EUROFIMA's estimated total Basel II ratio amounted to 30.2 % (2010: 35.4 %). This development originated primarily in the downgrades of Greece, Portugal, and Hungary.

Other tools used to assess the capital adequacy include the application of large exposure and standard leverage ratios. A large exposure to a group of related counterparties exists when the exposure, after taking into account collateral posted by counterparties, is equal to or exceeds 10 % of EUROFIMA's sound capital. For this purpose, EUROFIMA considers sound capital to be the sum of the equity plus callable share capital from member States rated AAA or AA. Sovereign risk is excluded for this calculation. As at December 31, 2011 EUROFIMA had no such large exposures on its balance sheet.

One specific element of EUROFIMA's credit backing system also taken into account in the assessment of the capital base is the subsidiary shareholder guarantee. Pursuant to Article 26 of the Statutes, each shareholder guarantees the fulfillment of all equipment financing contracts on a pro rata basis of its participation in EUROFIMA's subscribed share capital and up to a maximum amount equal to its participation in EUROFIMA's share capital. Such shareholder guarantee can only be called where (i) a railway and its member State have not discharged obligations under equipment financing contracts and (ii) the guarantee reserve as stipulated by Article 29 of EUROFIMA's Statutes is not sufficient to cover the loss resulting from such non-payment. As at December 31, 2011 taking into account only shareholders from member States rated AAA or AA, the shareholder guarantee based on the ratings of Standard & Poor's and Moody's amounted to CHF 2.0 billion and CHF 1.9 billion respectively.

The equity cushion comprising of this AAA/AA shareholder guarantee and sound capital (equity plus callable share capital from member States rated AAA or AA) corresponded to 16.8 % (2010: 16.6 %) and 15.8 % (2010: 18.7 %) of total outstanding borrowings respectively.



Note 3: Net interest income

	2011	2010
Cash and cash equivalents	7 538 086	5 052 004
Financial investments	44 897 745	42 116 213
Placements with credit institutions	2 850 953	1 159 961
Debt securities	39 858 652	40 331 035
Other	2 188 140	625 217
Equipment financing contracts	686 418 200	750 578 505
Derivative financial instruments	661 473 087	899 616 280
Other interest income	0	1 580 751
Total interest and similar income	**1 400 327 118**	**1 698 943 753**
Amounts due to credit institutions and customers	–73 720 077	–104 787 840
Debt evidenced by certificates	–1 057 437 379	–1 222 073 043
Senior borrowings	–1 006 160 685	–1 153 116 750
Other debts evidenced by certificates	–51 276 693	–68 956 292
Derivative financial instruments	–237 847 380	–335 280 158
Other interest expenses	–36 972	–1 538 809
Total interest and similar charges	**–1 369 041 807**	**–1 663 679 850**

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

	2011	2010
Commission on equipment financing contracts	16 464 190	15 183 258
Upfront fees	594 307	552 901
Commission on lending of securities	0	0
Commission expenses and fees paid	–1 062 447	–1 210 140
Total commission income and fees received and commission expenses and fees paid	**15 996 050**	**14 526 019**

Note 5: Net profit on financial operations

	2011	2010
Realized gains / losses on financial instruments	–380 043	14 583 238
Unrealized gains / losses on financial instruments	2 584 571	–9 753 223
Other	12 075	103 854
Total net profit on financial operations	**2 216 603**	**4 933 869**

Note 6: General administrative expenses

	2011	2010
Personnel costs	–4 712 167	–4 415 413
Social security and pension costs	–1 384 688	–1 313 995
Office premises costs	–101 894	–131 974
Other general administrative expenses	–2 496 098	–2 282 104
Cost coverage, rental and other administrative income	20 574	11 976
Total general administrative expenses	**–8 674 273**	**–8 131 510**

As at December 31, 2011 EUROFIMA had 31 employees in permanent positions, comprising 7 women and 24 men, representing 7 nationalities. The average age of EUROFIMA's employees was 46.3 years and the average length of service was 10.4 years.

The item "Other general administrative expenses" includes in its majority IT related expenses, legal counsel fees, representation expenses and independent auditors fees.

Amounts paid to the independent auditors

	2011	2010
Audit fees	183 500	195 600
Non-audit services	0	0
Total	**183 500**	**195 600**

Note 7: Impairment charge

	2011	2010
Impairment charge	0	0
Reversals of impairment	0	0
Total impairment charge	**0**	**0**

Nový Jičin; 13:27

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.

EUROFIMA groups the Standard & Poor's ratings as follows: AAA, AA for ratings from AA+ to AA–, A for ratings from A+ to A–, BBB for ratings from BBB+ to BBB–, and <BBB for ratings below BBB–.
EUROFIMA groups the Moody's ratings as follows: Aaa, Aa for ratings from Aa1 to Aa3, A for ratings from A1 to A3, Baa for ratings from Baa1 to Baa3, and <Baa for ratings below Baa3.

Placements with credit institutions

Standard & Poor's ratings	**December 31, 2011**	December 31, 2010
AAA	0	0
AA	85 915 454	186 982 520
A	0	0
BBB	0	0
<BBB	0	0
not rated	0	0
Total	**85 915 454**	**186 982 520**

Moody's ratings	**December 31, 2011**	December 31, 2010
Aaa	77 989 390	115 895 335
Aa	7 926 064	71 087 185
A	0	0
Baa	0	0
<Baa	0	0
not rated	0	0
Total	**85 915 454**	**186 982 520**

Debt securities – bonds

Standard & Poor's ratings	**December 31, 2011**	December 31, 2010
AAA	1 323 723 612	1 188 382 091
AA	186 823 377	350 786 502
A	44 917 967	38 682 905
BBB	0	0
<BBB	0	0
not rated	187 090 877	136 078 291
Total	**1 742 555 831**	**1 713 929 788**

Moody's ratings	**December 31, 2011**	December 31, 2010
Aaa	1 482 650 587	1 326 988 485
Aa	189 680 523	343 382 767
A	47 293 530	30 669 792
Baa	0	0
<Baa	0	0
not rated	22 931 192	12 888 744
Total	**1 742 555 831**	**1 713 929 788**

Debt securities – commercial paper

Standard & Poor's ratings	**December 31, 2011**	December 31, 2010
AAA	38 407 812	0
AA	127 463 825	478 018 106
A	193 306 332	0
BBB	0	0
<BBB	0	0
not rated	0	0
Total	**359 177 969**	**478 018 106**

Moody's ratings	**December 31, 2011**	December 31, 2010
Aaa	38 407 812	0
Aa	320 770 157	478 018 106
A	0	0
Baa	0	0
<Baa	0	0
not rated	0	0
Total	**359 177 969**	**478 018 106**

Other financial investments

Standard & Poor's ratings	**December 31, 2011**	December 31, 2010
AAA	0	0
AA	108 736 912	131 076 303
A	0	0
BBB	0	0
<BBB	0	0
not rated	0	0
Total	**108 736 912**	**131 076 303**

Moody's ratings	**December 31, 2011**	December 31, 2010
Aaa	0	0
Aa	108 736 912	131 076 303
A	0	0
Baa	0	0
<Baa	0	0
not rated	0	0
Total	**108 736 912**	**131 076 303**

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

	December 31, 2011	December 31, 2010
Placements with credit institutions	0	0
Debt securities – bonds	22 931 192	12 888 744
Debt securities – commercial paper	0	0
Other financial investments	0	0
Total	**22 931 192**	**12 888 744**

As at December 31, 2011 financial investments neither rated by Standard & Poor's nor Moody's consisted of three securities issued by Swiss cantons and a Swiss city. These securities were rated AAA or AA+ by Zürcher Kantonalbank.

Classification of debt securities

	December 31, 2011	December 31, 2010
Debt securities classified as financial assets at fair value through profit or loss	559 829 858	503 669 183
Debt securities classified as available for sale	1 176 750 867	1 374 320 978
Debt securities classified as held to maturity	360 117 377	308 919 026
Debt securities classified as loans and receivables	5 035 699	5 038 708
Total debt securities	**2 101 733 801**	**2 191 947 894**

No financial asset classified as held to maturity was sold.

Available-for-sale investments

	2011	2010
Balance at January 1,	1 374 320 978	1 356 818 668
Difference to principal	–34 014 258	–31 808 457
Principal at January 1,	1 340 306 721	1 325 010 211
Exchange rate difference	–20 456 278	–130 824 244
Additions (gross)	293 918 112	445 361 909
Sales (gross)	–282 773 290	–131 780 000
Redemptions (gross)	–185 057 829	–167 461 155
Principal at December 31,	1 145 937 436	1 340 306 721
Difference to book value	30 813 431	34 014 258
Balance at December 31,	**1 176 750 867**	**1 374 320 978**

Ústí nad Labem – Prackovice; 12:20

Note 9: Equipment financing contracts

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

Ratings

The equipment financing contracts are shown with the long-term rating of the respective member State.

EUROFIMA groups the Standard & Poor’s ratings as follows: AAA, AA for ratings from AA+ to AA–, A for ratings from A+ to A–, BBB for ratings from BBB+ to BBB–, and <BBB for ratings below BBB–.
EUROFIMA groups the Moody’s ratings as follows: Aaa, Aa for ratings from Aa1 to Aa3, A for ratings from A1 to A3, Baa for ratings from Baa1 to Baa3, and <Baa for ratings below Baa3.

Standard & Poor’s ratings	**December 31, 2011**	December 31, 2010
AAA	11 867 808 437	12 587 573 820
AA	6 953 387 310	6 374 425 547
A	4 312 273 717	5 582 824 085
BBB	947 627 695	462 838 133
<BBB	1 518 638 328	1 366 497 246
not rated	0	0
Total	**25 599 735 488**	**26 374 158 831**

Moody’s ratings	**December 31, 2011**	December 31, 2010
Aaa	11 867 808 437	12 587 573 820
Aa	3 381 319 730	10 634 956 299
A	7 884 341 297	1 322 293 334
Baa	110 881 342	462 838 133
<Baa	2 227 694 008	1 219 585 006
not rated	127 690 674	146 912 239
Total	**25 599 735 488**	**26 374 158 831**

Classification of equipment financing contracts

	December 31, 2011	December 31, 2010
Equipment financing contracts classified as financial assets at fair value through profit or loss	24 620 776 461	25 970 893 992
Equipment financing contracts classified as loans and receivables	978 959 027	401 546 339
Equipment financing contracts past due	0	1 718 500
Total equipment financing contracts	**25 599 735 488**	**26 374 158 831**

Currency distribution

	Equipment financing contracts at December 31, 2011			Equipment financing contracts at December 31, 2010		
Currency	Principal in currency units	Principal in CHF	%	Principal in currency units	Principal in CHF	%
CHF	3 161 541 129	3 161 541 129	13.4 %	2 788 536 329	2 788 536 329	11.3 %
EUR	14 689 727 367	17 856 832 588	75.7 %	14 813 445 193	18 522 731 869	74.8 %
JPY	0	0	0.0 %	3 300 000 000	37 978 095	0.2 %
SEK	2 651 354 154	361 645 659	1.5 %	2 745 787 395	382 949 368	1.5 %
USD	2 367 136 065	2 223 889 482	9.4 %	3 236 753 249	3 028 915 030	12.2 %
Total principal		**23 603 908 858**	100.0 %		**24 761 110 690**	100.0 %
Difference to book value		1 995 826 630			1 613 048 140	
Total book value		**25 599 735 488**			**26 374 158 831**	

Distribution of equipment financing contracts

Member State	Railway/ Company	Principal at January 1, 2011	Exchange rate difference / currency change difference	Financing	Redemptions	**Principal at December 31, 2011** **CHF**	**in %**
Germany[1]	DB AG[1]	1 441 711 200	–40 124 400	0	0	1 401 586 800	5.9 %
France[1]	SNCF[1]	2 841 926 961	–41 134 971	18 807 728	–696 907 546	2 122 692 171	9.0 %
Italy	FS	4 116 816 960	–114 575 520	0	0	4 002 241 440	17.0 %
	CISALPINO AG	143 770 080	–1 746 960	0	0	142 023 120	0.6 %
Belgium	SNCB	2 557 133 112	–48 505 078	588 418 552	–334 741 915	2 762 304 671	11.7 %
Netherlands	NS	629 880 699	–15 032 309	432 332 186	–475 669 536	571 511 040	2.4 %
Spain	RENFE	2 970 583 809	–82 674 597	0	0	2 887 909 211	12.2 %
Switzerland	SBB	2 878 281 894	2 506 512	413 121 379	–253 385 789	3 040 523 997	12.9 %
	CISALPINO AG	143 770 080	–1 746 960	0	0	142 023 120	0.6 %
Serbia	ŽS	138 036 000	0	3 304 800	–20 000 000	121 340 800	0.5 %
Sweden	SWEDISH STATE RAILWAYS	277 504 765	–2 247 757	0	–149 202 616	126 054 392	0.5 %
Luxembourg	CFL	212 732 083	–5 359 167	0	–4 123 074	203 249 842	0.9 %
Austria	ÖBB	3 093 720 109	–70 417 722	202 518 960	–107 773 247	3 118 048 100	13.2 %
Portugal	CP	936 774 672	–26 071 464	0	–91 170 000	819 533 208	3.5 %
Hungary	MÁV	336 735 221	–9 371 710	0	–42 546 000	284 817 511[2]	1.2 %
Czech Republic	ČD	206 313 499	–5 741 930	0	0	200 571 569	0.8 %
Slovakia	ŽSSK	174 993 480	–4 870 260	0	–15 802 800	154 320 420	0.7 %
Greece	OSE	1 139 889 648	–31 724 376	0	–89 650 500	1 018 514 772	4.3 %
Croatia	HŽ	83 646 960	–1 910 520	0	–12 156 000	69 580 440[3]	0.3 %
Slovenia	SŽ	260 892 668	–5 359 200	0	0	255 533 468	1.1 %
Bosnia and Herzegovina	ŽBH	5 000 000	0	0	–5 000 000	0	0.0 %
Bulgaria	BDZ	37 512 000	–1 044 000	0	0	36 468 000	0.2 %
FYR Macedonia	MŽT	4 501 440	–125 280	0	–1 458 720	2 917 440	0.0 %
Montenegro	ŽPCG	34 500 000	0	0	–1 500 000	33 000 000[4]	0.1 %
Denmark	DSB	94 483 350	–2 629 575	0	–4 710 450	87 143 325	0.4 %
Total principal		**24 761 110 690**	**–509 907 245**	**1 658 503 605**	**–2 305 798 193**	**23 603 908 858**	100.0 %
Difference to book value		1 613 048 140				1 995 826 630	
Total book value		**26 374 158 831**				**25 599 735 488**	

(1) Germany and France hold 22.6 % of EUROFIMA's share capital each through their fully owned state railways DB AG and SNCF and are thus related parties together with their railways
(2) 73.5 million of which assumed by Hungary
(3) 39.2 million of which assumed by Croatia
(4) 33.0 million assumed by Montenegro

Note 10: Derivative financial instruments – assets

	December 31, 2011	December 31, 2010
Derivative financial instruments with positive fair value included in assets:		
Forex forward	15 007	419 621
Forex swap	12 645 100	47 174 268
Forex swap forward	317 464	0
Forward rate agreement	0	0
Cross currency swap	4 246 736 007	3 751 734 398
Interest rate swap	655 833 170	522 957 314
Other	92 372	83 813
Total book value	**4 915 639 120**	**4 322 369 413**

The item “Other” includes transactions which were traded with a forward period and not settled at year end.

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, 2011	December 31, 2010
Commissions on equipment financing contracts	6 300 837	6 659 218
Other accrued income and prepaid expenses	4 479	13 527
Total accrued income and prepaid expenses	**6 305 316**	**6 672 745**

Note 12: Fixed assets

The fixed assets mainly covered the premises of EUROFIMA “Ritterhof” at Rittergasse 20 in Basel with a fire insurance value at January 1, 2012 of CHF 13 013 000.

Note 13: Amounts due to credit institutions and customers

	2011	2010
Balance at January 1,	2 457 405 745	3 674 344 792
Difference to principal	–346 021 886	–505 910 877
Principal at January 1,	2 111 383 859	3 168 433 915
Exchange rate difference	51 543 948	–73 613 380
Financing during the year	592 073 975	326 904 407(1)
Redemptions during the year	–310 386 188	–1 310 341 083
Principal at December 31,	2 444 615 595	2 111 383 859
Difference to book value	469 068 103	346 021 886
Balance at December 31,	**2 913 683 698**	**2 457 405 745**

The structure according to the maturities was as follows:	**December 31, 2011**		December 31, 2010	
– less than 1 year	603 496 926	25 %	35 743 462	2 %
– from 1 to 5 years	58 879 230	2 %	346 771 700	16 %
– more than 5 years	1 782 239 439	73 %	1 728 868 698	82 %
Total principal	**2 444 615 595**	100 %	**2 111 383 859**	100 %

(1) 16.7 million of which were previously booked in “Other assets”

The maturity structure allocates the outstanding principal of each deal according to its settlement dates.
The book value of amounts due to shareholders and related entities included in this item reached CHF 1 429 834 731 as at December 31, 2011.
The book value of amounts due to credit institutions and customers payable on demand was CHF 0 as at December 31, 2011.

Soběslav – Veselí nad Lužnicí; 10:15

Note 14: Debts evidenced by certificates

Classification of debts evidenced by certificates

	December 31, 2011	December 31, 2010
Debts evidenced by certificates designated at fair value through profit or loss	26 957 814 008	27 358 728 875
Debts evidenced by certificates measured at amortized cost	789 227 418	559 921 768
Total debts evidenced by certificates	**27 747 041 426**	**27 918 650 643**

	2011	2010
Balance at January 1,	27 918 650 643	28 541 881 351
Difference to principal	–1 884 474 933	–1 665 525 111
Principal at January 1,	26 034 175 711	26 876 356 240
Exchange rate difference	–72 281 572	–1 166 394 268
Financing during the year	3 355 654 280	5 000 438 004
Redemptions during the year	–4 460 847 105	–4 676 224 265
Principal at December 31,	24 856 701 313	26 034 175 711
Difference to book value	2 890 340 113	1 884 474 933
Balance at December 31,	**27 747 041 426**	**27 918 650 643**

The structure according to the maturities was as follows:	**December 31, 2011**		December 31, 2010	
– less than 1 year	3 216 467 029	13 %	2 772 481 445	11 %
– from 1 to 5 years	10 121 994 450	41 %	10 277 616 417	39 %
– more than 5 years	11 518 239 835	46 %	12 984 077 849	50 %
Total principal	**24 856 701 313**	100 %	**26 034 175 711**	100 %

The maturity structure allocates the outstanding principal of each deal according to its settlement dates.

Listed bond issues

Maturity	Callable	Interest rate in %	Year of issuance		Principal in currency units at December 31, 2011	Book value in currency units at December 31, 2011
AUD						
28.01.2014		6	2004	(1)	1 300 000 000	1 387 585 349
29.07.2015		5.625	2005	(1)	225 000 000	241 042 561
24.10.2016		5.625	2005	(1)	650 000 000	694 360 348
28.12.2018		6.25	2003	(1)	1 500 000 000	1 657 838 965
30.06.2020		5.5	2005	(1)	750 000 000	799 968 369
30.03.2022		6	2007	(1)	200 000 000	225 607 773
CAD						
18.07.2012		5.25	2002	(1)	200 000 000	208 761 999
04.12.2012		4.875	2002	(1)	200 000 000	206 358 888
12.05.2014		4.875	2004	(1)	100 000 000	111 657 260
13.12.2019		5.15	2004	(1)	250 000 000	309 992 002
30.03.2027		4.55	2007	(1)	300 000 000	375 330 512
CHF						
27.02.2012		3.5	2002		500 000 000	517 569 567
09.08.2012		4.375	2000		200 000 000	208 630 084
04.12.2012		2.375	2003		515 000 000	525 958 165
19.06.2015		2.75	2003		565 000 000	622 172 608
15.06.2016		2.25	2005		350 000 000	382 308 473
10.11.2017		2.125	2009		270 000 000	292 808 447
28.12.2018		3.25	2003		450 000 000	522 718 079
03.08.2020		2.375	2005		595 000 000	640 522 777
29.12.2020		3.375	2004		365 000 000	436 310 826
22.05.2024		3	2007		600 000 000	727 053 730
15.05.2026		3	2006		1 000 000 000	1 226 474 234
04.02.2030		2.875	2005		450 000 000	563 632 648
EUR						
18.01.2012		FRN	2010	(1)	100 000 000	100 397 954
19.12.2012		FRN	2011	(1)	100 000 000	100 242 569
27.12.2012		4.02	1998	(2)	120 202 400	122 667 490
16.12.2013		FRN	2011	(1)	120 000 000	120 893 982
18.11.2014		11	1994	(2)	120 202 400	154 275 618
03.11.2015		10.68	1995	(2)	120 202 000	163 096 447
23.12.2015		FRN	2011	(1)	125 000 000	125 974 342
05.11.2018		FRN	2010	(1)	32 500 000	33 171 079
21.10.2019		4.375	2004	(1)	650 000 000	758 633 433
28.11.2019		2.73	2011	(1)	6 800 000	6 879 925

Maturity	Callable	Interest rate in %	Year of issuance		**Principal in currency units at December 31, 2011**	**Book value in currency units at December 31, 2011**
23.11.2020		3	2010	(1)	40 000 000	42 428 299
27.10.2021		4	2009	(1)	1 000 000 000	1 151 211 237
15.11.2022		3.125	2010	(1)	800 000 000	856 357 329
28.07.2023		3.25	2010	(1)	50 000 000	54 623 675
GBP						
11.02.2013		4.375	2003	(1)	100 000 000	106 694 624
14.10.2014		6.125	1999	(1)	265 000 000	302 730 840
07.06.2032		5.5	2001	(1)	150 000 000	217 253 569
JPY						
16.12.2013		FRN	2011	(1)	3 200 000 000	3 200 483 254
NZD						
22.05.2013		7.125	2008	(1)	275 000 000	292 609 132
SEK						
30.10.2012		2	2010	(1)	600 000 000	598 042 522
USD						
02.08.2012		5.125	2002	(1)	500 000 000	523 001 824
14.12.2012		4.39	2004	(1)	100 000 000	103 325 170
28.05.2013		1.875	2010	(1)	1 000 000 000	1 023 611 645
05.09.2013		4.25	2008	(1)	1 000 000 000	1 069 717 706
04.02.2014		4.25	2004	(1)	1 000 000 000	1 110 968 768
06.03.2015		4.5	2005	(1)	1 000 000 000	1 150 124 301
07.04.2016		5.25	2006	(1)	1 000 000 000	1 211 478 824
03.04.2017		5	2007	(1)	1 000 000 000	1 224 820 613
Total listed bond issues (in CHF)					**22 629 904 523**	**25 385 708 024**

(1) Issued under the Programme for the Issuance of Debt Instruments
(2) Redenominated

Other debts evidenced by certificates

	Book value at December 31, 2011	Book value at December 31, 2010
Unlisted stand-alone issues	553 115 251	500 132 721
Unlisted issues under the Programme for the Issuance of Debt Instruments	1 340 051 673	1 235 419 015
Commercial paper	468 166 477	468 090 010
Total other debts evidenced by certificates	**2 361 333 402**	**2 203 641 745**

Note 15: Derivative financial instruments – liabilities

	December 31, 2011	December 31, 2010
Derivative financial instruments with negative fair value included in liabilities:		
Forex forward	14 729	0
Forex swap	448 462	7 958 217
Forex swap forward	0	0
Forward rate agreement	0	0
Cross currency swap	2 003 514 284	2 320 675 694
Interest rate swap	198 730 124	111 114 931
Other	420 205	3 088 375
Total book value	**2 203 127 803**	**2 442 837 218**

The item “Other” includes transactions which were traded with a forward period and not settled at year end.

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, 2011	December 31, 2010
Accrued general administrative expenses	647 119	745 627
Other accrued expenses and deferred income	0	0
Total accrued expenses and deferred income	**647 119**	**745 627**

Note 17: Statutory reserves

	December 31, 2011	December 31, 2010
Ordinary reserve	69 214 000	66 896 000
Guarantee reserve	556 000 000	512 000 000
Total statutory reserves	**625 214 000**	**578 896 000**

According to Article 29 of the Statutes 5 % of the annual profit is to be allocated to the ordinary reserve until the ordinary reserve has reached 20 % of the paid-in share capital.

Note 18: Other comprehensive income – available-for-sale financial assets

	2011	2010
Changes in fair value during the financial year	3 626 737	5 933 377
Realized net gains transferred to the income statement	–3 663 758	–3 762 513
Total other comprehensive income – available-for-sale financial assets	**–37 021**	**2 170 864**

Note 19: Maturity profile

(all amounts in million CHF)

December 31, 2011	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	1 038	0	0	0	0	0	503	1 541	–2	1 539
Financial investments	184	556	129	1 095	420	40	0	2 425	–128	2 296
Placements with credit institutions	72	14	0	0	0	0	0	86	0	86
Debt securities	112	433	129	1 095	420	40	0	2 229	–128	2 102
Other	0	109	0	0	0	0	0	109	–1	109
Equipment financing contracts	1 208	593	2 125	9 307	9 376	6 601	0	29 210	–3 610	25 600
Derivative financial instruments	273	219	418	2 577	1 345	484	0	5 316	–400	4 916
Other assets	0	0	0	0	0	0	2	2	0	2
Accrued income and prepaid expenses	2	3	10	53	41	12	0	122	–116	6
Fixed assets	0	0	0	0	0	0	7	7	0	7
Total assets	**2 706**	**1 372**	**2 682**	**13 032**	**11 182**	**7 137**	**512**	**38 623**	**–4 256**	**34 367**
Liabilities										
Amounts due to credit institutions and customers	214	449	16	326	1 360	870	0	3 234	–320	2 914
Debts evidenced by certificates	1 265	349	2 625	13 047	9 010	4 723	0	31 019	–3 272	27 747
Senior borrowings	792	302	2 491	11 928	8 646	4 332	0	28 490	–3 104	25 386
Other debts evidenced by certificates	473	48	134	1 120	365	391	0	2 529	–168	2 361
Derivative financial instruments	669	24	42	32	382	1 511	0	2 660	–457	2 203
Other liabilities	0	1	0	0	0	0	21	22	0	22
Accrued expenses and deferred income	0	0	0	0	0	0	1	1	0	1
Equity	0	0	0	0	0	0	1 480	1 480	0	1 480
Total liabilities and equity	**2 148**	**823**	**2 683**	**13 405**	**10 752**	**7 104**	**1 502**	**38 416**	**–4 049**	**34 367**
Net during the period	558	549	0	–373	430	33	–990	207	–207	0
Cumulative net during the period	**558**	**1 107**	**1 107**	**734**	**1 164**	**1 197**	**207**	**207**	**–207**	**0**

The maturity profile allocates the nominal amount of future cash flows according to their settlement dates.

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Note 20: Net currency position

(all amounts in CHF)

December 31, 2011	CHF	EUR	USD	AUD	Other	Total book value
Assets						
Cash and cash equivalents	495 452 404	751 486 682	51 341 956	1 633	241 122 576	1 539 405 252
Financial investments						
Placements with credit institutions	0	85 915 454	0	0	0	85 915 454
Debt securities	902 936 282	883 618 748	315 178 771	0	0	2 101 733 801
Other	0	108 736 912	0	0	0	108 736 912
Equipment financing contracts	3 458 303 827	18 616 238 809	3 072 556 491	0	452 636 361	25 599 735 488
Derivative financial instruments	5 790 298 748	–13 007 609 119	4 199 682 638	4 783 293 194	3 149 973 659	4 915 639 120
Other assets	8 068 846	–5 341 970	–469 743	0	8 659	2 265 793
Accrued income and prepaid expenses	976 744	5 275 841	14 201	0	38 530	6 305 316
Fixed assets	7 015 538	0	0	0	0	7 015 538
Total assets	**10 663 052 390**	**7 438 321 358**	**7 638 304 315**	**4 783 294 827**	**3 843 779 785**	**34 366 752 674**
Liabilities						
Amounts due to credit institutions and customers	609 920 484	436 893 674	792 245 865	0	1 074 623 675	2 913 683 698
Debts evidenced by certificates						
Senior borrowings	6 666 159 638	4 608 161 369	6 968 208 195	4 783 293 194	2 359 885 628	25 385 708 024
Other debts evidenced by certificates	501 585 758	652 398 116	488 467 555	58 791 777	660 090 196	2 361 333 402
Derivative financial instruments	1 382 561 229	1 740 747 358	–610 671 171	–58 791 777	–250 717 836	2 203 127 803
Other liabilities	22 008 765	137 288	24 565	0	–315 425	21 855 192
Accrued expenses and deferred income	647 119	0	0	0	0	647 119
Total liabilities	**9 182 882 993**	**7 438 337 805**	**7 638 275 009**	**4 783 293 194**	**3 843 566 238**	**32 886 355 239**
Net currency position	**1 480 169 397**	**–16 447**	**29 306**	**1 633**	**213 547**	**1 480 397 436**

Note 21: Assets and liabilities measured at fair value

Three-level hierarchy used for fair value measurement disclosures

Level 1: quoted prices in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: inputs for the asset or liability that are not based on observable market data

		Fair value measurement at end of the reporting period using:		
(all amounts in CHF)	**December 31, 2011**	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss				
Cash equivalents	989 099 719	0	989 099 719	0
Financial investments				
Placements with credit institutions	85 915 454	0	85 915 454	0
Debt securities	559 829 858	200 651 889	359 177 969	0
Other	108 736 912	0	108 736 912	0
Equipment financing contracts	24 620 776 461	0	24 620 776 461	0
Derivative financial instruments	4 915 639 120	0	4 915 639 120	0
Other assets	0	0	0	0
Financial assets at fair value through comprehensive income				
Financial investments – debt securities	1 176 750 867	1 148 821 404	27 929 464	0
Other assets	0	0	0	0
Total assets measured at fair value	**32 456 748 392**	**1 349 473 292**	**31 107 275 100**	**0**
Financial liabilities at fair value through profit or loss				
Amounts due to credit institutions and customers	2 476 583 741	0	2 476 583 741	0
Debts evidenced by certificates				
Senior borrowings	25 178 221 175	0	25 178 221 175	0
Other debts evidenced by certificates	1 779 592 834	0	1 779 592 834	0
Derivative financial instruments	2 203 127 803	0	2 203 127 803	0
Other liabilities	0	0	0	0
Financial liablities at fair value through comprehensive income				
Other liabilities	0	0	0	0
Total liabilities measured at fair value	**31 637 525 553**	**0**	**31 637 525 553**	**0**
Net assets and liabilities measured at fair value	**819 222 839**	**1 349 473 292**	**–530 250 453**	**0**

(all amounts in CHF)	Fair value measurement at end of the reporting period using:			
	December 31, 2010	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss				
Cash equivalents	861 337 419	0	861 337 419	0
Financial investments				
Placements with credit institutions	186 982 520	0	186 982 520	0
Debt securities	503 669 183	25 651 076	478 018 106	0
Other	131 076 303	0	131 076 303	0
Equipment financing contracts	25 970 893 992	0	25 970 893 992	0
Derivative financial instruments	4 322 369 413	0	4 322 369 413	0
Other assets	0	0	0	0
Financial assets at fair value through comprehensive income				
Financial investments – debt securities	1 374 320 978	1 356 289 554	18 031 424	0
Other assets	0	0	0	0
Total assets measured at fair value	**33 350 649 807**	**1 381 940 630**	**31 968 709 177**	**0**
Financial liabilities at fair value through profit or loss				
Amounts due to credit institutions and customers	2 455 098 659	0	2 455 098 659	0
Debts evidenced by certificates				
Senior borrowings	25 516 174 114	0	25 516 174 114	0
Other debts evidenced by certificates	1 842 554 762	0	1 842 554 762	0
Derivative financial instruments	2 442 837 218	0	2 442 837 218	0
Other liabilities	2 384	0	2 384	0
Financial liablities at fair value through comprehensive income				
Other liabilities	0	0	0	0
Total liabilities measured at fair value	**32 256 667 136**	**0**	**32 256 667 136**	**0**
Net assets and liabilities measured at fair value	**1 093 982 671**	**1 381 940 630**	**–287 957 959**	**0**

Note 22: Foreign exchange rates

CHF exchange rates		December 31, 2011	December 31, 2010
1	AUD	0.955435	0.951888
1	CAD	0.919864	0.938598
100	CZK	4.714003	4.989426
100	DKK	16.351457	16.776011
1	EUR	1.215600	1.250400
1	GBP	1.455286	1.452687
1	HKD	0.120943	0.120397

CHF exchange rates		December 31, 2011	December 31, 2010
100	JPY	1.213174	1.150851
100	NOK	15.677070	16.030769
1	NZD	0.726295	0.726977
100	SEK	13.640036	13.946796
1	USD	0.939485	0.935788
1	ZAR	0.115959	0.141089

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

Note 23: Off-balance sheet business

	December 31, 2011		December 31, 2010	
	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	506 401 722	638 183 484	561 996 672	681 698 487
Total	**506 401 722**	**638 183 484**	**561 996 672**	**681 698 487**

Note 24: Proposed appropriation of the surplus

With last year's unappropriated surplus of 724 509 carried forward and the net profit for the financial year 2011 of 40 587 435, the surplus to be distributed is 41 311 944. In accordance with Article 29 of the Statutes, the Board of Directors proposes the following allocation of the surplus to the General Assembly:

Appropriation to the ordinary reserve	2 030 000
Dividend of 0 % (statutory maximum is 4 %) on the paid-in share capital of 520 million	0
Appropriation to the guarantee reserve	34 500 000
Appropriation to the fund for general risks	4 000 000
Unappropriated surplus to be carried forward	781 944

Auditors' reports

Report of the independent auditors to the
Board of Directors and the Auditors Committee
of EUROFIMA European Company for the
Financing of Railroad Rolling Stock
Basle

Report of the independent auditors on the financial statements

In accordance with the mandate given to us, according to Article 21 of the Statutes, we have audited the financial statements of EUROFIMA, which comprise the income statement, the balance sheet, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes to the financial statements for the year ended December 31, 2011 (on pages 18 to 48).

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation and the fair presentation of the financial statements in accordance with the European Council directives, the accounting and valuation principles described in the annual report, the requirements of the international Convention for the establishment of the company, the Statutes and 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 law, Swiss Auditing Standards and with the International Standards on Auditing. Those 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, 2011 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the European Union Council directives and the accounting and valuation principles described in the annual report.

PricewaterhouseCoopers AG, St. Jakobs-Strasse 25, Postfach, 4002 Basel
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pwc

Furthermore, the financial statements comply with the international Convention for the establishment of the company, the Statutes and 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 article 11 AOA) 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

Enrico Strozzi	Diego J. Alvarez
Audit expert	Audit expert
Auditor in charge	

Basel, March 2nd, 2012

Report of the Auditors Committee

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

Mr. Chairman, Ladies and Gentlemen,

As auditors of your company, elected by the General Assembly according to Article 27 of the Statutes, we have audited the accounting records and the financial statements, consisting of the income statement, the balance sheet, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes to the financial statements for the year ended December 31, 2011.

The preparation and the fair presentation of the 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 auditor's report of March 2, 2012 prepared by PricewaterhouseCoopers AG, Basel, constitute a reasonable basis for our opinion.

In our opinion, the financial statements for the year ended December 31, 2011 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 financial statements comply with the international Convention for the establishment of EUROFIMA, the Statutes and Swiss law in a subsidiary manner.

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

José Antonio Alonso Martin-Loeches

Roberto Mannozzi

Kurt Röck

Gilbert Schock

Dick Snel

Basel, March 2, 2012

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
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
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
1986 First issue in Italian lira
1987 EUROFIMA opens the Spanish "Matador" market
First issue in Australian, Canadian and New Zealand dollars
1989 First issue in Swedish krona
First issue in Portuguese escudos
1990 Fifth share capital increase from 750 to 1 050 million Swiss francs
1992 Admission of the Hungarian State Railways (MÁV)
1993 Sixth share capital increase from 1 050 to 2 100 million Swiss francs
1994 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
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)
2001 Admission of the Railways of the Slovak Republic (ŽSSK)
First domestic "Kangaroo" issue in Australian dollars
2002 First issue in Norwegian krona
Admission of the Railways of the Czech Republic (ČD)
2004 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 First issue in Icelandic krona
2007 First Swiss franc 1 billion benchmark issue
2008 First domestic "Kauri" issue in New Zealand dollars
First issue in the Japanese "Uridashi" market
2009 First equipment financing with Danish State Railways
2010 First euro 1 billion benchmark issue

Hluboká nad Vltavou; 12:16

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