Amsterdam Centraal; 16:20

EUROFIMA®

Annual report 2010

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 2010	Subscribed share capital 2009	Callable share capital [1] 2010	Callable share capital [1] 2009
Deutsche Bahn AG	DB AG	58760	22.60 %	587600000	587600000	470080000	470080000
French National Railways	SNCF	58760	22.60 %	587600000	587600000	470080000	470080000
Ferrovie dello Stato S.p.A.	FS	35100	13.50 %	351000000	351000000	280800000	280800000
SNCB Holding	SNCB	25480	9.80 %	254800000	254800000	203840000	203840000
NV Nederlandse Spoorwegen	NS	15080	5.80 %	150800000	150800000	120640000	120640000
RENFE Operadora	RENFE	13572	5.22 %	135720000	135720000	108576000	108576000
Swiss Federal Railways	SBB	13000	5.00 %	130000000	130000000	104000000	104000000
Železnice Srbije	ŽS	5824[2]	2.24 %	58240000	58240000	46592000	46592000
Swedish State Railways		5200	2.00 %	52000000	52000000	41600000	41600000
Luxembourg National Railways	CFL	5200	2.00 %	52000000	52000000	41600000	41600000
ÖBB-Holding AG	ÖBB	5200	2.00 %	52000000	52000000	41600000	41600000
Portuguese Railways	CP	5200	2.00 %	52000000	52000000	41600000	41600000
Hellenic Railways	OSE	5200	2.00 %	52000000	52000000	41600000	41600000
České dráhy, a.s.	ČD	2600	1.00 %	26000000	26000000	20800000	20800000
Hungarian State Railways Ltd.	MÁV	1820	0.70 %	18200000	18200000	14560000	14560000
Železničná spoločnosť' Slovensko, a.s.	ŽSSK	1300	0.50 %	13000000	13000000	10400000	10400000
HŽ Putnički prijevoz d.o.o.	HŽ	520	0.20 %	5200000	5200000	4160000	4160000
Slovenske železnice d.o.o.	SŽ	520	0.20 %	5200000	5200000	4160000	4160000
Bosnia and Herzegovina Railways	ŽBH	520	0.20 %	5200000	5200000	4160000	4160000
Bulgarian State Railways Ltd.	BDZ	520	0.20 %	5200000	5200000	4160000	4160000
Javno pretprijatie Makedonski Železnici-Infrastruktura	MŽI	208	0.08 %	2080000	2080000	1664000	1664000
Željeznički Prevoz Crne Gore A.D.	ŽPCG	156	0.06 %	1560000	1560000	1248000	1248000
Turkish State Railways	TCDD	104	0.04 %	1040000	1040000	832000	832000
Danish State Railways	DSB	52	0.02 %	520000	520000	416000	416000
Norwegian State Railways	NSB	52	0.02 %	520000	520000	416000	416000
Makedonski Železnici – Transport A.D.	MŽT	52	0.02 %	520000	520000	416000	416000
Total		**260000**	**100.00 %**	**2600000000**	**2600000000**	**2080000000**	**2080000000**

(1) As per Article 21 of the Statutes the unpaid subscribed 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

Groningen; 11:40

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 maximum 4 % of the paid-in share capital. After appropriation of the 2010 surplus, the guarantee reserve reached CHF 556 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 of December 31, 2010, 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 16.6 % respectively 18.7 % of total borrowings based on Standard & Poor's and Moody's ratings.

Rating of the member States at December 31, 2010 and 2009

	2010		2009	
	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+	Aa2	A+	Aa2
Belgium	AA+	Aa1	AA+	Aa1
Netherlands	AAA	Aaa	AAA	Aaa
Spain	AA	Aa1	AA+	Aaa
Switzerland	AAA	Aaa	AAA	Aaa
Serbia	BB–	–	BB–	–
Sweden	AAA	Aaa	AAA	Aaa
Luxembourg	AAA	Aaa	AAA	Aaa
Austria	AAA	Aaa	AAA	Aaa
Portugal	A–	A1	A+	Aa2
Czech Republic	A	A1	A	A1
Greece	BB+	Ba1	BBB+	A2
Hungary	BBB–	Baa3	BBB–	Baa1
Croatia	BBB–	Baa3	BBB	Baa3
Slovenia	AA	Aa2	AA	Aa2
Bosnia and Herzegovina	B+	B2	B+	B2
Bulgaria	BBB	Baa3	BBB	Baa3
Slovakia	A+	A1	A+	A1
FYR Macedonia	BB	–	BB	–
Montenegro	BB	Ba3	BB+	Ba3
Turkey	BB	Ba2	BB–	Ba3
Denmark	AAA	Aaa	AAA	Aaa
Norway	AAA	Aaa	AAA	Aaa

Rating of EUROFIMA at December 31, 2010

	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

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

Amsterdam Centraal; 08:45

Report of the Board of Directors to the General Assembly

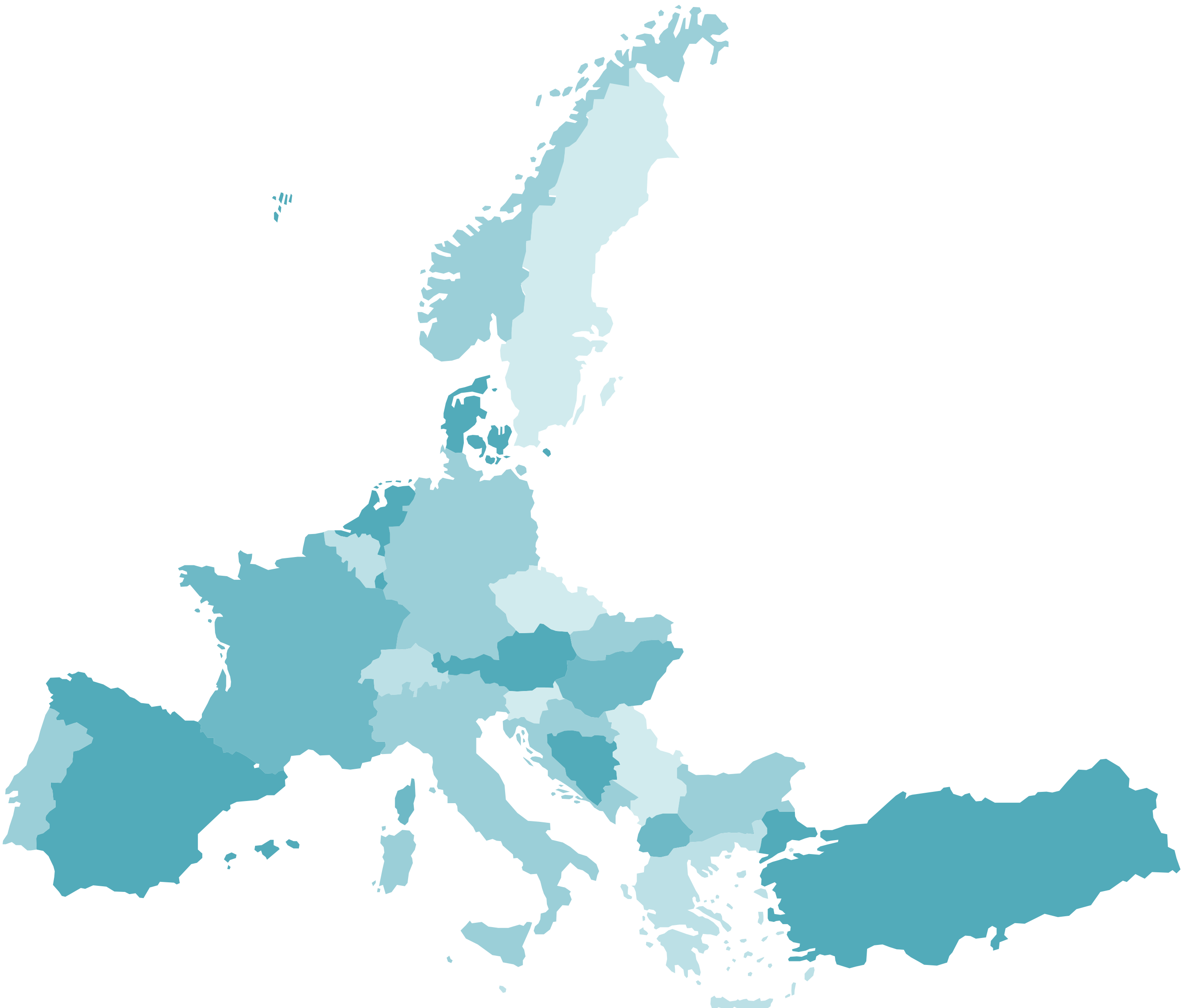
Annual report 2010
54th financial year

European Company
for the Financing
of Railroad Rolling Stock

Société européenne
pour le financement
de matériel ferroviaire

Europäische Gesellschaft
für die Finanzierung
von Eisenbahnmaterial

Società europea
per il finanziamento
di materiale ferroviario



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


Barracuda
www.denederlanden.com


Gazelle

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Chairman's statement

2010 brought the eurozone debt crisis: Greece and Ireland had to be supported by other EU members. Whether Portugal and Spain can avoid a similar fate is still an open question. Investors are worried about the level and sustainability of debt across the West. There is anxiety about the position between global creditors and debtors and what the future may hold for the most indebted countries. Continental Europe is seen as most immediately at risk having to take decisive action to contain the problem and avoid creating even larger ones for the eurozone bigger members.

This difficult environment prevailing throughout 2010 led us to continue our policy adopted in 2009 to follow a restrictive lending vis-à-vis the railway shareholders. In fact, the outstanding financings for rolling stock contracted by almost 19 % to CHF 26.4 billion. 95 % of these assets are of investment grade. No write-offs or provisions were needed to be provided for. Net profit compared to the previous year contracted by 8.7 % to CHF 46.4 million as a consequence of the low interest environment, the reduction of the loan book and the dramatic appreciation of the Swiss franc against the euro.

Governments across the eurozone have to raise billions of euros in 2011 and beyond. Companies from the so-called peripheral eurozone countries have similar needs. This is likely to put pressure on every auction of government debt. Once interest rates for governments have risen, the worry of many in the markets is that banks and other companies could find it hard to cover their funding needs.

The overriding priorities for us in 2011 will be to continue our consolidation process prioritizing a further reduction of our lending risks and a strengthening of our funded liquidity. At the same time, we will take whatever measures are appropriate to ascertain the high quality of our asset base and to retain our top rating as an established name in the international capital markets.

I would like to convey to the Management and the staff the Board of Directors' gratitude and thanks for their dedication and the results achieved.

Marcel NIGGEBRUGGE
Chairman of the Board

Amsterdam Centraal; 08:39

Corporate governance

05

Governing bodies

Controlling bodies

Organizational chart

Members of governing and controlling bodies

Governing bodies

As a public international body, EUROFIMA is governed in the first place by an international Treaty (the “Convention”) concluded between 25 sovereign member States, its articles of association (“Statutes”) and only subsidiarily by Swiss law. The 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 and guidelines adopted by 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 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 majority 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 and three senior officers who 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 of January 1, 2011 the Board of Directors consists of 24 members.

The Chairman calls the Board meetings with sufficient notice and draws up the agenda. Any other Board member has the right to call an additional meeting, if deemed necessary.

In order to ensure an efficient interaction with the Board of Directors, the meetings are also attended by the Chief Executive Officer and, as appropriate, by other

members of the Management. The Chairman works closely with the Chief Executive Officer in between the meetings of the Board of Directors. There are presently no committees formally established within the Board of Directors. Minutes are kept of the proceedings and decisions of the Board of Directors.

The Board of Directors met on five occasions in 2010. The main subjects examined by the Board of Directors on which it took decisions were: the annual budget, the general authorization to carry out borrowing transactions and associated treasury and derivative transactions, the quarterly and annual financial statements, the engagement of the independent auditors, the annual report to the General Assembly, the policies on internal control system on financial reporting, railway equipment financing, treasury and capital market activities, the calling of non-paid in share capital, the stabilization of EUROFIMA's credit rating, the commission structure on equipment financing contracts, the admission of new shareholders as well as the assessment of risks and capital adequacy.

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

Controlling bodies

Auditors Committee

The Auditors Committee is composed of five members appointed by the General Assembly. They are normally designated for a period of three years and are eligible for re-election. 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 2010. 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 topics examined by the Committee concerned: the approval of the yearly internal control programme, the review of the internal control reports, the assessment of the financial risks, the capitalization and the liquidity. Members of the Auditors Committee also 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 conformity 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 with the 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 the 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's 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.

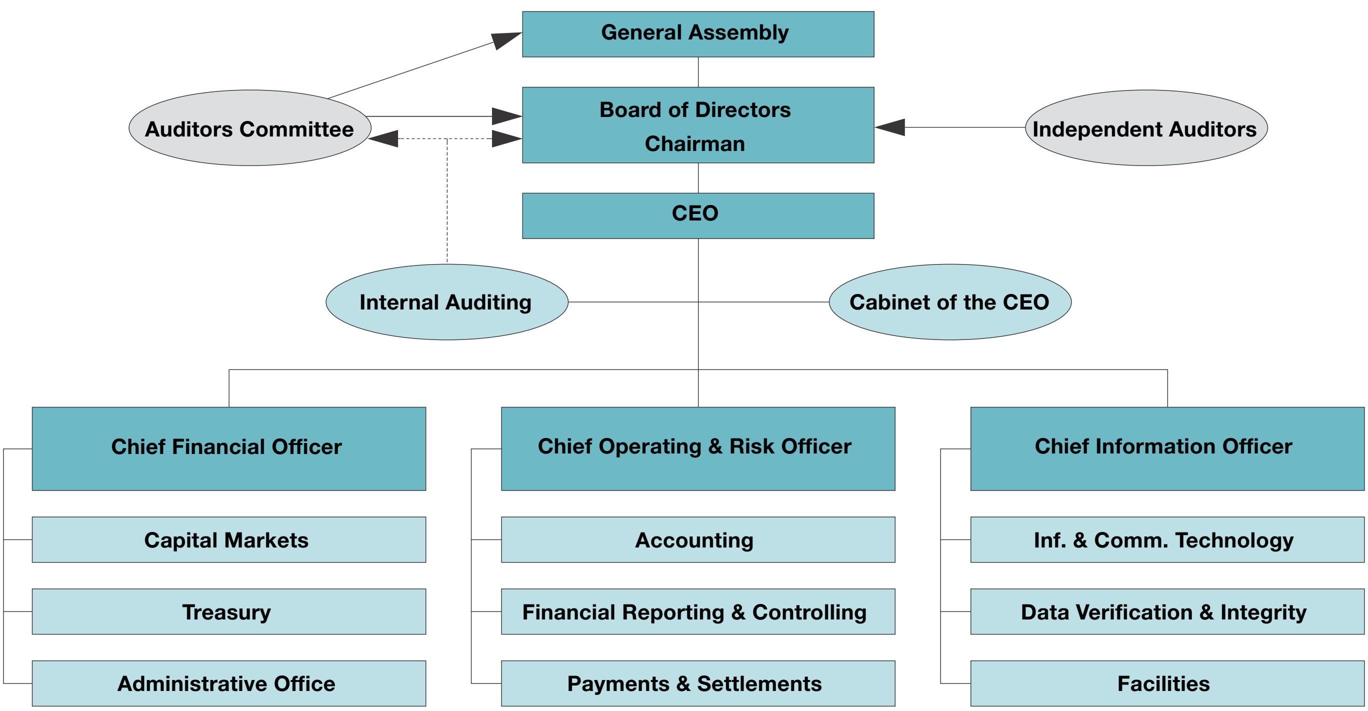
The ultimate responsibility for the existence and maintenance of the internal control system is with the Board of Directors. The Management is responsible for its implementation and execution. The Auditors Committee assesses the quality of the internal control system performance over time. It issues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

Internal auditing completes the organization's internal control system with regular reviews to ensure that the policies and procedures adopted by the governing bodies are complied with. The internal auditing reports to the Auditors Committee and the Chairman of the Board of Directors but works administratively under the auspices of the Chief Executive Officer. The internal auditing plan is reviewed yearly 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 of January 1, 2011

Board of Directors

Honorary Chairpersons

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

Chairman

Marcel Niggebrugge (1950, NL)
Member of the Board,
Chief Financial Officer,
NV Nederlandse Spoorwegen, Utrecht

Vice Chairmen

Alain Picard (1963, FR)
Chief Financial Officer of SNCF group, Paris
Reto Feissli (1951, CH)
Senior Advisor,
Swiss Federal Railways SBB, Bern
Luigi Lenci (1947, IT)
Chief Financial Officer,
Ferrovie dello Stato S.p.A., Rome
Wolfgang Reuter (1950, DE)
Group Treasurer,
Head of Affiliated Companies Division and
M&A, Deutsche Bahn AG, Berlin

Members

Michel Allé (1950, BE)
Chief Financial Officer,
SNCB Holding, Brussels
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
Bojan Ilkic (1964, RS)
Assistant Director General for Strategy
and Planning,
Železnice Srbije, Belgrade
Ronald Klein Wassink (1966, NL)
Corporate Treasurer,
NV Nederlandse Spoorwegen, Utrecht
Alex Kremer (1947, LU)
General Director,
Luxembourg National Railways,
Luxembourg
Gerhard Leitner (1949, AT)
Director Finance,
Rail Cargo Austria AG, Vienna
Milovan Marković (1954, RS)
General Director,
Železnice Srbije, Belgrade
Alfredo Vicente Pereira (1952, PT)
Vice President of the Board of Directors,
CP-Comboios de Portugal, EPE, Lisbon
Véronique Piegts (1956, FR)
Financing and Treasury Manager,
SNCF, Paris
Stefano Pierini (1965, IT)
Head of Finance,
Ferrovie dello Stato S.p.A., Rome
Alfeu Pimentel Saraiva (1950, PT)
Director of Finance,
CP-Comboios de Portugal, EPE, Lisbon
Georg Radon (1958, CH)
Chief Financial Officer,
Swiss Federal Railways SBB, Bern
Markus Richter (1962, DE)
Head of Group Finance,
ÖBB Holding AG, Vienna
Hartwig Schneidereit (1951, DE)
Head of Capital Market Department,
Deutsche Bahn AG, Berlin
Panagiotis Theofanopoulos (1955, GR)
Managing Director,
Hellenic Railways, Athens

Secretary

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

Auditors Committee

José Antonio Alonso
Martin-Loeches (1964, ES)
Director of Accounting Systems,
RENFE Operadora, Madrid
Stefano Pierini (1965, IT)
Head of Finance,
Ferrovie dello Stato S.p.A., Rome
Kurt Röck (1958, AT)
Head of Finance, Accounting, Controlling,
ÖBB Personenverkehr AG, Vienna
Dick Snel (1967, NL)
Chief Financial Officer, Servex BV
(NV Nederlandse Spoorwegen), Utrecht
Marc Wengler (1967, LU)
Deputy General Director,
Luxembourg National Railways,
Luxembourg

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 and the Auditors Committee

The following members resigned in 2010:
David Azéma
Nicholas Th. Beis
Paulo José da Silva Magina
Mats Hanser
José Luis Martinez Giménez
Jeannot Waringo

The outgoing members were sincerely thanked for their active service.

Activity report

Amsterdam Centraal; 08:49

Borrowings and repayments during the financial year 2010
Equipment financed during the financial year 2010
Distribution of equipment financing contracts by types of equipment
2010 results and outlook for 2011

Borrowings and repayments during the financial year 2010

Borrowings

In yet another turbulent year in the financial markets, EUROFIMA raised a total amount of CHF 3 150 million. For this purpose, it tapped successfully the capital markets throughout the year in six different currencies, with a predominant part raised in the form of public bond, relying on its internationally well-diversified investor base.

EUROFIMA's successful return to the euro market in 2009 paved the way for further issuance in the course of 2010, with focus on long-dated maturities (from 2019 to 2025). In particular, for the first time ever, EUROFIMA succeeded to build its first EUR 1 billion benchmark bond with a maturity in 2021. This transaction allowed EUROFIMA to significantly increase its visibility and widen its investor base for further euro-denominated issuance.

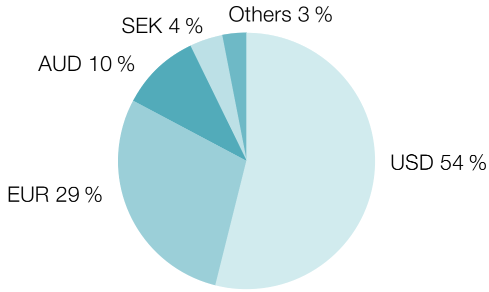
In the US dollar market, EUROFIMA reconfirmed its presence as an issuer of USD 1 billion benchmark bonds and launched a 3-year maturity for the first time. This trade registered a wide geographical distribution, predominantly outside Europe, and attracted a very strong participation by central banks of 79 %.

Strong of its long-dated presence in the Kangaroo market and its complete curve of outstanding bonds, EUROFIMA offered additional liquidity to two existing issues in the course of 2010: the first, maturing in 2014, was tapped twice, bringing the total size to AUD 1.3 billion; the second, due in 2020, was tapped by AUD 250 million to an aggregate outstanding of AUD 750 million.

Finally, in line with EUROFIMA's funding strategy, other currency markets like HKD, JPY and SEK were tapped, to mainly reach local institutional and retail accounts.

Type of borrowings	**2010**	2009
Listed bond issues	2 834 045 200	1 861 504 867
Unlisted bond issues	315 778 345	422 865 612
Loans	310 173 057	217 197 319
Commercial paper	1 850 614 459	1 827 981 397
Total	**5 310 611 061**	**4 329 549 194**

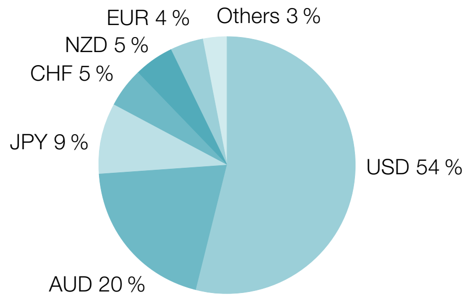
Borrowings breakdown per currency

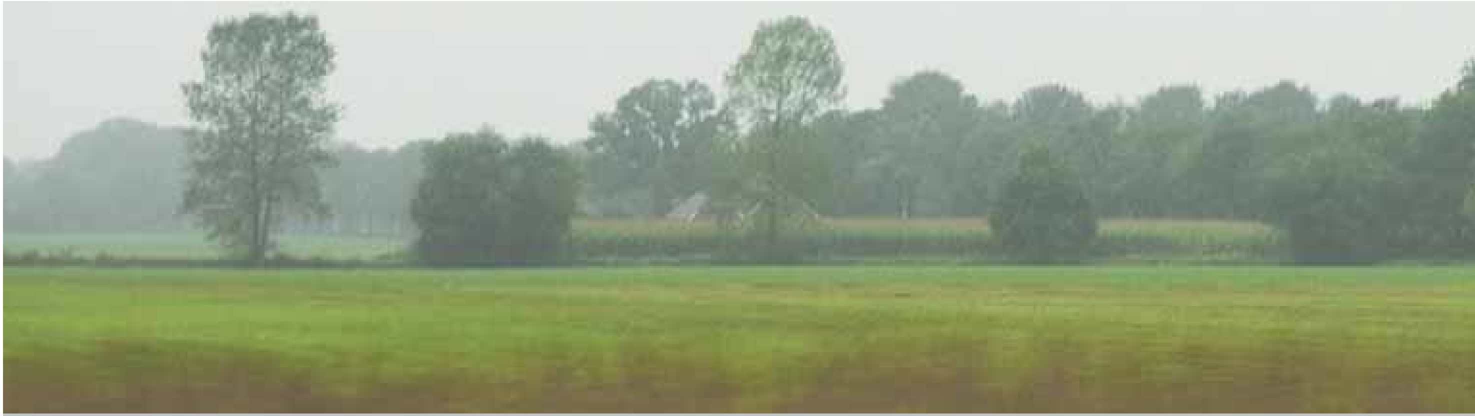


Repayments

Based on the exchange rates at the date of the balance sheet, repayments reached the equivalent of CHF 5 987 million, CHF 2 106 million of which were due to repayments of short-term borrowings.

Repayments breakdown per currency





Equipment financed during the financial year 2010

EUROFIMA concluded 17 contracts with 6 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			Multiple-unit trains			Passenger cars	Freight cars	New financing (in million CHF)
		main-line		shunting	motor units		trailer cars			
		diesel	electric		diesel	electric				
Germany	DB AG					50				250
Italy	CISALPINO					2	5			53
Spain	RENFE	28				82	112			375
Switzerland	CISALPINO					2	5			53
Serbia	ŽS		2		3					9
Austria	ÖBB		24			138	138	192	890	760
Portugal	CP		25		22	106	89			313
Total		**28**	**51**	**0**	**25**	**380**	**349**	**192**	**890**	**1 812**

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 13.

Assen – Beilen; 12:39

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, 2010

Member State	Railway/ Company	Locomotives			Multiple-unit trains			Pas-senger cars	Freight cars	Other equip-ment	Book value of outstanding equipment financing contracts (in CHF)
		main-line		shunting	motor units		trailer cars				
		diesel	electric		diesel	electric					
Germany	DB AG		198		14	90	260				1 550 929 889
France	SNCF		145	2		242	962	40	7		3 279 082 245
Italy	FS	1	685		275	428	606	3 001			4 108 337 975
	CISALPINO AG					8	20				152 192 777
Belgium	SNCB	101	95	11	152	121	179	739	1 300	28	2 948 534 988
Netherlands	NS			10		56	119	137			656 610 334
Spain	RENFE	90	253		9	515	671	39			3 162 540 366
Switzerland	SBB		134	48		274	553	46			3 056 110 594
	CISALPINO AG					10	25				152 192 777
Serbia	ŽS	2	52	20	3	26	30	37			142 192 373
Sweden	SWEDISH STATE RAILWAYS					1	4	145	2 738		312 948 300
Luxembourg	CFL					24	36		470		246 714 832
Austria	ÖBB	87	411	99	68	344	414	279	11 104		3 234 392 675
Portugal	CP		57	35	45	319	353	39			940 246 947
Greece	OSE	36	30		56	40	150	266	360		1 178 809 012
Czech Republic	ČD		5			15	30	26			206 463 273
Hungary	MÁV	125	217	96	68	15		138			336 901 953(1)
Slovakia	ŽSSK	2			54		21	154			175 583 114
Croatia	HŽ		1	5	9	4	7	67	226	5	88 453 229(2)
Slovenia	SŽ		32			60	20				263 350 193
Bosnia and Herzegovina	ŽBH							3			5 186 663
Bulgaria	BDZ	5	8					35			37 482 951
Montenegro	ŽPCG	12	8	1		10	10	22	10		35 589 331(3)
Denmark	DSB				20		10				98 592 174
FYR Macedonia	MŽT		3								4 719 867
Total		**461**	**2 334**	**327**	**773**	**2 602**	**4 480**	**5 213**	**16 215**	**33**	**26 374 158 831**
of which under construction			40						797		

(1) 119.5 million of which assumed by the Republic of Hungary
(2) 57.2 million of which assumed by the Republic of Croatia
(3) 35.6 million assumed by Montenegro

2010 results and outlook for 2011

2010 results

In a still challenging risk environment EUROFIMA achieved a satisfactory financial performance in 2010. A net profit of CHF 46.4 million was recorded for 2010 compared to CHF 50.8 million for the previous year. The low interest rate environment, the weaker euro and the reduction of the loan book were the major factors driving the evolution of the net profit (–8.7 %).

Income statement

At CHF 35.3 million, net interest income decreased by 12.7 % or CHF 5.1 million. The historically low interest rate environment and an even stronger focus on reducing counterparty risk predominantly influenced the development of this major source of income negatively. Nevertheless, the net interest income for 2010 exceeded the budgeted targets.

At CHF 15.7 million, commission income and fees received remained 6.6 % inferior to the level of the previous year. The targeted consolidation of the volume of railway equipment financings (net repayment: CHF –1.6 billion) and the weaker euro impacted negatively the commission income. The decrease in commission income was partially compensated by newly introduced capital and swap charges which did not yet produce their full positive effect on this important source of income.

At CHF 4.9 million, net profit on financial operations soared by 131.4 %. This third largest source of income was predominantly made up of realized and unrealized gains and losses on debt securities and other financial instruments.

Total operating cost, consisting of general administrative expenses, depreciation on fixed assets as well as commission expenses and fees paid, amounted to CHF 9.5 million. The rise in operating cost (+14.0 %) is largely explained by higher IT costs and legal fees.

Balance sheet

As a result of the targeted reduction of the balance sheet, total assets contracted for the second consecutive year. At CHF 34.3 billion, total assets decreased by CHF 3.1 billion (–8.3 %). Based on the same exchange rates used at the end of the previous year, total assets would have reached CHF 36.2 billion (–3.1 %).

At CHF 26.4 billion, equipment financing contracts decreased by CHF 6.0 billion (–18.7 %) and remained the largest asset position, accounting for 76.9 % of the total balance sheet. Converting the equipment financing contracts with the same exchange rates used at the end of 2009 would have resulted in a total of CHF 30.3 billion (–6.4 %). The credit quality of this important asset position continued to be sound. No impairment charge had to be recognized during the year 2010 for any financial asset.

The concentration of the financial investments in the highest quality spectrum led to higher net unrealized gains on financial assets classified as available for sale. As a result, other value adjustments reached CHF 12.0 million compared to CHF 9.8 million at December 31, 2009.

Due to the persisting challenging risk environment, a cautious financial risk management was pursued. The focus was particularly placed on further strengthening the liquidity and the capitalization ratios.

As of December 31, 2010, equity plus callable share capital reached 11.6 % of outstanding borrowings compared to 10.8 % at the end of 2009. After appropriation of the surplus, the statutory reserves and the fund for general risks totalled CHF 907.1 million (2009: CHF 860.8 million). With the sum of cash and cash equivalents as well as financial investments amounting to CHF 3.6 billion (+30.8 %), liquid assets reached 79.8 % (2009: 48.0 %) of the total one year debt service (1).

Outlook for 2011

EUROFIMA expects the risk environment to remain challenging in 2011. The ongoing economic recovery is still fragile. Fiscal austerity measures from European governments are to constrain economic growth. As a result, EUROFIMA's major objective for 2011 is to pursue the risk reduction measures initiated in 2009.

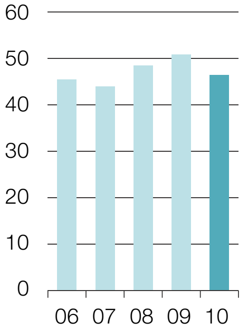
The strengthening of the capitalization and liquidity ratios will be carried on. A further decrease in the total loan book is anticipated for 2011. As a result of the focus placed on risk reduction, the net profit is expected to remain below the level of the previous year.

(1) Interest and similar charges plus outstanding borrowings due in less than one year

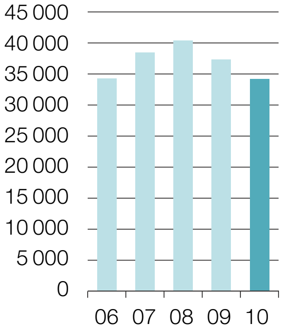
Tilburg – Breda; 14:00

Amsterdam – Utrecht; 10:38

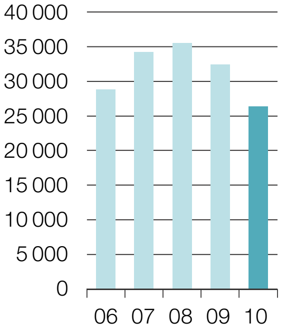
Net profit for the financial year
(in million CHF)



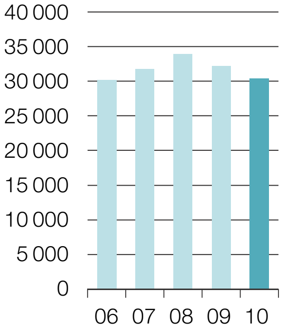
Total assets
(in million CHF)



Equipment financing contracts
(in million CHF)



Outstanding borrowings
(in million CHF)



Financial statements

Income statement

Balance sheet

Statement of comprehensive income

Statement of changes in equity

Statement of cash flows

Notes to the financial statements

Sittard – Roermond; 12:52

Amsterdam Centraal; 14:31

Income statement

(all amounts in CHF)	Notes	**2010**	2009
Interest and similar income	3	1 698 943 753	1 891 518 300
Interest and similar charges	3	–1 663 679 850	–1 851 109 325
Net interest income		**35 263 903**	**40 408 974**
Commission income and fees received	4	15 736 159	16 855 286
Commission expenses and fees paid	4	–1 210 140	–880 682
Net profit on financial operations	5	4 933 869	2 132 600
Net profit on other financial operations		**19 459 888**	**18 107 203**
Foreign exchange gains / losses		–67 541	–290 908
General administrative expenses	6	–8 131 510	–7 450 046
Depreciation on fixed assets		–164 911	–11 842
Impairment charge	7	0	0
Net profit for the financial year		**46 359 829**	**50 763 381**

Balance sheet

(all amounts in CHF)	Notes	December 31, 2010	%	December 31, 2009	%
Assets					
Cash and cash equivalents		1 059 583 407	3 %	1 006 356 847	3 %
Financial investments	8	2 510 006 717	7 %	1 723 689 085	5 %
Placements with credit institutions		186 982 520	1 %	165 273 245	0 %
Debt securities		2 191 947 894	6 %	1 558 415 840	4 %
Other		131 076 303	0 %	0	0 %
Equipment financing contracts	9	26 374 158 831	77 %	32 420 651 382	87 %
Derivative financial instruments	10	4 322 369 413	13 %	2 214 645 600	6 %
Other assets		1 288 797	0 %	7 398 427	0 %
Accrued income and prepaid expenses	11	6 672 745	0 %	7 173 264	0 %
Fixed assets	12	7 195 759	0 %	7 238 159	0 %
Total assets		**34 281 275 669**	100 %	**37 387 152 763**	100 %
Liabilities					
Amounts due to credit institutions and customers	13	2 457 405 745	7 %	3 674 344 792	10 %
Debts evidenced by certificates	14	27 918 650 643	85 %	28 541 881 351	79 %
Senior borrowings		25 715 008 898	78 %	26 003 541 945	72 %
Other debts evidenced by certificates		2 203 641 745	7 %	2 538 339 407	7 %
Derivative financial instruments	15	2 442 837 218	7 %	3 756 826 240	10 %
Other liabilities		21 789 414	0 %	22 146 994	0 %
Accrued expenses and deferred income	16	745 627	0 %	637 058	0 %
Total liabilities		**32 841 428 647**	100 %	**35 995 836 434**	100 %
Equity					
Subscribed share capital		2 600 000 000	181 %	2 600 000 000	187 %
Callable share capital		–2 080 000 000	–144 %	–2 080 000 000	–149 %
Statutory reserves	17	578 896 000	40 %	528 357 000	38 %
Fund for general risks		281 906 827	20 %	274 656 827	20 %
Other value adjustments		12 001 686	1 %	9 830 822	1 %
Surplus to be distributed		47 042 509	3 %	58 471 680	4 %
Unappropriated surplus previous year		682 680	0 %	458 299	0 %
Net profit for the financial year, before appropriation		46 359 829	3 %	50 763 381	4 %
Net result from transition to new accounting policies		0	0 %	7 250 000	1 %
Total equity		**1 439 847 022**	100 %	**1 391 316 329**	100 %
Total liabilities and equity		**34 281 275 669**		**37 387 152 763**	

Statement of comprehensive income

(all amounts in CHF)	Note	2010	2009
Net profit for the financial year		**46 359 829**	**50 763 381**
Other comprehensive income			
Fair value adjustments on available-for-sale financial assets	18	2 170 864	48 265 694
Revaluation of property		0	7 250 000
Other comprehensive income for the financial year		**2 170 864**	**55 515 694**
Total comprehensive income for the financial year		**48 530 693**	**106 279 075**

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, 2009	**2 600 000 000**	**–2 080 000 000**	**500 936 000**	**249 368 388**	**–38 434 872**	**73 967 738**	**1 305 837 253**
Appropriation between reserves			27 421 000	25 288 439		–52 709 439	**0**
Dividend payment						–20 800 000	**–20 800 000**
Paid-in capital							**0**
Total comprehensive income for the financial year					48 265 694	58 013 381 (1)	**106 279 075**
Balance at December 31, 2009	**2 600 000 000**	**–2 080 000 000**	**528 357 000**	**274 656 827**	**9 830 822**	**58 471 680**	**1 391 316 329**

(1) includes net profit for the financial year and revaluation of property

(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**

Statement of cash flows

(all amounts in CHF)	**2010**	2009
Cash flows from operating activities (direct method)		
FX amounts paid	–79 076 324	–81 142 196
FX amounts received	78 974 892	81 182 177
Interest paid	–1 854 621 864	–2 658 574 665
Interest received	1 901 427 786	2 711 658 761
Operational cash flows paid	–265 051 937	–238 813 098
Operational cash flows received	256 791 434	231 335 635
Commission and fees received	15 188 169	17 102 056
Dividend paid	0	–20 706 320
Net cash from operating activities	**53 632 157**	**42 042 351**
Cash flows from investing activities		
Lending		
Disbursement of equipment financings	–2 179 262 594	–2 234 165 439
Repayments of equipment financings	2 913 095 862	2 963 298 691
Financial investments		
Purchase of debt securities	–1 887 291 775	–501 234 034
Redemptions	861 589 447	196 730 634
Sales of debt securities	142 259 000	104 657 500
Placement with credit institutions	–401 253 809	–348 097 072
Repayment of placements with credit institutions	347 806 230	718 169 377
Other financial investments	–246 115 800	0
Repayment of other financial investments	101 240 000	60 764 000
Other items		
Net movements in other assets	5 000 000	0
Net movements in fixed assets	–122 511	0
Net cash from investing activities	**–343 055 950**	**960 123 658**

(all amounts in CHF)	**2010**	2009
Cash flows from financing activities		
Issues of new debt	5 576 072 679	4 235 629 201
Redemptions	–4 913 159 266	–5 254 943 384
Placements from credit institutions and customers	309 341 475	208 051 835
Redemptions of placements from credit institutions and customers	–1 162 517 894	–269 808 287
Net cash flow from derivative financial instruments	674 625 529	467 606 107
Paid-in capital	0	0
Net cash from financing activities	**484 362 524**	**–613 464 529**
Exchange rate difference	–140 773 080	–6 757 534
Others	–939 089	–2 869 602
(Decrease)/increase in cash and cash equivalents	**53 226 561**	**379 074 344**
Cash and cash equivalents at the beginning of the year	1 006 356 847	627 282 503
Cash and cash equivalents at the end of the year	1 059 583 407	1 006 356 847

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 25, 2011. They were approved by the General Assembly on the same date.

Significant accounting judgments and estimates

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

Recognition and derecognition of financial instruments

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

Foreign currency translation

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

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

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

Determination of fair value

The fair values of quoted debt securities issued by third parties are based on current prices provided by external pricing services. 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 in this category if acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if so designated by management. Derivatives are also classified as held for trading.

2. For financial assets or financial liabilities designated as at fair value through profit or loss, the criteria for so designating such financial assets or financial liabilities on initial recognition is that all these positions including derivatives are significantly matched together offsetting the changes in fair values in the income statement. In such instances the application of the Fair Value Option results in more relevant information, as accounting mismatches are significantly reduced in the sense that the same accounting valuation can be applied for all involved financial instruments. Without the use of the Fair Value Option an accounting mismatch would arise as only some of the instruments would be measured at fair value through profit or loss (i.e. derivatives).

Loans and receivables

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

Held-to-maturity investments

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

Available-for-sale financial assets

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

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

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

Equipment financing contracts

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

Derivative financial instruments

Derivative financial instruments are initially recognized in the balance sheet at cost and are subsequently remeasured at fair value. They are recorded in the balance sheet under the item "derivative financial instruments" as an asset in cases of positive fair value and as a liability in cases of negative fair value.

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

Fixed assets

Fixed assets include the company's premises "Ritterhof", office equipment and other tangible assets owned by the company. The company's premises "Ritterhof" are stated at deemed cost as per 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 cost incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction cost) and the redemption value is recognized in the income statement over the period of the borrowing using the effective interest method.

Debts evidenced by certificates

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

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

Impairment of assets

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

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

The statutory reserves are made of the ordinary reserve and the guarantee reserve. In the event of a default under an equipment financing contract the guarantee reserve, as described in Article 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.
- Commissions on equipment financing contracts are recorded on an accrual basis. The commission rate is based on the credit risk associated with the equipment financing contract at its inception. It remains unchanged over the life of the contract. The base commission rate on new equipment financing contracts varies between 0.05 % and 0.50 % per annum. At its meeting of March 26, 2010 in Venice, the Board of Directors decided on the introduction of a maximum swap charge at the discretion of the Management (1–2 basis points for interest rate swaps, 2–5 basis points for cross currency swaps). At its meeting of June 4, 2010 in Basel, the Board of Directors decided on the introduction of a capital charge. The capital charge includes two elements: first, a rating cost which applies to railways based in member States rated below A–/A3 (Standard and Poor's and Moody's ratings, the higher rating is applied). It is set between 1 and 2 times the current base commission at the discretion of the Management and depends on prevailing market conditions. Second, a capital intensity cost which applies only to railways whose capital intensity ratio exceeds 1. The amount of the charge is determined as the relative excess in financing (capital intensity ratio –1) limited to a cap which depends on the member States' rating (the higher rating is applied). 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.

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 evolution 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. As deemed appropriate or requested the Management also provides the Board of Directors with regular updates on key risk issues and other significant events.

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 done on December 17, 2010.

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 the light of external developments and experience. The 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. Principally it uses 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 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 a group of connected individual counterparties is consolidated. The breakdown by rating of the financial investments is given in note 8. Per year-end 2010 the nominal value of credit exposure in asset-backed securities amounted to CHF 87.4 million (2009: CHF 115.0 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 2010.

The estimated net positive replacement value of all interest rate and currency swaps concluded with financial counterparties reached CHF 3 053.0 million as of December 31, 2010 (2009: CHF 948.5 million). The increase originated for the major part in the weaker euro and for a minor part in the decreasing interest rate environment. 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 collateral agreements result in collateral being posted by the swap counterparty once the exposure exceeds a pre-agreed threshold. The total market

value of the collateral received by EUROFIMA per December 31, 2010 reached CHF 1 797.4 million (2009: CHF 276.7 million). This surge was driven by an increase in the swap exposure and by additionally concluded CSA collateral agreements. Per year-end 2010, 58.9 % of the net positive replacement value of all swaps concluded with financial counterparties was covered by collateral. Such collateral was exclusively made of AAA/Aaa rated government bonds. As a rule, swaps are concluded in 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.

The credit risk inherent in the portfolio of equipment financing contracts is reviewed and monitored regularly. The nominal value of equipment financing contracts in non-investment grade or unrated countries increased from CHF 194.6 million per year-end 2009 to CHF 1 321.9 per year-end 2010 due to the downgrading of Greece. As of December 31, 2010, apart from a single maturity related to an equipment financing contract guaranteed by FYR Macedonia totalling CHF 1.7 million and overdue since December 8, 2010, 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 that losses incur as a result of adverse fluctuations in exchange rates or interest rates.

EUROFIMA is exposed in its core activities to foreign exchange and interest 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 resorts to 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.

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

A residual exposure to market risk arises 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. First, the future interest income derived from such investments is influenced by the level of market interest rate prevailing at the time of their investment or reinvestment. The institution’s net profit and equity are also affected by the fluctuations in the fair value of such investments induced by changes in market interest rates and credit spreads, when classified as “at fair value through profit or loss” or “available for sale”. 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 changes in all yield curves. Based on the balance sheet at December 31, 2010 the sensitivity analysis indicates that if all rates increased by 100 basis points the net profit and the equity would decrease by CHF 0.2 million and CHF 32.0 million respectively. Conversely, the net profit and the equity would increase by CHF 0.2 million and CHF 34.0 million respectively if rates decreased by 100 basis points.

A decreasing interest rate environment until October 2010 led to a further positive marked-to-market effect on the financial instruments classified as “available for sale”. As a result, the total value adjustment reported in the equity for the securities classified as “available for sale” amounted to CHF 12.0 million (2009: CHF 9.8 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 of December 31, 2010 the counter value in Swiss francs of all net open foreign exchange positions amounted to CHF 0.3 million (2009: CHF 0.1 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 the liquidity management is to make sure that EUROFIMA can meet its payment obligations punctually and in full. The planning of the liquidity takes into account all known future cash flows, especially the needs to service 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 a 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.

Additionally, in 2010 a committed CHF 300 million repo line was put 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.

In order to increase the pool of liquidity, the volume of equity funds utilized to fund individual equipment financing contracts was strongly reduced in 2009 reaching CHF 20.1 million at the end of 2010.

At year-end 2010 total liquid assets, made of cash and cash equivalents as well as financial investments, represented 79.8 % of the total one year debt service (2009: 48.0 %).

Capital Management

In 2010, through a reduction of outstanding borrowings by CHF 1.8 billion and an increase in the equity by CHF 48.5 million, the institution's leverage was further reduced. The ratio resulting from dividing total equity plus callable share capital by total outstanding borrowings further improved from 10.8 % per year-end 2009 to 11.6 % at year-end 2010.

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

The Basel II capital ratio is one of the tools used to estimate the capital requirements for each major risk. The Standardised Approach is adopted to calculate the capital requirement for the credit risk. The Standardised 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 of December 31, 2010 EUROFIMA's estimated total Basel II ratio amounted to 35.4 % (2009: 38.4 %). This development originated in the downgrade of Greece and a higher capital requirement for the swap portfolio.

Other tools used to assess the capital adequacy include the evolution 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 as sound capital the sum of the equity plus callable share capital from member States rated AAA or AA. Sovereign risk is excluded for this calculation. As of December 31, 2010 EUROFIMA had two such large exposures in its balance sheet totalling CHF 622.4 million.

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 fulfilment 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 contemplated by Article 29 of the EUROFIMA's Statutes is not sufficient to cover the loss resulting from such non-payment. As of December 31, 2010, taking into account only shareholders from member States rated AAA or AA, the shareholder guarantee amounted to CHF 2.0 billion respectively CHF 2.4 billion based on the ratings of Standard & Poor's and Moody's. The equity cushion made of this AAA/AA shareholder guarantee and sound capital (equity plus uncalled capital from member States rated AAA or AA) corresponded to 16.6 % (2009: 15.5 %) respectively 18.7 % (2009: 17.8 %) of total outstanding borrowings.

Note 3: Net interest income

	2010	2009
Cash and cash equivalents	5 052 004	6 702 026
Financial investments	42 116 213	49 235 202
Placements with credit institutions	1 159 961	9 321 597
Debt securities	40 331 035	39 192 587
Other	625 217	721 019
Equipment financing contracts	750 578 505	1 179 016 762
Derivative financial instruments	899 616 280	655 592 712
Other interest income	1 580 751	971 598
Total interest and similar income	**1 698 943 753**	**1 891 518 300**
Amounts due to credit institutions and customers	–104 787 840	–148 745 653
Debt evidenced by certificates	–1 222 073 043	–1 281 012 114
Senior borrowings	–1 153 116 750	–1 191 977 545
Other debts evidenced by certificates	–68 956 292	–89 034 569
Derivative financial instruments	–335 280 158	–420 403 077
Other interest expenses	–1 538 809	–948 481
Total interest and similar charges	**–1 663 679 850**	**–1 851 109 325**

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

	2010	2009
Commission on equipment financing contracts	15 183 258	15 984 748
Upfront fees	552 901	870 538
Commission on lending of securities	0	0
Commission expenses and fees paid	–1 210 140	–880 682
Total commission income and fees received and commission expenses and fees paid	**14 526 019**	**15 974 604**

Note 5: Net profit on financial operations

	2010	2009
Realized gains / losses on financial instruments	14 583 238	–7 219 223
Unrealized gains / losses on financial instruments	–9 753 223	9 102 217
Other	103 854	249 605
Total net profit on financial operations	**4 933 869**	**2 132 600**

Note 6: General administrative expenses

	2010	2009
Personnel costs	–4 415 413	–4 447 766
Social security and pension costs	–1 313 995	–1 435 687
Office premises cost	–131 974	–101 171
Other general administrative expenses	–2 282 104	–1 479 729
Cost coverage, rental and other administrative income	11 976	14 306
Total general administrative expenses	**–8 131 510**	**–7 450 046**

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

Amounts paid to the independent auditors

	2010	2009
Audit fees	195 600	168 250
Non-audit services	0	5 703
Total	**195 600**	**173 953**

On December 31, 2010 EUROFIMA had 29 employees in permanent positions, comprising 8 women and 21 men, representing 5 nationalities. The average age of EUROFIMA's employees was 45.0 years and the average length of service was 10.8 years.

Note 7: Impairment charge

	2010	2009
Impairment charge	0	0
Reversals of impairment	0	0
Total impairment charge	**0**	**0**

Feyenoord/Rotterdam; 14:37

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, 2010**	December 31, 2009
AAA	0	0
AA	186 982 520	163 487 758
A	0	1 785 487
BBB	0	0
<BBB	0	0
not rated	0	0
Total	**186 982 520**	**165 273 245**

Moody's ratings	**December 31, 2010**	December 31, 2009
Aaa	115 895 335	73 341 252
Aa	71 087 185	91 931 993
A	0	0
Baa	0	0
<Baa	0	0
not rated	0	0
Total	**186 982 520**	**165 273 245**

Debt securities – bonds

Standard & Poor's ratings	**December 31, 2010**	December 31, 2009
AAA	1 188 382 091	986 959 869
AA	350 786 502	348 425 751
A	38 682 905	116 277 267
BBB	0	0
<BBB	0	1 866 116
not rated	136 078 291	104 886 837
Total	**1 713 929 788**	**1 558 415 840**

Moody's ratings	**December 31, 2010**	December 31, 2009
Aaa	1 326 988 485	1 112 622 522
Aa	343 382 767	392 453 318
A	30 669 792	43 599 617
Baa	0	0
<Baa	0	1 866 116
not rated	12 888 744	7 874 267
Total	**1 713 929 788**	**1 558 415 840**

Debt securities – commercial paper

Standard & Poor's ratings	**December 31, 2010**	December 31, 2009
AAA	0	0
AA	478 018 106	0
A	0	0
BBB	0	0
<BBB	0	0
not rated	0	0
Total	**478 018 106**	**0**

Moody's ratings	**December 31, 2010**	December 31, 2009
Aaa	0	0
Aa	478 018 106	0
A	0	0
Baa	0	0
<Baa	0	0
not rated	0	0
Total	**478 018 106**	**0**

Other financial investments

Standard & Poor's ratings	**December 31, 2010**	December 31, 2009
AAA	0	0
AA	131 076 303	0
A	0	0
BBB	0	0
<BBB	0	0
not rated	0	0
Total	**131 076 303**	**0**

Moody's ratings	**December 31, 2010**	December 31, 2009
Aaa	0	0
Aa	131 076 303	0
A	0	0
Baa	0	0
<Baa	0	0
not rated	0	0
Total	**131 076 303**	**0**

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

	December 31, 2010	December 31, 2009
Placements with credit institutions	0	0
Debt securities – bonds	12 888 744	7 874 267
Debt securities – commercial paper	0	0
Other financial investments	0	0
Total	**12 888 744**	**7 874 267**

Financial investments neither rated by Standard & Poor's nor Moody's consist of two securities issued by Swiss cantons and which are rated AA+ according to Zürcher Kantonalbank.

Classification of debt securities

	December 31, 2010	December 31, 2009
Debt securities classified as financial assets at fair value through profit or loss	503 669 183	0
Debt securities classified as available for sale	1 374 320 978	1 356 818 668
Debt securities classified as held to maturity	308 919 026	155 943 341
Debt securities classified as loans and receivables	5 038 708	45 653 830
Total debt securities	**2 191 947 894**	**1 558 415 840**

No financial asset classified as held to maturity was sold.

Available-for-sale investments

	2010	2009
Balance at January 1,	1 356 818 668	1 093 136 260
Difference to principal	–31 808 457	23 924 692
Principal at January 1,	1 325 010 211	1 117 060 952
Exchange rate difference	–130 824 244	–2 461 435
Additions (gross)	445 361 909	438 078 520
Sales (gross)	–131 780 000	–104 016 000
Redemptions (gross)	–167 461 155	–123 651 825
Principal at December 31,	1 340 306 721	1 325 010 211
Difference to book value	34 014 258	31 808 457
Balance at December 31,	**1 374 320 978**	**1 356 818 668**

Haarlem – Amsterdam; 16:09

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, 2010**	December 31, 2009
AAA	12 587 573 820	15 332 514 804
AA	6 374 425 547	7 931 908 040
A	5 582 824 085	6 911 082 789
BBB	462 838 133	2 043 318 757
<BBB	1 366 497 246	201 826 993
not rated	0	0
Total	**26 374 158 831**	**32 420 651 382**

Moody's ratings	**December 31, 2010**	December 31, 2009
Aaa	12 587 573 820	19 200 348 784
Aa	10 634 956 299	10 522 018 006
A	1 322 293 334	1 933 097 068
Baa	462 838 133	563 360 532
<Baa	1 219 585 006	40 933 764
not rated	146 912 239	160 893 228
Total	**26 374 158 831**	**32 420 651 382**

Classification of equipment financing contracts

	December 31, 2010	December 31, 2009
Equipment financing contracts classified as financial assets at fair value through profit or loss	25 970 893 992	32 007 364 141
Equipment financing contracts classified as loans and receivables	401 546 339	413 039 663
Equipment financing contracts past due	1 718 500	247 577
Total equipment financing contracts	**26 374 158 831**	**32 420 651 382**

Currency distribution

	Equipment financing contracts at December 31, 2010			Equipment financing contracts at December 31, 2009		
Currency	Principal in currency units	Principal in CHF	%	Principal in currency units	Principal in CHF	%
CHF	2 788 536 329	2 788 536 329	11.3 %	2 976 950 329	2 976 950 329	9.9 %
EUR	14 813 445 193	18 522 731 869	74.8 %	14 714 175 709	21 829 951 082	72.3 %
JPY	3 300 000 000	37 978 095	0.2 %	3 300 000 000	36 766 897	0.1 %
SEK	2 745 787 395	382 949 368	1.5 %	3 530 995 284	510 981 721	1.7 %
USD	3 236 753 249	3 028 915 030	12.2 %	4 699 504 767	4 839 778 753	16.0 %
Total principal		**24 761 110 690**	100.0 %		**30 194 428 782**	100.0 %
Difference to book value		1 613 048 140			2 226 222 600	
Total book value		**26 374 158 831**			**32 420 651 382**	

Distribution of equipment financing contracts

Member State	Railway/ Company	Principal at January 1, 2010	Exchange rate difference / currency change difference	Financing	Redemptions	Principal at December 31, 2010 CHF	in %
Germany	DB AG	1 413 870 800	–222 239 600	250 080 000	0	1 441 711 200	5.8 %
France	SNCF	4 261 081 383	–522 072 881	366 949 853	–1 264 031 395	2 841 926 961	11.5 %
Italy	FS	4 884 604 640	–767 787 680	0	0	4 116 816 960	16.6 %
	CISALPINO AG	118 386 720	–5 876 640	128 166 000	–96 906 000	143 770 080	0.6 %
Belgium	SNCB	3 208 626 482	–423 207 609	216 501 992 (1)	–444 787 752	2 557 133 112	10.3 %
Netherlands	NS	917 359 165	–134 482 159	150 194	–153 146 501	629 880 699	2.5 %
Spain	RENFE	3 636 361 482	–571 582 298	375 370 080	–469 565 455	2 970 583 809	12.0 %
Switzerland	SBB	3 415 163 031	–92 690 154	25 932 467	–470 123 449	2 878 281 894	11.6 %
	CISALPINO AG	118 386 720	–5 876 640	128 166 000	–96 906 000	143 770 080	0.6 %
Serbia	ŽS	149 500 000	0	8 536 000	–20 000 000	138 036 000	0.6 %
Sweden	SWEDISH STATE RAILWAYS	433 320 641	–26 646 064	129 015 237	–258 185 049	277 504 765	1.1 %
Luxembourg	CFL	242 128 456	–25 498 632	0	–3 897 741	212 732 083	0.9 %
Austria	ÖBB	3 027 519 450	–425 436 888	777 123 600	–285 486 053	3 093 720 109	12.5 %
Portugal	CP	1 463 173 795	–229 989 302	312 600 000	–609 009 821	936 774 672	3.8 %
Hungary	MÁV	416 891 600	–65 529 200	0	–14 627 179	336 735 221 (2)	1.4 %
Czech Republic	ČD	244 791 033	–38 477 534	0	0	206 313 499	0.8 %
Slovakia	ŽSSK	207 629 820	–32 636 340	0	0	174 993 480	0.7 %
Greece	OSE	1 437 816 104	–226 003 448	0	–71 923 008	1 139 889 648	4.6 %
Croatia	HŽ	96 449 640	–12 802 680	0	0	83 646 960 (3)	0.3 %
Slovenia	SŽ	296 805 468	–35 912 800	0	0	260 892 668	1.1 %
Bosnia and Herzegovina	ŽBH	5 000 000	0	0	0	5 000 000	0.0 %
Bulgaria	BDZ	44 508 000	–6 996 000	0	0	37 512 000	0.2 %
FYR Macedonia	MŽI	234 393	–36 843	0	–197 550	0	0.0 %
	MŽT	5 340 960	–839 520	0	0	4 501 440	0.0 %
Montenegro	ŽPCG	34 500 000	0	0	0	34 500 000 (4)	0.1 %
Denmark	DSB	114 979 000	–18 073 000	0	–2 422 650	94 483 350	0.4 %
Total principal		**30 194 428 782**	**–3 890 693 913**	**2 718 591 424**	**–4 261 215 603**	**24 761 110 690**	100.0 %
Difference to book value		2 226 222 600				1 613 048 140	
Total book value		**32 420 651 382**				**26 374 158 831**	

(1) 16.7 million of which were previously booked in “Other liabilities”
(2) 119.4 million of which assumed by the Republic of Hungary
(3) 52.4 million of which assumed by the Republic of Croatia
(4) 34.5 million assumed by Montenegro

Note 10: Derivative financial instruments – assets

	December 31, 2010	December 31, 2009
Derivative financial instruments with positive fair value included in assets:		
Forex forward	419 621	73 977
Forex swap	47 174 268	24 403 251
Forex swap forward	0	8 654
Forward rate agreement	0	0
Cross currency swap	3 751 734 398	1 694 775 110
Interest rate swap	522 957 314	489 325 987
Other	83 813	6 058 621
Total book value	**4 322 369 413**	**2 214 645 600**

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, 2010	December 31, 2009
Commissions on equipment financing contracts	6 659 218	7 173 264
Other accrued income and prepaid expenses	13 527	0
Total accrued income and prepaid expenses	**6 672 745**	**7 173 264**

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, 2011 of CHF 12 800 000.

Note 13: Amounts due to credit institutions and customers

	2010	2009
Balance at January 1,	3 674 344 792	4 591 026 966
Difference to principal	–505 910 877	–904 340 662
Principal at January 1,	3 168 433 915	3 686 686 304
Exchange rate difference	–73 613 380	–123 221 693
Financing during the year	326 904 407(1)	217 197 319
Redemptions during the year	–1 310 341 083	–612 228 015(2)
Principal at December 31,	2 111 383 859	3 168 433 915
Difference to book value	346 021 886	505 910 877
Balance at December 31,	**2 457 405 745**	**3 674 344 792**

The structure according to the maturities was as follows:	December 31, 2010		December 31, 2009	
– less than 1 year	35 743 462	2 %	441 118 683	14 %
– from 1 to 5 years	346 771 700	16 %	338 320 837	11 %
– more than 5 years	1 728 868 698	82 %	2 388 994 395	75 %
Total principal	**2 111 383 859**	100 %	**3 168 433 915**	100 %

(1) 16.7 million of which were previously booked in “Other assets”
(2) –18.4 million of which 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 1 082 358 676 as of December 31, 2010.
The book value of amounts due to credit institutions and customers payable on demand was CHF 47 339 as of December 31, 2010.

Note 14: Debts evidenced by certificates

Classification of debts evidenced by certificates

	December 31, 2010	December 31, 2009
Debts evidenced by certificates designated at fair value through profit or loss	27 358 728 875	28 108 644 137
Debts evidenced by certificates measured at amortized cost	559 921 768	433 237 215
Total debts evidenced by certificates	**27 918 650 643**	**28 541 881 351**

	2010	2009
Balance at January 1,	28 541 881 351	29 271 480 652
Difference to principal	–1 665 525 111	–2 673 894 732
Principal at January 1,	26 876 356 240	26 597 585 919
Exchange rate difference	–1 166 394 268	1 296 958 318
Financing during the year	5 000 438 004	4 112 351 876
Redemptions during the year	–4 676 224 265	–5 130 539 873
Principal at December 31,	26 034 175 711	26 876 356 240
Difference to book value	1 884 474 933	1 665 525 111
Balance at December 31,	**27 918 650 643**	**28 541 881 351**

The structure according to the maturities was as follows:	December 31, 2010		December 31, 2009	
– less than 1 year	2 772 481 445	11 %	3 398 645 618	13 %
– from 1 to 5 years	10 277 616 417	39 %	9 399 815 762	35 %
– more than 5 years	12 984 077 849	50 %	14 077 894 861	52 %
Total principal	**26 034 175 711**	100 %	**26 876 356 240**	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, 2010	Book value in currency units at December 31, 2010
AUD						
22.08.2011		6.5	2001	(1)	1 000 000 000	1 031 426 876
28.01.2014		6	2004	(1)	1 300 000 000	1 348 401 588
29.07.2015		5.625	2005	(1)	225 000 000	227 795 092
24.10.2016		5.625	2005	(1)	650 000 000	646 270 883
28.12.2018		6.25	2003	(1)	1 500 000 000	1 520 019 156
30.06.2020		5.5	2005	(1)	750 000 000	718 237 093
30.03.2022		6	2007	(1)	200 000 000	200 844 687
CAD						
18.07.2012		5.25	2002	(1)	200 000 000	214 953 028
04.12.2012		4.875	2002	(1)	200 000 000	212 040 591
12.05.2014		4.875	2004	(1)	100 000 000	111 629 265
13.12.2019		5.15	2004	(1)	250 000 000	287 322 950
30.03.2027		4.55	2007	(1)	300 000 000	326 624 392
CHF						
26.09.2011		2.625	2003		200 000 000	204 754 331
16.11.2011		3.375	2001		250 000 000	257 495 657
19.12.2011		2.5	2003		445 000 000	454 046 895
27.02.2012		3.5	2002		500 000 000	532 050 727
09.08.2012		4.375	2000		200 000 000	215 826 377
04.12.2012		2.375	2003		515 000 000	534 391 927
19.06.2015		2.75	2003		565 000 000	610 513 648
15.06.2016		2.25	2005		350 000 000	368 385 685
10.11.2017		2.125	2009		270 000 000	277 281 741
28.12.2018		3.25	2003		450 000 000	494 971 374
03.08.2020		2.375	2005		595 000 000	607 200 743
29.12.2020		3.375	2004		365 000 000	406 097 402
22.05.2024		3	2007		600 000 000	658 988 431
15.05.2026		3	2006		1 000 000 000	1 098 191 279
04.02.2030		2.875	2005		450 000 000	496 376 155
EUR						
18.01.2012		FRN	2010	(1)	100 000 000	100 610 040
27.12.2012		4.02	1998	(4)	120 202 400	126 041 726
18.11.2014		11	1994	(4)	120 202 400	161 246 405
03.11.2015		10.68	1995	(4)	120 202 000	167 414 662
05.11.2018		FRN	2010	(1)	32 500 000	33 188 450
21.10.2019		4.375	2004	(1)	575 000 000	633 738 658

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Maturity	Callable	Interest rate in %	Year of issuance		Principal in currency units at December 31, 2010	Book value in currency units at December 31, 2010
23.11.2020		3	2010	(1)	40 000 000	38 947 873
27.10.2021		4	2009	(1)	1 000 000 000	1 060 939 396
15.11.2022		3.125	2010	(1)	435 000 000	421 858 198
28.07.2023		3.25	2010	(1)	50 000 000	49 358 959
(ITL) [3]						
16.02.2011		11.5 / 7 / FRN	1998	(1)(2)	200 000 000 000	212 790 027 224
GBP						
11.02.2013		4.375	2003	(1)	100 000 000	109 752 298
14.10.2014		6.125	1999	(1)	265 000 000	305 808 504
07.06.2032		5.5	2001	(1)	150 000 000	187 577 815
NZD						
22.05.2013		7.125	2008	(1)	275 000 000	297 277 245
SEK						
29.12.2011		4.375	2004	(1)	700 000 000	713 824 403
30.10.2012		2	2010	(1)	600 000 000	597 313 596
USD						
25.07.2011		FRN	2009	(1)	100 000 000	100 135 758
02.08.2012		5.125	2002	(1)	500 000 000	544 460 759
14.12.2012		4.39	2004	(1)	100 000 000	107 096 916
28.05.2013		1.875	2010	(1)	1 000 000 000	1 031 297 889
05.09.2013		4.25	2008	(1)	1 000 000 000	1 095 032 827
04.02.2014		4.25	2004	(1)	1 000 000 000	1 126 042 005
06.03.2015		4.5	2005	(1)	1 000 000 000	1 143 352 502
07.04.2016		5.25	2006	(1)	1 000 000 000	1 184 706 749
03.04.2017		5	2007	(1)	1 000 000 000	1 173 304 519
ZAR						
15.06.2011		8.5	2006	(1)	460 000 000	486 868 247
Total listed bond issues (in CHF)					**23 930 515 059**	**25 715 008 898**

(1) Issued under the Programme for the Issuance of Debt Instruments
(2) With special conditions
(3) The ISO code in parentheses corresponds to the original currency of the bond issue which has not been redenominated by EUROFIMA
(4) Redenominated

Other debts evidenced by certificates

	Book value at December 31, 2010	Book value at December 31, 2009
Unlisted stand-alone issues	500 132 721	564 014 915
Unlisted issues under the Programme for the Issuance of Debt Instruments	1 235 419 015	1 485 305 610
Commercial paper	468 090 010	489 018 882
Total other debts evidenced by certificates	**2 203 641 745**	**2 538 339 407**

Note 15: Derivative financial instruments – liabilities

	December 31, 2010	December 31, 2009
Derivative financial instruments with negative fair value included in liabilities:		
Forex forward	0	0
Forex swap	7 958 217	0
Forex swap forward	0	0
Forward rate agreement	0	0
Cross currency swap	2 320 675 694	3 662 726 299
Interest rate swap	111 114 931	91 962 013
Other	3 088 375	2 137 927
Total book value	**2 442 837 218**	**3 756 826 240**

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, 2010	December 31, 2009
Accrued general administrative expenses	745 627	637 058
Other accrued expenses and deferred income	0	0
Total accrued expenses and deferred income	**745 627**	**637 058**

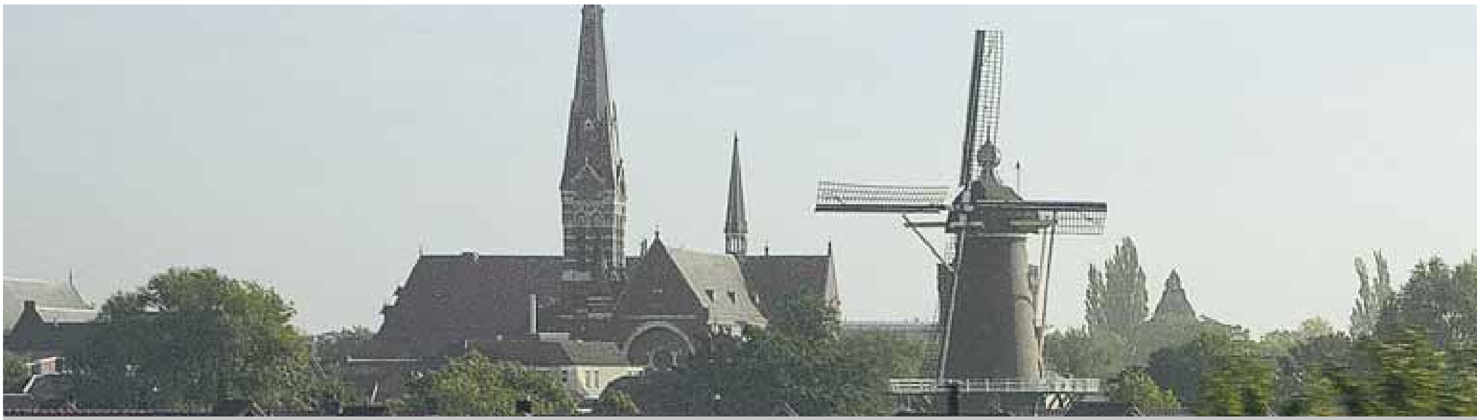
Note 17: Statutory reserves

	December 31, 2010	December 31, 2009
Ordinary reserve	66 896 000	64 357 000
Guarantee reserve	512 000 000	464 000 000
Total statutory reserves	**578 896 000**	**528 357 000**

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

	2010	2009
Changes in fair value during the financial year	5 933 377	50 700 240
Realized net gains transferred to the income statement	–3 762 513	–2 434 546
Total other comprehensive income – available-for-sale financial assets	**2 170 864**	**48 265 694**



Note 19: Maturity profile

(all amounts in million CHF)

December 31, 2010	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	956	4	0	0	0	0	100	1 060	–1	1 060
Financial investments	254	660	187	1 159	369	29	0	2 659	–149	2 510
Placements with credit institutions	48	139	0	0	0	0	0	187	0	187
Debt securities	174	421	187	1 159	369	29	0	2 340	–148	2 192
Other	32	100	0	0	0	0	0	132	0	131
Equipment financing contracts	535	222	1 538	11 121	10 624	8 307	2	32 348	–5 974	26 374
Derivative financial instruments	119	244	913	2 417	1 345	–280	0	4 757	–434	4 322
Other assets	0	0	0	0	0	0	1	1	0	1
Accrued income and prepaid expenses	3	3	10	53	40	15	0	124	–118	7
Fixed assets	0	0	0	0	0	0	7	7	0	7
Total assets	**1 866**	**1 134**	**2 647**	**14 750**	**12 378**	**8 072**	**110**	**40 957**	**–6 675**	**34 281**
Liabilities										
Amounts due to credit institutions and customers	52	22	38	633	1 364	875	0	2 983	–525	2 457
Debts evidenced by certificates	782	452	2 638	13 570	10 026	5 612	0	33 080	–5 161	27 919
Senior borrowings	337	370	2 575	12 528	9 544	5 314	0	30 667	–4 952	25 715
Other debts evidenced by certificates	445	82	63	1 042	482	298	0	2 413	–209	2 204
Derivative financial instruments	222	45	–89	842	660	1 561	0	3 240	–797	2 443
Other liabilities	9	–8	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	1 440	1 440	0	1 440
Total liabilities and equity	**1 066**	**510**	**2 587**	**15 044**	**12 049**	**8 048**	**1 461**	**40 765**	**–6 483**	**34 281**
Net during the period	800	624	61	–294	328	24	–1 351	192	–192	0
Cumulative net during the period	**800**	**1 424**	**1 485**	**1 191**	**1 519**	**1 543**	**192**	**192**	**–192**	**0**

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

Note 20: Net currency position

(all amounts in CHF)

December 31, 2010	CHF	EUR	USD	AUD	Other	Total book value
Assets						
Cash and cash equivalents	427 792 743	572 419 323	11 483 401	0	47 887 941	1 059 583 407
Financial investments						
Placements with credit institutions	0	94 111 804	92 870 716	0	0	186 982 520
Debt securities	711 000 259	1 186 174 962	294 772 673	0	0	2 191 947 894
Other	0	131 076 303	0	0	0	131 076 303
Equipment financing contracts	2 852 096 538	19 041 512 308	3 980 116 831	0	500 433 154	26 374 158 831
Derivative financial instruments	7 314 783 951	–13 849 614 556	2 768 981 671	5 419 093 648	2 669 124 699	4 322 369 413
Other assets	1 206 109	6 861	0	38 032	37 794	1 288 797
Accrued income and prepaid expenses	1 055 830	5 408 899	13 930	0	194 086	6 672 745
Fixed assets	7 195 759	0	0	0	0	7 195 759
Total assets	**11 315 131 189**	**7 181 095 904**	**7 148 239 222**	**5 419 131 680**	**3 217 677 674**	**34 281 275 669**
Liabilities						
Amounts due to credit institutions and customers	591 385 962	35 079 687	837 251 392	35 844	993 652 860	2 457 405 745
Debts evidenced by certificates						
Senior borrowings	7 216 572 372	3 630 212 851	7 023 491 675	5 419 093 649	2 425 638 351	25 715 008 898
Other debts evidenced by certificates	463 859 536	553 613 874	529 638 931	0	656 529 404	2 203 641 745
Derivative financial instruments	1 581 702 699	2 961 634 767	–1 242 182 508	0	–858 317 739	2 442 837 218
Other liabilities	21 294 698	494 716	0	0	0	21 789 414
Accrued expenses and deferred income	745 627	0	0	0	0	745 627
Total liabilities	**9 875 560 894**	**7 181 035 895**	**7 148 199 489**	**5 419 129 493**	**3 217 502 876**	**32 841 428 647**
Net currency position	**1 439 570 295**	**60 009**	**39 733**	**2 187**	**174 798**	**1 439 847 022**

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, 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**

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Fair value measurement at end of the reporting period using:

(all amounts in CHF)	December 31, 2009	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss				
Cash equivalents	897 116 801	0	897 116 801	0
Financial investments				
Placements with credit institutions	106 795 210	0	106 795 210	0
Debt securities	0	0	0	0
Other	0	0	0	0
Equipment financing contracts	32 007 364 141	0	32 007 364 141	0
Derivative financial instruments	2 214 645 600	0	2 214 645 600	0
Other assets	1 074 590	0	1 074 590	0
Financial assets at fair value through comprehensive income				
Financial investments – debt securities	1 356 818 668	1 335 784 749	21 033 919	0
Other assets	0	0	0	0
Total assets measured at fair value	**36 583 815 011**	**1 335 784 749**	**35 248 030 262**	**0**
Financial liabilities at fair value through profit or loss				
Amounts due to credit institutions and customers	3 672 837 387	0	3 672 837 387	0
Debts evidenced by certificates				
Senior borrowings	25 804 988 753	0	25 804 988 753	0
Other debts evidenced by certificates	2 303 655 384	0	2 303 655 384	0
Derivative financial instruments	3 756 826 240	0	3 756 826 240	0
Other liabilities	1 077 847	0	1 077 847	0
Financial liablities at fair value through comprehensive income				
Other liabilities	0	0	0	0
Total liabilities measured at fair value	**35 539 385 611**	**0**	**35 539 385 611**	**0**
Net assets and liabilities measured at fair value	**1 044 429 400**	**1 335 784 749**	**–291 355 349**	**0**

Note 22: Foreign exchange rates

CHF exchange rates	**December 31, 2010**	December 31, 2009	CHF exchange rates	**December 31, 2010**	December 31, 2009
1 AUD	0.951888	0.926787	100 JPY	1.150851	1.114148
1 CAD	0.938598	0.980698	100 MXN	7.556428	7.840485
100 CZK	4.989426	5.604201	100 NOK	16.030769	17.874699
100 DKK	16.776011	19.936037	1 NZD	0.726977	0.749179
1 EUR	1.250400	1.483600	100 SEK	13.946796	14.471323
1 GBP	1.452687	1.670533	1 TRY	0.604233	0.688541
1 HKD	0.120397	0.132809	1 USD	0.935788	1.029849
100 ISK	0.431172	0.511586	1 ZAR	0.141089	0.139096

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

Note 23: Off-balance sheet business

	December 31, 2010		December 31, 2009	
	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	561 996 672	681 698 487	720 461 237	871 240 151
Total	**561 996 672**	**681 698 487**	**720 461 237**	**871 240 151**

Note 24: Proposed appropriation of the surplus

With last year's unappropriated surplus of 682 680 carried forward and the net profit for the financial year 2010 of 46 359 829, the surplus to be distributed is 47 042 509. According to 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	2 318 000
Dividend of 0 % (statutory maximum is 4 %) on the paid-in share capital of 520 million	0
Appropriation to the guarantee reserve	44 000 000
Appropriation to the fund for general risks	0
Unappropriated surplus to be carried forward	724 509

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
Basel

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, 2010 (on pages 18 to 49).

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 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, 2010 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. Furthermore, the accounting records and 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

Richard Burger Audit expert Auditor in charge	Diego J. Alvarez Audit expert

Basel, March 4, 2011

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, 2010.

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 auditors' report of March 4, 2011 prepared by PricewaterhouseCoopers AG, Basel, constitute a reasonable basis for our opinion.

In our opinion, the financial statements for the year ended December 31, 2010 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the general principles of the European Parliament and European Union Council directive on the annual accounts of banks and other financial institutions (Directive 86/635/EEC) and the significant accounting policies described in the note 1 to the financial statements. Furthermore, the accounting records and the financial statements comply with the international Convention for the establishment of 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

Dick Snel

Stefano Pierini

Marc Wengler

Kurt Röck

Basel, March 4, 2011

Milestones in development

1957 First issue in Swiss francs
1961 First issue in Dutch guilders
1962 First share capital increase from 50 to 100 million Swiss francs
1964 First issue in Deutsche Mark
1967 First issue in US dollars in the Euromarket
1970 Second share capital increase from 100 to 300 million Swiss francs
1971 First issue in French francs
First issue in Luxembourg francs
1972 First issue in Belgian francs
1974 First issue in US dollars in the Middle East
1975 First issue in US dollars in the "Yankee" market
1976 Third share capital increase from 300 to 500 million Swiss francs
1978 First issue in Yen in the "Samurai" market
1979 First issue in Austrian shillings
1982 First issue in Sterling
1984 Extension of the duration of the company for another 50 years, until 2056
Fourth share capital increase from 500 to 750 million Swiss francs
First issue in ECU
1986 Total assets exceed 10 billion Swiss francs for the first time
First issue in Italian lira
1987 EUROFIMA opens the Spanish "Matador" market
First issue in Australian, Canadian and New Zealand dollars
1988 Multi-currency euro and US commercial paper programs
1989 First issue in Swedish krona
First issue in Portuguese escudos
1990 Fifth share capital increase from 750 to 1 050 million Swiss francs
1991 Total assets exceed 20 billion Swiss francs for the first time
Programme for the Issuance of Debt Instruments
1992 First global bond issue in Australian dollars
Admission of the Hungarian State Railways (MÁV)
1993 Sixth share capital increase from 1 050 to 2 100 million Swiss francs
1994 Total assets exceed 30 billion Swiss francs for the first time
Admission of the Croatian (HŽ) and the Slovenian (SŽ) Railways
1995 First issue in Hong Kong dollars
1996 Admission of the Railways of Bosnia and Herzegovina (ŽBH) and the Railways of the Former Yugoslav Republic of Macedonia (CFARYM)
1997 First issue in South African rand
Seventh share capital increase from 2 100 to 2 600 million Swiss francs
First financing of other railway equipment
1998 First issue in Czech koruna
First issue in Polish zlotys
First issue in Greek drachmas
1999 First issue in euro
Admission of the Bulgarian State Railways (BDZ)
2000 Adhesion of the Slovak Republic to EUROFIMA's Convention
2001 Admission of the Railways of the Slovak Republic (ŽSSK)
First domestic "Kangaroo" issue in Australian dollars
2002 First issue in Norwegian krona
Admission of the Railways of the Czech Republic (ČD)
2003 Increase of Railway Company JSC's (ŽSSK) participation in EUROFIMA's share capital
Increase of Hungarian State Railways Ltd.'s (MÁV) participation in EUROFIMA's share capital
2004 Increase of Czech Railways JSC's (ČD) participation in EUROFIMA's share capital
Increase of Hellenic Railways' (OSE) participation in EUROFIMA's share capital
First US dollar 1 billion benchmark issue
2005 First issue in Mexican pesos
First issue in Turkish lira
First domestic "Maple" issue in Canadian dollars
2006 Increase of Hungarian State Railways Ltd.'s (MÁV) participation in EUROFIMA's share capital
First issue in Icelandic krona
50th Anniversary of EUROFIMA
2007 Increase of Portuguese Railways' (CP) participation in EUROFIMA's share capital
Increase of Hellenic Railways' (OSE) participation in EUROFIMA's share capital
First Swiss franc 1 billion benchmark issue
2008 Total assets exceed 40 billion Swiss francs for the first time
First domestic "Kauri" issue in New Zealand dollars
First issue in the Japanese "Uridashi" market
2009 First equipment financing with Danish State Railways
2010 First euro 1 billion benchmark issue

Amsterdam Centraal; 08:39

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