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## Key business statistics for 2009

	Slovenske železnice Group			Slovenske železnice, d. o. o.		
	2009	2008	Index	2009	2008	Index
Operating revenues (in thousand EUR)	402,921	458,205	87.9	346,449	398,723	86.9
thereof:						
– Transport revenues	127,605	166,151	76.8	129,210	167,408	77.2
– Revenues from public services	186,113	186,700	99.7	186,113	186,700	99.7
Operating expenses (in thousand EUR)	428,935	456,142	94.0	374,498	395,995	94.6
EBIT – Operating profit	(26,014)	2,063		(28,049)	2,728	
EBITDA (in thousand EUR)	10,288	34,709	29.6	4,604	32,213	14.3
Profit / Loss <sup>1)</sup> (in thousand EUR)	(26,819)	3,451		(30,500)	1,278	
Assets (in thousand EUR)	1,005,105	974,708	103.1	961,834	959,027	100.3
Assets (excluded Public Railway Infrastructure) (in thousand EUR)	605,799	551,027	109.9	562,528	535,346	105.1
Equity (in thousand EUR)	87,990	76,510	115.0	75,320	74,081	101.7
Financial debt (Credits) (in thousand EUR)	359,825	298,146	120.7	349,785	285,030	122.7
Percentage in financing <sup>2)</sup>	59.4 %	54.1 %	109.8	62.2 %	53.2 %	116.8
ROCE	(6.3 %)	0.6 %		(7.2 %)	0.8 %	
Operating margin	(6.5 %)	0.5 %		(8.1 %)	0.7 %	
ROE	(29.4 %)	3.7 %		(33.9 %)	1.9 %	
ROA	(2.9 %)	0.3 %		(3.2 %)	0.1 %	
Goods transported (in thousand tonnes)				14,636	19,014	77.0
Tonne-kilometres (in million)				2,982	3,873	77.0
Passengers transported (in thousand)				16,355	16,661	98.2
Passenger-kilometres (in million)				840	834	100.7
Number of employees (31. 12.)	9,961	10,288	96.8	7,728	7,984	96.8
Average number of employees	10,157	10,321	98.4	7,892	8,010	98.5

<sup>1)</sup> Profit/loss before taxes for 2009 includes the sale of assets in the amount of 1.4 Mio EUR, while in 2008 it included the material investment and sale of financial investment in Emonika and the capital increase of Central Workshops in the amount of 22.4 Mio EUR.

<sup>2)</sup> The share of credits in financing, excluding the liabilities and equity of the Public Railway Infrastructure.

**Legend of indicators:**

EBITDA: EBIT + depreciation

Operating margin: operating profit / operating revenues

ROCE: Return on Capital Employed

ROE: Return on Equity

ROA: Return on Assets

Value added per employee: difference between the operating revenues and the sum of costs for goods, material, services and other operating expenditure per average number of employees on the basis of hours worked.

## Organisation, Administration and Management

Slovenske železnice, d. o. o. (SŽ) is a wholly state-owned enterprise with six subsidiaries (SŽ-CD, d. o. o. – Central Workshops, SŽ-ŽIP, d. o. o. – Railway Company for Disabled Persons, Prometni institut, d. o. o. – Institute of Traffic and Transport, SŽ-ŽZD – Railway Health Centre, SŽ-ŽGP, d. d. – Railway Construction Company and SŽ-Železniška tiskarna, d. d. – Printing House) in which the company is the sole owner or holds a majority share. The companies that form the Slovenske železnice Group provide maintenance and management of public railway infrastructure, management of rail traffic, transport of passengers and goods on public railway infrastructure, train haulage and technical vehicle management. These core activities are joined by other services, and accompanying and supplementary activities necessary for smooth and qualitative performing of the core activities.

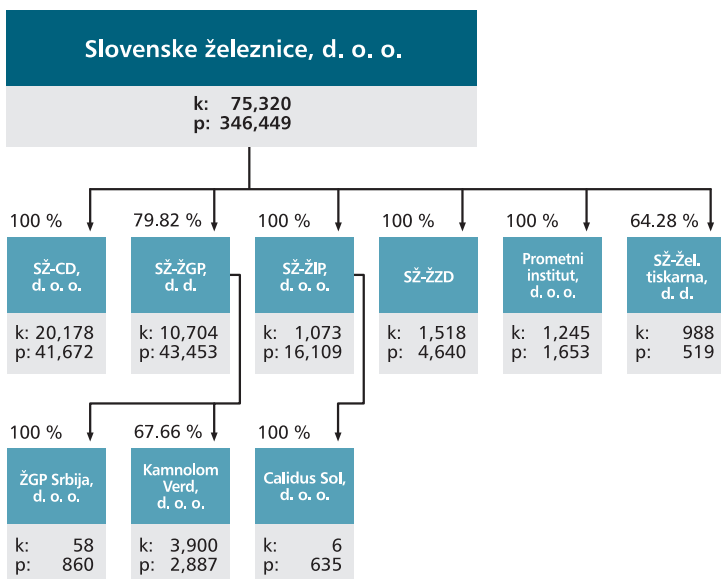
Slovenske železnice, d. o. o. are managed by the founder directly and through the administrative bodies of the company, namely the supervisory board and the management. In accordance with the instrument of incorporation of the Slovenske železnice, d. o. o. (Akt o ustanovitvi družbe Slovenske železnice, d. o. o.), which was in force until 19 March 2009, the operations of Slovenske železnice were managed by the Director General, Deputy Director General, Assistant to the Director General and the Workers' Director.

With the entry in the Register of Companies on 19 March 2009, the act on the amendment of the instrument of incorporation of the Slovenske železnice, d. o. o. (Akt o spremembah in dopolnitvah Akta o ustanovitvi družbe Slovenske železnice, d. o. o.) entered into force. The Act provides that the operations of Slovenske železnice, are managed by the Director General and the Workers' Director, who is responsible for personnel and social affairs.

Slovenske železnice, are subject to public service obligation, as stipulated by the Act amending the Railway Transport Act (hereinafter referred to as "ZZelP-F"); moreover, the enterprise performs management functions as provided for in the ZZelP-F and the Act regulating the safety of railway transport.

The internal organisation of Slovenske železnice, established on 1 January 2007, provides for separate accounting for the public utility service of maintaining and management of public railway infrastructure and transport management and the public utility service of the transport of passengers and goods in internal and regional cross-border traffic.

## Structure of the Slovenske železnice Group



## LEGEND

■ – Parent Company

■ – Subsidiaries in group Slovenske železnice (fully consolidated subsidiaries)

k: equity – state on 31 December 2009 (in thousand EUR)

p: operating revenues 2009 (in thousand EUR)

## NOTE:

Slovenske železnice, d. o. o., also holds equity in the following associates:

48.74 % in Feršped Plc.,

26.0 % in Adria Kombi Ltd.,

28.48 % in Terme Olimia Plc. and

33.33 % in A. K. S. Ltd.

## Economic Trends

In Slovenia, the GDP in real terms was by 7.8 % lower in 2009 than in the year before. The interim decrease was higher than in the euro zone (4.0 %) throughout the year. A relatively modest growth of economic activity in the last quarter of 2009 indicates that the recovery of the Slovenian economy, which actually started in the second quarter of the last year, similarly as in the EU, is unstable and gradual. Due to a significant fall in foreign and domestic demand, the most affected activities were manufacturing (a 16.5 % decrease in value added), construction (-15.9 %) and trade (-12.9 %).

In view of the fact that the Slovenian economy is highly integrated with and dependent on the European economy, and because the majority of the Slovenske železnice transport was carried out within international traffic (90 %), the impact of the crisis on the transport volume was even more pronounced.

The general economic crisis, reflected in a fall in rail transport volume already at the end of 2008, deepened further in 2009 and caused much higher losses than expected. The largest decline in transport was recorded in economic branches, which are the most important users of rail transport, such as the metal industry, iron and steel industry, automotive industry, building industry and the production of building materials.

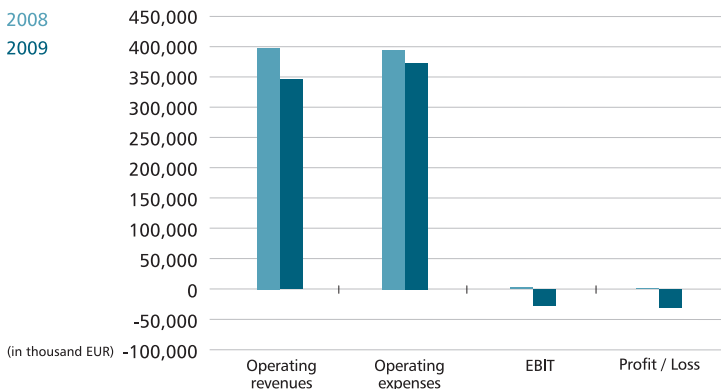
Not only the Slovenian Railways encountered the problems of economic depression but also other railway companies throughout Europe were faced with lower transport volume, as compared to the same period in 2008. On average, the transport volume of European railway companies declined 29 %, while a 23 % reduction was recorded by the Slovenske železnice.

Due to negative economical trends the Slovenske železnice started implementing various measures with the aim of improving the results and bringing about financial restructuring. The measures refer to three main areas. In the marketing area the focus is the growth of income in the freight traffic by intensifying marketing and fully concentrating on markets. In the area of organisation and rationalisation of business the main goal is an improved cost-effectiveness, and an optimisation of management and business processes, supported by information technology. Urgent measures in the financial area aim to achieve a more appropriate capital structure and the increase of the profitability of the invested capital.

Besides implementing the immediate operative measures, the setting of strategic goals and the strategy for achieving them is also under way.

## Summary Analysis of the Slovenske železnice, d. o. o. Operations

### Revenues, expenses and operating profit of Slovenske železnice, d. o. o.



In 2009, Slovenske železnice, d. o. o. (hereinafter referred to as SŽ) generated EUR 357,591 thousand of total revenue, of which the operating revenues were EUR 346,449 thousand. Total expenses amounted to EUR 388,091 thousand, of which the operating expenses were EUR 374,498 thousand.



## Basic operating categories of the profit and loss account

(in thousand EUR)	2009	2008	Index
<b>Operating revenues</b>	<b>346,449</b>	<b>398,723</b>	<b>86.9</b>
Operating revenues (excluded revaluation revenues)	343,940	379,194	90.7
<b>Transport revenues</b>	<b>129,210</b>	<b>167,408</b>	<b>77.2</b>
– freight transport	95,117	133,084	71.5
– passenger transport	34,093	34,324	99.3
<b>Revenues from public services</b>	<b>186,113</b>	<b>186,700</b>	<b>99.7</b>
– passenger transport	47,921	38,997	122.9
– traffic management	37,849	36,864	102.7
– infrastructure	100,343	110,839	90.5
<b>Other operating revenues</b>	<b>31,126</b>	<b>44,615</b>	<b>69.8</b>
<b>Operating expenses</b>	<b>374,498</b>	<b>395,995</b>	<b>94.6</b>
Operating expenses (excluded revaluation expenses)	371,689	393,964	94.3
– cost of labour	191,487	199,892	95.8
– cost of material and energy	45,650	52,522	86.9
– cost of services	92,888	101,555	91.5
– user charges	5,310	7,037	75.5
– depreciation	32,653	29,485	110.7
– other operating cost	6,510	5,504	118.3
<b>EBIT – Operating profit</b>	<b>(28,049)</b>	<b>2,728</b>	
EBIT – Operating profit (excluded revaluation income)	(27,749)	(14,770)	187.9
Financial income minus financial expenses	(7,208)	(3,190)	226.0
thereof: interests	(10,590)	(13,073)	81.0
Other income minus other expenses	4,757	1,740	273.4
<b>Profit / loss</b>	<b>(30,500)</b>	<b>1,278</b>	
Profit / loss (excluded revaluation income)	(30,200)	(16,220)	186.2

SŽ achieved a negative operating income in the amount of EUR 28,049 thousand and a net loss of EUR 30,500 thousand.

By signing the contract on the payment of the full compensation for performing the public service obligation (hereinafter referred to as “PSO”) of the transport passengers in internal and regional cross-border traffic in the period 2003–2009, the loss in passenger transport, incurred due to unregulated financing of this activity, was largely covered. Through the assurance of the missing compensation for performing the PSO in passenger transport on the basis of the contract, the net loss in 2009 decreased from EUR 39,430 thousand to EUR 30,500 thousand, while the balance of compensation for the period 2003–2008 in the amount of EUR 30,413 thousand decreased the loss from the previous years.

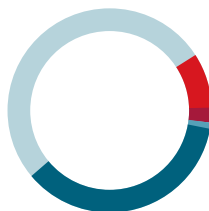
In this way, the capital adequacy was achieved as of 31 December 2009; the outstanding accumulated loss amounted to EUR 35,000 thousand, i.e. 36.8 % of the subscribed capital; however, this does not provide for a long-term solvency.

The highest loss (EUR 40,168 thousand) was recorded by Freight Transport, particularly due to the fall in transport revenues by 29.1 % (EUR 39,160 thousand). The business unit of Passenger Transport concluded the 2009 business year better than planned, namely without a net loss and with an operating profit of EUR 2,849 thousand due to the missing PSO compensation for passenger. A net profit in the business unit of Infrastructure Maintenance (EUR 4,983 thousand) is the result of compensations paid by insurance companies for the elimination of consequences of exceptional events on the public railway infrastructure and the equipment of the Slovenske železnice and the profit from other activities (work done for external clients). The profit in the business unit of Traffic Management (EUR 3,282 thousand) resulted particularly from lower labour costs on the basis of the agreement on the rationalisation of operation. A net profit in the amount of EUR 2,167 thousand was recorded in the real-estate area.

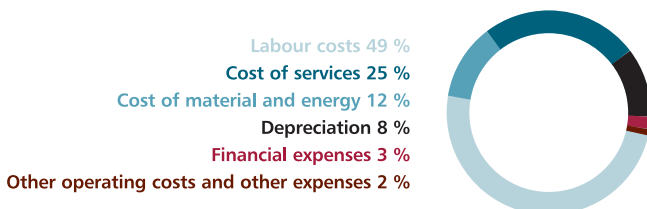
As compared to 2008, the profit/loss before taxes was lower by EUR 31,778 thousand, mainly due to lower operating income of the Freight Transport and Real-estate (a positive effect of the sale of real-estate in 2008). Results of the Passenger Transport are better mainly due to the assurance of missing PSO compensations and lower interest rates.

## Revenues structure

Public services 52 %  
Other operating revenues 9 %  
Financial income 2 %  
Other income 1 %  
Transport revenues 36 %



## Expenses structure



## Balance Sheet

The SŽ balance sheet is composed as of the situation on 31 December 2009. The situations of individual balance sheet items are compared with those recorded in 2008. The analysis of changes in assets and liabilities also takes into consideration the items referring to the public railway infrastructure assets (EUR 399,306 thousand at the end of 2009; EUR 423,681 thousand at the end of 2008).

Assets of SŽ amounted to EUR 961,834 thousand in 2009, while they were EUR 959,027 thousand in 2008. Non-current assets prevailed in the assets structure with a 83.7 percentage share, the current assets had a 11.3 percentage share and the short-term accrued and deferred items had a 0.5 percentage share.

Equity in the liability and equity item had a 7.8 percentage share, amounting to EUR 75,320 thousand. In relation to the end of 2008, it increased by EUR 1,239 thousand. Equity decreased due to the fiscal year loss of EUR 30,500 thousand and it increased by EUR 30,413 thousand because of the payment of the balance of compensation in Passenger Transport. In respect to the end of 2008, the revaluation surplus is higher by EUR 1,326 thousand.

## Analysis of Financial Position

The financial position analysis of SŽ was prepared according to the balance sheet data as of 31 December 2009 without taking account of the assets and funds of the public railway infrastructure (end of year 2009: EUR 399,306 thousand; end of year 2008: EUR 423,681 thousand). The financial position was analysed in the light of net debt as a balance between the receivables and debts and the surplus of tangible assets against equity.

## SUMMARY OF THE ANNUAL REPORT

(in thousand EUR)	31. 12. 2009	31. 12. 2008	Absolute change	Index
Short-term receivables	144,139	146,793	(2,654)	98.2
Short-term liabilities	152,208	194,236	(42,028)	78.4
<b>Net short-term debt</b>	<b>8,069</b>	<b>47,443</b>	<b>(39,374)</b>	<b>17.0</b>
Long-term receivables	41,472	41,558	(86)	99.8
Long-term liabilities	335,000	267,029	67,971	125.5
<b>Net long-term debt</b>	<b>293,528</b>	<b>225,471</b>	<b>68,057</b>	<b>130.2</b>
<b>Net debt</b>	<b>301,597</b>	<b>272,914</b>	<b>28,683</b>	<b>110.5</b>
Total liabilities	487,208	461,265	25,943	105.6
Total receivables	185,611	188,351	(2,740)	98.5
Total Property, plant and equipment and Inventories	376,917	346,995	29,922	108.6
Inventories	12,279	13,718	(1,439)	89.5
Property, plant and equipment	364,638	333,277	31,361	109.4
<b>Equity</b>	<b>75,320</b>	<b>74,081</b>	<b>1,239</b>	<b>101.7</b>

In 2009, the liabilities of SŽ increased by EUR 25,943 thousand and the receivables decreased by EUR 2,740 thousand. This is reflected in the net debt, which was higher by EUR 28,683 thousand as compared to the end of 2008.

SŽ are a net debtor both in the short-term (EUR 8,069 thousand) and the long-term (EUR 293,528 thousand) context. The rate of indebtedness, expressed as the ratio between the net debt and tangible assets was 80.0 % at the end of 2009 and it was higher than at the end of 2008 (78.7 %).

### Long-term Investment Financing

(in thousand EUR)	31. 12. 2009	31. 12. 2008	Absolute change	Index
Current assets	156,418	160,511	(4,093)	97.5
Current liabilities	152,208	194,236	(42,028)	78.4
<b>Operating capital</b>	<b>4,210</b>	<b>(33,725)</b>	<b>37,935</b>	
Non-current assets	406,110	374,835	31,275	108.3
Non-current liabilities and equity	410,320	341,110	69,210	120.3

At the end of 2009, 101.0 % of long-term investments were financed by long-term funds, 91.0 % at the end of 2008. Financing may be also described by the ratio between the current assets and current liabilities, which was 1.028 at the end of December 2009 and 0.826 at the end of December 2008. The financial equilibrium improved. The amount of long-term funds surplus was affected by the increase in equity by EUR 1,239 thousand, increase in the value of fixed assets by EUR 31,361 thousand and the increase in net non-current liabilities by EUR 68,057 thousand.

## Performance Indicators

When assessing the performance indicators, it should be taken into account that SŽ carry out internal and regional cross-border passenger transport, maintenance of public railway infrastructure and traffic management as public utility services, with the aim of offering quality and efficient services of public interest. The only solely market-oriented activity is the freight transport.

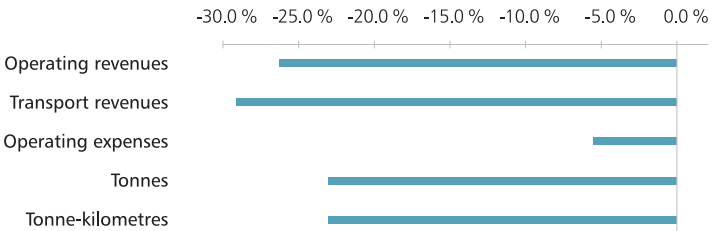
Slovenske železnice	Unit	2005	2006	2007	2008	2009
<b>FINANCING INDICATORS:</b>						
EBIT – Operating profit	thousand EUR	(8,422)	16,874	20,524	2,728	(28,049)
Profit / Loss	thousand EUR	(14,053)	6,578	23,321	1,278	(30,500)
Viability ratio	ratio	0.972	1.056	1.062	1.007	0.925
Operating margin	ratio	(0.029)	0.056	0.058	0.007	(0.081)
Percentage Revenues PSO	ratio	0.415	0.412	0.403	0.468	0.537
Percentage cost of labour	ratio	0.589	0.566	0.533	0.501	0.553
ROE – Return on Equity	ratio	(0.160)	0.109	0.290	0.019	(0.339)
Equity / Total liabilities+Equity	ratio	0.176	0.120	0.125	0.077	0.078
EBITDA	thousand EUR	(672)	23,113	38,706	30,763	2,153
The value added per employee	EUR	22,441	27,097	29,264	29,074	25,296

The added value per employee (average number on the basis of hours worked) was by 13.0 % lower than in 2008, which was the result of significantly decreased revenues in freight transport. Consequently, the cash flow, as a sum of depreciation and the profit/loss before taxes in the accounting period, decreased.

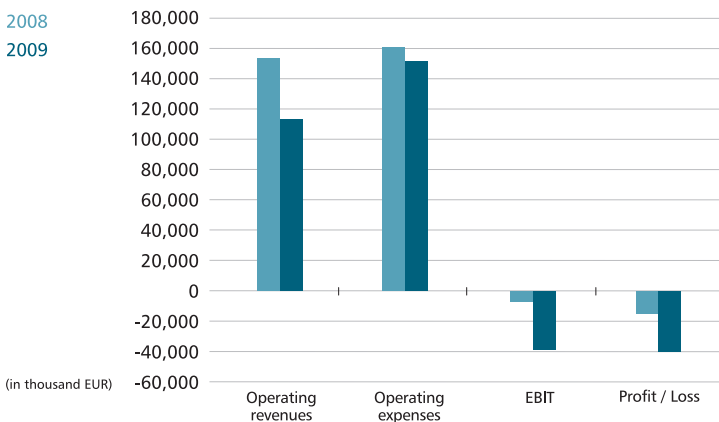
## Some Highlights on the Freight Transport Business Unit Operation

- Operating revenues in the amount of EUR 113,378 thousand were lower by 26.3 % than in 2008 and higher by 3.1 % than planned for 2009.
- Transport revenues in the amount of EUR 95,196 thousand were lower by 29.1 % than in 2008 and higher by 0.4 % than planned.
- Operating expenses in the amount of EUR 151,844 thousand were lower by 5.5 % than in 2008 and higher by 3.4 % than planned for 2009.
- Operating loss amounted to EUR 38,466 thousand and the net loss of the accounting period was EUR 40,168 thousand.
- In 2009, 14.6 Mio. tonnes of goods were transported and 2,982 Mio. net tonne kilometres made, which was by 23.0 % less than in 2008 when 19.0 Mio. tonnes of goods were transported and 3,873 Mio. net tonne kilometres made.

### Change in %



## Revenues, expenses and operating profit of the Freight Transport



## Competitive Position of Freight Transport

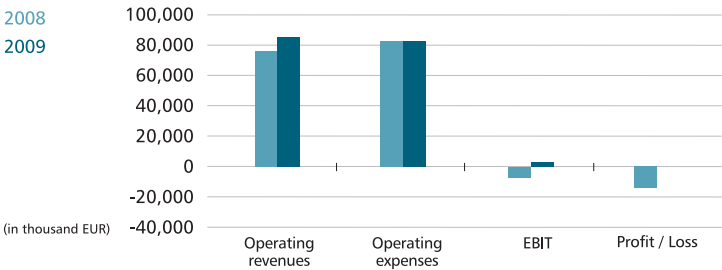
In the transport market, SŽ face strong competition from road transport and the rail bypass corridors across Austria and Hungary. With the integration into the European Union, the domestic road haulage operators were joined by foreign operators and through the liberalisation of the international rail transport, the competition has become even more severe. Other rail transport operators have entered the Slovenian transport market and took over a part of the so transports.

The recession in export- and import- markets of Slovenia and the neighbouring countries affected the trade flows in internal transport, import, export and transit (the largest decline in transport was recorded in port transit, partly due to the decreased volume of cargo handled in the Port of Koper).

## Some Highlights on the Passenger Transport Business Unit Operation

- The business unit of Passenger Transport concluded the 2009 business year better than planned, namely without a net loss and with an operating profit of EUR 2,849 thousand due to the missing PSO compensation for passenger transport.
- The number of passengers was lower by 1.9 % than the planned and by 1.9 % lower than in 2008, the performed passenger kilometres were slightly higher than planned and higher than in 2008.
- Transport revenues did not meet the plan of a 0.8 % or EUR 264 thousand increase in relation to 2008, but were lower by 0.7 % or EUR 231 thousand. The share of the international traffic in the structure of transport revenues was 21.2 %.
- Last year passengers travelled longer distances and the average distance increased by 2.6 % or 51.4 kilometres in comparison with 2008.

### Revenues, expenses and operating profit of the Passenger Transport



Passenger Transport achieved a positive operating income in the amount of EUR 2,849 thousand, which is better than planned by EUR 9,743 thousand. Due to the effect of debit balance of financial revenues in expenses in the amount of EUR 4,133 thousand and the credit balance of other revenues and expenses in the amount of EUR 1,284 thousand, the achieved profit/loss before taxes was a "positive zero". This was better than planned by EUR 10,198 and by EUR 14,128 thousand better than in 2008. The income was achieved through the assurance of missing PSO compensations for the passenger transport.



## Competitive Position of Passenger Transport

The railway passenger transport is a sub-system of the public passenger transport. Slovenske železnice offer an integrated and user-friendly transport service in Slovenia and in the region. In inland transport, the greatest competitors are car transports and public road transport, while in the international transport, in addition to bus services, low-cost air carriers are a serious competition.

In Slovenia's inland travels, car transports is the first choice, since more than 85 % of travels<sup>1</sup> are made by cars. In comparison with other European countries, Slovenia holds the first place in the number of passenger kilometres realised by cars<sup>2</sup>. Slovenia is at the top of the list also as regards the number of registered cars per 1,000 inhabitants.

In spite of the great number of cars, the market share of the railways within the public transport market is increasing. Its share in passenger kilometres has increased to 29.9 percentage. Air traffic prevails in public transport market with a 42.5 % market share. After the increase of last years, however, in 2009, air traffic's passenger kilometres decreased by a tenth as compared to 2008. In public road transport, the trend of falling volume of work continued, while little more passenger kilometres were made realised by passenger trains as the year before.

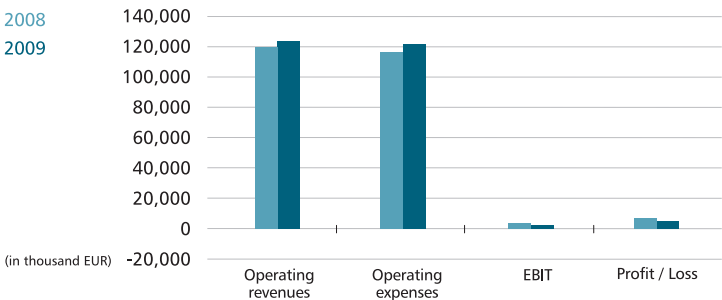
<sup>1</sup> Modal split in PKM: 2007 analysis (Statistical Office of the Republic of Slovenia)

<sup>2</sup> Eurostat

## Some Highlights on the Infrastructure Maintenance Business Unit Operation

- The business unit of Infrastructure Maintenance generated EUR 124,104 thousand of operating revenues and EUR 121,858 thousand of operating expenses.
- The operating income was positive, amounting to EUR 2,246 thousand, the profit/loss before taxes was also positive, amounting to EUR 4,983 thousand (a result of compensations paid by insurance companies for the elimination of consequences of exceptional events on the public railway infrastructure and the equipment of SŽ, and the profit from other activities – work done for outside clients).
- The operating income arising from the PSO was negative, amounting to EUR 704 thousand, while the profit/loss before taxes was positive in the amount of EUR 2,033 thousand (process interest received from municipalities for the preceding years for the maintenance of level crossings and the interest on short-term loans to business units).
- Assets accruing from the maintenance work in public interest in the amount of EUR 29,882 thousand were used mainly for the modernization of the Kamnik line, the reconstruction of switches at the Ljubljana train station, the reconstruction of the Košana-Gornje Ležeče railway line, the securing of railway level crossings, and the construction noise reduction fence at Laško – the right track.
- In other activities, the achieved profit amounted to EUR 3,007 thousand.

### Revenues, expenses and operating profit of the Infrastructure Maintenance



The business unit of Infrastructure Maintenance generated EUR 124,104 thousand of operating revenues and EUR 121,858 thousand of operating expenses. A positive operating income amounted to EUR 2,246 thousand; a net profit of EUR 4,983 thousand was achieved, of which EUR 2,033 by PSO.

Funds under the contract with the Slovenian Agency for the Management of Public Railway Infrastructure Investment represent 80.9 % of revenues and they are intended for covering the costs of regular and investment maintenance of infrastructure facilities, maintenance works in public interest and maintenance of passenger stations and stops.

During the period under consideration, revenues were generated also by other activities, amounting to EUR 22,546 thousand. In comparison with the previous year, revenues were three times higher, mainly due to the revenues received from charging for services provided to operators (supply of electricity for powering the railway rolling stock – EUR 16,385 thousand). Major works carried out within the framework of this activity are: the construction of the underpass under the railway line in the Trata industrial zone, the reconstruction of the Ptuj–Moškanci and Ormož–Mekotnjak lines, and installing remote management of the fixed installations of the electric traction system.

The operating expenses for infrastructure maintenance were by 2.9 % lower than planned and by 4.6 % lower than in 2008. The income statement, presented separately for the PSO and other activities, show that 60 % of the profit was realised by other activities.

### **Competitive Position of the Public Railway Infrastructure**

Due to inadequate funds for its development, maintenance and modernization, the condition of the public railway infrastructure has been deteriorating from year to year. Consequently, the already less competitive railway transport services have been departing further from the requirements and needs of users.

The currently inadequate infrastructure does not provide accessibility, interoperability and quality services in the public passenger transport. Due to the too slow modernization of the network, the risk of outflow of transit flows of goods to parallel networks through Italy, Austria, Hungary and Croatia is becoming ever more apparent. In addition there is a risk of the outflow of cargo port transit to the North Sea ports. Because of the inadequate per-

missible axle load, some cargoes have already been rerouted to bypass lines outside Slovenia, which implies a loss of cargo.

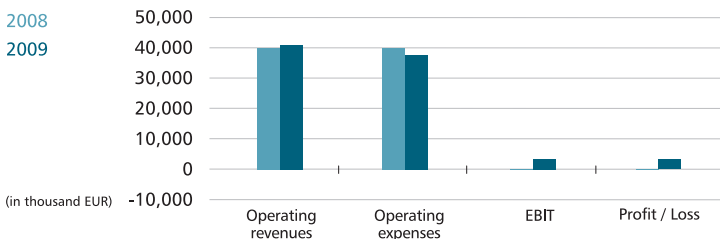
Even on some main lines, the wagons are loaded less than permissible. The level of electrification of the public railway infrastructure is low, as there are only 503 kilometres (or 41 %) of lines electrified. On the Corridor V, only the section between Pragersko and Hodoš is not electrified.

Therefore, it is necessary to adopt a national programme for the development of railway infrastructure as soon as possible. Multiannual agreements should be reached with the Government for financing the public utilities, as also set in the EU regulation. In this way, consistency of technical and financial planning could be achieved, as well as higher effectiveness and rational operation of the PSO operators.

## Some Highlights on the Traffic Management Business Unit Operation

- The business unit of Traffic management achieved a positive operating income of EUR 3,373 thousand; the profit/loss before taxes was also positive, amounting to EUR 3,282 thousand.
- EUR 41,086 thousand of operating revenues were generated, which is by 2.4 % more than in the previous year. The major part, EUR 37,849 thousand, was created by PSO operation, which is by 2.7 % more than in 2008.
- EUR 3,107 thousand of revenue was generated by other activities, which is by 4.6 % less than in the previous year.
- The operating expenses amounted to EUR 37,713 thousand, which is by 5.6 % lower as compared with the previous year.
- The result was positively affected by the adopted short-term measures for the improvement of operation in the second half of 2009 and higher than planned revenues from other activities.

## Revenues, expenses and operating profit of the Traffic Management



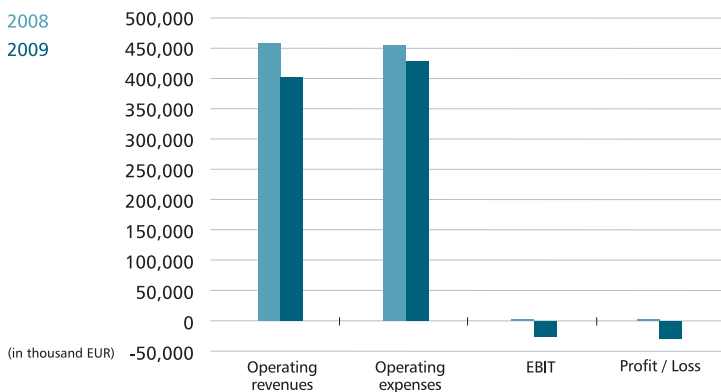
In 2009, the Traffic Management business unit achieved a positive operating income of EUR 3,373 and a positive profit/loss before taxes, amounting to EUR 3,282 thousand. A positive result was achieved by PSO in the amount of EUR 2,674 thousand and by supplementary activities of EUR 608 thousand. The result achieved resulted from the implementation of the short-term measures for the improvement of operation in 2009.

In 2009, the Traffic Management generated revenue of EUR 41,086. In comparison with the previous year, the operating revenues were higher by 2.4 % (EUR 966 thousand) and higher by 1.3 % (EUR 531 thousand) than planned.

The funds under the Contract No. 2/2009 represent 92.1 % of revenues and are higher by 2.7 % than before.

## Summary Analysis of the Slovenske železnice Group

### Revenues, expenses and operating profit of the Slovenske železnice Group



In 2009 Slovenske železnice group (hereinafter referred to as SŽ group) generated EUR 417,120 thousand of total revenue of which the operating revenues share was 96.6 %, financial income share was 1.5 % and other income share 1.9 % were EUR 346,449 thousand. Total expenses amounted to EUR 443,939 thousand of which the operating expenses were EUR 374,498 thousand). Net loss for 2009 was EUR 28,396 thousand. It consists of the negative operative income in the height of EUR 26,014 thousand, the negative discrepancy between financial income and expenses of EUR 7,416 thousand, the income tax of EUR 838 thousand, postponed taxes for EUR 21 thousand and the net profit of minority owners in the amount of EUR 760 thousand.

## Revenues structure

Public services 45 %  
Transport revenues 31 %  
Other income 21 %  
Financial and other income 3 %



## Expenses structure

Labour costs 54 %  
Costs of material and energy and services 33 %  
Depreciation 8 %  
Financial and other expenses 3 %  
Other operating costs 2 %



## Balance sheet and financial position of the Slovenske železnice Group

The financial position analysis of Slovenske železnice was prepared according to the balance sheet data as of 31 December 2009. Assets of SŽ Group amounted to EUR 1,005,105 thousand in 2009, while they were EUR 974,708 thousand in 2008. Assets without taking account of the assets and funds of the public railway infrastructure, amounted to EUR 605,799 thousand in 2009, while they were EUR 551,027 thousand in the previous year.

(in thousand EUR)	31. 12. 2009	31. 12. 2008
<b>Assets</b>	<b>1,005,105</b>	<b>974,708</b>
Fixed assets	818,113	803,416
Current assets	138,758	160,217
Other	48,234	11,075
<b>Liabilities</b>	<b>1,005,105</b>	<b>974,708</b>
Equity	87,990	76,510
Longterm deferred income	40,516	36,603
Longterm liabilities	707,449	667,306
Current liabilities	150,668	160,238
Other	18,482	34,051

Non-current assets prevailed in the assets structure with a 81.4 percentage share (previous year 82.4 percentage), the current assets had a 13.8 percentage share (previous year 16.4 percentage) and the short-term accrued and deferred items had a 4.8 percentage share (previous year 1.1 percentage).

## Employees

On 31 December 2009 there were 7,728 persons employed by SŽ, which is 256 employees less than on 31 December 2008.

The number of employees by organisational units

Organisational units	31. 12. 2009	31. 12. 2008
Freight transport	1,766	1,853
Passenger transport	723	753
Traction	1,371	1,446
Technical wagon services	412	430
Traffic management	1,192	1,217
Infrastructure maintenance	1,826	1,835
Common services	438	450
<b>Total</b>	<b>7,728</b>	<b>7,984</b>



## Age Structure of the Employees

Age	31. 12. 2009		31. 12. 2008	
	Men	Women	Men	Women
up to 25 years	276	16	324	22
26–40 years	2,015	220	2,159	284
41–50 years	2,789	585	2,882	559
51–55 years	990	189	961	190
56–60 years	507	80	477	66
over 61 years	60		59	1
Skupaj	6,637	1,091	6,862	1,122

On 31 December 2009, the average age of employees was 43.8 years and it increased as compared to 2008 by 0.5 years.

## Employees by Professional Qualification

Educational level	31. 12. 2009	
	Number	%
I.	221	2.9
II.	438	5.7
III.	907	11.7
IV.	1,900	24.6
V.	3,508	45.4
VI.	331	4.3
VII.	394	5.1
VIII.	26	0.3
IX.	3	0.0
Total	7,728	100.0

The majority of employees had the fifth level of professional qualification.

## Human Resource Policy

2009 saw the continuation of the adaptation of the existing personnel structure to the changed work process and the newly defined employment requirements and competences, in accordance with the new internal organisation and job specifications.

As in the preceding years, the number of employees was reduced particularly in the administration, and with the of employees whose qualifications, periods of employment and age were less adequate for the integration into training programmes or requalification. Those workers were provided with appropriate social security during the period from the termination of employment until the fulfilment of pension requirements.

The representative trade unions and the Management signed an agreement on measures and their implementation with the view of reducing the impacts of the global crisis, improving the operation of Slovenske železnice, preserving jobs and workers' rights arising from employment, as defined by law, the Collective Agreement for Railway Transport Industries, and other general acts of the Slovenske železnice. It was in force from 1 July 2009 to 31 December 2009. During the period of validity of the Agreement, Slovenske železnice joined two national anti-crisis actions, determined by the Act on Partially Subsidizing of Full-time Work and the Partial Reimbursement of Payment Compensation Act. In 2009, 374 employees were involved in the measure of temporary layoff and 5,373 employees were involved in the measure of reduced (36 hours) working time.

Implementation of measures under the agreement resulted in labour costs and better operating results.

## Education

Professional education in 2009 took place in the following areas:

Types of education and training	Nr. of participants
Professional training of railway workers	344
Professional training and periodical checking of proress according to legislature and other regulation	4,380
Funktional training	1,500
<b>Total</b>	<b>6,224</b>
Costs of professional training (in thousand EUR)	189.4
Income (training employees of other organisations) (in thousand EUR)	105.3

In 2009, there were 194 employees, who were obtaining a formal degree, according to an education contract with the company.

## Wages

The average gross salary in the amount of EUR 1,514 increased nominally by 0.2 % as compared to 2008.

Salary (EUR)	2009	2008	Index
Gross salary	1,514.02	1,511.24	100.2
Net salary	1,022.72	1,020.84	100.2

Considering the growth of consumer goods prices as an inflation criterion, which was 0.9 % on an annual level in 2009, the gross salaries in SŽ were lower in real terms by 0.7 percentage points; the net salaries also fell by 0.7 percentage points.

## Investments

In 2009, SŽ generated investments in the amount of EUR 64,158 thousand; the plan was fulfilled to 89.3 % (EUR 71,863 thousand).

(in thousand EUR)	2009	2008	Index
Slovenske železnice, d. o. o.	64,158	49,421	129.8

Investments planned for 2009 include mainly the investments, continued from 2008 and some new investments, necessary for passenger and freight transport operations.

In Freight Transport, the investments of EUR 44,492 thousand (93.5 %) took place, and in Passenger Transport in the amount of EUR 8,687 thousand (80.8 %). The majority (81.8 %) of the total investments in 2009 were the investments in the freight and passenger rolling stock. The sources of finance were ensured through a loan of EUR 48,180 thousand and own funds in the amount of EUR 15,978 thousand.

## Quality Management System

In 2009, SŽ were pursuing quality management system in line with the ISO 9001:2000 Standard; the company carried out a management review, a re-certification assessment and an internal assessment of the system. Within the framework of the re-certification assessment, a new ISO 9001:2008 Standard was obtained and the safety management system for managers and operators was additionally certified. The quality policy and the quality objectives were achieved in accordance with the possibilities and the development of SŽ.

## Financial Statements – Slovenske železnice, d. o. o.

### BALANCE SHEET as of 31 December 2009 Slovenske železnice, d. o. o.

Description (in EUR)	State on		Index 09/08
	31. 12. 2009	31. 12. 2008	
<b>ASSETS</b>	<b>961,834,152</b>	<b>959,027,082</b>	<b>100.3</b>
<b>A. Non-current assets</b>	<b>804,688,780</b>	<b>797,181,097</b>	<b>100.9</b>
I. Intangible assets	1,742,418	1,983,759	87.8
II. Property, plant and equipment	761,474,823	753,638,965	101.0
III. Investment property			
IV. Long-term investments	38,936,716	38,923,378	100.0
V. Long-term operating receivables	2,534,823	2,634,995	96.2
VI. Deferred tax assets			
<b>B. Current assets</b>	<b>109,112,161</b>	<b>138,026,188</b>	<b>79.1</b>
I. Assets held for sale			
II. Inventories	13,005,607	15,051,751	86.4
III. Short-term investments	2,560,501	544,417	470.3
IV. Short-term receivables	40,772,010	40,679,025	100.2
V. Cash and cash equivalents	52,774,043	81,750,995	64.6
<b>C. Short-term prepaid expenses</b>	<b>48,033,211</b>	<b>23,819,797</b>	<b>201.7</b>
<b>LIABILITIES AND EQUITY</b>	<b>961,834,152</b>	<b>959,027,082</b>	<b>100.3</b>
<b>A. Equity</b>	<b>75,320,081</b>	<b>74,081,487</b>	<b>101.7</b>
I. Share capital	95,070,230	95,070,230	100.0
II. Capital reserves			
III. Reserves			
IV. Revaluation surplus	15,249,773	14,050,151	108.5
V. Retained earnings	(4,626,012)	(41,276,848)	11.2
VI. Net profit for the year	(30,373,910)	6,237,954	
1. Net profit for the year	0	1,277,828	
2. Net loss for the year	(30,500,416)	0	
3. Transfer from revaluation surplus	126,506	4,960,126	2.6
<b>B. Provisions and long-term deferred income</b>	<b>28,844,775</b>	<b>26,064,524</b>	<b>110.7</b>
<b>C. Non-current liabilities</b>	<b>705,459,664</b>	<b>664,643,873</b>	<b>106.1</b>
I. Long-term borrowings	306,670,220	241,491,485	127.0
II. Long-term operating liabilities	398,789,444	423,152,388	94.2
III. Deferred tax liabilities			
<b>Č. Current liabilities</b>	<b>133,831,328</b>	<b>160,247,781</b>	<b>83.5</b>
I. Liabilities held for sale			
II. Short-term borrowings	50,217,649	48,917,726	102.7
III. Short-term operating liabilities	83,613,679	111,330,055	75.1
<b>D. Short-term deferred income</b>	<b>18,378,304</b>	<b>33,989,417</b>	<b>54.1</b>
<b>OFF-BALANCE SHEET</b>	<b>275,127,640</b>	<b>243,291,610</b>	<b>113.0</b>

**PROFIT AND LOSS STATEMENT for the period 1. Jan.–31. Dec. 2009**  
**Slovenske železnice, d. o. o.**

Description (in EUR)	2009	2008	Index
1. Net income from sales	293,317,001	339,958,131	86.3
a) Revenues – domestic market	191,785,865	200,521,175	95.6
1. Transport revenues	34,890,091	36,783,133	94.9
2. Other revenues	156,895,774	163,738,042	95.8
b) Revenues – foreign market	101,531,136	139,436,956	72.8
1. Transport revenues	94,319,546	130,624,382	72.2
2. Other revenues	7,211,590	8,812,574	81.8
2. Changes in inventory of finished goods and work in progress			
3. Capitalised internal services	19,647	192,000	10.2
4. Other operating income	53,112,587	58,572,957	90.7
5. Cost of goods, material and services	143,847,848	161,114,225	89.3
a) Cost of goods and material	45,649,963	52,522,283	86.9
b) Cost of services	98,197,885	108,591,942	90.4
6. Personnel costs	191,486,830	199,892,113	95.8
a) Salaries	138,427,710	143,322,536	96.6
b) Social security costs	28,203,872	28,859,148	97.7
c) Other personnel costs	24,855,248	27,710,429	89.7
7. Value adjustments	35,461,918	31,516,155	112.5
a) Amortisation	32,653,261	29,484,870	110.7
b) Revaluation of fixed and intangible assets	344,924	706,711	48.8
c) Revaluation of current assets	2,463,733	1,324,574	186.0
8. Other operating expenses	3,701,396	3,472,678	106.6
<b>Operating profit</b> <b>(1±2+3+4–5–6–7–8)</b>	<b>(28,048,757)</b>	<b>2,727,917</b>	
9. Income from investements	3,200,684	10,180,606	31.4
10. Financial income from loans	966,628	1,886,098	51.3
11. Financial income from operating receivables	1,656,801	1,695,597	97.7
12. Financial expense from impairment of investments	691,689	0	
13. Financial expense on financial liabilities	11,203,342	15,740,507	71.2
14. Financial expense on operating liabilities	1,137,073	1,211,600	93.8
<b>Profit from ordinary activities</b> <b>(1±2+3+4–5–6–7–8+9+10+11–12–13–14)</b>	<b>(35,256,748)</b>	<b>(461,889)</b>	<b>7,633.2</b>
15. Other income	5,317,456	2,833,697	187.7
16. Other expense	561,124	1,093,980	51.3
17. Income tax expense			
18. Deferred taxes			
<b>19. Net profit (1±2+3+4–5–6–7–8+9+10+11–12–13–14+15–16–17+18)</b>	<b>(30,500,416)</b>	<b>1,277,828</b>	

## CASH FLOW STATEMENT for the period 1. Jan.–31. Dec. 2009 Slovenske železnice, d. o. o.

Cash flow statement (Version II) (in EUR)	2009	2008
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
a) Income statement items	7,716,544	18,932,699
b) Changes in working capital	(38,455,786)	(825,407)
c) Cash flow from operating activities (a + b)	(30,739,242)	18,107,292
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
a) Cash receipts from investing activities	28,247,988	51,031,429
b) Cash payments from investing activities	(83,465,830)	(49,738,344)
c) Net cash from investing activities (a + b)	(55,217,842)	1,293,085
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
a) Cash receipts from financing activities	150,411,245	78,092,696
b) Cash payments from financing activities	(93,431,113)	(57,485,182)
c) Net cash from financing activities (a + b)	56,980,132	20,607,514
<b>Č. CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		
x) Net change in cash and cash equivalents (total of Ac, Bc in Cc)	(28,976,952)	40,007,891
y) Cash and cash equivalents at beginning of period	81,750,995	41,743,104
Cash and cash equivalents at end of period (x + y)	52,774,043	81,750,995

## STATEMENT OF CHANGES IN EQUITY for the period 1. Jan.–31. Dec. 2009 Slovenske železnice, d. o. o.

Tab. 1/2 Description (in EUR)	Shared capital	Capital reserves	Reserves from profits	Revaluation surplus
A. Balance at Jan 1. 2009	95,070,230	0	0	14,050,150
B. Equity capital inflows	0	0	0	1,199,623
C. Changes in equity capital	0	0	0	0
Č. Equity capital outflows	0	0	0	0
D. Balance at Dec 31. 2009	95,070,230	0	0	15,249,773
BALANCE SHEET Profit/Loss		0	0	

Tab. 2/2 Description (in EUR)	Retained net profit/loss	Net profit/loss for the year	Total equity
A. Balance at Jan 1. 2009	(41,276,847)	6,237,954	74,081,487
B. Equity capital inflows	30,412,881	(30,373,910)	1,238,594
C. Changes in equity capital	6,237,954	(6,237,954)	0
Č. Equity capital outflows	0	0	0
D. Balance at Dec 31. 2009	(4,626,012)	(30,373,910)	75,320,081
BALANCE SHEET Profit/Loss	(4,626,012)	(30,373,910)	(34,999,922)

## Consolidated financial statements of the Slovenske železnice Group

### CONSOLIDATED BALANCE SHEET of the Slovenske železnice Group as of 31 December 2009

Description (in EUR)	State on		Index
	31. 12. 2009	31. 12. 2008	
<b>ASSETS</b>	<b>1,005,104,779</b>	<b>974,708,327</b>	<b>103.1</b>
<b>A. Non-current assets</b>	<b>818,113,391</b>	<b>803,415,188</b>	<b>101.8</b>
I. Intangible assets	3,696,680	3,249,011	113.8
II. Property, plant and equipment	794,957,644	787,303,586	101.0
III. Investment property	1,149,501	1,151,737	99.8
IV. Long-term investments	15,366,112	8,648,488	177.7
V. Long-term operating receivables	2,747,338	2,887,622	95.1
VI. Deferred tax assets	196,116	174,744	112.2
<b>B. Current assets</b>	<b>138,757,105</b>	<b>160,217,785</b>	<b>86.6</b>
II. Inventories	23,082,736	24,085,251	95.8
III. Short-term investments	4,148,841	1,741,242	238.3
IV. Short-term receivables	49,351,931	51,221,280	96.4
V. Cash and cash equivalents	62,173,597	83,170,012	74.8
<b>C. Short-term prepaid expenses</b>	<b>48,234,283</b>	<b>11,075,354</b>	<b>435.5</b>
<b>LIABILITIES AND EQUITY</b>	<b>1,005,104,779</b>	<b>974,708,327</b>	<b>103.1</b>
<b>A. Equity</b>	<b>87,989,799</b>	<b>76,510,194</b>	<b>115.0</b>
I. Share capital	95,070,230	95,070,230	100.0
IV. Revaluation surplus	16,855,588	15,661,877	107.6
V. Retained earnings	698,207	(37,132,412)	
VI. Net profit for the year	(28,269,227)	0	
1. Net profit for the year		0	
2. Net loss for the year	(28,395,733)	0	
3. Transfer from revaluation surplus	126,506	0	
VII. Consolidation adjustment	12,935	1,011	1,279.4
VIII. Minority interest	3,622,066	2,909,488	124.5
<b>B. Provisions and long-term deferred income</b>	<b>40,516,111</b>	<b>36,603,079</b>	<b>110.7</b>
<b>C. Non-current liabilities</b>	<b>707,448,905</b>	<b>667,306,347</b>	<b>106.0</b>
I. Long-term borrowings	308,652,623	244,141,843	126.4
II. Long-term operating liabilities	398,791,719	423,158,462	94.2
III. Deferred tax liabilities	4,563	6,042	75.5
<b>Č. Current liabilities</b>	<b>150,668,022</b>	<b>160,237,926</b>	<b>94.0</b>
II. Short-term borrowings	58,689,747	59,683,367	98.3
III. Short-term operating liabilities	91,978,275	100,554,559	91.5
<b>D. Short-term deferred income</b>	<b>18,481,942</b>	<b>34,050,781</b>	<b>54.3</b>



## CONSOLIDATED PROFIT AND LOSS STATEMENT for the period 1. Jan.–31. Dec. 2009

Description (in EUR)	2009	2008	Index
1. Net income from sales	330,106,075	373,295,059	88.4
a) Revenues – domestic market	221,249,833	229,960,305	96.2
1. Transport revenues	33,284,773	35,526,497	93.7
2. Other revenues	187,965,060	194,433,808	96.7
b) Revenues – foreign market	108,856,242	143,334,754	75.9
1. Transport revenues	94,319,546	130,624,382	72.2
2. Other revenues	14,536,696	12,710,372	114.4
2. Changes in inventory of finished goods and work in progress	206,898	296,434	69.8
3. Capitalised internal services	17,466,259	25,074,018	69.7
4. Other operating income	55,141,741	59,539,717	92.6
5. Cost of goods, material and services	145,509,971	166,722,207	87.3
a) Cost of goods and material	68,382,032	75,721,830	90.3
b) Cost of services	77,127,939	91,000,377	84.8
6. Personnel costs	239,111,781	248,409,024	96.3
a) Salaries	173,416,288	178,524,464	97.1
b) Social security costs	34,433,274	35,076,486	98.2
c) Other personnel costs	31,262,219	34,808,074	89.8
7. Value adjustments	39,364,441	34,951,230	112.6
a) Amortisation	36,302,093	32,646,137	111.2
b) Revaluation of fixed and intangible assets	362,221	798,643	45.4
c) Revaluation of current assets	2,700,127	1,506,450	179.2
8. Other operating expenses	4,948,496	6,059,525	81.7
<b>Operating profit (1±2+3+4–5–6–7–8)</b>	<b>(26,013,716)</b>	<b>2,063,242</b>	
9. Income from investements	3,202,325	10,183,054	31.4
10. Financial income from loans	1,157,130	1,964,345	58.9
11. Financial income from operating receivables	1,783,973	1,771,437	100.7
12. Financial expense from impairment of investments	1,347,813	5,813	23,186.2
13. Financial expense on financial liabilities	11,627,665	16,299,376	71.3
14. Financial expense on operating liabilities	1,389,257	1,556,756	89.2
<b>Profit from ordinary activities (1±2+3+4–5–6–7–8+9+10+11–12–13–14)</b>	<b>(34,235,023)</b>	<b>(1,879,867)</b>	<b>1,821.1</b>
15. Other income	8,055,340	6,563,695	122.7
16. Other expense	639,573	1,232,903	51.9
17. Income tax expense	837,895	425,650	196.9
18. Deferred taxes	21,372	163,149	13.1
18.a Net profit of minority owner	759,954	714,314	106.4
<b>19. Net profit (1±2+3+4–5–6–7–8+9+10+11–12–13–14+15–16–17±18–18.a)</b>	<b>(28,395,733)</b>	<b>2,474,110</b>	

## CONSOLIDATED CASH FLOW STATEMENT for the period 1. Jan.–31. Dec. 2009

Cash flow statement (Version II) (in EUR)	2009	2008
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
a) Income statement items	15,130,806	24,379,623
b) Changes in working capital	(30,179,346)	(1,410,023)
c) Cash flow from operating activities (a + b)	(15,048,540)	22,969,600
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
a) Cash receipts from investing activities	29,529,272	54,670,895
b) Cash payments from investing activities	(88,982,724)	(59,102,499)
c) Net cash from investing activities (a + b)	(59,453,452)	(4,431,604)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
a) Cash receipts from financing activities	159,895,389	91,272,500
b) Cash payments from financing activities	(106,389,812)	(70,946,755)
c) Net cash from financing activities (a + b)	53,505,577	20,325,745
<b>Č. CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		
x) Net change in cash and cash equivalents (total of Ac, Bc in Cc)	(20,996,415)	38,863,741
y) Cash and cash equivalents at beginning of period	83,170,012	44,306,271
Cash and cash equivalents at end of period (x + y)	62,173,597	83,170,012

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the period 1. Jan.–31. Dec. 2009

Tab. 1/2 Description (in EUR)	Shared capital	Revaluation surplus	Retained net profit/loss	
			Retained net profit	Retained net loss
A. Balance at Jan 1. 2009	95,070,230	15,661,877	0	(37,132,412)
B. Equity capital inflows	0	1,193,711	698,207	37,132,412
C. Changes in equity capital	0	0	0	0
Č. Equity capital outflows	0	0	0	0
D. Balance at Dec 31. 2009	95,070,230	16,855,588	698,207	0
<b>BALANCE SHEET LOSS</b>			698,207	

Tab. 2/2 Description (in EUR)	Net profit/loss for the year	Consolidation adjustment	Minority interest	Total equity
A. Balance at Jan 1. 2009	0	1,011	2,909,488	76,510,194
B. Equity capital inflows	(28,269,227)	11,924	712,578	11,479,605
C. Changes in equity capital	0	0	0	0
Č. Equity capital outflows	0	0	0	0
D. Balance at Dec 31. 2009	(28,269,227)	12,935	3,622,066	87,989,799
<b>BALANCE SHEET LOSS</b>	(28,269,227)			(27,571,020)

## Key figures

	2006	2007	2008	2009
Operating revenues (in thousand EUR)	320,348	351,639	398,723	346,449
Operating expenses (in thousand EUR)	303,474	331,115	395,995	374,498
EBIT – operating income (in thousand EUR)	16,874	20,524	2,728	(28,049)
Net income (in thousand EUR)	6,578	23,321	1,278	(30,500)
Assets (in thousand EUR)	449,258	936,530 <sup>1)</sup>	959,027 <sup>1)</sup>	961,834 <sup>1)</sup>
Equity (in thousand EUR)	53,865	61,527	74,081	75,320
Revenues/Expenses	1.056	1.062	1.007	0.925
EBIT/Operating revenues	0.053	0.058	0.007	(0.081)
Return on equity	0.109	0.290	0.019	(0.339)
Equity/Debt	0.120	0.125 <sup>2)</sup>	0.077	0.078
Goods transported (in thousand tonnes)	18,808	19,284	19,013	14,636
Tonne-kilometres (in million)	3,705	3,944	3,873	2,982
Train kilometres in freight transport (in thousand)	8,024	8,512	8,442	6,792
Passengers transported (in thousand)	16,131	16,123	16,661	16,355
Passenger-kilometres (in million)	793	812	834	840
Train kilometres in passenger transport (in thousand)	10,769	10,613	10,590	10,677
Average number of employees	8,084	7,936	8,010	7,892

<sup>1)</sup> Balance sheet 2007–2009 comprise Public Railway Infrastructure assets and liabilities in accordance to Railway Transport Act.

<sup>2)</sup> Public Railway Infrastructure liabilities are included.

## Revenues and Costs

### Revenues structure 2009

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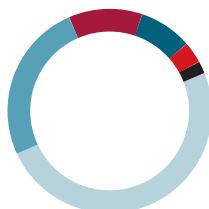
Infrastructure 40.7 %  
Freight transport 30.6 %  
Passenger transport 23.6 %  
Non-operating revenues 2.0 %  
Financial income 1.6 %  
Other income 1.5 %



### Cost structure 2009

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Labour costs 49.3 %  
Cost of services 25.3 %  
Costs of material and energy 11.8 %  
Depreciation 8.4 %  
Financial expenses 3.4 %  
Other operating costs and other expenses 1.8 %

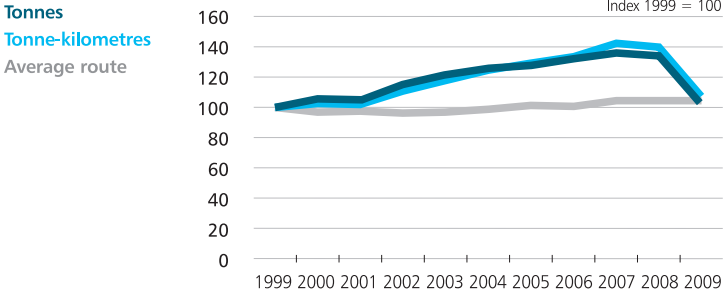


## Financials

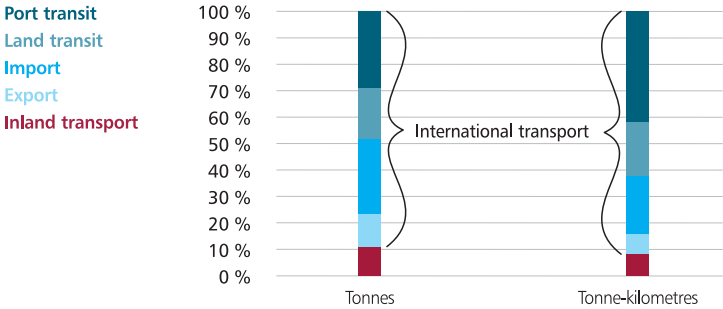
	2006	2007	2008	2009
<b>PROFIT AND LOSS ACCOUNT</b> (in thousand EUR)				
Operating revenues	320,348	351,639	398,723	346,449
Transport revenues	152,780	161,831	167,408	129,210
– freight transport	120,441	129,248	133,084	95,117
– passenger transport	32,339	32,583	34,324	34,093
Revenues from public services	131,849	141,637	186,700	186,113
– passenger transport	37,941	40,666	38,997	47,921
– infrastructure	93,908	100,971	147,703	138,192
Other operating revenues	35,719	48,171	44,615	31,126
<b>Operating expenses</b>	<b>303,474</b>	<b>331,115</b>	<b>395,995</b>	<b>374,498</b>
Costs of material and energy	41,241	44,014	52,522	45,650
Costs of services	62,161	72,173	108,592	98,198
Costs of labour	181,309	187,377	199,892	191,487
Depreciation	16,535	24,242	29,485	32,653
Other operating costs	2,228	3,309	5,504	6,510
<b>EBIT – operating income</b>	<b>16,874</b>	<b>20,524</b>	<b>2,728</b>	<b>(28,049)</b>
Financial income minus financial expenses	(6,335)	1,311	(3,190)	(7,208)
Other income minus other expenses	(476)	1,653	1,740	4,757
Income tax	3,485	167	0	0
<b>Net profit/loss for the year</b>	<b>6,578</b>	<b>23,321</b>	<b>1,278</b>	<b>(30,500)</b>
<b>INVESTMENTS</b> (in thousand EUR)	<b>67,397</b>	<b>59,295</b>	<b>49,421</b>	<b>64,158</b>
<b>BALANCE SHEET</b> (in thousand EUR)				
<b>Assets</b>	<b>449,258</b>	<b>936,530</b>	<b>959,027</b>	<b>961,834</b>
Fixed assets	323,466	801,471	797,181	804,689
Current assets	115,302	118,453	138,026	109,112
Other	10,490	16,606	23,820	48,033
<b>Liabilities</b>	<b>449,258</b>	<b>936,530</b>	<b>959,027</b>	<b>961,834</b>
Equity	53,865	61,527	74,081	75,320
Long term liabilities	242,532	680,266	690,709	734,305
Current liabilities	137,088	149,966	160,248	133,831
Other	15,773	44,771	33,989	18,378

## Freight transport

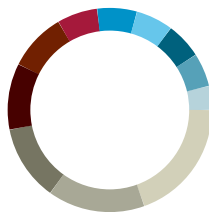
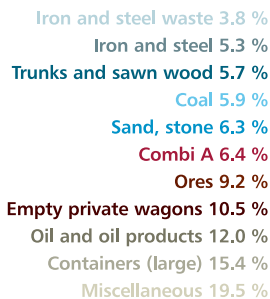
### Development of freight transport volume



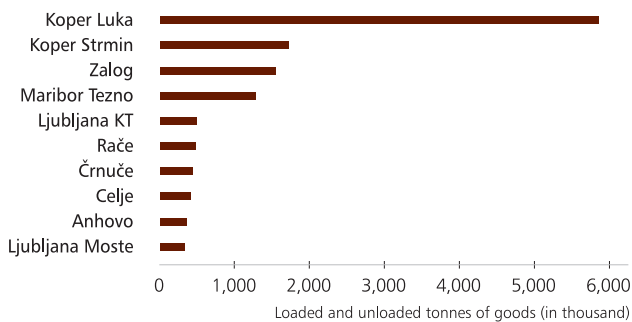
### Freight transport structure by means of transport



## Structure of goods transported by groups



## Railway stations for freight transport



	2006	2007	2008	2009
<b>INCOME STATEMENT</b> (in thousand EUR)				
Operating revenues	134,885	147,748	153,893	113,378
Operating expenses	131,887	143,437	160,756	151,844
EBIT – operating income	2,998	4,311	(6,863)	(38,466)
Financial income minus financial expenses	(2,514)	(4,098)	(6,343)	(3,203)
Other income minus other expenses	(1,562)	249	(1,485)	1,501
Income tax	0	0	0	0
Net profit/loss for the year	(1,078)	462	(14,691)	(40,168)
<b>GOODS TRANSPORTED</b>				
(wagon consignments, in thousand tonnes)	18,773	19,249	18,977	14,607
INLAND TRANSPORT				
INTERNATIONAL TRANSPORT	16,886	17,396	17,097	12,976
– Import	5,526	5,198	5,341	4,064
– Export	2,397	2,260	2,089	1,857
– Land transit	3,722	4,187	3,773	2,816
– Port transit	5,241	5,751	5,894	4,239
thereof:				
COMBINED TRANSPORT	3,627	3,734	3,848	3,229
– Accompanied piggyback	1,887	1,607	1,485	936
– Unaccompanied piggyback	1,740	2,127	2,363	2,293
<b>WORK PERFORMED</b> (in million tonne-kilometres)				
INLAND TRANSPORT	281	286	303	247
INTERNATIONAL TRANSPORT	3,424	3,658	3,570	2,735
– Import	769	790	825	645
– Export	266	247	242	237
– Land transit	874	956	847	611
– Port transit	1,515	1,665	1,656	1,242
thereof:				
COMBINED TRANSPORT	580	665	687	678
– Accompanied piggyback	56	31	31	22
– Unaccompanied piggyback	524	634	656	656

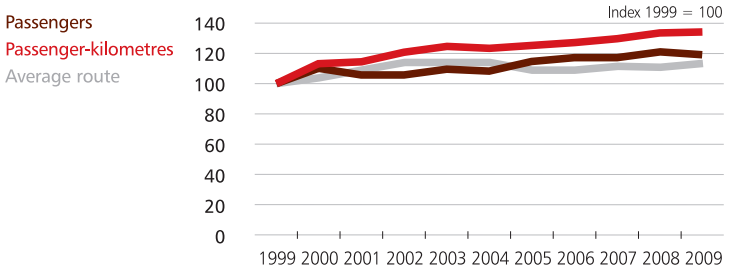


## SLOVENSKE ŽELEZNICE IN FIGURES – FREIGHT TRANSPORT

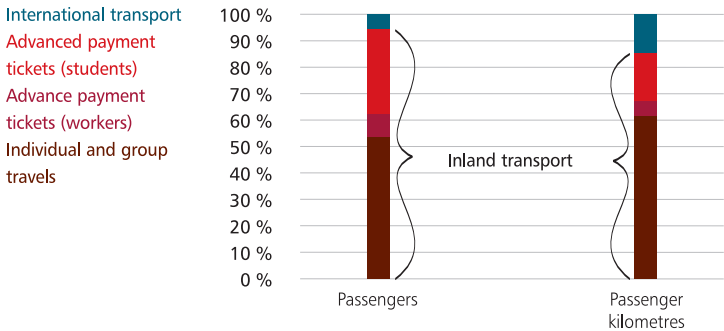
	2006	2007	2008	2009
<b>AVERAGE ROUTE</b> (km)	197.4	204.9	204.1	204.1
INLAND TRANSPORT	148.8	154.3	161.2	151.4
INTERNATIONAL TRANSPORT	202.8	210.3	208.8	210.8
thereof:				
COMBINED TRANSPORT	159.9	178.1	178.5	210.0
– Accompanied piggyback	29.8	19.3	20.9	23.5
– Unaccompanied piggyback	300.8	298.1	277.6	286.1
<b>AVERAGE WEIGHT PER WAGON</b> (only for wagon consignments, in tonnes)	34.1	33.2	32.9	34.1
<b>GOODS TRANSPORTED</b> (parcels, in thousand tonnes)	35.5	35.0	36.4	28.7
INLAND TRANSPORT	34.5	34.1	35.7	28.7
INTERNATIONAL TRANSPORT	1.0	0.9	0.7	0.0

## Passenger transport

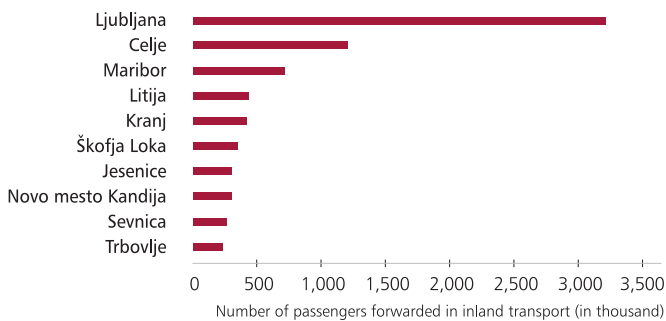
### Development of passenger transport volume



### Passenger transport structure



## Railway stations for passenger transport, stations and stops



## SLOVENSKE ŽELEZNICE IN FIGURES – PASSENGER TRANSPORT

	2006	2007	2008	2009
<b>INCOME STATEMENT</b> (in thousand EUR)				
Operating revenues	76,784	78,977	76,086	85,636
Operating expenses	73,675	77,541	83,050	82,787
EBIT – operating income	3,109	1,436	(6,964)	2,849
Financial income minus financial expenses	(5,124)	(5,328)	(7,471)	(4,133)
Other income minus other expenses	710	484	307	1,284
Income tax	0	0	0	0
Net profit/loss for the year	(1,305)	(3,408)	(14,128)	0
<b>PASSENGERS TRANSPORTED</b> (in thousand)				
INLAND TRANSPORT	16,131	16,123	16,661	16,355
– Individual and group travels	15,275	15,232	15,753	15,434
– Advance payment tickets (workers)	9,007	8,738	9,105	8,809
– Advance payment tickets (students)	1,271	1,302	1,401	1,356
INTERNATIONAL TRANSPORT	4,997	5,192	5,247	5,269
	856	891	908	921
<b>LUGGAGE FORWARDED</b> (in tonnes)				
	106.7	114.4	175.4	231.5
<b>ACCOMPANIED CARS</b>				
	14,968	15,557	16,622	12,226
<b>PERFORMED PASSENGER KILOMETRES</b> (in million)				
INLAND TRANSPORT	793.2	812.3	834.1	840.1
– Individual and group travels	675.4	690.3	712.6	717.5
– Advance payment tickets (workers)	485.0	491.9	509.3	519.0
– Advance payment tickets (students)	43.4	45.2	47.7	46.0
INTERNATIONAL TRANSPORT	147.0	153.2	155.6	152.5
	117.8	122.0	121.5	122.6
<b>NUMBER OF EXTRA TRAINS</b>				
	402	372	429	601
<b>AVERAGE ROUTE</b> (km)				
INLAND TRANSPORT	49.2	50.4	50.1	51.4
INTERNATIONAL TRANSPORT	44.2	45.3	45.2	46.5
	137.7	136.9	133.8	133.1

## Infrastructure

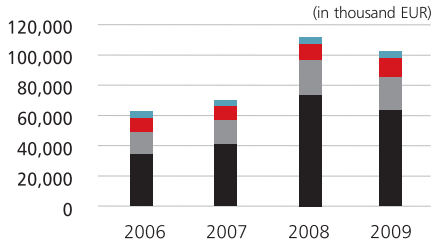
### Maintenance of public railway infrastructure, stations and stops

Maintenance of stations and stops

Maintenance of electric power facilities

Maintenance of signaling and telecommunication equipment

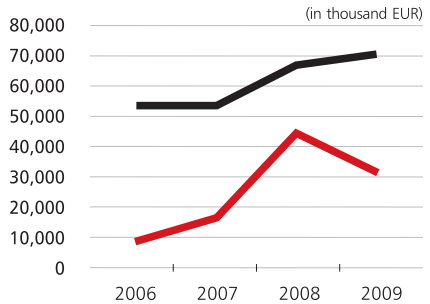
Maintenance of tracks



### Investment maintenance of public railway infrastructure

Ordinary maintenance

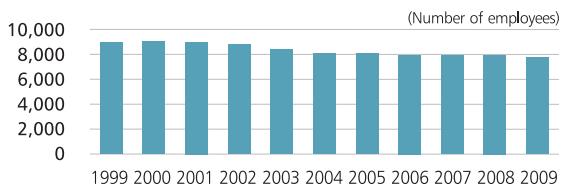
Major maintenance (reconstruction works) of tracks



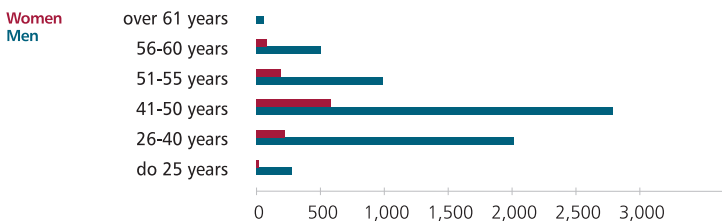
	2006	2007	2008	2009
<b>INCOME STATEMENT</b> (in thousand EUR)				
Operating revenues	104,852	110,835	159,849	164,732
Operating expenses	101,135	112,685	155,983	158,934
EBIT – operating income	3,717	(1,850)	3,866	5,798
Financial income minus financial expenses	(223)	29	1,380	509
Other income minus other expenses	52	29	1,507	1,958
Income tax	1,052	166	0	0
Net profit/loss for the year	2,494	(1,958)	6,753	8,265
<b>MAINTENANCE OF PUBLIC RAILWAY INFRASTRUCTURE</b> (in thousand EUR)				
Maintenance of tracks	38,399	44,640	77,972	68,129
Maintenance of signaling and telecommunication equipment	14,960	16,198	22,766	21,761
Maintenance of electric power facilities	9,214	9,565	11,325	12,423
<b>Total</b>	<b>62,573</b>	<b>70,403</b>	<b>112,063</b>	<b>102,313</b>

## Employment

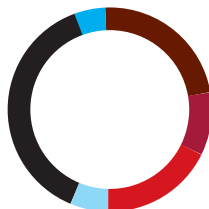
### Number of employees 1999–2009 (yearend)



### Employees by age and sex



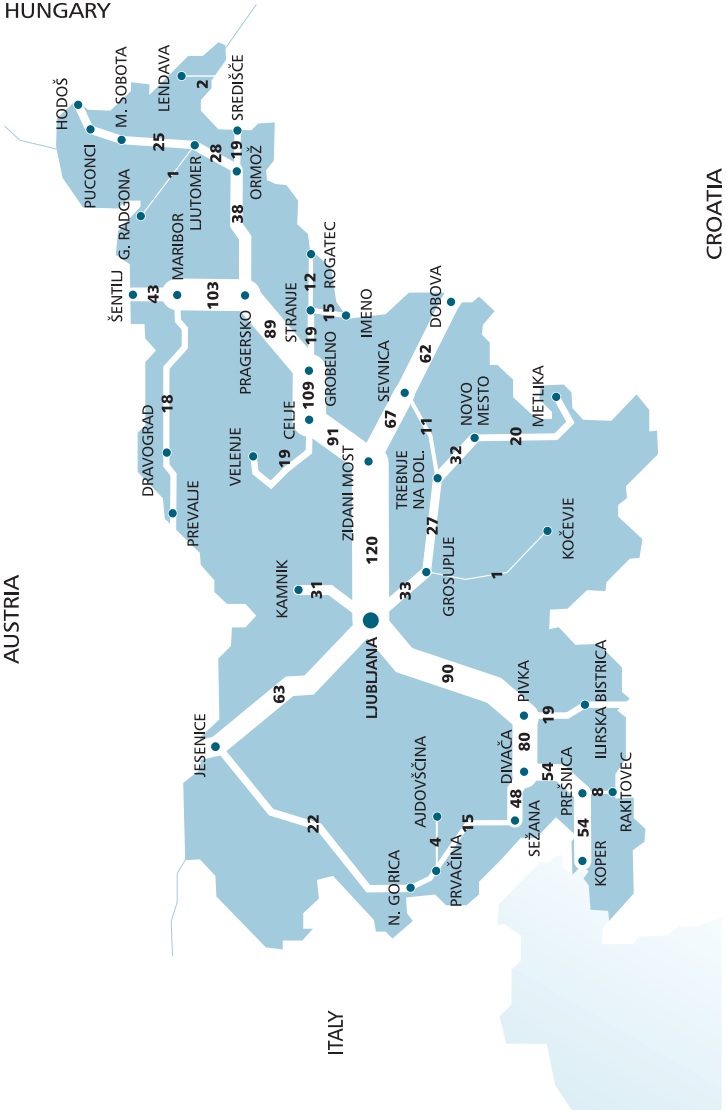
### Employees by organisational units



# Line utilisation

Number of trains per day (passenger and freight transport)

HUNGARY



CROATIA

AUSTRIA

ITALY



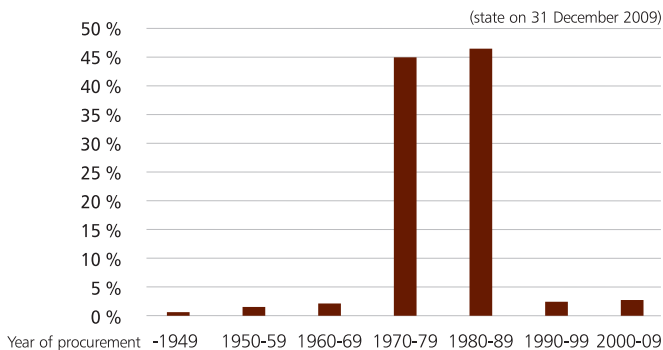
## Transport services

	2006	2007	2008	2009
<b>Trains performance</b> (thousand train km)	18,793	19,125	19,032	17,469
Freight trains (thousand train km)	8,024	8,512	8,442	6,792
Passenger trains (thousand train km)	10,769	10,613	10,590	10,677
<b>Frequency of trains per day and route</b> (Number)	702	678	699	674
Freight trains (Number)	204	207	198	157
Passenger trains (Number)	498	472	501	517
<b>Turnover of freight wagons</b> (Days)	4.5	4.4	4.6	5.5
<b>Seat occupancy</b> (%)	30.2	30.9	31.6	28.9
<b>Average commercial speed</b>				
Freight trains (km/h)	29.17	30.90	39.51	40.99
Passenger trains (km/h)	52.59	51.80	53.17	53.31
<b>Delays</b>				
Freight trains (min/100 train km)	43.4	78.7	68.6	39.6
Passenger trains (min/100 train km)	3.7	3.3	3.3	2.8
<b>Available seats in passenger trains</b> (No. of seats/train)	206	203	205	204
<b>Average number of passengers per train</b> (number)	89	90	91	87
<b>Gross tonnes per freight train</b> (Tonnes)	916.5	928.2	914.1	906.8
<b>Transported tonnes per freight train</b> (Tonnes)	486.3	489.5	485.6	475.9
<b>Ratio net/gross tonnes</b> (%)	48.8	48.6	48.5	49.1

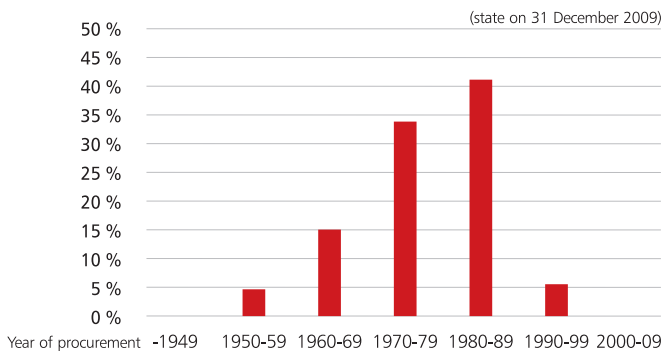
		2006	2007	2008	2009
<b>Work of traction vehicles</b>					
Electric locomotives	(operation km/unit)	161,663	161,237	162,569	159,542
	(thousand GHTK/unit)	103,053	108,202	108,609	100,327
Diesel locomotives	(operation km/unit)	60,829	59,378	62,062	60,075
	(thousand GHTK/unit)	21,289	21,119	20,433	16,372
Electric motor trains	(operation km/unit)	171,102	167,916	166,444	167,933
	(thousand GHTK/unit)	21,414	20,595	20,301	20,195
Diesel motor trains	(operation km/unit)	102,399	102,947	103,357	103,340
	(thousand GHTK/unit)	7,880	7,889	7,904	7,744
<b>Specific power consumption</b>					
Electric power	(kWh/million GHTK)	27.27	25.65	24.68	25.24
Diesel fuel	(kg/thousand GHTK)	9.07	8.33	8.06	9.91

## Traction and hauled vehicles

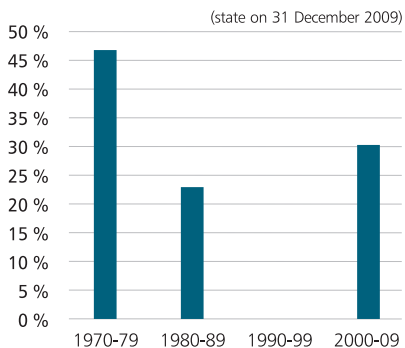
### Age of freight wagons



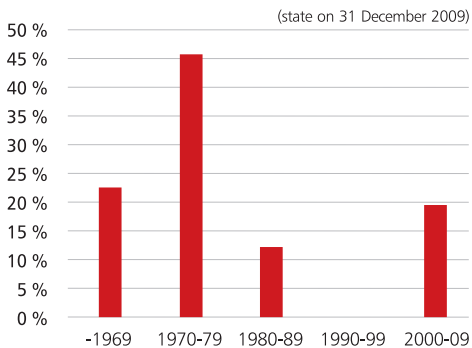
### Age of conventional passenger coaches

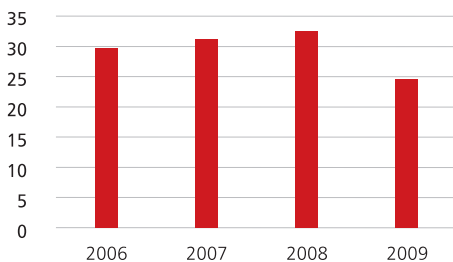
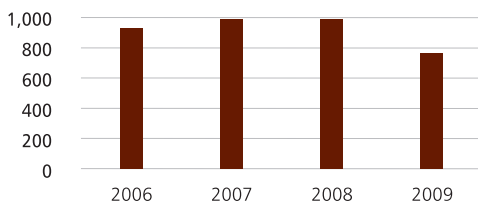
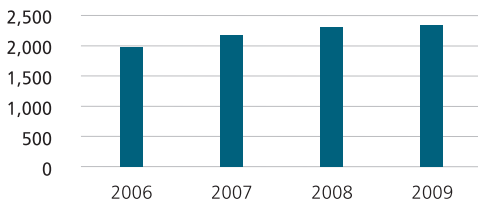


## Age of passenger trainsets



## Age of locomotives



**Gross hauled tonne-kilometres/Locomotive** (in million)**Tonne-kilometres/Freight wagon** (in thousand)**Passenger kilometres/Passenger vehicle** (in thousand)

## Traction vehicles

(Number)	2006	2007	2008	2009
<b>Total</b>	<b>276</b>	<b>277</b>	<b>271</b>	<b>273</b>
Electric locomotives	83	88	82	86
Electric motor trains	40	39	39	39
Diesel locomotives	78	76	76	74
Diesel motor trains	70	70	70	70
Museum steam locomotives	5	4	4	4

## Freight wagons inventory

(Number)	2006	2007	2008	2009	4-axle	Average carrying capacity of wagons (tonnes)
<b>Total</b>	<b>3,995</b>	<b>3,979</b>	<b>3,921</b>	<b>3,905</b>	<b>3,229</b>	<b>51.6</b>
E open – ordinary	1,001	1,003	973	974	872	55.2
F open – special	489	509	507	507	507	56.7
G covered – ordinary	418	418	411	390	186	40.9
H covered – navadni	395	388	375	375	293	51.0
K flat – ordinary	184	184	181	181	0	26.8
L flat – special	65	65	65	65	25	33.4
R flat – four-axle ordinary	172	161	160	160	160	55.6
S flat – four-axle special	270	270	272	279	279	56.8
T with sliding roof	740	720	721	721	654	52.0
U special	99	99	99	96	96	57.1
Z tank wagons	162	162	157	157	157	57.9
P private included in SŽ rolling stock	513	564	555	469	469	61.2

## Passenger coaches inventory

(Number)	2006	2007	2008	2009	Average number of seats per coach	Portion 1. cl.
<b>2-axle coaches</b>						
Baat	8	8	3	3	43.3	
<b>4-axle coaches</b>						
Passenger coaches (A, AB, B)	117	101	98	93	58.4	13.9 %
Restaurant coaches (WR, AR, BR)	5	5	5	5	17.8	33.7 %
Couchettes (Ac, Bc)	4	4	2	2		
Sleeping cars, saloons (VI)	4	0	2	2		
DI	5	2	2	2		
<b>TOTAL</b>	<b>143</b>	<b>120</b>	<b>109</b>	<b>107</b>	<b>52.8</b>	<b>13.9 %</b>
thereof: air-conditioned	13	13	13	13	54.5	23.7 %

## Statistic about infrastructure

		2009	%
<b>SŽ – Stations</b>	(Number)	131	
– For freight transport		11	9.4 %
– For passenger transport		8	6.1 %
– For passenger and freight transport		111	84.7 %
– Shunting stations		1	0.8 %
<b>Actual length of lines</b>	(km)	1,228.1	
– For freight transport		106.1	8.6 %
– For passenger transport		2.2	0.2 %
– For mixed transport		1,119.8	91.2 %
– Electrified lines		502.8	41.0 %
<b>Track length</b>	(km)	1,558	
<b>Tunnels and galleries</b>	(Number)	93	
	(km)	37	
<b>Bridges (stone, concrete, reinforced concrete, steel) and viaducts</b>	(Number)	397	
	(km)	11	
<b>Culverts (stone, concrete, reinforced concrete, steel)</b>	(Number)	2,951	
	(km)	6	

## Superlatives

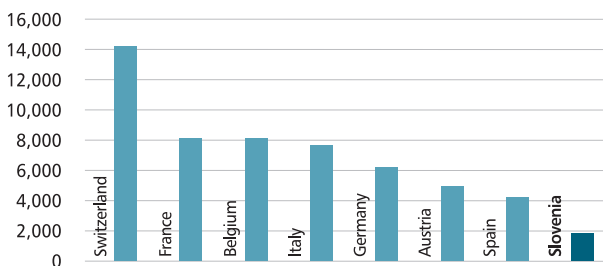
The steepest line	Prvačina–Štanjel 26.7 pars promile from km 105.639 to km 105.884
The longest horizontal	Ruše–Fala from km 11.850 to km 18.350 over a length 6,500 m on the Maribor–Prevalje line
The longest plain	Ptuj–Velika Nedelja from km 19.540 to km 35.350 over a length 15,810 m on then Pragersko–Središče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



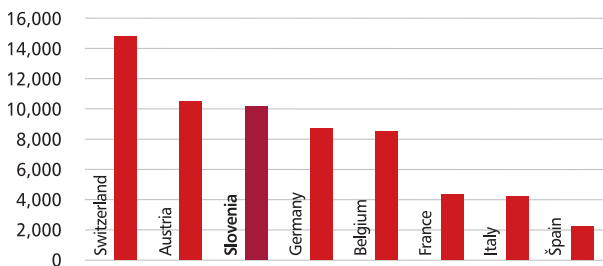
## European railways comparison – 2008

Country	Railway	Length of lines			Average number of employed
		km	Electri-fied in km	whereof electified in %	
Germany	AAE, DB AG, GVG, KEG	33,855	19,645	58	240,008
Italy	FS SpA, FNME, RTC	16,861	11,927	71	93,574
Austria	GKE, ÖBB, SLB	5,755	3,511	61	43,538
Spain	RENFE, FEVE, FGC, EuskoTren	15,041	8,815	59	32,440
Switzerland	BLS, CFF/SBB/FFS	3,544	3,544	100	28,017
Belgium	SNCB/NMBS	3,513	2,955	84	36,810
France	SNCF, RFF	29,901	15,401	52	162,029
Slovenia	SŽ	1,228	503	41	8,010

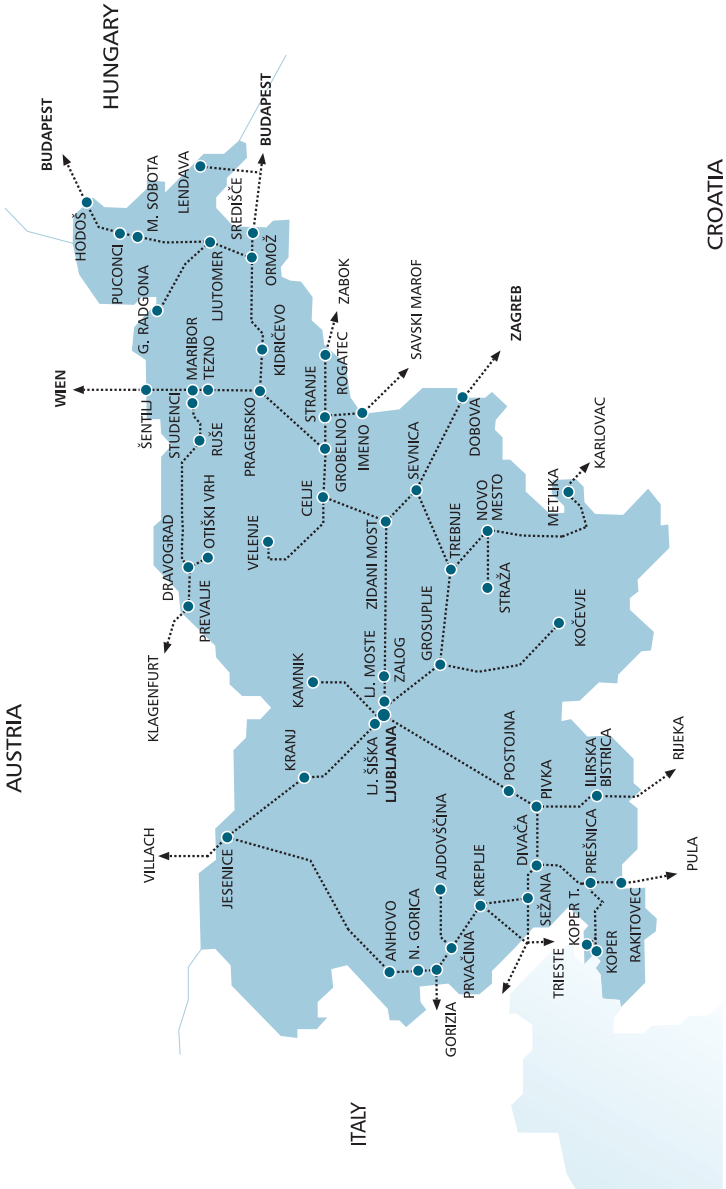
## Average number of passengers per day per km of line – 2008



## Average number of tonnes per day per km of line – 2008



## Slovenia railway network





Sources:

Slovenian Railways Annual Report  
International Railways Statistics UIC  
Slovenian Railways Statistical and Analytical data