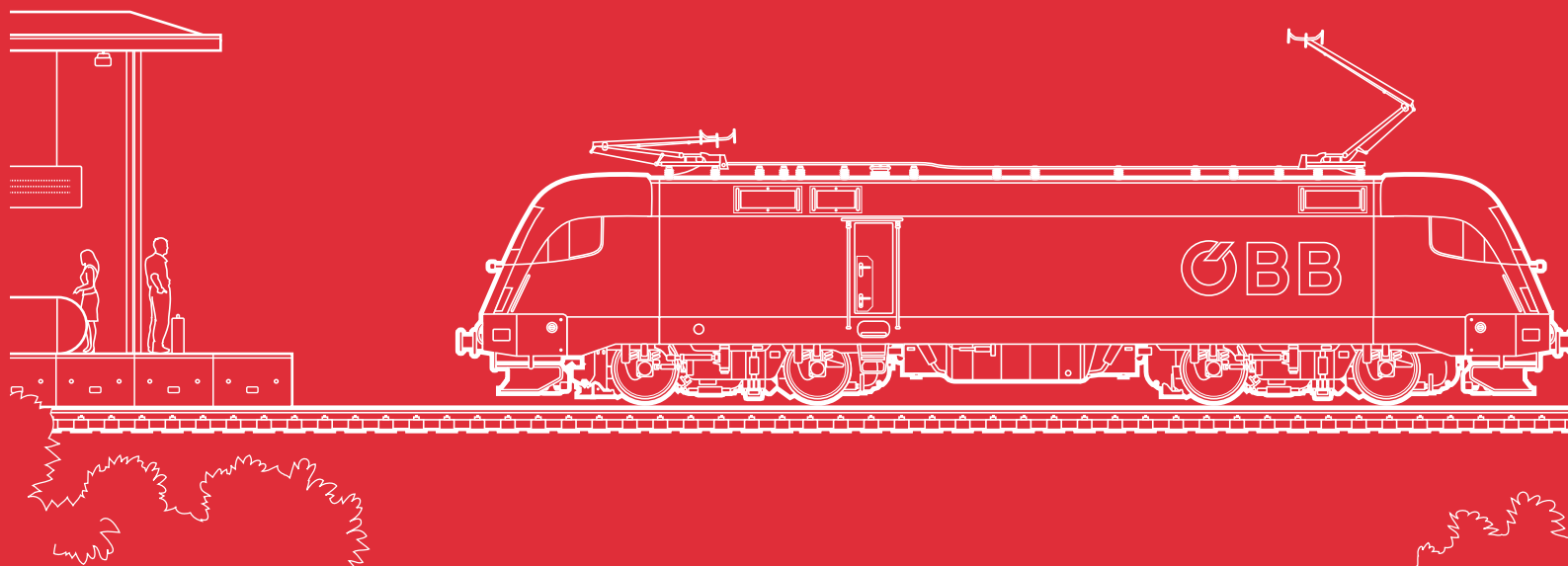




Holding

We Put It All In Motion

Annual Report 2008
ÖBB-Holding AG



Key Figures ÖBB-Holding AG

Operating Figures of ÖBB Group

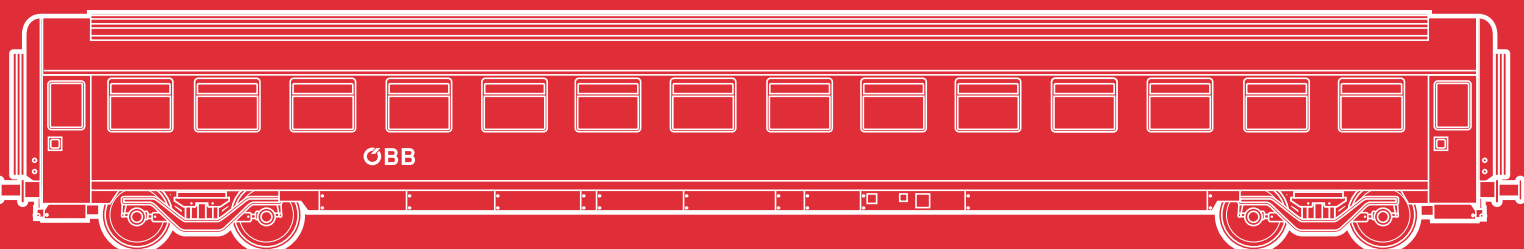
	2008	2007	Change in %
Sales in million EUR	5,031.1	4,874.2	3
thereof direct market sales in million EUR	2,516.5	2,392.2	5
thereof abroad in million EUR	1,209.8	-1,194.2	-1
Total revenues in million EUR	5,831.0	5,521.4	6
Total expenditure in million EUR	5,779.8	5,007.7	15
Earnings before interest and taxes (EBIT) in million EUR	51.2	513.6	-90
EBIT margin in %	1	9	-89
Financial results in million EUR	-1,021.1	-469.2	>-100
Earnings before taxes in million EUR	-969.9	44.4	>-100
Profit for the year in million EUR	-965.9	42.4	>-100
Total revenues per employee in TEUR	135	127	6
Return on equity in %	-50	2	>-100

Balance Sheet Ratios ÖBB Group

	2008	2007	Change in %
Balance sheet total in million EUR	18,231.0	15,449.2	18
Capitalization ratio in %	81	86	-6
Equity ratio in %	11	19	-42
Long-term outside capital in million EUR	13,627.7	10,637.7	28
thereof financial liabilities in million EUR	13,010.3	10,151.4	22
Capital expenditure – tangible and intangible assets in million EUR	2,781.5	2,528.8	10
Investment ratio of total revenues	42	45	-7

Employees ÖBB Group

	2008	2007	Change in %
Employees	10,791	9,273	22
Tenured employees	30,050	32,299	-7
Apprentices	1,424	1,321	11
Total	42,265	42,893	-1



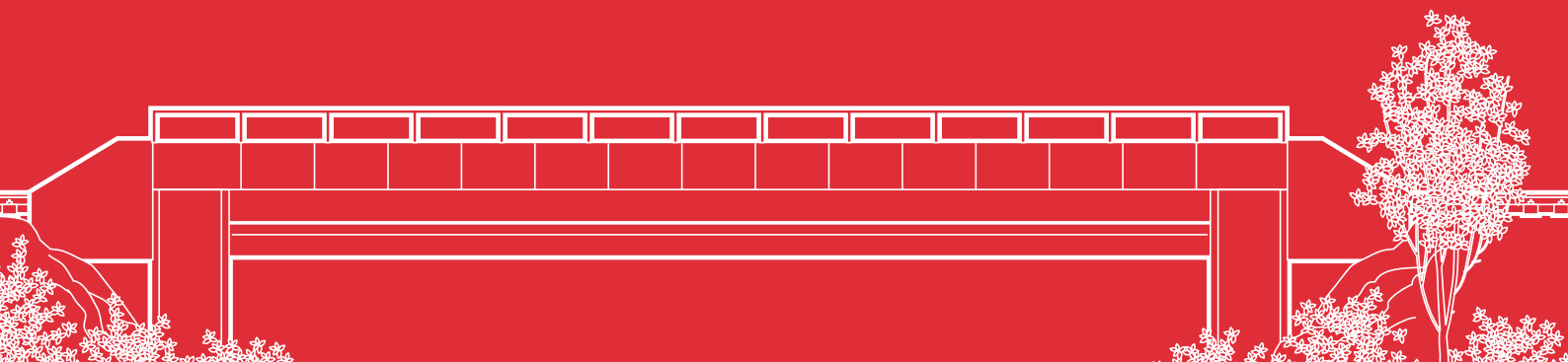
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Highlights 2008

**Successful Operations,
Modernization of Railway
Infrastructure, Strategic Realignment**





Acquisition of MÁV Cargo completed

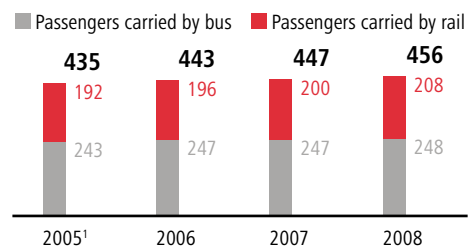
By acquiring MÁV Cargo for about 400 million EUR in December 2008, subgroup Rail Cargo Austria became one of the largest logistics providers in Europe and the market leader in Southern and Southeastern Europe.

1,424 apprentices at the end of 2008

The group companies of ÖBB offer about 20 different apprenticeship trainings thus providing young people with a solid vocational training. ÖBB Group is one of the companies in Austria taking on most trainees.



Development of the number of passengers carried in million



¹Including about 1 million carried by ship

456 million passengers (+2%)

The number of passengers transported by subgroup ÖBB-Personenverkehr increased by 2% to 456 million in 2008.



railjet on track

Seven of a total of 67 planned sets of the new **railjet** high-speed train have been operating on the route Budapest – Vienna – Munich since December; overall investment volume of 816 million EUR.



Successful management of UEFA EURO 2008™

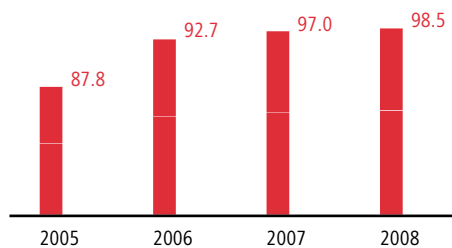
During this big football event, 2.4 million fans were carried in 3,977 additional train rides (punctuality rate of 91.5%) and 22,000 additional bus rides while normal train and bus operations went on as usual.



2,000 ne freight cars put into operation

By 2011, about 5,000 new freight cars will be purchased based on the largest wagon procurement program ever launched in the history of Rail Cargo Austria increasing the vehicle fleet by about 10% to more than 19,000 wagons.

Tons of freight carried in million



Year of records scored by subgroup Rail Cargo Austria

Total transport volume increased by 1.6% to 98.5 million tons despite a significant decline in the last quarter of 2008.





Railway station renovation program continued

In 2008, the railway stations Wien Praterstern (photo) and Wien Heiligenstadt were put into operation while modernization of the railway stations Wien Mitte and Wien Meidling as well as the main railway station St. Pölten continued. Reconstruction of BahnhofCity Wien West and the main railway station Salzburg was started.



Accessible buses

When purchasing 230 new buses in 2008, ÖBB-Postbus GmbH paid special attention to accessibility and eco friendliness.



Expansion and modernization

In the period under review, subgroup ÖBB-Infrastruktur Bau invested about 1,451.5 million EUR in new-construction and expansion projects and about 379.3 million EUR in the existing railway network.





Large-scale projects progress as scheduled

Subgroup ÖBB-Infrastruktur Bau managed to reach important interim targets in 2008 regarding the construction of Lainzer Tunnel in Greater Vienna and the four-tracked expansion of the Westbahn route and Unterinntal (photo).

Operational management strategy led to increase in productivity

In 2008, the first of five operational management centers was put into operation in Innsbruck which was erected within the framework of the multi-year optimization program.



Infrastruktur

ÖBB-Infrastruktur Elimination of interfaces

An extensive program aiming at the elimination of interfaces between the two ÖBB infrastructure companies was launched in 2008; the reform proposal is to be submitted to the responsible bodies of the supervisory board in spring of 2009 with the aim of merging the two companies.

Focusing on enhancing quality at railway stations

Subgroup ÖBB-Infrastruktur Betrieb continued its program focusing on improving the equipment of railway stations and stops by investing about 7.4 million EUR.





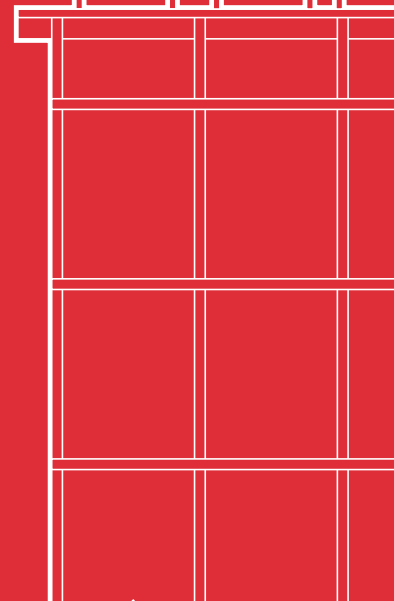
Innovative technologies for our customers

The model traffic station Baden (photo) erected and operated by subgroup ÖBB-Infrastruktur Betrieb presents the customer-oriented use of modern information technologies in a very impressive way.



Increase in safety

Accident-free train-kilometers increased from 7.2 to 8.0 million km while the number of wagons and cars handled without accident rose from 75,899 to 92,057.



Report by the Executive Board

Records Scored in Passenger and Freight Transport

ÖBB Group, the largest and most eco-friendly mobility provider in Austria, managed to further strengthen its market position in 2008 and scored new records in passenger and freight transport. Subgroup Rail Cargo Austria increased its total transport volume by 1.6% to 98.5 million tons despite the worldwide economic crisis which led to a significant drop in demand in the last quarter of 2008. The number of passengers carried by subgroup ÖBB-Personenverkehr rose by 2% to 456 million with this success being based on a team of 42,265 people employed by ÖBB Group. During UEFA EURO 2008™, our staff proved its ability to cope with very special challenges in an efficient and committed manner. Group-wide cooperation went absolutely smoothly as everything was excellently planned and prepared in detail so that the rush on this big sports event was handled in an exemplary way. We increased transportation services by about 4,000 additional train rides and 22,000 additional bus rides during the European Football Championship. All in all, 2.4 million passengers were carried during that event in addition to normal transportation services achieving an average punctuality rate of 91.5% despite the enormous number of passengers.

The development of total revenues of ÖBB Group in 2008 reflects these successful operations. Total revenues amounted to 5,831 million EUR thus exceeding previous year's figures by 6% and scoring a new record in sales. However, the development of earnings before interest and taxes (EBIT) was marked by high fuel and commodity prices, rising personnel expenses and the need for impairment of assets which ÖBB has to implement and report according to IFRS. Nevertheless, a positive EBIT amounting to 51.2 million EUR was recorded. Financial results decreased from -469.2 million EUR to -1,021.1 million EUR, which was due to rising interest expenses in relation with investment activities and losses arising in connection with collateralized debt obligations. As a consequence thereof, earnings before taxes were down more than 100% to -969.9 million EUR.

Valuation adjustments

Due to the valuation pursuant to IFRS, valuation adjustments had to be made having a negative impact on the assets and financial situation. Provisions in connection with collateralized debt obligations (CDO) were increased by 420.0 million EUR in 2008 after setting up provisions to the amount of 187.0 million EUR in previous years. Although these hedging operations have a remaining term to maturity until 2015, temporary price fluctuations are to be taken into account as affecting net income as of the balance sheet date. Only at their maturity date will it be possible to determine if they actually caused any loss.

Leading logistics provider in Central and Eastern Europe

The most important strategic move in the period under review was the acquisition of the Hungarian railway company MÁV Cargo completed upon approval by the EU cartel authority in November 2008. This merger with Rail Cargo Austria is a milestone on our way to becoming the leading logistics provider in Central and Eastern Europe. Not only does the acquisition open additional growth potential and resources, it also strengthens our strategic position between Eastern and Western Europe. A fast integration will provide valuable synergies which will be the focus in 2009, in particular due to the change in market conditions.

Multi-stage modular range of services

Subgroup Rail Cargo Austria responds to the changing economic environment by quickly adjusting the range of services offered. A multi-stage modular service offer allows the individual customer to decide to which extent he wants to outsource logistics to the subgroup as the services offered range from simple transport services to the performance of additional services such as customs clearance and disposal, and the coordination of all logistics processes.



KR Gustav Poschalko

DI Peter Klugar

Mag. Josef Halbmayr

In passenger transport, a new era in quality commenced with the delivery of the first seven sets of **railjet** trains. This new train has been running on the route Budapest – Vienna – Munich since December. With 67 sets of trains ordered and an overall investment volume of 816 million EUR, the **railjet** project has been the largest vehicle fleet replacement program of ÖBB in long-distance transport for the last years; deliveries will continue at regular intervals over the years to come. Also the multi-year procurement program for Talent trains continued in the reporting period as 24 electric railcars were purchased. 13 Desiro trains and 47 double-deck cars were bought for short-distance traffic. ÖBB-Postbus GmbH brought forward the purchase of 230 new buses in order to be able to cope with UEFA EURO 2008™.

First sets of **railjet** trains put into operation

Subgroup ÖBB-Infrastruktur Bau accounts for a large part of the investment volume of 2008 amounting to 2,781.5 million EUR. In the period under review, 1.9 billion EUR were invested in the reconstruction and modernization of infrastructure facilities; that is an increase of 10% over the previous year. The implementation of current large-scale projects progressed considerably. We completed the detailed railway station and train path selection procedure for the Semmering base tunnel project while continuing the four-tracked expansion of the Westbahn route and Unterinntal as well as the construction of Lainzer Tunnel in Vienna according to schedule. Moreover, modernization of the existing railway network was pushed ahead in the period under review. In 2008, the highlights of the railway station renovation program were the inauguration of the railway stations Wien Praterstern and Heiligenstadt and of the freight terminal Freudenu. Erection of the new Vienna main railway station is a giant project to be completed by the end of 2012. Financing of these projects, which benefit Austria as a business location and serve an overall economic purpose, is done by order of the Republic of Austria which will pay 70% of the amortization installments and interest expenses over a period of 30 years.

Capital expenditure amounting to 2,781.5 million EUR in 2008

We are well aware of the responsibility arising out of and in connection with these massive investments. This is why top priority is given to efficiently using funds and continuously increasing financing from own sources. Responsibilities, the efficiency of processes and the necessity of internal

Increasing efficiency and financing from own sources

interfaces are to be checked and analyzed consistently. In the period under review, we looked into possible ways of optimizing the group structures and submitted the „power+“ program to the supervisory board, which is a comprehensive set of measures. An important step towards reform is the redefinition of ÖBB-Holding AG as the strategic leading company. As a result thereof, strategic control functions of ÖBB-Dienstleistungs GmbH will be transferred to ÖBB-Holding AG while operative tasks will be assumed in part by the subgroups. A new shared-services company still to be formed will function as an internal service provider and be in charge of group-wide cross-sectional functions such as the computer and data center or personnel accounting. In order to eliminate the complex interfaces between subgroup ÖBB-Infrastruktur Bau and subgroup ÖBB-Infrastruktur Betrieb, we started preparing for a merger of the two companies in 2008.

Improving competitiveness

We are convinced that these structural adjustments will help improve the competitiveness and efficiency of ÖBB Group. In addition to that, subgroup ÖBB-Personenverkehr and Rail Cargo Austria are scheduled to launch a marketing offensive as well as programs aiming at increasing efficiency in 2009. In particular, the earnings position in short-distance passenger transport has to be improved by cutting expenses, but also by further negotiating with central, regional and local authorities as the business development of this segment depends to a large extent on orders placed by the Federal Government and the provinces. As from 2010, when the liberalization will come into force, subgroup ÖBB-Personenverkehr will face increasing competition in cross-border rail passenger transport. A series of measures has already been implemented so as to ensure competitiveness; nevertheless, in 2009, we will have to intensify preparation for participating in competitive bids for traffic services in this sector.

However, some sectors of ÖBB Group did not escape the economic crisis. We face a decline in freight transport, but also lower-than-expected growth rates in long-distance traffic. We will watch closely if there are any further consequences such as lower growth rates in short-distance traffic as a result of rising unemployment.

Challenges in 2009

Because of the current macroeconomic development, we will face many challenges in the 2009 business year, challenges that can only be managed successfully through flexibility, customer orientation, excellent performance, and sustainability. At the same time, we must not lose track of our long-term strategy due to temporary events. Such a difficult and tense environment calls for our employees' commitment being more important than ever. Although the group companies have different tasks and responsibilities, we are one group with a uniform strategic alignment; only when all of us pull in the same direction will ÖBB Group emerge victorious from this economic crisis. However, we not only want to make this appeal to our employees, but also express our thanks and recognition for their work and commitment in 2008. We also express our thanks to the staff representatives and the members of the supervisory board for their commitment and cooperation.



Mag. Josef Halbmayr



DI Peter Klugar



KR Gustav Poschalko

ÖBB Group at a Glance

Organizational Alignment

ÖBB Group is Austria's largest and most environmentally friendly mobility provider. Apart from transporting passengers and goods, it is responsible for ensuring the operation and maintenance of railway infrastructure. With about 42,300 employees, total revenues amounting to about 5,831 million EUR and capital expenditure totaling about 2,781.5 million EUR in 2008, ÖBB Group is one of Austria's biggest companies and employers giving the Austrian economy important new impetus. In 2008, the number of passengers carried increased by about 2% to 456 million, and the number of tons transported rose by about 2% to 98.5 million.

Important economic
impetus for the Austrian
economy

ÖBB-Holding AG is the strategic holding company of ÖBB Group holding all shares in its four subsidiaries which are ÖBB-Personenverkehr AG, Rail Cargo Austria AG, ÖBB-Infrastruktur Betrieb AG and ÖBB-Infrastruktur Bau AG forming ÖBB's subgroups. This organizational structure is defined by the Bundesbahnstrukturgesetz 2003 (Federal Railway Structure Act) aiming at creating a modern, competitive, transparent, and discrimination-free corporate structure within ÖBB by separating the area of infrastructure and dividing the area of sales between competitive and independent companies (passenger transport and freight transport) which have to assume the corresponding profit responsibility.

Strategic holding
company

The subgroups **ÖBB-Personenverkehr** and **Rail Cargo Austria** are responsible for passenger and freight transport and the performance of public-benefit services by order of the Federal Government, provinces and municipalities as well as public transport associations. Their joint subsidiaries **ÖBB-Traktion GmbH** and **ÖBB-Technische Services GmbH** are responsible for organizing the use of locomotives and the repair and maintenance of rolling stock at the railway workshops respectively. **ÖBB-Postbus GmbH**, a 100% subsidiary of ÖBB-Personenverkehr AG, is the Austrian market leader in regional traffic and also operates in neighboring Switzerland and Czech Republic by means of subsidiaries. Subgroup **ÖBB-Infrastruktur Betrieb** guarantees the demand-oriented and safe use of the railway infrastructure making it available to other railway companies without any kind of discrimination. Subgroup **ÖBB-Infrastruktur Bau** is the owner of all railway facilities and real estate of ÖBB. In agreement with the owner, the Republic of Austria, and ÖBB-Holding AG, subgroup ÖBB-Infrastruktur Bau AG is in charge of erecting and maintaining the railway infrastructure. Management, development and exploitation of real estate belonging to ÖBB Group are incumbent on **ÖBB-Immobilienmanagement GmbH**, a 100% subsidiary of ÖBB-Infrastruktur Bau AG. Please refer to page 17 onwards for an overview of the activities of ÖBB subgroups; detailed information is given in the individual annual reports published by the subgroups.

Operative subgroups

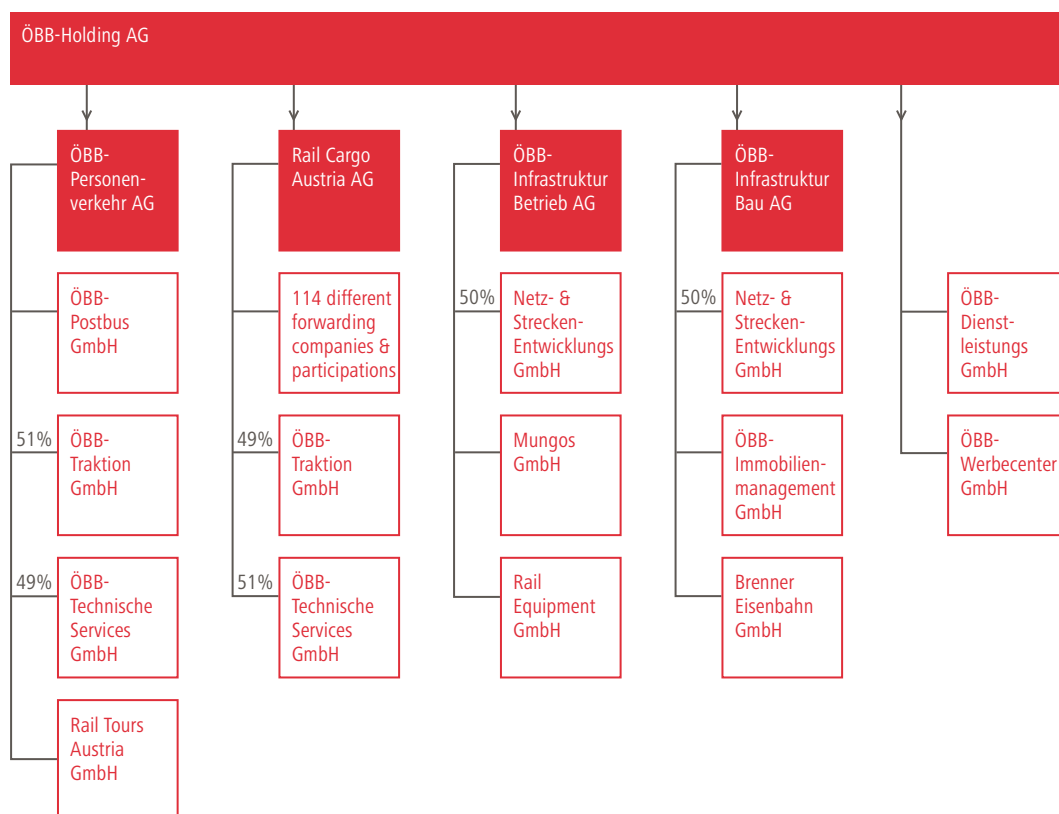
The core tasks assigned to ÖBB-Holding AG are defined as follows by Section 4 of the Bundesbahnstrukturgesetz (Federal Railway Act):

- Exercising the equity interests in Österreichische Bundesbahnen
- Reorganizing Österreichische Bundesbahnen
- Exercising the equity interests in the reorganized companies and all other companies with the aim of implementing a uniform strategic alignment

Tasks defined by law

In order to comply with this purpose, ÖBB-Holding AG may take all steps and measures required. Furthermore, it may exert influence on the group companies to the extent necessary in order to ensure the uniform strategic alignment of ÖBB Group as a whole.

ÖBB Group Structure (extract)



Control and Coordination

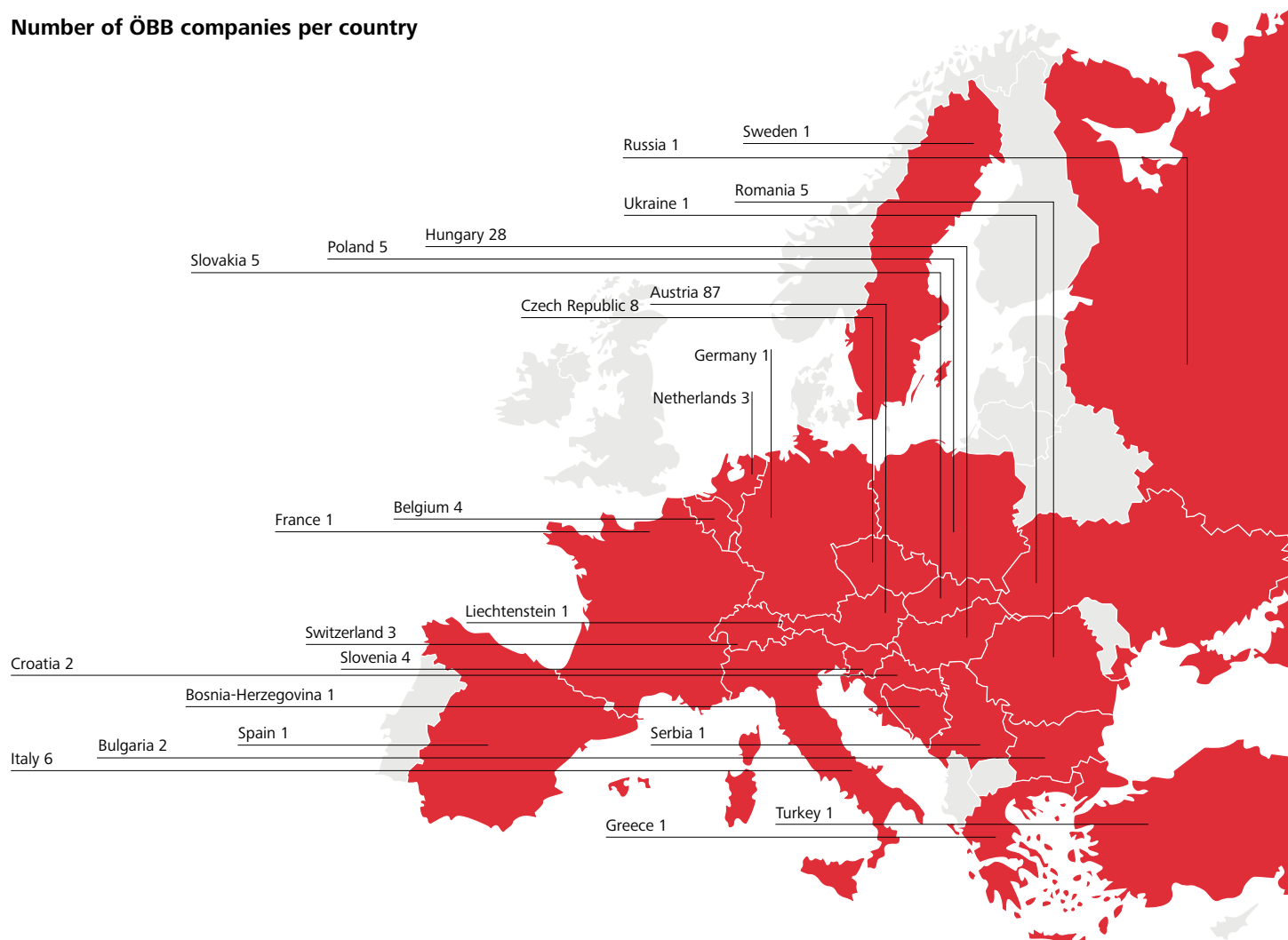
ÖBB-Holding AG is in charge of exercising the equity interests in the group companies and for ensuring the uniform strategic alignment of ÖBB Group. Apart from that, ÖBB-Dienstleistungs GmbH, a 100% subsidiary of ÖBB-Holding AG, is responsible for group-spanning issues such as research and development, legal affairs, environmental protection and sustainability, international relations, public relations, and unrestricted mobility. Group guidelines and communication platforms aim at ensuring efficient coordination between the subgroups.

Schedule of Participations

The following map shows the countries where ÖBB-Group holds participations. Detailed information is given in the Schedule of Participations on page 217 in the Notes to the Consolidated Financial Statements.

Uniform corporate strategy

Number of ÖBB companies per country



Organizational Reform

The structural reform launched in 2005 transformed ÖBB into a group made up of a holding company and four operative companies. Since the middle of 2008, the executive and supervisory boards of ÖBB-Holding AG have been preparing another important reform in cooperation with the competent bodies of the group companies involved so as to further improve the interfaces between the individual group companies. On the one hand, this reform focuses on the reorganization of ÖBB-Holding AG and ÖBB-Dienstleistungs GmbH, and on the other hand, on the cooperation between ÖBB-Holding and the subgroups. Moreover, it aims at improving the interfaces within the operative companies.

The goals of reorganization are:

- to position ÖBB-Holding as the strategic managing holding company
- to strengthen the operative companies of ÖBB Group
- to set up a shared-services company in charge of rendering group-wide administrative services

Goals of reorganization

In order to reach these goals, as from now, ÖBB-Holding AG is to concentrate on central group functions and strategic control tasks. The strategic tasks of ÖBB Dienstleistungs GmbH will be assumed by ÖBB-Holding AG. The subgroups are expected to take on operative functions which

up to now have been fulfilled by ÖBB-Holding AG so as to strengthen their operating capacity and independence. Apart from that, it is planned to set up a shared-services company which is to fulfill cross-sectional functions used by all group divisions.

Eliminating interfaces between infrastructure companies

A joint project was launched in June 2008 aiming at eliminating interfaces between the two infrastructure companies which are ÖBB-Infrastruktur Bau AG and ÖBB-Infrastruktur Betrieb AG. The guideline of the reform is defined in the current government agenda for the 24. legislative period with the goal of *“merging the two companies and creating a central facility management while combining all building works in an independent organizational unit”*. The implementation thereof requires the federal railway act to be amended.

Services of ÖBB Group Rendered by Order of the Federal Government, the Provinces, and Municipalities

Mobility services offered by order of the Federal Government

The mobility services offered by ÖBB Group are an essential part of public transport services throughout Austria. Apart from servicing private passengers in passenger transport and commercial customers in freight transport, ÖBB Group has multiple business relations with public authorities. Services to be rendered by order of the Federal Government, provinces and municipalities are clearly defined. By order of the Federal Government, ÖBB Group renders so-called public-benefit services (PBS) in the area of passenger and freight transportation. In return, the Federal Government pays a compensation for operating the railway infrastructure all over Austria. This compensation is paid directly to subgroup ÖBB-Infrastruktur Betrieb AG and amounted to 1,014.8 million EUR in 2008 after 1,006 million EUR in the previous year. Based on this agreement, 22 railway companies made use of the infrastructure facilities of ÖBB for their business activities in the reporting period.

Reduced prices for services ordered

In order to guarantee attractive services in short-distance traffic, the Federal Government pays compensations for public-benefit services. It sponsors reduced monthly or weekly season tickets, free travel for students and apprentices, and the VORTEILSCard; in addition to that, services ordered in short-distance passenger transport ensure that the defined number of kilometers are operated. In the period under review, subgroup ÖBB-Personenverkehr AG charged 501.6 million EUR for these public-benefit services after 468 million EUR in the prior year. Moreover, ÖBB-Personenverkehr AG has entered into traffic service agreements with the provinces defining the services offered at regional level while encompassing the preparation of timetables, the connections offered outside rush hours, or the use of certain sets of wagons.

Piggyback services relieve the strain on road traffic

Austrian traffic policy aims at transferring more and more freight transport from road to rail. Piggyback services (ROLA) are an attractive alternative to road transport; 54 piggyback-services trains are running every day on the transit route between Wörgl and Brenner. The Federal Government has placed an order for promoting piggyback services taking over costs amounting to 109.9 million EUR for customers making use of piggyback services in 2008. By transporting about 33,000 trucks in 2008, transport volume rose by 13% because the services offered are really attractive. By 2010, piggyback services are to be expanded to about 500,000 trucks per year and further destinations will be offered.

Apart from these operative services rendered by order of public authorities, the Federal Budget Act (Bundeshaushaltsgesetz) and the Budget Authorization Act (Budgetermächtigungsgesetz) define the liability to be assumed by the Federal Government for the partial financing of infrastructure projects. Please refer to page 34 onwards for more detailed information.

Intra-Group Services

Despite being organized in a decentralized manner, the performance of services is closely linked within ÖBB Group. ÖBB-Personenverkehr AG organizes the timetable for a passenger train combining all required services in one service package. ÖBB-Technische Services GmbH makes sure that the carriages are ready to operate. ÖBB-Traktion GmbH is in charge of the locomotives. For the necessary train path, an order is placed with ÖBB-Infrastruktur Betrieb AG. ÖBB-Infrastruktur Bau AG guarantees that the structural condition of tracks and railway stations is state-of-the-art and is in charge of supplying the required traction power. These intra-group services result in significant intra-group sales which are eliminated in the course of group consolidation.

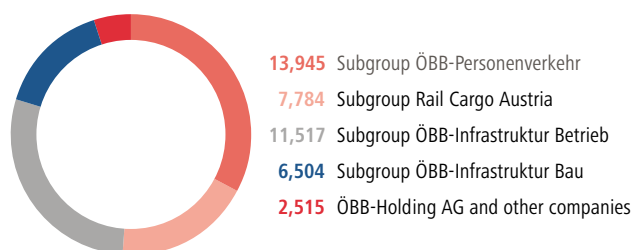
Intra-group sales due to closely linked services

Employees

With 42,265 employees excluding MÁV Cargo (as of 31.12.2008), ÖBB Group is one of Austria's biggest employers. That is 628 people less than in 2007. Well-trained, motivated, and customer-oriented employees are the basis of ÖBB Group's success as a modern service provider.

This is why corporate management gives top priority to human resources management focusing on targeted personnel marketing, efficient recruiting policy, and demand-oriented training and further education.

Employees in 2008 According to Subgroups and ÖBB-Holding



Employee Key Figures

	2008 ¹	2007	Change in %
Employees	42,265	42,893	-1
thereof tenured employees	30,050	32,299	-7.0
thereof apprentices	1,424	1,321	11.0
Share of women in %	8.2	-	-
Share of women among apprentices in %	16.0	-	-
Expenses for training and further education			
Total in million EUR	12.5	15.1	-17

¹ excluding 3,791 employees of MÁV Cargo

Detailed information on the employee structure is given in the Group Status Report from page 99 onwards and in the annual reports of the subgroups.

Training and further education

Demand-Oriented Training and Further Education Programs

Personnel development aims at providing our employees with optimal vocational training as well as further education in order to prepare them for every day's work and the challenges arising in connection therewith in the best possible way. The focus is on special programs for senior staff, women, junior staff, as well as traineeships for graduates from technical colleges, and on promoting top performers. Committed employees are offered a large number of internal development and career prospects because of the many occupations we require ranging from engineers to train guards.

Facts



- 42,265 employees
- 1,424 apprentices as of 31.12.2008
- 12.5 million EUR spent on training and further education
- Share of personnel expenses in total revenues 39% (2007: 39%)
- Total revenues per employee 135,000 EUR (2007: 127,000 EUR)

Apart from group-wide education programs, ÖBB's subgroups offer training courses tailor-made to their needs. In the period under review, employees of ÖBB Group participated in about 7,950 training days. The training courses offered range from tailor-made programs for engine drivers and station master to first-aid courses and fire protection trainings to EDP, language and marketing courses.

Winning young women for technical trainings

Record Number of Apprentices

The number of trainees reached the record level of 1,424 apprentices in 2008 as a result of the apprenticeship campaign launched by ÖBB. Targeted measures contributed to attracting more and more young women and to winning them for technical apprenticeship trainings so that at the end of the year we had 299 female apprentices, 106 thereof completing technical trainings. All in all, ÖBB offers young people 13 technical and 5 commercial apprenticeship trainings.

10% share of female employees

Women on the Move

By 2010, the number of women working with ÖBB Group is to be up from 8.2% (as of 31.12.2008) to 10%. This is why we have taken a number of targeted measures. The number of women among apprentices has been steadily on the rise over the last years. The "program for women in management positions" aims at gradually increasing the number of female senior staff.

Internal health care program

Health Care and Work-Life Balance

By signing an "employee health care charter", ÖBB emphasized its principles and launched a group-wide internal health care program in 2007. Measures such as training courses for senior staff, the implementation of a health portal on the intranet, and seminars promoting a healthy diet or on stress prevention are to make employees aware of this important issue. In order to improve compatibility of work and family life, ÖBB offers several employment models such as flexible working hours, work time calculation models, 4-day week, part-time jobs and telework.

The measures taken to increase operating safety are given in detail in the Personnel Report as part of the Group Status Report from page 99 onwards. Due to the purpose of the company, they are given top priority in training and development policy as well as prevention.

Subgroup ÖBB-Personenverkehr

456 million Passengers in 2008

ÖBB-Personenverkehr is the largest provider of public short-distance rail and bus transport services in Austria and has a market share of about 90% without taking into account inner-city transport. Subgroup ÖBB-Personenverkehr mainly consists of ÖBB-Personenverkehr AG (100%), ÖBB-Postbus GmbH (100%) and ÖBB-Traktion GmbH (51%; the remaining 49% being held by Rail Cargo Austria AG), and ÖBB-Technische Services GmbH (49%; the remaining 51% being held by Rail Cargo Austria AG).

All in all, about 456 million passengers made use of the services offered by subgroup ÖBB-Personenverkehr in 2008, this is 2% more than in the previous year. Short-distance rail transport and regional traffic (+3%) accounted for 175 million passengers while long-distance rail transport reported 33 million passengers (+10%). ÖBB-Postbus GmbH carried about 248 million passengers which is about the same number as in the previous year thus having a market share of about 65% in regional bus transportation. ÖBB-Infrastruktur Betrieb AG rendered about 152.4 million train-kilometers and 10,995 man-hours in 2008.

In particular, rail transport taking people into the urban centers increased above average. On the one hand, this was due to soaring fuel prices, and on the other hand, new customers were won by making the services offered even more attractive and by increasing regular services. Heavy use was made of the suburban railway connection in the Tyrol and Styria where the number of passengers rose by up to 18%. Also long-distance transport reported a significant increase in passengers so that sales increased by 10% in this segment.

Ensuring Competitiveness

In order to continuously increase the number of passengers carried and to ensure competitiveness in a liberalized market as from 2010, subgroup ÖBB-Personenverkehr focuses on consistently modernizing the vehicle fleet and on implementing an integrated timetable of regular services. Speeding up of long-distance traffic to 200 km/h on the Westbahn route as of December 2007 was one of the first steps taken towards the implementation of an integrated timetable; further measures were taken with the timetable change in December 2008. We aim at implementing a timetable of regular services encompassing long-distance traffic, short-distance transport, and regional bus services by 2012. At the same time, we are heavily investing in our vehicle fleet. One of the highlights is the **railjet** train which has been operating in long-distance traffic since the end of 2008 offering a new dimension regarding comfort and quality when travelling by rail.

- Number of passengers increased by 2% to 456 million
- Total revenues up 5% to 2,103.7 million EUR, Earnings before interest and taxes decreased to -331.6 million EUR
- 13,945 employees (as of 31.12.2008)

Facts



Largest provider of public transport services by rail and bus

Total revenues increased by 5% to 2.1 billion EUR

Business Development in 2008

Based on the favorable development regarding the number of passengers, subgroup ÖBB-Personenverkehr reported total revenues of 2,103.7 million EUR in 2008 after achieving total revenues of 1,996.1 million EUR in 2007. The sharp decline in EBIT in 2008 compared to 2007 is primarily due to the high impairments that had to be made by ÖBB-Personenverkehr AG, ÖBB-Postbus GmbH and ÖBB-Traktion GmbH. One-off and special measures (provisions for CDO/PCDS and CBL) resulted in a significant weakening of earnings before taxes. All in all, subgroup ÖBB-Personenverkehr invested 379.3 million EUR in 2008 after making investments amounting to 683.2 million EUR in the previous year. Detailed information on the business development and the market environment is given in the annual report of subgroup ÖBB-Personenverkehr.

Subgroup Rail Cargo Austria

Leading Position in Austria, Eastern and Southeast Europe Further Strengthened

Subgroup Rail Cargo Austria is a leading complete logistics provider in Central, Southeast and Eastern Europe. By acquiring the Hungarian company MÁV Cargo in the period under review, subgroup Rail Cargo Austria managed to further strengthen this position. The two companies combined are number 1 in Southeast Europe and Number 3 in Europe employing about 11,000 people and having about 33,000 freight cars. The EU cartel authority gave its approval for the merger in November 2008; consolidation in the consolidated financial statements of subgroup Rail Cargo Austria will start as from 31.12.2008 and is therefore not included in the key figures given below.

Acquisition of MÁV Cargo

Rail Cargo Austria and MÁV Cargo are number 1 in Southeast Europe.



It is the primary goal of subgroup Rail Cargo Austria to offer its customers perfect logistics services at competitive prices. Eco friendliness and climatic compatibility of freight transport by rail ("green logistics") have more and more influence on the decisions taken by our customers. The range of services offered by subgroup Rail Cargo Austria encompasses the entire value added pattern and is subdivided into four business divisions which are Cargo&

logistics, Intermodal Traffic, Contract Logistics, and Universal Forwarding. The Cargo&Logistics division transports more than 280,000 tons of freight daily. In close cooperation with our subsidiaries and business partners, transport flows are combined to form direct trains running to and from the most important business hubs in Europe. Attractive express freight train connections provide for quick and safe transport services.

Optimal coordination of different means of transport

The Intermodal Traffic division combines the advantages of all means of transport; transport services by rail, road, air and ship are coordinated in an optimal way according to the customer's needs. Eight terminals are available to our customers in Austria. The market of Rail Cargo Austria AG encompasses 24 countries in Europe through branch offices and shareholdings of Spedition Holding GmbH. ÖBB-Technische Services GmbH, a joint venture of Rail Cargo Austria AG and ÖBB-Personenverkehr AG, disposes of 25 locations all over Austria and is responsible for the maintenance and overhaul of rail vehicles and their components.

Record Number of Tons Transported

In 2008, subgroup Rail Cargo Austria scored new records regarding the number of tons transported and total revenues achieved. The overall volume of freight transport rose by 1.6% to 98.5 million tons while total revenues were up 5% to about 2.5 billion EUR. Earnings before interest and taxes excluding one-off effects amounting to about 20 million EUR decreased to -39.4 million due to impairments of value of about 60 million EUR. In the last quarter of 2008, the global economic crisis led to significant declines affecting most severely the timber and paper industry, and the steel and automotive sector.

Subgroup Rail Cargo Austria responds to the changing economic environment by quickly adjusting the range of service offered. A multi-stage modular service offer allows the individual customer to decide to which extent he wants to outsource logistics to the subgroup as the services offered range from simple transport services to the performance of additional services such as customs clearance and disposal, and the coordination of all logistics processes.

- Overall transport volume increased by 1.6% to 98.5 million tons
- Total revenues up 5% to 2.5 billion EUR; earnings before interest and taxes down to -39.4 million EUR
- Capital expenditure more than doubled to 435.8 million EUR
- 11,575 employees (MÁV Cargo accounting for 3,971 thereof) as of 31.12.2008

Facts



Logistics companies are most directly affected by the global economic crisis. Based on several scenarios that may arise, subgroup Rail Cargo Austria has tried to adapt itself in the best possible way to the current environment bearing two goals in mind: on the one hand, the aim will be to compensate a probable decline in the number of tons transported with respect to sales and costs, and on the other hand, to be well-prepared for the time when the economy will start to recover in order to be able to win new market shares. A detailed description of overall external economic influences and the business development is given in the annual report 2008 of subgroup Rail Cargo Austria.

Subgroup ÖBB-Infrastruktur Betrieb

Successful Provider of Railway Infrastructure in a Liberalized Market

Subgroup ÖBB-Infrastruktur Betrieb operates a railway network of 5,700 km thus taking care of the foundations of modern and smooth passenger and freight transportation in Austria. Top priority is given to quality assurance, high levels of customer satisfaction and safety, and to economic efficiency. A total of 22 railway companies are customers of the subgroup. Every day, about 23,000 wagons are strung together to form more than 7,500 trains and then set in motion to transport 550,000 passengers and about 274,000 tons of freight. Moreover, subgroup ÖBB-Infrastruktur Betrieb is responsible for business planning and shunting operations, and the international timetable management for the main corridors. Apart from that, it carries out the maintenance, inspection, trouble-shooting, and repair of railway infrastructure.

Operating the railway infrastructure

Business Development in 2008

In 2008, subgroup ÖBB-Infrastruktur reported total revenues of about 1,594.1 million EUR (2007: 1,544.8 million EUR). Government compensations for operation, maintenance, inspection, and repair of the railway infrastructure remained practically unchanged in 2008 amounting to 1,014.8 million EUR (2007: 1,006.0 million EUR), which is 65% (2007: 66%) of total revenues.

Infrastructure rentals increased to 439 million EUR

Revenues from infrastructure rentals increased to 439.0 million EUR. Productivity improved, too, with train-kilometers increasing by about 1% to about 152.4 million and gross ton-kilometers being slightly up to 76,273.7 million. Although a slight increase in traffic volume was achieved in the period under review, the economic crisis started having an impact towards the end of the year as transport volumes declined and pricing pressure intensified due to fierce competition by road freight transport. The share of

traffic volume operated by railway companies not belonging to ÖBB Group regarding freight transport amounted to about 10% after about 9% in the previous year based on total gross ton-kilometers. In 2008, 18 (2007: 17) external railway companies rendered transport services using the railway network of ÖBB.

Facts

- Increase in productivity: train-kilometers up 1%
- Total revenues up 3% to 1,594.1 billion EUR; earnings before interest and taxes down to -16.9 million EUR
- 11,517 employees (as of 31.12.2008)



Discrimination-free Access

The liberalization of intra-Community railway traffic stipulates that ÖBB has to make available its railway and shunting infrastructure to all railway companies complying with

the admission requirements. Pursuant to the railway act on the conditions applying to the use of railway networks, the corresponding rules regarding the discrimination-free access to and the use of railway networks were published on the internet. The operating regulations to be complied with and supporting documents were also made available to authorized railway companies on the internet. Discrimination-free access to the ÖBB railway network was guaranteed without any limitations pursuant to the statutory provisions in the reporting period.

Elimination of Interfaces with ÖBB-Infrastruktur Bau AG

A joint project was launched in June 2008 aiming at eliminating interfaces between the two infrastructure companies which are ÖBB-Infrastruktur Bau AG and ÖBB-Infrastruktur Betrieb AG. Upon presentation of the findings of the project groups at the beginning of 2009, we plan to initiate the amendment procedure required for merging the two companies in accordance with the owner.

Detailed information on the business development and the market environment is given in the annual report 2008 of subgroup ÖBB-Infrastruktur Betrieb.

Subgroup ÖBB-Infrastruktur Bau Owner of Austrian Railway Infrastructure

Subgroup ÖBB-Infrastruktur Bau combines the planning, building, and infrastructure project management competencies with expertise and know-how in financing matters and asset management of the entire ÖBB Group. Its core task is to erect the railway infrastructure required for offering modern, environmentally friendly, and affordable mobility. Apart from railway infrastructure including all facilities and equipment, subgroup ÖBB-Infrastruktur Bau is also responsible for the areas of power generation and power trade, telecommunications, and the entire real estate. ÖBB-Infrastruktur Bau AG is the owner of facilities and equipment to the amount of about 11.5 billion EUR (2007: 10.1 billion EUR). These assets include about 5,836 buildings (including 946 station and stop buildings) with a useful floor space of about 2.8 million m², 11,000 km of rail track, 15,829 switches, 6,630 bridges, 277 tunnels, and plots of land of more than 209 million m².

Merger planned

Erecting a modern railway infrastructure



Westbahnhof is being transformed into BahnhofCity Wien West

The **asset management division** acts as a competence center assisting the executive bodies of subgroup ÖBB-Infrastruktur Bau AG when exercising its rights and obligations as the owner of ÖBB facilities. The **power plant division** operates ten hydroelectric plants thus being the energy supplier of the entire ÖBB Group and of numerous external customers. Furthermore, ÖBB-Infrastruktur Bau AG holds a 100% share in its three subsidiaries which are Brenner Eisenbahn GmbH, ÖBB Telekom Service GmbH and ÖBB-Immobilienmanagement GmbH.

Water power generating traction power

Business Development in 2008

In 2008, subgroup ÖBB-Infrastruktur Bau reported an increase in sales of about 1% to about 1,268.7 million EUR. Services rendered for other ÖBB companies account for a large part of these sales. ÖBB-Infrastruktur Betrieb AG as its biggest customer was billed infrastructure rentals amounting to 473 million EUR for the infrastructure facilities made available. This is a 37% share in sales. Sales from energy supply account for about 400.5 million EUR with ÖBB-Traktion GmbH being charged with the payment of about 198.8 million EUR. Income from letting and leasing amounted to 36.2 million EUR in 2008 (2007: 39.0 million EUR).

Capital Expenditure and Financing

Subgroup ÖBB-Infrastruktur Bau accounts for a large part of ÖBB Group's capital expenditure by investing about 1,905.8 million EUR in the modernization and maintenance of infrastructure facilities in 2008. The basis for the selection of the projects to be realized is the master plan which is prepared in accordance with the Federal Ministry of Transport, Innovation and Technology and the Federal Ministry of Finance for periods of six years each and has to be updated every year.

- Total revenues up 7% to 1,799.7 million EUR; earnings before interest and taxes up 2% to 445.9 million EUR
- Capital expenditure of 1,905.8 million EUR (2007: 1,878.9 million EUR)
- 6,504 employees (as of 31.12.2008)

Facts



Detailed information on capital expenditure and financing is given from page 34 onwards, in the ÖBB Investment Atlas as well as the annual report of ÖBB-Infrastruktur Bau.

The Year at a Glance

ÖBB-Holding and Group Key Figures

- In 2008, total revenues of ÖBB Group increased by 6% to 5,831 million EUR. Earnings before interest and taxes (EBIT) decreased from 513.6 million EUR to 51.2 million EUR.
- In 2008, ÖBB Group made investments totaling 2,781.5 million EUR. Capital expenditure focused on the modernization and expansion of railway infrastructure and the replacement of the vehicle fleet.
- The increase of total revenues per employee by 6% to 135,000 EUR shows how ÖBB Group improved productivity.
- As a result of the apprenticeship campaign, the number of trainees reached the new record high of 1,770 apprentices in fall of 2008.

Subgroup ÖBB-Personenverkehr

- Subgroup ÖBB-Personenverkehr scored a new record in 2008 by increasing the number of passengers carried by 2% to 456 million.
- The timetable change in December 2008 was another move towards establishing an integrated timetable of regular services which is to be implemented by 2012 and aims at significantly improving the services offered.
- In December 2008, the **railjet**, the new high-speed train used in long-distance transport, was put into operation with seven sets of trains running between Budapest, Vienna and Munich. With 67 sets of trains ordered and an overall investment volume of 816 million EUR, the **railjet** project is the largest vehicle fleet replacement program in long-distance transport ever launched in the history of ÖBB.
- The procurement program launched in 2004 regarding Talent trains continued in 2008. 24 electric railcars were purchased; 13 Desiro trains and 47 double-deck cars were bought for short-distance traffic.
- In the reporting period, ÖBB-Postbus GmbH purchased 230 new buses taking into consideration accessibility and eco friendliness.

Investments in
rolling stock



- All in all, subgroup ÖBB-Personenverkehr invested 339.1 million EUR in the modernization and replacement of its vehicle fleet in the period under review.

Subgroup Rail Cargo Austria

- In November 2008, the EU cartel authority approved the takeover of the Hungarian company MÁV Cargo by Rail Cargo Austria AG; together, the two companies will be the market leader in Southeast Europe.
- Despite the economic downturn registered in the last quarter of 2008, subgroup Rail Cargo Austria managed to score a new record in overall transport volume by carrying 98.5 million tons thus increasing total revenues by 5% to 2,547.5 million EUR in 2008.



Increase in
piggyback services

- Piggyback services accounted for about 330,000 trucks being transported by rail in a fast, safe, and ecological manner in 2008; this is a 13% increase over the previous year.
- By 2011, more than 5,000 new freight cars will be purchased for about 400 million EUR based on the procurement program launched by Rail Cargo Austria AG. In 2008, about 2,000 new freight cars were put into operation.

Subgroup ÖBB-Infrastruktur Bau

- In the period under review, subgroup ÖBB-Infrastruktur Bau invested a total of 1,905.8 million EUR in the expansion and improvement of railway infrastructure.
- After completing extensive refurbishing and modernization work, the railway stations Wien Praterstern and Wien Heiligenstadt as well as the freight terminal Freudenu were put into operation in 2008.
- The Lainzer Tunnel project in Greater Vienna, the four-tracked expansion of the Westbahn route and of Unterinntal progressed considerably. Also the two key projects on the Südbahn route, which are Koralmbahn route between Graz and Klagenfurt and the new Semmering base tunnel, continued as scheduled.

- The detailed railway station and train path selection procedure for the new Semmering base tunnel was completed involving the project area and the provinces affected, which are Lower Austria and Styria.
- The railway station renovation program continued at full speed in 2008; erection of the new Vienna main railway station to be completed by the end of 2012 is the giant project standing out from the rest.
- In June 2008, a project was launched aiming at eliminating the complex interfaces between the two infrastructure companies of ÖBB Group the findings of which will be submitted to the competent supervisory boards for decision-making in spring of 2009.

Subgroup ÖBB-Infrastruktur Betrieb

- Based on comprehensive preparatory work in the reporting period, certification according to EN ISO 9001:2008 was completed successfully in January 2009. Thus, the quality standards of subgroup ÖBB-Infrastruktur Betrieb regarding organization, processes, and management processes have been officially recognized.

Offensive aimed
at modernizing
railway infrastructure



- Elimination of speed limits, so-called reduced-speed sections, further improved the quality of the existing railway network while significantly increasing efficiency in operational management.
- A series of measures aiming at increasing safety at level crossings helped reduce the number of accidents; further improvements are under way.

UEFA EURO 2008™ – Football on the Move

Successful Management of This Big Event

Based on extensive preparatory work and the commitment of ÖBB employees, ÖBB successfully managed the challenges it faced during UEFA EURO 2008™ thus proving once again that it is a reliable mobility partner for big events.

Reliable mobility
partner

During this big football event, 2.4 million fans were carried to and from the football stadiums and fan zones in 3,977 additional train rides and 22,000 additional bus rides. Apart from that, normal train and bus operations went on as usual. All in all, 16.7 million passengers used the train and bus services offered by ÖBB during UEFA EURO 2008™. Despite the enormous number of passengers, almost all short-distance and long-distance trains arrived on time achieving an average punctuality rate of 91.5%.



About 2.4 million
football fans were
carried by ÖBB

In order to ensure the highest level of safety and security during this big football event, security staff of ÖBB worked a total of 80,000 hours at railway stations while the police increased its presence too. ÖBB and police worked closely together to be able to react quickly to any kind of incident; the task forces were in permanent contact and the police had access to more than 2,000 cameras of ÖBB installed at the railway stations. Due to all these measures, the event went off smoothly and without any major incidents.

Ensuring safety
and security

Well-trained Employees Ensured Excellent Services

Long before the opening ceremony of UEFA EURO 2008™ took place on June 7, 2008, preparatory work had been started. More than 2,000 employees participated in special training courses. About 1,500 employees who are in direct contact with the customer brushed up their English to be well prepared for the international audience. In addition to that, about 400 employees were trained by experienced police officers on “How to handle football fans” who passed on the knowledge acquired to other employees of ÖBB acting as trainers for their part.

Special training courses
to be well-prepared

On days matches were played, ten customer service advisors and 15 assistants were available at key railway stations. 219 employees voluntarily exchanged their normal activities for working in direct customer contact so as to support their colleagues at the railway stations. Welcome desks were installed where questions relating to railway transport and tourism were answered in the national languages of the teams playing on that specific day at the relevant venue. Also the opening hours of ticket offices were extended. Many passengers were enthusiastic about the current scores being announced over the loudspeakers in trains and at railway stations.

Customer service

Successful management of UEFA EURO 2008™ based on optimal preparatory work.



ÖBB's cleaning staff worked more than 25,000 additional hours during UEFA EURO 2008™. During the event, engine drivers and train guards voluntarily did without vacation in June and worked a total of 27,000 additional hours.

Additional train and bus rides

Optimal use of train path capacities and an increase in regular services made it possible to operate about 2,050 additional train rides in the city of Vienna alone. Maintenance intervals were coordinated in a way so that as many carriages as possible were made available in June. ÖBB-Postbus GmbH brought forward the purchase of 230 new buses in order to be able to cope with scheduled additional services to be performed during UEFA EURO 2008™. Just in time for the European Football Championship, the bus fleet available in the host city of Salzburg was increased by 40 new accessible vehicles in May.

Stress-free and low-cost travel

Attractive Offers for Football Fans

In order to guarantee not only stress-free, but also low-cost travel by bus and rail, ÖBB offered a number of special tickets. Fans were offered the possibility to use the match ticket as a ticket to travel to and from the venue.

By making available 3.6 million additional seats, 2.4 million thereof by train and 1.2 million thereof by bus, regular timetable services were expanded by more than 225 million passenger kilometers during UEFA EURO 2008™. If all these rides had been made by car, these would have caused 16,355

tons of CO₂ resulting in an enormous strain on the environment. By using bus and train for eco friendly travel to and from the venues, CO₂ emissions to the amount of the emissions caused by all Austrian diesel cars in one day were avoided.

Facts

- 2.4 million additional passengers
- 3,977 additional train rides and 22,000 additional bus rides
- Punctuality rate of 91.5%
- Special training courses for more than 2,000 employees



2.2 million brochures and pocket timetables were handed out to make sure customers were provided with comprehensive information. ÖBB made also use of the internet; apart from ticket offers, timetables, luggage services or a Lost & Found service, photographs and

location of the ÖBB locomotives painted with the national colors of the participating countries were made available on a website set up in particular for UEFA EURO 2008™. Customers also responded very positively to the football hotline set up by ÖBB which recorded about 3,100 calls during UEFA EURO 2008™.

Group Strategy

ÖBB Group strives to maintain its hold on the market in a complex environment made up of efficiency, reliable mobility services offered to its customers, competitiveness, and sustainable management. These sometimes divergent interests are reconciled by a far-sighted and responsible corporate strategy that makes sure we are able to quickly respond to a change in underlying conditions.

Far-sighted and responsible strategy

It is one of the main tasks of ÖBB-Holding AG to ensure the uniform strategic alignment of all four subgroups which are ÖBB-Personenverkehr, Rail Cargo Austria, ÖBB-Infrastruktur Bau and ÖBB-Infrastruktur Betrieb. The two infrastructure companies are currently going through an efficiency improvement process with the aim of merging the companies as laid down in the government program.

Uniform alignment of subgroups

The strategy and corporate development department of ÖBB-Holding AG is in charge of defining the strategic framework making use of strategic controlling when pursuing its goals. The subgroups are responsible for building up their individual corporate strategies in accordance with the relevant supervisory bodies. The corporate strategies are consolidated by ÖBB-Holding AG.

Strategic framework

The group-wide strategic alignment results from the Federal Railway Structure Act 2003 (Bundesbahnstrukturgesetz) defining the tasks imposed upon ÖBB by the owner. In 2006 and 2007, a mission, a vision and a model were developed by largely involving our employees which serve as the guiding principles.

Mission, vision and model

Power+ Program Aiming at Reaching Strategic Goals

Super ordinate strategic goals of ÖBB Group may be summarized as follows focusing on three main issues:

- Efficiency and performance
- Quality and customer orientation
- Competitiveness and internationalization



In order to reach these three goals, ÖBB-Holding AG launched the "power+" program at the end of 2008 which focuses on defining the future strategic alignment of ÖBB Group in cooperation with all the members of executive boards and general managers of ÖBB companies. The "power+" program aims at sustainably increasing the performance and profit-earning capacity of ÖBB Group so as to ensure competitiveness while at same time reducing the financing requirements incumbent on the owner.

New strategic alignment

The program encompasses 13 central projects which are to be completed by the middle of 2010, with some of these projects being implemented at group level and others having company-specific targets. Measure controlling is to support their effective implementation. Existing group projects were integrated into this program and/or transferred to the responsible company for implementation. Some selected projects are given as examples below:

Efficient project implementation

Strategic controlling

The “**group control**” project, which is part of the “power+” program and for the implementation of which ÖBB-Holding AG is responsible, aims at setting up a strategic controlling. Important key figures and key performance indicators (KPI) are defined for the purpose of an active and early response to a change in the underlying conditions. At regular intervals, we check if these parameters have been achieved.

Increasing productivity

In order to strengthen the competitiveness of rail transport, internal synergies and an increase in productivity are to be implemented in the area of interrelated production of sales. This is why the group-wide “**production in sales**” project was launched which is to develop and evaluate alternative forms of production in rail traffic. Resulting possibilities for optimization are to maximize the efficiency of production processes while minimizing the number of interfaces.

Making use of synergies

The merger of Rail Cargo Austria AG and the Hungarian company MÁV Cargo approved by the EU cartel authority in November 2008 is the basis for sustainable growth of ÖBB Group in the area of international freight transport. In order to make the best possible use of company-spanning synergies, the “joining forces” project which was launched and implemented by Rail Cargo Austria was included into the program. The uniform alignment of the companies will it make possible to further optimize freight transport between the different railway systems in Western and Southeastern Europe and the CIS countries. Moreover, MÁV Cargo will play an essential role in combined road-and-rail traffic in Southeast Europe.

Evaluating territorial presence

Territorial Presence of the Companies

The economic situation forces us to evaluate our territorial presence in rail traffic. The first step will be an analysis of the services offered by the transport operations companies on certain routes of the supplementary network. Economic sustainability can only be achieved based on the joint commitment of all companies (irrespective of alternative forms of servicing). The project aims at working out the prerequisites for taking the relevant decisions.

Transparency and optimization potential

Reducing Overhead Cost

In the course of the project, overhead units will be classified while overhead cost and operative divisions will be clearly delimited. A comprehensive process analysis serves the purpose of making existing processes and capacities transparent and benchmarking is to discover any optimization potential which will result in a reduction of overhead costs at all levels by taking the appropriate measures.

Further projects focus on the territorial presence in (short-distance) passenger and freight transport, on increasing efficiency in administration and on extending market shares in freight transport.

Strategies Pursued by the Subgroups

The cost and quality offensive launched by subgroup ÖBB-Personenverkehr aims at strengthening its market position in Austria and at ensuring competitiveness in a liberalized market. As Austria's biggest mobility provider (rail and bus), ÖBB-Personenverkehr strives to expand international traffic by cooperating with neighboring railway companies and by pushing cross-border transport in urban areas.

Strengthening our
market position

The strategic goals of subgroup Rail Cargo Austria are to become the leading company of a freight and forwarding alliance in Central and Southeast Europe and to play a leading role as Central European complete logistics provider of freight transportation by rail or involving rail. Rail Cargo Austria AG strives to become number 1 regarding earnings, growth, and costs in comparison with its strategic competitors.

Leading logistics
provider

The strategic focus of subgroup ÖBB-Infrastruktur Bau is on prioritizing the master plan according to (market-directed) economic criteria while taking into consideration the interests of the owner regarding transport policy, on pushing the expansion of route sections necessary from the operating and economic point of view, on sustainably increasing the value of fixed assets and on making positive earnings contributions by actively managing the portfolios of the business divisions of power plants, T-KOM Services, and construction & maintenance, and of its subsidiary ÖBB-Immobilienmanagement GmbH. In June 2008, ÖBB-Infrastruktur Bau AG and ÖBB-Infrastruktur Betrieb AG launched a joint project called "Elimination of interfaces between ÖBB infrastructure companies" focusing on eliminating existing interfaces between the two infrastructure companies.

Expanding the railway
network

The management of subgroup ÖBB-Infrastruktur Betrieb gives top priority to making available the safest railway infrastructure possible. Cost-effective, top-quality operational management is to help increase market shares in freight and passenger transport based on optimal plant availability which is guaranteed in cooperation with ÖBB-Infrastruktur Bau AG, and based on a railway network of economic dimensions taking into consideration macroeconomic parameters.

Safe railway
infrastructure

Please refer to the subgroups' annual reports for further details and interviews with the members of the respective executive boards.

Interview with the Executive Board Members of ÖBB-Holding AG

Peter Klugar, spokesman of the executive board, and Gustav Poschalko and Josef Halbmayr, members of the executive board, on the current challenges and most important strategic goals of ÖBB in the years to come.

In 2008, you initiated an adjustment of the structural reform of ÖBB launched in 2005. What is the purpose of that?

Klugar: *Right beforehand: the structural reform of 2005 was an important move for the entire ÖBB Group. Nevertheless, some adjustments had to be made after three years. This is why in 2008 we decided to make some changes so that ÖBB Group will be optimally prepared for the future. One of the cornerstones of these adjustments is the elimination of interfaces in the area of infrastructure. As from 2010, there will be only one leading company, which requires an amendment of the Federal Railway Act. Another important issue is to reorganize and re-distribute tasks and responsibilities between ÖBB-Holding AG and the subordinate companies. ÖBB-Holding AG will focus more than ever on its role as the strategic holding company of ÖBB Group. All operative tasks will be transferred to the companies in order to create transparent responsibilities. And thirdly, the focus will be on the realignment of ÖBB-Dienstleistungs GmbH which will transfer all strategic tasks to ÖBB-Holding AG. A shared-services company will perform services for the holding company as well as the other companies while the companies will be in charge of all operative activities. I am convinced that these measures will contribute to creating even more transparent structures and to further increasing efficiency.*

In 2008, ÖBB had to deal with a very special event, which was UEFA EURO 2008™. What is your conclusion?

Halbmayr: *UEFA EURO 2008™ was a unique big event offering Austria and ÖBB the tremendous chance to make its mark. Now we can say that we passed the test with brilliance. More than once, international experts and UEFA expressed their recognition for the way we rendered our services. In particular, I want to thank all our employees working in the different business divisions. Coordination between the companies ran absolutely smoothly thus proving once again that we are capable of rendering excellent services. And this is how we have to act in every-day business*

“More than once, international experts and UEFA expressed their recognition for the way we rendered our services.”

Josef Halbmayr

as well: more than ever before, all of us have to pull in the same direction, then we will be right on track to becoming a leading railway company in Europe.



Investments in new trains for short-distance traffic were completed for the most part in 2008. What else has to be done to stand up to competition at European level?

Halbmayer: *Since the 1990ies it had become apparent that there had been practically no capital expenditure on new rolling stock. A complete change in strategy has been implemented only over the last three years. Management and owner have decided to heavily invest in modern, state-of-the-art rolling stock. And I think that this is absolutely necessary. Because we will only be able to keep existing customers and win new ones by offering top quality services. Meanwhile, these investments are beginning to take effect. 84 new short-distance trains have been put into operation. We are setting new standards regarding quality and comfort in particular with the **railjet** trains. Rising numbers of passengers prove that we are on the right track. In 2008, we increased the number of passengers in short-distance traffic by 3% and in long-distance traffic by 10%. As from 2010, when the liberalization of cross-border passenger transport will come into force, we will face fierce competition. Nonetheless, by purchasing new rolling stock and implementing the new timetable of regular services which was launched with the last timetable change in December 2008, we are well prepared already by now. However, there are still possibilities for improvement; by launching several strategic projects, we made an important move towards improving efficiency and optimizing costs in 2008.*

ÖBB are heavily investing in the expansion of infrastructure. What is the purpose of this capital expenditure?

Klugar: *Investing in the expansion of its infrastructure is absolutely mandatory for ÖBB. The owner, the Republic of Austria, has decided in favor of a sustainable investment program including projects such as the four-tracked expansion of the Westbahn route, the new Vienna main railway station and the expansion of the Südbahn route. This will strengthen ÖBB's position for decades. We have to think in generations and not only in business years. A solid infrastructure is the basis for a functioning and competitive railway company. The expansion of Südbahn and Westbahn is expected to eliminate bottlenecks and to build high-speed routes of international quality. Thus new growth potentials will emerge. In the years to come, the focus will also be on improving and replacing existing routes. By erecting new infrastructure while optimizing the existing railway network, we will be able to offer our customers even more comfortable and faster connections in short-distance and long-distance traffic. Just in line with our concept of integral mobility. The basis for this expansion is the agreement between the Federal Government and ÖBB Group which stipulates that the Federal Government shall bear 70% of the construction costs.*



“Any growth registered by ÖBB in passenger or freight transport is benefiting the environment. Since the owner agrees with that, it supports our efforts to expand railway infrastructure.”

Peter Klugar

Halbmayer: *By 2020, about 24.5 billion EUR will have been invested; that is the considerable amount of 2 billion EUR each year. By taking this decision, the Republic of Austria clearly committed itself to realizing the necessary expansion of the railway infrastructure. This will allow us to comply with the high demands made on the railway of the future which is becoming more and more important from an ecological point of view, too. Nevertheless, we are well aware that we have to ensure an absolutely efficient use of funds because in the end it is the Austrian tax payer who finances these projects to a considerable extent.*

What are the strategic advantages arising out of the acquisition of MÁV Cargo by ÖBB?

Poschalko: *The takeover of MÁV Cargo by Rail Cargo Austria AG was the most important acquisition made by ÖBB Group in the last years. In 2009, we will push the integration of MÁV Cargo. This acquisition is of enormous importance in particular in an economic environment as difficult as the present since it contributes to significantly increasing our flexibility in freight transport. Freight transport from*

“By acquiring MÁV Cargo we will considerably increase our market presence in Southeast Europe while ensuring competitive advantages.”

Gustav Poschalko

Hungary that up to now circumvented our borders can now be operated on our own railway network. Through the acquisition, Rail Cargo Austria AG purchased about

13,000 freight cars and has now a vehicle fleet of 33,000 freight cars. The transaction also includes a workshop and a wagon plant located in Mischcolz which have already been working for Rail Cargo Austria in the field of manufacture and wagon inspection. Thus, we are able to considerably reduce dependency on manufacturers and to extend our value added pattern. On the other hand, subgroup Rail Cargo Austria has to be able to react quickly in the current economic environment. Freight transport volume sharply declined in the last months of 2008. To be well prepared for the challenges we will face in the future, we have to increase our marketing efforts and implement a program aimed at increasing efficiency.



How is ÖBB financing an acquisition of this magnitude as well as infrastructure projects or the renewal of its vehicle fleet?

Poschalko: *Financing of the acquisition of MÁV Cargo is based on two pillars: One part is financed by means of cash earnings, and the remaining amount is raised on the capital market, possibly by issuing a bond.*

Halbmayer: *Infrastructure investments are financed on the basis of the master plan which is in force for a period of six years and has to be updated annually. ÖBB-Infrastruktur Bau AG raises large parts of the funds required for its investments by issuing bonds on the capital market. The owner, the Republic of Austria, assumes the corresponding liabilities while the Federal Government takes on 70% of the amortization installments and interest expenses over a period of 30 years. As done so far, the purchase of wagons, carriages and trains is financed by means of cash flow and EUROFIMA loans as e.g. 816 million EUR required for purchasing the new **railjet** trains.*

*“The sum of 816 million EUR required for the new **railjet** train are financed by means of cash flow and EUROFIMA loans.”*

Josef Halbmayer

To which extent do environmental and sustainability issues play a role in the group strategy defined by ÖBB Group?

Klugar: *Any growth registered by ÖBB in passenger or freight transport is benefiting the environment. Since the owner agrees with that, it supports our efforts to expand railway infrastructure and purchase new trains. It is in everyone's interest to transfer as much traffic as possible from road to rail. By increasing passenger transport by 2% and freight transport by 1.6%, we once again succeeded in doing so in 2008. During the 2009 business year, we will draw up the second sustainability report to show the diversity of services we render for the benefit of the environment and society and as an employer. Thus we highlight our clear commitment to acting in a responsible and sustainable way. When everybody is talking about climate change, the railway has to come first and position itself as the means of transport of the future. Because everyone who goes by train saves CO₂ and contributes to protecting the climate. In difficult economic times, it is of utmost importance that ÖBB contributes to stimulating the economy by making investments. In accordance with the owner, we invested about 700 million EUR from the stimulus package thus giving important momentum to the economy and employment in Austria.*

“When everybody is talking about climate change, the railway has to come first and position itself as the means of transport of the future.”

Peter Klugar

Investment Offensive of ÖBB Group

Capital expenditure amounting to 2,781.5 million EUR

Expansion and Modernization of Railway Infrastructure

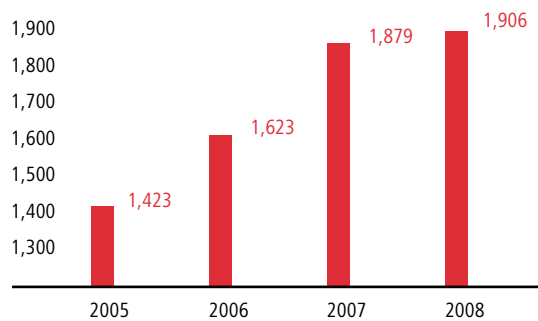
All in all, ÖBB Group invested about 2,781.5 million EUR (2007: about 2,529 million EUR) in intangible and tangible assets in 2008. Compared to the book values of tangible assets, this is an investment ratio of about 18% (2007: 22%). Subgroup ÖBB-Infrastruktur Bau, which is responsible for making available the necessary railway infrastructure, accounts for the main part of these investments with capital expenditure amounting to about 1,905.8 million. The so-called master plan determines the investments to be made over the next six years. The master plan 2008–2013 provides for annual capital expenditure on new-construction and expansion projects of 1.2 to 1.4 billion EUR and for investments aiming at modernizing and improving existing routes of about 520 million EUR. The way these investments are financed is explained below followed by a summary of the most important investment projects carried out in the period under review. Please refer to the ÖBB Investment Atlas and the annual report of subgroup ÖBB-Infrastruktur Bau for detailed information.

Capital Spending on Investment Projects in Accordance with the Master Plan

Master plan defines investment projects

The infrastructure projects to be implemented are determined by the six-year master plan which has to be approved by the Federal Ministry of Transport, Innovation and Technology and the Federal

Capital Expenditure as from 2005
in million EUR



Ministry of Finance pursuant to § 43 Federal Railway Act (Bundesbahngesetz). This master plan is to be revised annually and extended for another year. Capital expenditure on traffic infrastructure in Austria has increased massively over the last years. A preview of the construction projects to be implemented until 2020 shows that all in all about 24.5 billion EUR (excluding special financing of the Brenner Basistunnel) are expected to be invested in the expansion of railway infrastructure. Financing requirements for master plan investments initiated by the end of 2008 taking into

consideration the impact of the approved master plan 2008–2013 amount to about 10.6 billion EUR (2007: 10,026 million EUR) applying an indexation factor of 2.5%.

Sustainable Financing of Infrastructure

Guaranty commitments by the Federal Government

In the course of implementing the reform of ÖBB in 2005, the automatic cost coverage for new investments in the area of infrastructure was switched to compensations for services rendered and guaranty commitments assumed by the Federal Government. Thus, subgroup ÖBB-Infrastruktur Bau has to ensure demand-oriented and cost-effective performance of services and does not receive any government compensations for services rendered as contribution to earnings before interest and taxes. Nevertheless, there is the obligation to comply with all requirements concerning indebtedness and equity ratio as imposed by the Austrian Stock Corporation Act (Aktiengesetz) and the Company Reorganization Act (Unternehmensreorganisationsgesetz). These requirements are rather challenging regarding the financing of planning and construction projects so that we pursue a conservative risk policy and strive to improve financing from own sources.

The Federal Government assumes the liability for the investment volume agreed upon in the master plan; however, these investments are made directly by subgroup ÖBB-Infrastruktur Bau. In part, these projects are financed from cash flow while the share of financing from own sources further increased in 2008. A large part of the financing is done by means of issuing bonds on the capital market. In 2008, straight bonds amounting to an overall volume of about 1.6 billion EUR were issued. Due to the liability assumed by the Federal Government, ÖBB-Infrastruktur Bau AG has an excellent credit rating (AAA/Aaa rating). The provinces, cities and municipalities will also contribute to the financing of infrastructural facilities, in particular if such projects benefit short-distance traffic. Some projects which are of importance at European level are being co-financed by the European Union.

Successful issuance of
bonds

Financing of railway infrastructure facilities to be newly erected was restructured on the basis of the budget authorization act 2007 (Budgetermächtigungsgesetz). As from now, the Federal Government bears indirectly about 70% of the construction costs. Subgroup ÖBB-Infrastruktur Bau will continue to raise the funds necessary for erecting new projects on the capital market; however, as from 2007, the Republic of Austria will pay 70% of the amortization installments and interest expenses distributed over a period of 30 years. With respect to 2008, this arrangement means that the Federal Government will take over about 1.6 billion EUR plus the corresponding interest expenses, distributed over a period of 30 years, from the planned investment volume amounting to 2.3 billion EUR. This modified financing policy contributes significantly to the sustainable financing of Austrian railway infrastructure since only 30% of all investments made could be financed from the commercial and operational point of view. A large part of these investments benefit Austria as a business location and serve an overall economic purpose. In the course of continuing the master plan for 2008 – 2013, an agreement was signed by ÖBB and the Federal Ministry for Traffic, Innovation and Technology regarding the taking over of these investment costs.

Federal Government
bears 70% of costs

Additional Capital Expenditure to Stimulate the Austrian Economy

Due to the impact of the global economic crisis, the Federal Government approved an economic stimulus package for the years 2009–2012 at the end of October providing for investments to the amount of 700 million EUR to be made in the expansion and improvement of railway infrastructure. About 410 million EUR will be invested in the replacement of the existing network while about 290 million EUR will be used to rebuild and expand railway routes and to modernize railway stations such as the railway station in Leibnitz, Graz, Bruck an der Mur, Melk, Attnang-Puchheim, Hallwand and Seekirchen.

Master Plan 2008–2013

The master plan 2008–2013 presented in March 2008 provides for investments in the expansion of railway infrastructure to the amount of 10.7 billion EUR; this is an increase of 0.7 billion EUR over the master plan 2007–2012. In order to improve the quality of existing routes and to eliminate reduced-speed sections, additional investments amounting to 60 million EUR were approved.

10.7 billion EUR to be
invested in the expansion
of railway network

The **central route projects** of this master plan are:

- the four-tracked expansion of the Westbahn route
- the four-tracked expansion of the Unterinntal route
- Expansion of the Südbahn route by erecting Koralmbahn and the new Semmering base tunnel
- Lainzer Tunnel as the connection between Westbahn, Südbahn and Donauländebahn

By 2015, the most frequented railway stations will be refurbished



An important milestone was marked regarding the “New Semmering base tunnel” project in 2008. The train path and railway station selection procedure was completed successfully involving the project region and the provinces affected, which are Lower Austria and Styria. In 2009, the required petitions will be filed with the competent authorities.

The **railway station renovation program** provides for the gradual refurbishment and modernization of the most frequented railway

stations in the period from 2000 to 2015. In stage 1 of the program, the railway stations in Feldkirch, Innsbruck, Graz, Baden, Krems, Linz, Wiener Neustadt, Leoben, Wels, and Klagenfurt were refurbished by investing about 200 million EUR in the period from 2000 to 2005. The current projects of the railway station renovation program are:

- Erection of Vienna main railway station (construction period 2007–2013)
- Rebuilding of Salzburg main railway station (construction period 2008–2014)
- Rebuilding of St. Pölten main railway station (construction period 2006–2013)
- Refurbishing and expansion of the railway station Wien West (construction period 2008–2011)
- Modernization of the railway station Wien Mitte (construction period 2007–2010)
- Rebuilding of the railway station Hütteldorf (construction period 2009)

Inaugurations

The first big railway station to be completely redesigned within the framework of the railway station renovation program was the railway station Wien Praterstern which was inaugurated in April 2008; the railway station Wien Heiligenstadt and the freight terminal Freudenau were also put into operation in the period under review.

Moreover, the master plan 2008 – 2013 focuses on the **following projects**:

- Numerous projects in short-distance traffic in congested urban areas
- Improvement of tunnel safety on existing routes
- Noise control measures
- Erection of Park&Ride facilities
- Extensive reinvestments

Investing in the existing railway network

Apart from guaranteeing the financing of these new-construction and expansion projects, the master plan 2008–2013 is focused, more than ever before, on maintaining and improving the existing railway infrastructure and on modernizing and implementing accessibility at all railway stations. Subgroup ÖBB-Infrastruktur Bau invests an annual amount of about 500 million EUR in the maintenance and replacement of the existing railway network and implemented more than 1,600 so-called “basic investment projects” in 2008. Another 120 million EUR were invested by subgroup ÖBB-Infrastruktur Betrieb to ensure the maintenance of the existing network.

Renewal of the master plan

The Federal Ministry for Transport, Innovation and Technology presented the renewed master plan 2009–2014 to the public on March 25, 2009. It provides for overall capital expenditure on railway infrastructure of about 13.9 billion EUR. This sum comprises the stimulus package approved by the Federal Government to the amount of about 700 million EUR and the share of Austria in the Brenner Basistunnel considered as special project. Until 2014, about 2.3 billion EUR will be invested annually in the expansion of the railway network.

Sustainable Management

Declaration of Commitment to Sustainable Management

ÖBB Group is one of Austria's largest companies and is well aware of the resulting corporate responsibility. Therefore, the management strives to balance economic, ecological, and social interests.

Balancing diverging interests

Sustainability Structure at Group Level

In order to meet the rising concern about social and ecological issues, all matters relating to sustainability were completely reorganized within ÖBB Group. The goal is to further improve our environmental and sustainability performance by coordinating the related activities at group level.

Coordination improves sustainability performance

In February 2008, ÖBB-Holding AG implemented an „environmental and sustainability management“. A sustainability officer is responsible for coordinating the different activities at group level. Relevant issues are discussed by the „central sustainability committee“ where the contacts from the different business divisions and the sustainability officer define the focus of sustainability activities to be implemented at group level. All group companies form part of this sustainability structure with existing information and process structures being integrated into the system. In this way, continuous discussion and organization processes were implemented aiming at further optimizing sustainable management of the group.

- Sustainability
- CO₂ / climate / energy
- Noise / waste / particulates emissions
- Nature conservation / ÖBB & nature
- Environment-related subsidies
- Environmental information & data services

In 2008, program officers were appointed and are in charge of the following topics:



Understanding of Sustainability Management

The new sustainability structure implemented at group level is the basis for reevaluating and further optimizing the sustainability performance of ÖBB Group. The social responsibility of ÖBB Group will be part of the new corporate sustainability model. The way ÖBB Group understands its role as sustainable mobility provider may be summarized as follows: We invest in state-of-the-art trains and buses, fast railway routes and attractive railway stations. Thus we create value for generations to come. We create jobs and help strengthen Austria as an attractive business location while offering eco friendly mobility services for a sustainable and ecological future. This understanding is the basis for any action taken by sustainability management. We define the targets and the measures and programs required to achieve them.

Sustainability model

Targets of the Last Sustainability Report

ÖBB Group published its targets regarding economic, ecological, and social issues in the 2006 sustainability report and has since then been working on their implementation. Many goals have already been achieved while other targets require long-term planning and comprehensive measures and are therefore in the stage of being implemented. The focus was on ecological targets such as sustainably increasing productivity, continuing the successful expansion and intensifying the use of synergies between rail and bus as well as on making a contribution to environmental and climate protection. It is one of ÖBB's targets to further increase energy efficiency in rail traffic, to expand power plants in an ecological way and to make further contributions to the klima:aktiv program launched by the Ministry of Agriculture, Forestry, Environment and Water Protection with respect to mobility. Social aspects were also taken into account: A group-wide internal health care program was launched in 2007 and the training and further education programs are being constantly extended.

By 2015, all railway stations with more than 2,000 travelers per day are to be accessible without any limitation of mobility.

Please refer to the next sustainability report which will be published in fall 2009 for a detailed evaluation of the targets defined in the sustainability report 2006.

Eco-Friendly Mobility by Rail and Bus

Traffic accounts for more than 25% of all greenhouse gases emitted in Austria. The railway offers an eco friendly alternative in passenger and freight transport as is shown by comparing CO₂ emissions caused by different means of transport. A car emits eight times the amount of CO₂ compared to railway transport. In freight transport, the advantage of rail transport is even more significant as a truck causes 23 times the amount of CO₂ emitted by a train. Also bus transport by ÖBB-Postbus GmbH puts a much smaller strain on the climate than private transport. When purchasing new buses, ecological compatibility plays an important role; all buses being operated in St. Pölten are powered by natural gas.

Significantly higher CO₂ emissions caused by cars and trucks

Renewable Water Power for Railway Operation

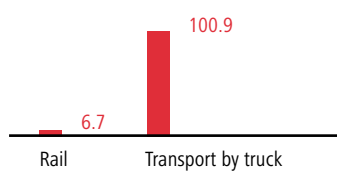
The ten hydroelectric power plants operated by subgroup ÖBB-Infrastruktur Bau cover about 34% of the energy demand of ÖBB Group. All in all, the share of water power and ecologically generated energy in traction power supply rose from 89% in 2007 to 92% in 2008. By that, the CO₂ emissions caused by rail transport further decreased. CO₂ emissions in passenger transport remain unchanged at 18.6 g/Pkm while amounting to 6.9 g/Tkm in freight transport. In order to further increase the share

Increasing the share of water power in the generation of traction power

of water power, about 700 million EUR will be invested in power plants until 2016 so as to increase the share of ÖBB's own traction power generation to 25%.

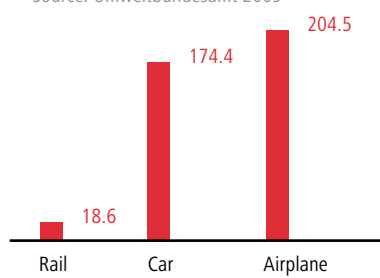
CO₂ emissions in freight transport in 2008

Compared to an average truck (load of 8.78t), in g/Tkm
Source: Umweltbundesamt 2009



CO₂ emissions in passenger transport in 2008

Compared to an average car (load of 1.18 persons), in g/Pkm
Source: Umweltbundesamt 2009



New sustainability report to be published in fall 2009

Sustainability Report 2006/2007

Every two years, ÖBB Group informs about its performance and activities aiming at implementing an even more sustainable corporate management.

The last sustainability report for 2006 was published in fall 2007; the next report will inform about the activities implemented in 2007 and 2008 and will be published in fall 2009. This is why no further details are given in this section. Detailed information is given in the Group Status Report from page 108 onwards and in the annual reports of the subgroups.

Corporate Governance

In order to strengthen the trust and confidence of all stakeholders and to increase the transparency of public announcements, ÖBB Group has been adhering to the rules of the Austrian Corporate Governance Code since October 2006.

Corporate Governance Report

ÖBB Group strives to strengthen the trust and confidence of its customers and employees as well as of the general public by means of a transparent, quick and detailed information policy. As capital market-oriented company and because of the public's interest, ÖBB Group organizes its management in accordance with international standards and best practice methods, in particular in accordance with the Austrian Code of Corporate Governance.

Transparent and
quick information

The executive board of ÖBB-Holding AG pursues a corporate strategy which is to benefit the company while taking into consideration the interests of its owner, the Republic of Austria, and its employees. At regular intervals, it reports to the supervisory board on the business development and submits for approval certain business transactions of ÖBB-Holding AG or its group companies pursuant to the articles of incorporation and as prescribed by law. The strategic alignment of ÖBB Group is defined in close cooperation with the supervisory board.

Declaration of Commitment to the Austrian Code of Corporate Governance

The Austrian Code of Corporate Governance addresses primarily Austrian stock corporations listed on a stock exchange. Although neither ÖBB Group nor one of its four subgroups or any shareholdings thereof are listed on a stock exchange, ÖBB complies with the recommendation of the Austrian Working Group for Corporate Governance that companies not listed on stock exchanges follow this Code to the extent that the rules are applicable. In September 2006 the supervisory board and the executive board of ÖBB-Holding AG passed a resolution on the compliance with the Austrian Code of Corporate Governance. This declaration of commitment, the Code as applicable to all group companies as well as the reasons for any deviations therefrom are available on the website of ÖBB Group at: www.oebb.at/vip8/oebb/de/Konzern/OeCGK_im_OeBB-_Konzern.

Summary of Deviations Including the Reasons Therefore

The Code includes three categories of rules: The legal requirements (L) refer to mandatory Austrian legal provisions and have to be complied with. However, L rules are to be interpreted as C rules for companies not listed on the stock exchange. Deviations from so-called "comply-or-explain" rules (C rules) are to be explained and the reasons stated. Recommendations (R-rules) are only a reference; non-compliance with these rules requires neither disclosure nor explanation.

Together with the declaration of commitment to the Austrian Code of Corporate Governance the following deviations by the ÖBB group companies were published and explained as follows:

Deviations and
explanations

Deviations due to Ownership Structure and Non-Quotation

The following rules do not apply or do not have to be complied with due to the special direct or indirect ownership structure of ÖBB Group and its subgroups with the Republic of Austria as the sole shareholder and due to the fact that it is not listed on the stock exchange: L rules: 1., 8.3., 19., 29. (1. sentence) 61., 63. (partially), 68.; C rules: 28., 54., 66., 69., 70., 71.; R rules: 72.

Republic of Austria as
the sole owner

Sole Shareholder and Publications (Protection of Shareholders)

Since the Republic of Austria is the sole shareholder of the company, the invitation to the general meeting, announcements regarding the agenda, the motions and documents to be presented to the shareholders as well as the voting results of the general meeting will not be made available on the company's website. Because of this particular ownership structure, there is no need for any protection of shareholders going beyond the mandatory statutory provisions. Therefore the following rules do not apply: C rules 4, 5, 6; R rules 7.

Age Limits

Neither the articles of incorporation nor the internal rules of the supervisory board and the executive board of the ÖBB group companies define any age limits for the members of the supervisory and executive boards. The members of the supervisory board consider the introduction of age limits as not being sensible and focus on the professional qualification of candidates when appointing the members of the executive board. Therefore the following rules are not complied with: C rules: 38 (last sentence), 57 (last sentence).

Nomination Committee

Because of the statutory provisions applying to ÖBB Group (public job advertisement pursuant to the appointment act), it seems to be appropriate to maintain the existing scope of competence and responsibilities determining that the presidium of the supervisory board (chairman and deputy chairman) has to deal with all relations between the company and the members of the executive board. Therefore C rule 41 does not apply.

Presidium of the
supervisory board in
charge of relations with
the executive board

Compensation Committee

As the presidium of the supervisory board has to deal with the issue of compensation of the members of the executive board, too, there is no need for changing the existing scope of competence and responsibility of the supervisory board. Therefore C rule 43 does not apply.

Compensation of Members of the Executive Board

Disclosure of the compensation is within the discretion of each member of the executive board; therefore compensations are not disclosed in the annual report. The recommendation of rule 31 (R rule) is not complied with.

Publications

You find the following information on our website (www.oebb.at):

- Evaluation of the compliance with the rules of the Austrian Code of Corporate Governance carried out by Confida Wirtschaftstreuhandgesellschaft m.b.H. and the law firm Lansky, Ganzger & Partner Rechtsanwälte GmbH
- Articles of incorporation and extracts from the internal rules of the supervisory board of
 - ÖBB-Holding AG
 - ÖBB-Personenverkehr AG
 - Rail Cargo Austria AG
 - ÖBB-Infrastruktur Bau AG
 - ÖBB-Infrastruktur Betrieb AG
- Members of the Audit Committee

External evaluation

Independence

The criteria used for determining the independence of the members of the supervisory board are those defined in the Austrian Code of Corporate Governance (Annex 1).

Shareholder Structure

The Republic of Austria is the sole shareholder of ÖBB-Holding AG which on its part holds all shareholdings in ÖBB-Infrastruktur Bau AG, ÖBB-Infrastruktur Betrieb AG, ÖBB-Personenverkehr AG and Rail Cargo Austria AG. The four subgroups are also involved in the implementation of the Austrian Code of Corporate Governance.

Compensation of the Executive Board

Principles of Profit Participation

The principles of profit participation applying to executives of ÖBB Group (members of the executive board of ÖBB-Holding AG, members of the executive board of the parent companies of subgroups and general managers of comparable companies) are as follows:

Performance-linked remuneration of executives

The employment contracts of executives include a performance-linked component (MbO – Management by Objectives) so that the remuneration reflects the success of the company to a considerable extent. In general, 2/3 of the remuneration paid to executives is a fixed base salary and 1/3 a variable performance-linked component. At the beginning of the business year, a score card is determined for each company in order to agree upon clearly defined quantitative and qualitative target figures which are normally even more challenging than the budget targets to be achieved in the respective business year. The target figures are in line with the group's overall results, its strategy and the focus of its activities.

Executives of ÖBB Group participate in an external pension fund, which is a defined contribution plan. The company assumes no pension commitments of whatsoever kind. When withdrawing from office or terminating the employment, the relevant provisions of the appointment act apply to the vested rights to future pension payments of the members of the executive board of ÖBB-Holding AG. Any other claims of whatsoever kind are excluded.

Risk Management

In 2008, the different risks ÖBB Group is exposed to were identified, analyzed, assessed and reported at group level. The Corporate Risk Management of ÖBB-Holding AG was in charge of coordinating and carrying out this central and group-wide risk management process. Persons responsible for implementing this risk management process in a decentralized manner were appointed in the subgroups and all relevant companies. Furthermore, a risk reporting system was established in order to summarize regular reports to be submitted by the group companies in an extensive risk report of ÖBB Group dealing with all key risks. These key risks will be evaluated and weighted according to the priority given to them and analyzed together with the executive board of ÖBB-Holding AG. Moreover, ongoing monitoring of the defined key risks is to ensure that the executive board is informed immediately about any changes thereof.

Risk assessment at group level

This risk management system is to ensure that ÖBB Group is in a position to systematically, constantly and extensively monitor any risks, and to actively manage the same. In 2009, the existing risk management system is to be further expanded in order to guarantee a sound and early risk detection and control within ÖBB Group based on planning, controlling and strategic processes, with the support of internal guidelines and reports by the persons responsible.

Expanding the risk management system

According to the rules of the Austrian Code of Corporate Governance, external auditors are to assess the functionality of the risk management system in the course of the annual statutory balance sheet audit. This was done (for the first time) as of 31.12.2008 for the ÖBB Group. Evaluation of the risk management system did not give rise to any objections.

All companies in which ÖBB holds more than 50% of shares subject to auditing

Corporate Auditing Department

Primarily, the corporate auditing department is to support the members of the executive and supervisory boards of ÖBB-Holding AG when exercising their respective functions and responsibilities. It is also in charge of carrying out the internal audit of the individual group companies. Therefore and pursuant to the group guidelines, the corporate auditing department is responsible for auditing and assessing risk management processes and systems, internal control mechanisms and all issues relating to Corporate Governance. The corporate auditing department of ÖBB reports to the executive board of ÖBB-Holding AG who is to inform the supervisory board accordingly. The head of the corporate auditing department is to inform the respective client (executive board of ÖBB-Holding AG or executive board or management of a group company) at regular intervals of the audit status. In addition to that, a written report is to be drawn up on all audits ordered which is to be adopted by the respective client including any possible recommendations made by the corporate auditing department. All group companies in which ÖBB-Holding AG holds, directly or indirectly, more than 50% of the shares as well as their units of organization, business divisions and projects, are subject to auditing by the corporate auditing department. The corporate auditing department draws up an auditing plan which follows a risk-oriented strategic approach while taking into account issues and topics suggested by relevant group companies. An auditing manual contains detailed instructions for the corporate auditing department on how to exercise its function.

Auditing according to international standards

Auditors

The three auditing companies appointed and the supervisory board are constantly in contact to be able to cooperate. Pursuant to C rule 74, the year-end audit was conducted according to international standards of audit (ISA) (e.g. ISA 240 "Fraud and Error", ISA 320 "Materiality", ISA 400 "Risk Assessment and Internal Control" and ISA 700 "Auditor's Report on Financial Statements"). Auditing costs for the 2008 business year amount to about 2.3 million EUR.

External evaluation

Evaluation of Compliance with the Code

In accordance with and applying the rules of the „International Federation of Accounts“ for review engagements, Confida Wirtschaftstreuhand GmbH and the law office Lansky, Ganzger & Partner Rechtsanwälte GmbH evaluated the implementation and correctness of our public announcements taking into consideration the Code of Corporate Governance and prepared the corresponding reports which are to be found on our website. Evaluation of the compliance with the rules of the Code of Corporate Governance and the accuracy of public announcements by the auditors revealed that the public announcements regarding the implementation of the Code are in line with the notes contained in the reports. The law office Lansky, Ganzger & Partner Rechtsanwälte GmbH examined all issues relating to the auditor contained in the Code of Corporate Governance and drew up a report raising no objections of whatsoever kind.

Members of the Executive Board

DI Peter Klugar

Since 1.12.2007 member of the executive board of ÖBB-Holding AG, appointed until 31.12.2010

Spokesman of the executive board since 26.5.2008

Member of the supervisory board of ÖBB-Infrastruktur Betrieb AG, from 27.8.2004 until 29.2.2008

He was born in Graz in 1949 and studied engineering at the Universität Graz (University of Graz). From 1978 to 1984, he worked for the divisions of structural traffic planning and planning of railway stations of ÖBB; from 1985 to 1987 he held several functions in corporate planning. From 1988 to 1991, he worked for the Federal Ministry of Transportation. In 1991, he joined the strategic planning division of ÖBB and from 1991 to 1992 he managed the road transport division (bus and trucks). As from 1995 until 2004, he headed the business division of railway networks and in 1999 he was appointed officer holding a general commercial power of attorney. From 1999 to 2002, he was general manager of Schieneninfrastruktur-Dienstleistungsgesellschaft mbH (SCHIG). From 2003 to 2006, he worked at international level as vice president of Rail Net Europe. In 2004, he was appointed member of the executive board of ÖBB-Infrastruktur Betrieb AG; as of 1.12.2007, he was appointed member of the executive board of ÖBB-Holding AG and has been the spokesman of the executive board of ÖBB-Holding AG since May 2008



Scope of competencies and functions within ÖBB Group:

- Strategy/corporate development, group communications, corporate auditing, personnel, environment, information technology
- Chairman of the supervisory board of ÖBB-Dienstleistungs Gesellschaft mbH since 26.11.2008
First elected on 28.10.2008 and appointed until resolution to be adopted by shareholders in 2010
- 1. Deputy chairman of the supervisory board of ÖBB-Infrastruktur Betrieb AG since 26.6.2008
First elected on 14.4.2008 and appointed until the general meeting in 2010
- 1. Deputy chairman of the supervisory board of ÖBB-Infrastruktur Betrieb AG since 26.6.2008
First elected on 14.4.2008 and appointed until the general meeting in 2011
Chairman of the investment committee of the supervisory board of ÖBB-Infrastruktur Bau AG

Functions outside the group:

- President of the Austrian Association of Transport Scientist
- Member of the executive board of Forschungsgemeinschaft Straße und Verkehr (research association on road and traffic)
- Member of the executive board of Industriellenvereinigung (Austrian association of industrialists)
- Member of the Austrian Advisory Council on Traffic Safety
- Member of the CER Management Committee
- Member of the supervisory board of the Institut für Gesundheitsförderung und Prävention GmbH (institute for health care and prevention)

Mag. Josef Halbmayr MBA

Member of the Executive Board of ÖBB-Holding AG, since 1.11.2008, appointed until 31.10.2012
Since 1.12.2007 member of the executive board of ÖBB-Personenverkehr AG,
appointed until 31.12.2011



He was born 1955 in St. Peter/Au and studied business management at the Johannes Kepler Universität in Linz; in addition to that, he earned a Master of Business Administration degree at the University of Toronto focusing on finance, marketing and international business. From 1985 to 1990, he was head of branch office at COM Shop & Systems and head of central services at Landesverlag Linz. In 1991, he joined CPC International – C.H. Knorr where he was In charge of controlling and strategic planning. In 1995, he joined the company

Felbermayr located in Wels as business development manager. From 1997 to 1999, he headed the postal van division at Post und Telekom Austria AG. In 1999, he joined Österreichische Post AG as member of the executive board responsible for the areas of branch offices and parcel services. In 2005, he was appointed member of the executive board of Wiener Privatbank Immobilieninvest AG in Vienna. As of 1.12.2007, he was appointed member of the executive board of ÖBB-Personenverkehr AG and was in charge of accounting & controlling, legal affairs, personnel, systems & processes, and corporate development. As of 1.11.2008, he was appointed member of the executive board of ÖBB-Holding AG.

Scope of competencies and functions within ÖBB Group:

- Accounting, group controlling and corporate treasury, legal affairs
- Since 1.12.2007 member of the executive board of ÖBB-Personenverkehr AG and appointed until 31.12.2011
- Member of the supervisory board of Rail Cargo Austria AG
First elected on 25.2.2009 and appointed until the general meeting in 2010
- Since 27.11.2008 chairman of the supervisory board of Österreichische Postbus AG
First elected on 26.3.2008 and appointed until the general meeting in 2011
- Member of the supervisory board of ÖBB-Postbus GmbH
First elected on 25.3.2008 and appointed until resolution to be adopted by shareholders in 2010
- Member of the supervisory board of ÖBB-Dienstleistungs GmbH
First elected on 29.12.2008 and appointed until resolution to be adopted by shareholders in 2010
- Member of the supervisory board of ÖBB-Traktion GmbH
First elected on 7.5.2008 and appointed until resolution to be adopted by shareholders in 2010
- Since 23.2.2009 deputy chairman of the supervisory board of ÖBB-Technische Services GmbH
First elected on 23.2.2009 and appointed until resolution to be adopted by shareholders in 2010
- Member of the advisory council of City Air Terminal Betriebsgesellschaft m.b.H. (CAT)

Functions outside the group:

- Chairman of the supervisory board of Rundfunk und Telekom Regulierungs GmbH
- Member of the supervisory board of Severin Holding GmbH

KR Gustav Poschalko

Since 1.12.2007 member of the executive board of ÖBB-Holding AG and appointed until 31.12.2010
Member of the executive board of Rail Cargo Austria AG from 1.10.2004 until 31.1.2008

He was born in Vienna in 1940. After graduating from high school in Vienna, he trained as a forwarder's agent with Gebrüder Weiss Gesellschaft mbH Internationale Spedition from 1955 to 1957 and then worked in the freight tariffs department of this company dealing with claims, air cargo and bulk cargo until 1960. From 1960 to 1962 he worked with Österreich-Alpine Montangesellschaft and was in charge of transport and customs-related issues. As from September 1962, he worked with Interfracht Internationale Frachtdienste Gesellschaft mbH and Express Internationale Speditionen Gesellschaft mbH. As from July 1982, he was general manager of Interfracht and as from May 1983 general manager of Express; when this company was transformed into a stock corporation, he was appointed single member of the executive board. When the company was taken over by ÖBB as of 1.1.1999 and Speditionen Holding AG was set up, he was appointed member of the executive board of this newly formed company.



Scope of competencies and functions within ÖBB Group:

- Freight transport and logistics, passenger transport, traction, technical services and purchasing
- Member of the executive board of Rail Cargo Austria AG until 31.1.2008
- Member of the supervisory board of ÖBB-Personenverkehr AG
First elected on 14.4.2008 and appointed until the general meeting in 2010
- Member of the supervisory board of Rail Cargo Austria AG
First elected on 14.4.2008 and appointed until the general meeting in 2010
- Chairman of the supervisory board of ÖBB-Postbus GmbH since 10.4.2008
First elected on 25.3.2008 and appointed until resolution to be adopted by shareholders in 2010
- Chairman of the supervisory board of ÖBB-Traktion Gesellschaft mbH since 14.4.2008
First elected on 25.10.2004 and appointed until resolution to be adopted by shareholders in 2010
- Member of the supervisory board of ÖBB-Technische Services GmbH
First elected on 25.10.2004 and appointed until resolution to be adopted by shareholders in 2010
- Chairman of the supervisory board of RAABERSPED Kft., CSKD Intrans a.s.,
- Chairman of the board of administration of Express-Interfracht Hellas S.A., Express Italia s.r.l.
- Member of the board of administration of Express-Interfracht Liechtenstein
- Chairman of the advisory council of Dolphin Shipping GmbH, Express-Interfracht mezinárodní expedice CZ, AgroFreight GmbH, Entsorgungslogistik Austria, HAELA Abfallverwertung GmbH, Raabersped, Intercontainer Austria
- Deputy chairman of the advisory board of Industriegewaggon GmbH, Car Rail Logistics GmbH
- Member of the advisory council of Express-Interfracht Internationale Spedition GmbH, Speditionen Holding GmbH, ChemFreight
- Member of the executive board of MÁV Cargo Zrt.

Functions outside the group:

- Chairman of the supervisory board of ETRANSNA Speditionen AG, Express Slovakia Medzinárodná preprava, a.s., Hungaria Intermodal Kft.
- Vice Chairman of the Coordinating Council of Transsiberian Transportation (CCTST)
- General manager of ChemFreight Transport, Logistik & Waggonvermietung GmbH, Kadmos s.r.o.
- Member of the board of administration of TMF Transports Terrestres Maritimes et Fluviaux SA

Mag. Erich Söllinger

Member of the executive board of ÖBB-Holding AG from 20.4.2004 until 31.12.2008

Scope of competencies and functions within the ÖBB Group:

- Accounting, group controlling, corporate treasury, legal affairs, mergers & acquisitions, internal services
- Member of the supervisory board of ÖBB-Dienstleistungs GmbH, first elected on 7.3.2005
- Deputy chairman of the supervisory board of ÖBB-Postbus GmbH, first elected on 1.10.2004
- Chairman of the supervisory board of ÖBB-Postbus AG, first elected on 15.9.2003
- Member of the supervisory board of ÖBB-Personenverkehr AG, re-elected on 14.4.2008
- Member of the supervisory board of Rail Cargo Austria AG, re-elected on 14.4.2008
- Member of the supervisory board of ÖBB-Technische Services GmbH, first elected on 7.8.2007
- Member of the supervisory board of ÖBB-Traktion GmbH, first elected on 2.8.2007

Functions outside the group:

- Member of the board of administration of EUROFIMA European Company for the Financing of Railroad Rolling Stock AG until 31.10.2008

Mag. Martin Huber

Member of the Executive Board of ÖBB-Holding AG since 1.11.2004

Since 1.1.2005 spokesman of the executive board, chairman of the executive board and CEO from 16.11.2007 until 22.4.2008

Scope of competencies and functions within the ÖBB Group until 22.4.2008:

- Strategy, organization, human resources, group communications, corporate auditing, equity interests and erection of infrastructure
- Chairman of the supervisory board of ÖBB-Infrastruktur Betrieb AG, independent; first elected on 28.10.2004
- Chairman of the supervisory board of ÖBB-Infrastruktur Bau AG; first elected on 16.3.2005
- Deputy chairman of the supervisory board of ÖBB-Dienstleistungs GmbH, first elected on 14.10.2004
- Chairman of the supervisory board of ÖBB-Immobilienmanagement GmbH since 11.9.2007, first elected on 13.10.2004 and re-elected on 21.8.2007
- Chairman of the supervisory board of Brenner Eisenbahn GmbH since 9.10.2007, first elected on 11.9.2007

Functions outside the group:

- Deputy chairman of the supervisory board of Österreichische Verkehrskreditbank AG

Supervisory Board

The supervisory board operates primarily on the basis of the Stock Corporation Act, the articles of incorporation of ÖBB-Holding AG, the internal rules of procedure of the supervisory board and the Code of Corporate Governance of ÖBB-Holding AG. The members of the supervisory board shall be deemed as independent pursuant to general provision of rule 53 if they fulfill the criteria for independence as defined in the Austrian Code of Corporate Governance (Annex 1).

Members and Committees of the Supervisory Board of ÖBB-Holding AG and Other Assignments within the Group

As of 31.12.2008, the supervisory board has 12 members; eight members were elected by the general meeting representing the shareholders' side and four members were appointed by the works council as staff representatives. In principle, the supervisory board acts as a whole. Only an audit committee as prescribed by law was set up which is responsible for auditing the financial statements and the consolidated accounting on behalf of the entire supervisory board in preparation of the approval thereof. The presidium of the supervisory board is in charge of the relations between the company and the members of the executive board. The following table informs about the members of the supervisory board of ÖBB-Holding AG, their respective terms of office, and other assignments:

DI Horst Pöchhacker

Born in 1938; chairman, independent

First elected on 29.5.2007 and appointed until the general meeting in 2010

Other assignments within ÖBB Group:

- Chairman of the supervisory board of ÖBB-Personenverkehr AG, first elected on 29.5.2007 and appointed until the general meeting in 2010
- Chairman of the supervisory board of Rail Cargo Austria AG, first elected on 29.5.2007 and appointed until the general meeting in 2010

Assignments outside ÖBB Group:

- Deputy chairman of the supervisory board of Autobahnen- und Schnellstraßen-Finanzierungs-Aktiengesellschaft, Bundesimmobiliengesellschaft m.b.H., UBM Realitätenentwicklung Aktiengesellschaft, Brenner Basistunnel BBT SE
- Member of the supervisory board of Wiener Städtische Wechselseitige Versicherungsanstalt-Vermögensverwaltung, CA Immobilien Anlagen Aktiengesellschaft

Dr. Eduard Saxinger

Born in 1947; deputy chairman, independent

First elected on 29.5.2007 and appointed until the general meeting in 2010

Other assignments within ÖBB Group:

- Chairman of the supervisory board of ÖBB-Infrastruktur Bau AG, until 26.6.2008 deputy chairman, first elected on 29.5.2007 and appointed until the general meeting in 2011
- Chairman of the supervisory board of ÖBB-Infrastruktur Betrieb AG, deputy chairman from 21.4.2008 to 26.6.2008, first elected on 29.5.2007 and appointed until the general meeting in 2010

Assignments outside ÖBB Group:

- Chairman of the supervisory board of Autobahnen- und Schnellstraßen-Finanzierungs-Aktiengesellschaft
- General manager of Saxinger, Chalupsky und Partner Rechtsanwälte GmbH

Franz Rauch

Born in 1940; deputy chairman, independent

First elected on 31.3.2004 and appointed until the general meeting in 2010

Other assignments within ÖBB Group:

- 2. Deputy chairman of the supervisory board of ÖBB-Personenverkehr Betrieb AG since 16.4.2008, first elected on 14.4.2008 and appointed until the general meeting in 2010
- Deputy chairman of the supervisory board of Rail Cargo Austria AG, first elected on 23.9.2004 and appointed until the general meeting in 2010

Assignments outside ÖBB Group:

- Member of the supervisory boards of Bank Austria-Member of UniCredit Group, Fohrenburg Beteiligungs-AG, Hirschmann Automotive GmbH, OTAG Oberflächentechnologie AG, Treibacher Industrie AG, Vorarlberger Kraftwerke AG, Vorarlberger Illwerke AG, Wienerberger AG

DI Herbert Kasser

Born in 1964; 3. deputy chairman, independent

First elected on 27.4.2007 and appointed until the general meeting in 2010

Other assignments within ÖBB Group:

- 2. Chairman of the supervisory board of ÖBB-Infrastruktur Betrieb AG, deputy chairman from 21.4.2008 to 26.6.2008, first elected on 27.8.2004 and appointed until the general meeting in 2010
- 2. Chairman of the supervisory board of ÖBB-Infrastruktur Bau AG, deputy chairman from 21.4.2008 to 26.6.2008, first elected on 16.3.2005 and appointed until the general meeting in 2011

Assignments outside ÖBB Group:

- Member of the supervisory board of Bundesimmobiliengesellschaft m.b.H., BIG Finanzdienstleistungen GmbH, BIG Entwicklungs- und Verwertungs GmbH, Autobahnen- und Schnellstraßen-Finanzierungs AG, Österreichische Bundesforste AG, Brenner Basistunnel BBT SE, Österreichische Forschungsförderungsgesellschaft mbH, Schieneninfrastruktur-Dienstleistungsgesellschaft mbH

Wilhelm Haberzettl

(staff representative), born in 1956, 4. deputy chairman, independent

First elected on 31.3.2004

Wilhelm Haberzettl had been appointed to the supervisory board of Österreichische Bundesbahnen as of 1.11.1996.

Other assignments within ÖBB Group:

- Member of the supervisory board of ÖBB-Infrastruktur Bau AG, first elected on 16.3.2005

Kurt Eder

Born in 1946; independent

First elected on 13.8.2005 and appointed until the general meeting in 2010

Other assignments within ÖBB Group:

- Member of the supervisory board of ÖBB-Personenverkehr AG, first elected on 14.4.2008 and appointed until the general meeting in 2010
- Member of the supervisory board of Rail Cargo Austria AG, first elected on 14.04.2008 and appointed until the general meeting in 2010

Mag. Maria Kubitschek

Born in 1962; independent

First elected on 27.4.2007 and appointed until the general meeting in 2010

Other assignments within ÖBB Group:

- Member of the supervisory board of ÖBB-Personenverkehr AG, first elected on 29.5.2007 and appointed until the general meeting in 2010

Assignments outside ÖBB Group:

- Member of the supervisory board of Autobahnen- und Schnellstraßen-Finanzierungs-Aktiengesellschaft, Austrian Research Centers GmbH, Forschungs-Förderungs-Gesellschaft

Dr. Leopold Specht

Born in 1956; independent

First elected on 27.4.2007 and appointed until the general meeting in 2010

Assignments outside ÖBB Group:

- Managing partner of Specht Rechtsanwalt GmbH und Dr. Leopold Specht Beteiligungs- und Vermögensverwaltung GmbH
- General manager of Specht Asset Management Services GmbH
- Member of the supervisory board of Austro Control Österreichische Gesellschaft für Zivilluftfahrt GmbH

Mag. Christian Teufel

Born in 1952; independent

First elected on 13.8.2008 and appointed until the general meeting in 2010

Assignments outside ÖBB Group:

- Member of the executive board of LEIPNIK-LUNDENBURGER INVEST Beteiligungs-AG,
- Member of the managing board of BL Syndikat Beteiligungs Gesellschaft m.b.H., Estezet Beteiligungsgesellschaft m.b.H.,
- Marchfelder Zuckerfabriken Gesellschaft m.b.H., MAZ Beteiligungs GmbH, Raiffeisen-Invest-Gesellschaft m.b.H., SALVELINUS Handels- und Beteiligungsgesellschaft m.b.H., St. Wolfgang Beteiligung G.m.b.H., VECTRA Handels- und Beteiligungsgesellschaft m.b.H., Zucker Invest GmbH, Zucker Vermögensverwaltungs GmbH, Zucker-Beteiligungsgesellschaft m.b.H., Zuckermarkt-Studiengesellschaft m.b.H
- Deputy chairman of the supervisory board of CONSTANTIA PRIVATBANK AG, VK Mühlen AG, Z&S Zucker und Stärke Holding AG
- Member of the supervisory board of AGRANA Beteiligungs-AG, AGRANA Zucker, Stärke und Frucht Holding AG, EPAMEDIA – EUROPÄISCHE PLAKAT- UND AUSSEN MEDIEN GMBH, Kathrein & Co. Privatgeschäftsbank AG, Österreichische Rundfunksender GmbH, Raiffeisen Centrobank AG, RZB Private Equity Holding AG

Werner Harrer

(staff representative), born in 1954; independent

First elected on 31.3.2004

Werner Harrer had been appointed to the supervisory board of Österreichische Bundesbahnen as of 1.8.2002.

Other assignments within ÖBB Group:

- Member of the supervisory board of Rail Cargo Austria AG, first elected on 17.5.2004

Assignments outside ÖBB Group:

- Member of the executive board of BWS (Bau-Wohn-Siedlungsgesellschaft) until December 2008

Gottfried Winkler

(staff representative), born in 1956; independent

First elected on 31.3.2004

Gottfried Winkler had been appointed to the supervisory board of Österreichische Bundesbahnen as of 11.11.1999.

Other assignments within ÖBB Group:

- Member of the supervisory board of ÖBB-Infrastruktur Betrieb AG, first elected on 7.6.2004

Mag. Andreas Martinsich

(staff representative), born in 1964; independent

First elected on 25.4.2006

Retired Members of the Supervisory Board

Univ.-Doz. DI Dr. Hermann Egger

Born in 1949; independent; until 13.8.2008

First elected on 31.3.2004

Dr. Hermann Egger had already been a member of the supervisory board of Österreichische Bundesbahnen as from 1.12.2002.

Mag. Dr. Karl Sevelda

Born in 1950; independent; until 13.8.2008

First elected on 23.9.2004

Other Supervisory Board Assignments in Domestic Companies of ÖBB Group

Below you will find further supervisory board assignments in companies not contained in the list given above. In addition to that, there are companies where advisory boards were set up which are not given in detail in this context.

ÖBB-Personenverkehr AG

Univ.Prof. DI Dr. Friedrich Zibuschka, born in 1950; 1. deputy chairman, independent

First elected on 29.5.2007 and appointed until the general meeting in 2010

Dr. Gabriele Payr, born in 1959; independent

First elected on 29.5.2007 and appointed until the general meeting in 2010

Assignments outside ÖBB Group:

- CEO (deputy manager 31.12.2008) of WIENER STADTWERKE Holding AG
- Chairman of the supervisory board of Friedhöfe Wien GmbH
- Deputy chairman of the supervisory board of Bestattung Wien GmbH, Gemeinnützige Wohnungs- und Siedlungsgesellschaft der Wiener Stadtwerke Gesellschaft m.b.H., Wiener Linien GmbH, Wiener Lokalbahnen AG
- Member of the supervisory board of Wien Holding GmbH, Wiener Rotes Kreuz – Rettungs-, Krankentransport-, Pflege- und Betreuungsgesellschaft mbH

Dr. Johannes Seiringer, born in 1961; independent

First elected on 14.4.2008 and appointed until the general meeting in 2010

Assignments outside ÖBB Group:

- Member of the supervisory board of AGCS Gas Clearing and Settlement AG, APCS Power Clearing and Settlement AG

Ernst Friedl, born in 1956, (staff representative), independent

First elected on 17.5.2004

Peter Haidacher, born in 1959, (staff representative), independent

First elected on 24.4.2008

Hans Jürgen Jarius, born in 1962, (staff representative), independent

First elected on 24.4.2008

Helmut Radlingmayr, born in 1957, (staff representative), independent

First elected on 17.5.2004

Retired Members of the Supervisory Board

Franz Altenburger, born in 1956, (staff representative), independent, until 31.10.2008

First elected on 17.5.2004

Rail Cargo Austria AG

Mag. Herbert Kaufmann, born in 1949; independent

First elected on 29.5.2007 and appointed until the general meeting in 2010

Assignments outside ÖBB Group:

- Spokesman of the supervisory board of Flughafen Wien AG
- Member of the supervisory board of Österreichische Elektrizitätswirtschafts-AG, FIMBAG Finanzmarkteteiligung AG, AMZ Arbeits- und Sozialmedizinisches Zentrum Mödling GmbH, Austro Control Österreichische Gesellschaft für Zivilluftfahrt mbH

Dr. Siegfried Meysel, born in 1938; independent

First elected on 29.5.2007 and appointed until the general meeting in 2010

Mag. Dr. Karl Sevelda, born in 1950; independent

First elected on 29.5.2007 and appointed until the general meeting in 2010

Assignments outside ÖBB Group:

- Member of the executive board of Raiffeisen Zentralbank Österreich AG
- Member of the supervisory board of BENE AG, HFA Zwei Mittelstandsfinanzierungs-AG, Raiffeisen Factor Bank AG, Raiffeisen Centrobank AG, Raiffeisen International Bank-Holding AG, Raiffeisen Investment AG, RZB Private Equity Holding AG

Mag. Bernhard Moser, born in 1966, (staff representative), independent

First elected on 15.4.2008

Bernhard Mühlbacher, born in 1959, (staff representative), independent

First elected on 4.7.2005

Norbert Rothbart, born in 1962, (staff representative), independent

First elected on 23.9.2004

Assignments outside ÖBB Group:

- Chairman of the supervisory board of SPARDA Bank Villach/Innsbruck

ÖBB-Infrastruktur Betrieb AG

Univ.-Doz. DI Dr. Hermann Egger, born in 1949, 3. deputy chairman,

Deputy chairman of the supervisory board of ÖBB-Infrastruktur Betrieb AG, independent;
until 26.6.2008

First elected on 17.5.2004 and appointed until the general meeting in 2010

Other assignments within ÖBB Group:

- Member of the supervisory board of ÖBB-Infrastruktur Bau AG, first elected on 16.03.2005 and appointed until the general meeting in 2011

Assignments outside ÖBB Group:

- Member of the managing board of Kelag – Kärntner Elektrizitäts-Aktiengesellschaft
- Member of the supervisory boards of AGCS Gas Clearing and Settlement AG, CISMO Clearing Integrated Services and Market Operations GmbH, EXAA Abwicklungsstelle für Energieprodukte AG, Stadtwerke Kapfenberg GmbH, Verbund Austrian Thermal Power GmbH, Verbund Austrian Hydro Power AG

Mag. Christian Domany, born in 1952, independent

First elected on 29.5.2007 and appointed until the general meeting in 2010

Assignments outside ÖBB Group:

- Member of the executive board of Flughafen Wien AG
- Member of the supervisory board of Competence Investment AG, ORF Österreichischer Rundfunk

DI Bernhard Engleder, born in 1954, independent

First elected on 29.5.2007 and appointed until the general meeting in 2010

Günther Havranek, born in 1938, independent

First elected on 14.4.2008 and appointed until the general meeting in 2010

Manfred Kempfer, born in 1955, (staff representative), independent

First elected on 17.10.2007

Gerhard Schneider, born in 1959, (staff representative), independent

First elected on 14.9.2009

Franz Ziegler, born in 1964, (staff representative), independent

First elected on 21.4.2008

Retired Members of the Supervisory Board

Günter Mayr, born in 1958, (staff representative), independent, until 14.1.2009

First elected on 11.7.2005

ÖBB-Infrastruktur Bau AG

Mag. Ilse Hohenegger, born in 1967, independent

First elected on 4.12.2008 and appointed until the general meeting in 2011

Assignments outside ÖBB Group:

- Member of the supervisory board of Spanische Hofreitschule – Bundesgestüt Piber Gesellschaft öffentlichen Rechts, Österreichische Agentur für Gesundheit und Ernährungssicherheit GmbH

DI Brigitte Jilka MBA, born in 1956, independent

First elected on 29.5.2007 and appointed until the general meeting in 2011

Assignments outside ÖBB Group:

- General manager of Wien Holding GmbH until 31.12.2008
- Member of the supervisory board of Wiener Stadtentwicklungs GmbH., GESIBA Gemeinnützige Siedlungs- und Bauaktiengesellschaft, Gemeinnützige Wohnungsaktiengesellschaft Wohnpark Alt-Erlaa, Schloß Laxenburg BetriebsgmbH, Wiener Container Terminal GmbH and Wiener Stadtwerke Holding AG

Dkfm. Dr. Dieter Nefischer, born in 1944, independent

First elected on 14.4.2008 and appointed until the general meeting in 2011

Franz Eder, born in 1959, (staff representative), independent

First elected on 15.4.2008

Herbert Fleckinger, born in 1957, (staff representative), independent

First elected on 19.7.2006

Ing. Gerhard Zauner, born in 1954, (staff representative), independent

First elected on 16.3.2005

Retired Members of the Supervisory Board

Dr. Peter Quantschnigg, born in 1955, independent, until 5.11.2008

First elected on 29.5.2007

ÖBB-Dienstleistungs GmbH

Dr. Karl-Johann Hartig, born in 1949, deputy chairman since 24.6.2008, independent

First elected on 31.7.2007 and appointed until resolution to be adopted by shareholders in 2010

Assignments outside ÖBB Group:

- Vice-chairman of the supervisory board of Raab-Ödenburg-Ebenfurter Eisenbahn AG, Neusiedlerseebahn AG until 24.5.2008

MMag. Johannes Kasal, born in 1969, independent

First elected on 31.7.2007 and appointed until resolution to be adopted by shareholders in 2010

Other assignments within ÖBB Group:

- General manager of Scope Consulting Unternehmensberatung GmbH

Franz Schultes, born in 1956, (staff representative), independent

First elected on 7.9.2004

Elisabeth Vondrasek, born in 1960, (staff representative), independent

First elected on 7.9.2004

ÖBB-Traktion GmbH

Ferdinand Schmidt, born in 1951, deputy chairman, independent

First elected on 25.10.2004 and appointed until resolution to be adopted by shareholders in 2010

Other assignments within ÖBB Group:

- Member of the executive board of Rail Cargo Austria AG
- Chairman of the supervisory board of ÖBB-Technische Services GmbH, first elected on 25.10.2004 and appointed until resolution to be adopted by shareholders in 2010
- Member of the executive board of MÁV Cargo Zrt.

Assignments outside ÖBB Group:

- Member of the supervisory board of Loser Bergbahnen GmbH

Dr. Werner Kovarik, born in 1960, independent

First elected on 15.1.2009 and appointed until resolution to be adopted by shareholders in 2010

Other assignments within ÖBB Group:

- Member of the executive board of ÖBB-Personenverkehr AG
- Member of the supervisory board of ÖBB-Technische Services GmbH, first elected on 13.1.2009 and appointed until resolution to be adopted by shareholders in 2010

Roman Hebenstreit, born in 1971, (staff representative), independent

First elected on 8.9.2005

Assignments outside ÖBB Group:

- Member of the supervisory board of Österreichische Beamtenversicherung

Gerhard Tauchner, born in 1964, (staff representative), independent

First elected on 8.9.2005

Retired Members of the Supervisory Board

DI Dr. Stefan Wehinger, born in 1966, chairman, independent, until 31.3.2008

First elected on 25.10.2004

Other assignments within ÖBB Group:

- Member of the executive board of ÖBB-Personenverkehr AG until 31.3.2008
- Deputy chairman of ÖBB-Technische Services GmbH until 18.2.2008, first elected on 25.10.2004
- Chairman of the supervisory board of ÖBB-Postbus GmbH until 24.3.2008, first elected on 1.10.2004
- Member of the supervisory board of Österreichischen Postbus GmbH until 26.3.2008, first elected on 29.8.2007

ÖBB-Technische Services GmbH

Alois Fritzenwallner, born in 1954, (staff representative), independent
First elected on 27.4.2006

Joachim Werdenich, born in 1964, (staff representative), independent
First elected on 27.4.2006

ÖBB-Immobilienmanagement GmbH

Mag. Gilbert Trattner, born in 1949, chairman,
Deputy chairman until 24.6.2008, independent
First elected on 13.10.2004, re-elected on 2.5.2007 and appointed until resolution
to be adopted by shareholders in 2010

Other assignments within ÖBB Group:

- Member of the executive board of ÖBB-Infrastruktur Bau AG
- Deputy chairman of Brenner Eisenbahn GmbH, first elected on 26.3.2002, re-elected on 11.9.2007 and appointed until resolution to be adopted by shareholders in 2010

Mag. (FH) Andreas Matthä, born in 1962, deputy chairman since 16.9.2008, independent
First elected on 21.8.2007 and appointed until resolution to be adopted by shareholders in 2010

Other assignments within ÖBB Group:

- Spokesman of the executive board of ÖBB-Infrastruktur Bau AG
- Member of the supervisory board of Brenner Eisenbahn GmbH, first elected on 11.9.2007 and appointed until resolution to be adopted by shareholders in 2010

DI Dr. Georg-Michael Vavrovsky, born in 1950, independent
First elected on 2.5.2007 and appointed until resolution to be adopted by shareholders in 2010

Other assignments within ÖBB Group:

- Member of the executive board of ÖBB-Infrastruktur Bau AG
- Chairman of the supervisory board of Brenner Eisenbahn GmbH since 18.6.2008, first elected on 24.5.2005, re-elected on 11.9.2007 and appointed until resolution to be adopted by shareholders in 2010

Assignments outside ÖBB Group:

- Member of the supervisory board of Brenner Basistunnel BBT SE

Andreas Köck, born in 1954, (staff representative), independent
First elected on 25.10.2004

Christian Sigl, born in 1961, (staff representative), independent
First elected on 17.11.2004

ÖBB-Postbus GmbH

Mag. Gabriele Lutter, born in 1962, deputy chairman since 27.11.2008, independent

First elected on 25.3.2008 and appointed until resolution to be adopted by shareholders in 2010

Other assignments within ÖBB Group:

- Member of the executive board of ÖBB-Personenverkehr AG
- Since 27.11.2008 deputy chairman of the executive board of Österreichische Postbus AG, first elected on 6.11.2008 and appointed until the general meeting in 2011
- Member of the supervisory board of ÖBB-Traktion GmbH until 12.1.2009, first elected on 31.3.2008
- Deputy chairman of ÖBB-Technische Services GmbH since 14.4.2008, until 2.12.2008, first elected on 27.3.2008

Franz Poimer, born in 1949, (staff representative), independent

First elected on 1.10.2004

Other assignments within ÖBB Group:

- Member of the supervisory board of Österreichische Postbus AG, first elected on 15.9.2003

Robert Wurm, born in 1957, (staff representative), independent

First elected on 1.10.2004

Other assignments within ÖBB Group:

- Member of the supervisory board of Österreichische Postbus AG; first elected on 15.9.2003

Retired Members of the Supervisory Board

DI Mag. Gerhard Gamperl, born in 1960, independent, until 24.3.2008

First elected on 1.8.2007

Kurt Röck, born 1954, independent, until 24.3.2008

First elected on 1.8.2007

Österreichische Postbus AG

Mag. Günter Hek, born in 1966, independent

First elected on 20.4.2005 and appointed until the general meeting in 2011

Retired Members of the Supervisory Board

Mag. Michaela Steinacker, born in 1962, deputy chairman, independent, until 30.6.2008

First elected on 20.4.2005

Other assignments within ÖBB Group until 30.6.2008:

- General manager of ÖBB-Immobilienmanagement GmbH, ÖBB-Werbecenter GmbH, ÖBB-Projektentwicklung GmbH, HBF Eins Holding GmbH, Hauptbahnhof Zwei Holding GmbH, HBF Eins Alpha Projektentwicklungs GmbH, HBF Zwei Beta Projektentwicklungs GmbH, HBF Drei Gamma Projektentwicklungs GmbH, HBF Vier Delta Projektentwicklungs GmbH, HBF Fünf Epsilon Projektentwicklungs GmbH, HBF Sechs Gamma Projektentwicklungs GmbH

Assignments outside ÖBB Group:

- Member of the supervisory board of EVN AG

Information on the Supervisory Board of ÖBB-Holding AG

Members of the Presidium

- DI Horst Pöchhacker, chairman
- Dr. Eduard Saxinger
- Franz Rauch
- DI Herbert Kasser
- Wilhelm Habertzettl (staff representative)

Members of the Audit Committee

- DI Herbert Kasser, chairman since 26.2.2008
- Mag. Christian Teufl, deputy chairman since 14.10.2008
- Mag. Maria Kubitschek
- Mag. Dr. Karl Sevelda, (deputy chairman from 26.2.2008 to 13.8.2008)
- Werner Harrer

Meetings held by the Supervisory Board of ÖBB-Holding AG in 2008

- Five ordinary meetings
- Five extraordinary meetings
- Four meetings of the audit committee
- Three meetings of the presidium

Compensation of the Members of the Supervisory Board

The members of the supervisory boards of ÖBB group companies are to be reimbursed the expenses incurred in connection with the pursuance of their functions against rendering of accounts.

The base compensation for a supervisory board seat amounts to 9,000 EUR annually. The chairman of a supervisory board receives the double amount of the base compensation, a deputy chairman one and a half times the amount of the base compensation. If the member also holds a seat in the supervisory board of another group company, it will receive a further 50% of the abovementioned amounts. The maximum amount of 22,500 EUR may not be exceeded in case of holding several supervisory board seats. Members of the supervisory board who are employees of the ÖBB Group do not receive any compensation.

State Commissioners

- MR Dr. Gerhard Gürtlich
- State commissioner ÖBB-Holding AG
 - Deputy chair commissioner ÖBB-Infrastruktur Bau AG
 - State commissioner ÖBB-Infrastruktur Betrieb AG
- DI Georg Parrer
- Deputy state commissioner ÖBB-Holding AG
 - State commissioner ÖBB-Infrastruktur Bau AG
 - Deputy state commissioner ÖBB-Infrastruktur Betrieb AG

Further information on the supervisory boards of ÖBB group companies is given at www.oebb.at.

Impact of the economic crisis

Report of the Chairman of the supervisory board of ÖBB-Holding AG

The global financial and economic crisis leaves its mark on ÖBB too. This concerns not only the highly risky derivative financial instruments acquired from Deutsche Bank in 2005, but also the declining volume in freight transport towards the end of 2008 with this trend still going on. Our customers operating in different industries are facing double-digit drops in sales which have a significant impact on freight and logistics services.

Competitive in a liberalized market

However, this development did not come unexpectedly for ÖBB. Liberalization of the markets, which was first implemented in freight transport and will come into force in passenger transport as of 2010, forced us already back in 2007 to gradually adapt our strategy and structures and to optimize cost and earnings management. We are about strengthening our market presence at home and abroad, which requires cost leadership. Since we have to bear personnel costs which are higher than those of our competitors, we have to score points regarding efficiency and customer satisfaction.



The economic crisis which is getting worse from day to day induces us to intensify and speed up the “fitness programs” launched. We strive to quickly implement the initiated structural improvements regarding production, that is traction and shunting operations, as well as the splitting-up of former ÖBB-Dienstleistungs GmbH; moreover, we aim at finally eliminating the interfaces between ÖBB-Infrastruktur Bau AG and ÖBB-Infrastruktur Betrieb AG regarding the maintenance of the existing railway network.

Massive investments in the railway network and rolling stock are normally vehemently criticized. Ignoring commercial and economic connections, ÖBB are often predicted to

collapse financially as at present, debts are constantly on the rise. Nevertheless, long-term financial planning reveals that when the current boom in capital expenditure will be over by 2020, expenses will fall behind revenues and this is when refinancing and reduction of indebtedness of the system will start. There will be an acceleration of this process as the investments made will increase revenues.

While investments in infrastructure benefit all competitors, investments in rolling stock, as for example the *railjet*, serve the purpose of strengthening ÖBB’s competitiveness.

Liberalization of passenger transport as of 2010

There has been competition in freight transport for some time while this will be the case in passenger transport as from 2010. It is our responsibility to explain to politicians and the owner why competitors taking the pick of the bunch would be clearly discriminating against the former monopolist. In particular, the servicing of remote areas in the provinces will never be cost-covering despite the subsidies granted while our competitors may make easy money in passenger transport, e.g. on the route Vienna – Salzburg. The infrastructure management of ÖBB grants all competitors access to the railway network in an absolutely discrimination-free and fair manner.

The current difficult economic environment highlights that the vocational training and skills of our employees are ÖBB's most valuable assets. While increasing revenues and reducing costs, they make it possible to successfully face the future taking the appropriate measures.

I would like to express my thanks to the management and all employees and staff representatives for their commitment and cooperation. I am confident that we will reach our goals also in 2009 despite the unusual and difficult circumstances.

In 2008, the supervisory board of ÖBB-Holding AG held five ordinary and five extraordinary meetings as well as four meetings of the presidium. The audit committee held four meetings. Apart from these regular meetings, the supervisory board kept itself informed by the executive board regarding business development and all relevant issues of the company and the whole group. Finally, the executive board of ÖBB-Holding AG submitted to the supervisory board the audited financial statements 2008 (individual accounts) and the status report as well as the consolidated financial statements 2008 provided with an audit certificate, and the group status report of ÖBB-Holding AG. The annual financial statements, the notes to the financial statements and the status report were audited by Grant Thornton Wirtschaftsprüfungs- und Steuerberatungs-GmbH; the consolidated financial statements, the notes to the consolidated financial statements and the group status report were audited by Confida Wirtschaftstreuhandgesellschaft m.b.H. The audits carried out on the basis of the books and records of the company and the information and evidence provided by the executive board revealed that accountancy and financial statements as well as consolidated financial statements comply with the relevant statutory provisions and that there is no reason to raise any objection of whatsoever kind. The status report and the group status report are in accordance with the annual financial statements and the consolidated financial statements respectively. The supervisory board approved the financial statements and the status report pursuant to § 125 (2) Aktiengesetz (Austrian Stock Corporation Law) which are thus deemed adopted, and approved the consolidated financial statements and the group status report for the 2008 business year after a thorough audit by the audit committee.

Approval of the financial statements



DI Horst Pöchhacker