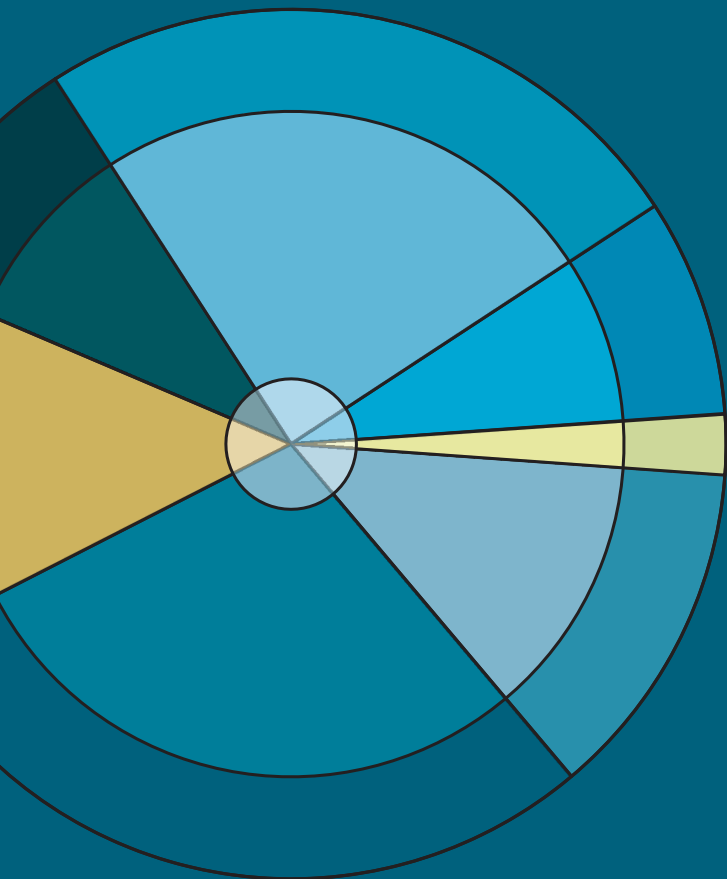


# Summary of the Annual Report 2010





## Summary of the Annual Report

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## Key business statistics

	Slovenske železnice Group			Slovenske železnice, d. o. o.		
	2010	2009	Index	2010	2009	Index
Operating revenues (in thousand EUR)	436,208	402,921	108.3	366,321	346,449	105.7
Operating expenses (in thousand EUR)	443,241	428,935	103.3	377,226	374,498	100.7
EBIT – Operating income (in thousand EUR)	(7,033)	(26,014)	27.0	(10,905)	(28,049)	38.9
EBITDA (in thousand EUR)	31,356	10,288	304.8	23,886	4,604	518.8
Profit or loss before taxes (in thousand EUR)	(18,067)	(26,819)	67.4	(19,429)	(30,500)	63.7
Assets (in thousand EUR) <sup>1)</sup>	740,752	605,799	122.3	699,708	562,528	124.4
Equity (in thousand EUR)	186,268	87,990	211.7	174,497	75,320	231.7
Loans/Credits (in thousand EUR) <sup>1)</sup>	381,481	359,825	106.0	367,348	349,209	105.2
Credit portion in financing <sup>1)</sup>	51.5 %	59.4 %	86.7	52.5 %	62.1 %	84.5
Return on capital employed – ROCE	(1.4 %)	(6.3 %)	21.9	(2.3 %)	(7.2 %)	31.9
Profit margin	(1.6 %)	(6.5 %)	25.0	(3.0 %)	(8.1 %)	37.0
Return on equity – ROE	(13.1 %)	(29.4 %)	44.4	(14.4 %)	(33.9 %)	42.5
Return on assets – ROA	(2.8 %)	(2.9 %)	99.4	(3.1 %)	(5.6 %)	55.4
Gross value added per employee (EUR)	28,715	25,210	113.90	29,149	25,296	115.2
Number of employees (as of 31. 12.)	8,982	9,961	90.2	6,892	7,728	89.2
Average number of employees	9,694	10,157	95.4	7,466	7,892	94.6
Transported goods (in thousand tonnes)				17,257	14,636	117.9
Net Tonne-kilometers (in million NTKM)				3,617	2,982	121.3
Transported passengers (in thousand)				16,220	16,355	99.2
Passenger kilometers (in million PKM)				813	840	96.8
Rolling stock						
Locomotives				158	160	98.8
Freight cars				3,211	3,905	82.2
Passenger cars				100	107	93.5
Passenger multiple unit trains				109	109	100.0
Total length of rail lines (km)				1,228	1,228	100.0
Electrified rail lines (km)				503	503	100.0
Non-electrified rail lines (km)				725	725	100.0

<sup>1)</sup> Data as of 31. 12. 2009, excluded assets and asset sources of the Public Railway Infrastructure.

## Legend of indicators:

EBITDA = EBIT + amortisation

Profit margin = operating profit/operating income

ROCE = EBIT/average equity + average debts

ROE = net profit/average equity

ROA = net profit/average assets

Gross value added per employee = the sum of the differences between the operating revenues and the value of goods and services produced, the cost of raw materials and other inputs involved in the cost of production per average number of employees on the basis of hours worked

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## Organisation, Administration and Management

The organisation, administration and management system provides transparency to the operation of the company Slovenske železnice, d. o. o. and its subsidiaries for the founder, the employees and the general public. The administrative bodies of the company act to accomplish these goals.

### **Two tiered management and monitoring structure**

The company Slovenske železnice, d. o. o. is managed by its founder directly and through the administrative bodies, namely the supervisory board and the management. The competences of the administrative bodies are defined by the Companies Act and pursuant thereto adopted Memorandum of Association, Rules of procedure of the supervisory board and the Rules of procedure of the management.

### **The Founder**

The function of the founder is undertaken by the Capital Assets Management Agency of the Republic of Slovenia. Before the formation of the Agency the function has been carried out by the Government of the Republic of Slovenia. The founder makes decisions on the key issues, specified in the Act and Memorandum of Association. Among other issues, it makes decisions on the strategic business plan of the company Slovenske železnice, d. o. o., endorsement of the annual report and consolidated annual report, the use of the distributable profit and the coverage of the loss. It also discharges the supervisory board and the management, decides on status changes and changes in capital assets, as well as appoints or dismisses the members of the supervisory board.

Founder meetings take place in accordance with the founder's internal regulations.

### **The Management**

In accordance with the company's Memorandum of Association, the company is managed by the Director General and Workers' Director, who is responsible for personnel and social affairs.

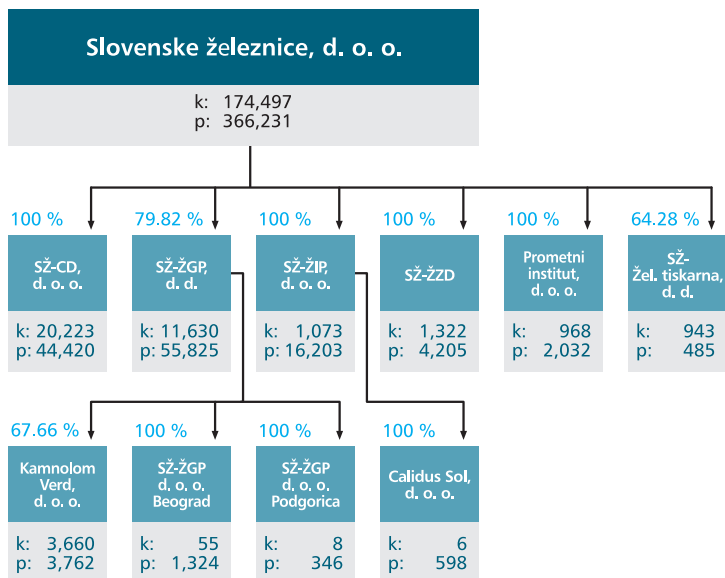
The Director General Goran Brankovič was appointed on 1 October 2009 for a four-year term. The Workers' Director is Albert Pavlič.

## Management of the subsidiaries

The company Slovenske železnice, d. o. o. incorporates six enterprises (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-Železniški zdravstveni dom – Railway Health Centre, SŽ-Železniško gradbeno podjetje, d. d. – Railway Construction Company and SŽ-Železniška tiskarna, d. d. – Railway Printing House). The company is the sole owner or holds a majority share in all these enterprises. The companies that form Slovenske železnice Group provide maintenance and management of the public railway infrastructure, management of rail traffic, passenger and freight carriage on public rail infrastructure, train haulage and technical vehicle management. These core activities are accompanied by ancillary and additional services and other activities, necessary for smooth and high quality performance of the core operations.

The subsidiaries are managed by the company Slovenske železnice, d. o. o. directly as a founder and through supervisory boards. The Director General represents Slovenske železnice at the Assembly of a subsidiary or as founder of a single-member subsidiary in accordance with the Companies Act. The Director-General may provide direct guidelines to the managers of subsidiaries for management of the companies in regard with a public interest in the sphere of rail transport.

## The Structure of Slovenske železnice Group



### LEGEND:

■ - Parent company

■ - Subsidiaries in Slovenske železnice Group (full consolidation)

**k:** equity 31. 12. 2010 (in thousand EUR)

**p:** operating revenues 2010 (in thousand EUR)

Note: Slovenske železnice, d. o. o. also holds shares in the following associated enterprises: Feršped, d. o. o., - 48.74 %, Adria Kombi, d. o. o., - 26.0 %, Terme Olimia, d. d., - 28.48 % and A. K. S., d. o. o., - 33.33 %.

### Slovenian Railway Company Act

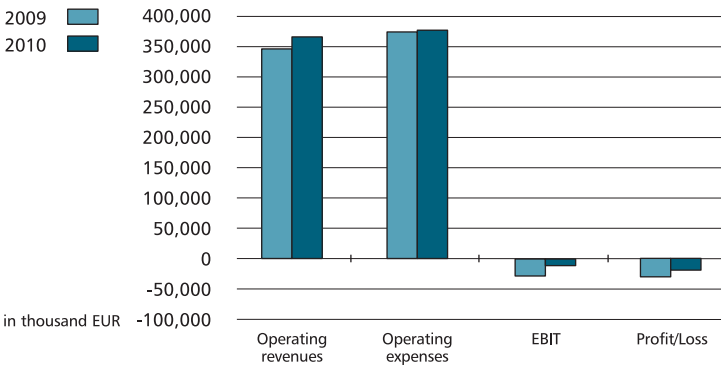
The Slovenian Railway Company Act (ZDSŽ) was enacted on 11 January 2011. The first paragraph of Article 8 of the Act states that Slovenske železnice, d. o. o., after its division to form new companies, founds subsidiaries for implementing the following activities:

- railway infrastructure maintenance, railway traffic management and implementation of other tasks of the public railway infrastructure manager (management of the public railway infrastructure);
- carriage of passengers in the domestic, cross-border regional and international rail traffic (passenger service);
- carriage of goods in the domestic and international rail traffic (freight carriage).

The Act sets a deadline of eight months to start the operation of the subsidiaries (registration of the companies).

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

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





## Basic items of the profit and loss account

Profit and loss account (in thousand EUR)	2010	2009	Index
<b>Operating revenues</b>	<b>366,321</b>	<b>346,449</b>	<b>105.7</b>
Operating revenues (excluded ROR <sup>1)</sup> )	364,064	343,940	105.9
<b>Transport revenues</b>	<b>152,017</b>	<b>129,210</b>	<b>117.7</b>
– freight transport	117,883	95,117	123.9
– passenger transport	34,134	34,093	100.1
<b>Contract with the Agency<sup>2)</sup></b>	<b>180,905</b>	<b>186,113</b>	<b>97.2</b>
– passenger transport	45,069	47,921	94.0
– traffic management	35,917	37,849	94.9
– infrastructure maintenance	99,919	100,343	99.6
<b>Other revenues</b>	<b>33,399</b>	<b>31,126</b>	<b>107.3</b>
<b>Operating expenses</b>	<b>377,226</b>	<b>374,498</b>	<b>100.7</b>
Operating expenses (excluded ROE <sup>3)</sup> )	373,570	371,689	100.5
Labour costs	187,492	191,487	97.9
Costs of materials	15,519	17,502	88.7
Energy costs	31,478	28,148	111.8
Costs of services	95,722	92,888	103.1
User charge	7,246	5,310	136.5
Depreciation/amortisation	34,791	32,653	106.5
Other costs	4,978	6,510	76.5
<b>Operating profit or loss</b>	<b>(10,905)</b>	<b>(28,049)</b>	<b>38.9</b>
Operating profit or loss (excluded ROR and ROE)	(9,506)	(27,749)	34.3
Balance of financial revenues/expenses	(13,114)	(7,208)	181.9
out of which: interest expenses	(9,544)	(10,590)	90.1
Balance of other revenues/expenses	4,590	4,757	96.5
<b>Net operating profit or loss</b>	<b>(19,429)</b>	<b>(30,500)</b>	<b>63.7</b>
Net operating profit or loss (excluded ROR and ROE)	(18,030)	(30,200)	59.7
Net operating profit or loss (excluded exchange rate differences, profit-sharing and human resources restructuring costs)	(9,494)	(29,464)	32.2

<sup>1)</sup> ROR – revaluation operating revenue;

<sup>2)</sup> Agency for the Management of Public Railway Infrastructure Investment of RS

<sup>3)</sup> ROE – revaluation operating expenses

In 2010 SŽ achieved EUR 389,531 thousand total revenues (out of which EUR 366,321 thousand operational revenues). Total expenses amounted to EUR 408,960 thousand (out of which EUR 377,226 thousand operational expenses).

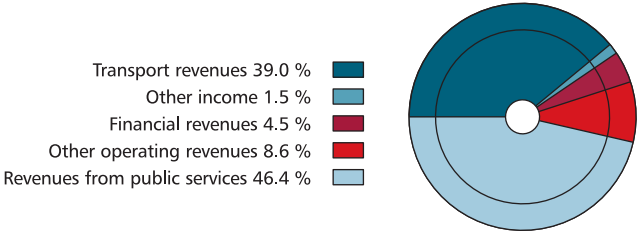
The company recorded a negative operating result amounted to EUR 10,905 thousand and net loss of EUR 19,429 thousand. The exchange rate differences, occurred from conversion of credit expressed in Swiss francs (CHF) at 31 December 2010, had significant negative effect on the

loss, amounted to EUR 8,590 thousand. Financial revenues from profits-sharing, totaling EUR 3,609 thousand had a positive impact that were in line with the business plan designed to cover part of personnel restructuring costs of EUR 4,916 thousand.

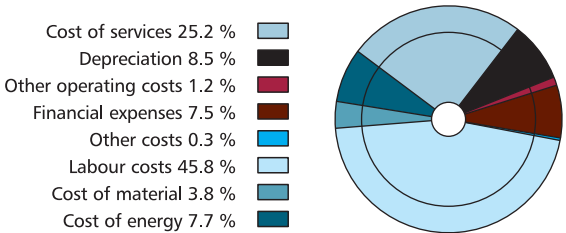
The net loss of the company was a result of loss made by Freight Transport in amount of EUR 25,482 thousand (excluding exchange rate differences it made EUR 16,892 thousand loss), loss of Passenger Traffic of EUR 433,000 thousand, profit of the Infrastructure of EUR 5,406 thousand, profit of Traffic Management Unit of EUR 1,906 thousand and loss of the other main and support operations (Traction, Technical vehicle management, Real estate, Administration departments) totaling EUR 826 thousand.

Compared to 2009 net profit improved by EUR 11,071 thousand (actually by EUR 20,287 thousand), mainly due to better operating results in Freight Transport and Infrastructure business units and the effects of the Agreement on measures to improve performance.

**Revenues structure**



**Expenses structure**



## Balance sheet

The balance sheet analysis compared the situation of the company Slovenske železnice at the end of 2010 to the end of 2009. Due to comparability issues the assets and public railway infrastructure sources at the end of 2009 (EUR 399,306 thousand) were not considered in the analysis.

In 2010 the assets of SŽ amounted to EUR 699,708 thousand, while they were EUR 562,528 thousand at the end of 2009, excluding public railway infrastructure. The non-current assets with 62.9 % share prevail in assets structure. The current assets made up 35.6 % of shares and short-term accruals and deferred items 1.5 %.

The equity in liabilities had 24.9 % share, amounting to EUR 174,497 thousand. Comparing to the end of 2009, it increased by EUR 99,177 thousand. Mainly it was due to claims against the Republic of Slovenia in the amount of EUR 134,262 thousand under the undue reduction of share capital at separation of public railway infrastructure from the assets of SŽ, d. d. The recognised claims for capital shortfall increased the equity share, i.e. increased the share capital. At the same time, in accordance with the provisions of the 379<sup>th</sup> Article of the Companies Act, for the same amount a simplified share capital reduction was carried out in order to cover losses from previous years (amounting to EUR 34,907 thousand), net loss made in accounting period (EUR 19,429 thousand) and transfer of the difference (EUR 79,926 thousand) to the capital reserves.

## Financial Analysis

The financial analysis of the SŽ is prepared according to the balance sheet as of 31 December 2010. Because of comparability issues the assets and asset sources of the public railway infrastructure in the amount of EUR 399,306 thousand were not been considered. The financial analysis was carried out in terms of the net debt, as the difference between receivables and liabilities and as the excess of material assets over the capital.

(in thousand EUR)	31. 12. 2010	31. 12. 2009	Absolute change	Index
Current receivables	248,927	144,139	104,788	172.7
Current liabilities	150,094	152,208	(2,114)	98.6
<b>Net current receivables</b>	<b>98,833</b>	<b>(8,069)</b>	<b>106,902</b>	
Non-current receivables	80,549	41,472	39,077	194.2
Non-current liabilities	375,117	335,000	40,117	112.0
<b>Net long-term debt</b>	<b>294,568</b>	<b>293,528</b>	<b>1,040</b>	<b>100.4</b>
<b>Net debt</b>	<b>195,735</b>	<b>301,597</b>	<b>(105,862)</b>	<b>64.9</b>
Total liabilities	525,211	487,208	38,003	107.8
Total receivables	329,476	185,611	143,865	177.5
Tangible assets	370,232	376,917	(6,685)	98.2
Inventory	10,479	12,279	(1,800)	85.3
Capital assets	359,753	364,638	(4,885)	98.7
<b>Equity</b>	<b>174,497</b>	<b>75,320</b>	<b>99,177</b>	<b>231.7</b>

In 2010 the liabilities of the SŽ increased by EUR 38,003 thousand and the receivables by EUR 143,865 thousand, which is reflected on the net debt, decreased by EUR 105,862 thousand compared with the end of 2009.

The company is a net debtor for a long term debt (EUR 294,568 thousand) and a net creditor for a short-term debt (EUR 98,833 thousand). The debt ratio, expressed as a ratio of net debt to tangible assets, at the end of 2010 was calculated at 52.9 % and was less than at the end of 2009 (80.0 %).

This improvement in financial situation was due to receivables from the state, under compensation for share capital reduction amounted to EUR 134,262 thousand.

## Long-term Investment Financing

(in thousand EUR)	31. 12. 2010	31. 12. 2009	Absolute change	Index
Current assets	259,406	156,418	102,988	165.8
Current liabilities	150,094	152,208	(2,114)	98.6
Working capital	109,312	4,210	105,102	
Long-term investments	440,302	406,110	34,192	108.4
Sources of long-term financing	549,614	410,320	139,294	133.9

At the end of 2010 124.8 % of long-term investments were funded by the sources of long-term financing, while at the end of 2009 the figure was 101.0 %. The ratio of current assets to current liabilities at the end of December 2010 was 1.728, while at the end of December 2009 it was 1.028. The financial balance has improved. The excess of long-term sources was due to increase of equity in the amount of EUR 99,177 thousand,

depreciation of fixed assets (EUR 4,885 thousand) and increase in net long-term liabilities (EUR 1,040 thousand).

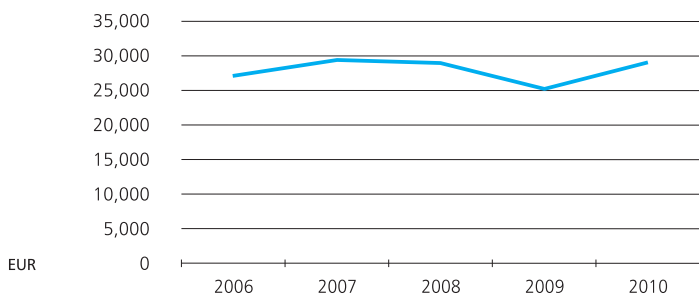
## Performance Indicators

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

Slovenske železnice	Unit	2006	2007	2008	2009	2010
<b>FINANCIAL INDICATORS</b>						
EBIT – Operating profit	thousand EUR	16,874	20,524	2,728	(28,049)	(10,905)
Profit/Loss	thousand EUR	6,578	23,321	1,278	(30,500)	(19,429)
Viability ratio	ratio	1.056	1.062	1.007	0.925	0.971
Operating margin	ratio	0.056	0.058	0.007	(0.081)	(0.030)
Share of turnover in operating revenues under the contracts with the Agency <sup>1)</sup>	ratio	0.412	0.403	0.468	0.537	0.494
Percentage cost of labour	ratio	0.566	0.533	0.501	0.553	0.512
ROE - Return on equity	ratio	0.109	0.290	0.019	(0.339)	(0.144)
Equity / Total liabilities+Equity	ratio	0.120	0.125	0.077	0.078	0.249
EBITDA	thousand EUR	23,113	38,706	30,763	2,153	15,362
The value added per employee	EUR	27,097	29,264	29,074	25,296	29,149

<sup>1)</sup> Agency for the Management of Public Railway Infrastructure Investment

## The value added per employee

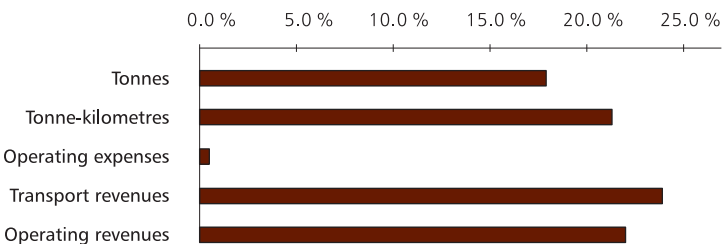


The value added per employee indicator (based on average number of hours worked) comparing to 2009 soared by 15.2 %, as a result of an increase in transport revenues in freight transport and reduction of the number of employees. Consequently, the cash flow was also increased as the sum of depreciation and net profit for the accounting period.

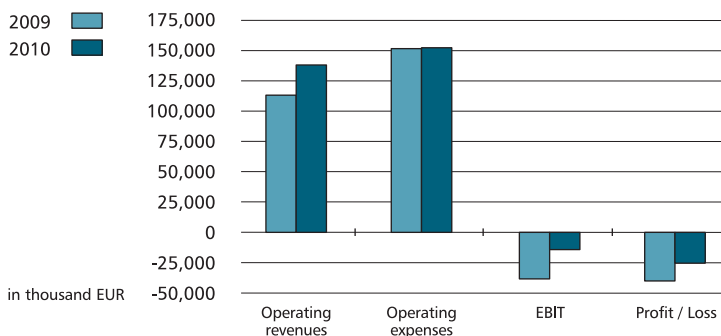
## Some Highlights on the Freight Transport Business Unit Operation

- Due to measures to increase revenues and to reduce operating costs, the operating loss (EUR 14.3 million) compared with 2009 decreased by 63 %. The net loss for the accounting period (EUR 25.5 million, excluded the influence of exchange rate losses of EUR 16.9 million) was lower than one year before by 36.6 % and 57.3 % – excluded the influence of exchange rate losses;
- The operating cash flow (EBITDA) compared with the previous year increased from a negative value of EUR 22.5 million to the positive value of EUR 3.3 million;
- In 2010 17.3 million tonnes of goods were transported and 3,617 million net tonne-kilometers were traveled on the railway, which is 17.9 %, respectively 21.3 % more than in 2009, when 14.6 million tonnes of goods were transported and 2,982 million net ton kilometers were traveled on the rail transport;
- On 9 of November 2010 SŽ achieved transportation volume of 2009 and on 23 of November the company actually implemented the annual plan 2010 for transported tonnes;
- Comparing with 2009 the transporting revenues amounting to EUR 117.9 million increased by 23.9 %, exceeding the planned target by 17.1 %;
- Operating revenues amounting to EUR 138.3 million increased by 22.0 % comparing to 2009, which is 16.9 % more than annual plan 2010;
- Operating expenses of EUR 152.6 million, in spite of increased volume of operation increased slower and by 0.5 % exceeded the figures of 2009.

### Change in %



## Revenues, expenses, profit and loss of the Fregith Transport



In 2009 the Freight Transport business unit achieved EUR 138,332 thousand operating revenues, which was higher by 16.9 % than the target plan for 2010 and exceeded the results of 2009 by 22.0 %. Transport revenues accounted for 85.3 % of total operating revenues and were higher by 23.9 % than those recorded in 2009. Operating expenses in 2010 were 9.3 % higher than it was planned and exceeded the expenses in 2009 by 0.5 %. There was a negative operating result of EUR 14,251 thousand and a net loss of EUR 25,482 thousand (excluding exchange rate differences the net loss amounted to EUR 16,892 thousand).

## Competitiveness of the Freight Transport

In the transport market the railway faces a strong competition from the road transport. After liberalisation of access to public railway infrastructure in 2009 the foreign railway undertakings acquired access to Slovenian rail infrastructure, which has brought new type of competition in the Slovenian transport market. However the liberalisation policies can be considered also as an opportunity for SŽ to provide high quality transport services and find its proper niche in the transport market.

The total freight volume carried by the railway in Slovenia has declined since 2009, as in road transport. The road transport was affected slightly less than the railway transport. The recession brought about reduction in transport potential and an excess of supply over demand in transport services. As the road transport is much flexible in pricing strategies due to lower fixed costs, in times of economic recession it poses additional challenges to the railway transport because of its very high fixed costs.

It is estimated that in 2010 the volume of inland transport in Slovenia, compared with 2009 increased by 11.9 %, with rail transport that increased by 16.3 %. The freight rail transport accounts for 17.6 % of total inland transport in Slovenia.

In addition to the mentioned competitors, the rail bypass corridors and the traffic through other northern Adriatic and North-sea ports are also exacerbate competition for the rail transport. Slovenian railways are geographically located at the intersection of corridors V and X and 90 % of cargo is transported via international traffic. Besides the corridor X, the competitor corridor IV also links the north and south of the Europe (a bit more eastward). After the transport flow interruption along corridor X due to the situation in the Balkans the bulk of the freight flows is carried through that corridor.

The Port of Koper is one of the main sources of goods transported by rail freight transport. More than half of all arrived and dispatched cargo of the Port of Koper is transported by the Freight transport. The cargo from the Port of Koper is transported through corridor V. Because of poor conditions and bottlenecks the transport operations on this corridor can not be organised optimally. It lacks capacity at the entrance to the Port of Koper. Besides, on Koper-Divača single-track rail line the tracks and rolling stock are worn out and the length of the station tracks and axial pressures are inadequately small. It is expected to modernise this part of the corridor. The only way to significantly improve its capacities is the construction of the second track.

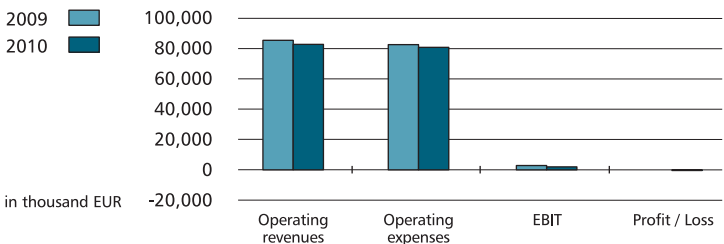
Poor conditions of the other sections of the rail lines also reduce the competitiveness and quality of rail transport services and public railway infrastructure in terms of reliability, accuracy and promptness. Bottlenecks due to single-track lines, the insufficient line capacities to transport heavy loads (axial pressures), long trains and the electrification of the lines are limitations that cause delays in transport services and increase their costs. The slow pace of the traffic leads to delays, so the planned human and material resources are no longer sufficient for the optimal implementation of the transport services. As a result, additional human and material resources are engaged, which implies additional expenses for the railway undertakings.



## Some Highlights on the Passenger Traffic Business Unit Operation

- The Passenger Traffic business unit concluded the year with operating profit of EUR 2.0 million, which is EUR 1.3 million less than the targeted plan, mainly because of decrease in transport revenues;
- The number of transported passengers was 4.9 % less than it was planned and 0.8 % less than in 2009. The traveled passenger kilometers were 4 % less than planned. There was a 3.2 % decrease in traveled passenger kilometers comparing with figures recorded in 2009;
- Compared to 2009 the transport revenues soared by 0.2 % or EUR 0.1 million, however it was 5.9 % or EUR 2.2 million less than it was budgeted, mainly due to redistribution of the passengers within the transport segments. International traffic accounted for 19.5 % of transport revenues.
- The contractually agreed substitute for providing public utility services in 2010 fall by EUR 2.8 million compared with the previous year;
- Due to negative balance of financial income and expenses of EUR 2.4 million the net loss amounted to EUR 0.4 million.

### Revenues, expenses, profit and loss of Passenger Transport



The Passenger traffic business unit has made an operating profit of EUR 1,968 thousand, which was EUR 1,310 thousand less than planned, mainly due to decreased transport revenues. In 2010 the passenger traffic generated EUR 82,953 thousand operating revenues, which was 2.2 % less than planned and 3.1 % less than one year before. The revenues of public utility services in domestic and cross-border regional traffic have been achieved to the contract amount, however compared to 2009 decreased by EUR 2,852 thousand. The company recorded 0.7 % less operating expenses than it was planned and 2.2 % less than in 2009.

## Competitiveness of the Passenger Transport

The railway passenger transport is a subsystem of the public passenger transport, which in the Republic of Slovenia is carried out by Slovenske železnice. In domestic transport sphere the main competitors of the railways are private and public road transports, while in the international traffic, besides bus services, the low-cost air carriers pose serious competition.

In 2010 the share of the rail transport in the market of public transport undertakings was 29.4 %, mainly because of increasing share of air traffic. The trend of reduction in the volume of work in public road transport is still continuing. Private cars are still the most preferred means of transport in the country. A reliance on private cars for making journeys accounted for 86.5 % of all travels<sup>1)</sup>, ranking Slovenia at the top among European countries in private car use<sup>2)</sup>. According to recent data, there were 514.3<sup>3)</sup> registered cars in Slovenia per 1,000 population, which is almost a quarter more than 10 years ago.

In the structure of all transported passengers the share of domestic passenger traffic is 94.3 %. This is mainly public utility services, regulated by a contract with the Agency of the Republic of Slovenia for the Management of Public Railway Infrastructure Investment under the Ministry of Transport. The value of sales has greater proportion (19.5 %) in the international traffic than the volume of work in passenger-kilometers (16.5 %). Beneficial geographic location of Slovenia in the network of trans-European transport corridors is of major importance in creating international rail connections not only for Slovenia, but also with the neighboring and other countries. Considering the serious competition with air transport the railway undertakings are looking for new marketing approaches to encourage usage of the rail transport.

One of the major objectives of transport policy in Slovenia is to ensure greater mobility of the population by introducing an integrated public transport system, which mainly will be through coordinated actions between the SŽ and bus companies. Cooperation with local communities would assure greater coordination of timetables, providing better connections between railway stations and main destinations for daily commuters. Growth in the volume of work in domestic service among others is subject to appropriate infrastructure conditions, making it possible to implement a timetable that is tailored to the needs of targeted groups of passengers.

<sup>1)</sup> Modal split in Purchasing Power Parity analysis for 2009 (Statistical Office of RS)

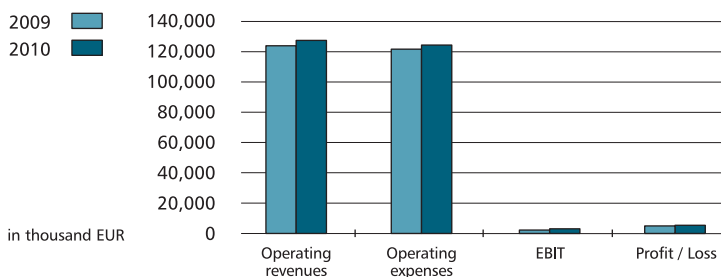
<sup>2)</sup> Eurostat

<sup>3)</sup> Statistical Office of RS does not have yet data on the number of registered vehicles in 2010

## Some Highlights on the Infrastructure Business Unit Operation

- In 2010 the Infrastructure business unit generated EUR 127.7 million operating revenues, which is 2.9 % more than previous year;
- Operational expenses amounted to EUR 124.6 million were 2.2 % higher than in previous year;
- The company achieved an operating profit of EUR 3.1 million. The net profit of the accounting period was EUR 5.4 million (as a result of received compensations from insurance companies for covering the damage from exceptional events on PRI or caused damage to equipment of the SŽ, as well as due to profits from other activities – works for foreign investors and clients);
- The operating income from public utility services was negative, amounting to EUR 2.1 million. Similarly the net profit/loss was also negative, amounting to EUR 0.6 million;
- Assets, accruing from the maintenance work in public interest in the amount of EUR 34.4 million were used for the modernisation of the Kočevje rail line, reconstruction of Košana–Gornje Ležeče rail line, construction of noise protection wall at Laško, settling a railway ballast, as well as construction of a track on the line segments Rakek–Postojna and Lesce Bled–Žirovnica.

### Revenues, expenses, profit and loss of the Infrastructure



In 2010 the Infrastructure business unit generated EUR 127,651 thousand operating revenues and EUR 124,568 thousand operating expenses. A positive operating income amounted to EUR 3,083 thousand, the net profit was EUR 5,406 thousand.

Funds under the contract with the Agency of the Republic of Slovenia for the Management of Public Railway Infrastructure Investment represent 78.3 % of revenues and 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 halts.

During the accounting period, revenues were generated also from other activities in the amount of EUR 27,260 thousand. Compared to the previous year revenues soared by 20.9 %, mainly due to increased volume of work. The main works performed are: review of the project to obtain a building permit for the second track Divača–Koper, the introduction of a digital radio system, reconstruction of the rail line Ptuj–Moškanjci and Ormož–Mekotnjak and remote control of the electric traction system.

In 2010 operating expenses were 5.3 % less than budgeted and compared to 2009 higher by 2.2 %.

### **Competitiveness of the Public Railway Infrastructure**

The condition of the public railway infrastructure has been deteriorating from year to year due to inadequate funds for its development, maintenance and modernisation. 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. Because of the slow pace of the network modernisation, the risk of outflow of transit goods flows 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 permissible axle load, particular cargoes have already been rerouted to bypass lines outside Slovenia, which implies a loss of cargo. Even on some main lines Zidani Most–Šentilj and Pragersko–Murska Sobota the rail cars are loaded 15 % less than the capacity of permissible axle load. On the rail corridors passing through Slovenia and on the part of European corridors Lyon–Budapest and Salzburg/Graz–Thessaloniki, on the line section between Zidani Most and Šentilj the category of D4 line is not assured (axle load – 225 kN). The electrification level of the public railway infrastructure is low, as there are only 503 kilometers (or 41 %) of lines that are electrified. On the entire Corridor V, only the section between Pragersko and Hodoš is not electrified.

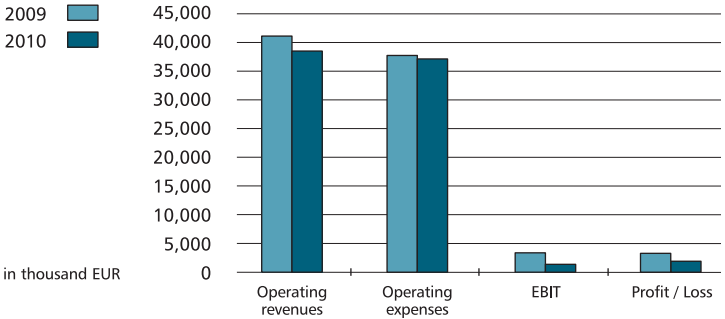
The challenges posed to rail transport and its economics shall be thoroughly considered during planning of bypass rail lines through Italy and Austria towards Budapest, as well as certain connections in the Republic of Croatia in the direction of Hungary. The Republic of Slovenia in its strategy emphasises the necessity of upgrading and renovation of Corridors V and X to provide long-term competitiveness.

Therefore, it is necessary to adopt a national program for the development of railway infrastructure as soon as possible. Multiannual agreements with the Government should be achieved for financing the public utilities, as also stipulated by the EU regulations. In this way, consistency of technical and financial planning could be achieved, as well as higher effectiveness and optimal implementation of the public utility services.

## Some Highlights on the Traffic Management Business Unit Operation

- The Traffic Management business unit achieved a positive operating income of EUR 1.4 million and net profit of EUR 1.9 million;
- The generated operating revenues amounted to EUR 38.5 million, which was 6.3 % less than in previous year;
- Operating revenues from public service obligation for railway traffic management were realised accordant to the contract value, amounting to EUR 35.9 million. Compared to 2009 figures it was 5.1 % less;
- Revenues from other activities generated EUR 2,6 million, recording 6.3 % better result than budgeted. It was 17.8 % less than in 2009;
- Operating expenses amounted to EUR 37.1 million and decreased by 1.6 % compared with 2009;
- The implemented short-term measures for improvement of performance in 2010, more dynamic retirement strategies and revenues from other activities that exceeded plan, had positive impact on the achieved results.

**Revenues, expenses, profit and loss of the Traffic Management**

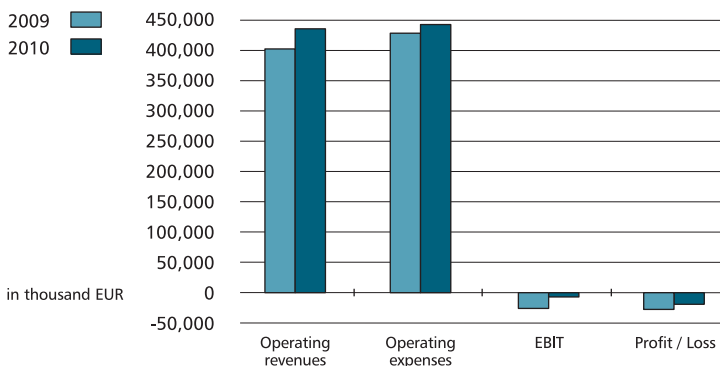


In 2010 the Traffic Management business unit achieved a positive operating income of EUR 1,370 thousand. The net profit was EUR 1,906 thousand. Operating revenues from public utility service amounted to EUR 826 thousand and the side activities generated EUR 1,080 thousand. The implemented short-term measures for improvement of performance in 2010, more dynamic retirement strategies and revenues from other activates that exceeded plan, had positive impact on the achieved results.

Revenues from public utility services that made up 93.3 % of the revenues were realised in the contract amount, which was 5.1 % less compared with 2009. The Traffic Management business unit is partially funded through the revenues from other services provided for business units and revenues from other services (participation in modernisation of the PRI). The implementation of other services generated EUR 2,561 thousand, exceeding the budget by 6.3 % (EUR 151 thousand).

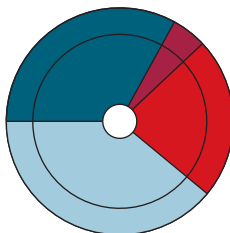
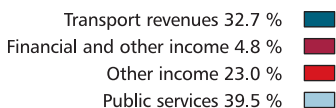
## Summary Analysis of the Slovenske železnice Group Operation

### Revenues, expenses, profit and loss of Slovenske železnice Group








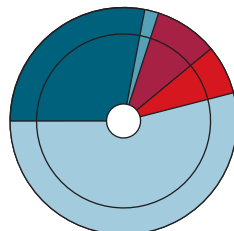
In 2010 Slovenske železnice Group generated EUR 458,196 thousand of total revenues. Operating revenues made up 95.2 % of total revenues, financial income share was 3.1 % and other revenues comprised the other 1.7 %. Expenses of the Group amounted to EUR 476,263 thousand, where the operating expenses made up 93.1 % of all expenses, financial expenses comprised 6.7 % and the other expenses were generated by other sources. The net loss for the accounting period amounted to EUR 19,188 thousand. It consisted of the negative operating income of EUR 7,033 thousand, negative difference between financial income and expenses amounted to EUR 17,736 thousand, positive difference between other revenues and expenses of EUR 6,702 thousand, income tax expense amounted to EUR 1,107 thousand and deferred taxes of EUR 14 thousand.

### Revenues structure



## Expenses structure

Costs of material, energy and services 28.4 %	
Other operating costs 1.8 %	
Depreciation 8.7 %	
Financial and other expenses 7.5 %	
Labour costs 53.6 %	



## Balance Sheet and Financial Analysis of the Slovenske železnice Group

The financial analysis of the Slovenske železnice Group was prepared in accordance with the balance sheet as of 31 December 2010. Assets of the Group amounted to EUR 740,752 thousand, while they were EUR 1,005,105 thousand in 2009. For comparability reasons the assets and sources of public railway infrastructure for the end of 2009 amounting to EUR 399,306 thousand were not considered.

(in thousand EUR)	31. 12. 2009		31. 12. 2009 PRI	31. 12. 2009 SŽ Group
	31. 12. 2010 SŽ Group	SŽ Group excluding PRI		
<b>ASSETS</b>	<b>740,752</b>	<b>605,799</b>	<b>399,306</b>	<b>1,005,105</b>
Non-current assets	456,289	419,534	398,579	818,113
Current assets	276,598	138,031	727	138,758
Short-term deferred expense and accrued income	7,865	48,234	0	48,234
<b>LIABILITIES</b>	<b>740,752</b>	<b>605,799</b>	<b>399,306</b>	<b>1,005,105</b>
Equity	186,268	87,990	0	87,990
Provisions for liabilities and charges	43,516	40,516	0	40,516
Non-current liabilities	349,861	308,144	399,305	707,449
Current liabilities	144,757	150,667	1	150,668
Short-term accrued expense and deferred income	16,350	18,482	0	18,482

The noncurrent assets made up 61.6 % of total assets (in 2009 it was 69.3 %), current assets comprised 37.3 % (22.8 % in 2009) and short-term accrual and deferred items were 1.1 % (8 % in 2009).



## Employees

### Human Recourses Movement

In 2010 an intensive restructuring of human recourses took place, ensuring the company has necessary staff capacity to implement work processes and leading to the rationalisation of the number of employees. The demand in staff have been reduced mainly due to optimisation of work processes themselves, in order to simplify the organisational structure and provide multi-tasking on both production and non-production jobs.

Number of employees in Slovenske železnice Group in 2010:

Company	Situation on 31. 12.		Average number	
	2010	2009	2010	2009
<b>Total Slovenske železnice Group</b>	<b>8,982</b>	<b>9,962</b>	<b>9,694</b>	<b>10,159</b>
<b>Slovenske železnice, d. o. o.</b>	<b>6,892</b>	<b>7,728</b>	<b>7,466</b>	<b>7,892</b>
Freight transport BU	1,524	1,766	1,702	1,804
Passenger traffic BU	672	723	706	738
Traction BU	1,260	1,371	1,317	1,413
Technical vehicle management BU	340	412	398	422
Traffic management BU	1,059	1,192	1,146	1,212
Infrastructure BU	1,683	1,826	1,806	1,855
Administrative departments	354	438	391	448
<b>Subsidiaries</b>	<b>2,090</b>	<b>2,234</b>	<b>2,228</b>	<b>2,267</b>
SŽ-Centralne delavnice, d. o. o., Ljubljana	863	986	963	1,003
SŽ-ŽIP, storitve, d. o. o., Ljubljana	716	764	754	769
Calidus	1	1	2	2
SŽ-Železniško gradbeno podjetje, d. d., Ljubljana	341	319	340	326
Kamnolom Verd	42	38	41	40
SŽ-ŽGP, d. o. o., Beograd	1	-	1	-
SŽ-ŽGP, d. o. o., Podgorica	0	-	0	-
Prometni institut, d. o. o., Ljubljana	25	20	23	19
SŽ-Železniška tiskarna, d. d., Ljubljana	13	14	14	14
SŽ-Železniški zdravstveni dom Ljubljana	88	92	90	94

On 31 December 2010 in Slovenske železnice Group there were 8,982 employed staff. It was 980 (9.8 %) employees less than as of 31 December 2009. In the parent company Slovenske železnice, d. o. o. on 31 December 2010 there were 6,892 employees, which was 836 (10.8 %) employees less than as of 31 December 2009. The main impact on reducing the number of employees was due to the implementation of accelerated outflow of

employees, who were not replaced by new staff. That process primarily included workers already qualified for retirement and ones who would qualify for retirement after two years.

In the first half of the year, under the contract with the Employment Service of the Republic of Slovenia SŽ implemented temporary layoff measures and partially refunded the wages. On average the implemented measures included 785 employees per month.

In 2010 the subsidiary companies, especially SŽ-ŽIP accepted 39 employees, to meet the demand for staff by subsidiaries and not for transferring the activities from the parent company.

### Age Structure of the Employees

Age	31. 12. 2010		31. 12. 2009	
	Men	Women	Men	Women
up to 25 years	191	12	276	16
26–40 years	1,859	202	2,015	220
41–50 years	2,610	555	2,789	585
51–55 years	912	185	990	189
56–60 years	309	30	507	80
61 years and over	26	1	60	0
<b>Total</b>	<b>5,907</b>	<b>985</b>	<b>6,637</b>	<b>1,091</b>

The average age of the employees as of 31 December 2010 was 43,5 years and compared to 31 December 2009 it dropped by 0,3 years.

### Employees by Educational Attainment

Degree of education	31. 12. 2010		31. 12. 2009	
	No. of employees	%	No. of employees	%
I.	1,209	17.5	1,480	19.1
II.	52	0.8	58	0.8
III.	157	2.3	166	2.1
IV.	2,232	32.4	2,563	33.2
V.	2,358	34.2	2,531	32.8
VI.	423	6.1	444	5.7
VII.	424	6.2	453	5.9
VIII.	35	0.5	30	0.4
IX.	2		3	
<b>Total</b>	<b>6,892</b>	<b>100.0</b>	<b>7,728</b>	<b>100.0</b>

Compared to 2009 there was a decrease in percentage of employees with I and IV degrees of education and increase in number of employees with V to VIII level of educational attainment.

## Professional Training and Qualification

Professional training and qualification	Number of participants
Professional training of the railway executive staff	303
Upgrading qualifications, regular and special assessment of professional competences according to applied regulations	4,112
<b>Total</b>	<b>4,415</b>

The upgrading of qualifications, as well as regular and special assessments of professional competences of all 4,112 executive staff was carried out under the terms and in accordance with the Railway Traffic Safety Act and Rules on professional qualifications of executive employees in the railway transport sector.

In 2010 118 employees of the company concluded in-service training contracts with SŽ and gained a formal education.

## Wages

The implementation of the pay policy is based on the terms of the Collective Agreement for rail transport operation, the Wage annex to the Collective Agreement (applied from 18 September 2007), the Agreement on the measures and their implementation for limiting the effects of the global economic crisis, improving operations of SŽ, preserving jobs and protecting legal employment rights of the workers, Collective Agreement for rail traffic and other general acts of the SŽ (agreement).

Based on the Collective Agreement on special wage adjustment for 2007 and the wage adjustment method, reimbursement of work-related expenses and other personal benefits for 2008 and 2009, the starting salary was not adjusted by 2.3 % on 1 August 2009, because of an agreement made by the management of SŽ and the social partners. Similarly, due to contract arrangement it was not adjusted on 1 January 2010. Adjustments were not made even on 1 August 2010 because the conditions were not met.

The basis for holiday pay was gross wage of EUR 1,038.41 or 70 % of average wage in the Republic of Slovenia. The actual amount of holiday pay has been reduced to the agreed gross EUR 996.02 (on average). The holiday pay has been paid to 7,721 employees.

Wage (EUR)	2010	2009	Index
Gross wage	1,517.33	1,514.02	100.2
Net wage	1,010.69	1,022.72	98.8

Considering the consumer price index as a criterion for inflation, which on an annual basis for 2010 was 1.8 %, the gross wages in SŽ in 2010 actually fell by 1.6 percentage points; the same was with net wages that fell by 3.0 percentage points.

## Investments

In 2010 Slovenske železnice Group invested EUR 34.114 thousand in fixed assets, which was 69,3 % of the investments annual budget and less than in 2009 by 49,7 %.

(in thousand EUR)	2010	2009	Index
Slovenske železnice, d. o. o.	26,672	64,158	41.6
Subsidiaries	7,442	3,716	200.3
<b>Slovenske železnice Group</b>	<b>34,114</b>	<b>67,874</b>	<b>50.3</b>

The planned investments for 2010 were mainly those started in 2009. Also some new investments were introduced, necessary for the smooth operation of passenger and freight transport.

In 2010 the investments of the company Slovenske železnice, d. o. o. amounted to EUR 26,672 thousand or 64.4 %, which was 58.4 % less than in 2009. 71.5 % of all investments were made in rolling stock of the passenger and freight transport. The financing sources were assured due to a loan of EUR 18,579 thousand and own funds in the amount of EUR 8,093 thousand.

The investments in freight transport reached EUR 9,872 thousand (56.5 % of the plan) and in passenger traffic they amounted to EUR 10,216 thousand (83.1 % of planned investments). Investments of these two business units made up 75.3 % of total investments implemented in the company.

## Railway Transport Safety and Quality Evaluation

Railway transport safety is evaluated by comparing the number of exceptional events and incidents in rail traffic and their consequences with the same indicators of the previous period. The quality of the rail traffic is evaluated in terms of quality of provided services, the extent of delays and conditions of the trains and railway stations.

In 2010 there were 58 exceptional events (serious incidents and accidents) in total, which was the same as in 2009. 16 events caused by the railways and 42 events happened due to fault of other parties. In 2010 the total number of incidents was 690, which exceeded the 2009 figures by 127 events. Due to changes in classification of exceptional events (as a result of revised regulations) some specific categories of events can not be compared for longer previous periods. The condition of the trains was evaluated on the basis of samples. The recorded result of 98.5 % was 0.7 % better than in 2009. The controls of the stations' condition estimated 83.2 %, which is 8.7 % worse than in previous year.

## Quality Management and Environmental Management Systems

In 2010 SŽ implemented a quality management system in accordance with the requirements of ISO 9001:2000. It conducted a management review, control of the quality management and safety management systems and internal assessment of the system. The quality management policy and quality objectives were achieved in accordance with the possibilities and the business progress of the company.

With the introduction of environmental management system under international standard ISO 14001 SŽ committed to implement long-term and systematic monitoring and control over all environmental impacts caused by the railway activities. Care for a clean and tidy rail surrounding, energy and water efficiency and consistent separation of waste are commitments of social responsibility that SŽ bears to the Slovenian state.

In accordance with the applicable environmental legislation in the Republic of Slovenia, SŽ and the railway infrastructure manager shall implement all measures required by law. In 2010 the focus was on measures resulting from environmental requirements: the reconstruction of outdoor lighting on the rail infrastructure, connection of buildings to public sewage system, noise protection and the storage of hazardous liquids in fixed storage containers.

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

### BALANCE SHEET as of 31 december 2010

#### Slovenske železnice, d. o. o.

DESCRIPTION (in EUR)	State on		Index
	31. 12. 2010	31. 12. 2009	
<b>ASSETS</b>	<b>699,707,758</b>	<b>961,834,152</b>	<b>72.7</b>
<b>A. Non-current assets</b>	<b>440,301,964</b>	<b>804,688,780</b>	<b>54.7</b>
I. Intangible assets and non-current deferred expenses and accrued income	1,505,024	1,742,418	86.4
II. Tangible fixed assets	358,248,287	761,474,823	47.0
III. Investment property			
IV. Long-term investments	38,992,792	38,936,716	100.1
V. Non-current operating receivables	41,555,861	2,534,823	1,639.4
VI. Deferred tax assets			
<b>B. Current assets</b>	<b>248,982,327</b>	<b>109,112,161</b>	<b>228.2</b>
I. Assets (groups for disposal) for sale			
II. Inventory	10,478,780	13,005,607	80.6
III. Short-term investments	102	2,560,501	0.0
IV. Current operating receivables	192,838,461	40,772,010	473.0
V. Cash	45,664,984	52,774,043	86.5
<b>C. Current deferred expenses and accrued income</b>	<b>10,423,467</b>	<b>48,033,211</b>	<b>21.7</b>
<b>LIABILITIES</b>	<b>699,707,758</b>	<b>961,834,152</b>	<b>72.7</b>
<b>A. Equity</b>	<b>174,496,932</b>	<b>75,320,081</b>	<b>231.7</b>
I. Share capital	95,070,230	95,070,230	100.0
II. Share premium	79,925,860	0	-
III. Reserves from profit			
IV. Revaluation surplus	(499,158)	15,249,773	-
V. Net profit or loss from previous periods	0	(4,499,506)	-
VI. Net profit or loss for the period	0	(30,500,416)	-
1. Profit of the financial year			
2. Loss of the financial year	0	(30,500,416)	-
<b>B. Provisions and non-current accrued expenses and deferred costs</b>	<b>32,624,296</b>	<b>28,844,775</b>	<b>113.1</b>
<b>C. Non-current liabilities</b>	<b>342,493,434</b>	<b>705,459,664</b>	<b>48.5</b>
I. Non-current financial liabilities	342,442,070	306,670,220	111.7
II. Non-current operating liabilities	51,364	398,789,444	0.0
III. Deferred tax liabilities			
<b>Č. Current liabilities</b>	<b>136,433,402</b>	<b>133,831,328</b>	<b>101.9</b>
I. Liabilities, included in groups for disposal			
II. Current financial liabilities	46,968,746	50,217,649	93.5
III. Current operating liabilities	89,464,656	83,613,679	107.0
<b>D. Current accrued expenses and deferred income</b>	<b>13,659,694</b>	<b>18,378,304</b>	<b>74.3</b>
<b>OFF-BALANCE SHEET ITEMS</b>	<b>906,889,396</b>	<b>275,127,640</b>	<b>476.6</b>

## PROFIT AND LOSS STATEMENT for the period 1. 1.–31. 12. 2010

### Slovenske železnice, d. o. o.

DESCRIPTION (in EUR)	2010	2009	Index
1. Net turnover	316,848,518	293,317,001	108.0
a) Revenues in the domestic market	194,157,521	191,785,865	101.2
1. Transport revenues in the domestic market	37,042,692	34,890,091	106.2
2. Other revenues in the domestic market	157,114,829	156,895,774	100.1
b) Revenues in foreign markets	122,690,997	101,531,136	120.8
1. Transport revenues	114,973,901	94,319,546	121.9
2. Other revenues	7,717,096	7,211,590	107.0
2. Change in inventories of finished goods and work in progress	0	0	-
3. Capitalised own products and own services	241,696	19,647	1,230.2
4. Other operational revenues (including revaluated operating revenues)	49,231,336	53,112,587	92.7
5. Costs of goods, materials and services	149,965,544	143,847,848	104.3
a) Costs of goods and materials sold and costs of materials used	46,997,165	45,649,963	103.0
b) Costs of services	102,968,379	98,197,885	104.9
6. Labour costs	187,491,836	191,486,830	97.9
a) Costs of wages	130,305,914	138,427,710	94.1
b) Social security costs	28,157,102	28,203,872	99.8
c) Other labour costs	29,028,820	24,855,248	116.8
7. Depreciation/amortisation expenses	38,446,469	35,461,918	108.4
a) Depreciation/Amortisation	34,791,000	32,653,261	106.5
b) Revaluation operating expenses for non-tangible non-current assets and tangible fixed assets	466,588	344,924	135.3
c) Revaluation operating expenses for capital employed	3,188,881	2,463,733	129.4
8. Other operating expenses	1,322,609	3,701,396	35.7
<b>Operating profit or loss (1±2+3+4-5-6-7-8)</b>	<b>(10,904,908)</b>	<b>(28,048,757)</b>	<b>38.9</b>
9. Financial revenues from interests	12,245,111	3,200,684	382.6
10. Financial revenues from cash loans	4,354,472	966,628	450.5
11. Financial revenues from operating receivables	916,747	1,656,801	55.3
12. Financial revenues from impairment and write-offs of investments	349,675	691,689	50.6
13. Financial expenses for financial liabilities	29,832,602	11,203,342	266.3
14. Financial expenses for operating liabilities	447,958	1,137,073	39.4
<b>Profit or loss from ordinary activities (1±2+3+4-5-6-7-8+9+10+11-12-13-14)</b>	<b>(24,018,813)</b>	<b>(35,256,748)</b>	<b>68.1</b>
15. Other revenues	5,693,599	5,317,456	107.1
16. Other expenses	1,103,971	561,124	196.7
17. Income tax	0	0	-
18. Deferred taxes	0	0	-
<b>19. Net profit or loss for the accounting period (1±2+3+4-5-6-7-8+9+10+11-12-13-14+15-16-17+18)</b>	<b>(19,429,185)</b>	<b>(30,500,416)</b>	<b>63.7</b>

**STATEMENT OF THE OTHER COMPREHENSIVE INCOME**  
**for the period 1. Jan.–31. Dec. 2010**  
**Slovenske železnice, d. o. o.**

DESCRIPTION (in EUR)	2010	2009	Index
<b>19. Net profit or loss for the accounting period</b>	<b>(19,429,185)</b>	<b>(30,500,416)</b>	<b>63.7</b>
20. Surplus changes in revaluation of non-tangible assets and tangible fixed assets	0	0	-
21. Surplus changes in revaluation of financial assets, available for sale	(15,483,624)	1,326,129	-
22. Profits and losses from company's foreign operations (exchange rate changes)	0	0	-
23. Other components of comprehensive income	0	0	-
<b>24. Total comprehensive income for the accounting period (19+20+21+22+23)</b>	<b>(34,912,808)</b>	<b>(29,174,287)</b>	<b>119.7</b>



**CASH FLOW STATEMENT for the period 1. Jan.–31. Dec. 2010**  
**Slovenske železnice, d. o. o.**

<b>CASH FLOW STATEMENT (II version) (in EUR)</b>	<b>2010</b>	<b>2009</b>
<b>A. OPERATING CASH FLOW</b>		
a) Profit-and-loss-account items	27,154,455	7,716,544
b) Changes in net production means (and accruals, provisions and deferred receivables and tax liabilities) of balance sheet operating items	(42,976,259)	(38,455,786)
c) Net cash from proceeds in operations or net cash of expenditure in operations (a+b)	(15,821,804)	(30,739,242)
<b>B. CASH FLOW IN INVESTING ACTIVITIES</b>		
a) Proceeds from investing activities	30,808,519	28,247,988
b) Expenditure on investments	(31,740,664)	(83,465,830)
c) Net cash from proceeds in investing or net cash of expenditure on investing (a+b)	(932,145)	(55,217,842)
<b>C. CASH FLOW IN FINANCING ACTIVITIES</b>		
a) Proceeds in financing activities	123,387,498	150,411,245
b) Expenditure in financing activities	(113,742,608)	(93,431,113)
c) Net cash from proceeds in financing or net cash of expenditures on financing (a+b)	9,644,890	56,980,132
<b>Č. Cash at the end of period</b>		
x) Net cash flow of period (total net Ac, Bc and Cc)	(7,109,059)	(28,976,952)
y) Cash at the beginning of period	52,774,043	81,750,995
<b>Cash at the end of period (x+y)</b>	<b>45,664,984</b>	<b>52,774,043</b>



# Financial Statements – Slovenske železnice Group

## CONSOLIDATED BALANCE SHEET – SLOVENSKE ŽELEZNICE GROUP as of 31 December 2010

DESCRIPTION (in EUR)	State on		Index
	31. 12. 2010	31. 12. 2009	
<b>ASSETS</b>	<b>740,751,553</b>	<b>1,005,104,779</b>	<b>73.7</b>
<b>A. Non-currents assets</b>	<b>456,288,744</b>	<b>818,113,391</b>	<b>55.8</b>
I. Non-tangible assets and non-current deferred expenses and accrued incomes	2,550,905	3,696,680	69.0
II. Tangible fixed assets	396,422,305	794,957,643	49.9
III. Investment property	1,147,266	1,149,501	99.8
IV. Long-term investments	14,257,606	15,366,113	92.8
V. Non-current operating receivables	41,727,878	2,747,338	1,518.8
VI. Deferred tax assets	182,784	196,116	93.2
<b>B. Current assets</b>	<b>276,597,497</b>	<b>138,757,105</b>	<b>199.3</b>
II. Inventories	20,962,253	23,082,736	90.8
III. Short-term investments	953,582	4,148,841	23.0
IV. Current operating receivables	205,897,691	49,351,931	417.2
V. Cash	48,783,971	62,173,597	78.5
<b>C. Current deferred expenses and accrued income</b>	<b>7,865,312</b>	<b>48,234,283</b>	<b>16.3</b>
<b>LIABILITIES</b>	<b>740,751,553</b>	<b>1,005,104,779</b>	<b>73.7</b>
<b>A. Equity</b>	<b>186,267,881</b>	<b>87,989,799</b>	<b>211.7</b>
I. Share capital	95,070,230	95,070,230	100.0
II. Share premium	79,925,860	0	-
IV. Revaluation surplus	1,181,255	16,855,588	7.0
V. Net profit or loss from previous periods	3,391,486	824,713	411.2
VI. Net profit or loss for the period	2,967,567	(28,395,733)	-
1. Profit of financial year	2,967,567	0	-
2. Loss of financial year	0	(28,395,733)	-
VII. Consolidated equity adjustment	15,484	12,935	119.7
VIII. Capital of minority shareholders	3,715,999	3,622,066	102.6
<b>B. Provisions and current accrued expenses and deferred costs</b>	<b>43,516,287</b>	<b>40,516,111</b>	<b>107.4</b>
<b>C. Non-current liabilities</b>	<b>349,860,433</b>	<b>707,448,905</b>	<b>49.5</b>
I. Non-current financial liabilities	349,804,801	308,652,623	113.3
II. Non-current operating liabilities	51,499	398,791,719	0.0
III. Deferred tax liabilities	4,133	4,563	90.6
<b>Č. Current liabilities</b>	<b>144,756,604</b>	<b>150,668,022</b>	<b>96.1</b>
II. Current financial liabilities	54,231,761	58,689,747	92.4
III. Current operating liabilities	90,524,843	91,978,275	98.4
<b>D. Current accrued expenses and deferred costs</b>	<b>16,350,348</b>	<b>18,481,942</b>	<b>88.5</b>

## CONSOLIDATED BALANCE SHEET – SLOVENSKE ŽELEZNICE GROUP for period 1. Jan.–31. Dec. 2010

DESCRIPTION (in EUR)	2010	2009	Index
1. Net turnover	363,388,610	330,106,075	110.1
a) Revenues in the domestic market	233,885,529	221,249,833	105.7
1. Transport revenues in the domestic market	35,016,540	33,284,773	105.2
2. Other revenues in the domestic market	198,868,989	187,965,060	105.8
b) Revenues in the foreign market	129,503,081	108,856,242	119.0
1. Transport revenues	114,968,494	94,319,546	121.9
2. Other revenues	14,534,587	14,536,696	100.0
2. Change in inventories of finished goods and work in progress	(583,048)	206,898	-
3. Capitalised own products and own services	23,015,625	17,466,259	131.8
4. Other operating revenues (including revaluation operating revenues)	50,386,659	55,141,741	91.4
5. Costs of goods, materials and services	160,079,814	145,509,971	110.0
a) Costs of goods and materials sold and costs of materials used	73,390,815	68,382,032	107.3
b) Costs of services	86,688,999	77,127,939	112.4
6. Labour costs	236,731,024	239,111,781	99.0
a) Costs of wages	165,326,630	173,416,288	95.3
b) Social security costs	34,476,161	34,433,274	100.1
c) Other labour costs	36,928,233	31,262,219	118.1
7. Depreciation/amortisation costs	43,425,973	39,364,441	110.3
a) Depreciation/Amortisation	38,389,138	36,302,093	105.7
b) Revaluation operating expenses for intangible non-current assets and tangible fixed assets	583,661	362,221	161.1
c) Revaluation operating expenses for capital employed	4,453,174	2,700,127	164.9
8. Other operating expenses	3,004,428	4,948,496	60.7
<b>Operating profit or loss (1±2+3+4-5-6-7-8)</b>	<b>(7,033,393)</b>	<b>(26,013,716)</b>	<b>27.0</b>
9. Financial revenues from interest	8,708,503	3,202,325	271.9
10. Financial revenues from cash loans	4,394,934	1,157,130	379.8
11. Financial revenues from operating receivables	998,655	1,783,973	56.0
12. Financial expenses for impairment and write-offs of investments	891,910	1,347,813	66.2
13. Financial expenses for financial liabilities	30,205,199	11,627,665	259.8
14. Financial expenses for operating liabilities	741,300	1,389,257	53.4
<b>Operating profit or loss from ordinary activities (1±2+3+4-5-6-7-8+9+10+11-12-13-14)</b>	<b>(24,769,710)</b>	<b>(34,235,023)</b>	<b>72.4</b>

DESCRIPTION (in EUR)	2010	2009	Index
15. Other revenues	7,886,381	8,055,340	97.9
16. Other expenses	1,184,065	639,573	185.1
17. Income tax expense	1,106,619	837,895	132.1
18. Deferred taxes	(13,582)	21,372	0.0
<b>19. Net profit or loss of accounting period</b> (1±2+3+4-5-6-7-8+9+10+11-12-13- 14+15-16-17±18)	<b>(19,187,595)</b>	<b>(27,635,779)</b>	<b>69.4</b>
a) majority shareholders	(19,999,594)	(28,395,733)	70.4
b) minor shareholders	811,999	759,954	106.8

**CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**for the period 1. Jan.–31. Dec. 2010**  
**SLOVENSKE ŽELEZNICE GROUP**

DESCRIPTION (in EUR)	2010	2009	Index
<b>19. Net profit or loss of the accounting period</b>	<b>(19,187,595)</b>	<b>(27,635,779)</b>	<b>69.4</b>
a) majority shareholders	(19,999,594)	(28,395,733)	70.4
b) minor shareholders	811,999	759,954	106.8
<b>20. Surplus changes in revaluation of intangible assets and tangible fixed assets</b>			
a) majority shareholders	77,276	0	-
b) minor shareholders	77,276	0	-
<b>21. Surplus changes in revaluation of financial assets, available for sale</b>			
a) majority shareholders	(15,486,301)	1,320,216	-
b) minor shareholders	(15,486,301)	1,320,216	-
<b>22. Profits and losses from company's foreign operations (exchange rate changes)</b>			
a) majority shareholders	2,549	11,924	21.4
b) minor shareholders	2,549	11,924	21.4
<b>23. Other components of the comprehensive income</b>			
a) majority shareholders			
b) minor shareholders			
<b>24. Total comprehensive income for the accounting period (19+20+21+22+23)</b>	<b>(34,594,071)</b>	<b>(26,303,639)</b>	<b>131.89</b>
a) majority shareholders	(35,406,070)	(27,063,593)	130.83
b) minor shareholders	811,999	759,954	106.85

**CONSOLIDATED CASH FLOW STATEMENT**  
**for the period 1. Jan.–31. Dec. 2010**  
**SLOVENSKE ŽELEZNICE GROUP**

CONSOLIDATED CASH FLOW STATEMENT (II version) (in EUR)	2010	2009
<b>A. OPERATING CASH FLOW</b>		
a) Profit-and-loss-account items	35,438,040	15,130,806
b) Changes in net production means (and accruals, provisions and deferred receivables and tax liabilities) of balance sheet operating items	(50,473,197)	(30,179,346)
c) <i>Net cash from proceeds in operations or net cash of expenditure in operations (a+b)</i>	<i>(15,035,157)</i>	<i>(15,048,540)</i>
<b>B. CASH FLOW IN INVESTING ACTIVITIES</b>		
a) Proceeds from investing activities	29,125,297	29,529,272
b) Expenditure on investments	(37,123,072)	(88,982,724)
c) <i>Net cash from proceeds in investments or net cash in expenditure on investments (a+b)</i>	<i>(7,997,775)</i>	<i>(59,453,452)</i>
<b>C. CASH FLOW IN FINANCING ACTIVITIES</b>		
a) Proceeds in financing activities	124,238,437	159,895,389
b) Expenditure in financing activities	(114,595,131)	(106,389,812)
c) <i>Net cash from proceeds in financing or net cash of expenditures on financing (a+b)</i>	<i>9,643,306</i>	<i>53,505,577</i>
<b>Č. CASH AT THE END OF PERIOD</b>		
x) Net cash flow of period (total net Ac, Bc and Cc)	(13,389,626)	(20,996,415)
y) Cash at the beginning of period	62,173,597	83,170,012
<b>Cash at the end of period (x+y)</b>	<b>48,783,971</b>	<b>62,173,597</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period 1. Jan.–31. Dec. 2010

### SLOVENSKE ŽELEZNICE GROUP

DESCRIPTION (in EUR)	Share capital	Capital reserves	Reserves from profit	Revaluation surplus	Retained net profit/loss	Net profit/loss for the period		Consolidation adjustment	Minority interest	Total equity
						Net profit	Net loss			
A.1. Balance at 31 Dec 2009	95,070,230	0	0	16,855,588	698,207	0	(28,269,227)	12,935	3,622,066	87,989,799
Retroactive adjustments				(45,435)		(126,506)				(171,941)
A.2. Balance at 1 Jan 2010	95,070,230	0	0	16,855,588	652,772	0	(28,395,733)	12,935	3,622,066	87,817,858
B.1. Changes in equity- transactions with owners	134,261,600	0	0	0	(4,037,415)	0	3,537,975	0	(718,066)	133,044,094
B.2. Total comprehensive income for the period	0	0	0	(15,674,333)	265,308	0	(19,999,594)	2,549	811,999	(34,594,071)
B.3. Changes in equity	(134,261,600)	79,925,860	0	0	6,510,821	2,967,567	44,857,352	0	0	0
C. Balance at 31 Dec 2010	95,070,230	79,925,860	0	1,181,255	3,391,486	2,967,567	0	15,484	3,715,999	186,267,881
<b>BALANCE SHEET Profit/Loss</b>	0	0	0	0	3,391,486	2,967,567	0	0	0	6,359,053



## Key figures

	2007	2008	2009	2010
Operating revenues (in thousand EUR)	351,639	398,723	346,449	366,321
Operating expenses (in thousand EUR)	331,115	395,995	374,498	377,226
EBIT – operating income (in thousand EUR)	20,524	2,728	(28,049)	(10,905)
Net income (in thousand EUR)	23,321	1,278	(30,500)	(19,429)
Assets (in thousand EUR)	936,530 <sup>1)</sup>	959,027 <sup>1)</sup>	961,834 <sup>1)</sup>	699,708
Equity (in thousand EUR)	61,527	74,081	75,320	174,497
Revenues/Expenses	1.062	1.007	0.925	0.971
EBIT/Operating revenues	0.058	0.007	(0.081)	(0.030)
Return on equity	0.290	0.019	(0.339)	(0.144)
Equity/Debt	0.125 <sup>2)</sup>	0.077	0.078	0.249 <sup>2)</sup>
Goods transported (in thousand tonnes)	19,284	19,013	14,636	17,257
Tonne-kilometres (in million)	3,944	3,873	2,982	3,617
Train kilometres in freight transport (in thousand)	8,512	8,442	6,792	8,126
Passengers transported (in thousand)	16,123	16,661	16,355	16,220
Passenger-kilometres (in million)	812	834	840	813
Train kilometres in passenger transport (in thousand)	10,613	10,590	10,677	10,717
Average number of employees	7,936	8,010	7,892	7,466

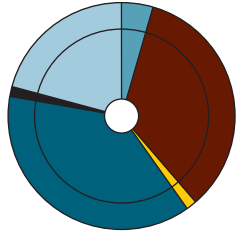
<sup>1)</sup> Balance sheet comprise Public Railway Infrastructure assets and liabilities in accordance to Railway Transport Act.

<sup>2)</sup> Without Public Railway Infrastructure liabilities.

# Revenues and costs

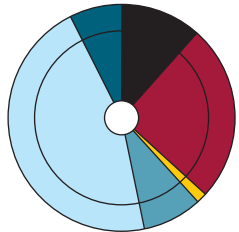
## Revenues structure

- Passenger transport 20.8 %
- Financial income 4.5 %
- Freight transport 34.2 %
- Other income 1.5 %
- Infrastructure 37.6 %
- Other income 1.4 %



## Cost structure

- Financial expenses 7.5 %
- Costs of material and energy 11.5 %
- Cost of services 25.2 %
- Other operating costs and other expenses 1.5 %
- Depreciation 8.5 %
- Labour costs 45.8 %

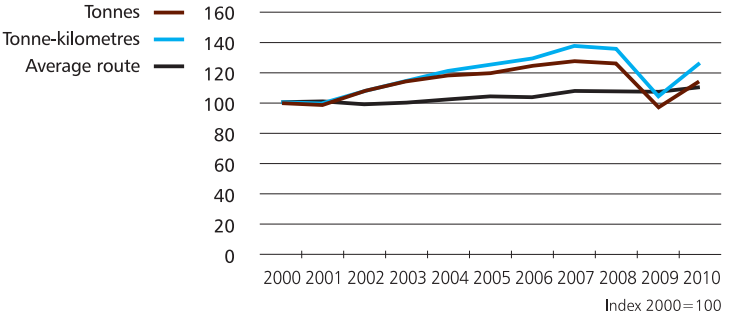


## Financials

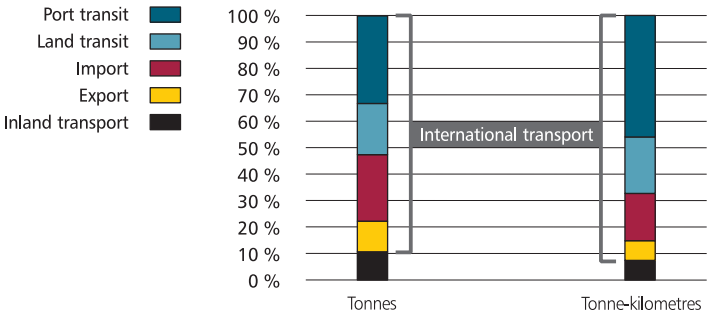
	2007	2008	2009	2010
<b>PROFIT AND LOSS ACCOUNT</b> (in thousand EUR)				
<b>Operating revenues</b>	<b>351,639</b>	<b>398,723</b>	<b>346,449</b>	<b>366,321</b>
Transport revenues	161,831	167,408	129,210	152,017
– freight transport	129,248	133,084	95,117	117,883
– passenger transport	32,583	34,324	34,093	34,134
Revenues from public services	141,637	186,700	186,113	180,905
– passenger transport	40,666	38,997	47,921	45,069
– infrastructure	100,971	147,703	138,192	135,836
Other operating revenues	48,171	44,615	31,126	33,399
<b>Operating expenses</b>	<b>331,115</b>	<b>395,995</b>	<b>374,498</b>	<b>377,226</b>
Costs of material and energy	44,014	52,522	45,650	46,997
Costs of services	72,173	108,592	98,198	102,968
Costs of labour	187,377	199,892	191,487	187,492
Depreciation	24,242	29,485	32,653	34,791
Other operating costs	3,309	5,504	6,510	4,978
<b>EBIT – operating income</b>	<b>20,524</b>	<b>2,728</b>	<b>(28,049)</b>	<b>(10,905)</b>
Financial income minus financial expenses	1,311	(3,190)	(7,208)	(13,114)
Other income minus other expenses	1,653	1,740	4,757	4,590
Income tax	167	0	0	0
<b>Net profit/loss for the year</b>	<b>23,321</b>	<b>1,278</b>	<b>(30,500)</b>	<b>(19,429)</b>
<b>INVESTMENTS</b> (in thousand EUR)	<b>59,295</b>	<b>49,421</b>	<b>64,158</b>	<b>26,672</b>
<b>BALANCE SHEET</b> (in thousand EUR)				
<b>Assets</b>	<b>936,530</b>	<b>959,027</b>	<b>961,834</b>	<b>699,708</b>
Fixed assets	801,471	797,181	804,689	440,302
Current assets	118,453	138,026	109,112	248,983
Other	16,606	23,820	48,033	10,423
<b>Liabilities</b>	<b>936,530</b>	<b>959,027</b>	<b>961,834</b>	<b>699,708</b>
Equity	61,527	74,081	75,320	174,497
Long term liabilities	680,266	690,709	734,305	375,117
Current liabilities	149,966	160,248	133,831	136,434
Other	44,771	33,989	18,378	13,660

# Freight transport

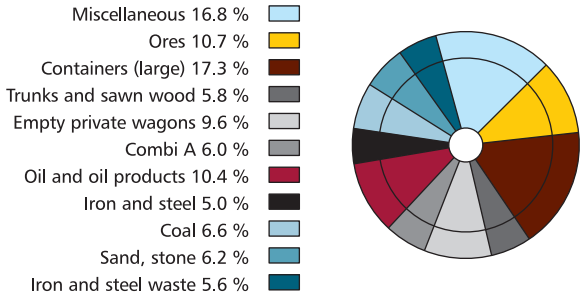
## Development of freight transport volume



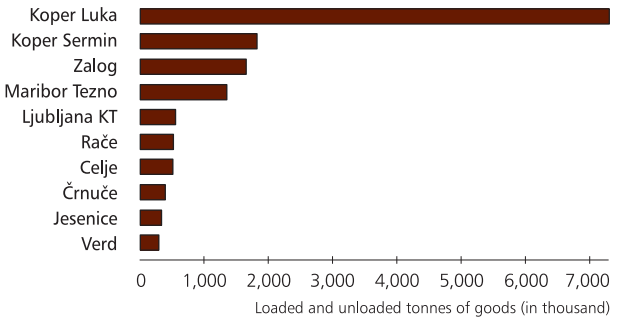
## Freight transport structure by means of transport



### Structure of goods transported by groups



### Railway stations for freight transport



## FREIGHT TRANSPORT

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	2007	2008	2009	2010
<b>INCOME STATEMENT</b> (in thousand EUR)				
Operating revenues	147,748	153,893	113,378	138,332
Operating expenses	143,437	160,756	151,844	152,583
<b>EBIT – operating income</b>	<b>4,311</b>	<b>(6,863)</b>	<b>(38,466)</b>	<b>(14,251)</b>
Financial income minus financial expenses	(4,098)	(6,343)	(3,203)	(13,434)
Other income minus other expenses	249	(1,485)	1,501	2,203
Income tax	0	0	0	0
<b>Net profit/loss for the year</b>	<b>462</b>	<b>(14,691)</b>	<b>(40,168)</b>	<b>(25,482)</b>
<b>GOODS TRANSPORTED</b>				
(wagon consignments, in thousand tonnes)	<b>19,249</b>	<b>18,977</b>	<b>14,607</b>	<b>17,224</b>
INLAND TRANSPORT	1,853	1,880	1,631	1,830
INTERNATIONAL TRANSPORT	17,396	17,097	12,976	15,394
– Import	5,198	5,341	4,064	4,333
– Export	2,260	2,089	1,857	1,994
– Land transit	4,187	3,773	2,816	3,340
– Port transit	5,751	5,894	4,239	5,727
thereof:				
COMBINED TRANSPORT	3,734	3,848	3,229	4,032
– Accompanied piggyback	1,607	1,485	936	1,042
– Unaccompanied piggyback	2,127	2,363	2,293	2,990
<b>WORK PREFORMED</b> (in million tonne-kilometres)				
	<b>3,944</b>	<b>3,873</b>	<b>2,982</b>	<b>3,617</b>
INLAND TRANSPORT	286	303	247	262
INTERNATIONAL TRANSPORT	3,658	3,570	2,735	3,355
– Import	790	825	645	657
– Export	247	242	237	271
– Land transit	956	847	611	762
– Port transit	1,665	1,656	1,242	1,665
thereof:				
COMBINED TRANSPORT	665	687	678	875
– Accompanied piggyback	31	31	22	22
– Unaccompanied piggyback	634	656	656	853

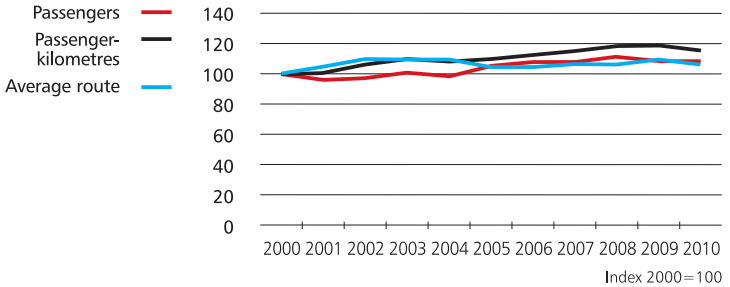
## FREIGHT TRANSPORT

45

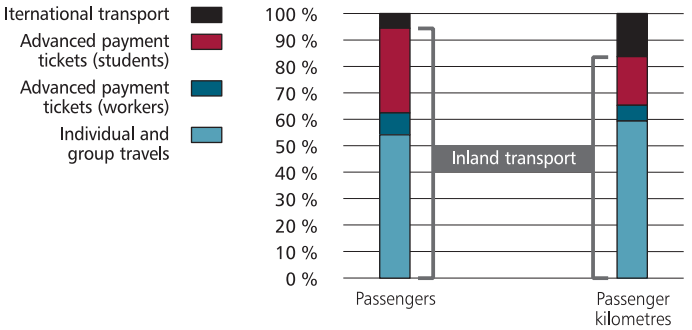
	2007	2008	2009	2010
<b>AVERAGE ROUTE (km)</b>	<b>204.9</b>	<b>204.1</b>	<b>204.1</b>	<b>210.0</b>
INLAND TRANSPORT	154.3	161.2	151.4	143.2
INTERNATIONAL TRANSPORT	210.3	208.8	210.8	217.9
thereof:				
COMBINED TRANSPORT	178.1	178.5	210.0	217.0
– Accompanied piggyback	19.3	20.9	23.5	21.1
– Unaccompanied piggyback	298.1	277.6	286.1	285.3
<b>AVERAGE WEIGHT PER WAGON</b> (only for wagon consignments, in tonnes)	<b>33.2</b>	<b>32.9</b>	<b>34.1</b>	<b>33.2</b>
<b>GOODS TRANSPORTED</b> (parcels, in thousand tonnes)	<b>35.0</b>	<b>36.4</b>	<b>28.7</b>	<b>33.2</b>
INLAND TRANSPORT	34.1	35.7	28.7	33.2
INTERNATIONAL TRANSPORT	0.9	0.7	0.0	0.0

# Passenger transport

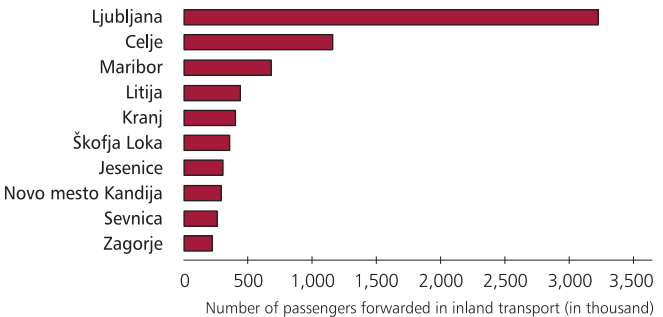
## Development of passenger transport volume



## Passenger transport structure



## Railway stations for passenger transport, stations and stops





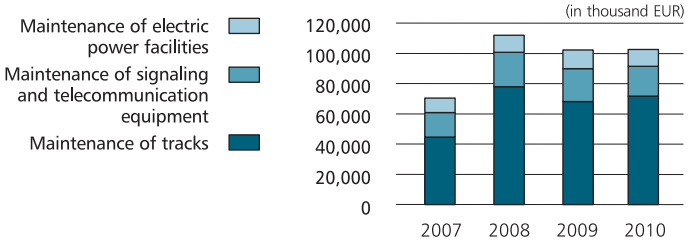
## PASSENGER TRANSPORT

47

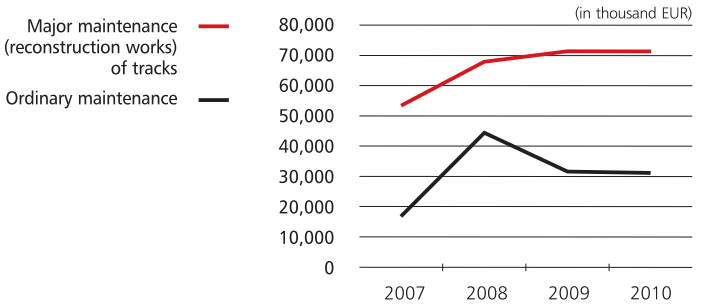
PASSENGER TRANSPORT	2007	2008	2009	2010
<b>INCOME STATEMENT</b> (in thousand EUR)				
Operating revenues	78,977	76,086	85,636	82,953
Operating expenses	77,541	83,050	82,787	80,985
<b>EBIT – operating income</b>	<b>1,436</b>	<b>(6,964)</b>	<b>2,849</b>	<b>1,968</b>
Financial income minus financial expenses	(5,328)	(7,471)	(4,133)	(2,468)
Other income minus other expenses	484	307	1,284	67
Income tax	0	0	0	0
<b>Net profit/loss for the year</b>	<b>(3,408)</b>	<b>(14,128)</b>	<b>0</b>	<b>(433)</b>
<b>PASSENGERS TRANSPORTED</b> (in thousand)				
INLAND TRANSPORT	15,232	15,753	15,434	15,294
– Individual and group travels	8,738	9,105	8,809	8,720
– Advance payment tickets (workers)	1,302	1,401	1,356	1,395
– Advance payment tickets (students)	5,192	5,247	5,269	5,179
INTERNATIONAL TRANSPORT	891	908	921	926
<b>LUGGAGE FORWARDED</b> (in tonnes)				
	114.4	175.4	231.5	222.9
<b>ACCOMPANIED CARS</b>				
	15,557	16,622	12,226	11,220
<b>PERFORMED PASSENGER KILOMETRES</b> (in million)				
	812.3	834.1	840.1	813.3
INLAND TRANSPORT	690.3	712.6	717.5	679.5
– Individual and group travels	491.9	509.3	519.0	483.1
– Advance payment tickets (workers)	45.2	47.7	46.0	48.4
– Advance payment tickets (students)	153.2	155.6	152.5	148.0
INTERNATIONAL TRANSPORT	122.0	121.5	122.6	133.8
<b>NUMBER OF EXTRA TRAINS</b>				
	372	429	601	399
<b>AVERAGE ROUTE</b> (km)				
	50.4	50.1	51.4	50.1
INLAND TRANSPORT	45.3	45.2	46.5	44.4
INTERNATIONAL TRANSPORT	136.9	133.8	133.1	144.5

# Infrastructure

## Maintenance of public railway infrastructure



## Investment maintenance of public railway infrastructure



## INFRASTRUCTURE

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	2007	2008	2009	2010
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**INCOME STATEMENT** (in thousand EUR)

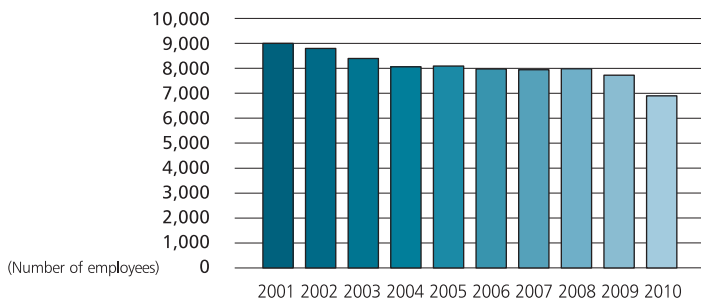
<b>Operating revenues</b>	<b>110,835</b>	<b>159,849</b>	<b>164,732</b>	<b>165,818</b>
<b>Operating expenses</b>	<b>112,685</b>	<b>155,983</b>	<b>158,934</b>	<b>161,365</b>
<b>EBIT – operating income</b>	<b>(1,850)</b>	<b>3,866</b>	<b>5,798</b>	<b>4,453</b>
Financial income minus financial expenses	29	1,380	509	1,706
Other income minus other expenses	29	1,507	1,958	1,153
Income tax	166	0	0	0
<b>Net profit/loss for the year</b>	<b>(1,958)</b>	<b>6,753</b>	<b>8,265</b>	<b>7,312</b>

**MAINTENANCE OF PUBLIC RAILWAY  
INFRASTRUCTURE** (in thousand EUR)

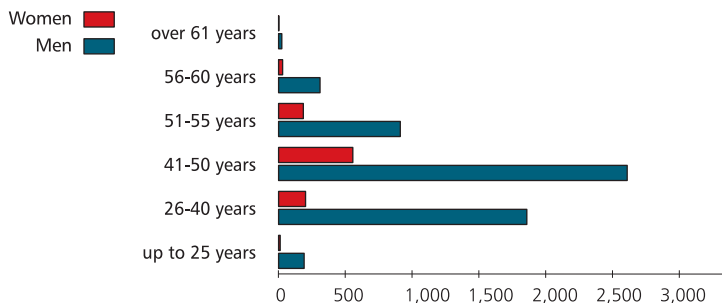
Maintenance of tracks	44,640	77,972	68,129	71,759
Maintenance of signaling and telecommunication equipment	16,198	22,766	21,761	19,709
Maintenance of electric power facilities	9,565	11,325	12,423	11,143
<b>Total</b>	<b>70,403</b>	<b>112,063</b>	<b>102,313</b>	<b>102,611</b>

## Employment

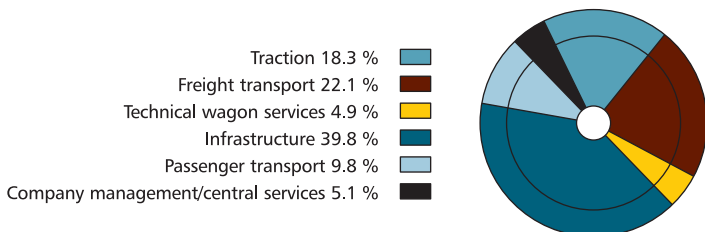
### Number of employees 2001–2010 (yearend)



### Employees by age and sex



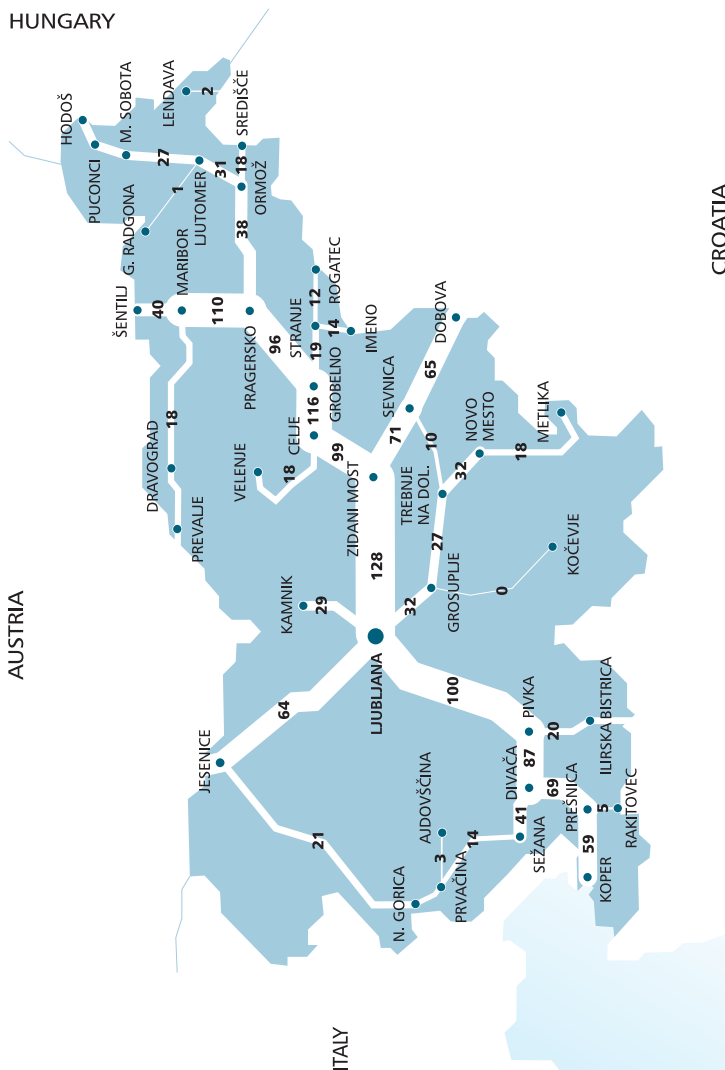
### Employees by organisational units



# Line utilisation

Number of trains per day (passenger and freight transport)

HUNGARY



CROATIA

AUSTRIA

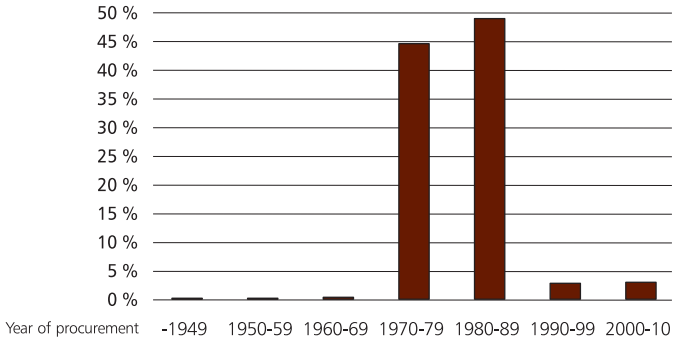
ITALY

## Transport services

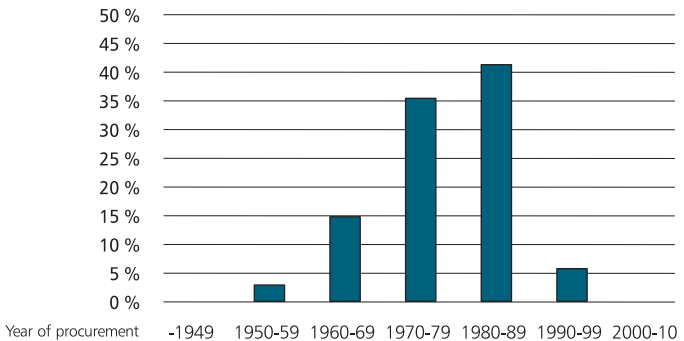
	2007	2008	2009	2010
<b>Trains performance</b> (thousand train km)	<b>19,125</b>	<b>19,032</b>	<b>17,469</b>	<b>18,843</b>
Freight trains (thousand train km)	8,512	8,442	6,792	8,126
Passenger trains (thousand train km)	10,613	10,590	10,677	10,717
<b>Frequency of trains per day and route</b> (Number)	<b>678</b>	<b>699</b>	<b>674</b>	<b>708</b>
Freight trains (Number)	207	198	157	194
Passenger trains (Number)	472	501	517	514
<b>Turnover of freight wagons</b> (Days)	<b>4.4</b>	<b>4.6</b>	<b>5.5</b>	<b>4.9</b>
Seat occupancy (%)	30.9	31.6	28.9	29.1
<b>Average commercial speed</b>				
Freight trains (km/h)	30.90	39.51	40.99	38.35
Passenger trains (km/h)	51.80	53.17	53.31	53.23
<b>Delays</b>				
Freight trains (min/100 train km)	78.7	68.6	39.6	78.8
Passenger trains (min/100 train km)	3.3	3.3	2.8	2.7
<b>Available seats in passenger trains</b> (No. of seats/train)	<b>203</b>	<b>205</b>	<b>204</b>	<b>201</b>
<b>Average number of passengers per train</b> (number)	<b>90</b>	<b>91</b>	<b>87</b>	<b>86</b>
<b>Gross tonnes per freight train</b> (tonnes)	<b>928.2</b>	<b>914.1</b>	<b>906.8</b>	<b>930.9</b>
<b>Transported tonnes per freight train</b> (tonnes)	<b>489.5</b>	<b>485.6</b>	<b>475.9</b>	<b>460.2</b>
<b>Ratio net/gross tonnes</b> (%)	<b>48.6</b>	<b>48.5</b>	<b>49.1</b>	<b>49.4</b>
<b>Work of traction vehicles</b>				
Electric locomotives (operation km/unit)	161,237	162,569	159,542	169,107
(thousand GHTK/unit)	108,202	108,609	100,327	112,821
Diesel locomotives (operation km/unit)	59,378	62,062	60,075	59,064
(thousand GHTK/unit)	21,119	20,433	16,372	17,696
Electric motor trains (operation km/unit)	167,916	166,444	167,933	174,485
(thousand GHTK/unit)	20,595	20,301	20,195	20,766
Diesel motor trains (operation km/unit)	102,947	103,357	103,340	108,802
(thousand GHTK/unit)	7,889	7,904	7,744	8,176
<b>Specific power consumption</b>				
Electric power (kWh/million GHTK)	25.65	24.68	25.24	24.72
Diesel fuel (kg/thousand GHTK)	8.33	8.06	9.91	9.31

## Traction and hauled vehicles

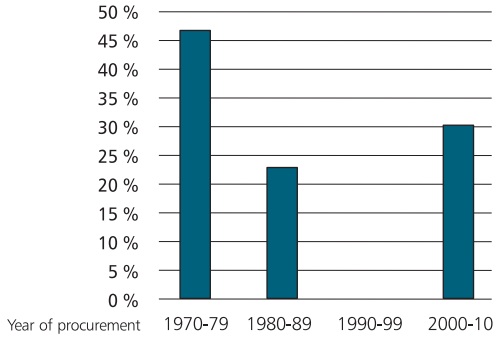
### Age of freight wagons (state on 31. December 2010)



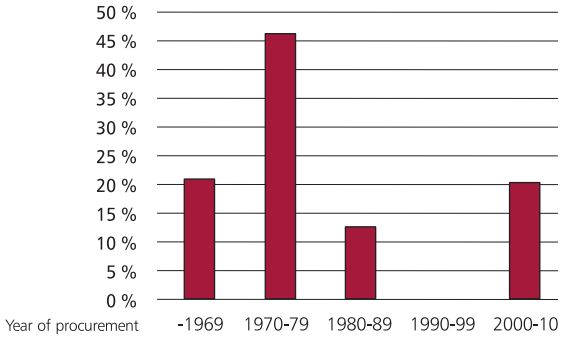
### Age of conventional passenger coaches (state on 31. December 2010)



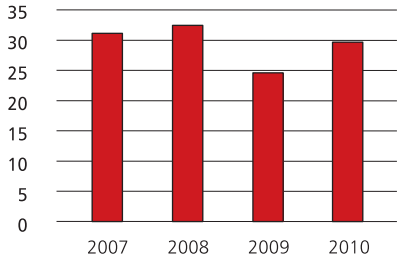
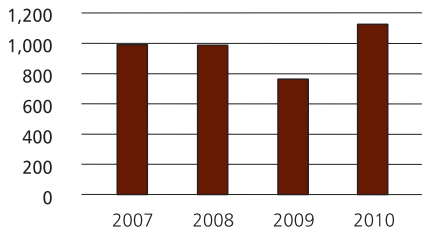
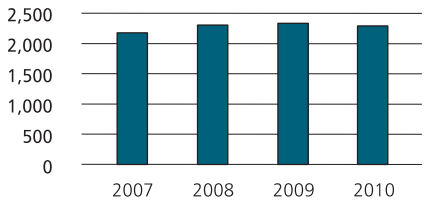
**Age of passenger trainsets** (state on 31. December 2010)



**Age of locomotives** (state on 31. December 2010)





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

## Traction vehicles inventory

(Number)	2007	2008	2009	2010
<b>Total</b>	<b>277</b>	<b>271</b>	<b>273</b>	<b>271</b>
Electric locomotives	88	82	86	84
Electric motor trains	39	39	39	39
Diesel locomotives	76	76	74	74
Diesel motor trains	70	70	70	70
Museum steam locomotives	4	4	4	4

## Freight wagons inventory

(Number)	2007	2008	2009	2010	4-axle	Average carrying capacity of wagons (tonnes)
<b>Total</b>	<b>3,979</b>	<b>3,921</b>	<b>3,905</b>	<b>3,211</b>	<b>2,839</b>	<b>53.3</b>
E open – ordinary	1,003	973	974	829	813	57.7
F open – special	509	507	507	478	478	56.6
G covered – ordinary	418	411	390	143	61	39.4
H covered – ordinary	388	375	375	348	278	51.7
K flat – ordinary	184	181	181	148	0	26.8
L flat – special	65	65	65	64	25	33.6
R flat – four-axle ordinary	161	160	160	145	145	55.5
S flat – four-axle special	270	272	279	253	253	56.9
T with sliding roof	720	721	721	558	541	53.4
U special	99	99	96	96	96	57.1
Z tank wagons	162	157	157	149	149	58.1
P private included in SZ rolling stock	564	555	469	416	416	60.8

## Passenger coaches inventory

(Number)	2007	2008	2009	2010	Average number of seats per coach	Portion 1. cl.
<b>2-axle coaches</b>						
Baat	8	3	3	2	28.0	
<b>4-axle coaches</b>						
Passenger coaches (A, AB, B)	101	98	93	93	58.8	13.9 %
Restaurant coaches (WR, AR, BR)	5	5	5	5	17.8	33.7 %
Couchettes (Ac, Bc)	4	2	2			
Sleeping cars, saloons (WI)	0	2	2			
DI	2	2	2	2		
<b>TOTAL</b>	<b>120</b>	<b>109</b>	<b>107</b>	<b>102</b>		
thereof: air-conditioned	13	13	13	13		

## Statistic about infrastructure

		2010	%
<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	

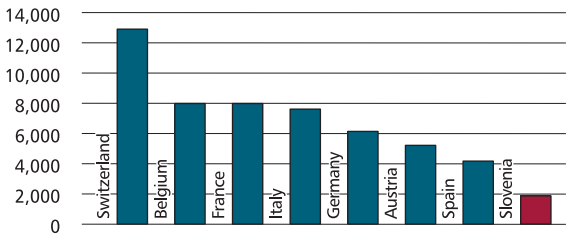
## Superlatives

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 Idrijca 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

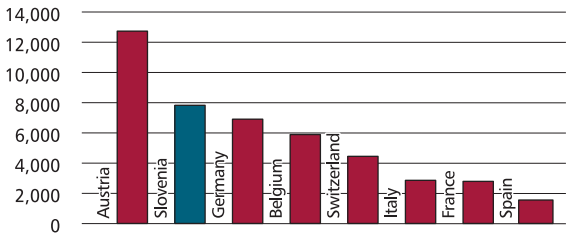
## European railways comparison – 2009

Country	Railway	Length of lines			Average number of employed
		km	Electrified in km	whereof electrified in %	
Germany	AAE, DB AG, GVG, KEG	33,714	19,701	58	239,888
Italy	FS SpA, FNME, RTC	17,004	12,082	71	89,560
Austria	GKE, ÖBB, SLB	5,356	3,518	66	46,384
Spain	RENFE, FEVE, FGC, EuskoTren	15,044	8,772	58	32,147
Switzerland	BLS, CFF/SBB/FFS	3,599	3,599	100	28,012
Belgium	SNCB/NMBS	3,578	3,005	84	37,130
France	SNCF, RFF	29,903	15,463	52	159,058
Slovenia	SŽ	1,228	503	41	7,892

## Average number of passengers per day per km of line – 2009



## Average number of tonnes per day per km of line – 2009







Sources:

Slovenian Railways Annual Report

International Railways Statistics UIC

Slovenian Railways Statistical and Analytical data

