

Austria / Start of operation of WESTbahn

With the introduction of the new winter timetable on December 11, 2011 in Austria, WESTbahn is offering an hourly passenger train service between Vienna and Salzburg and will face competition from the state owned ÖBB on



this route. The WESTbahn was founded by former ÖBB passenger traffic manager Stefan Wehinger and the construction industrialist and entrepreneur, Hans Peter Haselsteiner. Interestingly the operation of WESTbahn will not be based on a concession, but on a competitive basis. The establishment of the WESTbahn took place against the background of the liberalization of the railway network within the

European Union, which resulted in access to the railway networks also for private train service providers.

WESTbahn's rolling stock material belong to Europe's most modern trains, delivered by the Swiss train manufacturer Stadler and offer a first class passenger service. For example WESTbahn clients can experience a customer support attendant in every single car and comfortable seating. Each wagon is equipped with modern and reliable IT infrastructure, so for example meeting presentations can be reworked on the way to business appointments. Stadler delivered in seven double decker trains of the DOSTO family, a similar train type as has been ordered by the Swiss Federal Railway Company SBB. In 2009 the entire financing process was supported by AIL and the transaction was awarded Rail Europe Finance Deal of the Year.



Czech Republic / Stadler – Successful Closing Leo Express

During this summer, AIL closed a structured finance rolling stock debt facility transaction in the Czech Republic for the Leo Express. AIL acted as financial advisors to the Swiss railway manufacturer Stadler Rail.

Leo Express has been established to operate railway passenger transportation on a private basis between Prague and Ostrava. The start of operation for connecting the two most populous agglomerations in the Czech Republic will be July 2012. The operation of Leo Express will not be based on a concession, but on a competitive base. As a result, Leo Express will become one of only a few competitors to the Czech National Train Carrier CD who nowadays accounts for approximately 99% of the Czech passenger rail sector. Leo Express' customer orientated approach aims to offer its customers a high level service based on cost-effective and comfortable rolling stock.

In this innovative transaction, Stadler will deliver five trains of the FLIRT family. Each train will be composed of five cars and is capable of running at the speed of 160 km per hour. AIL accompanied and supported Stadler and Leo Express through the entire financing process. The trains will be financed by an export loan and are funded by a large international bank. The balance of the project costs has been financed by the Leo Express owners. The successful closing of the transaction was supported by a tailor made project finance solution.

EEII (Eastern Energy & Infrastructure Invest) AG – Company Update

EEII is a SIX-listed company with an investment focus to maximize long-term returns to its shareholders through investments in strategically selected companies active in the energy and infrastructure sectors, with a special focus on emerging markets and in particular the former Soviet Union. The Company is currently invested in ten Ukrainian utility companies, Ukrnafta, the premier Ukrainian oil company, Russian Gazprom, the world's biggest gas company and ENRC. AIL is the investment manager of the Company.

Until December 6th 2011, EEII's year to date net asset value per share ("NAV") decreased by 6.7% from CHF 27.78 to CHF 25.91). The main reason for the negative NAV development was Ukrnafta's and Gazprom's weak year to date stock performance in 2011.

Ukrnafta, which is still the main holding of EEII, recently announced its plans to increase its number of filling stations selling liquefied gas by 3.5 times to 139 points-of-sale from 40 currently by the end of 2012. Ukrnafta owns a total network of 563 gas filling stations. Tripling its LPG network would imply a solid addition to the company's 2012 revenues.

The Ukrainian Generating and Distribution Companies are continuously suffering from an uncertain regulatory environment. Meanwhile the Ukrainian electricity generation stocks belong worldwide to the cheapest measured by capacity.

The macroeconomic parameters in the Ukraine and Russia still show a more positive picture than in the countries of old Western Europe. While latest Ukrainian data still forecast a GDP growth in the range of 4.5 -5.0% for 2011 and 3.0-3.5% for 2012, Russian GDP growth is expected to fall below 4% in the fourth quarter 2011 and thus keep an annual GDP growth in the range of 3.8%. Revision of Ukraine's and Russia's 2012 GDP growth forecast comes amid numerous projection downgrades for the global economy and indicate that economic activity was also partly negatively affected in these regions by the current financial market turmoil.

EEL recently invested around CHF 6.4 million into shares of Eurasian Natural Resources Corporation, a UK listed diversified natural resources group largely based in Kazakhstan. It explores and mines ferrous minerals, chrome, manganese, processes bauxite, and produces electricity and aluminum. The Group is one of the world's largest producers of ferrochrome; one of the world's significant exporters of iron ore; the world's ninth largest producer of traded alumina; and one of the largest electricity providers in Kazakhstan. The Group owns substantial high quality assets and claims comparably low costs of production. With the Group's operations also benefiting from Kazakhstan's competitive labor and power costs, it has comparably low cash costs of production. The Group is geographically well positioned to benefit from attractive growth markets including China. It has vertically integrated operations from mine-to-market that ensure it has control over the supply of its raw materials and access to other required services.

Carnot Capital Ltd: HVDC technology – for a better world

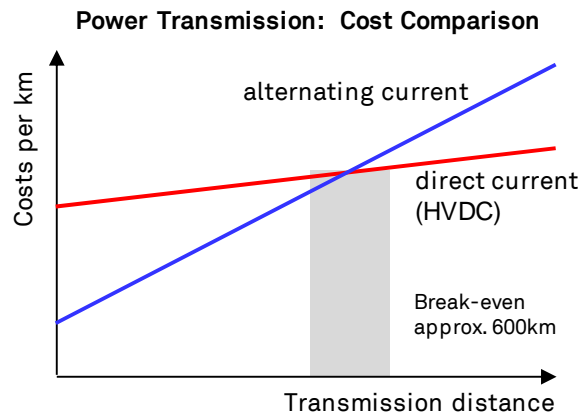
Carnot Capital AG is an asset management company, established in July 2007, which manages an investment fund open to qualified investors. The fund pursues a value approach and concentrates on companies within the energy sector. Specifically the fund invests in listed companies that create value by enabling a more efficient use of energy. Carnot Capital AG is an associated company of AIL Structured Finance Ltd. For further information: www.carnotcapital.com

The wrangling about the European Monetary Union makes stock markets an uneasy place these days. Fortunately, equity investors can spot some developments that are much better foreseeable than the occurrences around the debt crisis.



ABB has presented a number of such technological trends at their investors' day, for example the high-voltage direct current technology "HVDC". HVDC lines can transmit electricity over long distances with only about half as much loss as "normal" alternating current lines (AC) and can be laid into the ground.

This technology is essential in the shift to non-fossil electricity production. While gas or coal power stations can be built close to the power users the best locations for hydro, wind or someday sea current or solar power stations are thousands of kilometers away in regions like China, Brazil or Africa. In Europe, the output of the wind parks is brought from the coasts to the centers based on the HVDC technology. If the ambitious Desertec project is to become real, also solar power will flow as direct current from the Sahara to Europe. Hence, HVDC technology fits very well to ABB's mission "Power and productivity for a better world". The major disadvantage HVCD is that no networks can be established yet. Therefore, the electricity has to be transformed to AC, which nowadays still is a substantial cost factor. HVDC lines are only economical beyond a distance of several hundred kilometers. Nevertheless, the need is evident. ABB and Siemens have integrated numerous wind parks with HVDC and connected Scandinavia to continental Europe. In this sense the smart-grid has become reality on the high-voltage level. Companies such as ABB and Siemens make great efforts to push the technology ahead and project that this 3 billion euro market is to grow to 7 billion within the next four years.



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