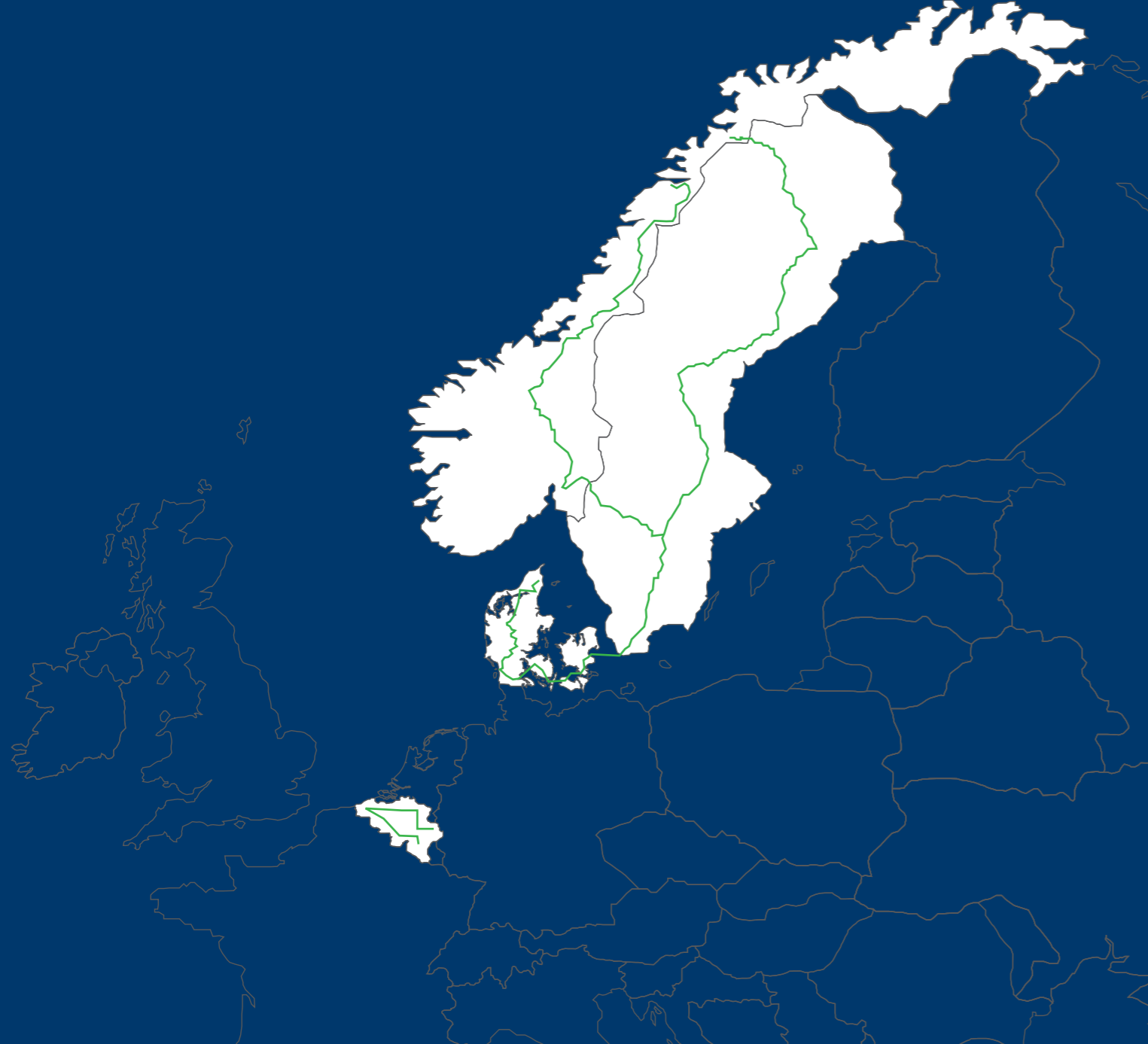




TOMORROW TODAY

ANNUAL REPORT 2010

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ERESS helps railways save money and reduce CO₂ emissions by providing exact energy consumption data.

ERESS


ERESS is a partnership between Banedanmark (Danish National Railway Agency), Infrabel (Belgian Railway Infrastructure Manager), Jernbaneverket (Norwegian National Rail Administration) and Trafikverket (Swedish Transport Administration). ERESS is a non-profit organisation, jointly owned by its partners, committed to the development, implementation and supply of the energy settlement system EREX.

ERESS is an open partnership for infrastructure managers. New partners join with the same rights and obligations as the existing partners.

EREX

EREX provides an efficient, reliable, accurate and flexible energy settlement process. This enables our partners to fulfil requirements for a neutral and non-discriminatory operation, and railway undertakings to understand their use of energy and thereby save energy and costs.



 Dyre Martin Gulbrandsen, Director ERESS

“The future is here”

Without control over energy consumption, you don't have control over the bottom line. For nearly ten years, infrastructure managers across Europe have been looking for a solution which provides reliable information relating to actual energy consumption. While others have focused on their own area, ERESS has chosen to cooperate with others. Through gathering knowledge, experience and ambitions from four countries, we have managed to find the solution. The hunt is over; the future is here.



“A chance to measure energy consumption gives us a chance to reduce it”

EREX provides us with the opportunity to measure energy consumption and thus also the possibility to reduce it. Firstly, we now only pay for actual consumption; secondly, we know where we should focus our efforts to conserve resources. In addition, there is the environmental aspect; we are an environmentally-friendly company, we want to be the best at what we do – which makes us completely dependent on being in control of how we use resources.



Jan Vetle Moen, Advisor Operations Analysis, NSB




Hendrik Abma, Executive Director, European Rail Infrastructure Managers

“Energy settlement systems facilitate energy supply from a competitive energy market”

Increased cross-border rail operations requires the use of different energy suppliers. Energy settlement systems help Rail Undertakings and Infrastructure Managers monitor their energy consumption and related costs. This, of course, encourages competition; the system facilitates energy supply from a competitive energy market. Concepts such as Third Party Access encourage operators to buy electricity at an open and non-discriminatory way.




 Bart Van der Spiegel, Energy Management, Infrabel

“Cross-border cooperation provides cross-border solutions”

EREX is the only solution for cross-European railway traffic. While other products are designed by a single country for domestic traffic, EREX is designed by a group of countries for international traffic. This also ensures that EREX is always up to date with new standards. By supporting the European legislative framework, ERESS partners help develop a joint European solution.

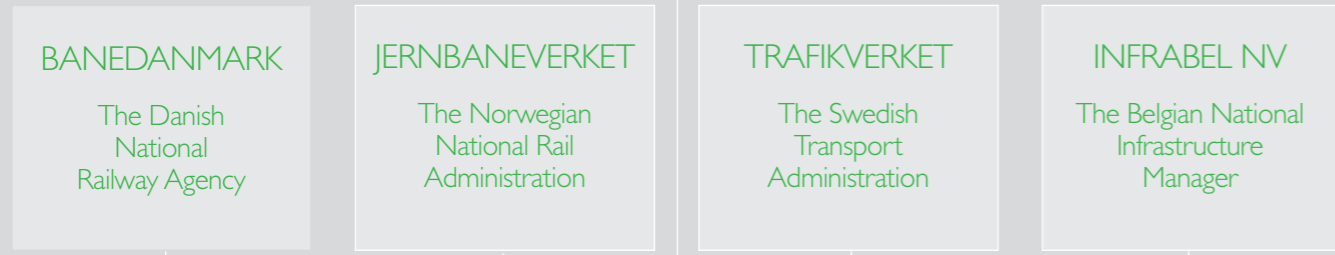


 Elisabeth Enger, Director General, the Norwegian National Rail Administration

“As a partner, we contribute in setting the standard for future energy settlement systems”

The Norwegian National Rail Administration wants to play an active role in the development for railway solutions of the future. As railway administrators, we are responsible for responding to the authorities' desire for increased competition with systems which facilitate this. Through our position as a partial owner we contribute to set the standard for train settlement systems. Our goal is that EREX will be the preferred system in Europe.

OWNERS AND MEMBERS OF ERESS BOARD OF DIRECTORS



MANAGEMENT AND OPERATIONAL ORGANISATION

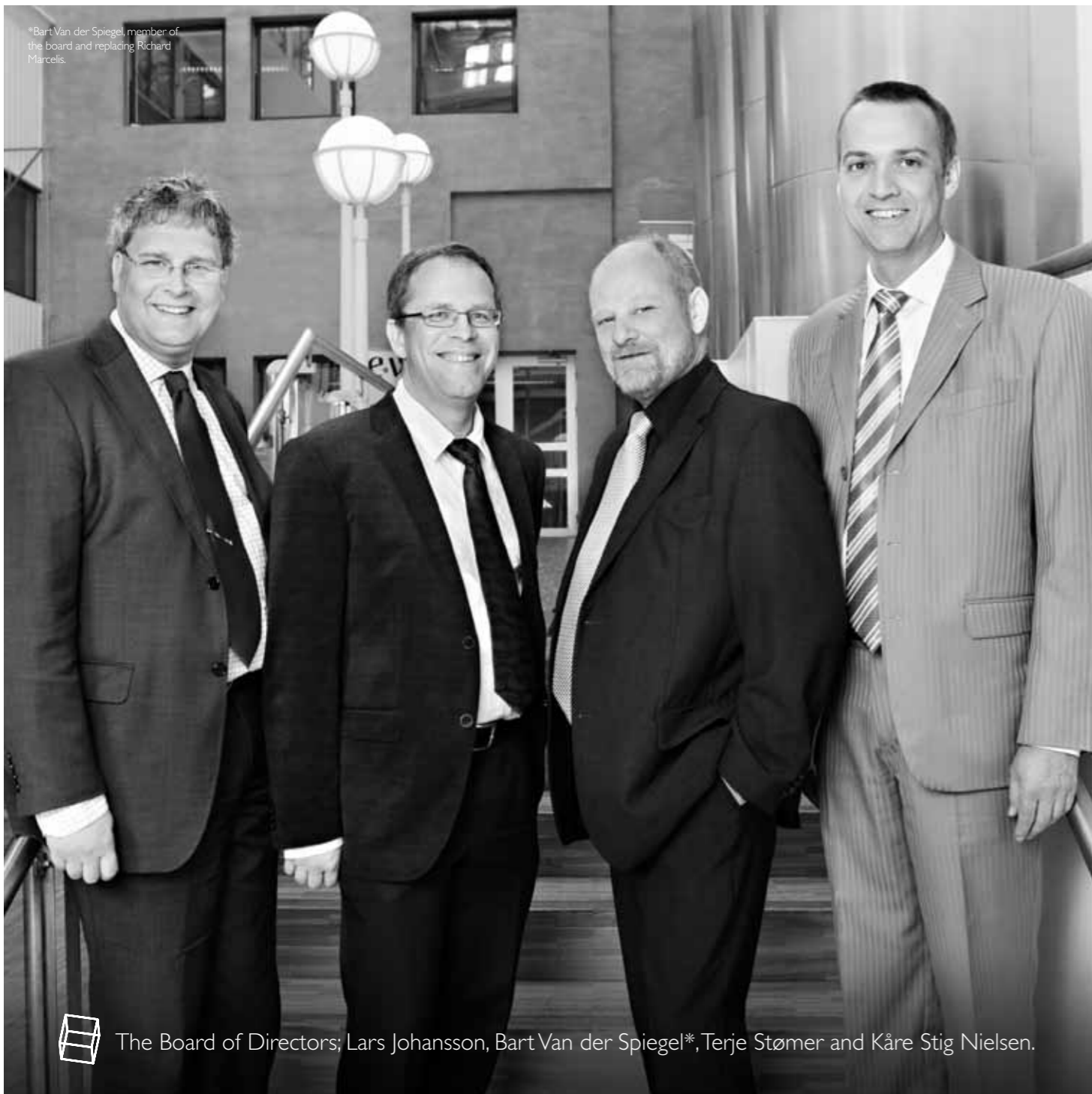
Organisational Structure

The ERESS Board of Directors consists of representatives from each of the four partners and joint owners. Each infrastructure manager appoints its representative and these elect the chairman. The ERESS Board of Directors is responsible for the strategic direction of ERESS and the further development and operation of EREX.

ERESS' management and operational organisation is located at Jernbaneverket Bane Energi, the energy department of Jernbaneverket. It acts on behalf of ERESS and uses its expertise and know-how in the administration and operation of EREX. Another principal task is carrying out continuous improvement and development of EREX in order to meet the future needs of partners and their customers.

The management and operational organisation is responsible for energy data collection, validation and allocation to relevant consumption areas. It guarantees the accuracy and the completeness of the energy data that is transferred to settlement and billing.

The ERESS management and operational organisation performs quality control of EREX. ERESS is certified according to NS-EN ISO 9001:2000.



*Bart Van der Spiegel, member of the board and replacing Richard Marcelis.



The Board of Directors: Lars Johansson, Bart Van der Spiegel*, Terje Stømer and Kåre Stig Nielsen.

Message from the Board of Directors

The year 2010 is marked by the decision from the Board of Directors to clearly distinguish between organisation and product name. Henceforth, the partnership name will continue to be known as "ERESS" while the products and services supplied by ERESS will be called "EREX."

The name change is a clear indication of who we are, and what we do as an organisation, says Terje Stømer, Chairman ERESS. ERESS is foremost a non-profit cooperation of international infrastructure managers. It strives to enhance rail competitiveness and interoperability by offering a smart settlement solution for train energy consumption at the lowest price available on the market. ERESS goal is to make EREX the preferred solution for the railway sector and to attract new partners.

By joining ERESS, new partners will acquire an ownership share equal to the existing partners and enjoy a full set of various advanced modules and services included in EREX. EREX covers the whole chain from energy metering to energy billing solutions. New partners can freely adjust its own EREX depending on its level of requirements both nationally and internationally.

ERESS has seen an increased interest in EREX throughout 2010. Any interested party has the opportunity to test EREX for a limited time period without joining ERESS as partner.

ERESS is also pleased to welcome the publication of Loc&Pas TSI. We look forward for the outcome of EN 50463 on Energy measurement on board trains and the ERA study on energy settlement. Our involvement in European standardisation programmes will ensure a continuous improvement and compliance with standards of all our products and services.

It is clear that the harmonisation in the railway sector must and will continue in the years ahead and with EREX you can already be ready for the future.

Terje Stømer
Chairman of ERESS and representative of the Norwegian National Rail Administration

Lars Johansson
Representative of the Swedish Transport Administration

Kåre Stig Nielsen
Representative of the Danish National Railway Agency

Richard Marcelis
Representative of the Belgian Railway Infrastructure Manager

Financial highlights and accounting figures

Financial Highlights

ERESS is a highly profitable project. Assuming 10% savings, based on an annual energy cost of EUR 250 million, the net present value of ERESS with a discount rate of 7% is EUR 355 million. Our customers, the railway undertakings, will realise this. The net present value calculation is based on realistic investments and operating costs for all four partners.

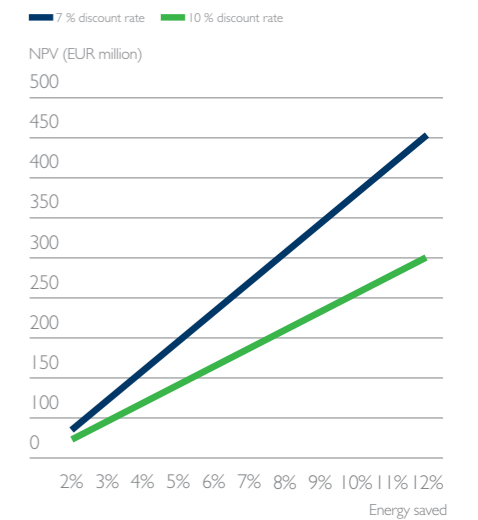
Substantial ongoing cost savings for our customers

The installation of energy measuring equipment, access to data, accurate settlement and billing all encourage railway undertakings to adopt energy efficiency programmes. By reducing energy consumption and costs, the railway sector increases its competitive advantages.

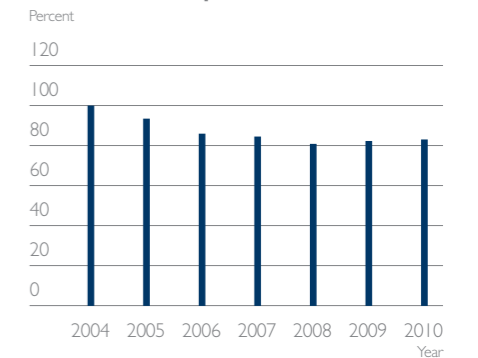
As a documented example, the Norwegian national railway (NSB) started an energy-saving project in 2005 based on measured energy data. Between 2004 and 2010 the energy efficiency was improved with 18%. This project has thereby allowed NSB to achieve substantial cost savings.

One major achievement throughout this project is that NSB has gotten a new understanding of energy consumption. After five years "everyone" in the organization understands how the energy consumption affects the production, and how they can contribute to further reductions.

Net Present Value ERESS (EUR million)



Reduction in Wh per Gross ton Km



Accounting figures

| Income Statement | Notes | 2010 | 2010 | 2009 | 2009 | 2008 | 2008 |
|---------------------------------|-------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | | in NOK thousand | in EUR thousand | in NOK thousand | in EUR thousand | in NOK thousand | in EUR thousand |
| Operating income | | | | | | | |
| Other operating income | 1,2 | 12 261 | 1 531 | 9 133 | 1 046 | 5 360 | 596 |
| Total operating income | | 12 261 | 1 531 | 9 133 | 1 046 | 5 360 | 596 |
| Operating expenses | | | | | | | |
| Personnel expenses | 1,2,3 | 3 809 | 476 | 2 036 | 233 | 1 702 | 189 |
| Other operating expenses | 1,2,5 | 8 450 | 1 055 | 7 085 | 812 | 3 657 | 407 |
| Total operating expenses | | 12 260 | 1 531 | 9 121 | 1 045 | 5 359 | 596 |
| Operating result | | 2 | 0 | 12 | 1 | 1 | 0 |
| Financial items | | | | | | | |
| Financial income | | | | | | | |
| Financial expenses | | 2 | 0 | 11 | 1 | 1 | 0 |
| Net financial items | | 2 | 0 | 11 | 1 | 1 | 0 |
| Annual result | | 0 | 0 | 0 | 0 | 0 | 0 |

Oslo, May 10, 2011



Terje Stømer

Chairman of ERESS and representative of the Norwegian National Rail Administration



Dyre Martin Gulbrandsen

Director of ERESS

Notes to the Financial Statements

Note 1: Accounting principles

Project expenses entered as incurred. Project income is recognised when the expenses are allocated to the partners. Project income consist of payments for three quarters and deposits for the fourth quarter from the partners and is calculated according to each partner's share of the operational and maintenance costs.

Note 2: Exchange rate

The project accounts are based on an exchange rate of EUR 0.1249 / NOK.

Note 3: Personnel expenses

Dedicated personnel in Jernbaneverket Bane Energi work with ERESS. During 2010, ERESS paid EUR 476 000 for services performed by Bane Energi personnel.

Note 4: Depreciation

Depreciation of investments does not have an impact on the income statement. Investments and depreciation are accounted for directly by the partner organisations (Banedanmark, Trafikverket, Infrabel and Jernbaneverket).

Note 5: Analysis of other operating expenses

Analysis of other operating expenses:

| | 2010 | 2010 | 2009 | 2009 | 2008 | 2008 |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | in NOK thousand | in EUR thousand | in NOK thousand | in EUR thousand | in NOK thousand | in EUR thousand |
| Consultant services | 8 143 | 1 017 | 7 037 | 806 | 3 504 | 390 |
| Telephone and data communication | 20 | 2 | 37 | 4 | 9 | 1 |
| Other costs | 288 | 36 | 11 | 1 | 144 | 16 |
| Total | 8 450 | 1 055 | 7 085 | 812 | 3 657 | 407 |

Note 6: Other issue

In 2008 the Belgian Railway Infrastructure Manager Infrabel NV became a partner in ERESS. According to the cooperation agreement they paid 4,179 million NOK. This represents ¼ of the investment costs at the stage of accession. The steering committee of ERESS decided to set the payment on a deposit account. The payment is not recognised in the income statement.

Auditor's Report for 2010

 ERNST & YOUNG

Statautoriserede revisorer
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Forretningsåret: NO 01.01.2010 til 31.12.2010
Tlf: +47 24 00 24 00
Faks: +47 24 00 24 01
www.ey.no
Medlemmer av Det Norske Revisorforbund

To ERESS' partner organisations

Auditor's report on project accounts
We have audited the project accounts for the ERESS project ended on 31.12.10. The project accounts comprise a income statement and notes. The project accounts have been prepared by the Chairman of ERESS, Director of ERESS Finance Manager of Bane Energi in accordance with note 1.

Management's responsibility for the project accounts
Management of ERESS is responsible for the project accounts and for such internal control as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with laws, regulations and auditing standards and practices in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the project accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the project accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the project accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used as well as evaluating the overall presentation of the financial statement.

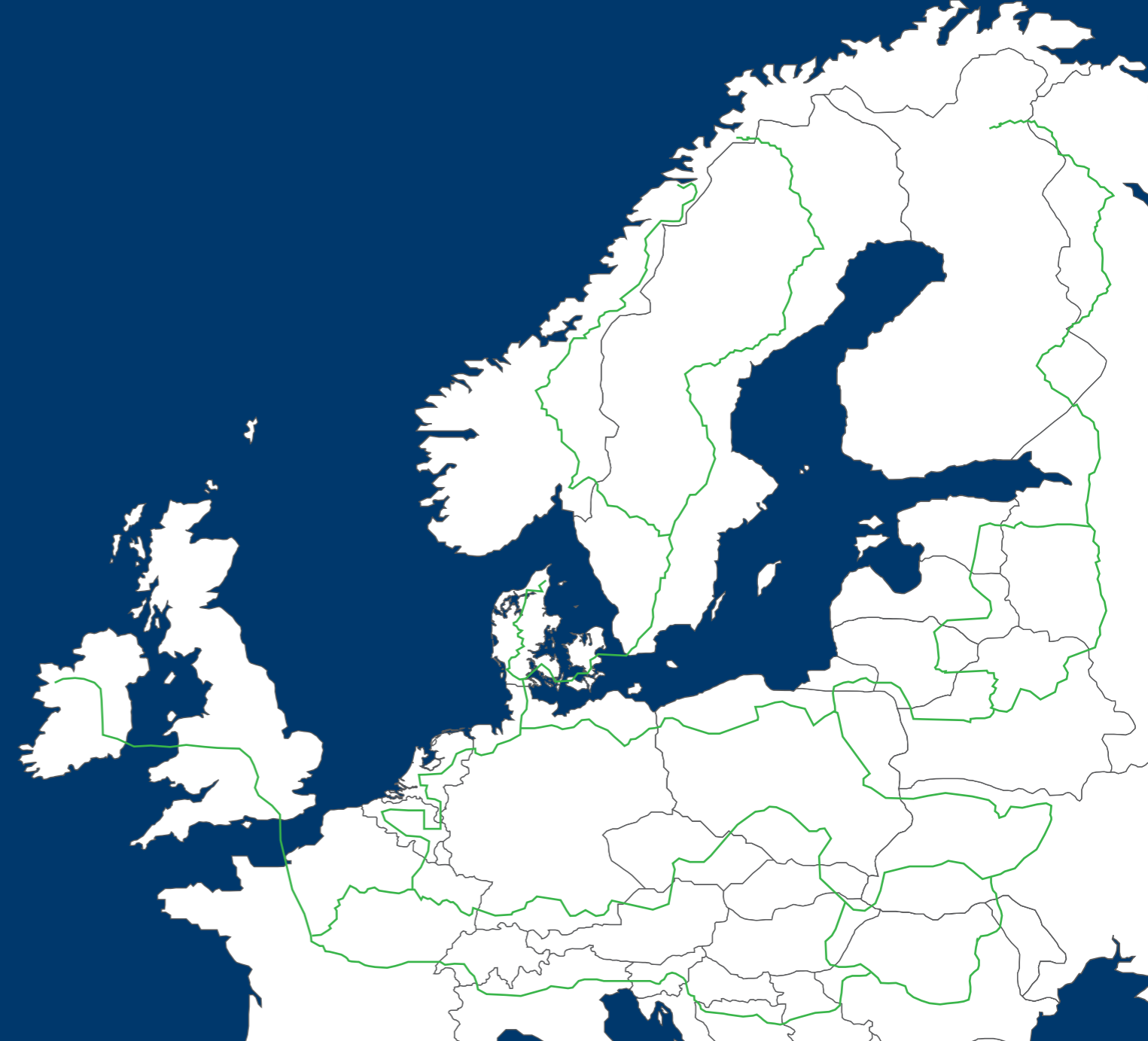
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the project accounts for the ERESS project ended on 31.12.10 have, in all material respects, been prepared in accordance with the basis for accounting as described in note 1.

Basis for accounting
Without qualifying our opinion, the project accounts have been prepared to give information to the ERESS partner organisations and are therefore not necessarily suitable for other purposes.

Oslo, May 19 2011
ERNST & YOUNG AS

Suzanne Amundsen
State Authorized Public Accountant (Norway)



INFRABEL
Right On Track

banedanmark



 **TRAFIKVERKET**
SWEDISH TRANSPORT ADMINISTRATION

 **Jernbaneverket**

CONTACT INFO FOR QUESTIONS OR INFORMATION REGARDING ERESS, PLEASE GO TO WWW.ERESS.EU
OR CONTACT ERESS BY E-MAIL: ERESS@JBV.NO OR BY PHONE: +47 22 45 50 00