

# Summary of the Annual Report

# 2014



REZERVOAR  
DIO PRINCIPALE



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# Key financial and performance figures for Slovenske železnice Group

Slovenske železnice Group			
Income statement (EUR thousand)	2014	2013	Index
Operating revenues	557,189	504,040	110.5
Revenues from transport services	196,708	187,829	104.7
Revenues under contracts with the Government of RS	146,332	154,909	94.5
Other operating revenues	214,149	161,302	132.8
Operating expenses	533,024	484,018	110.1
Operating profit/loss - EBIT	24,165	20,022	120.7
EBITDA	59,110	57,129	103.5
Total profit/loss	15,437	19,349	79.8
Net profit/loss	14,550	18,714	77.7
Balance sheet (EUR thousand)	31. 12. 2014	31. 12. 2013	Index
Assets	607,898	636,533	95.5
Equity	164,971	153,266	107.6
Financial liabilities	293,651	368,381	79.7
Non-current liabilities	117,156	199,966	58.6
Current liabilities	176,495	168,415	104.8
Net financial liabilities	259,374	364,018	71.3
Current operating receivables	93,735	114,369	82.0
Current operating liabilities	81,261	67,229	120.9
Investment, performance, and employees	2014	2013	Index
Investment (EUR thousand)	25,303	20,149	125.6
Goods carried (thousand t)	18,782.9	17,647.6	106.4
Volume sold (million net tkm)	4,278.4	3,895.7	109.8
Passengers (thousand)	14,837.3	16,420.5	90.4
Volume sold (million pkm)	696.7	760.3	91.6
Employees	8,069	8,099	99.6
Average number of employees	8,088	8,221	98.4
Indicators	2014	2013	Index
EBIT in operating revenues (%)	4.3	4.0	107.5
EBITDA in operating revenues (%)	10.6	11.3	93.8
Value added per employee (EUR)	38,270	34,262	111.7
Labour cost portion in operating revenue (%)	43.8	43.0	101.9
Liability portion in assets (%)	48.3	57.9	83.5
ROE Return on equity (%)	9.6	13.5	70.9
ROA Return on assets (%)	2.3	2.9	79.3
ROCE Return on capital employed (%)	4.9	3.8	128.5
Net financial liabilities/EBITDA	4.392	6.372	68.9
Net financial liabilities /equity	1.574	2.375	66.3

## Legend:

Total profit/loss = EBIT + Result of financial flows + Result of other flows (pre-tax)

Net profit/loss = Total profit/loss – income tax

Financial liabilities = Current and non-current financial liabilities

EBITDA = EBIT + amortisation

Value added per employee = Operating revenues minus the cost of goods, material, services, and other operating expenses divided by the average number of employees based on hours worked

ROE = net profit/average equity (excluding net profit/loss for the year)

ROA = net profit/average assets

ROCE = EBIT/average capital + average financial liabilities

Net financial liabilities = financial liabilities – cash and cash equivalents – short term investments

PRPD = Staff Redundancy Management Programme (orig. Program reševanja presežnih delavcev)

# Management and governance system

The management and governance system applied in the Slovenske železnice Group ensures the business transparency of Slovenske železnice, d. o. o., and its subsidiaries.

## Two-tier system

Slovenske železnice, d. o. o., is managed by the founder directly and through the company bodies, namely the Supervisory Board and the Management Board. The competences of the company bodies are laid out in the Companies Act (ZGD-1) and in the Articles of Association of Slovenske železnice, d. o. o., Rules of Procedure of the Supervisory Board, and Rules of Procedure of the Management Board adopted pursuant thereto.

## Founder

The function of the company founder is held by the Management of the Slovenian Sovereign Holding (SDH).

The Founder is responsible for making decisions in key matters specified in the Companies Act and in the Articles of Association of Slovenske železnice, d. o. o.

The Founder performs the role of, and has all the powers of, the General Meeting; it makes independent decisions on any amendments and additions to the Articles of Association, on the appropriation of distributable profit and loss covering, on the granting of discharge to the Supervisory Board and the Management Board, or to individual members of said bodies, on the changes of share capital, on appointing members to, or dismissing members from, the Supervisory Board, on appointing the auditor, and on other matters in line with the regulations and the Articles of Association; it also grants it consent to the appointment and recall of the Director-General.

Meetings held by the Founder take place in accordance with its internal regulations.

## Supervisory Board

In line with the Articles of Association of Slovenske železnice, d. o. o., the Supervisory Board comprises six members, of whom four members are appointed by the Founder and two are appointed by the Works Council. In the year under review, there were some membership changes in the composition of the Supervisory Board. Nikola Knežević resigned from the Supervisory Board effective 27 May 2014, and Jože Pavšek was appointed as his successor effective 10 June 2014.

In 2014, the Supervisory Board had the following composition:

Name	Term of office	Office
Boris Zupančič	From 7. 9. 2012 to 10. 9. 2015	Chairman
Lojze Zajc	From 10. 9. 2011 to 10. 9. 2015	Member
Viktor Markežič	From 10. 9. 2011 to 10. 9. 2015	Member
Dr Mitja Grbec	From 10. 9. 2011 to 10. 9. 2015	Member
Silvo Berdajs	From 10. 9. 2011 to 10. 9. 2015	Deputy Chairman
Nikola Knežević	From 10. 9. 2011 to 27 .5. 2014	Member
Jože Pavšek	From 10. 6. 2014 to 10. 9. 2015	Member

## Work of the Supervisory Board

The duties of the Supervisory Board are based on the Companies Act, the Articles of Association of Slovenske železnice, d. o. o., the Rules of Procedure of the Supervisory Board, and on the Rules of Procedure and Remuneration of the Supervisory Board committees.

The competences and tasks of the Supervisory Board are effected on sessions and through its committees.

The main tasks of the Supervisory Board include supervising the business activities of Slovenske železnice and the operations of the Concern of Slovenian Railway Companies; issuing opinion on the report of the Management Board about important business events at the Concern of Slovenian railway companies and about the relations between the subsidiaries and the controlling company, which is compiled by the Management Board on a quarterly basis; appointing and recalling members of the Management Board; making decisions on the conclusion of executive employment contracts; monitoring the procedures and the effectiveness of internal controls and internal audit; reviewing the annual financial report of the company and other financial reports of the company; approving the annual report and the annual plan of Slovenske železnice, as well as the strategic business plan of the Concern of Slovenian railway companies. An approval of the Supervisory Board is also required in the acquisition or sale of equity investments with a value of more than one hundred thousand Euro and in the acquisition or sale of real estate with a value of more than two hundred and fifty thousand Euro, in taking out a credit or loan which exceeds two million Euro, in issuing guarantees and surety bonds to third parties with the total value of an individual transaction exceeding two million Euro, in investment or disinvestment separate from the annual plan of Slovenske železnice or the strategic business plan of the Concern of Slovenian railway companies and which individually exceed the value of two hundred fifty thousand Euro.

The Supervisory Board also makes decisions and gives approvals in other matters pursuant to Article 15 of the applicable Articles of Association of Slovenske železnice, d. o. o.

## Supervisory Board committees

In the year under review, the Supervisory Board formed an Audit Committee, with the membership comprising Lojze Zajc (President), Nikola Knežević (until 27 May 2014), Silvo Berdajs (as of 11 June 2014), Viktor Markežič, and Tatjana Habjan.

Furthermore, the Supervisory Board also created a Personell Committee, which included Boris Zupančič (President), Silvo Berdajs (as of 11 June 2014), Jože Pavšek (as of 11 June 2014), and Mitja Grbec.

## Management Board

In line with the applicable Articles of Association of Slovenske železnice, d. o. o., operations of the company are managed by the Management Board, which comprises three members: the Director General, who acts as an independent company representative without limitations, and two managing directors, who represent the company only in connection with the Director-General.

In line with the Act on Worker Participation in Management (ZSDU), a Workers Director was appointed, who acts as an employee representative in matters concerning human resources and social issues.

In the year under review, the company was managed by:

- Director-General Dušan Mes, appointed on 22 March 2012;
- Member of the Management Board and Managing Director Jelka Šinkovec Funduk, appointed on 29 March 2012;
- Member of the Management Board Milan Jelenc, appointed on 14 February 2013, and
- Workers Director Albert Pavlič, appointed on 14 February 2013.

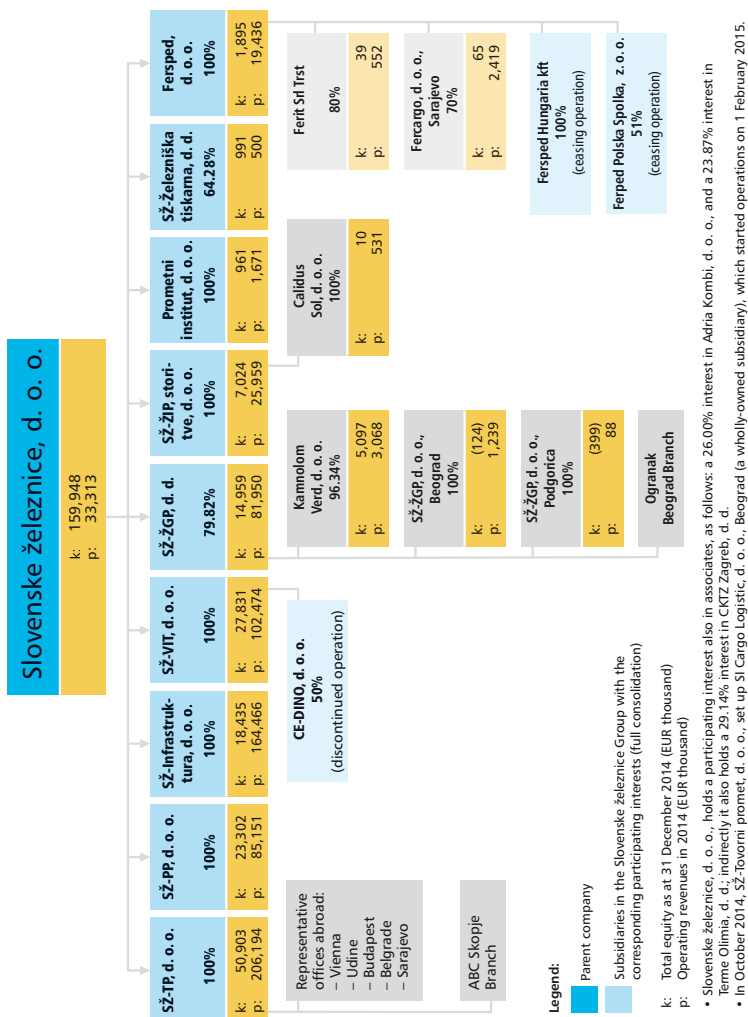
## Management of subsidiaries

With Slovenske železnice, d. o. o., as the parent, the Slovenske železnice Group comprises a total of nine subsidiaries, which Slovenske železnice, d. o. o., holds a controlling interest in, or is the sole owner of. These include SŽ-Infrastruktura, d. o. o., SŽ-Potniški promet, d. o. o., SŽ-Tovorni promet, d. o. o., SŽ VIT, d. o. o., SŽ-ŽIP, storitve, d. o. o., Prometni institut, d. o. o., SŽ-Železniško gradbeno podjetje, d. d., SŽ-Železniška tiskarna, d. d. and Fersped, d. o. o.

The core business activities of the subsidiaries involve maintaining and managing public rail infrastructure, managing rail traffic, operating rail passenger and freight services on public rail infrastructure, and providing train traction and technical wagon services. Furthermore, the subsidiaries also perform supporting, ancillary and other services required to ensure the quality and/or continuity of the core business activities.

Based on a corrective decision of the Court of Audit, and as of 31 September 2011, Slovenske železnice, d. o. o., ceased disclosing long-term financial investment in the railway health centre SŽ-ŽZD (investment in stocks or shares), and instead disclosed for a limited period its receivables from the centre. The financial statement of SŽ-ŽZD is therefore excluded from consolidated financial statements of the Slovenske železnice Group.

## Organigram of Slovenske železnice Group



Wholly-owned subsidiaries are managed by the founding company (Slovenske železnice, d. o. o.) directly, as well as indirectly through their respective management boards. The majority-owned SŽ-Železniško gradbeno podjetje, d. d., is managed and monitored by its board of directors, while in SŽ-Železniška tiskarna, d. d., management of the company is performed by the managing director, with the supervisory board responsible for the monitoring.

The founding company performs the role of, and has all the powers of, the General Meeting, and makes independent decisions in the following matters:

- amendments and additions to the Articles of Association;
- appropriation of distributable profit and loss covering;
- granting of discharge to the management board, or to its individual members;
- changes of share capital;
- appointing members to, or dismissing members from, the management board;
- appointing the auditor;
- other matters in line with the regulations and the Articles of Association.



## Controlling contracts

The controlling contract establishes the conditions and manner of managing business in the contractual concern, and also defines other reciprocal rights and responsibilities governing the relationship between the parent Slovenske železnice, d. o. o., and the subsidiaries. Under the contract, the governance and management of the subsidiary becomes the responsibility of Slovenske železnice, d. o. o., as the parent.

The Contract grants the parent Slovenske železnice, d. o. o., the right to issue directions to the subsidiaries on managing their business operations, as well as to monitor their activities directly, while assuming the responsibility to cover their losses.

Controlling contracts are concluded for the objective of ensuring an effective decision-making process in order to achieve the best possible business results of the Group as a whole, as well as of the individual companies within the Group, and thus to connect the capital-related companies under a contractual concern.

It is crucial to note, however, that the subsidiaries connected under a contractual concern operate as independent legal entities, thus bearing liability for their obligations with all their assets.

Additionally to the Articles of Association, the interrelationships between Slovenske železnice, d. o. o., and the subsidiaries, as well as between individual subsidiaries, are also governed by service level agreements (SLA).

## Development policy

The vision of Slovenske železnice is to become an important regional rail operator and provider of comprehensive logistics services in Central and South-East Europe, as well as the main operator of integrated and user-friendly rail passenger services in domestic public transport. Furthermore, under the National programme for the development of public rail infrastructure, the company strives to provide efficient maintenance of modern and safe rail infrastructure, and to perform the duties of the Infrastructure Manager in line with the legislation and guidelines of the European Union.

In the target region which covers Slovenia and other key transport markets for rail passenger and freight services in Central and South-East Europe, Slovenske železnice intend to achieve the following goals:

- Increase the market share of rail freight on European transport corridors which run across Slovenia;
- Become the manager and the largest operator of passenger services in integrated public transport in Slovenia;
- Provide efficient and reliable management of rail infrastructure;
- Become the manager of rail freight depots and passenger terminals;
- Become the leading contractor and provider of engineering services in rail construction industry;
- Design efficient supporting services in the Group and other activities to promote sustainable development.

## **Strategic objectives in freight transport**

In our strategic priorities, we focus on increasing revenue and transport volumes by expanding the range of services and providing comprehensive logistics services. To raise profitability, operating costs are reduced through optimisation of company structure, assets, and resources. Effective business operation together with higher value added play a crucial role on our way to becoming a strong partner who is able to stand on equal terms in any new partnership.

At SŽ-Tovorni promet, we aim to maintain our position as the rail operator of choice in Slovenia while strengthening our market visibility and position. To develop new products and internationalise our business, we plan to expand the range of our transport services, design new services, and continue operating the majority of rail transport services which run across Slovenia. Our internationalisation efforts will be enhanced based on target markets, customer demands, and establishing longer transport routes. We will be forming strategic partnerships both home and abroad while reinforcing our own portfolio of products and services outside Slovenia. This year saw the beginning of our production activities in Austria and first assessments of opportunities to enter new relevant markets. Furthermore, we plan on expanding our business portfolio to actively engage in transport flows outside Slovenia, with a focus on the operating zones of our foreign branches. In this context, our Serbian branch SI-Cargo Logistics Srbija, which was set up in October 2014, launched business on 1 February 2015, offering new products and services on the Serbian market, as well as expanding our business to international markets further out from Slovenia's neighbouring countries.

It is our goal to achieve a stable growth of income with both our existing and new customers. We will continue the optimisation of our internal processes and maintain our cost-cutting policy while improving the service quality and boosting the developing of new products. A network of reliable partners will allow us to provide comprehensive logistics solutions to our customers by linking domestic transport and logistics terminals with the terminals abroad. Moreover, to raise our market share on Corridors V and X and increase revenue, we will also be fostering long-term business cooperation with strategic partners. As we continue developing our products and services network on key transport markets in Central and South-East Europe, we will focus on securing new business deals and providing additional offers to our end customers by using the expertise of, and forming business synergies with, other companies within the Slovenske železnice Group. In addition, we will also be expanding our activities in combined transport and strengthen our strategic partnerships with international operators and carriers on Corridor X.

## **Strategic objectives in passenger transport**

Securing a long-term advantage of rail passenger on the transport market will depend largely on the implementation of the integrated public transport system with rail as the backbone. The project will involve an overhaul of the ticketing system to ensure compatibility with rail operators abroad, as well as with other operators of public passenger services in cross-border regional and international transport. Furthermore, procuring new rolling stock and setting up modern sales channels will boost the quality of services, which should help trains become a more attractive transport option, while their accessibility will be improved by designing user-oriented products coupled with active advertising in both traditional and internet media. A key role in these plans, however,

will be played by the implementation of national infrastructure projects, such as: construction of passenger stations and stops together with installation of modern passenger information systems, in particular electronic visual display devices; enabling access to, and use of, infrastructure facilities to persons with reduced mobility; regular renewal and rehabilitation of the track with the aim to reduce travel times or increase operational speeds to a minimum of 70km/h, if possible; reduction of environmental impacts through installation of noise barriers, lowering of CO<sub>2</sub> emissions, construction of new infrastructure and of grade-separated rail crossings with roadways, and other. These infrastructure projects, together with the strategic procurement of new rolling stock, are part of a scheme to improve public passenger transport in Slovenia, which is the main objective of the national as well as European transport policy and, as such, the only basis for drawing on the EU funds.

### **Strategic objectives in infrastructure maintenance and traffic operation**

Boosting service quality and cost-efficiency remain the key strategic directions in the infrastructure segment, and are planned to be achieved primarily through the introduction of new technologies, which will however depend on the investment in maintenance equipment and public rail infrastructure. Under the national strategy, we will be following the plan for the development of European rail infrastructure while paying attention to operator demands in rail freight and passenger, which will enable a revitalisation of the rail system powered by high-capacity infrastructure able to accommodate quality passenger and freight services (technical improvement of public rail infrastructure to enable speeds of up to 160km/h and more). In its responsibility as the infrastructure manager and the operator of public services obligations (PSOs) in rail infrastructure maintenance, SŽ-Infrastruktura, d.o.o., will be implementing the national strategy for an effective and quality provision of infrastructure management, public rail maintenance, and traffic operation in Slovenia.

### **Strategic objectives in other/supporting activities**

The subsidiaries which carry our supporting activities aim to offer quality and reliable services at the best cost-benefit ratio possible. This also applies to the supporting services performed by the parent to aid operations in its subsidiaries.

## **Economic trends and competition**

### **Economic trends**

Following 2012, when the economic activity in Slovenia fell by 2.5%, the trends have been taking a turn for the better. Owing mainly to an increase in the last quarter, the total drop in gross domestic product in 2013 was significantly lower compared to 2012 (-1.1%), although it was still bigger than the European average (-0.4%). The economy powered on in 2014, recording a relatively high annual growth of 2.6%, the highest since before the financial crisis and 1.7 percentage points above the average of the Eurozone (0.9%). The recovery is attributed to improved conditions in international economy and financial markets, better competitiveness, and to various measures in the area of domestic economic policy, in particular the recapitalisation of the banking system and higher levels of state investment.

The movements in international rail industry show a similar picture, with volumes going up when the economy is growing, and falling sharply when it is on the wane.

## **Competitive position of freight transport**

Land transport in Slovenia comprises various road and rail operators. Next to competing with road haulage and other rail carriers, SŽ-Tovorni promet is also facing challenges from neighbouring rail freight corridors as well as from rival North Adriatic and North Sea ports.

Estimates for 2014 suggest that land transport in Slovenia increased by 10% compared to 2012, with the shares of rail and road going up 6.3% and 11.1%, respectively. This indicates that road transport is again on the rise compared to rail.

Following the liberalisation of access to public rail infrastructure in 2009, foreign operators have since entered the Slovenian rail market, with currently three other rail carriers operating alongside SŽ-Tovorni promet on the Slovenian rail network.

In 2014, the market share of rail freight in Slovenian land transport was estimated at 21.8%, which is down 3.5% on the previous year due to an increase in road haulage. Despite a growth in freight volumes, the share of SŽ-Tovorni promet in total land transport in Slovenia fell by 2.9%, peaking at 20.2% in the year under review, while its rail share rose by 0.3% to a total of 92.5% of all rail volumes sold in Slovenia.

SŽ-Tovorni promet is situated at the crossroads of pan-European Corridors V and X, and carries over 90% of its volumes in international transport. Recently, the European Union has been establishing new rail freight corridors (RFCs), which are specialized rail-only corridors running on the territory of EU Member States. Two such corridors also cover Slovenia, namely RFC 6 (Mediterranean Corridor), which connects Spain with Ukraine and is already operational, and RFC 5 (Baltic-Adriatic Corridor) between Poland and North Italy. Moreover, efforts are being made to implement an RFC running in parallel with the current route of Corridor X. Although South-East Europe is connected with North Europe by RFC 7, the link through the Balkans is crucial because it offers a significantly closer connection from central Member States to EU periphery. Moreover, with the ascension of the remaining Western Balkans countries (in particular Serbia) to the EU, their economic significance is growing accordingly, as well.

With the implementation of new European corridors, Slovenia became the point of crossing between the Baltic-Adriatic Corridor (RFC 5) and the Mediterranean Corridor (RFC 6). When Slovenia also becomes the intersection point of important rail corridors following the establishment of the abovementioned RFC (along Corridor X), this should largely increase the opportunities for a modal shift from road to rail, in turn making traffic more environmental-friendly.

## **Competitive position of passenger transport**

Public rail passenger service in Slovenia is operated by SŽ-Potniški promet. The main competitors of rail on the domestic market include private and public road transport, while rail services in international transport typically compete

with low-cost airline operators. In 2014, rail transport accounted for 29.6%<sup>1)</sup> of public passenger transport. The drop is attributed to extensive line closures as a result of extreme weather conditions in February, which amongst other necessitated a closure of the line to Koper. This caused changes in the organisation of rail traffic, which affected the quality of services on the said line and thus resulted in a drop in passenger numbers.

Passenger cars remain to be the most frequent mode of passenger transport in Slovenia. The actual number of registered passenger cars (data from 2013) however indicated a slight decline, with a total of 516.1 passenger cars registered per 1,000 inhabitants in 2013, which is an increase of 13.2% over the past ten years.

From total passengers, as much as 94.7% travelled in domestic transport, which consists largely of public services obligations (PSOs) set out in a contract with the Ministry of Infrastructure. Almost half of all passenger were commuters, in particular high school and university students with subsidized rail passes.

In overall international services, the share in sales value (20.8%) is higher than the volume sold (16.5% of total pkm). The favourable geographic position of Slovenia on the network of pan-European corridors continues to play a significant role in creating new international rail connections. To compete with low-cost airline operators, we use special market approaches, such as a more favourable global ticket pricing, to attract new customers.

## **Competitive position of rail infrastructure**

Establishing a sustainable transport system is essential for the development of modern society. Mobility plays an important role in both the competitiveness of national economies and the population's living standard. Moreover, transport helps the economy function as a whole, is a major job provider, and ensures everyone's basic right to mobility, therefore becoming an increasingly important economic sector in itself.

The development of pan-European network is set out in the Common transport policy, which has been subject to rapid changes over the recent years in order to adapt to new situations. Given its importance, transport and logistics infrastructure development is defined in every key national development paper, as well as in the documents of larger regional industries and political organisations. Globalisation has brought about fundamental changes in the global trade balance and logistics flows, which need to be considered carefully when designing transport policies, as the logistics flows in directions Asia-Europe and Asia-North America have grown substantially over the past ten years.

The Republic of Slovenia holds a unique geographic location in the European area. Further economic growth of the country depends greatly on its transport system, as well as on sustainable development. Unfortunately, all studies on the condition of rail infrastructure and the associated investment point out a glaring lack of national funding in this field, which resulted in an unacceptable situation.

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<sup>1)</sup> A comparison with the past data on modal split in public transport is not possible due to changes in the methodology of public road transport monitoring used by the Statistical Office of the Republic of Slovenia (SURS).

Slovenian rail infrastructure in its current state does not provide access, connectivity and the associated quality of public transport services, because trains cannot run in regular intervals and at a higher frequency. With network modernisation progressing at a snail's pace, this increases the risk of freight in transit shifting to alternative rail connections via Italy, Austria, Hungary, or Croatia, while the Adriatic port of Koper is at danger of losing transit volumes to rival North Sea ports. There have already been individual cases of freight consignments changing routes to cross-border alternatives on account of low axle-loads on certain line segments. Moreover, the Zidani Most-Šentilj line segment, which runs along the Baltic-Adriatic Corridor, has yet to be upgraded to D4 track category, which would enable axle-loads of up to 225 kN. With as few as 503km (41%) of lines electrified, the electrification of public rail infrastructure is rather low. However things are looking good for the Pragersko-Hodoš line, the sole non-electrified section on Corridor V, with the electrification project on the line having entered its final phase.

Furthermore, next to drawing up national programmes for the implementation of EU technical specifications for interoperability (TSIs), it is imperative to establish the conditions required by Regulation (EU) Nr. 1315/2013 of the European Parliament and of the Council of 11 December 2013 on Union guidelines for the development of the trans-European transport network, in order to implement the associated EU corridor policies. With the first review of the progress in this area set for 2023, non-implementation would mean risking the loss of corridor routes that run across Slovenia, as well as the options to obtain EU grants, and would as such have strong negative effects on the operation of the port of Koper and of Slovenske železnice as a group, while also affecting the Slovenian logistics industry.

In view of the planned alternative rail connections to Hungary's capital Budapest via Italy and Austria, as well as certain routes via Croatia, strong consideration needs to be given to their potential impacts on the competitiveness of Slovenian rail transport and its economics. In its strategy, the Republic of Slovenia therefore stresses the urgent need to reconstruct and expand the line sections along Corridors V and X in order to ensure long-term competitiveness of the country.

Rail infrastructure in Slovenia is developed under the vision to »establish a high-performance, interoperable, safe, competitive, intermodal, and environmentally friendly rail network which facilitates and enhances the competitiveness of rail freight and passenger services while promoting a modal shift from road to rail in order to support a sustainable and eco-friendly transport development«.

To this aim, a national programme for the development of public rail infrastructure is currently in the works, in cooperation with Slovenske železnice, which needs to be adopted in the shortest time possible. In 2012, Slovenske železnice concluded a multiannual contract with the state for the financing of PSO, which is also set out in EU regulations. The contract was signed on 30 October 2012 for the period between January 2013 and December 2015, with the actual funding for 2013 and 2014 agreed subsequently in annexes based on the amounts allocated from the budget for the PSOs in public rail infrastructure maintenance and rail traffic operation.

Such financing strategy prevented the coordination of technical and financial planning necessary to ensure a more efficient and rational operation of PSO.

Without long-term budgetary support, the maintenance work on public rail infrastructure cannot be planned efficiently.

If the Republic of Slovenia aims to establish a rail network based on high-capacity, interoperable, safe, competitive, intermodal, and eco-friendly services, the current level of rail funding will most certainly need to be enhanced.

## Summary business analysis of Slovenske železnice Group

The key financial and performance figures for the Slovenske železnice Group are listed in the table at the beginning of this document.

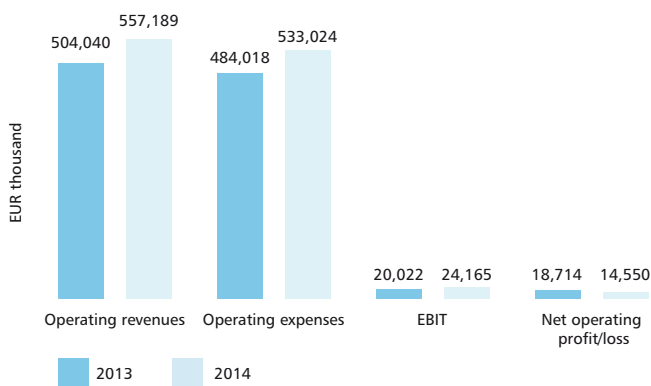
### Highlights

- In 2014, the Slovenske železnice Group achieved an EBIT of EUR 24,165 thousand, which is up EUR 11,400 thousand on the previous period (excluding the effect on expenses and revenues – see explanation in the analysis), and a net profit of EUR 14,550 thousand, up EUR 7,934 compared to 2013;
- Operating revenues of the Group rose by 10.5% or EUR 53,149 thousand to EUR 557,189 thousand, which is attributable to transport revenue increases in freight, revenue increases in domestic sales of SŽ-Infrastruktura (the effect of state compensations received for infrastructure damage repairs and operators' claims due to increased costs and forgone earnings following the severe ice storm in February), and to increases in revenue at SŽ, d. o. o., thanks mainly to revaluation operating revenues in the amount of EUR 8,605 thousand;
- Revenues from services under PSO and from the management and maintenance of passenger stations and stops reached EUR 146,332 thousand, down 4.6% or EUR 7,131 thousand on the planned target due to lower revenues from PSO contracts for traffic operation (a decrease of EUR 2,986 thousand), infrastructure maintenance (a decrease of EUR 2,249 thousand), and for passenger transport (a decrease of EUR 1,896 thousand). Year-on-year comparison of revenues from contracts with the Government of the Republic of Slovenia indicate a total drop of 5.5% or EUR 8,577 thousand, which was spread between infrastructure and passenger transport equalling to reductions of EUR 8,388 thousand and EUR 189 thousand, respectively;
- Operating expenses of the Group went up from EUR 484,018 thousand in 2013 to EUR 533,024 thousand. The growth rate of operating expenses was 0.4 percentage points lower compared to operating revenues; however when excluding the accrued costs of redundancy payments (severance packages) for employees involved in the 2014 Staff Redundancy Management Programme (PRPD), which cost EUR 15,862 thousand in total, operating expenses increased 3.7 percentage points slower than operating revenues;
- Despite positive trends in its business operation, the Group still has financial obligations associated with past borrowing, which involve principals in the amount of EUR 293,232 thousand as at 31 December 2014 (EUR 283,714 thousand thereof relating to Slovenske železnice, d. o. o.) falling due in the period between 2015 and 2020, with the largest instalment of EUR 182,530 thousand (EUR 173,812 thousand thereof by Slovenske železnice, d. o. o.) to be paid as early as 2015. Based on the temporary restructuring programme, in which the credit was also secured by

the guarantees of the Republic of Slovenia, the repayment of debts was deferred to 30 April 2015, and then further postponed to 30 June 2015 due to high additional costs of financing;

- To address this situation, a proposal was prepared and coordinated between different sectors to carry out a capital injection into Slovenske železnice, d.o.o., in the amount of EUR 110,204 thousand for the single purpose of repaying credits which were borrowed to procure rolling stock for the performance of PSO in passenger transport;
- As one of its main goals for 2015, the Group will continue implementing financial restructuring measures and establishing the underlying system to ensure, through multiannual contracts (with a minimum duration of 5 years), regular and adequate budgetary support for PSOs in rail.

## Revenue, expenses, and profit and loss



In 2014, operating revenues of the Slovenske železnice Group reached EUR 557,189 thousand and comprised 99.7% of total revenues, while operating expenses totalled EUR 533,024 thousand with a 98.1% share in total expenses. Net profit in the year under review amounted to EUR 14,550 thousand, and included a positive operating profit of EUR 24,165 thousand, a negative result of other revenue plus expenses equalling EUR 7,747 thousand, a corporate income tax of EUR 876 thousand, and deferred tax of EUR 11 thousand.

## Income statement

(EUR thousand)	2014	2013	Index
Operating revenues	557,189	504,040	110.5
Operating expenses	533,024	484,018	110.1
<b>Operating profit/loss</b>	<b>24,165</b>	<b>20,022</b>	<b>120.7</b>
Finance income	1,793	8,511	21.1
Finance expenses	9,540	8,576	111.2
<b>Financial result</b>	<b>(7,747)</b>	<b>(65)</b>	
Other income	79	185	42.7
Other expenses	1,060	793	133.7
<b>Result of other flows</b>	<b>(981)</b>	<b>(608)</b>	
Corporate income tax	876	639	137.1
Deferred tax	11	(4)	
<b>Net operating profit/loss for the period</b>	<b>14,550</b>	<b>18,714</b>	<b>77.7</b>
Net profit/loss attributable to equity holders	13,877	17,933	77.4
Net profit/loss attributable to minority interests	673	781	86.2



Based on the Methodology for the calculation and reporting of eligible costs and forgone earnings associated with the organisation and operation of rail services during the rehabilitation and re-establishment of the electrification network on the Borovnica–Pivka line section, the business result for 2014 includes revenues from compensations for reported and invoiced expenses in the amount of EUR 18,638 thousand (claims from all operators). Moreover, revenues from compensations for freight service disruptions and track closures equalled EUR 4,079 thousand.

After the elimination of main singular effects on the 2014 results (accrued costs of EUR 15,862 thousand associated with redundancy payments for employees involved in the Staff Redundancy Management Programme, revaluation operating expenses of EUR 8,605 thousand), EBIT and net profit for the period were up EUR 11,400 thousand and EUR 7,934 thousand, respectively, on the comparable results from 2013.

Despite upward trends in its business activities, the Group still has financial obligations associated with past borrowing, involving principals of EUR 293,232.5 thousand as at 31 December 2014 (EUR 283,714.3 thousand thereof relating to Slovenske železnice, d. o. o.) which fall due in the period between 2015 and 2020, with the largest instalment of EUR 182,529.7 thousand (EUR 173,812.0 thousand thereof by Slovenske železnice, d. o. o.) payable as early as 2015. From the above-listed financial obligations, borrowed for the provision of public rail passenger services (PSO), a total of EUR 104,313.8 thousand falls due in 2015, with a further EUR 5,890.4 thousand payable in 2016. A debt of this level cannot be serviced by Slovenske železnice, d. o. o., on its own for reasons relating to reinvestment – from the Group's annual accumulation of earnings, which totals EUR 55 million, as much as EUR 35 million is allocated to annual investment (on account of life-expired rail equipment, as much as 70% thereof is required for general and major repairs of aged rolling stock).

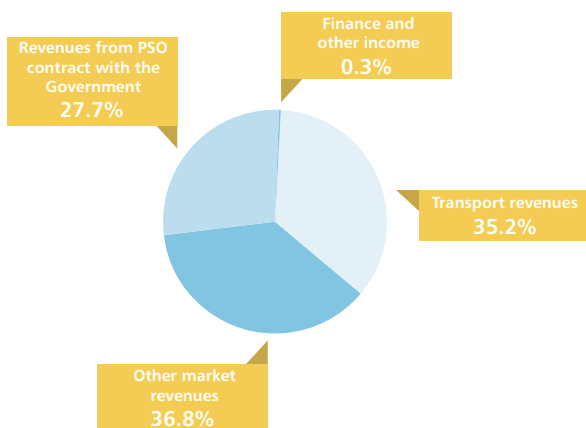
In particular, there were increased concerns about the issue of unregulated and unreliable co-funding of the PSO in rail services.

Based on the temporary restructuring programme, in which the credit was also secured by guarantees of the Republic of Slovenia, the repayment of debts was deferred to 30 April 2015, and then further postponed to 30 June 2015 due to high additional costs of financing.

On account of the reasons listed above, a proposal was prepared and coordinated between different sectors to carry out a capital injection into Slovenske železnice, d. o. o., in the amount of EUR 110,204 thousand for the single purpose of repaying credits which were borrowed to procure rolling stock for the performance of PSO in passenger transport.

In the event the measure to inject capital into Slovenske železnice, d. o. o., is not approved, and the debt not serviced upon its maturity, this will cause disruptions to rail services and affect the business of Slovenske železnice, d. o. o., in turn having negative effects on the PSOs in rail passenger transport and traffic operation, as well as seriously hampering rail freight services on the Slovenian network, which would in the end bear significant consequences for the Slovenian economy as a whole.

## Revenues structure of the Slovenske železnice Group



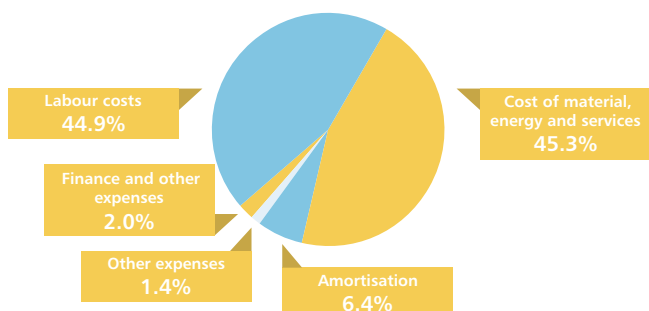
*Operating revenues* of the Slovenske železnice Group rose by 10.5% or EUR 53,149 thousand compared to 2013, which is attributable to transport revenue increases in freight, revenue increases in domestic sales of SŽ-Infrastruktura (the effect of infrastructure repairs and operators' claims for compensation associated with increased costs and forgone earnings following the severe ice storm in February), and to increases in revenue at SŽ, d. o. o., thanks mainly to revaluation operating revenues in the amount of EUR 8,605 thousand.

The largest portion, or 83.1% of operating revenues features net sales revenues (EUR 462,834 thousand, up on EUR 430,403 thousand in the previous period), which consist of 42.5% transport revenues (EUR 196,708 thousand, up from EUR 187,828 thousand) generated by freight services (EUR 159,983 thousand) and passenger services (EUR 36,725 thousand) on the domestic and international market. Consolidated transport revenues in freight transport are up 8.6% on the previous period, while passenger transport recorded a 9.4% drop compared to 2013.

In addition to transport revenues, consolidated net sales revenues consist of other revenues in the amount of EUR 266,126 thousand, which were mostly generated on the domestic market (EUR 237,804 thousand), with a small part also recorded in the foreign market (EUR 28,322 thousand). The largest chunk of other revenues was achieved by SŽ-Infrastruktura, d. o. o., totalling EUR 143,575 thousand and relating mostly to revenues under contracts with the Government of the Republic of Slovenia (Ministry of Infrastructure) for carrying out public services obligations in infrastructure maintenance and traffic operation (EUR 104,952 thousand). Other revenues with effect on the operating results, of which the majority was reported by SŽ-Potniški promet, d. o. o., were generated from compensations provided under PSO contracts with the Government of the Republic of Slovenia (Ministry of Infrastructure) for operating public passenger services in domestic and cross-border regional transport, amounting to EUR 41,380 thousand in total.

Expenses recorded by the Slovenske železnice Group in 2014 reached a total of EUR 543,624 thousand, up on EUR 493,387 thousand in the previous year under review.

### Expenses structure of the Slovenske železnice Group



*Operating expenses* of the Group rose from EUR 484,018 thousand in 2013 to EUR 533,024 thousand. The growth rate of operating expenses was 0.4 percentage points lower compared to operating revenues; however when excluding the accrued costs relating to redundancy payments to employees involved in the 2014 Staff Redundancy Management Programme, which had a total cost of EUR 15,862 thousand, operating expenses increased 3.7 percentage points slower than operating revenues.

### Financial situation of Slovenske železnice Group

The analysis of the Group's financial situation as at 31 December 2014 is based on the balance sheet of the Group. In the year under review, the Group's assets totalled EUR 607,898 thousand, down from EUR 636,533 thousand in 2013.

(EUR thousand)	31. 12. 2014	31. 12. 2013
<b>Assets</b>	<b>607,898</b>	<b>636,533</b>
Non-current assets	426,375	489,295
Current assets	150,183	142,585
Short-term deferred expense and accrued income	31,340	4,653
<b>Liabilities</b>	<b>607,898</b>	<b>636,533</b>
Equity	164,971	153,266
Provisions for liabilities and charges	36,275	36,422
Non-current liabilities	119,115	201,371
Current liabilities	257,756	235,644
Short-term accrued expense and deferred income	29,781	9,830

In terms of structure, assets consisted of 70.1% non-current assets (down from 76.9% in 2013), 24.7% current assets (up from 22.4%), and 5.2% short-term deferred expense and accrued income (up from 0.7%).

## Analysis of financial position

The financial situation of the Group as at 31 December 2014 is analysed according to the balance sheet of the Group.

(EUR thousand)	31. 12. 2014	31. 12. 2013	Absolute change	Index
Current receivables	159,352	123,385	35,967	129.2
Current liabilities	287,537	245,474	42,063	117.1
<b>Net short-term debt</b>	<b>128,185</b>	<b>122,089</b>	<b>6,096</b>	<b>105.0</b>
Non-current receivables	81,548	133,193	(51,645)	61.2
Non-current liabilities	155,390	237,793	(82,403)	65.3
<b>Net long-term debt</b>	<b>73,842</b>	<b>104,600</b>	<b>(30,758)</b>	<b>70.6</b>
<b>Net debt</b>	<b>202,027</b>	<b>226,689</b>	<b>(24,662)</b>	<b>89.1</b>
Total liabilities	442,927	483,267	(40,340)	91.7
Total receivables	240,900	256,578	(15,678)	93.9
Tangible assets	366,998	379,955	(12,957)	96.6
Capital assets	305,157	354,831	(49,674)	86.0
Investment property	39,670	1,271	38,399	
Assets held for sale	0	141	(141)	
Inventories	22,171	23,712	(1,541)	93.5
Equity	164,971	153,266	11,705	107.6

In 2014, the liabilities and receivables of the Slovenske železnice Group went down EUR 40,340 thousand and EUR 15,678 thousand, respectively, which is reflected by a net debt reduction of EUR 24,662 thousand compared to the end of the previous period. The Group is a net debtor in the area of non-current borrowing (EUR 73,842 thousand) as well as short-term borrowing (EUR 128,185 thousand). At the end of the year under review, the level of debt, which is expressed as a ratio of net debt to tangible assets, was at 55.0%, and was down on the figure from the previous period (59.7%).

## Long-term investment financing

(EUR thousand)	31. 12. 2014	31. 12. 2013	Absolute change	Index
Current assets	181,523	147,238	34,285	123.3
Current liabilities	287,537	245,474	42,063	117.1
<b>Working capital</b>	<b>(106,014)</b>	<b>(98,236)</b>	<b>(7,778)</b>	<b>107.9</b>
Non-current investment	426,375	489,295	(62,920)	87.1
Non-current sources	320,361	391,059	(70,698)	81.9

At the end of 2014, 75.1% of long-term investment was financed from non-current assets, which is down from 79.9% at the end of the previous period. Financing is also defined by the ratio between current assets and current liabilities, which rose from 0.600 in December 2013 to 0.631 at the end of 2014. Under absolute change, the negative working capital reflects a deficit of non-current assets, which rose by EUR 7,778 thousand to EUR 106,014 thousand at the end of 2014, owing to a drop of EUR 11,275 thousand in the value of capital assets and investment property, reduction of EUR 30,758 thousand in net non-current liabilities, and to an equity increase in the amount of EUR 11,705 thousand.

## Performance indicators

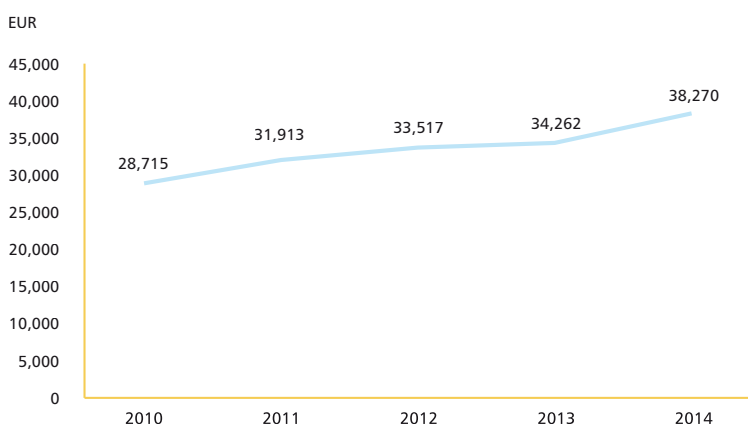
When assessing performance indicators, it needs to be noted that passenger services in domestic and cross-border regional transport, maintenance of

public rail infrastructure, and operation of rail traffic belong to the activities which are carried out by the Group under its public services obligations in order to ensure quality and effective services of general interest.

After the 2009 economic downturn, during which the financial indicators hit an all-time low owing to a sharp decline in revenues, things have been improving steadily. In 2014, EBIT was positive, and reached EUR 24,165 thousand (negative in 2009, when it plummeted to a minus of EUR 26,014 thousand), with EBITDA recording an absolute increase of EUR 48,822 thousand, while the workforce shrank by 1,892 employees as at the end of the year under review. As regards profitability, forecasts of the Slovenian Restitution Fund (SOD) suggest that net return on equity will reach 4% by 2015 (Point 12.7 of the Recommendations and Expectations of the Capital Assets Management Agency with Regard to State-Owned Enterprises, 12 April 2013).

Financial indicators	Unit	2010	2011	2012	2013	2014
EBIT – Operating profit/loss	EUR thousand	(7,033)	2,191	12,062	20,022	24,165
EBITDA	EUR thousand	31,356	42,403	52,133	57,129	59,110
Net profit/loss	EUR thousand	(19,188)	(15,351)	3,479	18,714	14,550
Operating efficiency	ratio	0.9852	1.0046	1.0273	1.041	1.045
Operating margin	ratio	(0.0150)	0.0046	0.0266	0.040	0.043
Share of turnover in operating revenues under contracts with the Government	ratio	0.3863	0.4032	0.3642	0.3073	0.2626
Net return on equity – ROE <sup>1)</sup>	%	(13.1%)	(9.1%)	2.5%	10.1%	9.6%
Net return on assets – ROA	%	(2.8%)	(2.2%)	0.5%	2.9%	2.3%
Financial liabilities/equity	ratio	2.1691	2.9411	2.6730	2.4035	1.7814
Value added per employee	EUR	28,715	31,913	33,517	34,262	38,270
Percentage labour costs in operating revenues	ratio	0.5055	0.4776	0.5011	0.4298	0.4378
Number of employees (31 December)		8,982	8,797	8,279	8,099	8,069
Average number of employees		9,694	8,886	8,543	8,221	8,088

## Added value per employee



Compared to 2013, value added per employee (i.e. average number of employees based on hours worked) rose by 11.7%, owing mostly to an increase in revenues, which in turn also influenced growth in the cash flow as the sum of depreciation and net profit/loss.

<sup>1)</sup> Net return on equity, or ROE for 2013 is calculated as net profit/loss less the effects of the termination of derivative instruments and differences in exchange rates (book value of 13.5%)

# Business operation of companies in Slovenske železnice Group

Slovenske železnice, d. o. o.

## Key financial and performance figures

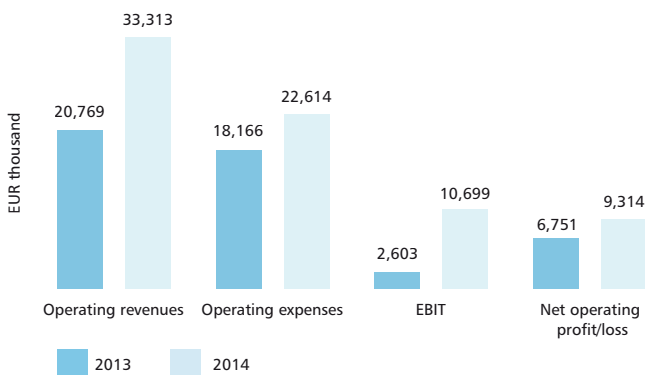
<b>Income statement</b> (EUR thousand)	<b>2014</b>	<b>2013</b>	<b>Index</b>
Operating revenues	33,313	20,769	160.4
Revenues from transport services			
Revenues under contracts with the Government of RS			
Other operating revenues	33,313	20,769	160.4
Operating expenses	22,614	18,166	124.5
Operating profit/loss – EBIT	10,699	2,603	411.0
EBITDA	12,372	4,361	283.7
Total profit/loss	9,886	7,038	140.5
Net profit/loss	9,314	6,751	138.0
<b>Balance sheet</b> (EUR thousand)	<b>31. 12. 2014</b>	<b>31. 12. 2013</b>	<b>Index</b>
Assets	583,383	689,784	84.6
Equity	159,948	150,936	106.0
Financial liabilities	337,620	395,023	85.5
Non-current liabilities	116,350	214,119	54.3
Current liabilities	221,270	180,904	122.3
Net financial liabilities	22,002	28,380	77.5
Current operating receivables	4,024	16,924	23.8
Current operating liabilities	4,312	16,003	26.9
<b>Investment, performance, and employees</b>	<b>2014</b>	<b>2013</b>	<b>Index</b>
Investment (EUR thousand)	489	452	108.2
Goods carried (thousand t)			
Volume sold (million net tkm)			
Passengers (thousand)			
Volume sold (million pkm)			
Employees	461	453	101.8
Average number of employees	458	394	116.2
<b>Indicators</b>	<b>2014</b>	<b>2013</b>	<b>Index</b>
EBIT in operating revenues (%)	32.1	12.5	256.3
EBITDA in operating revenues (%)	37.1	21.0	176.9
Value added per employee (EUR)	42,627	41,308	103.2
Labour cost portion in operating revenue (%)	44.8	54.2	82.7
Liability portion in assets (%)	57.9	57.3	101.1
ROE Return on equity (%)	6.2	4.7	132.1
ROA Return on assets (%)	1.5	1.0	149.8
ROCE Return on capital employed (%)	2.1	0.5	431.7
Net financial liabilities/EBITDA	1.778	6.508	27.3
Net financial liabilities/equity	0.138	0.188	73.4

## Highlights

- Net profit (after tax) equalled EUR 9,314 thousand, which was EUR 8,243 thousand higher than the planned target, and EUR 2,563 thousand more compared to 2013. After the elimination of singular effects on EBIT (revaluation operating revenues and redundancy payments to excess employees), net profit totalled EUR 2,084 thousand, which was an increase of EUR 1,013 thousand on the planned target, but down EUR 508 thousand on the comparable results in 2013 (elimination of financial revenues in the amount of EUR 4,159 thousand which were generated by terminating derivative instruments);
- Operating revenues were up 43.1% or EUR 10,034 thousand on the planned target, and grew by 60.4% or EUR 12,544 thousand compared to the previous period. After eliminating revaluation operating revenues of EUR 8,605 thousand at the end of 2014, which were generated by selling four instalments of receivables from the state and adjusting the discount balance as at 31 December 2014, operating revenues grew to EUR 24,708 thousand, which was up EUR 3,939 thousand on 2013;
- The largest portion of operating revenues (50.4%) comprised revenue relating to services under the Management Board, which grew by 9.6% or EUR 1,473 thousand compared to the 2013 owing to the centralisation of business support functions on 1 June 2013. The revenue was generated in the provision of support services to the companies in the Group under service level agreements concluded between Slovenske železnice, d. o. o., and individual subsidiaries;
- Revenues from the Property Management business unit were up 41.3% or EUR 1,755 thousand on the previous period thanks mainly to apartment and land sales;
- A portion of net profit in 2014 was allocated to cover the entire amount of accumulated losses from the past years (EUR 6,587 thousand). Equity rose from EUR 150,936 thousand to EUR 159,948 thousand.

## Revenue, expenses, and profit and loss

In 2014, operating revenues and expenses generated by Slovenske železnice, d. o. o., reached EUR 33,313 thousand and EUR 22,614 thousand, respectively, and achieved a net profit of EUR 10,699 thousand.



## Main financial performance categories of the income statement

<b>Income statement</b> (EUR thousand)	<b>2014</b>	<b>2013</b>	<b>Index</b>
Operating revenues	33,313	20,769	160.4
Operating expenses	22,614	18,166	124.5
<b>Operating profit/loss (EBIT)</b>	<b>10,699</b>	<b>2,603</b>	<b>411.0</b>
Finance income	10,131	17,462	58.0
Finance expenses	10,770	12,857	83.8
<b>Financial result</b>	<b>(639)</b>	<b>4,605</b>	
Other revenues	0	7	
Other expenses	174	177	98.3
<b>Result of other flows</b>	<b>(174)</b>	<b>(170)</b>	<b>102.4</b>
Corporate income tax	572	287	199.3
Net profit/loss	9,314	6,751	138.0



# SŽ-Tovorni promet, d. o. o.

## Key financial and performance figures

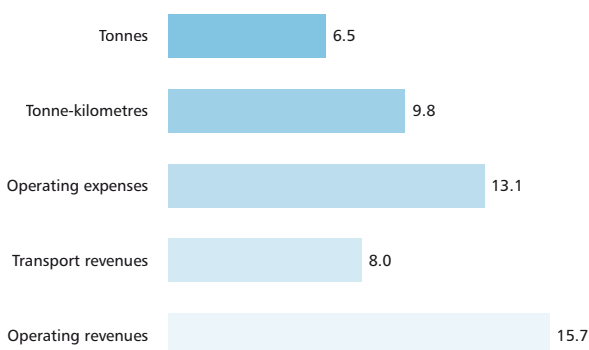
<b>Income statement</b> (EUR thousand)	<b>2014</b>	<b>2013</b>	<b>Index</b>
Operating revenues	206,194	178,255	115.7
Revenues from transport services	167,672	155,281	108.0
Revenues under contracts with the Government of RS			
Other operating revenues	38,522	22,974	167.7
Operating expenses	196,615	173,871	113.1
Operating profit/loss – EBIT	9,579	4,384	218.5
Operating profit/loss – EBIT less PRPD costs	12,466	4,384	284.4
EBITDA	24,451	20,420	119.7
Total profit/loss	6,434	3,389	189.8
Total profit/loss less PRPD costs	9,321	3,389	275.0
Net profit/loss	6,434	3,389	189.8
<b>Balance sheet</b> (EUR thousand)	<b>31. 12. 2014</b>	<b>31. 12. 2013</b>	<b>Index</b>
Assets	264,001	303,328	87.0
Equity	50,903	44,783	113.7
Financial liabilities	174,765	227,927	76.7
Non-current liabilities	105,583	175,489	60.2
Current liabilities	69,182	52,438	131.9
Net financial liabilities	174,653	227,864	76.6
Current operating receivables	35,172	47,309	74.3
Current operating liabilities	26,538	21,999	120.6
<b>Investment, performance, and employees</b>	<b>2014</b>	<b>2013</b>	<b>Index</b>
Investment (EUR thousand)	11,171	8,873	125.9
Goods carried (thousand t)	18,782.9	17,647.6	106.4
Volume sold (million net tkm)	4,278.4	3,895.7	109.8
Employees	1,301	1,312	99.2
Average number of employees	1,301	1,341	97.0
<b>Indicators</b>	<b>2014</b>	<b>2013</b>	<b>Index</b>
EBIT in operating revenues (%)	4.6	2.5	188.9
EBIT less PRPD costs in operating revenues (%)	6.0	2.5	245.8
EBITDA in operating revenues (%)	11.9	11.5	103.5
Value added per employee (EUR)	49,579	42,127	117.7
Labour cost portion in operating revenue (%)	18.8	19.4	97.3
Liability portion in assets (%)	66.2	75.1	88.1
ROE Return on equity (%)	14.4	8.2	176.1
ROA Return on assets (%)	2.3	1.1	202.2
ROCE Return on capital employed (%)	3.8	1.6	240.7
Net financial liabilities/EBITDA	7.1	11.2	64.0
Net financial liabilities /equity	3.4	5.1	67.4

## Highlights

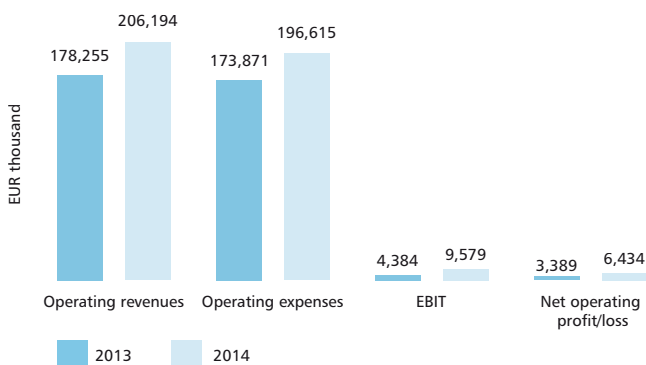
- Goods carried in 2014 rose 6.4% from 17.6m to 18.8m, while net tonne-km recorded a 9.8% increase from 3,895.7m net tkm to 4,278.4m net tkm;
- Result from operations (EBIT) and total operating result were both in the positive, reaching EUR 9,579 thousand and 6,434 thousand, respectively (the result is not affected by the effects of emergencies, because the additional expenses and revenues associated with the ice storm are reported in the same amounts under operating revenues and expenses);
- Revenues generated from transport services reached EUR 167,672 thousand, and were up 8.0% on 2013, as well as 10.1% higher from the planned target;

- Operating revenues recorded a 15.7% rise to EUR 206,194 thousand, which is up 17.6% on the planned target;
- Operating expenses increased 13.1% to EUR 196,615 thousand, and were 14.8% higher than planned;
- Based on the Methodology for the calculation and reporting of eligible costs and forgone earnings associated with the organisation and operation of rail services during the rehabilitation and re-establishment of the electrification network on the Borovnica–Pivka line section, revenues from compensations for reported and invoiced costs in the amount of EUR 11,655 thousand were stated in December as the difference between additional costs and revenues relating to the severe ice storm.

### Change in % compared to 2013



### Revenue, expenses, and profit and loss



### Main financial performance categories of the income statement

(EUR thousand)	2014	2013	Index
Operating revenues	206,194	178,255	115.7
Operating expenses	196,615	173,871	113.1
<b>Operating profit/loss</b>	<b>9,579</b>	<b>4,384</b>	<b>218.5</b>
Finance income	2,221	4,715	47.1
Finance expenses	4,970	5,502	90.3
<b>Financial result</b>	<b>(2,749)</b>	<b>(787)</b>	<b>349.3</b>
Other revenues	29	53	54.7
Other expenses	425	261	162.8
<b>Result of other flows</b>	<b>(396)</b>	<b>(208)</b>	<b>190.4</b>
<b>Net profit/loss for the period</b>	<b>6,434</b>	<b>3,389</b>	<b>189.8</b>

# SŽ-Potniški promet, d. o. o.

## Key financial and performance figures

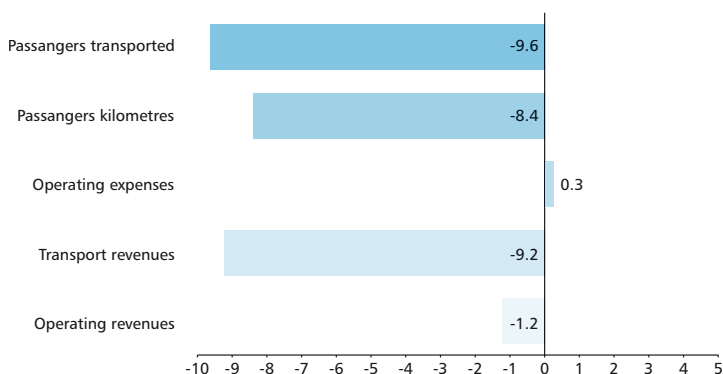
<b>Income statement</b> (EUR thousand)	<b>2014</b>	<b>2013</b>	<b>Index</b>
Operating revenues	85,151	86,186	98.8
Revenues from transport services	37,239	41,028	90.8
Revenues under contracts with the Government of RS	41,380	41,569	99.5
Other operating revenues	6,532	3,589	182.0
Operating expenses	82,080	81,810	100.3
Operating profit/loss – EBIT	3,071	4,376	70.2
Operating profit/loss – EBIT less PRPD costs	4,764	4,376	108.9
EBITDA	14,349	16,019	89.6
Total profit/loss	656	2,841	23.1
Total profit/loss less PRPD costs	2,349	2,841	82.7
Net profit/loss	656	2,841	23.1
<b>Balance sheet</b> (EUR thousand)	<b>31. 12. 2014</b>	<b>31. 12. 2013</b>	<b>Index</b>
Assets	153,945	173,439	88.8
Equity	23,303	22,499	103.6
Financial liabilities	113,491	135,282	83.9
Non-current liabilities	10,705	28,612	37.4
Current liabilities	102,786	106,670	96.4
Net financial liabilities	92,979	113,702	81.8
Current operating receivables	18,485	19,726	93.7
Current operating liabilities	11,031	10,970	100.6
<b>Investment, performance, and employees</b>	<b>2014</b>	<b>2013</b>	<b>Index</b>
Investment (EUR thousand)	6,219	6,138	101.3
Passengers (thousand)	14,837.3	16,420.5	90.4
Volume sold (million pkm)	696.7	760.3	91.6
Employees	622	623	99.8
Average number of employees	622	636	97.8
<b>Indicators</b>	<b>2014</b>	<b>2013</b>	<b>Index</b>
EBIT in operating revenues (%)	3.6	5.1	71.0
EBIT less PRPD costs in operating revenues (%)	5.6	5.1	110.2
EBITDA in operating revenues (%)	16.9	18.6	90.7
Value added per employee (EUR)	53,263	51,326	103.8
Labour cost portion in operating revenue (%)	20.9	18.0	116.0
Liability portion in assets (%)	73.7	78.0	94.5
ROE Return on equity (%)	2.9	14.5	20.1
ROA Return on assets (%)	0.4	1.6	24.5
ROCE Return on capital employed (%)	2.1	2.8	75.6
Net financial liabilities/EBITDA	6.5	7.1	91.3
Net financial liabilities /equity	4.0	5.1	79.0

## Highlights

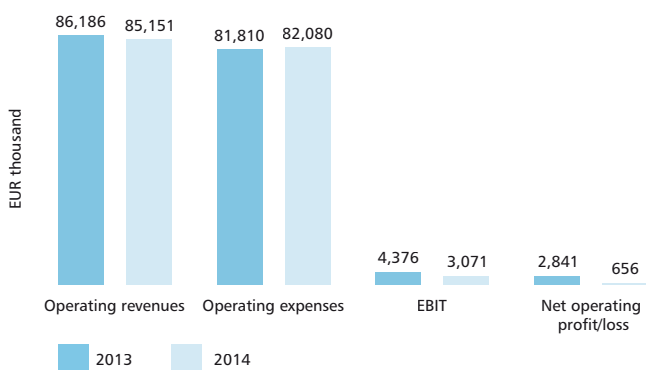
- In 2014, EBIT was positive, but dropped by EUR 1,305 thousand to EUR 3,071 thousand (if the accrued costs associated with the Staff Redundancy Management Programme are excluded, EBIT went up EUR 388 thousand on 2013); a reduction was also recorded in net profit/loss, which fell by EUR 2,185 thousand to EUR 656 thousand (the reduction less the accrued costs under the Staff Redundancy Management Programme amounted to EUR 492 thousand);

- Performance indicators were below the planned target mainly due to lost earnings in transport services, which were down 12.3% or EUR 5,207 thousand on the planned target, and 9.2% or EUR 3,789 thousand lower compared to the previous period;
- Compared to 2013, passenger journeys fell by 9.7% to 14.8 million, together with an 8.4% reduction in passenger km to 696.7 million;
- Average distance travelled was 0.7km longer and totalled 47.0km in 2014. The majority of passengers travelled in short-distance and regional traffic, with over half domestic journeys running on distances of up to 40km;
- Rail had a 29.6% share in the public transport market in 2014. Unfortunately, comparison with the past data on modal split in public transport is not possible due to changes in SURS' methodology of public road transport monitoring;
- The reductions in passenger volumes and transport revenues were attributed mainly to the severe ice storm in February 2014, which necessitated trains on the line section to Koper be cancelled and replaced by buses (until the end of the rehabilitation work in 2015), in turn affecting the quality and frequency of rail services, which led to a drop in sales;
- A drop in passenger journeys and transport revenues was also recorded in international traffic to Slovenia and from Austria, Croatia, and Serbia, which was associated with adverse weather conditions, discontinuation of certain international connections, and with a slow economic recovery reflected by lower numbers of passengers arriving to Slovenia, or travelling in transit;
- The results of a survey on passenger satisfaction with rail travel suggest a slight decline in the quality of transport services, with respondents expressing lower satisfaction with train schedules, travelling speed, functionality, and train condition and cleanliness;
- Revenues under contracts with the Government of the Republic of Slovenia for the performance of PSOs in domestic and cross-border rail transport were down 4.4% or EUR 1,896 thousand on the planned target or the agreed contract payments, and were EUR 189 thousand lower compared to the previous period;
- The negative effects of transport revenue reductions on the business result were partially offset by accrued revenues in the amount of EUR 2,614 thousand obtained as compensation under the Methodology for the calculation and reporting of eligible costs and forgone earnings associated with the organisation and operation of rail services during the rehabilitation and re-establishment of the electrification network on the Borovnica–Pivka line section;
- Despite the consequences of the ice storm on the line section to Koper and service disruptions associated with engineering and maintenance work elsewhere on the network, the overall business results were in the positive, which can be considered a success in itself;
- Other achievements and activities of importance include a higher visibility of rail services in traditional and internet media, participation in various festivals and exhibitions, as well as the introduction of the option to renew seasonal tickets online.

## Change in % compared to 2013



## Revenue, expenses, and profit and loss



## Main financial performance categories of the income statement

(EUR thousand)	2014	2013	Index
Operating revenues	85,151	86,186	98.8
Operating expenses	82,080	81,810	100.3
<b>Operating profit/loss</b>	<b>3,071</b>	<b>4,376</b>	<b>70.2</b>
Finance income	326	389	83.8
Finance expenses	2,650	1,883	140.7
<b>Financial result</b>	<b>(2,324)</b>	<b>(1,494)</b>	<b>155.6</b>
Other revenues	4	0	0.0
Other expenses	95	41	231.7
<b>Result of other flows</b>	<b>(91)</b>	<b>(41)</b>	<b>222.0</b>
<b>Net profit/loss for the period</b>	<b>656</b>	<b>2,841</b>	<b>23.1</b>

# SŽ-Infrastruktura, d. o. o.

## Key financial and performance figures

<b>Income statement</b> (EUR thousand)	<b>2014</b>	<b>2013</b>	<b>Index</b>
Operating revenues	164,466	138,853	118.4
Revenues from transport services			
Revenues under contracts with the Government of RS	104,952	113,340	92.6
Other operating revenues	59,514	25,513	233.3
Operating expenses	165,249	135,313	122.1
Operating profit/loss – EBIT	(783)	3,540	
Operating profit/loss – EBIT less PRPD costs	3,077	3,540	86.9
EBITDA	1,627	6,295	25.8
Total profit/loss	(1,196)	3,461	
Total profit/loss less PRPD costs	2,664	3,461	77.0
Net profit/loss	(1,196)	3,122	
<b>Balance sheet</b> (EUR thousand)	<b>31. 12. 2014</b>	<b>31. 12. 2013</b>	<b>Index</b>
Assets	88,229	59,883	147.3
Equity	18,435	22,286	82.7
Financial liabilities	0	2,326	
Non-current liabilities		0	
Current liabilities	0	2,326	
Net financial liabilities	(33,273)	2,277	
Current operating receivables	19,044	31,250	60.9
Current operating liabilities	32,421	26,339	123.1
<b>Investment, performance, and employees</b>	<b>2014</b>	<b>2013</b>	<b>Index</b>
Investment (EUR thousand)	2,513	1,538	163.4
Employees	2,385	2,355	101.3
Average number of employees	2,374	2,422	98.0
<b>Indicators</b>	<b>2014</b>	<b>2013</b>	<b>Index</b>
EBIT in operating revenues (%)	(0.5)	2.5	
EBIT less PRPD costs in operating revenues (%)	1.9	2.5	73.4
EBITDA in operating revenues (%)	1.0	4.5	21.8
Value added per employee (EUR)	30,957	29,444	105.1
Labour cost portion in operating revenue (%)	43.2	46.1	93.7
Liability portion in assets (%)	0.0	3.9	
ROE Return on equity (%)	(5.7)	15.3	
ROA Return on assets (%)	(1.6)	5.2	
ROCE Return on capital employed (%)	(3.6)	15.3	
Net financial liabilities/EBITDA	(20.5)	0.4	
Net financial liabilities/equity	(1.8)	0.1	

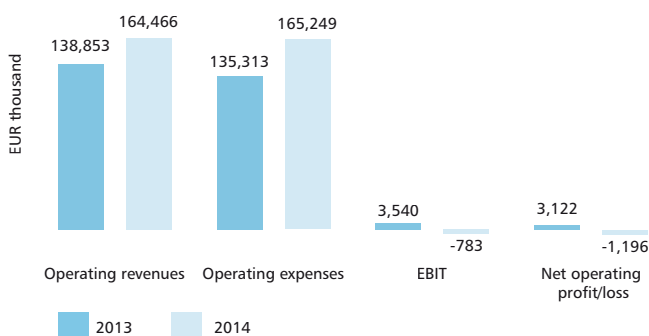
## Highlights

- EBIT and net profit/loss generated by SŽ-Infrastruktura, d. o. o., in 2014 were both in the negative, falling to EUR 0.8 million and EUR 1.2 million, respectively, compared to the previous period. If we exclude the effects of accrued costs associated with redundancy payments to excess employees, which totalled EUR 3.9 million, EBIT was positive and reached EUR 3.1 million, which is still down EUR 1.0 million on the planned target and EUR 0.5 million on 2013;
- Business relating to the performance of service PSO in rail maintenance was within the available budget, generating a positive EBIT of EUR 0.3 million, while the PSO in traffic operation recorded a negative EBIT of EUR 1.7

million, despite countermeasures, due to inadequate funding received under the contract with the Government of RS (the calculation includes the effect of accrued costs associated with redundancy payments);

- An operating loss was also recorded in the maintenance of rail stations and stops, totalling EUR 0.4 million, while the remaining business activities reported a profit for the year under review;
- Revenue structure was changed owing to lower revenues from contracts with the Government of RS and higher revenues from services performed to repair the ice storm damage on public rail infrastructure;
- The recovery from the ice storm damage (temporary rehabilitation) was financed by the Republic of Slovenia through a decision which appropriated funds based on the Act on Intervention Steps and from the insurance and the budget, totalling EUR 16.7 million for 2014 and EUR 23.5 million for 2015;
- Revenues under the contract with the Government of RS for the performance of PSO in traffic operation missed the planned target by EUR 3.0 million (the planned annual revenue was EUR 36.0 million, but the state budget allocated to traffic operation in 2014 was cut to EUR 33.0 million). Moreover, reductions were also recorded in revenues from the contract with the Government for the funding of PSO in the maintenance of public rail infrastructure (down EUR 2.2 million), with cuts noted in regular maintenance and major repairs of infrastructure, as well as in maintenance of passenger stations and stops. However the business target for the year was exceeded in the field of public rail infrastructure management (marketing of public rail infrastructure and telecommunications lines);
- Other revenues on the domestic market were up EUR 28.8 million on the business plan, and consisted of revenues from state compensations in the amount of EUR 11.6 million for the repairs of ice storm damage on the Borovnica-Pivka line, and accrued revenues of EUR 18.6 million which related to state compensations for rail operators' claims associated with increased costs and forgone earnings following the severe ice storm in line with the Methodology (this revenue source was outside the business plan);
- Compared to the planned target, costs were higher in particular in regular facility maintenance due to the additional services required for the repair of ice damage;
- The duties planned under the PSOs in public rail infrastructure maintenance and traffic operation were successfully met despite revenue shortfalls from the PSO contract. Moreover, the funding was allocated by means of 8 annexes to the multiannual PSO contract for the period 2013–2015, which posed a large obstacle to regular operation of the main business activities.

## Revenue, expenses, and profit and loss



## Main financial performance categories of the income statement

(EUR thousand)	2014	2013	Index
Operating revenues	164,466	138,853	118.4
Operating expenses	165,249	135,313	122.1
<b>Operating profit/loss</b>	<b>(783)</b>	<b>3,540</b>	
Finance income	236	244	96.7
Finance expenses	384	55	698.2
<b>Financial result</b>	<b>(148)</b>	<b>189</b>	
Other revenues	34	120	28.3
Other expenses	299	388	77.1
<b>Result of other flows</b>	<b>(265)</b>	<b>(268)</b>	
Corporate income tax	0	339	0.0
Deferred tax			
<b>Net operating profit/loss for the period</b>	<b>(1,196)</b>	<b>3,122</b>	
Net profit/loss attributable to equity holders			
Net profit/loss attributable to minority interests			

## Financial performance by divisions

The income statement of SŽ-Infrastruktura, d.o.o., comprises the income statement of the infrastructure division Infrastruktura and of the traffic operation division Vodenje prometa, which are mostly carrying out service PSOs.

<b>Income statement – Infrastruktura</b> (EUR thousand)	2014	thereof PSO	2013	thereof PSO	Index 14/13
Operating revenue	129,314	99,255	103,781	77,501	124.6
Operating expenses	127,499	101,319	100,850	76,796	126.4
<b>Operating profit/loss</b>	<b>1,815</b>	<b>(2,064)</b>	<b>2,931</b>	<b>705</b>	<b>61.9</b>
Finance income	209	209	217	217	96.3
Finance expenses	290	290	53	53	547.2
<b>Financial result</b>	<b>(81)</b>	<b>(81)</b>	<b>164</b>	<b>164</b>	
Other revenue	20	19	122	50	16.4
Other expenses	272	271	376	243	72.3
<b>Result of other flows</b>	<b>(252)</b>	<b>(252)</b>	<b>(254)</b>	<b>(193)</b>	
<b>Net profit/loss</b>	<b>1,482</b>	<b>(2,397)</b>	<b>2,502</b>	<b>595</b>	

<b>Income statement – Vodenje prometa</b> (EUR thousand)	2014	thereof PSO	2013	thereof PSO	Index 14/13
Operating revenue	35,621	33,000	35,852	33,000	99.4
Operating expenses	38,219	35,854	35,243	32,992	108.4
<b>Operating profit/loss</b>	<b>(2,598)</b>	<b>(2,854)</b>	<b>609</b>	<b>8</b>	
Finance income	27	27	27	27	100.0
Finance expenses	94	94	3	3	
<b>Financial result</b>	<b>(67)</b>	<b>(67)</b>	<b>24</b>	<b>24</b>	
Other revenue	14	14	4	4	350.0
Other expenses	27	27	17	17	158.8
<b>Result of other flows</b>	<b>(13)</b>	<b>(13)</b>	<b>(13)</b>	<b>(13)</b>	
<b>Net profit/loss</b>	<b>(2,678)</b>	<b>(2,934)</b>	<b>620</b>	<b>19</b>	

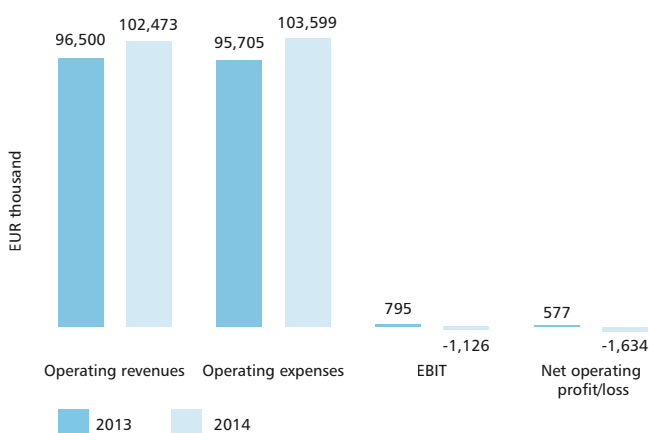


# SŽ-Vleka in tehnika, d. o. o.

## Business activities:

- Maintenance of all types of rolling stock;
- Modifications of rolling stock;
- Participating in the construction of rolling stock;
- Production of metallic and other products;
- Project design, engineering, and technical assistance;
- Provision of shunting services to the passenger and freight divisions;
- Provision of technical wagon services to the passenger and freight divisions.

## Revenue, expenses, and profit and loss



## Financial performance

(EUR thousand)	2014	2013	Index
Operating revenues	102,473	96,500	106.2
Operating expenses	103,599	95,705	108.2
<b>Operating profit/loss</b>	<b>(1,126)</b>	<b>795</b>	
Finance income	235	49	479.6
Finance expenses	425	237	179.3
<b>Financial result</b>	<b>(190)</b>	<b>(188)</b>	<b>101.1</b>
Other revenues	4	2	200.0
Other expenses	322	32	
<b>Result of other flows</b>	<b>(318)</b>	<b>(30)</b>	
<b>Net profit/loss</b>	<b>(1,634)</b>	<b>577</b>	

In 2014, the company generated a negative operating result of EUR 1,126 thousand with operating revenues and operating expenses totaling EUR 102,473 thousand and EUR 103,599 thousand, respectively. Financial flows were EUR 190 thousand in the negative, while other flows dropped to a minus of EUR 318 thousand. Overall, the company had a net loss of EUR 1,634 thousand.

Excluding the accrued costs of redundancy payments, which amounted to EUR 3,041 thousand, the operating result was up EUR 1,120 thousand on the previous period with a profit of EUR 1,915 thousand, while the net result grew by EUR 830 thousand to a plus of EUR 1,407 thousand.

Throughout the year under review, the company successfully provided comprehensive management and maintenance of rolling stock along with the required availability of rail vehicles, as well as shunting and technical wagon services to its biggest partners SŽ-Tovorni promet, d.o.o., and SŽ-Potniški promet, d.o.o., while improving its overall cost-efficiency.

In addition to maintaining a dominant position on the Slovenian market, the company intends to continue implementing its strategy to boost growth and competitiveness on the wider European market. By adopting a proactive market approach, acquiring new international certificates in maintenance, actively participating in various European associations, and concluding business deals with success, the company became a trustworthy partner in particular to private keepers of rolling stock. Moreover, it is especially encouraging to see that increasing the investment in production capacities for wheel-set renewal enabled the company to become a strong competitor in this market segment.

The projects completed and the business result achieved in 2014 show that business partners were satisfied with the services provided by SŽ-VIT, and indicate that the company successfully contributed to a better cost-efficiency of the Group's operation, while improving its own competitiveness and positioning on the European market.

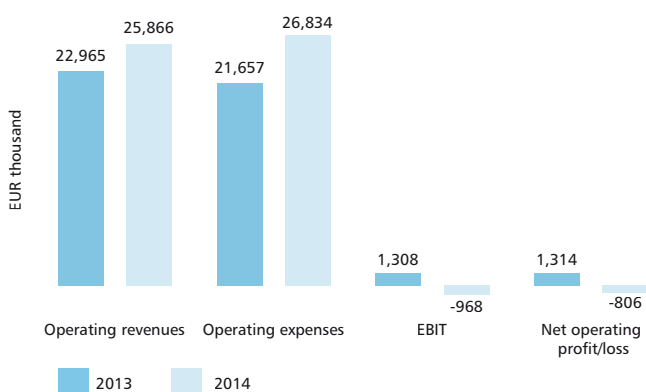
# SŽ-ŽIP Group

The SŽ-ŽIP Group comprises the parent company SŽ-ŽIP, storitve, d. o. o., (Company for rail workers with disabilities) and the subsidiary Calidus sol, d. o. o.

## Business activities:

- Property management;
- Indoor and outdoor cleaning as well as cleaning of Slovenske železnice vehicles;
- Management and maintenance of Slovenske železnice holiday facilities;
- Security;
- Production, sale of goods, and miscellaneous services.

## Revenue, expenses, and profit and loss



## Financial performance

(EUR thousand)	2014	2013	Index
Operating revenues	25,866	22,965	112.6
Operating expenses	26,834	21,657	123.9
<b>Operating profit/loss</b>	<b>(968)</b>	<b>1,308</b>	
Finance income	240	9	
Finance expenses	60	9	666.7
<b>Financial result</b>	<b>180</b>	<b>0</b>	
Other revenues	2	16	12.5
Other expenses	19	10	190.0
<b>Result of other flows</b>	<b>(17)</b>	<b>6</b>	
Corporate income tax	1	0	
<b>Net profit/loss</b>	<b>(806)</b>	<b>1,314</b>	

In 2014, the SŽ-ŽIP Group reported an operating loss of EUR 968 thousand with operating revenues and expenses totalling EUR 25,866 thousand and EUR 26,834 thousand, respectively. A negative result was also recorded in other flows, which totalled a minus of EUR 17 thousand, while financial flows generated a profit of EUR 180 thousand. Overall, the company concluded the year under review with a net loss of EUR 806 thousand.

If we exclude the accrued costs of EUR 1,716 thousand arising from redundancy payments, the operating result was positive and reached EUR 748 thousand (down EUR 560 thousand on the previous period, though), with a surplus also recorded in net profit/loss, which equalled EUR 910 thousand and was down EUR 404 thousand on 2013.

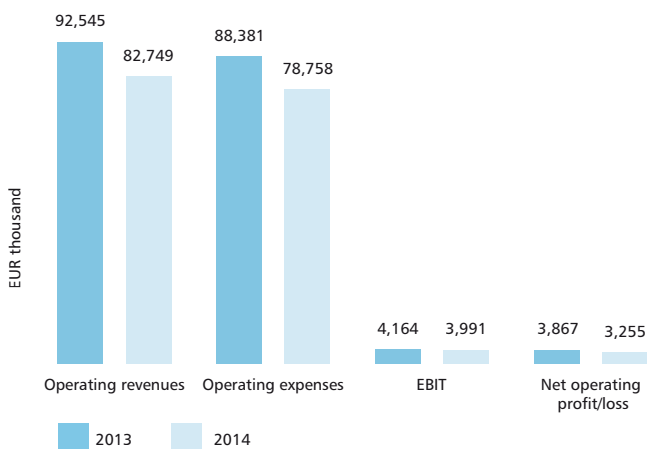
# SŽ-Železniško gradbeno podjetje Group

The SŽ-ŽGP Group ("ŽGP" refers to "Railway Construction Company") comprises the parent SŽ-ŽGP Ljubljana, d.d., which includes the Serbian branch Ogranak Beograd, and the subsidiaries Kamnolom Verd, d.o.o., SŽ-ŽGP, d.o.o., Beograd, and SŽ-ŽGP, d.o.o., Podgorica.

## Business activities:

- Civil engineering, and renewal and maintenance of rail track superstructure and substructure;
- Renewal of industrial (private) tracks and other rail infrastructure facilities;
- Construction of buildings.

## Revenue, expenses, and profit and loss



## Financial performance

(EUR thousand)	2014	2013	Index
Operating revenues	82,749	92,545	89.4
Operating expenses	78,758	88,381	89.1
<b>Operating profit/loss</b>	<b>3,991</b>	<b>4,164</b>	<b>95.8</b>
Finance income	254	113	224.8
Finance expenses	622	387	160.7
<b>Financial result</b>	<b>(368)</b>	<b>(274)</b>	<b>134.3</b>
Other revenues	5	5	100.0
Other expenses	110	24	458.3
<b>Result of other flows</b>	<b>(105)</b>	<b>(19)</b>	<b>552.6</b>
Income tax	252	5	
Deferred tax	11	(1)	
<b>Net operating profit/loss for the period</b>	<b>3,255</b>	<b>3,867</b>	<b>84.2</b>
Net profit/loss attributable to equity holders	3,238	3,860	83.9
Net profit/loss attributable to minority interests	17	7	242.9

In 2014, the SŽ-ŽGP Group achieved a positive operating result of EUR 3,991 thousand with operating revenues and expenses totalling EUR 82,749 thousand and EUR 78,758 thousand, respectively. Negative results were reported in financial flows, which suffered a loss of EUR 368 thousand, as well as in other flows, which recorded a minus of EUR 105 thousand. Overall, the company generated a net profit of EUR 3,255 thousand.

Excluding the accrued costs of EUR 1,195 thousand arising from redundancy payments, the operating result reached a surplus of EUR 5,186 thousand (up EUR 1,022 thousand on the previous period), while net profit rose by EUR 583 thousand to EUR 4,450 thousand.

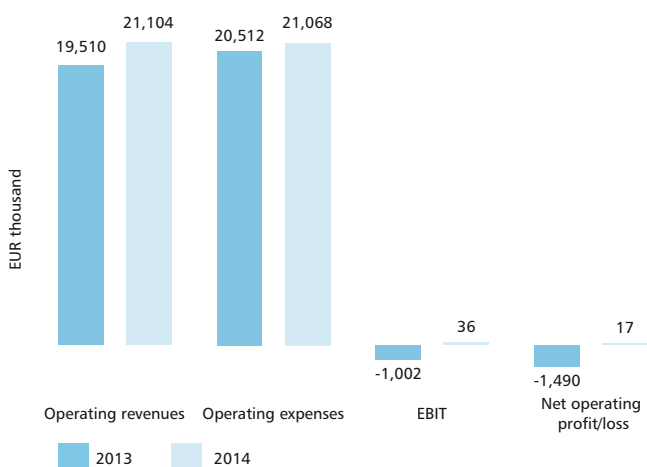
# Fersped Group

The Fersped Group comprises the parent Fersped, d.o.o., and the subsidiaries Fercargo, d.o.o., Sarajevo (70% interest) and Ferit Srl Trst (80% interest; the company is not subject to consolidation of accounts because of low balance sheet total and turnover). Fersped, d.o.o., also holds long-term financial investments in associates, which comprise CKTZ Zagreb, d.o.o., (29.14% interest), Ferport, d.o.o., – bankrupt (50% interest), and CER Cargo, d.d., (34% interest).

## Business activities:

- Road, rail, maritime, and air logistics;
- Warehousing as part of freight forwarding;
- Customs brokerage;
- Sale of goods and other services.

## Revenue, expenses, and profit and loss



## Financial performance

(EUR thousand)	2014	2013	Index
Operating revenues	21,104	19,510	108.2
Operating expenses	21,068	20,512	102.7
<b>Operating profit/loss</b>	<b>36</b>	<b>(1,002)</b>	
Finance income	63	53	118.9
Finance expenses	82	368	22.3
<b>Financial result</b>	<b>(19)</b>	<b>(315)</b>	<b>6.0</b>
Other revenues	10	29	34.5
Other expenses	10	202	5.0
<b>Result of other flows</b>	<b>0</b>	<b>(173)</b>	<b>0.0</b>
Net profit/loss	17	(1,490)	

After spending several years in the red, the company's business finally stabilized in 2014, which is also reflected in the positive result from operations. In 2014, the Fersped Group generated an operating profit of EUR 36 thousand with operating revenues and expenses totalling EUR 21,104 thousand and EUR 21,068 thousand, respectively. Financial flows totalled EUR 19 thousand and were in the negative, while the net result equalled a surplus of EUR 17 thousand. If we exclude the accrued costs of EUR 51 thousand arising from redundancy payments, an operating profit of EUR 87 thousand was achieved (up EUR 1,089 thousand on the previous period), while net profit rose by EUR 1,558 thousand compared to 2013, amounting to EUR 68 thousand.

The subsidiaries in the cities of Sarajevo and Trieste and the associate companies, as well as partnerships with international logistics businesses allow the company to meet the logistics needs of its clients in Europe and throughout the world. Through active membership in the Transport Association (management board) and the Association of Port Logistics Providers (presidency) of the Chamber of Commerce and Industry of Slovenia (GZS), Fersped is maintaining contact with trade associations and organisations on the international scene. Furthermore, the company is also a member of the International Federation of Freight Forwarders Associations (FIATA) and the International Air Transport Association (IATA), which gives it access to the information and documents required to do business on any international market in line with the norms upheld by the two organisations.

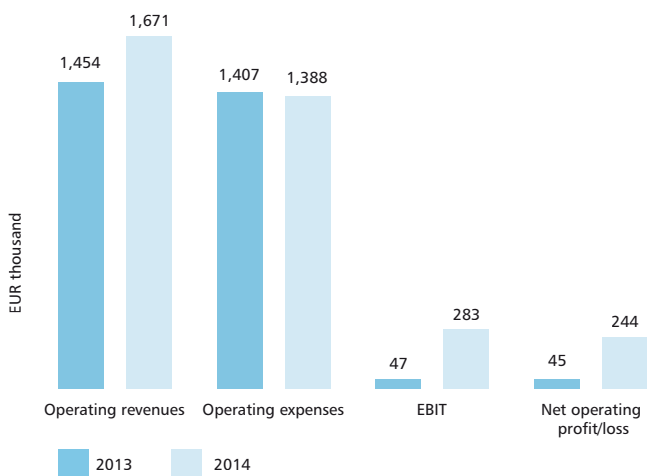
In its strategic objectives, the company aims to further increase business volumes and enhance its market identity as a dependable logistics company that provides services on-time and in a reliable and quick manner to all its clients. Fersped, d. o. o., will continue striving towards synergy with the Slovenske železnice Group, and cooperate with SŽ-Tovorni promet, d. o. o., and the subsidiaries Ferit and Fercargo in the coordination of their joint market approach on both domestic and international markets to secure the share of mass cargo transit through the port of Koper. Moreover, the company will also focus on expanding additional logistics services further out in the region to complement the foreign operation of companies in the Slovenske železnice Group.

# Prometni institut Ljubljana, d. o. o.

## Business activities:

- Research and development of transport technologies;
- Research and development of transport infrastructure;
- IT support in project work and development of transport system software;
- Research in transport economics and law;
- Elaboration of investment documentation.

## Revenue, expenses, and profit and loss



## Financial performance

(EUR thousand)	2014	2013	Index
Operating revenues	1,671	1,454	114.9
Operating expenses	1,388	1,407	98.6
<b>Operating profit/loss</b>	<b>283</b>	<b>47</b>	<b>602.1</b>
Finance income	12	4	300.0
Finance expenses	4	1	400.0
<b>Financial result</b>	<b>8</b>	<b>3</b>	<b>266.7</b>
Other revenues	0	0	
<b>Other expenses</b>	<b>0</b>	<b>0</b>	
Result of other flows	0	0	
Corporate income tax	47	7	671.4
Deferred tax	0	(2)	
<b>Net profit/loss</b>	<b>244</b>	<b>45</b>	<b>542.2</b>



Prometni institut Ljubljana, d.o.o., (Institute of Traffic and Transport Ljubljana, I.I.c.) concluded the 2014 financial year with success. The company achieved an operating profit of EUR 283 thousand with operating revenues and expenses totalling EUR 1,671 thousand and EUR 1,388 thousand, respectively. Positive results were also recorded in financial flows with a profit of EUR 8 thousand, while net profit amounted to EUR 244 thousand.

If the accrued costs of EUR 45 thousand arising from redundancy payments are excluded, the operating result totalled a profit of EUR 328 thousand (up EUR 281 thousand on the previous period), while net profit recorded a year-on-year increase from EUR 244 thousand to EUR 289 thousand.

Prometni institut aims to become a globally recognized R&D organisation presented in the priority list of rail R&D centres that UIC recommends to its members, and strives to participate in various UIC projects and EU programmes. Moreover, the company has been gaining importance as a coordinator between the Slovenske železnice Group and national and European institutions in the field of legislation, guidelines and development trends.

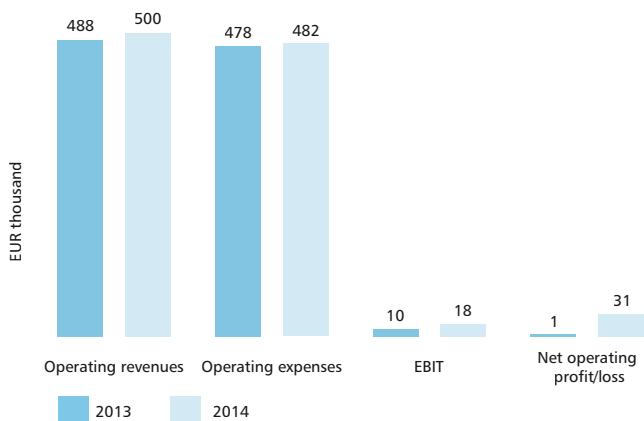
The institute also frequently cooperates with foreign organisations, such as the European Commission, International Union of Railways (UIC), various foreign universities, international R&D institutions in the field of transport, and other economic operators in the transport industry, in particular from the rail sector. At the end of 2012, Prometni institut Ljubljana became a full member of the International Railway Research Board (IRRB), which is an official working body of UIC.

# SŽ-Železniška tiskarna Ljubljana, d. d.

## Business activities:

- Printing of rail tickets, train timetables, advertising material and rail trade forms;
- Other printing and bookbinding services.

## Revenue, expenses, and profit and loss



## Financial performance

(EUR thousand)	2014	2013	Index
Operating revenues	500	488	102.5
Operating expenses	482	478	100.8
<b>Operating profit/loss</b>	<b>18</b>	<b>10</b>	<b>180.0</b>
Finance income	17	8	212.5
Finance expenses	1	17	5.9
<b>Financial result</b>	<b>16</b>	<b>(9)</b>	
Other revenues	0	0	
Other expenses	0	0	
<b>Result of other flows</b>	<b>0</b>	<b>0</b>	
Corporate income tax	3	0	
<b>Net profit/loss</b>	<b>31</b>	<b>1</b>	

In 2014, Železniška tiskarna Ljubljana, d.d., generated an operating profit of EUR 18 thousand with operating revenues and expenses totalling EUR 500 thousand and EUR 482 thousand, respectively. Positive results were also reported in financial flows with a profit of EUR 16 thousand, while net result for the year reached a surplus of EUR 31 thousand.

# Staff

## Fluctuation in the workforce

On 31 December 2014, the number of staff in the Slovenske železnice Group totalled 8,069 employees, which is down 0.4% or 30 employees on the previous period.

Company	Situation as at 31 Dec		Average number	
	2014	2013	2014	2013
Slovenske železnice, d. o. o.	461	453	458	394
SŽ-Tovorni promet, d. o. o.	1,301	1,312	1,301	1,341
SŽ-Potniški promet, d. o. o.	622	623	622	636
SŽ-Infrastruktura, d. o. o.	2,385	2,355	2,374	2,422
SŽ-Vleka in tehnika, d. o. o.	2,105	2,138	2,121	2,186
ŽGP Group	360	369	372	371
ŽIP Group	717	724	720	736
Fersped Group	79	85	81	94
Prometni institut, d. o. o.	26	27	26	29
SŽ-Železniška tiskarna, d. d.	13	13	13	13
<b>Total</b>	<b>8,069</b>	<b>8,099</b>	<b>8,088</b>	<b>8,221</b>

In 2014, a programme on managing staff redundancies (PRPD- Staff Redundancy Management Programme) was approved according to the Agreement with the social partners on measures relating to employee compensation and benefits as well as on personnel-related and other measures, with workforce reductions also planned in the next period. A total of 760 employments were planned for termination, of which 467 were to be terminated in 2015. In the year under review, the Group accepted 100 new employees, while a total of 130 employments were made redundant.

The average age of the workforce in the Group as at 31 December 2014 rose by 0.8 years to 46.5 years.

In terms of education structure, the situation is improving steadily as the share of workforce with education levels VI and VII was again on the rise compared to 2013. The majority of workforce has a level IV education, accounting for 2,637 or 32.7% of all employees. Following a public tender, Slovenske železnice was again awarded the status of an entity responsible for the qualification of rail executive staff and professional training of rail operational staff assigned to industrial (private) lines.

Training and competency testing were carried out in line with the plan and regulations. A total of 441 candidates participated in the qualification programmes for executive functions, while 3,688 took part in regular professional development courses. Periodic or unscheduled competency testing included 4,413 employees, while 1,281 or 15.9% of all employees took part in technical training.

The wage policy of the company was implemented in line with the following agreements and legislative documents: The Collective agreement for railway transport operation (Official Gazette of the Republic of Slovenia No. 95/07; Official Bulletin No. 3/07); the Tariff Annex to the Collective agreement (the Annex entered into force on 18 September 2007 and was published in Official Gazette of the Republic of Slovenia No. 95/07; Official Bulletin No. 3/07); the

Agreement on financial incentives to promote better operating results of Slovenske železnice and the implementation of wage adjustments from 2009 and 2010; the Personal Income Tax Act (ZDoh-2; Official Gazette of the Republic of Slovenia No. 117/06 with amendments); the Social Security Contributions Act (ZPSV; Official Gazette of the Republic of Slovenia No. 5/96 with amendments); the Pension and Disability Insurance Act (ZPIZ-1-UPB4, Official Gazette of the Republic of Slovenia No. 96/12); and the Agreement on the formation of pension scheme regarding voluntary supplemental pension insurance (URO, No. 6/02).

## Investment

The Slovenske železnice Group's investment in fixed assets in 2014 totalled EUR 25,303 thousand and accounted for 68.8% of annual investment plan.

(EUR thousand)	2014	2013	Index
SŽ-Tovorni promet, d. o. o.	11,711	8,873	132.0
SŽ-Potniški promet, d. o. o.	6,219	6,138	101.3
SŽ-Infrastruktura, d. o. o.	2,513	1,538	163.4
• Infrastruktura	2,269	1,478	153.5
• Vodenje prometa	244	60	406.7
Slovenske železnice, d. o. o.	489	452	108.2
• Služba za informatiko (IT)	381	306	124.5
• Služba za upravljanje z nepremičninami (Property Management)	3	59	5.1
• Službe SŽ (Other sections)	106	87	121.8
SŽ-Vleka in tehnika, d. o. o.	1,794	1,024	175.2
SŽ-ŽIP, storitve, d. o. o.	787	815	96.6
SŽ-Železniško gradbeno podjetje Group	1,766	1,300	135.8
SŽ-Železniška tiskarna, d. d.	2	1	200.0
Prometni institut Ljubljana, d. o. o.	3	5	60.0
Fersped, d. o. o.	18	3	600.0
<b>Total</b>	<b>25,303</b>	<b>20,149</b>	<b>125.6</b>

Investment by type (EUR thousand)	2014
Maintenance of rail vehicles	17,890
Other	7,413
<b>Total</b>	<b>25,303</b>

Due to the economic downturn, investment in 2014 was restricted to high-priority areas, of which the majority (EUR 17,890 thousand or 70.7%) comprised investments in the rolling stock to ensure the continuity of passenger and freight services. These are on-going investments which consist mostly of regular revisions and maintenance of vehicles beyond their service life.

## Assessment of safety and quality of rail transport

The safety and quality of rail transport are assessed by examining the number and consequences of emergency events and incidents in rail and comparing them with the statistics from the previous period.

Emergencies (serious accidents and accidents) recorded in 2014 were up by four events to a total of 39 emergencies. In seven cases, the responsibility was attributable to the railway, while the remaining 32 events were triggered by causes unrelated to the railway.

In terms of cause type, four events happened due to a human error, three were attributed to technical defects of the rolling stock or infrastructure, ten to force majeure, and 22 to a fault of a third party.

In these emergencies (serious accidents and accidents), three people were killed (two less compared to 2013) and 17 were injured (three more compared to 2013). In 2014, the railway was responsible for a total of three cases of injuries, and did not cause any fatalities.

The material damage associated with emergencies and incidents totalled EUR 4,297 thousand and EUR 1,427 thousand, respectively.

The number of incidents in 2014 rose by 54 to 798 cases, of which 330 (down 43 on 2013) were caused by the railway and 468 (up 97 on 2013) happened due to causes which were not related to the railway.

The quality of rail transport, on the other hand, is evaluated by examining the quality of rail services operated, the period of delays, and the condition of trains and train stations. Train condition was assessed on the basis of control samples taken from individual vehicles. The results showed that 99.1% of trains are in good shape, which is the same as in the previous period. The condition of stations, on the other hand, fell by 2.4% to a total of 82.8% in 2014.

In terms of emergencies, 2014 was overall an extremely unfavourable year for Slovenske železnice, as the February ice storm completely devastated the catenary on the line section between Borovnica and Pivka, with rehabilitation work currently still in progress.

## Quality management system

The quality management system (QMS) was implemented in line with ISO 9001:2008, Rules of procedure, and the Manual on quality, coupled by periodic internal assessments, reviews by the management, re-assessment of the QMS and other quality-related checks. The quality policy and objectives achieved in 2014 were in line with the capacities and business growth of Slovenske železnice. Moreover, new Rules of procedure on quality 970 and Manual on quality 971 were designed and implemented, with effect on 1 January 2015.

A total of 40 internal assessments were carried out in individual companies, services and other business units of the companies in the Slovenske železnice Group, which identified 7 cases of non-compliance and issued 108 recommendations. So far, 6 non-compliance cases were resolved, with the correction of the last one currently underway.

In 2014, Bureau Veritas (BV) carried out a second surveillance audit of the quality management system in Slovenske železnice, d. o. o., SŽ-Infrastruktura, d. o. o., SŽ-Tovorni promet, d. o. o., SŽ-Potniški promet, d. o. o., and in Prometni institut Ljubljana, d. o. o., issuing general observations and recommendations for improvement. The audit identified two inconsistencies in Slovenske železnice, d. o. o., and one in SŽ-Tovorni promet, d. o. o., both of which have been fixed in the given time period.

Training and competency testing imposed by the law were carried out in line with the plan and regulations. A total of 441 candidates participated in the qualification programmes for executive functions, while 3,688 took part in regular professional development courses. Periodic or unscheduled competency testing included 4,413 employees, while 1,281 or 15.9% of all employees took part in technical training.

## Environmental management system

A new Environmental policy of the Slovenske železnice Group was adopted in 2014, under which the Management Board undertook to adhere to the highest standards in the field of environmental protection, aiming in particular to systematically reduce the impacts of Group's activities on the environment and promote an efficient use of energy and other natural resources with an effect on operating activities, together with separation of waste produced by the Slovenske železnice Group. These objectives can be achieved through a consistent application of the regulations and other requirements in the field of environmental protection. Moreover, plans need to be made in line with the financing options available to modernise the infrastructure, rolling stock and facilities, as well as to introduce of new technologies.

Slovenske železnice, d. o. o., and the subsidiaries SŽ-Infrastruktura, d. o. o., SŽ-Potniški promet, d. o. o., and SŽ-Tovorni promet, d. o. o., successfully completed the re-certification of the Environmental management system (EMS) to SIST EN ISO 14001 for the period 2014-2017. Following recommendations by Bureau Veritas, a total of 27 measures were adopted to improve the performance of EMS. Moreover, eight internal audits were carried out in 2014 to examine the practical application of the requirements in the field of environmental protection.

# Income statement by individual company in the Group

(EUR thousand)	SŽ Group	SŽ, d. o. o.	SŽ-TP	SŽ-PP
<b>Operating revenue</b>	<b>557,189</b>	<b>33,313</b>	<b>206,194</b>	<b>85,151</b>
Net sales revenue	462,834	21,094	199,671	41,815
• Revenue in the domestic market	273,127	20,961	33,541	33,385
– Transport revenue	35,323		8,890	29,498
– Other revenues	132,852	20,961	24,651	3,887
– Contracts with the Government	104,952			
• Revenue in the foreign market	189,707	133	166,130	8,430
– Transport revenue	161,385		158,782	7,741
– Other revenues	28,322	133	7,348	689
Change in inventories of finished goods and work in progress	453			
Capitalised own products and own services	22,919		0	
Other operating revenues	70,983	12,219	6,523	43,336
of which: Contracts with the Government	41,380			41,380
<b>Operating expenses</b>	<b>533,024</b>	<b>22,614</b>	<b>196,615</b>	<b>82,080</b>
Purchase value of goods and material sold	1,763	0	56	20
Cost of material	41,605	147	3,001	2,577
Cost of energy	36,766	170	22,184	7,187
Cost of services	166,163	5,251	117,416	43,152
Cost of labour	243,961	14,933	38,832	17,808
Amortisation	34,945	1,673	14,872	11,278
Other operating expenses	7,821	440	254	58
<b>Operating profit/loss (EBIT)</b>	<b>24,165</b>	<b>10,699</b>	<b>9,579</b>	<b>3,071</b>
Finance income	1,793	10,131	2,221	326
Finance expenses	9,540	10,770	4,970	2,650
<b>Financial result</b>	<b>(7,747)</b>	<b>(639)</b>	<b>(2,749)</b>	<b>(2,324)</b>
Other revenue	79	0	29	4
Other expenses	1,060	174	425	95
<b>Result of other flows</b>	<b>(981)</b>	<b>(174)</b>	<b>(396)</b>	<b>(91)</b>
<b>Total profit/loss</b>	<b>15,437</b>	<b>9,886</b>	<b>6,434</b>	<b>656</b>
Income tax	876	572		
Deferred tax	11			
<b>Net profit/loss</b>	<b>14,550</b>	<b>9,314</b>	<b>6,434</b>	<b>656</b>



Companies in the group						
SŽ-INFRA	SŽ-VIT	ŽGP Gr	ŽIP Gr	Fersped Gr.	PI	SŽ-ŽTL Lj
<b>164,466</b>	<b>102,473</b>	<b>82,749</b>	<b>25,866</b>	<b>21,104</b>	<b>1,671</b>	<b>500</b>
158,845	98,671	82,597	20,386	21,033	1,191	497
158,845	92,608	80,872	20,359	8,613	1,126	497
53,893	92,608	80,872	20,359	8,613	1,126	497
104,952						
0	6,063	1,725	27	12,420	65	0
	6,063	1,725	27	12,420	65	0
	656	(216)	10	0	0	3
0	55	16	32	0	0	0
5,621	3,091	352	5,438	71	480	0
<b>165,249</b>	<b>103,599</b>	<b>78,758</b>	<b>26,834</b>	<b>21,068</b>	<b>1,388</b>	<b>482</b>
8	44	257	156	1,394	0	0
11,258	13,135	10,794	1,076	151	5	63
15,531	1,290	1,429	610	58	4	9
41,950	16,893	51,500	7,584	17,019	267	87
70,981	69,200	12,540	16,410	2,001	1,082	280
2,410	2,010	1,807	684	148	23	40
23,111	1,027	431	314	297	7	3
<b>(783)</b>	<b>(1,126)</b>	<b>3,991</b>	<b>(968)</b>	<b>36</b>	<b>283</b>	<b>18</b>
236	235	254	240	63	12	17
384	425	622	60	82	4	1
<b>(148)</b>	<b>(190)</b>	<b>(368)</b>	<b>180</b>	<b>(19)</b>	<b>8</b>	<b>16</b>
34	4	5	2	10	0	0
299	322	110	19	10	0	0
<b>(265)</b>	<b>(318)</b>	<b>(105)</b>	<b>(17)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(1,196)</b>	<b>(1,634)</b>	<b>3,518</b>	<b>(805)</b>	<b>17</b>	<b>291</b>	<b>34</b>
0		252	1	0	47	3
		11			0	
<b>(1,196)</b>	<b>(1,634)</b>	<b>3,255</b>	<b>(806)</b>	<b>17</b>	<b>244</b>	<b>31</b>

# Balance sheets of companies in the Group as at 31 December 2014

(EUR thousand)	SŽ Group	SŽ, d. o. o.	SŽ-TP	SŽ PP
<b>ASSETS</b>	<b>607,898</b>	<b>583,383</b>	<b>264,001</b>	<b>153,945</b>
<b>A. Non-current assets</b>	<b>426,375</b>	<b>379,588</b>	<b>205,834</b>	<b>106,709</b>
I. Intangible assets and non-current deferred expenses and accrued incomes	4,183	657	7	54
II. Tangible fixed assets	300,975	13,978	135,870	92,223
III. Investment property	39,670	28,735	4,052	5,777
IV. Long-term investments	18,120	275,345	19	0
V. Non-current operating receivables	63,357	60,872	65,885	8,655
VI. Deferred tax assets	71	0	0	0
<b>B. Current assets</b>	<b>150,182</b>	<b>203,354</b>	<b>37,533</b>	<b>42,972</b>
I. Assets (disposal groups) held for sale	0	0	0	0
II. Inventories	22,171	0	2,249	3,976
III. Short-term investments	82	173,138	0	20,227
IV. Current operating receivables	93,735	4,024	35,172	18,485
V. Cash	34,195	26,191	112	285
<b>C. Current deferred expenses and accrued income</b>	<b>31,340</b>	<b>442</b>	<b>20,634</b>	<b>4,263</b>
<b>LIABILITIES</b>	<b>607,898</b>	<b>583,383</b>	<b>264,001</b>	<b>153,945</b>
<b>A. Equity</b>	<b>164,971</b>	<b>159,948</b>	<b>50,903</b>	<b>23,302</b>
I. Called-up capital	95,070	95,070	36,861	21,480
II. Capital surplus	45,002	45,002	4,720	0
III. Revenue reserves	0	0	3,686	682
IV. Revaluation surplus	15,291	17,081	(316)	229
V. Retained earnings	(8,336)	0	0	289
VI. Net profit/loss for the period	13,877	2,795	5,953	623
VII. Consolidated equity adjustment	(4)	0	0	0
VIII. Capital of minority shareholders	4,071	0	0	0
<b>B. Provisions and current accrued expenses and deferred costs</b>	<b>36,274</b>	<b>5,244</b>	<b>6,238</b>	<b>1,905</b>
<b>C. Non-current liabilities</b>	<b>119,115</b>	<b>190,850</b>	<b>105,782</b>	<b>10,751</b>
I. Non-current financial liabilities	117,156	116,350	105,583	10,705
II. Non-current operating liabilities	1,959	74,501	198	46
III. Deferred tax liabilities	0	0	0	0
<b>Č. Current liabilities</b>	<b>257,756</b>	<b>225,582</b>	<b>95,720</b>	<b>113,817</b>
I. Liabilities of disposal groups held for sale	0	0	0	0
II. Current financial liabilities	176,495	221,270	69,182	102,786
III. Current operating liabilities	81,261	4,312	26,538	11,031
<b>D. Current accrued expenses and deferred costs</b>	<b>29,781</b>	<b>1,759</b>	<b>5,358</b>	<b>4,169</b>

Companies in the group						
SŽ-INF	SŽ-VIT	ŽIP Lj Gr.	PI Lj	ŽT Lj	ŽGP Lj Gr.	Fersped Gr.
88,229	59,083	17,564	1,306	1,105	54,748	9,186
7,954	33,279	10,190	130	502	16,899	2,791
167	1,655	7	8	0.95	41	8
7,511	31,477	9,871	28	486	12,357	1,777
0	51	0	52	13	948	42
0	6	0	0	0.742	778	955
277	89	312	34	0	2,713	9
0	0	0	8	0	63	0
55,093	25,754	7,357	889	602	35,572	6,267
0	0	0	0	0	0	0
2,776	9,115	264	0	37	3,896	0
33,271	0	10	0	0	0	72
19,043	16,498	6,629	719	326	25,290	5,981
2	141	455	170	239	6,386	214
25,182	50	17	287	2	2,278	128
88,229	59,083	17,564	1,306	1,105	54,748	9,186
18,435	27,831	7,031	961	991	17,638	2,164
15,828	26,068	6,073	162	265	3,152	3,139
0	1,653	0	112	498	46	0
1,583	803	2,116	16	133	4,515	0
(656)	(693)	(356)	(2)	(3)	(13)	17
1,680	0	5	429	67	6,516	(1,026)
0	0	(806)	244	31	3,238	26
0	0	0	0	0	(4)	0
0	0	0	0	0	187	9
8,390	9,001	5,855	93	54	913	208
273	328	42	20	0	2,833	12
0	71	0	9	0	720	8
273	258	42	12	0	2,114	4
0	0	0	0	0	0	0
32,421	18,657	2,875	182	60	26,977	6,534
0	0	0	0	0	0	0
0	2,516	5	4	0	6,442	984
32,421	16,141	2,870	177	60	20,536	5,550
28,709	3,265	1,761	49	0	6,386	269

# Consolidated financial statements of the Slovenske železnice Group

## Consolidated balance sheet as of 31 December 2014 and 2013 Slovenske železnice Group

Item (EUR)	31. 12. 2014	31. 12. 2013	Index
<b>ASSETS</b>	<b>607,897,795</b>	<b>636,533,343</b>	<b>95.5</b>
<b>A. Non-currents assets</b>	<b>426,375,353</b>	<b>489,295,087</b>	<b>87.1</b>
I. Intangible assets and non-current deferred expenses and accrued incomes	4,182,903	5,248,025	79.7
II. Tangible fixed assets	300,974,691	349,583,206	86.1
III. Investment property	39,669,884	1,271,084	3,120.9
IV. Long-term investments	18,119,873	19,121,601	94.8
V. Non-current operating receivables	63,357,313	113,989,609	55.6
VI. Deferred tax assets	70,689	81,562	86.7
<b>B. Current assets</b>	<b>150,182,168</b>	<b>142,585,350</b>	<b>105.3</b>
I. Assets (disposal groups) held for sale	0	141,375	–
II. Inventories	22,170,820	23,712,088	93.5
III. Short-term investments	81,594	66,785	122.2
IV. Current operating receivables	93,735,027	114,369,343	82.0
V. Cash	34,194,727	4,295,759	796.0
<b>C. Current deferred expenses and accrued income</b>	<b>31,340,274</b>	<b>4,652,906</b>	<b>673.6</b>
<b>LIABILITIES</b>	<b>607,897,795</b>	<b>636,533,343</b>	<b>95.5</b>
<b>A. Equity</b>	<b>164,971,274</b>	<b>153,266,084</b>	<b>107.6</b>
I. Called-up capital	95,070,230	95,070,230	100.0
II. Capital surplus	45,002,140	45,002,140	100.0
IV. Revaluation surplus	15,291,055	17,841,328	85.7
V. Retained earnings	(8,335,689)	(25,997,654)	32.1
VI. Net profit/loss for the year	13,876,912	17,933,356	77.4
1. Net profit for the period	13,876,912	17,933,356	77.4
2. Net loss for the period			
VII. Consolidated equity adjustment	(4,222)	(7,748)	54.5
VIII. Capital of minority shareholders	4,070,848	3,424,432	118.9
<b>B. Provisions and current accrued expenses and deferred costs</b>	<b>36,274,493</b>	<b>36,422,121</b>	<b>99.6</b>
<b>C. Non-current liabilities</b>	<b>119,115,442</b>	<b>201,371,363</b>	<b>59.2</b>
I. Non-current financial liabilities	117,156,450	199,966,210	58.6
II. Non-current operating liabilities	1,958,992	1,405,153	139.4
<b>Č. Current liabilities</b>	<b>257,755,566</b>	<b>235,643,514</b>	<b>109.4</b>
II. Current financial liabilities	176,494,888	168,414,414	104.8
III. Current operating liabilities	81,260,678	67,229,100	120.9
<b>D. Current accrued expenses and deferred costs</b>	<b>29,781,020</b>	<b>9,830,261</b>	<b>303.0</b>
<b>OFF-BALANCE LIABILITIES</b>	<b>800,800,182</b>	<b>1,097,835,605</b>	<b>72.9</b>

**Consolidated income statement  
for the period 1 January–31 December 2014 and 2013  
Slovenske železnice Group**

Item (EUR)	2014	2013	Index
1. Net sales revenues	462,834,432	430,402,644	107.5
a) Revenues in the domestic market	273,127,241	255,587,668	106.9
1. Revenues from transport services	35,322,980	38,349,437	92.1
2. Other revenues	237,804,261	217,238,231	109.5
b) Revenues in the foreign market	189,707,191	174,814,976	108.5
1. Revenues from transport services	161,385,049	149,478,605	108.0
2. Other revenues	28,322,142	25,336,371	111.8
2. Change in inventories of finished goods and work in progress	453,170	(475,276)	-
3. Capitalised own products and own services	22,918,964	20,153,137	113.7
4. Other operating revenues (including revaluation operating revenues)	70,982,475	53,959,337	131.5
5. Cost of goods, materials and services	246,296,781	227,222,812	108.4
a) Purchase value of goods and material sold and cost of material used	80,133,852	76,871,402	104.2
b) Cost of services	166,162,929	150,351,410	110.5
6. Cost of labour	243,961,015	216,633,522	112.6
a) Cost of wages	164,672,829	154,858,234	106.3
b) Cost of social security	35,133,254	32,454,301	108.3
c) Other costs of labour	44,154,932	29,320,987	150.6
7. Write-offs	36,835,513	39,215,157	93.9
a) Amortisation	34,944,993	37,107,220	94.2
b) Revaluation operating expenses for intangible non-current assets and tangible fixed assets	608,889	377,818	161.2
c) Revaluation operating expenses for capital employed	1,281,631	1,730,119	74.1
8. Other operating expenses	5,930,430	946,800	626.4
<b>Operating profit/loss (1±2+3+4-5-6-7-8)</b>	<b>24,165,302</b>	<b>20,021,551</b>	<b>120.7</b>
9. Finance income from interest	895,978	5,382,489	16.6
10. Finance income from loans	529,749	2,767,916	19.1
11. Finance income from operating receivables	367,554	360,351	102.0
12. Finance expenses for impairment and write-offs of investments	4,992	128,966	3.9
13. Finance expenses for financial liabilities	9,377,266	8,184,969	114.6
14. Finance expenses for operating liabilities	158,233	261,771	60.4
<b>Operating profit/loss from ordinary activities (1±2+3+4-5-6-7-8+9+10+11-12-13-14)</b>	<b>16,418,092</b>	<b>19,956,601</b>	<b>82.3</b>
15. Other revenues	79,204	185,711	42.6
16. Other expenses	1,060,641	793,073	133.7
17. Corporate income tax	876,223	639,413	137.0
18. Deferred taxes	10,873	(3,974)	-
<b>19. Net profit/loss of the accounting period (1±2+3+4-5-6-7-8+9+10+11-12-13-14+15-16-17±18)</b>	<b>14,549,559</b>	<b>18,713,800</b>	<b>77.7</b>
a) majority shareholders	13,876,912	17,933,356	77.4
b) minority shareholders	672,647	780,444	86.2

**Consolidated statement of the comprehensive income  
for the period 1 January–31 December 2014 and 2013  
Slovenske železnice Group**

Item (EUR)	2014	2013	Index
19. Net profit/loss of the accounting period	14,549,559	18,713,800	77.7
a) majority shareholders	13,876,912	17,933,356	77.4
b) minority shareholders	672,647	780,444.00	86.2
20. Surplus changes in revaluation of intangible assets and tangible fixed assets	(72,359)	(99,444)	72.8
a) majority shareholders	(72,359)	(99,444)	72.8
b) minority shareholders			
21. Surplus changes in revaluation of financial assets available for sale	8,751	(415,360)	–
a) majority shareholders	8,751	(420,356)	–
b) minority shareholders	0	4,996	–
22. Gains and losses from company's foreign operations (effects of changes in foreign exchange rates)	8,625	788	1,094.5
a) majority shareholders	6,885	788	873.7
b) minority shareholders	1,740	0	–
23. Other components of the comprehensive income	(2,489,362)	0	–
a) majority shareholders	(2,488,066)	0	–
b) minority shareholders	(1,296)	0	–
<b>24. Total comprehensive income of the accounting period (19+20+21+22+23)</b>	<b>12,005,214</b>	<b>18,199,784</b>	<b>65.96</b>
a) majority shareholders	11,332,123	17,414,344	65.07
b) minority shareholders	673,091	785,440	85.70

**Consolidated statement of changes in equity  
for the period 1 January–31 December 2014  
Slovenske železnice Group**

Item (EUR)	Share capital	Capital reserves	Revaluation surplus	Retained net loss	Net profit for the period	Consolidation adjustment	Minority interest	Total
<b>A.1. Balance at 31 December 2013</b>	95,070,230	45,002,140	17,841,328	(25,997,654)	17,933,356	(7,748)	3,424,432	153,266,084
<b>A.2. Balance at 1 January 2014</b>	95,070,230	45,002,140	17,841,328	(25,997,654)	17,933,356	(7,748)	3,424,432	153,266,084
<b>B.1. Changes in equity – transactions with owners</b>	0	0	0	0	0	0	0	0
<b>B.2. Total comprehensive income for the period</b>	0	0	(2,550,273)	72,360	13,876,912	3,526	675,188	12,077,713
a) Entry of net profit/loss for the period					13,876,912		672,647	14,549,559
c) Surplus changes in revaluation of tangible fixed assets			(72,360)	72,360				0
č) Surplus changes in revaluation of financial investments			8,750					8,750
d) Other components of comprehensive income for the period			(2,486,663)				2,541	(2,484,122)
e) Exchange gains and losses on translation of foreign operation						3,526		3,526
<b>B.3. Changes in equity</b>	0	0	0	17,589,605	(17,933,356)	0	(28,772)	(372,523)
a) Allocation of remaining part of net profit for the comparative period to other capital components				17,933,356	(17,933,356)			0
f) Other changes in capital				(343,751)			(28,772)	(372,523)
<b>C. End balance at December 2014</b>	95,070,230	45,002,140	15,291,055	(8,335,689)	13,876,912	(4,222)	4,070,848	164,971,274
<b>Balance sheet profit/loss</b>				(8,335,689)	13,876,912			5,541,223

**Consolidated statement of changes in equity  
for the period 1 January–31 December 2013  
Slovenske železnice Group**

Item (EUR)	Share capital	Capital reserves	Revaluation surplus	Retained net loss	Net profit for the period	Consolidation adjustment	Minority interest	Total
<b>A.1. Balance at 31 December 2012</b>	<b>95,070,230</b>	<b>45,002,140</b>	<b>18,361,128</b>	<b>(22,660,154)</b>	<b>2,673,966</b>	<b>(8,535)</b>	<b>3,833,449</b>	<b>142,272,224</b>
a) Retroactive recalculations				(73,395)			468	(72,927)
b) Retroactive adjustments				(8,191,456)			(1,171,909)	(9,363,365)
<b>A.2. Balance at 1 January 2013</b>	<b>95,070,230</b>	<b>45,002,140</b>	<b>18,361,128</b>	<b>(30,925,005)</b>	<b>2,673,966</b>	<b>(8,535)</b>	<b>2,662,008</b>	<b>132,835,932</b>
<b>B.1. Changes in equity – transactions with owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,684,092</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,684,092</b>
i) Other changes in equity				1,684,092				1,684,092
<b>B.2. Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>(519,800)</b>	<b>99,444</b>	<b>17,933,356</b>	<b>787</b>	<b>785,440</b>	<b>18,299,227</b>
a) Entry of net profit/loss for the period					17,933,356		780,444	18,713,800
c) Surplus changes in revaluation of tangible fixed assets			(99,444)	99,444				0
č) Surplus changes in revaluation of financial investments			(420,356)				4,996	(415,360)
e) Gains and losses from company's foreign operations						787		787
<b>B.3. Changes in equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,143,815</b>	<b>(2,673,966)</b>	<b>0</b>	<b>(23,016)</b>	<b>446,833</b>
a) Transfer of remaining net profit for the period to other capital components				2,673,966	(2,673,966)			0
f) Other changes in capital				469,849			(23,016)	446,833
<b>C. End balance at December 2013</b>	<b>95,070,230</b>	<b>45,002,140</b>	<b>17,841,328</b>	<b>(25,997,654)</b>	<b>17,933,356</b>	<b>(7,748)</b>	<b>3,424,432</b>	<b>153,266,084</b>
<b>Balance sheet profit/loss</b>				<b>(25,997,654)</b>	<b>17,933,356</b>			<b>(8,064,298)</b>



# Slovenian railways in figures

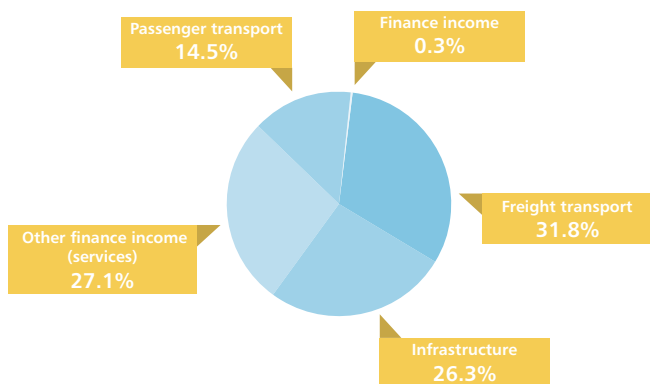
## Slovenske železnice Group

### Key figures

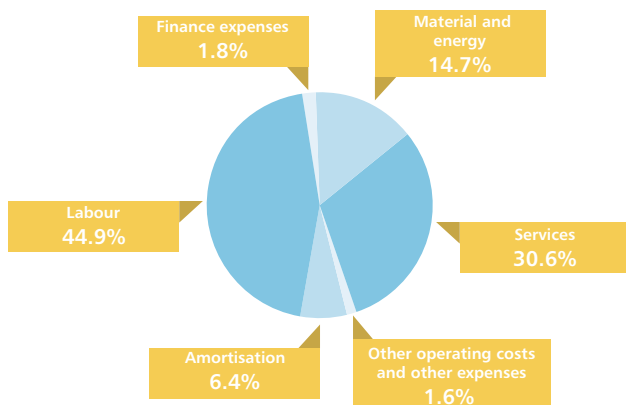
The Slovenske železnice group	2011	2012	2013	2014
Operating revenues (EUR thousand)	478,710	450,213	504,040	557,189
Operating expenses (EUR thousand)	476,519	441,695	484,018	533,024
Operating profit/loss (EUR thousand)	2,191	8,518	20,022	24,165
Net income (EUR thousand)	(15,351)	3,479	18,714	14,550
Assets (EUR thousand)	650,437	633,335	636,533	607,898
Equity (EUR thousand)	134,073	142,272	153,266	164,971
Revenues/Expenses	1.005	1.019	1.041	1.045
EBIT/Operating revenues	0.005	0.019	0.040	0.043
Return on equity – ROE	(0.091)	0.025	0.135	0.096
Equity/Debt	0.206	0.225	0.241	0.271
Goods carried (thousand t)	17,647.3	16,181.2	17,647.6	18,782.9
Volume sold (million net tkm)	3,869.2	3,537.7	3,895.7	4,278.4
Train kilometres in freight transport (thousand)	8,798	8,351	8,874	9,696
Passengers carried (thousand)	15,743.5	15,512.1	16,420.5	14,837.3
Volume sold (million pkm)	773.2	741.7	760.3	696.7
Train kilometres in passenger transport (thousand)	10,764	10,590	10,130	10,402
Average number of employees	8,886	8,543	8,221	8,088

### Revenues and costs

#### Revenues structure



## Cost structure

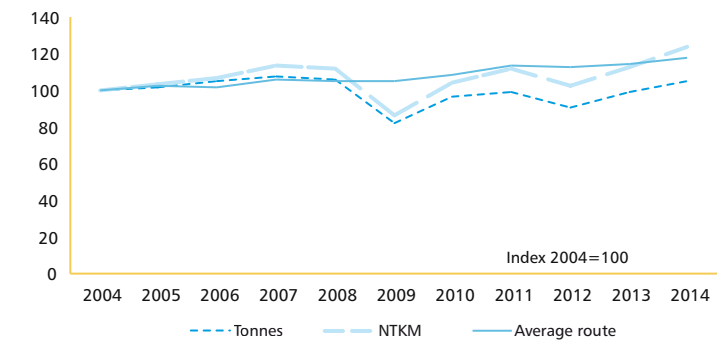


## Financials

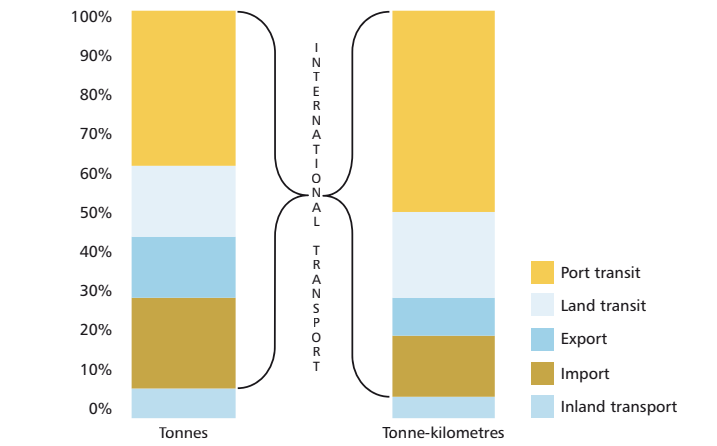
The Slovenske železnice Group	2011	2012	2013	2014
<b>PROFIT AND LOSS ACCOUNT</b> (thousand EUR)				
<b>Operating revenues</b>	<b>478,710</b>	<b>450,213</b>	<b>504,040</b>	<b>557,189</b>
Transport revenues	196,107	183,440	187,828	196,708
• freight transport	159,858	144,557	147,278	159,983
• passenger transport	36,249	38,883	40,550	36,725
Revenues from public services	193,015	165,269	154,909	146,332
• passenger transport	44,584	44,240	41,569	41,380
• infrastructure	148,431	121,029	113,340	104,952
Other revenues	89,588	101,504	161,303	214,149
<b>Operating expenses</b>	<b>476,519</b>	<b>441,695</b>	<b>484,018</b>	<b>533,024</b>
Cost of material and energy	72,825	67,717	76,871	80,134
Cost of services	124,929	103,444	150,351	166,163
Cost of labour	228,629	227,046	216,634	243,961
Amortization	40,212	40,071	37,107	34,945
Other costs	9,924	3,417	3,055	7,821
<b>Operating profit/loss</b>	<b>2,191</b>	<b>8,518</b>	<b>20,022</b>	<b>24,165</b>
Finance income minus finance expenses	(20,201)	(7,191)	(65)	(7,747)
Other income minus other expenses	4,406	2,723	(608)	(981)
Income tax	1,747	571	635	887
<b>Net profit/loss for the year</b>	<b>(15,351)</b>	<b>3,479</b>	<b>18,714</b>	<b>14,550</b>
<b>INVESTMENT</b> (thousand EUR)	<b>26,827</b>	<b>23,616</b>	<b>20,149</b>	<b>25,303</b>
<b>BALANCE SHEET</b> (thousand EUR)				
<b>Assets</b>	<b>650,437</b>	<b>633,335</b>	<b>636,533</b>	<b>607,898</b>
Fixed assets	540,922	531,398	489,295	426,375
Current assets	105,245	95,769	142,585	150,183
Other	4,270	6,168	4,653	31,340
<b>Liabilities</b>	<b>650,437</b>	<b>633,335</b>	<b>636,533</b>	<b>607,898</b>
Equity	134,073	142,272	153,266	164,971
Non-current liabilities	364,692	338,924	237,793	155,390
Current liabilities	143,983	141,736	235,644	257,756
Other	7,689	10,403	9,830	29,781

# Freight transport

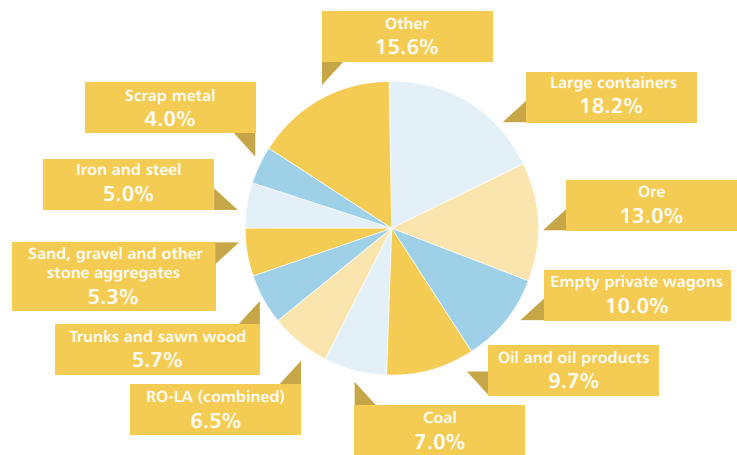
Freight volume trends 2004–2014



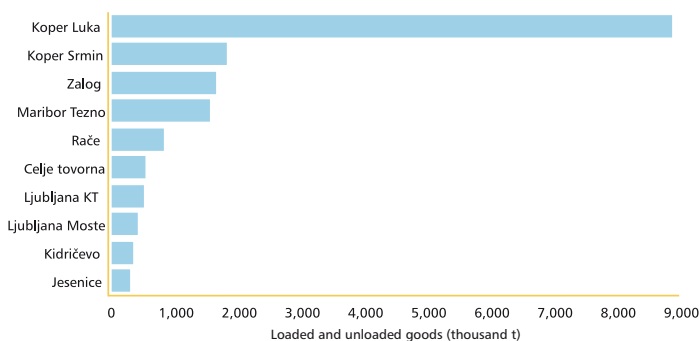
Freight transport structure



Type of goods carried



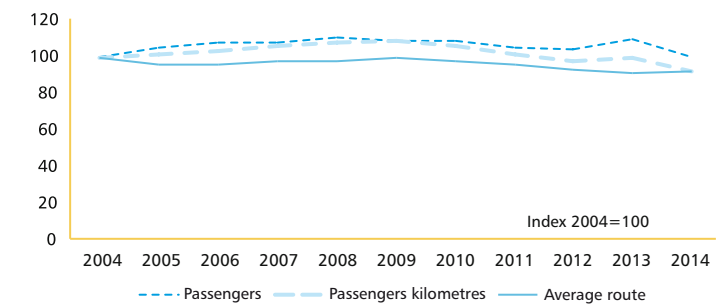
## Key stations



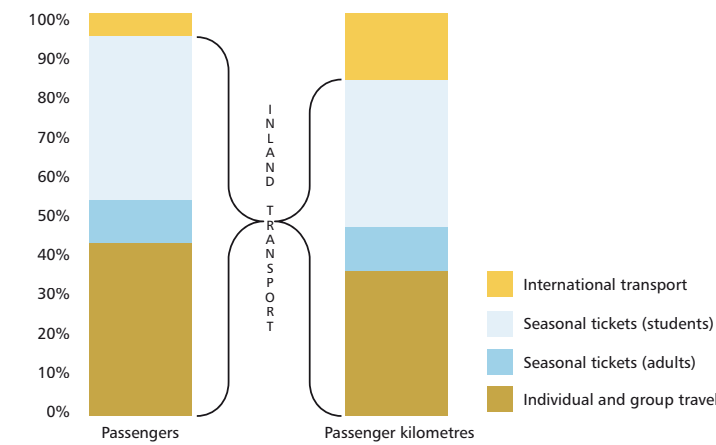
Freight transport	2011	2012	2013	2014
<b>INCOME STATEMENT</b> (thousand EUR)				
<b>Operating revenues</b>	<b>185,712</b>	<b>171,437</b>	<b>178,255</b>	<b>206,194</b>
<b>Operating expenses</b>	<b>190,852</b>	<b>175,248</b>	<b>173,871</b>	<b>196,615</b>
<b>Operating profit/loss</b>	<b>(5,140)</b>	<b>(3,811)</b>	<b>4,384</b>	<b>9,579</b>
Finance income minus finance expenses	(12,687)	(2,519)	(787)	(2,749)
Other income minus other expenses	1,478	2,458	(208)	(396)
Income tax	0	0	0	0
<b>Net profit/loss for the year</b>	<b>(16,349)</b>	<b>(3,872)</b>	<b>3,389</b>	<b>6,434</b>
<b>GOODS CARRIED</b> (wagon consignments, thousand t)				
<b>INLAND TRANSPORT</b>	<b>1,441.1</b>	<b>1,343.2</b>	<b>1,526.2</b>	<b>1,356.1</b>
<b>INTERNATIONAL TRANSPORT</b>	<b>16,175.1</b>	<b>14,812.6</b>	<b>16,097.8</b>	<b>17,403.4</b>
• Import	4,279.5	4,194.1	4,259.1	4,199.8
• Export	1,938.0	2,036.1	2,391.5	2,812.9
• Land transit	3,305.6	2,570.0	2,753.2	3,274.4
• Port transit	6,652.0	6,012.4	6,694.0	7,116.3
thereof:				
Combined transport	4,282.6	4,183.1	4,493.1	4,650.8
• Accompanied piggyback	1,151.0	1,233.4	1,423.4	1,227.5
• Unaccompanied piggyback	3,131.6	2,949.7	3,069.7	3,423.3
<b>VOLUME SOLD</b> (million net tkm)	<b>3,869.2</b>	<b>3,537.7</b>	<b>3,895.7</b>	<b>4,278.4</b>
<b>INLAND TRANSPORT</b>	<b>223.6</b>	<b>230.3</b>	<b>249.9</b>	<b>231.7</b>
<b>INTERNATIONAL TRANSPORT</b>	<b>3,645.6</b>	<b>3,307.4</b>	<b>3,645.8</b>	<b>4,046.7</b>
• Import	672.8	657.6	637.5	638.6
• Export	249.7	270.5	306.7	393.4
• Land transit	772.2	624.2	712.8	896.5
• Port transit	1,950.9	1,755.1	1,988.8	2,118.2
thereof:				
Combined transport	973.0	912.6	953.0	1,071.4
• Accompanied piggyback	22.4	23.6	27.0	23.7
• Unaccompanied piggyback	950.6	889.0	926.0	1,047.7
<b>AVERAGE ROUTE LENGTH</b> (km)	<b>219.6</b>	<b>219.0</b>	<b>221.0</b>	<b>228.1</b>
<b>INLAND TRANSPORT</b>	<b>155.2</b>	<b>171.5</b>	<b>163.7</b>	<b>170.9</b>
<b>INTERNATIONAL TRANSPORT</b>	<b>225.4</b>	<b>223.3</b>	<b>226.5</b>	<b>232.5</b>
thereof:				
Combined transport	227.2	218.2	212.1	230.4
• Accompanied piggyback	19.5	19.1	19.0	19.3
• Unaccompanied piggyback	303.6	301.4	301.7	306.0
<b>AVERAGE WEIGHT PER WAGON</b> (wagon consignments only, t)	<b>33.7</b>	<b>33.6</b>	<b>34.5</b>	<b>36.1</b>
<b>GOODS CARRIED</b> (parcels, thousand t)	<b>31.1</b>	<b>25.4</b>	<b>23.6</b>	<b>23.4</b>

# Passenger transport

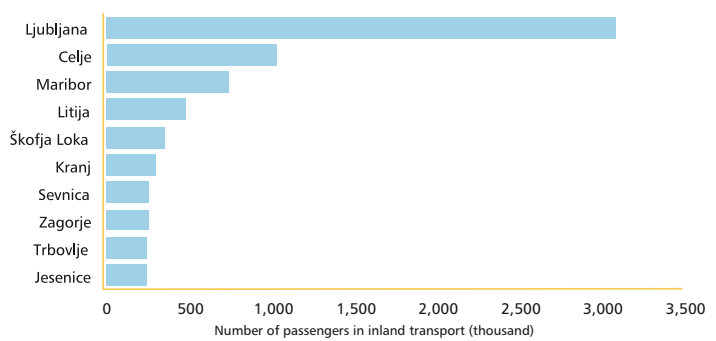
## Passenger volume trends 2004-2014



## Passenger transport structure



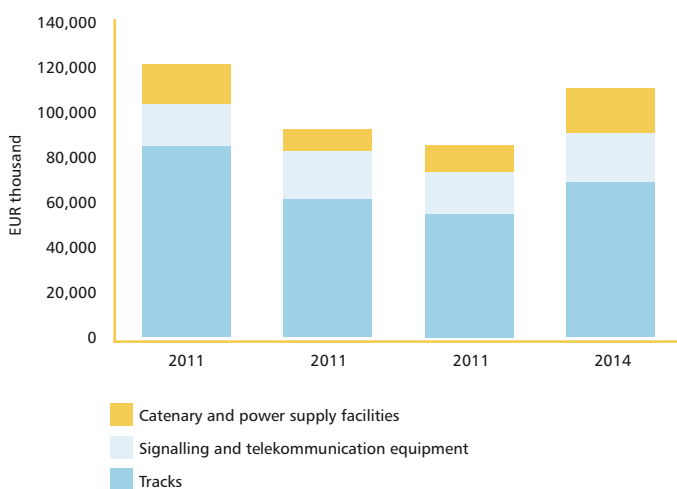
## Key stations



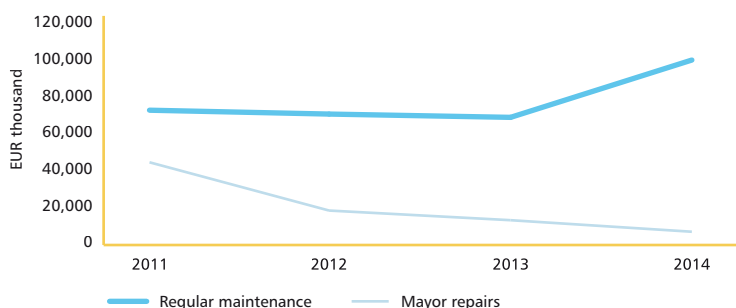
<b>Passenger transport</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>INCOME STATEMENT</b> (thousand EUR)				
<b>Operating revenues</b>	<b>85,764</b>	<b>87,423</b>	<b>86,186</b>	<b>85,151</b>
<b>Operating expenses</b>	<b>87,168</b>	<b>84,677</b>	<b>81,810</b>	<b>82,080</b>
<b>Operating profit/loss</b>	<b>(1,404)</b>	<b>2,746</b>	<b>4,376</b>	<b>3,071</b>
Finance income minus finance expenses	(4,409)	(2,523)	(1,494)	(2,324)
Other income minus other expenses	389	853	(41)	(91)
Income tax	0	0	0	0
<b>Net profit/loss for the year</b>	<b>(5,424)</b>	<b>1,076</b>	<b>2,841</b>	<b>656</b>
<b>PASSENGERS TRANSPORTED</b> (thousand)				
INLAND TRANSPORT	14,838.4	14,622.4	15,562.9	14,054.1
• Individual and group travels	8,600.5	8,284.9	7,326.3	6,410.8
• Seasonal tickets (workers)	1,434.4	1,486.1	1,657.6	1,626.6
• Seasonal tickets (students)	4,803.5	4,851.4	6,579.0	6,016.7
INTERNATIONAL TRANSPORT	905.1	889.7	857.6	783.2
<b>LUGGAGE HANDLED</b> (tonnes)	<b>264.0</b>	<b>310.4</b>	<b>315.4</b>	<b>248.4</b>
<b>ACCOMPANIED CARS</b>	<b>13,909</b>	<b>13,593</b>	<b>11,028</b>	<b>9,584</b>
<b>WOLUME SOLD</b> (million PKM)				
INLAND TRANSPORT	641.3	614.0	635.7	582.0
• Individual and group travels	453.3	396.4	288.8	251.0
• Seasonal tickets (workers)	50.7	49.7	77.1	77.3
• Seasonal tickets (students)	137.3	167.9	269.8	253.7
INTERNATIONAL TRANSPORT	131.9	127.7	124.6	114.7
<b>NUMBER OF OCCASIONAL TRAINS</b>	<b>383</b>	<b>425</b>	<b>427</b>	<b>393</b>
<b>AVERAGE ROUTE LENGTH</b> (km)				
INLAND TRANSPORT	43.2	42.0	40.8	41.4
INTERNATIONAL TRANSPORT	145.7	143.5	145.3	146.5

# Infrastructure

## Maintenance of public rail infrastructure



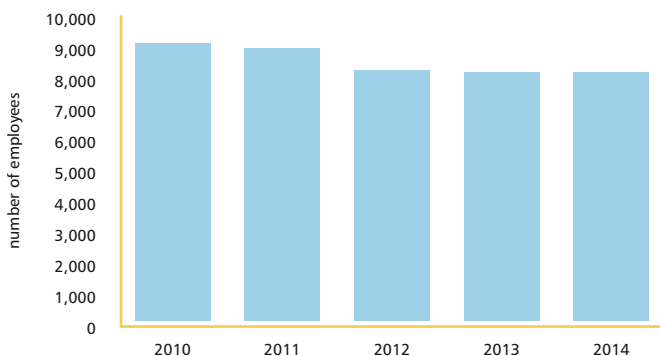
## Regular maintenance and major repairs of public rail infrastructure



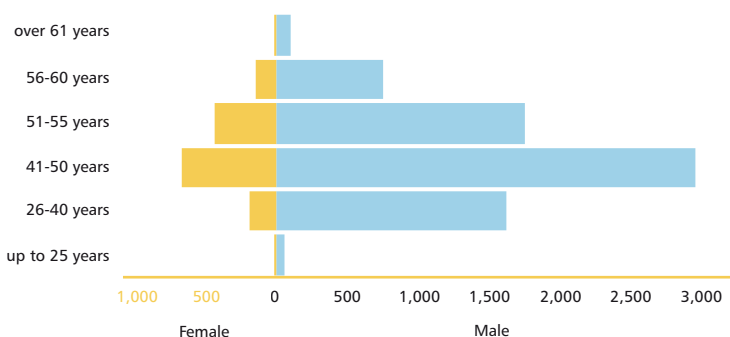
Infrastructure	2011	2012	2013	2014
<b>Income statement</b> (thousand EUR)				
<b>Operating revenues</b>	<b>173,063</b>	<b>145,289</b>	<b>138,853</b>	<b>164,466</b>
<b>Operating expenses</b>	<b>172,363</b>	<b>141,957</b>	<b>135,313</b>	<b>165,249</b>
<b>Operating profit/loss</b>	<b>700</b>	<b>3,332</b>	<b>3,540</b>	<b>(783)</b>
Finance income minus finance expenses	645	311	189	(148)
Other income minus other expenses	1,860	(475)	(268)	(265)
Income tax	0	27	339	0
<b>Net profit/loss for the year</b>	<b>3,205</b>	<b>3,141</b>	<b>3,122</b>	<b>(1,196)</b>
<b>Maintenance of public rail infrastructure</b> (thousand EUR)				
Tracks	81,439	59,053	52,514	65,528
Signaling and telecommunications	18,057	19,659	18,180	20,973
Power supply facilities	16,965	9,286	11,064	19,715
<b>Total</b>	<b>116,461</b>	<b>87,998</b>	<b>81,758</b>	<b>106,216</b>

## Workforce

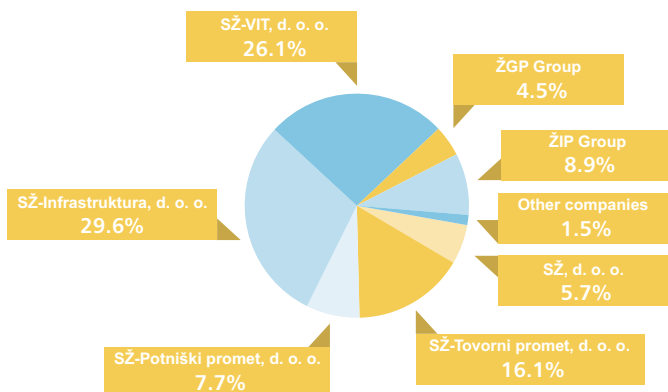
### Employees 2010–2014 (as at 31 Dec)



### Age and sex structure



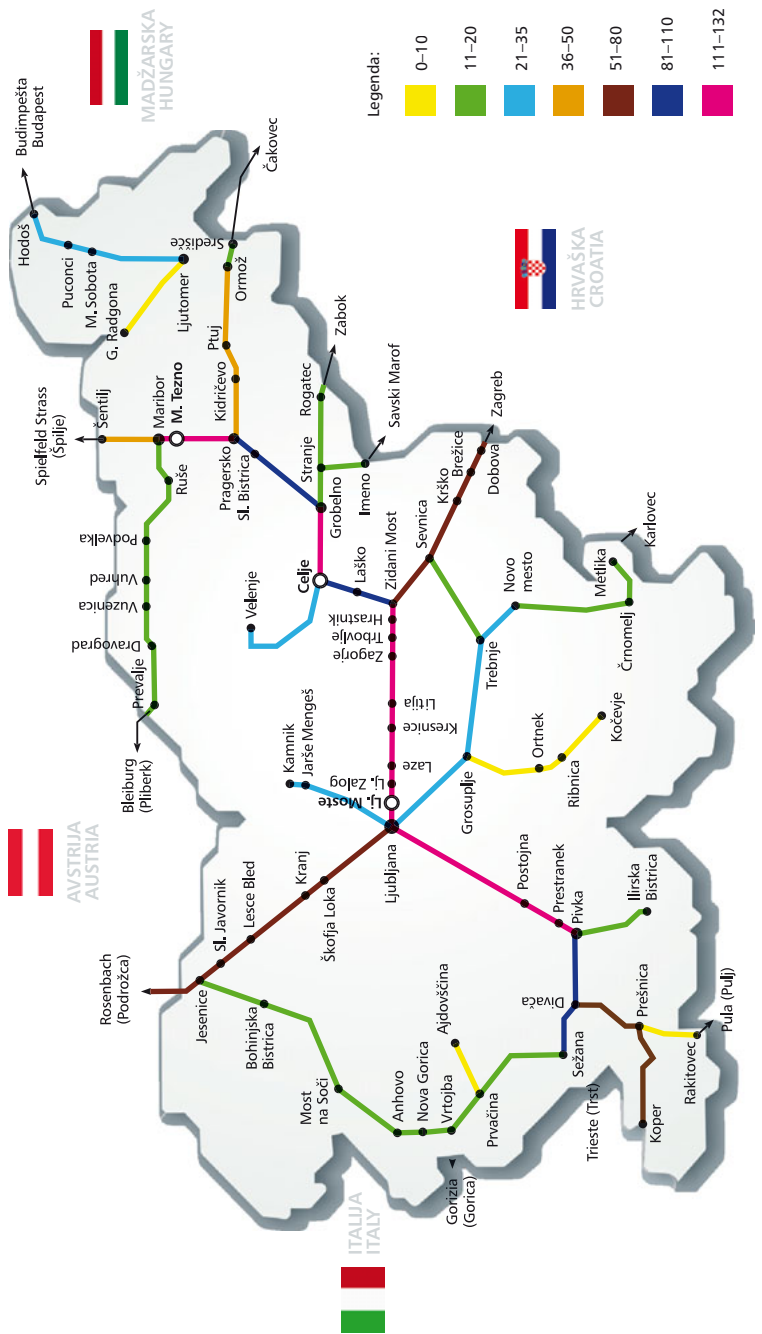
### Employees by organisational unit





# Line utilisation

Number of passenger and freight trains per day (by line section)

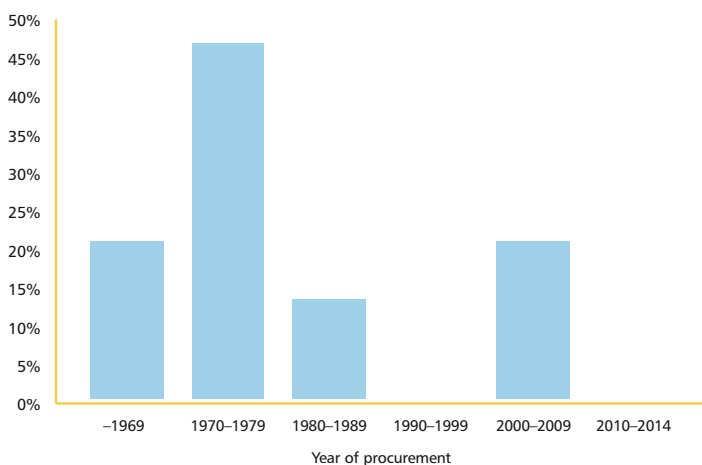


## Transport services

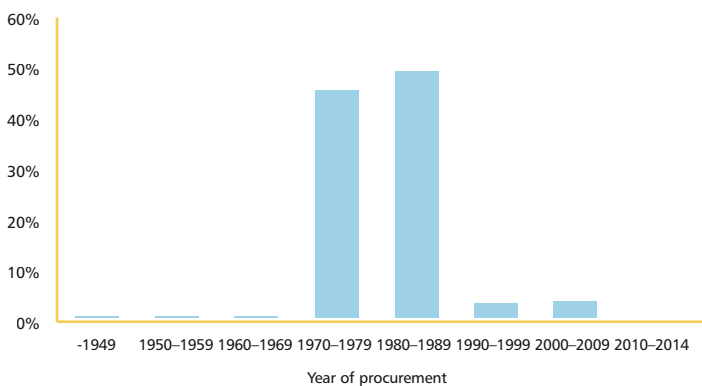
		2011	2012	2013	2014
<b>Trains performance</b> (thousand train km)		<b>19,562</b>	<b>18,941</b>	<b>19,004</b>	<b>20,098</b>
Freight trains (thousand train km)		8,798	8,351	8,874	9,696
Passenger trains (thousand train km)		10,764	10,590	10,130	10,402
<b>Train frequency per day and line</b> (number)		<b>702</b>	<b>707</b>	<b>666</b>	<b>695</b>
Freight trains (number)		197	192	185	186
Passenger trains (number)		505	515	481	509
<b>Turnover of freight wagons</b> (days)		<b>5.5</b>	<b>5.7</b>	<b>6.1</b>	<b>7.1</b>
<b>Seat occupancy</b> (%)		<b>27.0</b>	<b>26.2</b>	<b>28.7</b>	<b>28.7</b>
<b>Average commercial speed</b>					
Freight trains (km/h)		39.46	40.76	39.03	35.18
Passenger trains (km/h)		53.69	53.62	53.14	51.95
<b>Delays</b>					
Freight trains (min/100 train km)		68.0	49.1	62.6	122.3
Passenger trains (min/100 train km)		1.9	2.0	2.9	4.8
<b>Available seats in passenger trains</b> (number of seats/train)		<b>186</b>	<b>182</b>	<b>193</b>	<b>174</b>
<b>Average number of passengers per train</b> (number)		<b>85</b>	<b>83</b>	<b>94</b>	<b>80</b>
<b>Gross tonnes per freight train</b> (tonnes)		<b>926.6</b>	<b>907.4</b>	<b>925.4</b>	<b>958</b>
<b>Transported tonnes per freight train</b> (tonnes)		<b>462.7</b>	<b>452.8</b>	<b>467.4</b>	<b>487.8</b>
<b>Ratio net/gross tonnes</b> (%)		<b>49.9</b>	<b>49.9</b>	<b>50.5</b>	<b>50.9</b>
<b>Work of traction vehicles</b>					
Electric locomotives	operation km/unit	158,758	151,125	157,000	157,370
	thousand GTKM/unit	119,920	101,366	114,669	111,389
Diesel locomotives	operation km/unit	58,391	50,057	51,682	71,825
	thousand GTKM/unit	18,122	14,139	18,481	39,443
Electric multiple unit trains (EMU)	operation km/unit	179,600	181,566	182,324	159,357
	thousand GTKM/unit	21,126	21,230	21,708	19,031
Diesel multiple unit trains (DMU)	operation km/unit	106,078	108,226	109,313	103,930
	thousand GTKM/unit	8,013	8,121	8,352	7,855
<b>Average power consumption</b>					
Electric power	kWh/million GHTK	24.31	24.59	20.64	19.5
Diesel fuel	kg/thousand GHTK	9.00	9.98	7.53	7.05

## Tractive and hauled vehicles

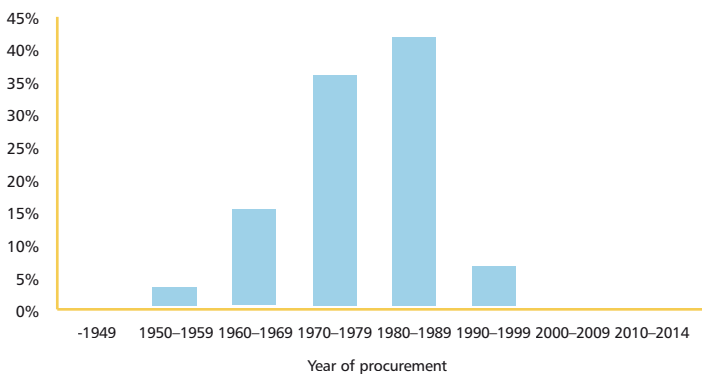
### Locomotive age (as at 31 December 2014)



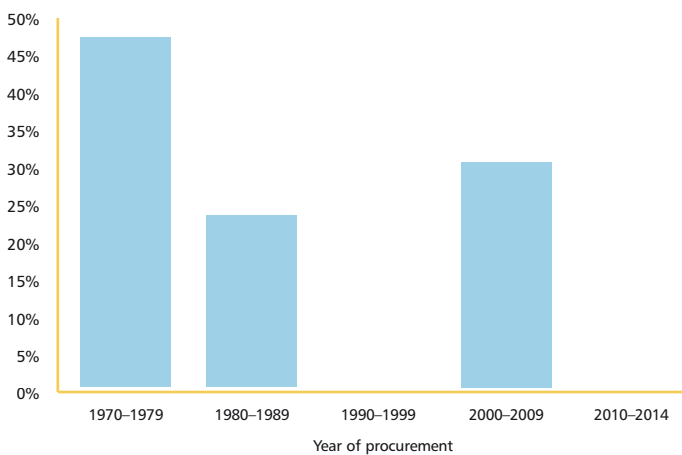
### Freight wagon age (as at 31 December 2014)



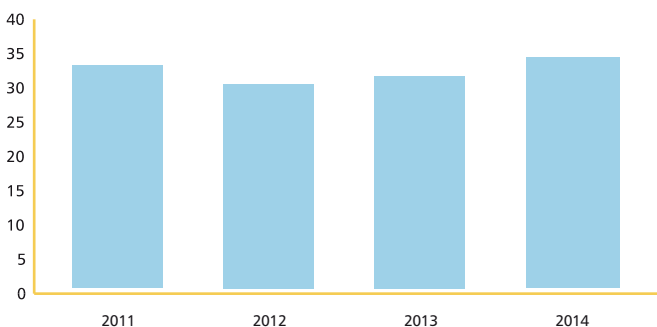
### Standard coach age (as at 31 December 2014)



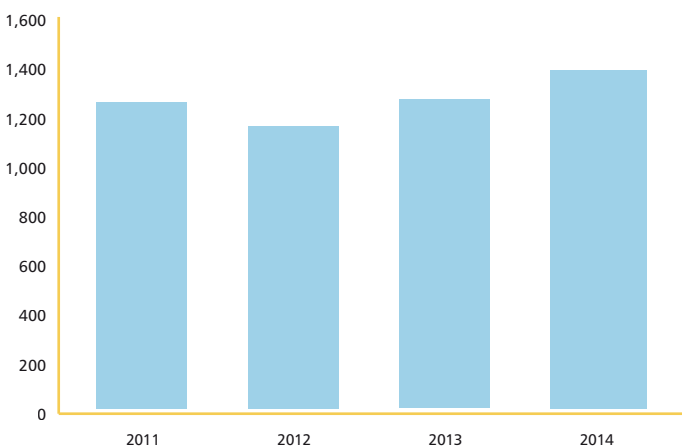
### Passenger multiple unit age (as at 31 December 2014)



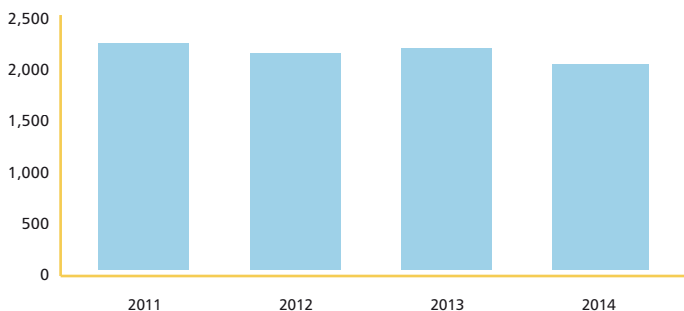
### Gross hauled tonne-kilometres/locomotive (million)



### Tonne-kilometres/freight wagon (thousand)



## Passenger kilometres/passenger vehicle (thousand)



## Tractive stock

(Number)	2011	2012	2013	2014
<b>Total</b>	<b>265</b>	<b>265</b>	<b>265</b>	<b>265</b>
Electric locomotives	78	78	78	78
Electric multiple unit trains	39	39	39	39
Diesel locomotives	74	74	74	74
Diesel multiple unit trains	70	70	70	70
Heritage steam locomotives	4	4	4	4

## Freight rolling stock

(Number)	2011	2012	2013	2014	4-axle	Average wagon loading capacity (t)
<b>Total</b>	<b>3,142</b>	<b>3,120</b>	<b>3,142</b>	<b>3,148</b>	<b>2,804</b>	<b>53.9</b>
E open – standard	828	827	842	842	826	58.3
F open – special	478	478	478	478	478	56.8
G covered – standard	105	93	93	93	36	38.2
H covered – standard	328	323	323	323	246	51.6
K flat – standard	148	148	148	148	0	26.9
L flat – special	64	64	64	64	25	33.6
R flat – four-axle standard	145	145	145	145	145	55.6
S flat – four-axle special	253	253	260	260	260	58.4
T with sliding roof	549	545	545	551	544	54.0
U special	96	96	96	96	96	57.1
Z tank wagons	148	148	148	148	148	58.1
P privately-owned wagons in SŽ rolling stock	415	412	408	335	335	65.0

Passenger rolling stock

(Number)	2011	2012	2013	2014	Average number of seats per coach	1 <sup>st</sup> class seating ratio
<b>2-axle coaches</b>						
Baat	2	2	2	2	30.0	0.0%
<b>4-axle coaches</b>						
Passenger coaches (A, AB, B)	93	93	93	93	58.4	13.9%
Restaurant coaches (WR, AR, BR)	5	5	5	5	17.8	33.7%
DI	2	2	2	2		
<b>Total</b>	<b>102</b>	<b>102</b>	<b>102</b>	<b>102</b>		
thereof: air-conditioned	13	13	13	13		

Infrastructure statistics

		2014	%
<b>SŽ – Stations</b>		number	<b>129</b>
• Freight		9	7.0%
• Passenger		8	6.2%
• Mixed		111	86.0%
• Shunting		1	0.8%
<b>Actual length of lines</b>		km	<b>1,209.1</b>
• Freight		87.2	7.2%
• Passenger		2.2	0.2%
• Mixed		1,119.7	92.6%
• Electrified		500.4	41.4%
<b>Track length</b>		km	<b>1,539</b>
<b>Tunnels and avalanche</b>		number	<b>93</b>
		km	37
<b>Bridges (stone, concrete, reinforced concrete, steel) and viaducts</b>		number	<b>397</b>
		km	11
<b>Culverts (stone, concrete, reinforced concrete, steel)</b>		number	<b>2,946</b>
		km	6

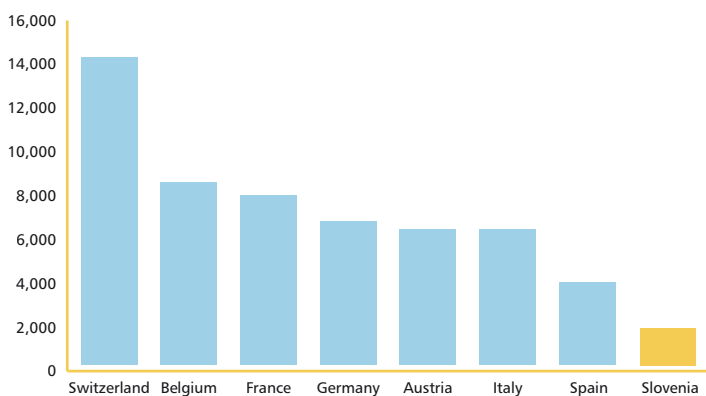
Superlative facts

Steepest line	Prvačina-Štanjel line with 26.7 promile from km 105.639 to km 105.884
Longest horizontal	Ruše-Fala line from km 11.850 to km 18.350 over a length of 6,500m on the Maribor-Prevalje line
Longest plain	Ptuj-Velika Nedelja section from km 19.540 to km 35.350 over a length of 15,810m on the Pragersko-Središče line
Rail station located at the highest point above sea level	Postojna 582m
Rail station located at the lowest point above the sea level	Koper 3m
Longest bridge	575m Novo mesto – on the industrial siding for Revoz factory – bridge across the Težka voda stream
Highest bridge	30m Most na Soči across the Idrijca river (a length of 289m)
Longest tunnel	Bohinj tunnel 6,327.3m
Shortest tunnel	Radovljica 25.03m
Oldest rail line	Southern State Railway-Šentilj-Celje, 2 June 1846

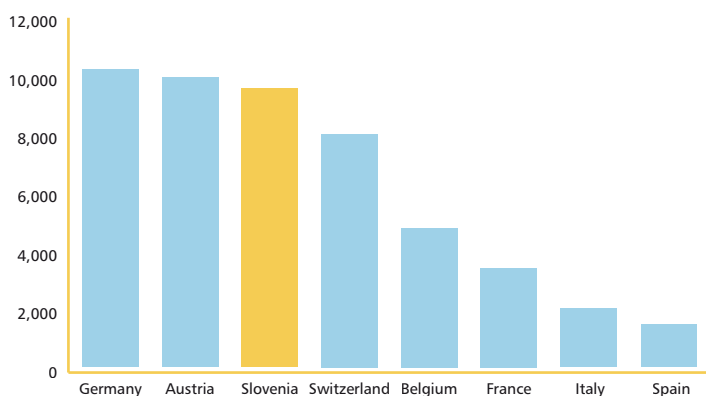
## Comparison with other European railways for 2013

Country	Railway company	Lines			Average number of employees
		Length (km)	Electrified (km)	Electrified (%)	
Germany	AAE, DB AG, GVG, KEG	33,446	19,876	59	294,000
Italy	FS SpA, FNME, RTC	17,070	12,164	71	73,138
Austria	GKB, ÖBB	4,985	3,468	70	41,413
Spain	RENFE, FEVE, FGC, EuskoTren	16,951	10,020	59	32,672
Switzerland	BLS, CFF/SBB/FFS	3,496	3,496	100	33,337
Belgium	SNCB/NMBS	3,582	2,780	78	36,453
France	SNCF, RFF	30,013	15,768	53	152,005
Slovenia	SŽ	1,209	500	41	8,221

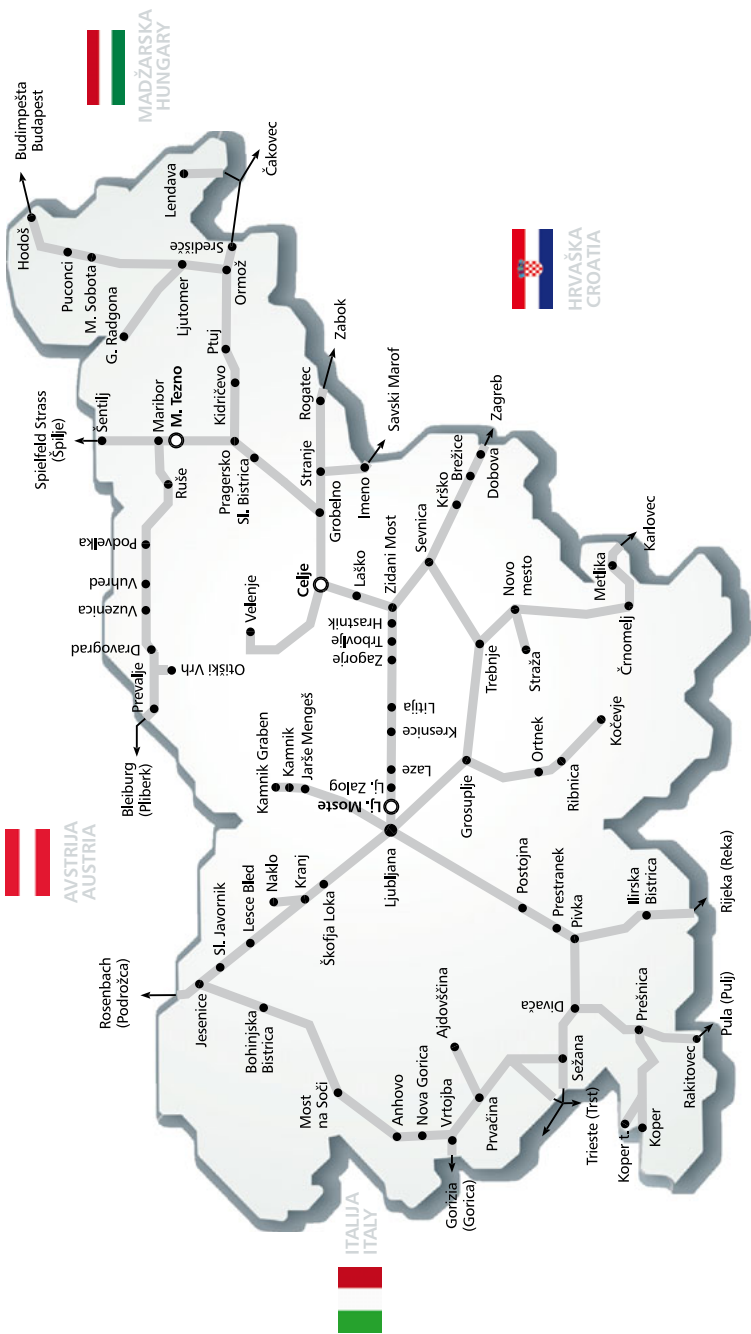
### Average number of passengers per day per km of line in 2013



### Average number of tonnes carried per day per km of line in 2013



## Slovenian railway network











**Sources:**

Slovenian Railways Annual Report

International Railways Statistics UIC

Slovenian Railways Statistical and Analitical data