

ANNUAL REPORT

2003



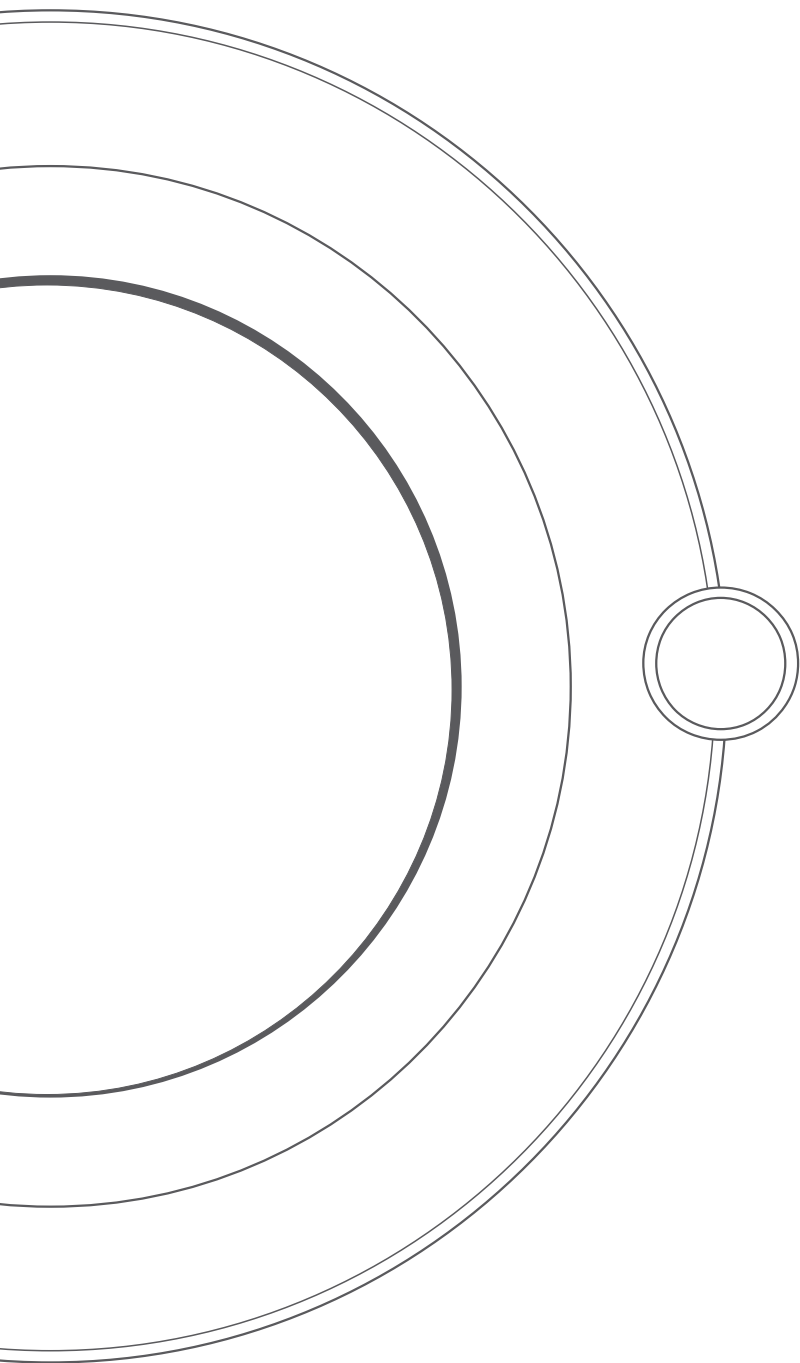
Dopravní podnik hl. m. Prahy,
akciová společnost

ANNUAL REPORT

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INTRODUCTORY WORD OF GENERAL MANAGER



Dear members of the Prague City Council, dear colleagues and friends!

Let us, just for a few minutes, look back to the twelve months of the year 2003. For Prague Public Transit Co. Inc. and in fact for the entire public transport system these months were full of events which in many cases had a substantial impact on the life of city of Prague.

The first weeks were characterized by gradual reopening of metro lines and stations following 2002 floods. In mid-February all three metro lines were again available and all 51 underground stations were reopened approx. a month later. We managed to recover the operation of the critical part of our urban public transport system in a very short time which met with a very positive response of public transport system users.

The final stage of recovery from the events of summer 2002 was completed in September 2003. After thirteen months tram services were reintroduced in the district of Karlín which was most badly hit by the floods. Trams gave a new life to this urban area just as it was the case at the time of beginnings of public transport operation in the city. The streets of Karlín have gained a completely new atmosphere and the district is really alive.

Another important event in the tram system was the opening of a new tram line to Barrandov. This modern tram line of global parameters connecting one of the latest housing estates with the city centre has gained admiration not only of local but also foreign experts. Again, public transport system has proved its undisputable architectural benefit to the relevant urban area. We are very pleased by positive responses from our clients who can benefit from time savings when traveling to work or entertainment.

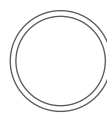
INTRODUCTORY WORD OF GENERAL MANAGER

Tram service issues were also discussed in the first weeks of 2003 in connection with very difficult and lengthy collective bargaining during which one of our trade-union organizations declared a strike. The strike met with no substantial support and inhabitants of Prague were thus not very much affected by this extraordinary situation. From the in-house perspective, 2003 was characterized by intense preparations for the process of restructuring. The first step towards the new corporate structure which is to be completed by mid-2006 was made in mid-December. General Meeting gave approval to cancellation of corporate units and establishment of divisions. Additional and for many people much more important changes are to be implemented this year in connection with the accession of the Czech Republic to the European Union. Our aim is to pursue more effective and more transparent functioning of the company to be able to successfully face the upcoming European competition.

Within the framework of the European project called "Trendsetter" we managed to introduce midibus line no. 291 connecting the area of Karlov with a number of health centres previously not accessible by means of public transport. Within the framework of the same project our company managed to implement bus priority at two crossroads with traffic lights.

Throughout all twelve months of the previous year we made every effort to provide the best high-quality services possible. The fact that public transport passenger numbers have not been decreasing is the best reference for us. At the same time, however, it is our commitment for the future not to fall off in our effort to achieve the highest possible quality of services. In this respect our foreign colleagues can be a source of inspiration, such as e.g. operators from Brussels, Paris or Geneva, with quality certification for all operations.

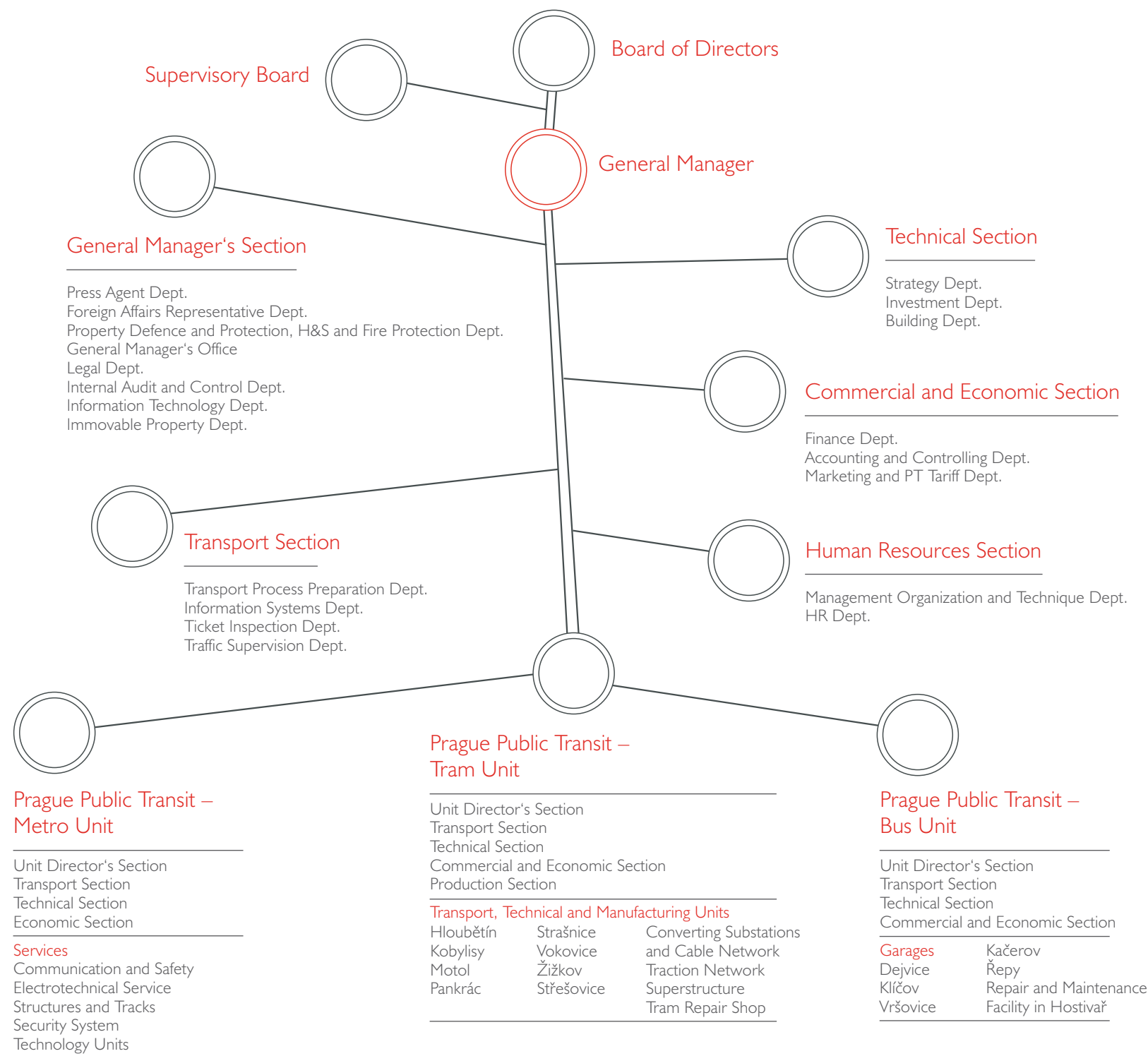
Our achievements in 2003 are also illustrated in this Annual Report which you are just opening.



Introductory word
of General Manager

Ing. Milan Houfek
Chairman of the Board of Directors
and General Manager

ORGANIZATION CHART



ORGANIZATION CHART

Board of Directors

 Ing. Milan Houfek
Chairman

 JUDr. Petr Hulinský
Vice-chairman


 Radovan Šteiner
Vice-chairman

 Petr Hána
Member

 Ing. Vladimír Řihák*

 Ing. Karel Matouš*

 Ing. Václav Pomazal, CSc.
Member

 Ing. Tomáš Jílek*


 Ing. Jan Heroudek*

* Board member effective from 12 April 2003. Ing. Jiří Kaňák, Ing. Jiří Sklenář, Ing. Martin Vlček and Doc. Ing. Zdeněk Trojan, CSc. were Board members until 11 April 2003.

Supervisory Board


 Ing. Martin Hejl
Chairman

 Jiří Šindelář
Vice-chairman

 Mgr. Rudolf Blažek
Member


 Ing. Jiří Paroubek
Member

 Petr Zajíček
Member

 Ing. Václav Procházka
Member

 Jiří Čada
Member

 Prof. Ing. Petr Moos, CSc.*
Member

 Ing. Jiří Kaňák*
Member


* Supervisory Board member effective from 12 April 2003. Ing. Vladimír Göringer and Tomáš Vrbík were Supervisory Board members until 11 April 2003.

Management

 Ing. Milan Houfek
General Manager

 Ing. Petr Blažek
Transport Manager


 Ing. Tomáš Jílek
Technical Manager

 Ing. Václav Pomazal, CSc.
Commercial and Economic Manager

 Ing. Jaroslav Ďuriš
Human Resources Manager

 Ing. Ladislav Urbánek*
charged with management
of the Metro Unit

 Ing. Milan Pokorný
Director, Tram Unit

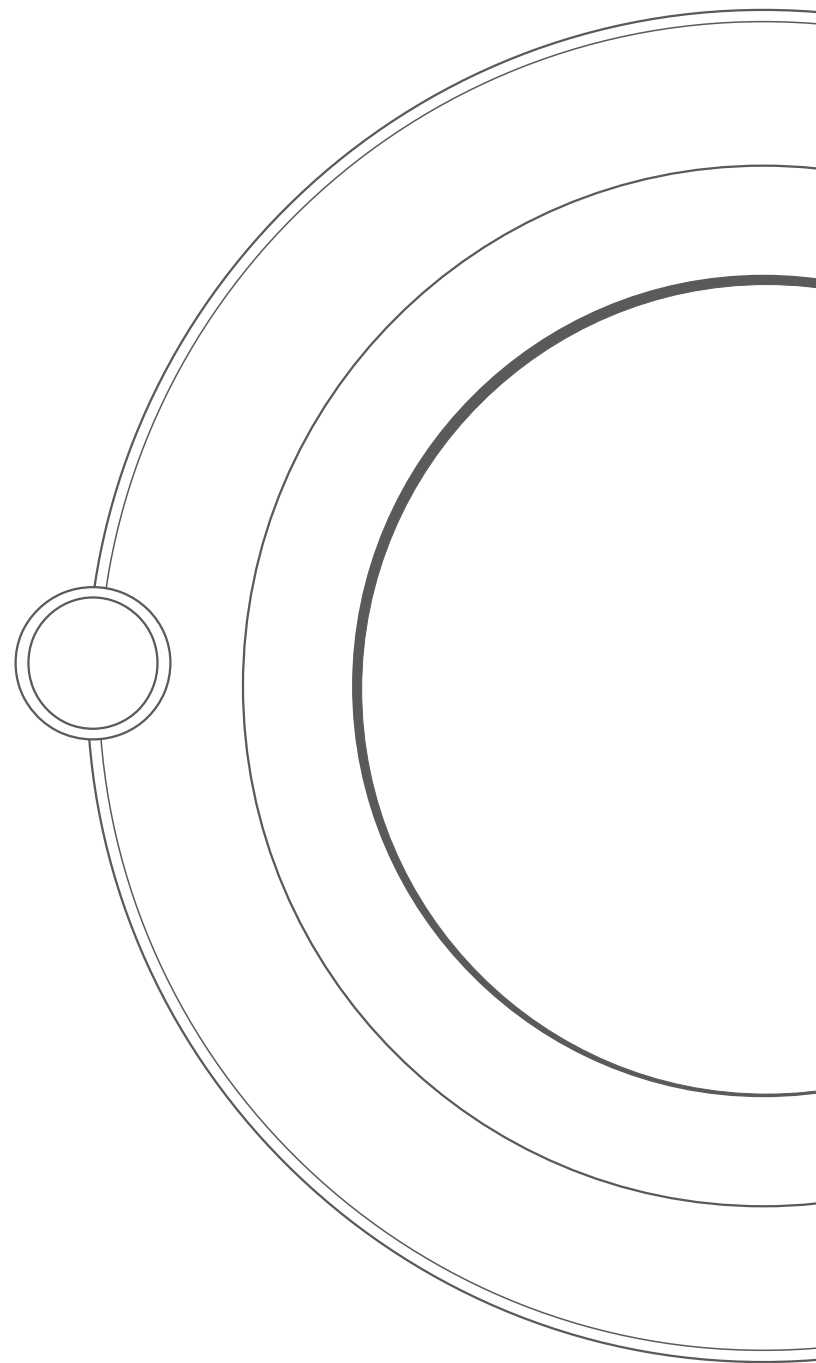
 Ing. Ladislav Špitzer
Director, Bus Unit

* effective from 19 May 2003. Until 18 May 2003 the post of Metro Unit Director was held by Ing. Ladislav Houdek.

CALENDAR OF EVENTS IN 2003

24 January	Official opening of the Call Centre
29 January	Prague Public Transit Co. Inc. took over the first metro train of the second series of a new generation of M1 cars
3 February	Strike of tram drivers, called by "Tram Drivers' Federation" trade-union organization
17 February	Recovery of metro services (line B) between Karlovo náměstí and Palmovka with key interchanges Můstek and Florenc
22 March	Reopening of reconstructed Invalidovna and Křižíkova stations (line B) – metro services recovered back to the condition before the floods that hit Prague in August 2002
17 April	Launching of new Internet websites design
18 April	Introduction of new bus line no. 291 within the area of Karlov; services are provided by three special low-floor midibuses
14 June	Hundreds of inhabitants of Prague took the opportunity to visit Hlubočepy – Barrandov tram line under construction
12 September	Tram services were reintroduced in Sokolovská Street following demanding reconstruction of tram track damaged by floods
20 September	The Open House Day on the premises of Hostivař facility met with an enormous interest of the public
22–23 September	Prague Public Transit Co. Inc. hosted the meeting of UITP European Union Committee and UITP European Integration Committee
6 November	Withdrawal of Soviet cars of 81–71 type from metro line C
28 November	Grand opening of the new tram line Hlubočepy – Barrandov in the presence of the President of the Czech Republic
16 December	General Meeting of the company took a decision to cancel corporate units as of 31 December 2003 – this was the first step in the process of transformation of the company

Prague Public Transit Co. Inc.
in 2003





PRAGUE PUBLIC TRANSIT CO. INC. IN 2003

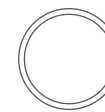
Prague Public Transit Co. Inc. is the major public transport operator within the territory of the Czech Republic. Every day we dispatch two thousand metro cars, trams and buses in Prague and adjacent region. Annual passenger numbers exceed one billion.

In March 2003 there was a change in the membership of the Board of Directors consisting of nine members. Starting from 12 March, the Annual Meeting of Prague Public Transit Co. Inc. appointed the following members of the Board of Directors: Ing. Milan Houfek, JUDr. Petr Hulinský, Radovan Šteiner, Petr Hána, Ing. Vladimír Řihák, Ing. Karel Matouš, Ing. Tomáš Jílek, Ing. Jan Heroudek and Ing. Václav Pomazal, CSc. On the subsequent Board meeting Ing. Milan Houfek was elected the chairman and JUDr. Petr Hulinský and Radovan Šteiner were elected the vice-chairmen.

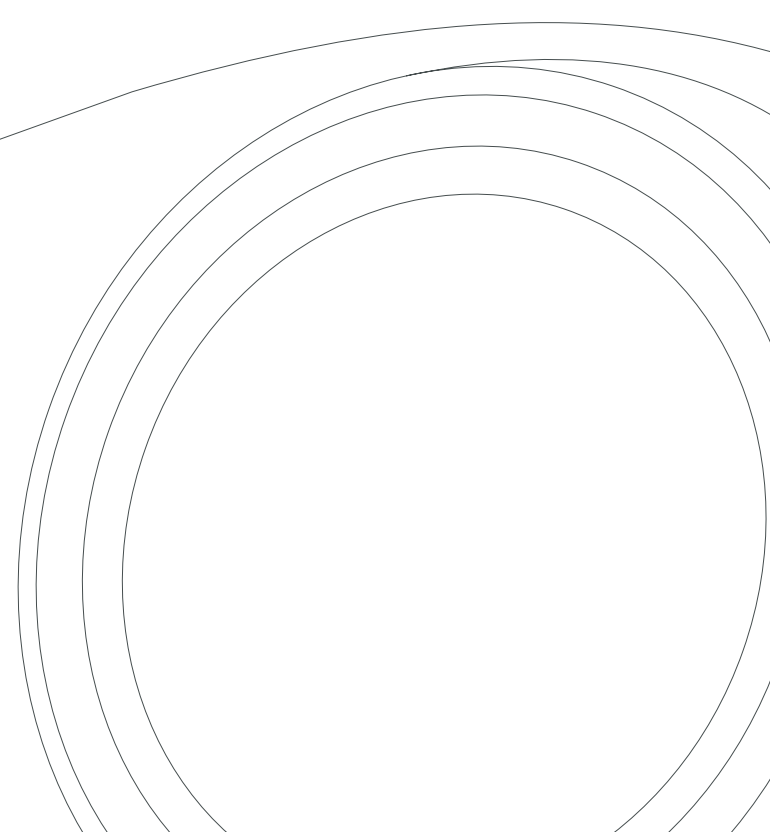
Undoubtedly, the most important event of the last year was the opening of a new tram line to Barrandov housing estate. Development of the tram line started in 2001 and in two years it resulted in a world-quality work both in terms of transport aspect and in terms of architectural and urban development aspect. Originally designed, comfortable stops of the new tram line with up-to-date passenger information elements became dominants of the housing estate and injected new life into the entire residential area.

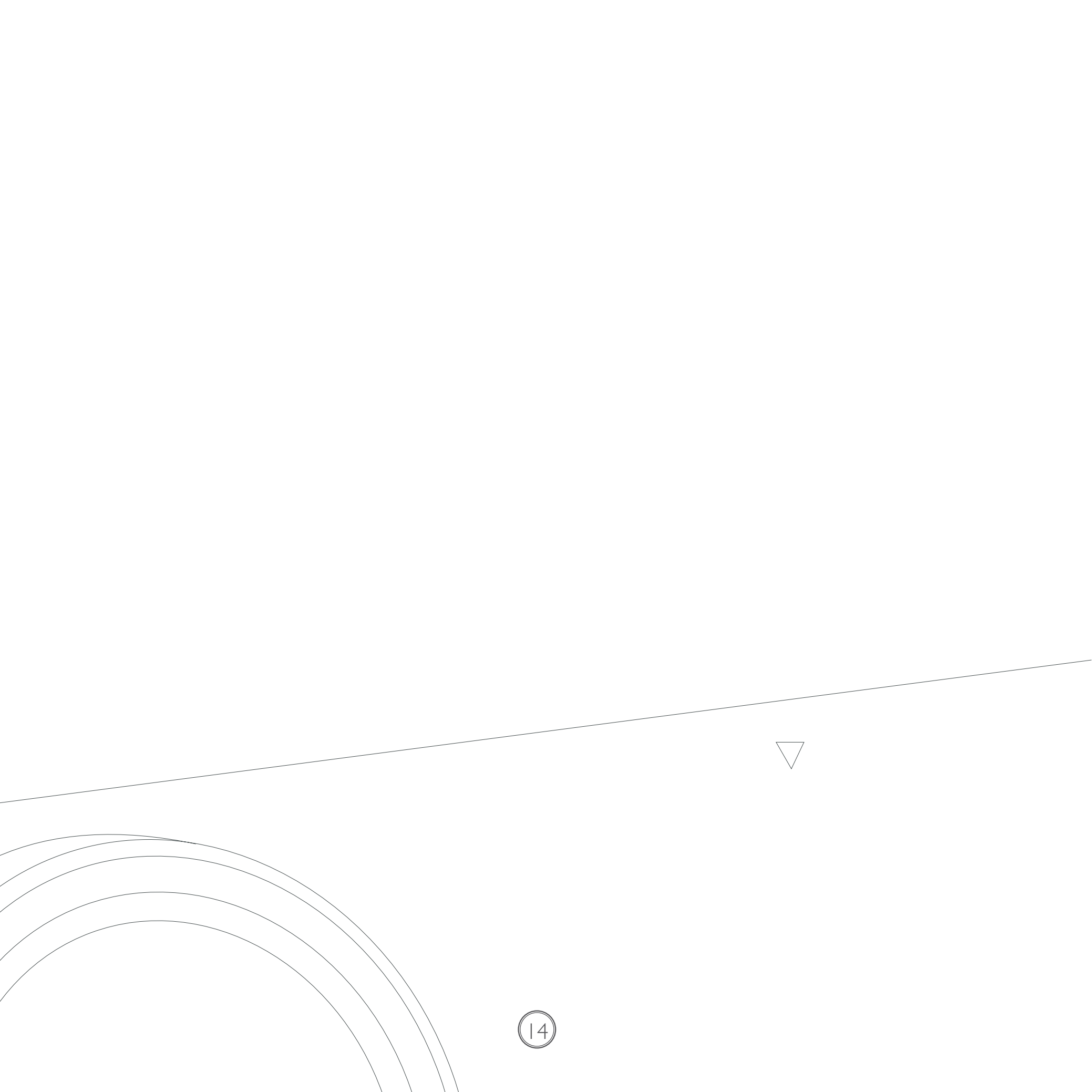
In 2003 we continued to increase also the quality of other services provided by our company. Again, the corporate fleet was extended by a high number of new or modernized metro cars, buses and trams. New metro extension in the northern part of the city is nearing completion with the planned opening in June 2004. We also continued to pursue preferential measures giving priority to public transport vehicles over private cars. Last but not least, we managed to remove all consequences of August 2002 floods and to recover the initial condition of our public transport system.

Viewed from the in-house perspective, 2003 was characterized by preparatory works for transformation of the company which is to be completed in mid-2006. The aim of the transformation is to streamline the management system and to make financial management more effective. A concept of transformation had been drawn up and approved by the Board of Directors in early December. The process of transformation was actually formally started by the decision of the Annual Meeting on cancellation of Units as of 31 December 2003.

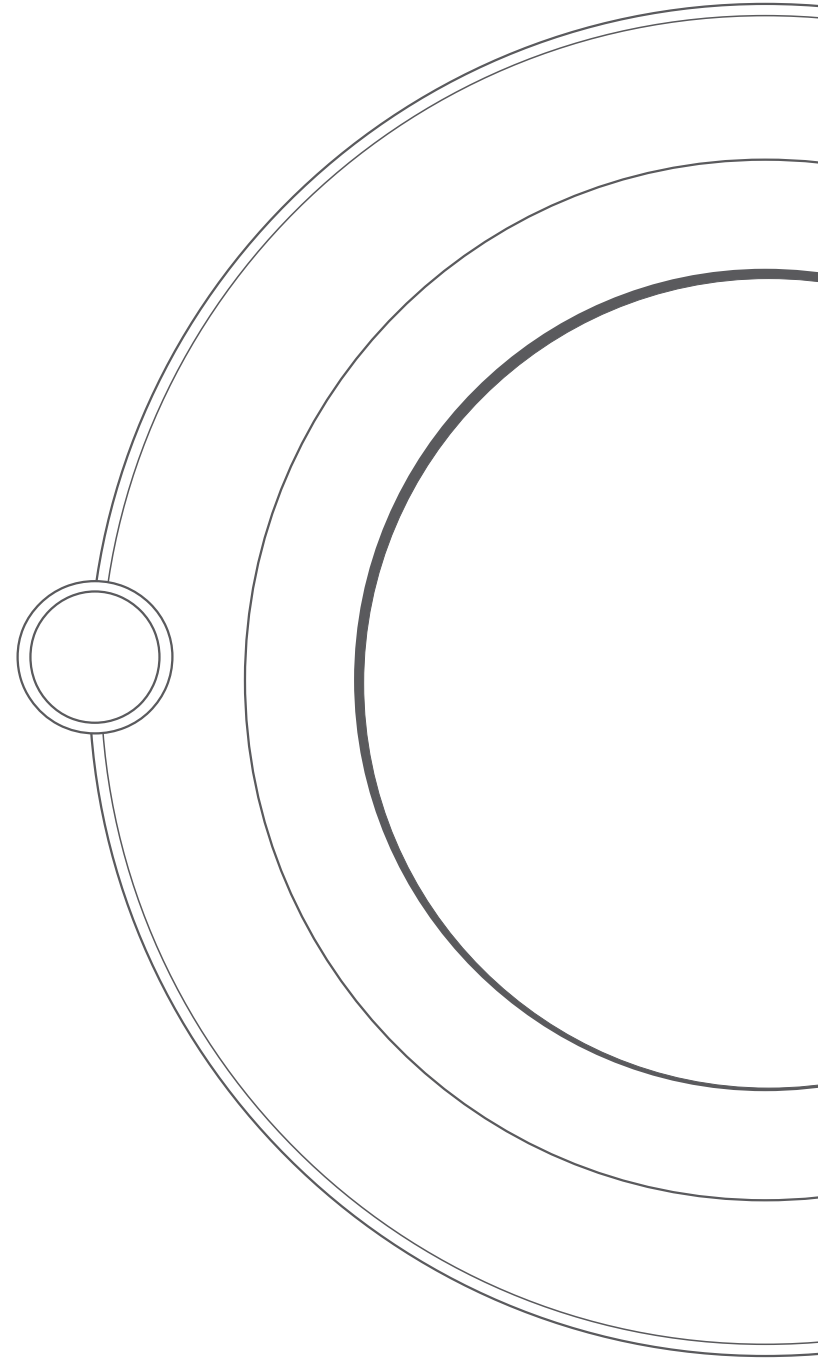


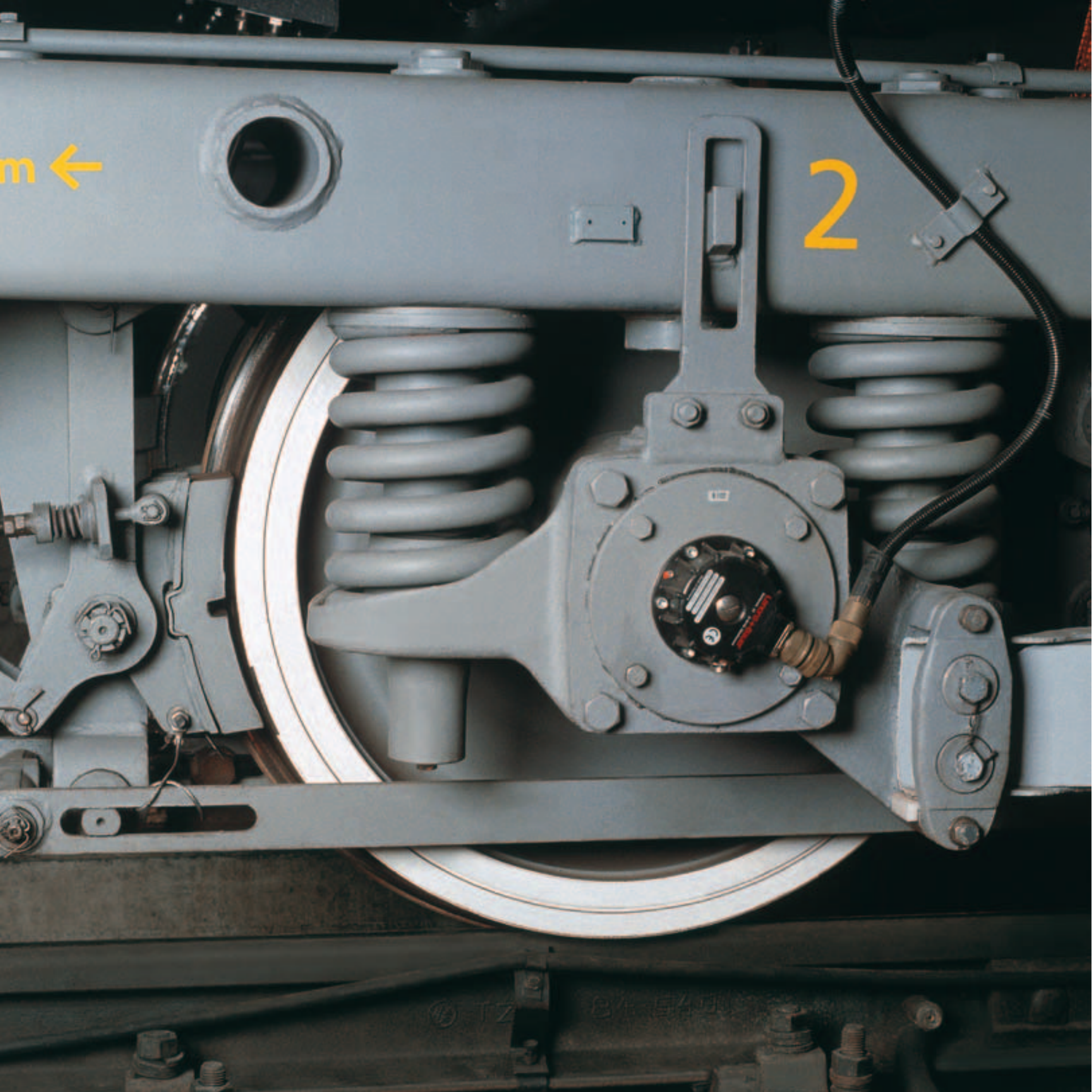
Prague Public
Transit Co. Inc.
in 2003





Transport





INTRODUCTION

Public transport system in Prague forms a dense network covering the entire city and its surroundings. The total length of lines operated by Prague Public Transit Co. Inc. amounts to more than 2,500 kilometers; these lines connect the city centre with the most distant suburbs. Hundreds of metro trains, trams and buses dispatched every day on regular routes enable local residents and visitors to travel to work, schools, shopping centres, entertainment or cultural events.

Following devastating floods that hit Prague in August 2002, we managed to recover all public transport services in the full extent throughout 2003. In March we also introduced a new bus line (no. 291). The most important event was the opening of the new tram line to Barrandov in November 2003 which resulted also in extension of some tram routes and reroutings within the bus network.

Ensuring smooth and seamless flow of public transport vehicles through the city is a necessary prerequisite for provision of good-quality public service. Accordingly, public transport priority over private cars is one of the main priorities of Prague Public Transport Co. Inc. Apart from further implementation of well-established preferential measures we carried out experimental testing of potential introduction of bus priority at crossroads equipped with traffic lights by means of the so-called active detection.

Additionally, one of the focuses of our company is to make travels easier and quite common also for people with impaired mobility and orientation ability. Through improving our technical supporting facilities and professional behaviour of our staff we aim to win also these passengers to become our satisfied customers.

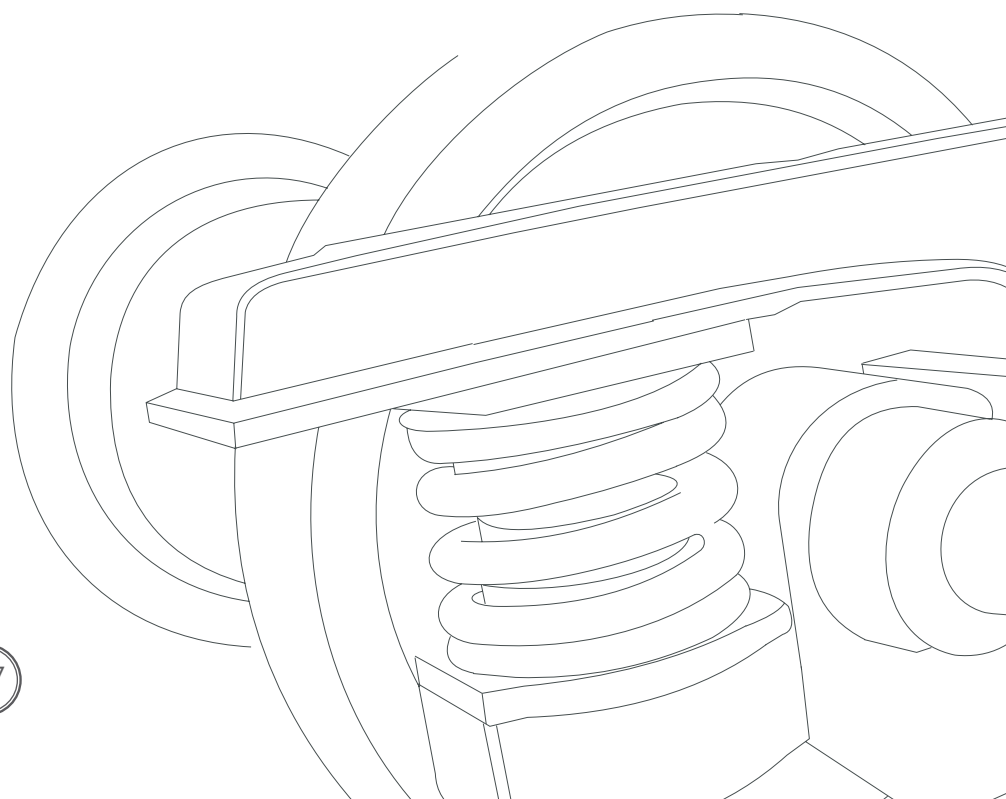
TRANSPORT SYSTEM

Metro

Three lines (A, B, C) of the total length 50 kilometers with 51 stations – this is the current structure of the metro system in Prague. Metro network is the backbone of the entire public transport system in Prague with most of the stations serving as intermodal interchange terminals with follow-up tram and bus services. Metro services are used by over 1,250,000 passengers every day.

In the first quarter of 2003 operation of the underground system in Prague was significantly affected by fading-away consequences of floods which hit the whole city in August 2002. During the first three months remaining stations of lines A and B which were closed due to damages incurred by floods were gradually reopened. Staroměstská and Malostranská stations (line A) and Českomoravská station (line B) were reopened in January. In mid-February B line between Karlovo Square and Palmovka stations with important interchanges Můstek and Florenc was reopened. The last four reconstructed stations of the B line – Národní třída, Náměstí Republiky, Křižíkova and Invalidovna were reopened in March. In the remaining months minor repair works were carried out within the metro network with no substantial impact on metro services.

Metro Unit operates also the chairlift in the Prague ZOO. During the floods in 2002 the chairlift incurred material damages resulting in necessary reconstruction. From 1 May 2003 the chairlift was reopened to the public.



Trams

Tram network in Prague covers more than 140 km. In 2003 the Tram Unit operated 25 day, 8 night routes and one nostalgic tram route, including X-B line to replace suspended metro services during the first two months of the year. New tram line no. 15 between Vypich and Střelničná was introduced effective from 30 August. The most important change within the tram system was the opening of Hlubočepy - Barrandov tram line at the end of November with trams no. 12, 14, 20 and 54 routed to Barrandov.

Thirteen months after the August floods tram services were reintroduced to Karlín - trams have been running again through Sokolovská Street between Florenc and Palmovka from 13 September 2003. Annual maintenance of tram tracks continued based on schedule. Reconstruction of Těšnov and Senovážné Square intersections and reconstruction of the track in Na Poříčí Street ranked among the most important activities. In connection with the reconstruction of bridges and surroundings of Bulhar intersection a provisional tram track was established enabling to connect Žižkov with the city centre.

The funicular railway to Petřín, serving local residents and visitors to the city already from 1891, ranked again among the most popular tourist attractions. The funicular railway was in service throughout the year except for two disruptions in spring and autumn.

Buses

At the end of 2003 Prague Public Transit Co. Inc. operated 148 urban day routes, 20 suburban routes, 19 school routes, 13 urban night routes and 2 bus routes designed for people with reduced mobility and orientation ability. The total route length is well over 2,000 kilometers.

Several substantial changes were introduced in the bus system during 2003. Bus line no. 291 servicing medical facilities in Karlov area by means of low-floor midibuses was introduced on 18 April. The most substantial change in bus services was introduced in connection with introduction of tram services to Barrandov. Bus lines no. 105, 126, 128 and 501 were cancelled, bus lines no. 192, 246, 247 and 507 were rerouted and new night line no. 514 was introduced.

Buses operated by Prague Public Transit Co. Inc. substantially participated in provision of transport services during important events, such as e.g. European YMCA Meeting held on 3 – 9 August 2003 at Letná.

SUPPLY OF TRANSPORT SERVICES

The overall supply of transport services provided by urban and suburban lines included in Prague Integrated Transport system operated by Prague Public Transit Co. Inc., including special services designed for people with impaired mobility and orientation ability, amounted to approx. 152.9 mil. vehicle kilometers (v.km). The volume of transport services expressed in place kilometers (p.km) amounted to almost 18.0 bn. Compared with 2002 supply of transport services in v.km showed a slight increase, the volume of p.km showed a more significant increase.

Increased volume of transport services was particularly a result of reinforced tram and bus transport services partially replacing metro line B services which were still limited at the beginning of the year. Increased transport performance was also resulting from introduction of bus line no. 291 I. P. Pavlova – Karlovo náměstí – I. P. Pavlova and from extension of tram lines to Barrandov housing estate.

TRANSPORT

PT PRIORITY

Hardly any European city experienced such an enormous increase in car traffic in the last decade of the last century as the city of Prague. As a result of this enormous increase in private car use the transport network in Prague has become one of the most congested networks in Europe. This fact has had a negative impact on speed and regularity of surface public transport. To resolve this unsustainable situation measures have been taken to give priority to public transport and thus ensure its attractive character for local residents and visitors. These measures are based on the "Project of Surface Public Transport Priority in Prague", elaborated continuously by Prague Public Transit Co. Inc. in cooperation with experts representing a number of municipal institutions.

Trams

Preference of trams in Prague is ensured by two types of measures: physical separation of tram tracks from the street level by means of physical barriers preventing cars from running on tram tracks and appropriate modification of signal timing at crossroads with traffic lights. In 2003 a number of preferential measures were implemented along the route of tram line no. 3 selected as the so-called "pilot line with priority". This line should become a model for future development of public transport system.

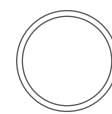
By the end of 2003 concrete humps separating tracks from the street level have been installed along more than 6 kilometers of tram tracks. These physical barriers ensure smooth and safer flow of tram traffic at

places with frequent occurrence of collisions with car traffic. Last year longitudinal humps (1058 m) were installed in the following localities:

- Na Poříčí Street within the segment Bílá Labuť department store and Biskupská Street - uptown direction (100 m); implementation - May 2003;
- Sokolovská Street within the segment Českomoravská – U Balabenky in both directions (254 m); implementation - June 2003;
- Sokolovská Street within the segment Švábky – Zenklova - uptown direction (300 m); implementation - September 2003;
- Sokolovská Street within the segment Nekvasilova – Švábky - uptown direction (100 m); implementation - September 2003;
- Havlíčkova Street within the segment Na Poříčí – V celnici - downtown direction (70 m); implementation - October 2003;
- Národní Street within the segment Spálená – National Theatre - uptown direction (50 m); implementation - October 2003;
- Komunardů Street within the segment Bubenské nábřeží – Jateční in both directions (184 m); implementation - November 2003.

Signal timing priority facilitates approaching trams to pass through the intersection without having to stop (so-called "absolute priority") or at least with a minimum delay.

Throughout 2003 tram priority was newly introduced to eleven and reintroduced to four intersections. At the end of the year there were 197 crossroads with traffic lights within the tram network of which 75 with preferential signal timing (of which 35 with absolute and 40 with facultative priority).



Transport

Buses

Introduction of reserved bus lanes has proved to be an effective priority measure, ensuring smooth and fast flow of bus traffic, particularly on extremely busy roads. At the end of 2003 the total length of such bus lanes in the bus system amounted to more than eleven km.

A novelty among preferential measures is bus priority at crossroads with traffic lights (the so-called active detection system). This alternative has been experimentally tested by Prague Public Transit Co. Inc. since 2002 within the framework of the international Trendsetter Project. In 2003 bus priority by means of active detection was introduced to two intersections, namely Holečkova – Zapova and Barrandov Bridge – ramp from Modřanská. This type of preferential measure has proved to be successful as there are considerable time savings of buses using this system.

TRAFFIC SURVEYS

Any quality and reliable operator cannot manage without detailed knowledge of passenger needs and numbers. Accordingly, traffic surveys are an important focus of Prague Public Transit Co. Inc. each year. Results of traffic surveys are a basis for implementation of changes and modifications of public transport services to meet passenger demands.

A number of surveys of minor as well as greater scope were performed during 2003. In April and October local surveys were carried out in the southern and north-western parts of the city. The surveys resulted in modification of some service intervals, particularly of those provided during morning and afternoon peaks. Among local surveys of

operative nature one of the most important was the survey monitoring the level of use of substitute lines replacing impaired metro services, surveys monitoring the level of use of new bus line no. 291 or surveys carried out in connection with preparations of the opening of the new metro C extension between Nádraží Holešovice and Ládví.

A number of surveys was also carried out last year with the aim to identify and verify parameters of vehicles used within Prague Integrated Transport system. These included verification of passenger carrying capacity, i.e. gradual loading of vehicles with passengers up to the maximum permissible loading. In May loading tests of buses were carried out, namely 24 options of interior arrangement of 18 types of buses both from our corporate fleet and other operators' fleets. Metro train loading tests were carried out in November.

ACCIDENT RATE

Public transport vehicles of our undertaking represent a reliable and safe means of transport. While the total annual number of traffic accidents in Prague doubled during 1990 – 2003 the traffic accident rate with respect to public transport vehicles increased only by a fourth for the same period.

In 2003 the number of traffic accidents with involvement of our corporate vehicles remained practically the same as in 2002. It is quite positive that compared to previous years fatal injuries figures showed a significant decrease. However, we failed in our efforts to stop a negative trend of the last four years with a growing number of

TRANSPORT

accidents caused by bus drivers; on the contrary, there was a significant decrease of accidents caused by tram drivers in 2003.

SERVICES DESIGNED FOR PEOPLE WITH IMPAIRED MOBILITY AND ORIENTATION ABILITY

Our company makes a long-term effort to make travel conditions easier and better for people with impaired mobility and orientation ability. This is illustrated by a growing number of barrier-free entrances to underground stations, additional acquisition of low-floor vehicles and installation of some special devices designed for the blind.

In 2003 21 out of total 51 stations within the metro system were easily accessible by means of lifts, modified freight lifts (accessible with an accompanying person) and access ramps. Although there were no additions in terms of easy access facilities preparations were in progress to introduce additional facilities to a number of stations. Accordingly, in 2004 inclined staircase ramps are to be available at Strašnická, Nové Butovice and Smíchovské nádraží metro stations as well as personal lifts at Muzeum A, Pankrác and Budějovická stations. Easy access facilities are an integral part of Kobylisy and Ládví stations of the newly developed metro extension (line C) which are to be opened in June 2004.

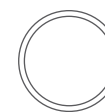
To enable easier orientation of visually impaired people entrances to metro stations are equipped with acoustic beacons currently available at almost all stations. Station platforms are gradually fitted with guide rails – fourteen metro stations were fitted with such guidance system by the end of 2003.

Special receivers installed in all surface transport vehicles are an important step towards easily accessible public transport. This unique system enables a remote-controlled activation of an external announcement about the number and destination of approaching tram or bus; possible intention of the blind passenger to get on is acoustically confirmed to the driver.

An important step towards making public transport services accessible to people with impaired mobility is the acquisition of additional low-floor vehicles. In 2003 the bus fleet was extended by additional 50 low-floor vehicles – 30 low-floor Karosa Renault City Buses, equipped with folding ramps at the central door enabling access of wheelchairs, and 20 low-floor articulated Karosa Renault buses. By the end of 2003 low-floor vehicles included in our corporate fleet accounted for almost one fourth of the fleet.

More than three hundred low-floor buses serviced 69 regular routes of which 10 serviced exclusively by low-floor vehicles. With respect to other routes low-floor vehicles were employed at selected links designated in timetables (so-called guaranteed links).

Apart from guaranteed links on regular routes Prague Public Transit Co. Inc. operates also 2 special bus routes primarily designed for people with impaired mobility. These routes are serviced by 4 modified Karosa buses equipped with hydraulic folding staircase forming an elevated platform and with a reduced number of seats to accommodate more wheelchairs. The first special bus route services the Jedlička's centre and easy-access houses at housing estates Černý Most and Jižní Město I, the second one services easy-access houses at housing estates Řepy and Jihozápadní Město.



Transport

TRANSPORT

Within the framework of EC's Trendsetter Project new bus line no. 291 was introduced in April 2003 providing transport services to medical facilities located in the area of Karlov. This bus route is serviced by three low-floor midibuses Ikarus E91.

TICKET INSPECTION

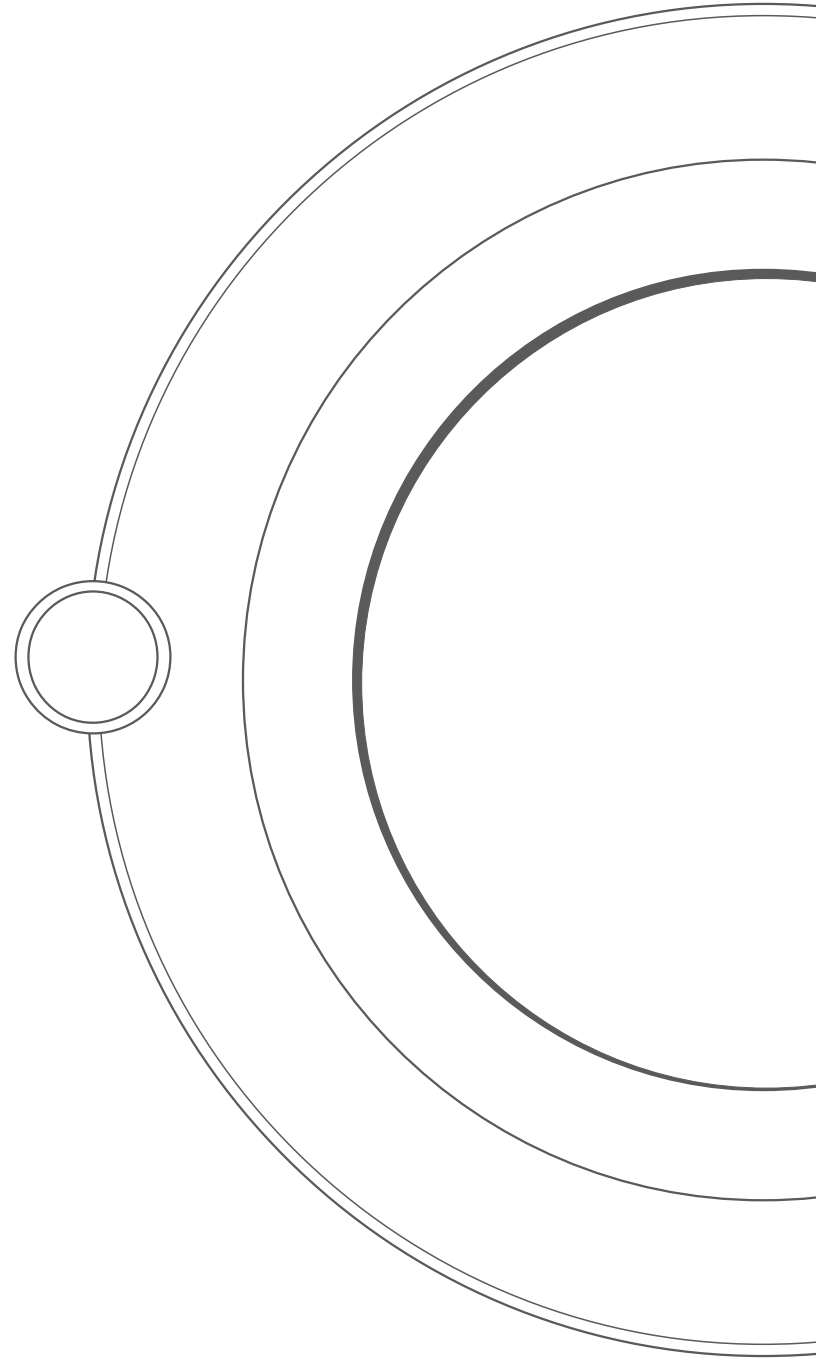
The so-called “fare-evaders”, i.e. people traveling without a valid ticket, cause our company annual revenue losses amounting to approx. tens of millions CZK. The main task of ticket inspectors is to maintain such losses at an acceptable level and to eliminate them as much as possible.

Decrease in fare-box revenues in 2002 resulted in adoption of some measures to boost up activity of our ticket inspectors. These measures included training of additional ticket inspectors to renew staff numbers according to schedule as well as establishment of new criteria of remuneration and work planning of ticket inspectors. Compared with 2002 the number of caught fare-evaders who did not comply with transport and tariff conditions valid within the Prague Integrated Transport system increased by more than 80 thousands in 2003. Our cooperation with Municipal Police and Police of the Czech Republic was substantially improved with twice as much joint checks compared to 2002. Our company continued also its successful cooperation with Brož & Sokol & Novák, attorneys at law, contracted for the purposes of enforcing obligations for non-compliance with transport conditions.

In January 2003 Ticket Inspection Department was audited by the Personal Data Protection Office. The audit established no violation of obligations concerning personal data processing imposed on Prague Public Transit Co. Inc. by applicable legislation, namely by Personal Data Protection Act.

Number of penalty fares	Revenues from penalty fares
268,754	CZK 87,896,964.-
+ 45.6 % compared to 2002	+ 36.3 % compared to 2002

Technology





INTRODUCTION

Provision of high-quality public transport services at the beginning of the 21st century is unthinkable without application of the latest technologies. Majority of operations and facilities in the public transport sector cannot manage without state-of-the-art technology, let alone constantly growing client demands on operator's technical equipment. Prague Public Transit Co. Inc. aims at introducing vehicles and other technology units complying with current global quality to be able to provide more comfortable, safe and environmental-friendly services to its clients.

The quality of fleet and rolling stock has been substantially improved in previous years. This change has met with a very positive public response as confirmed by sociological surveys. Thirty one new metro trains are already operating in regular passenger service (line C) and seven reconstructed metro trains were added at the end of November 2003. Modernization of the oldest T3 tram cars aimed at increasing their reliability and travel comfort has been successfully progressing as well. Long-awaited deliveries of new low-floor trams should commence in 2005.

Bus fleet renewal went on successfully as well. The company acquired over 100 new buses, including three special low-floor midibuses introduced for the first time in Prague. In addition to acquisition of new vehicles our company implemented the scheme of substantial modernization of a part of the fleet made up of older Karosa buses.

In spite of the fact that quite enormous part of funds was invested to recover from post-flood damages there were also other abundant

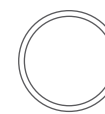
investments in 2003. The progress of works in connection with development of metro extension IV.C from Holešovice to Ládví went on according to schedule with the planned opening in mid-2004. This new extension should significantly improve the accessibility to the northern part of the city. In November 2003 first passengers were carried by the new tram line Hlubočepy - Barrandov. This tram line immediately won admiration both of local residents and visitors to the city. Apart from this, we managed to repair several segments of existing tram tracks and continued the process of modernization of metro safety equipment and reconstruction of metro power supply system.

Environmental issues are one of the long-term priorities of Prague Public Transit Co. Inc. Public transport as such is much more environmentally friendly compared with private cars but our company aims at applying a quality environmental approach with respect to all parts of its operations. Elimination of power consumption with respect to electric traction (metro, trams) as well as lower fuel consumption and good-quality waste disposal management have become a common practice in previous years.

FLEET AND ROLLING STOCK

Metro

As of 31 December 2003 metro rolling stock consisted of 657 cars of type 81-71, 81-71M and new M1 cars. The oldest types of Soviet cars 81-71 still account for more than a half of the rolling stock (377 cars) although their number is annually eliminated. In November these cars were withdrawn



Technology

from the line C and additional withdrawal from the line A is scheduled for 2004. These cars have been gradually replaced by reconstructed 81-71 M cars and new M1 cars. At the end of 2003 the rolling stock included 125 reconstructed and 155 new cars. In addition to the above mentioned inventory there is also a historic set of three Ečs cars. The mean age of metro cars is 11 years.

As of 31 December 2003 the premises of the Metro Unit housed as much as 25 reconstructed sets of 81-71M cars delivered by Škoda Plzeň factory. The first seven trains were delivered with MATRA PA 135 automatic train control and operate in regular passenger service on the line C. The remaining 18 trains are fitted with LZA automatic train control. These trains are designed for the line A currently in the final stage of modernization of automatic train control units. Four of these trains are already used in a part of the line A for test passenger service.

All 22 trains of the first series of new M1 cars are used in regular service on the line C. In January 2003 Prague Public Transit Co. Inc. took over the first train of the second series of deliveries of new generation cars from Siemens company.

As of 31 December 2003 179 vehicles were withdrawn from operation. Reasons of such removals can be divided into three following categories:

- necessary removals – 143 vehicles (50 under current or future reconstruction in Plzeň factory, 90 modernized and already delivered to Prague to be fitted with LZA automatic train control and three cars temporarily lent to Škoda Plzeň, Siemens and for the purposes of emergency squad training) which are not to be included in regular operation,

- vehicles removed due to regular maintenance and repairs – 34 vehicles put aside according to the schedule based on mileage,
- vehicles removed due to extraordinary repairs– 2 vehicles.

Percentage of repairs amounted to 13.5 %. Technical supporting facilities of metro consist of 3 depots each designed for one particular line – Kačerov, Hostivař and Zličín. Extensive repairs are carried out at metro maintenance and repair facility in Hostivař.

Trams

As of 31 December 2003 tram rolling stock consisted of 948 cars, of which 47 double-articulated of KT8 D5 type, 151 cars of T6A5 type and 4 low-floor RT6N1 cars. The remaining 746 cars are various modifications of T3 cars. The above mentioned figure does not include 16 historic cars used for nostalgic tram route and for contractual trips.

New T3R.P cars have been acquired from 2000 through modernization of T3 cars. 41 trams of T3 type were reconstructed last year at Hostivař Tram Repair Shop. One of these cars was modified into a service car.

The mean age of tram rolling stock is 17.15 years. 283 T3 cars have exceeded their technical lifespan and account for about 30 % of the total number of trams. Percentage of repairs in 2003 was 7.89 %.

Tram car maintenance is carried out in 7 depots: Hloubětín, Kobylisy, Motol, Pankrác, Strašnice, Vokovice and Žižkov and Hostivař Tram Repair Shop.

Buses

As of 31 December 2003 the Bus Unit had an inventory of 1,393 buses, of which 998 standard buses, 392 articulated buses and 3 midibuses. In the course of the year the bus fleet was renewed by 30 standard, 30 standard low-floor, 20 articulated and 20 articulated low-floor buses. Three low-floor Ikarus E91 midibuses manufactured by Karosa, a.s. were acquired for the newly introduced line no. 291 due the narrow street network of the area of Karlov. All buses acquired in 2003 comply with emission limits under EURO III standard.

115 buses, of which 92 standard and 23 articulated, were withdrawn from inventory. There are 311 standard and 23 articulated buses which have exceeded their technical lifespan.

Percentage of repairs amounted to 6.98 %, or 5.98 % after deduction of buses withdrawn due to complaints procedure. Faultless operation between technical failures amounted to 14,329 km. The mean age of our bus fleet was 5.44 years as of 31 December 2003.

Bus operation and maintenance is provided by six garages: Dejvice, Klíčov, Vršovice, Kačerov, Hostivař and Řepy.

INVESTMENTS

In 2003 more than CZK 10.5 bn. were invested by Prague Public Transit Co. Inc. in various investment projects, of which approx. 2.5 bn. drawn from own resources, approx. 6.1 bn. drawn from the municipal subsidy and CZK 510 mil. from the state subsidy for special purposes. The remaining 2 bn. were

drawn from the loan granted by Česká spořitelna, a. s. and Československá obchodní banka, a. s. (funds available from the latter are used to cover acquisitions of the second series of new metro trains).

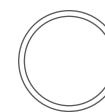
The majority of funds, namely about CZK 3.6 bn, were used for renewal of fleet and rolling stock – acquisition of new metro trains and buses, reconstruction of older Soviet-made metro cars and modernization of T3 tram cars. The most important investment projects included also the progress of metro extension IVC from Nádraží Holešovice station to Ládví which is to be opened in June 2004. Development of tram line Hlubočepy – Barrandov, by its parameters and architectural design ranking among the top European developments of this kind, was successfully completed.

Abundant part of resources was also invested in reconstruction of tram tracks. The most difficult and costly reconstructions included the following: reconstruction of tram track in Sokolovská Street materially damaged by floods and reconstruction of tram track Českomoravská – Harfa which is to be completed in March/April 2004. Over CZK 600 mil. were invested to recover metro stations from flood consequences.

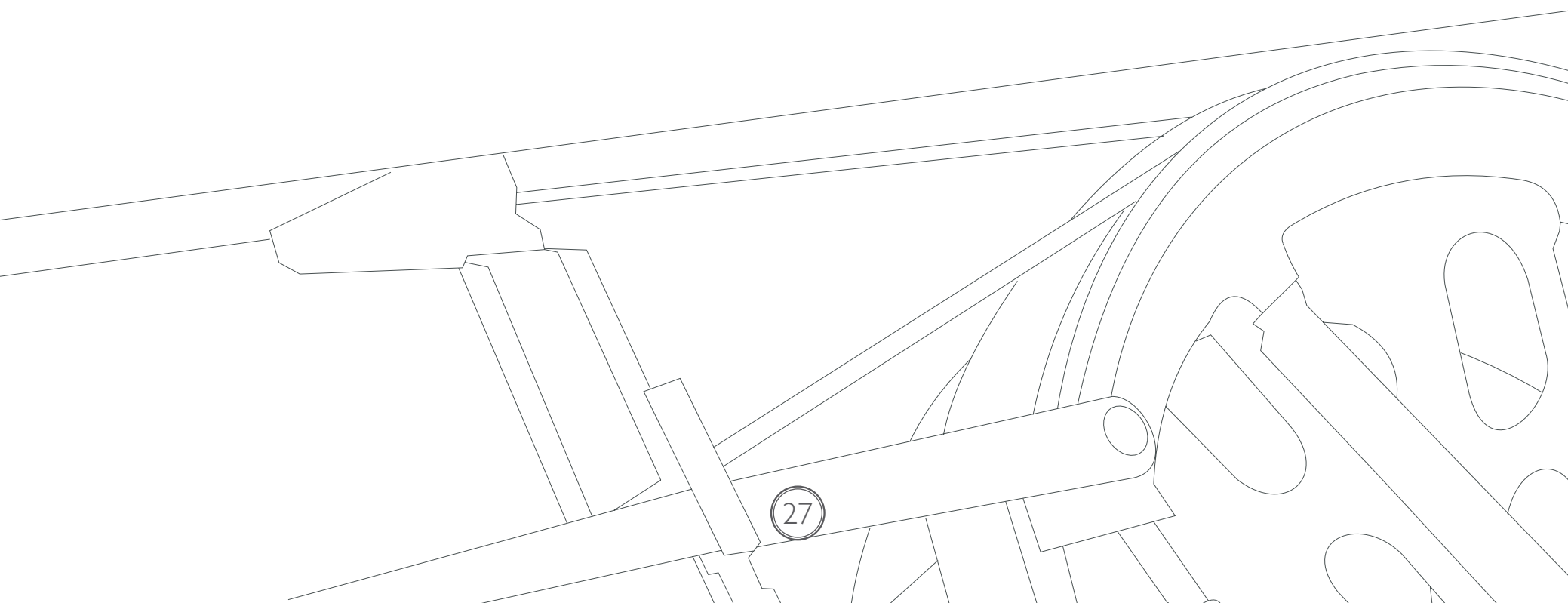
POWER SYSTEM

Metro

Prague metro ranks among major customers in the city in terms of power consumption. Power is supplied by twelve substations 110/22 kV of Pražská energetika, a. s. /Prague Power-producing Plant/, contracted as a single bulk consumption. In 2003 consumption amounted to 191,552



Technology



MWh, of which 51.2 % falling to traction power. Average price amounted to 1.40 CZK/kWh. This very low average price (by 0.1 CZK/ kWh lower than in 2002) was achieved thanks to benefits granted by the supplier within the framework of the post-flood recovery.

Heating is provided mainly from central resources of Pražská teplárenská, a. s. /Prague CHP Plant/ (128, 177 GJ/year) and also from local boiler houses and by means of electric power. Natural gas supplied by Pražská plynárenská, a. s. /Prague Gas Company/ is a medium for 4 boiler houses (1.5 mil. m³/year), water is supplied by Pražské vodovody a kanalizace, a. s. /Prague Waterworks and Sewerage/ in the volume of 530,000 m³/year.

The total cost of media and sewage charges in 2003 amounted to CZK 357 mil., revenues from sales of media to third parties amounted to CZK 40.6 mil. Costs of media incurred in 2003 were by approx. CZK 12 mil. higher compared with 2002.

Trams

Power failure rate development in 2003 was showing very positive trends – there were only 59 failures in 2003 compared with 76 in 2002.

In 2003 a new container converting substation was completed and put into service in Karlín, thus ensuring power supply for the entire area. In connection with the opening of the new tram line Hlubočepy – Barrandov traction network in Zlíchov was modified and 2 new modern converting substations Hlubočepy and Barrandov were opened. Installed capacity of both substations is 2 x 2500 kVA + 100 kVA of own consumption. The premises of both substations house also a transformer (capacity of 250 kVA) ensuring

power supply to all track systems (lighting of stops, underpasses, bridge structure etc.). Both converting substations together with Zlíchov converting substation were connected to the control system by means of optic cables.

Thanks to new converting substations the total installed capacity of the Tram Unit increased to 199 MVA at the end of 2003. The installed capacity and annual power consumption ranks the Tram Unit among major customers of Pražská energetika, a. s. /Prague Power-producing Plant/. Traction power consumption for 2003 amounted to approx. 157.1 GWh, i.e. financial costs of approx. CZK 298 mil. (including 22 % VAT).

Buses

In 2003 the total diesel oil consumption of the Bus Unit amounted to 29.6 mil. l. Total costs of diesel oil amounted to CZK 455 mil. Average fuel consumption of the fleet was 43.6 l/100 km.

The costs of other media amounted to CZK 64 mil. Consumption of heat supplied by Pražská teplárenská, a. s. /Prague CHP Plant/ amounted to 59,534 GJ/year. Consumption supplied by Pražská plynárenská, a. s. /Prague Gas Company/ amounted to 3.2 mil. m³ of natural gas. The total consumption of electric power supplied by Pražská energetika, a. s. /Prague Power-producing Plant/. amounted to 8.2 mil. kWh. Consumption of liquefied gas/propane supplied by Český plyn, a. s. /Czech Gas/ amounted to 28,694 l, i.e. 15.2 tons.

Management

In 2003 no substantial changes occurred with regard to the structure of power consumption managed by our corporate management.

In connection with the opening up of electric power market a public tendering procedure to award contracts on future electric power supplies for the metro system in Prague for 2004 was announced. Following assessment of all bids Prague Public Transit Co. Inc. took advantage of its legal right and rejected all bids submitted in the tender. At the end of the year preparations for a new tendering procedure were started in connection with future joint power supplies for Metro and Tram Divisions for 2005.

ENVIRONMENTAL ISSUES

Metro

In the field of environmental protection there has been a constant search for opportunities to replace input materials adversely affecting environment by environmentally friendly materials. These include e.g. environmentally friendly methods of washing down graffiti (metro trains) or replacement of hydrocarbon solvents when degreasing components etc. Particular attention has been paid to eliminating noise levels within older metro track segments. Noise eliminating measures are an integral part of the newly developed extension IV. C1. Lower noise levels are an important benefit of new M1 trains as well as of reconstructed 81-71M trains the number of which is annually growing.

Waste disposal management, handling of chemical substances, water and air protection management were carried out in line with applicable legal standards.

Trams

Special attention was traditionally paid by the Tram Unit to sewage disposal system. In August 2003 development of daily maintenance hall at Pankrác depot was completed. The hall is equipped also with a tram wash unit and sewage plant. The sewage plant is currently in experimental operation and results of analyses show that sewage water discharged from the tram wash does not exceed permissible limits set by applicable Prague Sewerage Rules.

A new tram wash was also completed at Hostivař Tram Repair Shop. The tram wash is divided into three units - undercarriage, car body and car interior washing. Sewage waters from the tram wash are discharged to a sewage plant for sewage treatment and then discharged to drainage system on the premises of the Tram Repair Shop.

Replacement of a sewage plant at Motol depot was completed in 2003 which resulted in low pollution levels of sewage water discharged from the tram wash thus meeting permissible limits.

Environmentally friendly methods are applied also in connection with reconstructions of tram tracks. Advanced building technologies are applied to eliminate negative environmental impacts of tram traffic.

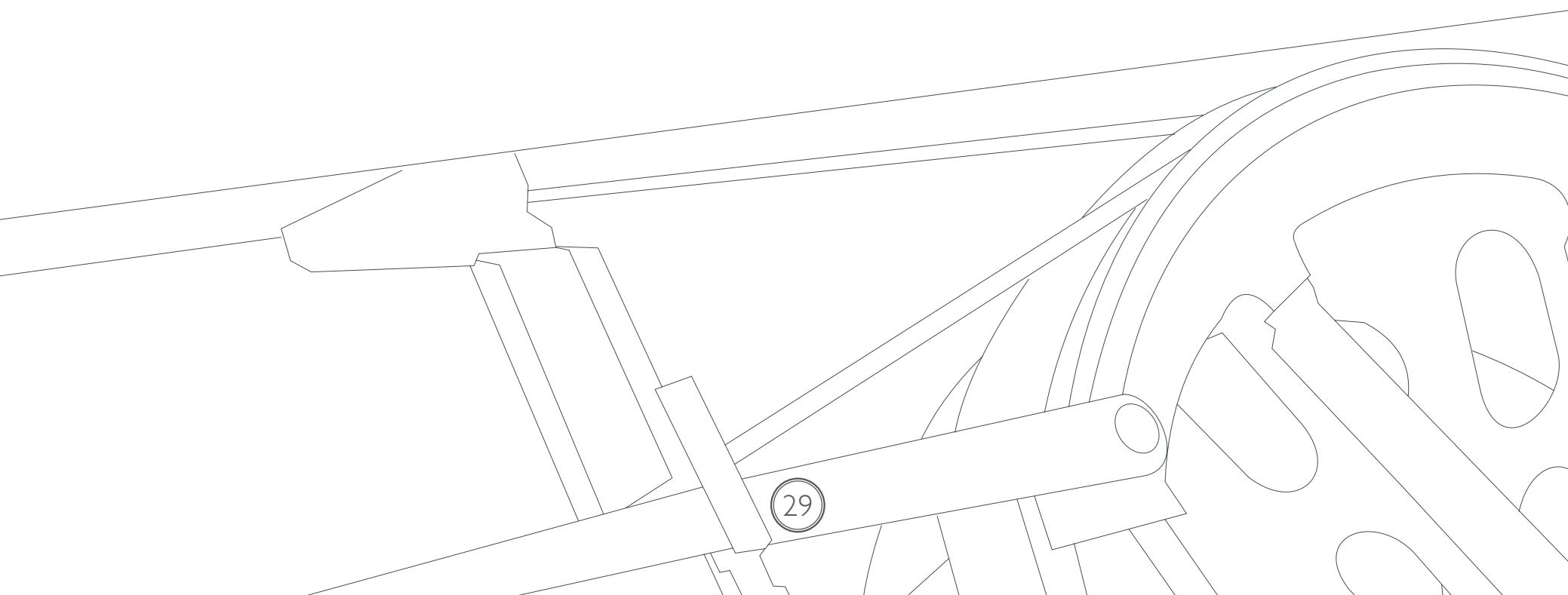
Buses

In 2003 a separation unit was added to the spraying box at Repair and Maintenance Facility in Hostivař. This unit will significantly cut down emissions of solid pollutants (by more than 99%).

The fact that as much as almost one fifth of corporate bus fleet (277 buses) meet the requirements set by the strictest emission standard



Technology



TECHNOLOGY

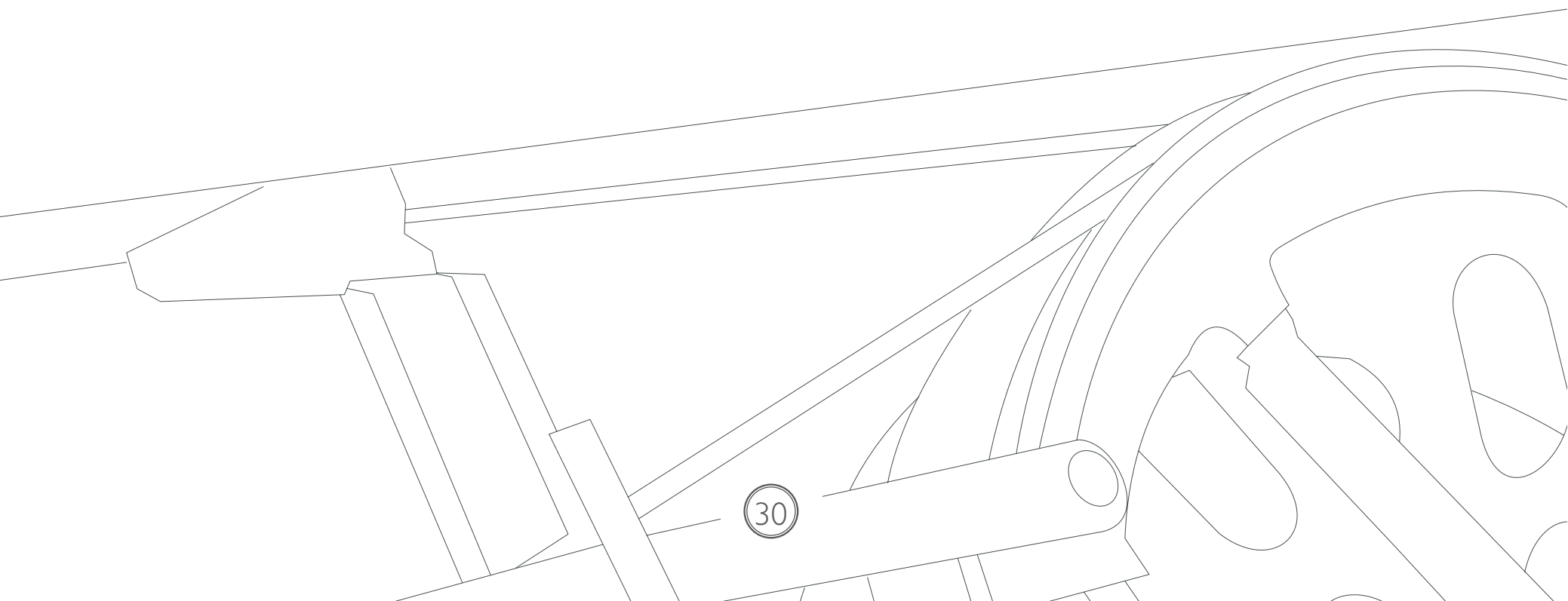
EURO III undoubtedly contributes to elimination of air pollution in Prague. Experimental use of emulsion diesel oil, i.e. mixture of diesel oil with water, was started in the Bus Unit last year to cut emissions particularly of older bus engines.

There have been also significant improvements of waste disposal management in recent years. Modern halls with water management system have been developed in Řepy and Vršovice garages; sewage plants at Kačerov garage and Hostivař Repair and Maintenance Facility have filter presses which substantially eliminate production of sludge. Waste sorting is provided in all garages.

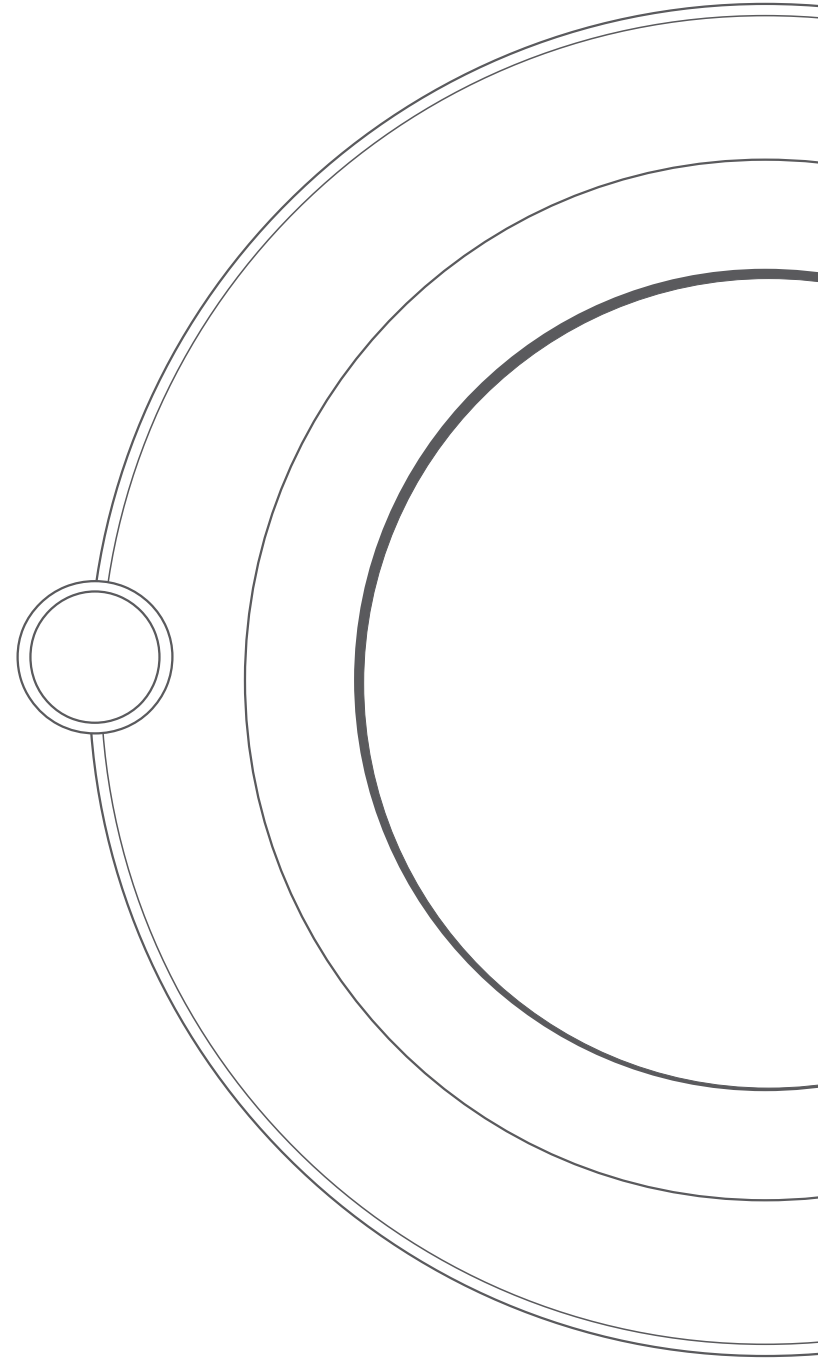
In line with stricter environmental legislation continuous assessments are carried out in terms of how are particular garages prepared to respond to possible emergency situations in the field of water protection, air quality protection and handling of dangerous substances.

Management

Last year special attention was paid to landscaping of corporate land. Reclamation works at the waste dump in Modřany continued with the aim to eliminate environmental burden and establish sports grounds in this area. A golf course was established at Rohanský Island and preparations were started to erect flood-protection barriers in the districts of Karlín and Libeň.



Economics





INTRODUCTION

Cost-effective and proper use of financial resources is one of the main priorities of Prague Public Transit Co. Inc.

Financial management of Prague Public Transit Co. Inc. was substantially influenced by floods of August 2002. Recovery from damages resulting from disastrous floods continued also during 2003 and quite enormous funds were required to cover the cost of such recovery. It is quite positive that following a drop in revenues from fares in the "flood" year 2002 our company managed to increase fare-box revenues, including penalty fare, by almost CZK 240 mil.

FINANCIAL SITUATION IN 2003

Based on Public Service Contract on provision of public passenger transport services Prague Public Transit Co. Inc. was granted a non-investment subsidy from the municipal budget of the Prague City Council amounting to CZK 6.864 bn. As a result of increased wage costs in line with collective bargaining, reinforced operation of Prague Integrated Transport lines and partial coverage of post-flood emergency operational measures this subsidy was increased in the course of the year. The total amount of the subsidy was thus CZK 9.698 bn.

Last year, financial situation of Prague Public Transit Co. Inc. was influenced by two critical aspects.

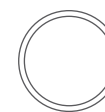
The first aspect was the post-flood recovery. Majority of costs of recovery from post-flood damages was covered in 2003. Costs of metro reconstruction were covered from various resources – CZK 2.8 bn. from the state budget, CZK 1.54 bn. from the municipal budget of the City of Prague and CZK 746 mil. from the Solidarity Fund. The remaining costs of recovery were covered from own resources.

The second critical aspect affecting financial situation of our company was the loan for acquisition of twenty new M1 trains. In 2003 our company drew CZK 1.975 bn. from the loan.

With regard to subsidies granted to post-flood recovery and loan funds available to cover new metro trains deliveries the financial situation of the company was generally positive and did not require to draw any loan from the current account with Česká spořitelna, a.s.

TARIFF AND REVENUES FROM FARE

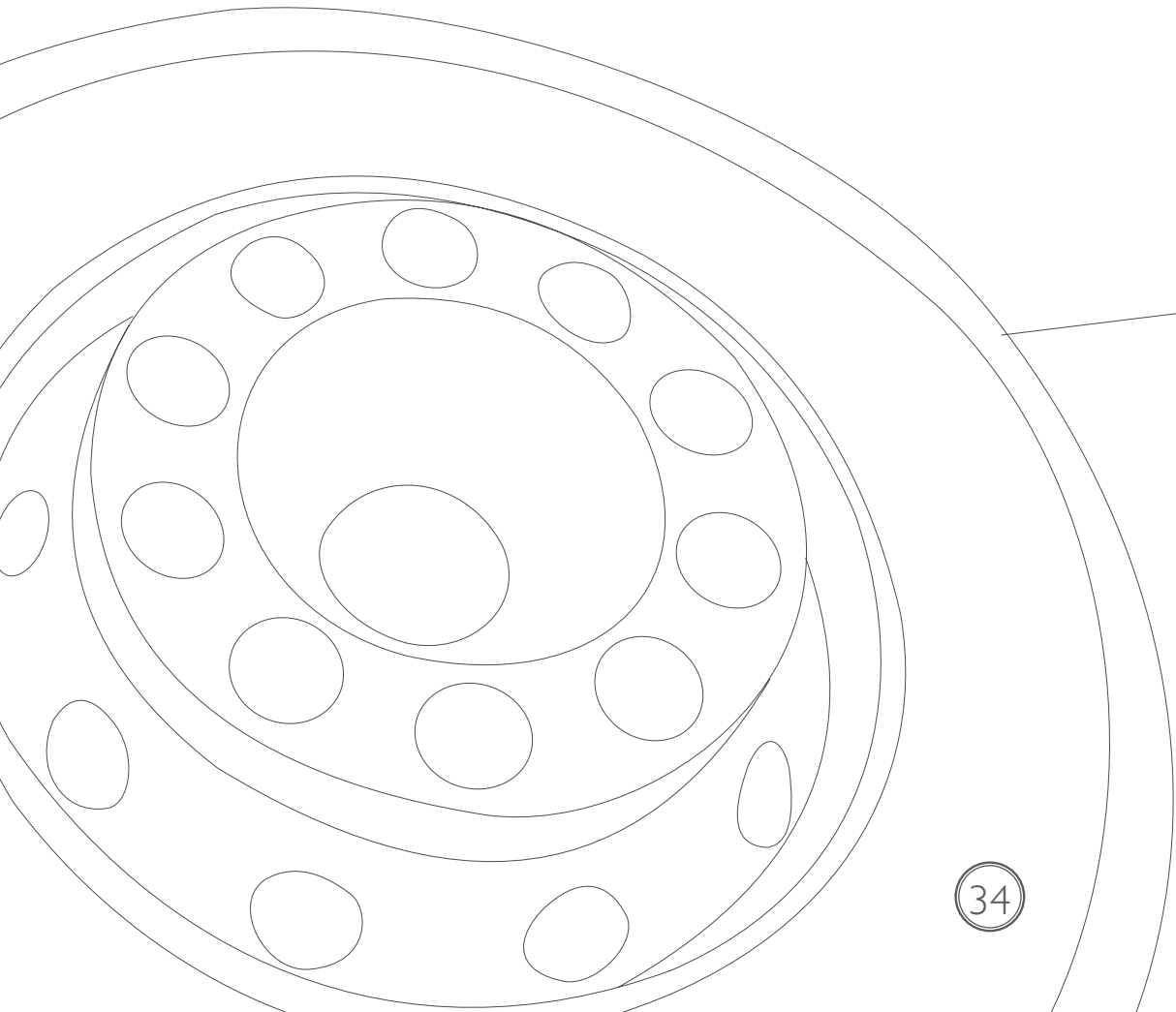
Following a substantial drop in revenues from fares in 2002, these revenues showed a significant increase in 2003. This increase in net revenues (more than 8%) was particularly a result of increased single ticket sales which were by almost a fifth higher compared with previous year. Sales of short-term season tickets – so called "tourist tickets" - increased by as much as 23%.



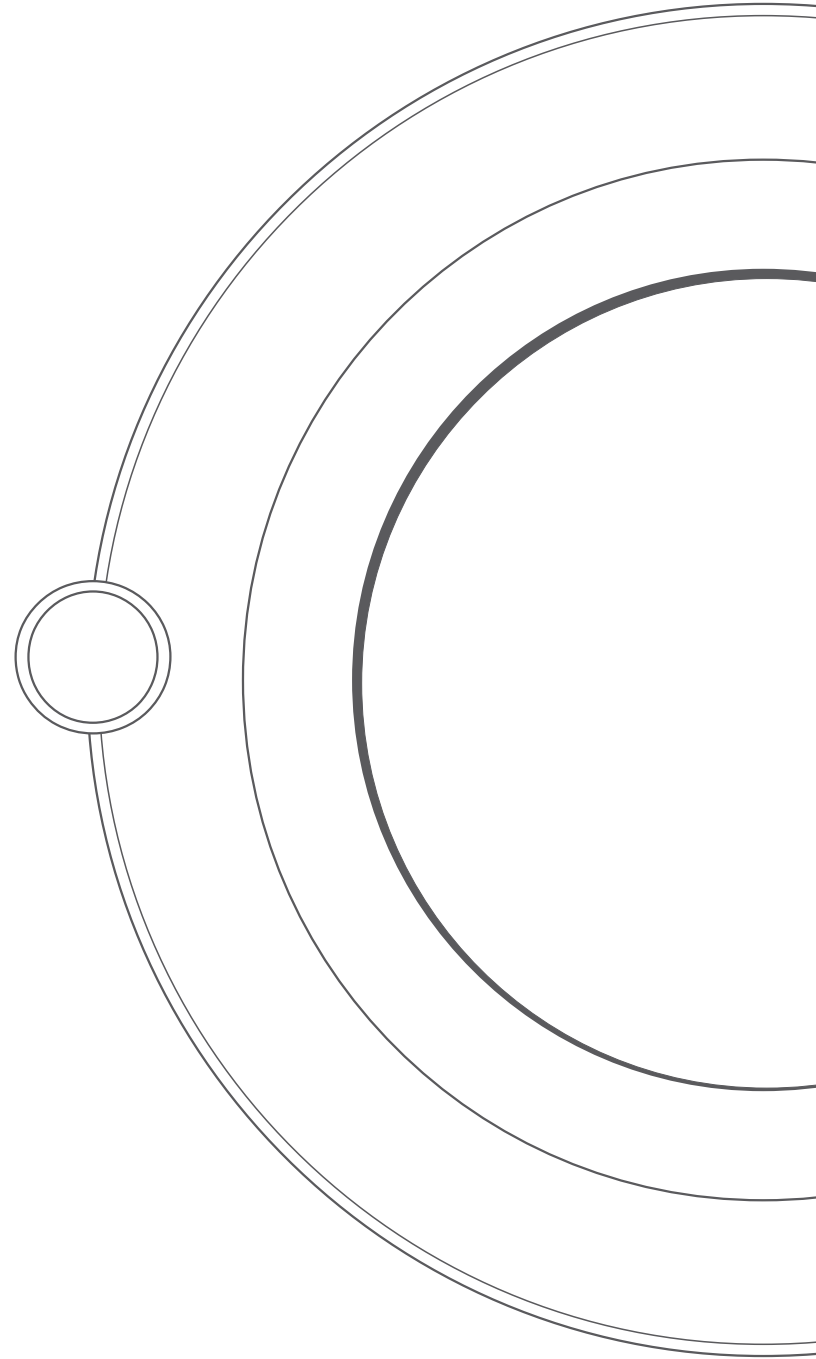
Economics

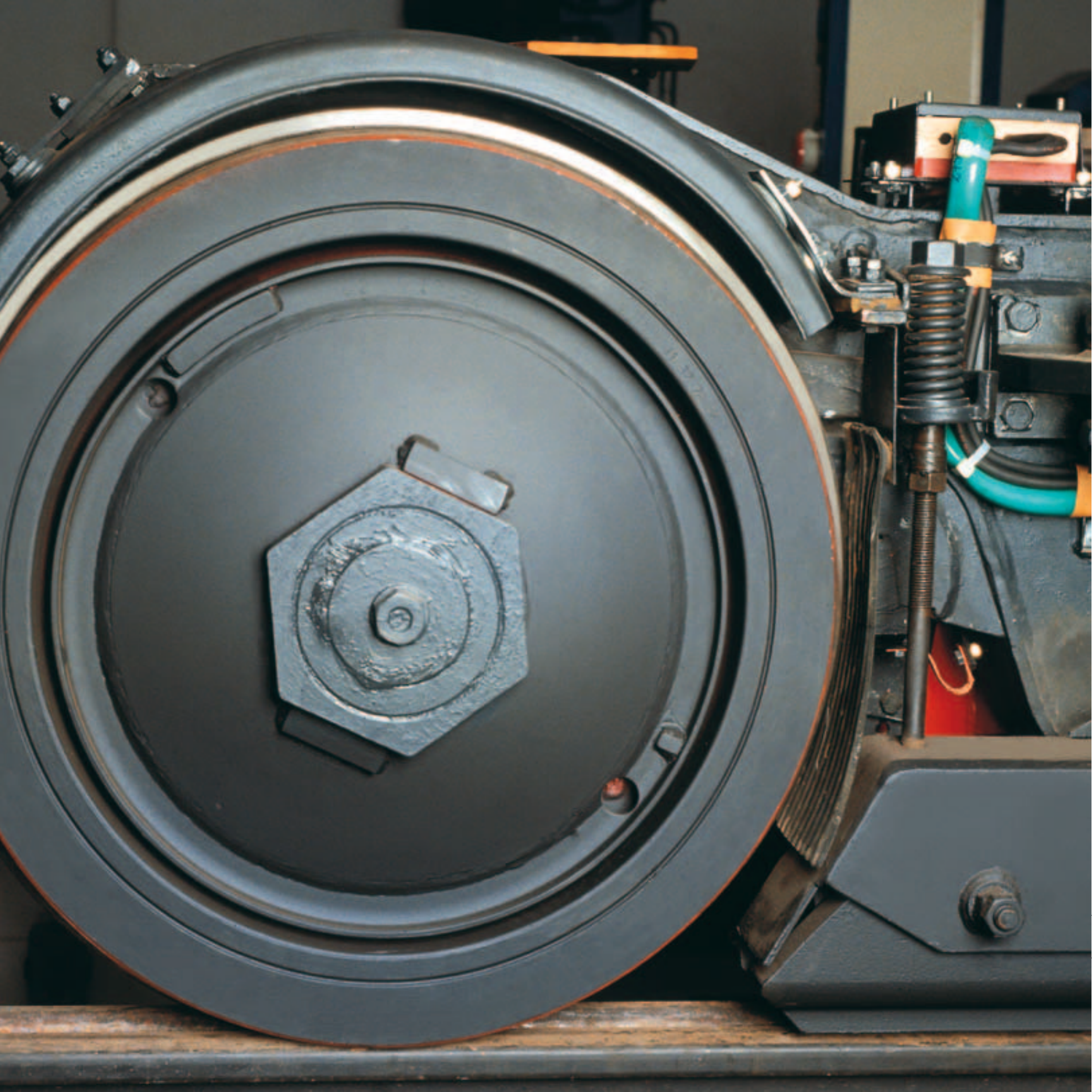
However, revenues from season tickets (approx. 56% of all revenues from fares) still account for the most important portion of fare-box revenues. Prices of such tickets remained at the level of previous years. Tickets with optional commencement of validity period (so-called flexible tickets) have been enjoying greater popularity among passengers. People seem also to be more interested in all types of tickets valid for specific zones within the Prague Integrated Transport system. Their share in total revenues, however, is quite low, approx. 3.7%.

Validity period of old types of pupil, student and civil cards gradually expired in the course of 2003 and passengers had to replace them for new ones. This replacement was particularly necessitated by stricter protection of personal data and unification of the size of various cards to obtain a standard size used in most European countries.



HR Policy





INTRODUCTION

Prague Public Transit Co. Inc. employs almost thirteen thousand employees of various professions. Corporate management is aware of the fact that employees are the most valuable asset of each company. HR policy is therefore increasingly at the focus of attention. HR Department newly established in November 2002 is in charge of HR policy. The main aim of this department is particularly to implement and manage a consistent HR and remuneration corporate policy.

The most important step in maintaining stability between the employer and employees in 2003 was signing of the "Agreement on Wage Development for 2003". The agreement had been finally reached following difficult and lengthy negotiations; Tram Drivers' Federation, one of trade-union organizations, decided even to strike but a compromise was achieved at last.

An important milestone in the filed of HR policy was the approval of HR strategy of Prague Public Transit Co. Inc. by the Board of Directors. The main objectives of the strategy for the next five years are the following: negotiation of a single collective agreement, optimization of employment, establishment of a system to identify perspective employees and preparation of human resources reserves for key positions, implementation of employee assessment and incentive schemes, unified system of education and training and formulation of principles of corporate culture and their practical implementation.

HR DEVELOPMENT

As of 31 December 2003 Prague Public Transit Co. Inc. employed 13,000 employees, of which 10,908 men and 2,092 women. The number and structure of employees are based on the needs and job opportunities within

our company. Workers represent the largest group of employees (36%), followed by PT drivers (32%) and technical and economic staff (25%). The number of employees has been recently growing in fact only with respect to key positions such as surface transport drivers and metro train drivers.

Structure of employees in terms of education and age did not substantially change in 2003. There is prevalence of middle-aged generation with secondary education corresponding to corporate job structure.

REMUNERATION POLICY

Remuneration policy in 2003 was based on the "Agreement on Wage Development for 2003" negotiated between the management and trade-union representatives. Wage funds increased by 6.5% compared with 2002 with the average wage of corporate staff amounting to CZK 19,845.

The Wage Agreement included also rules governing the plan of wage costs volumes in 2003. These rules set procedures applied to cases of demonstrable increased wage demands resulting from occurrence of extraordinary activities. Collective agreements for 2003 were concluded at individual Units and Corporate Management which included principles governing staff remuneration and provision of individual wage items.

In the first quarter of 2003 drawing of wage funds was influenced by persisting modifications in organization of particular public transport subsystems necessitated by recovery from damages incurred by 2002 floods.

Further development of HR activities depends on the corporate HR strategy. One of the aims of this strategy is to consolidate staff claims and benefits. Integration of applicable remuneration systems into a single common system has already started.



TRAINING AND EDUCATION

Increased number of technology innovations and growing demands of passengers make high demands on qualification, knowledge and professional behaviour of the staff. A systematic process of changing staff behaviour (particularly in terms of how they treat passengers), level of knowledge and increasing the staff quality has been therefore applied throughout the company.

Courses designed for professional training, maintaining and strengthening acquired qualifications, knowledge and skills are provided on an individual basis at particular Units and Corporate Management. Technical and economic staff are trained on a continuous basis.

Personal development training scheme has been targeted on middle management which is an important element in corporate management structure. Middle management staff have shown a growing interest in participation in this scheme which was started as early as in 1997 in cooperation with Transport Technical College, Secondary Vocational Training Centre and Apprentice Training Centre Co. Inc. Training topics are flexibly focused particularly on current labour issues. Assertive behaviour has been further developed by employees who are in direct contact with the public, i.e. particularly ticket inspectors and staff of Travel Information Centres.

A pilot project called "Line Management School" was started in September 2003, focusing on training of staff at foreman's positions. The project is aimed at transformation from traditional directive management to managerial concept of this position.

SOCIAL POLICY

Considerable demands imposed on human resources are compensated by meeting social needs of our employees as much as possible.

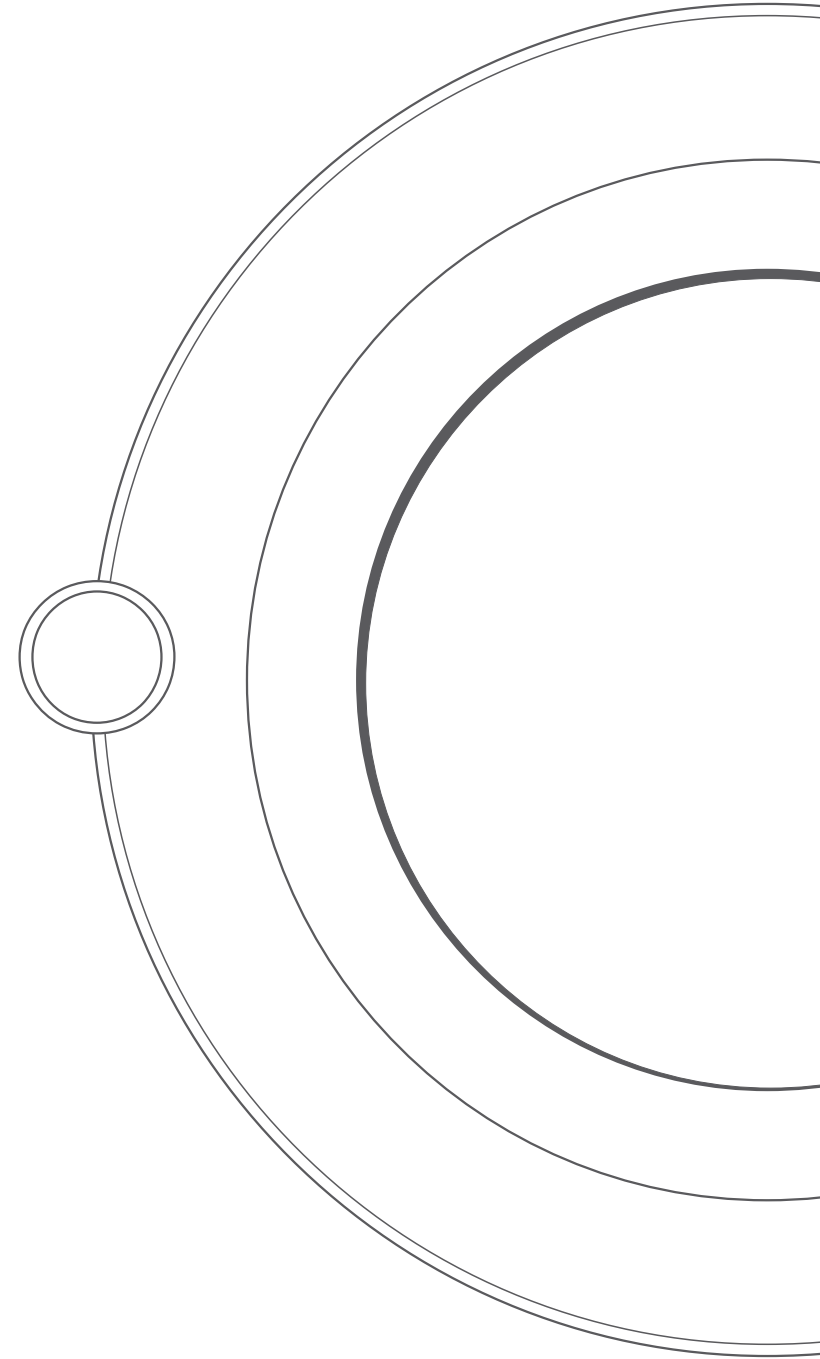
Social policy is adapted to priorities and specific issues of individual corporate units and forms an integral part of Collective Agreements. A number of activities and events are organized also by trade unions or in cooperation of both parties. Social policy includes meeting social needs of employees, creating better social climate at workplaces, including health and safety at work; employee benefits include also corporate catering, medical care and leisure time activities.

Special attention is paid to workplaces with aggravated or harmful working conditions. Employees are provided with safety equipment not only in line with applicable legal regulations but also based on other specific rules governing health protection (e.g. drink consumption in summer season, warm refreshments in frosty season, vitamin programme, etc.). Operational staff who are in direct contact with passengers are provided with uniforms.

All employees can take advantage of the following benefits:

- discounted corporate fare in means of public transport even for family members and former employees (pensioners),
- one additional week of holidays,
- free paid hours beyond the scope of the Labour Code,
- option to take unpaid leave for single parents,
- corporate catering, including meals and drinks from vending machines by shift work,
- provision of leisure-time and recreation facilities owned or hired by the company.

External and internal communication





EXTERNAL AND INTERNAL COMMUNICATION

INTRODUCTION

Prague Public Transit Co. Inc. is aware of a growing need of quality information and good communication with customers in the "age of information technology". Our company therefore provides a wide scope of information and promotion materials with the aim not only to inform passengers about the latest news in public transport but also to make them familiar with our corporate background, history and plans for the future.

The main tool of in-house communication in 2003 was the corporate magazine "DP Kontakt" published on a monthly basis and informing not only about current activities within our company but also about interesting issues from foreign public transport undertakings.

Great attention is paid to the Service Quality Programme and certification of particular operations under ISO standards. Both activities have a significant impact on the quality of our services perceived by our customers and business partners. We are pleased that the Service Quality Programme of Prague Public Transit Co. Inc. has been highly recognized even abroad.

MARKETING A PROMOTION

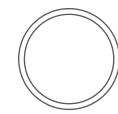
In order to be positively perceived by our customers it is necessary to work hard to improve the corporate image. Apart from provision of necessary information about day-to-day travels by public transport it is also necessary to make our clients familiar, using attractive and easily understandable forms, with the full scope of services provided as well as our corporate background and various activities.

On the occasion of the opening of last metro stations damaged by 2002 August floods an exhibition was organized at Muzeum station. This exhibition provided a true and comprehensive background of the recovery of the metro system and was accompanied by the last publication of the so-called "flood newspapers" formerly published always on the occasion of reopening of additional metro stations.

At the same time our company published a book called "Days When Transport in Prague Was Dominated by Water" illustrating events in transport from the first moments of 2002 floods until the full recovery of regular public transport services in 2003. On 19 April we organized the event called "Easter at Metro" - concerts and performances at Muzeum and Malostranská stations – with the aim to thank the citizens for their patience with public transport changes in the period between August 2002 and March 2003.

Following two year's preparations and several weeks of experimental testing new Internet web sites of Prague Public Transit Co. Inc. were launched in mid-April at www.dpp.cz. Our web sites offer a number of new pages and services in a modern and attractive graphic design. They offer, for example, an opportunity to join a discussion forum, opinion polls or directly contact selected operational units of our company. The most frequently visited service is the Connection Search supplemented at the end of the year by Timetable Portal of Prague Integrated Transport system.

To enable a public access to up-to-the-minute information our company operates also wap pages at <http://wapdpp.datamobil.cz>, providing necessary information to mobile phone users.



External
and internal
communication

EXTERNAL AND INTERNAL COMMUNICATION

Again, special attention was paid to the sales of season tickets for 2004 at the end of 2003. A large promotion campaign was organized with several types of information materials. Based on positive experience in 2002 small-sized leaflets distributed right at metro stations were used again in addition to info boards on public transport vehicles, at stops and metro stations. Annual and quarterly civil season tickets were available through Internet for the second time.

The 6th Open House Day, organized on Saturday, 20 September 2003, at Hostivař facility, met with a great interest of the public. Visitors could not only to get familiar with our large technical supporting facilities but also – through a number of exhibitions and contests – with the history and future of our company, with the work of controllers, ticket inspectors and other professions. The event was really very successful; based on our estimates it was visited by twelve thousand visitors which beats all records in the history of Open House Days organized by our company.

Other events promoting our company and public transport included e.g. an entertaining afternoon at Petřín with a subtitle "Hooray, let's go for holiday" organized in June or the "Morning Race with Time" organized in September. Being closely watched by the media this race tested the fastest travel option to the city centre (private vs public transport). This event was organized within the framework of the European Mobility Week. On the occasion of the European Car-free Day, organized at the end of the Mobility Week, our company issued special tickets entitling passengers to use public transport means free of charge.

In 2003 we organized some events which have already become a tradition, giving variety to everyday travels. Christmas concerts at metro stations met again with great public interest, as well as St. Nicholas's Party, again with the usual St. Nicholas's tram. Annual promotion activities include also publication of various books informing passengers about the rich history and background of our company. Last year these publications were devoted to anniversaries of tram depots Pankrác, Strašnice and Vokovice and Klíčov bus garage.

Our corporate page called "Public Transit Company for You" published twice a week in Metro daily informs our readers about the latest transport service news and current events, information centres, opening hours of ticket offices, job offers and published books.

PASSENGER INFORMATION

Accurate, up-to-the-minute and quality information about timetables, connections, routings and tariff is very frequently demanded by passengers. Provision of quality information has a substantial impact on creating a positive image of the company as a whole.

The first quarter of 2003 was still influenced by a gradual recovery of the system following floods. All changes in public transport services required publication of updated information materials. Such information was distributed with the aim to "reach" as much people as possible: information materials were distributed through the Czech Post to households in Prague, delivered also to Municipal District

EXTERNAL AND INTERNAL COMMUNICATION

Authorities and offices of Prague Information Service. Large-scale screens at metro stations were also used to disseminate necessary information.

A key role in informing the public is still played by Travel Information Centres. At the end of 2003 five existing centres were supplemented by a specialized Call Centre available daily from 7:00 to 21:00 hr. at 296 19 18 17. Operators of the Call Centre answer about five thousand calls on a monthly basis. Activity of the Centre is particularly important in emergency situations in public transport system.

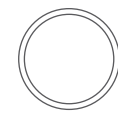
An information service novelty was introduced also at our web site. A very frequently used Connection Search programme was supplemented by PIT Timetable Portal, providing all information about timetables of urban as well as regional public transport services.

A completely new quality of information service was provided by the opening of the tram line Hlubočepy – Barrandov. Stops are equipped with modern information elements, including e.g. digital information panels or so-called integrated information boxes. These systems enable to get a ticket from the ticket vending machine or get directly through to the Call Centre.

A new concept of provision of information about major service interruptions was also a novelty in 2003. During service interruptions graphic boards were installed based on previous projects at important intermodal interchanges clearly illustrating the area concerned and the relevant reroutings and measures.

In addition to the above mentioned novelties our company published also a number of standard information materials. Information about changes

in public transport services were also published in the press and electronic media, on our corporate pages in the Metro daily and Internet websites. In connection with important cultural and social events, such as e.g. YMCA European Youth meeting or Rolling Stones' concert, special information materials were published. We should also mention the Prague Integrated Transport Atlas published in 2002 which won several awards both at local and foreign cartographic contests. The brochure called Prague Integrated Transport Timetables was innovated and for the first time supported also by a CD-ROM.



External
and internal
communication

EXTERNAL AND INTERNAL COMMUNICATION

ARCHIVE AND PUBLIC TRANSPORT MUSEUM

In 2003 employees of the Archive of Prague Public Transit Co. Inc. carried out usual work tasks – i.e. depositing, filing of and looking up written documents as well as shredding of documents with expired shredding period under appropriate legislation. At the same time, the staff selected documents which are to be permanently on files of the Archive. Final works in connection with a consolidated filing of personal cards were carried out.

Reading room of the Archive was frequently visited not only by our staff searching for data necessary for their work but also by other visitors, particularly university students, looking for materials required for their seminar papers or dissertations. For the first time ever the Archive was also visited by foreign visitors, namely from Germany and Poland.

Prague Public Transport Museum, located at Střešovice depot, is frequently visited by local and foreign tourists interested in the history of transport. Last year, the collection of old public transport vehicles was open to the public from 29 March to 17 November. During 74 open days the Museum was visited by more than eight thousand visitors; the collections of the Museum were also visited outside regular visiting hours mostly by school groups.

Collection of historic vehicles is continuously extended and existing vehicles undergo repairs and reconstructions based on resources available. Minor repairs on assembly service car Škoda RT-Schörling No. 6-0220 and assembly service car Mercedes No. 92 were finished in 2003; repair of “krasin” trailer no. 1314 and repairs of car body of “vamberák” trailer

no. 738 were completed as well. General refurbishment of the oldest bus included in the collection, Škoda RO, was in progress as well as reconstruction of other elements of the traction system. The current scope of collection is now quite wide and illustrates traction systems of various operational periods.

Střešovice depot not only houses the Museum but also offers trips by old trams. Tram no. 91 runs every 60 minutes on Saturdays, Sundays and public holidays from the beginning of April until mid-November. In 2003 trips by nostalgic tram were quite limited as a result of reconstructions of tram tracks in the city centre. In spite of this more than 14,000 local residents and visitors to the city did not miss the opportunity to make a trip by an old tram.

SERVICE QUALITY PROGRAMME

The aim of Prague Public Transit Co. Inc. is to provide high-quality services to win passengers to more frequent use of public transport modes. The task of the Service Quality Programme is to perceive public transport quality through the eyes of our clients. The Programme currently represents a standard instrument of management support.

Following updates of existing five standards in 2002 last year can be considered a year of stabilization. Works were started in connection with preparation of a new quality standard “Operability of Barrier-free Access to Metro Stations”. In the last quarter experimental measurements were already monitored with the aim to incorporate the standard into the Quality Programme at the beginning of 2004.

EXTERNAL AND INTERNAL COMMUNICATION

Results of particular standard measurements in the first quarter of 2003 were still affected by the impact of 2002 floods. Particularly with regard to Passenger Information standard results were affected by the process of metro stations recovery.

Undoubtedly, "Punctuality of Operation" standard can be considered one of the most important standards viewed from the customers' perspective. Desired standard level of metro operation set at 95% was successfully achieved throughout the year in spite of the fact that some underground stations were reopened no sooner than in the first quarter. The Tram Unit managed to achieve or even exceed the desired standard level. Measurements were carried out with respect to all connections. Results of the Bus Unit achieved the set standard level throughout the year.

"Passenger Information" standard – introduction of a single phone number of the Call Centre providing information about public transport in Prague proved to be a very successful measure. Results of surface transport system were at a very good level. Placement of information materials to metro stations was affected by finishing post-flood works.

"Customer Welcome" standard – the aim of the standard is to achieve the most proactive approach of the staff to customers at metro stations, Travel Information Centres and ticket offices. Very good results were achieved throughout the year.

"Uniform" standard – the results clearly show that well-groomed looks, contributing to a better corporate image, have become a common practice among our staff. In the course of the year more detailed instructions concerning uniform discipline were issued, particularly with respect to the use of uniform elements designed for summer season.

"Operability of Ticket Vending Machines" standard – although we did not manage to achieve the desired standard level throughout the year the results can be assessed as very encouraging. Following very difficult building permit procedures new ticket vending machines were installed within surface transport network in 2003.

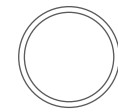
A very important aspect affecting future development of the Service Quality Programme is that in March 2003 the European Standard EN 13 816 "Transport – Logistics and Services – Public Passenger Transport – Definition of Service Quality, Objectives Setting and Measurement" acquired a status of the Czech Technical Standard. At the same time European Standardization Committee started to work on a new standard on service quality measurement.

Throughout the year Prague Public Transit Co. Inc. participated in information exchange with partner undertakings from Paris, Brussels, Geneva, Madrid, Berlin and Lavale within the framework of CYQUAL Quality Club.

QUALITY SYSTEM UNDER ISO 9000 STANDARDS

Independently of the Service Quality Programme Metro and Tram Units have been implementing the quality management system based on principles and requirements of ISO 9000 standards.

The process of certification was started in 1998 by the Tram Unit by obtaining a Certificate for "Repairs and Modernization of Electric Units, Gearboxes and Components for Rail Vehicles" which was extended next year by "Repairs of Traction Vehicle Equipment and Tram Bogies".



External
and internal
communication

EXTERNAL AND INTERNAL COMMUNICATION

In December 2003 the quality management system was re-certified based on new rules defined by ISO 9001:2000 standard and the system was extended to the entire operation. Current Certificate thus includes "Repairs and Modernization of Electric Units and Traction Vehicle Equipment and Tram Bogies and Bodies, Gearboxes and Components for Rail Vehicles".

In 2002 the quality management system in the Tram Unit was also implemented and certified by the Trade and Purchasing Department. This department obtained a Certificate for "Purchasing, Storage and Dispatch of Clothing and Products for Repairs of Trams and Tram Tracks". Compliance with ISO standard requirements was confirmed by a periodical audit performed in November 2003.

The Bus Unit acquired the first Certificate in 1999 for "Repairs and Modernization of Diesel Engines and Compressors for Road Motor Vehicles". This Certificate was gradually extended in 2001 and 2002. Additional extension of the Certificate – by repairs of bus pneumatic systems – and re-certification of the existing system was performed in November 2003. The newly issued Certificate thus includes "Repairs and Modernization of Diesel Engines, Repairs of Compressors, Gearboxes and Brake Elements, Power Steering and Pneumatic Systems for Road Motor Vehicles".

Certification has been provided by a globally renowned and prestigious company – Det Norske Veritas.

INTERNATIONAL RELATIONS

Upcoming accession of the Czech Republic to the European Union resulted in intensification of international relations and contacts of Prague Public Transit Co. Inc. Our company, within the framework of its long-term membership, actively participated in the activities of the International Public Transport Association (UITP) throughout the year. Employees of Prague Public Transit Co. Inc. take part in activities and projects of the UITP Management Board and seven expert Committees/Commissions, namely European Integration Committee, European Union Committee, Metro, Urban Rail and Bus Committee, Commission on Transport and Urban Life and Information Technology and Innovations Commission.

The most important international event in the field of urban, suburban and regional public transport was the 55th UITP World Congress held on 4-9 May 2003 in Madrid. It dealt with the subject of integration of public transport under the title "The Challenges of Integration: Turning Multimodality into Seamless Mobility". Detailed report about the Congress and Madrid integrated transport system was published in the August issue of our corporate magazine DP-Kontakt.

Last year, representatives of our company actively participated also in the following important activities of the International Public Transport Association (UITP):

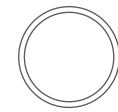
EXTERNAL AND INTERNAL COMMUNICATION

- International Conference called "Contractual Relations between Authorities and Operators", hosted by VOR Vienna organizing authority on 24-26 February. Our company was invited to present a paper on "The Quality Approach and Evolution of Contracts in Prague".
- Workshop organized on the occasion of the 4th meeting of the UITP European Integration Committee on 4-5 March 2003 in Budapest dealing with "Development of Successful Mobility Projects Financed from EU Structural Funds".
- International Conference called "Safety in Public Transport", hosted by RATP Paris on 12-13 March 2003 dealing with the results of "Prismatica" research project. Within the framework of the project our company was a member of the European Consortium among the six largest world metro systems.
- Meeting of UITP European Union Committee and UITP European Integration Committee hosted by Prague Public Transit Co. Inc. on 22-23 September. Both meetings, personally visited by UITP's Secretary General, Mr. Hans Rat, dealt with European regulatory framework concerning public service in public passenger transport.
- Conference on "The Future Legislative Framework for Short-distance Public Transport in Europe" held on 1-2 December in Brussels in the presence of representatives of our company as members of the delegation of the "Association of Public Transport Undertakings of the Czech Republic". The conference dealt with the issue of liberalization of public transport sector. On this occasion UITP published a brochure entitled "Organization and Key Players in Short-distance Public Transport – New Developments in the European Union". Section dealing with the situation in the Czech Republic was drawn up by Prague Public Transit Co. Inc.

Prague Public Transit Co. Inc. also hosted the final workshop within the framework of CIVITAS Project held on 16 May 2003 at the conference centre of our company. Results of particular parts of the project – Miracle, Vivaldi, Tellus and Trendsetter – were presented during the workshop. The City of Prague together with the cities of Stockholm, Lille, Pécz and Graz took part in tasks solved under the Trendsetter Project. Prague Public Transit Co. Inc. was the main partner in the task-solving team representing the Czech metropolis.

On 2-3 June 2003 the city of Liberec hosted a Czech-German conference "Public Transport in Regions" initiated by the Association of German Transport Undertakings (VDV) and Prague Public Transit Co. Inc.

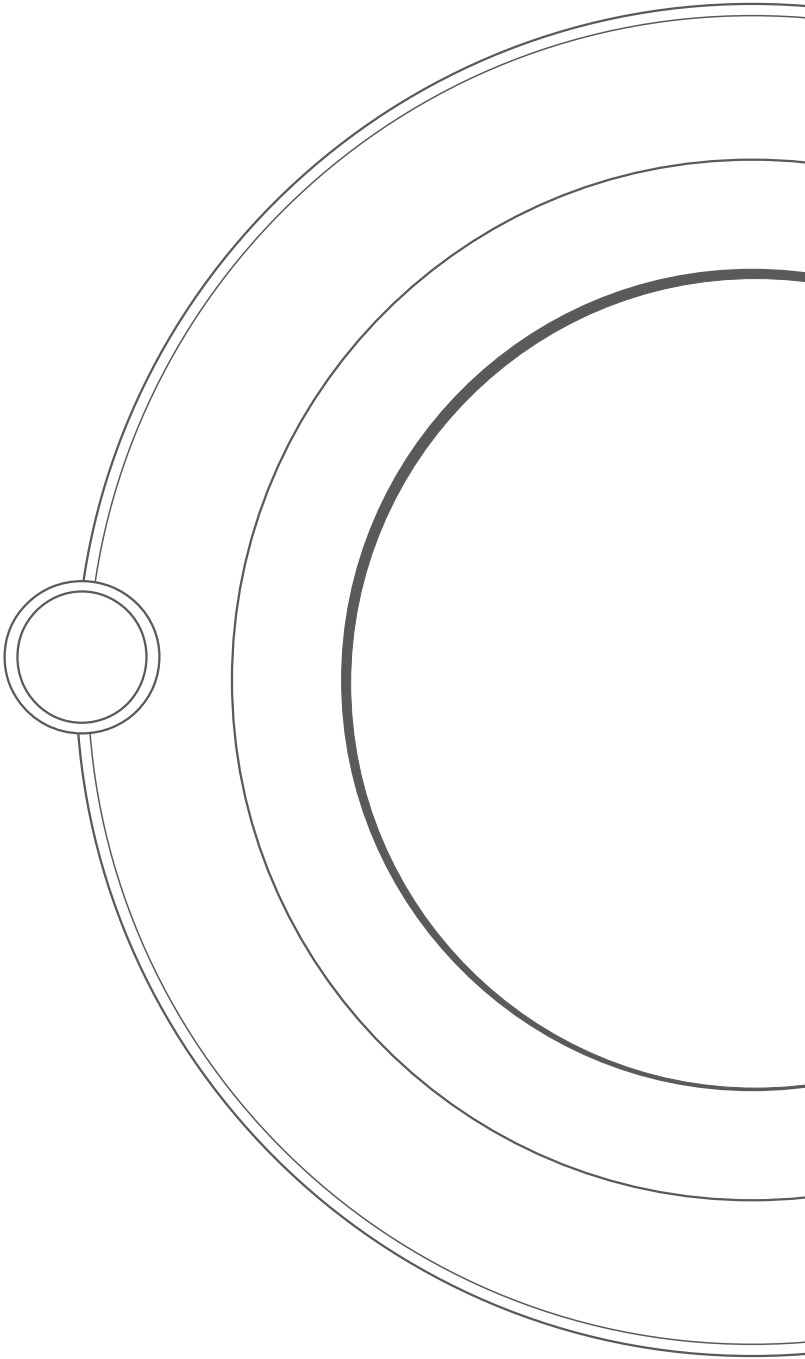
In 2003 there were two meetings of the CYQUAL Quality Club under the participation of representatives of RATP Paris, STIB Brussels, Metro Madrid, TP Geneva, BVG Berlin and Prague Public Transit Co. Inc.



External
and internal
communication



Future priorities





FUTURE PRIORITIES

FUTURE PRIORITIES

The main priority of our company in the years to come will be to implement the process of transformation, actually started at the end of 2003. The transformation should not only result in lower costs but also in the development of a transparent and simple management system to ensure competitive ability in connection with the accession of the Czech Republic to the EU. The process of transformation is to be completed in the second half of 2006.

Our future priorities include development of public transport networks, and that mainly new metro and tram network extensions.

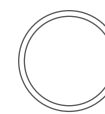
As early as in mid-2004 we will open the new metro extension IV.C from Nádraží Holešovice to Ládví which will improve the quality of public transport services provided in the northern part of the city. The new driven track segment with two stations will provide high-capacity and fast connection of this part of the city with the centre. In 2004 we will also start development of the second stage of metro C extension, namely from Ládví to Letňany. Completion of this extension with three stations (over 4.5 km) is scheduled for 2007. In the next two years we also plan to extend metro line A to Hostivař depot station.

Our future plans include also development of new D line from Libuš to the city centre. Works on project documentation in connection with the first extension I.D Hlavní nádraží – Písnice are to start in the nearest future. With regard to tram line developments there are currently several projects in the process of preparation, namely extension of Barrandov tram line to Holyně, development of intermodal interchange between tram line in Podbaba and new railway station and development of new tram line Laurová – Radlická.

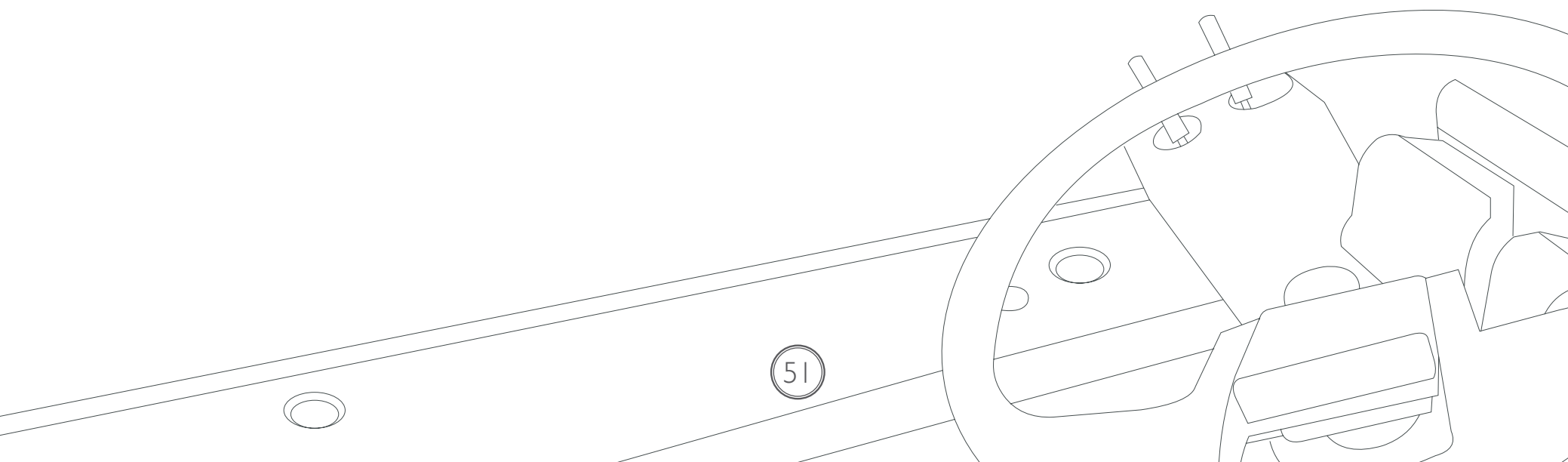
Modernization of fleet and rolling stock is also one of our priorities in the nearest future. Our aim is to acquire all three fleets at a high level of technology able to satisfy all groups of passengers. We will continue in deliveries of new and modernized metro trains and acquisition of new, mostly low-floor buses. In 2005 tram rolling stock should be extended by deliveries of new low-floor articulated trams. Modernization of older types of T3 cars is to be continued and we also prepare modernization of KT8D5 trams.

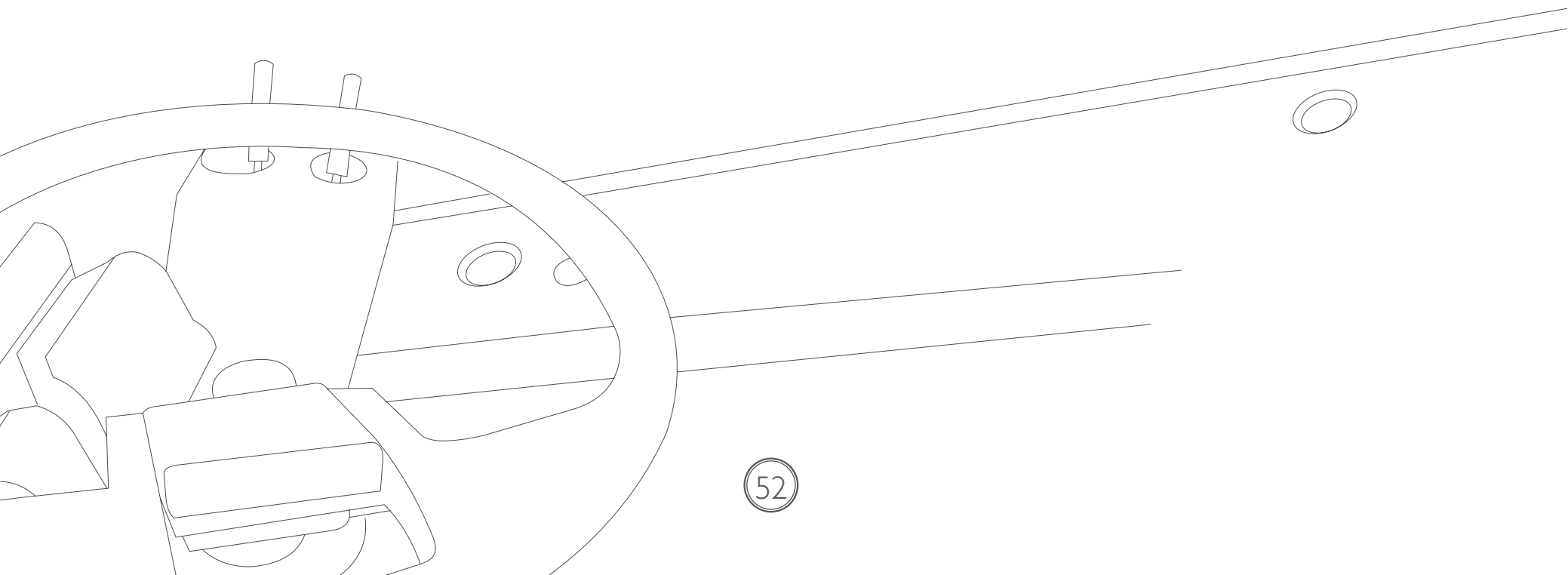
Growing attention has been paid to the Service Quality Programme which is to be the main instrument of improving the quality of services provided. We will also continue to pursue certification of individual operations under ISO 9000 standards.

Tram and bus priority over private cars is also one of the main priorities for the future. Preferential measures implemented so far have a significantly positive impact on the fast and smooth flow of public transport and we are therefore committed to implement such measures also in the years to come.

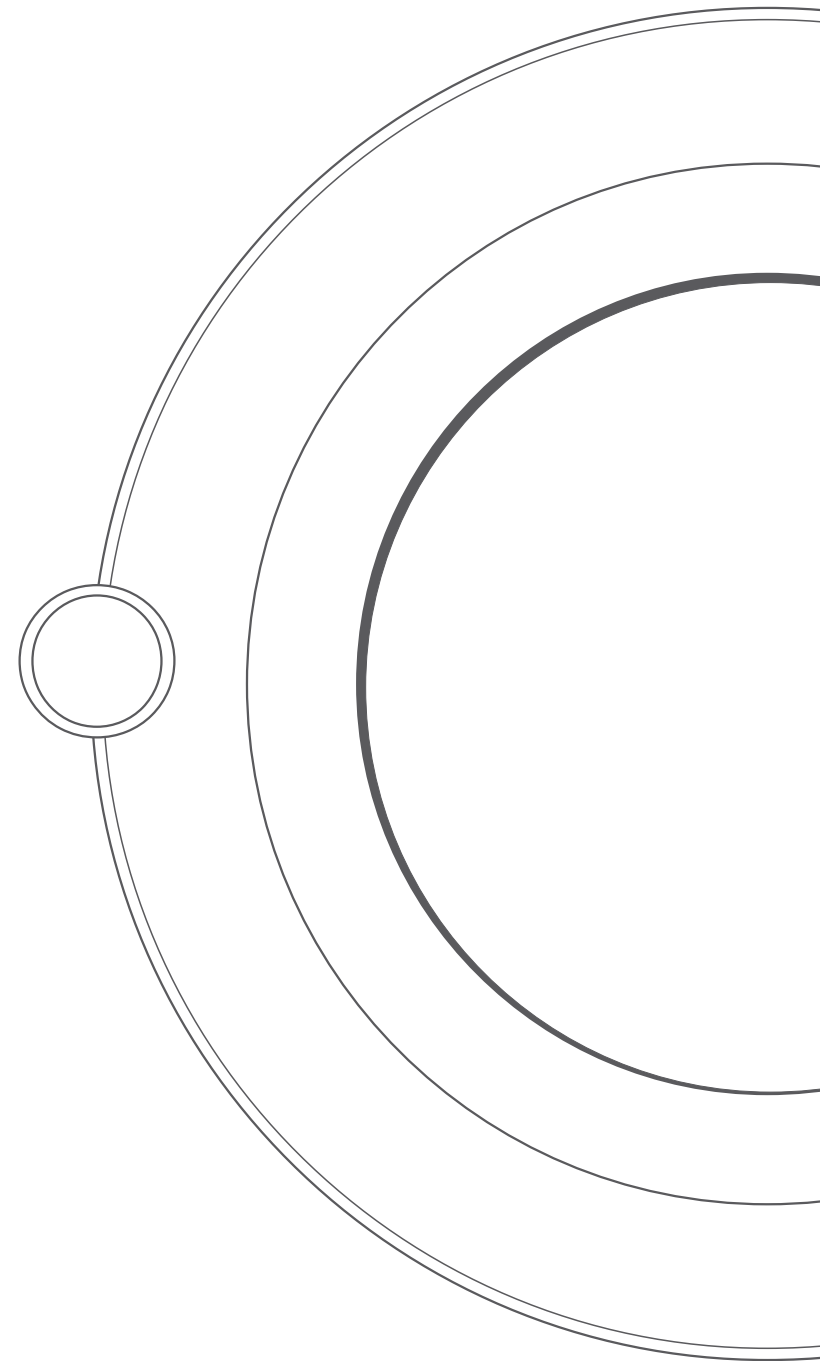


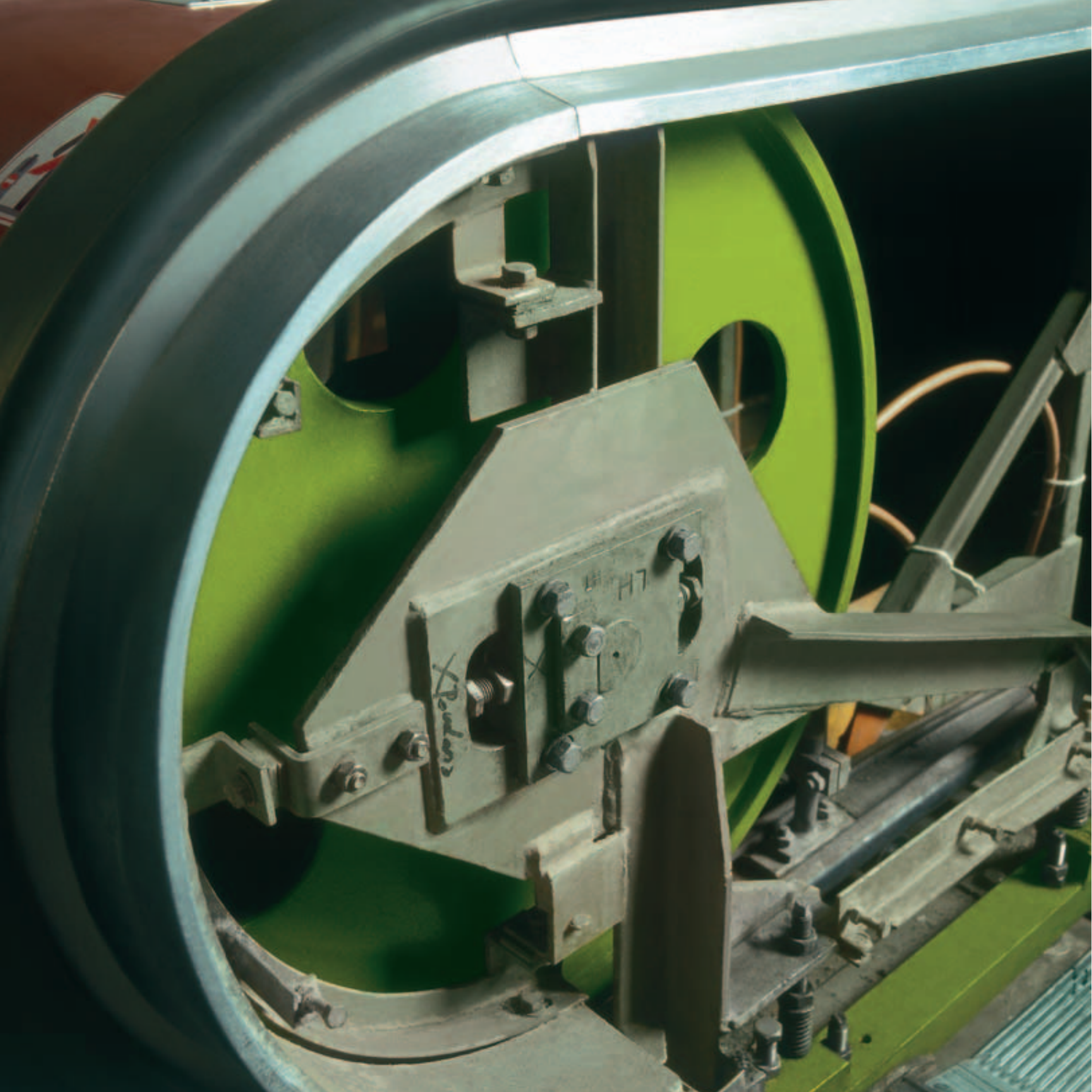
Future priorities





Companies with capital interest of
Prague Public Transit Co. Inc.





COMPANIES WITH CAPITAL INTEREST

Inženýring dopravních staveb, a. s. (Transport Constructions Engineering Co. Inc.) - the company was established in 1994. Registered office of the company is in Prague 2, Na Moráni 3. Until 2000 it had been owned exclusively by its founder, Prague Public Transit Co. Inc. Currently, 66 % share of the company is held by Kvatris, s.r.o., owned by select management of the company. Prague Public Transit Co. Inc. retained 34 % blocking shares.

The core activity of the company is to ensure activities related to development and construction activities for investors, including the initial project and continuous consulting, obtaining necessary area approvals and building licences, construction works management and supervision and obtaining final approvals for use. All such activities are performed also for its shareholder, i.e. Prague Public Transit Co. Inc. while focusing also on all major development activities in Prague funded by governmental, municipal and private resources.

In 2003 final works in connection with the post-flood recovery of the metro system were performed with joint efforts of all parties involved. Metro line B which was the most seriously damaged part of the system was reopened in March and the metro system was completely recovered.

One of major constructions managed by the company included further stage of development of metro extension IV.C1 from Holešovice to Ládví with planned completion and opening in June 2004. Works carried out

within the framework of this development project included, among others, river-bank refortifications between Nádraží Holešovice and Troja and final completion of feeder road network adjacent to metro. Negotiations regarding property rights were successfully finished and building permit was issued for water supply and distribution, rail and road facilities for metro extension IV.C2 from Ládví to Letňany. This metro extension represents the second stage of completed IV.C1 segment with planned completion by 2007. Other construction works performed last year include for example reconstruction of Můstek station, reconstruction of Kačerov converting substation and construction of a lift at Muzeum station.

Long-awaited tram line Hlubočepy Barrandov offering a top-level world-class architectural design was opened in November. Other construction works included reconstruction of tram track at Senovážné Square, reconstruction of tram track in Na Poříčí Street, reconstruction of Těšnov – Sokolovská intersection or reconstruction of tram track Českomoravská – Harfa.

Activities performed for investors other than Prague Public Transit Co. Inc. included construction of the "Sazka Arena" sports hall in Vysočany. The company was also charged with preparation of a part of the city ring road as well as reconstruction of "ČKD" building at Můstek, further stages of reconstruction of a bridge over the river Berounka in Lahovice or completion of construction of an office and warehouse facility in Prague 6.



Companies with capital interest

COMPANIES WITH CAPITAL INTEREST

Pražská strojírna, a. s. (Prague Machinery Plant Co. Inc.) - Since its establishment in 1994 the company has been providing services to its only shareholder, Prague Public Transit Co. Inc., as well as to other transport undertakings in the Czech Republic. Registered office of the company is in Prague 8, Sokolovská 115.

The company is engaged in design, production and assembly of components and units for construction and maintenance of tram tracks. In spite of completed development of three types of co-generation aggregates and successful homologation of such systems in Ukraine the efforts of the company to extend the subject of its business activity had to slow down as a result of 2002 floods. Activities of the company were affected by the post-flood recovery even in 2003. In this period priority was given to deliveries to Prague Public Transit Co. Inc. to be able to replace the paralyzed metro system by tram services. The most important reconstructions of trams tracks (the company manufactured and supplied rail structures) include the following: tram track at Senovážné Square, Těšnov – Sokolovská intersection or tram track Českomoravská – Harfa. It can be stated that the renewal of mechanical equipment necessitated by the floods contributed to modernization of the company and to high-level achievements in the field of machining.

Difficult conditions of 2003 did not negatively affect deliveries to foreign partners and the company met all its obligations. In addition to this, negotiations were in progress throughout the year with the aim to expand to new foreign markets.

Last year Pražská strojírna underwent successful re-certification under ISO 9001 and proved its ability to develop the quality management system.

Rencar Praha, a.s. (Rencar Prague Co. Inc.) - Rencar Praha, a.s., with its registered office in Prague 8, Na Žertvách 2196/34, was established in 1990 with the aim to use the property of Prague Public Transit Co. Inc. for advertising purposes. The company is engaged in all kinds of advertising activities from fully decorated trams, buses and metro trains to lease of leaflets at bus stops. Its majority owner is EUROPLAKAT, spol. s r.o., Prague Public Transit Co. Inc. owns a 28 % interest.

At the beginning of 2003 Rencar Praha, a.s. had to cope with damages incurred by 2002 floods. A number of measures had been adopted to maintain its clients even at the time of paralyzed metro system. Thanks to special discounts and bonuses as well as thanks to a good cooperation with Prague Public transit Co. Inc. which strictly adhered to the schedule of recovery of metro stations and vestibules the company managed to maintain clients' trust and their interest in services provided. In spite of generally unfavourable situation on the outdoor advertising market Rencar managed to meet planned revenues and to create a good starting point for their increase in 2004. This was substantially thanks to the project of large-scale screens "Metrovision" launched in the second half of 2003.

In 2003 Rencar Praha, a.s. actively continued to support non-profit and charitable activities organized in Prague. This activity should raise the social awareness of inhabitants of Prague and strengthen its good reputation on the advertising market.

COMPANIES WITH CAPITAL INTEREST

SPŠD, SOU a U, a. s. (Transport Technical College, Secondary Vocational Training Centre, Apprenticeship Training Centre) –Transport Technical College, Secondary Vocational Training Centre, Apprenticeship Training Centre Co. Inc. was established on 1 January 1998 based on provisions of the Amendment Act on Education amending legal relations of non-governmental schools. Registered office of the company is in Prague 5, Plzeňská 102/219, with detached premises in various districts of the city of Prague.

The main activity of the company is education and training in the above mentioned three types of schools. Within the framework of professional training apprentices are trained at own workshops or external workplaces.

Additional activities of the company include staff training courses (retraining, periodical examinations in welding, fire protection and safety at work) for Prague Public Transit Co. Inc. In 2003 the offer of courses provided by the school was extended by one-year's "Line Management Training" course designed for senior foremen or foremen of all Units of Prague Public Transit Co. Inc.

With the aim to make the study more attractive the school management decided to change the structure of subjects. Intention of the school to introduce new branches of study (autotronic, operation and transport economics) and cancel several branches of study because of small interest of students in such branches or because they did not fit current needs was approved by the Ministry of Education, Youth and Physical Training of the Czech Republic.

Elaugen DP Praha, s.r. o. - Since its establishment in 1997 the company has been engaged in renewal of rail profiles. Its majority owner is Elaugen Holding GmbH (60 %) with Prague Public Transit Co. Inc. holding the remaining 40 %. Registered office of the company is on the premises of Hloubětín depot, Prague 9, Na obrátce 102/16.

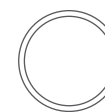
Elaugen DP Praha, s.r. o. performs renewals of rail profiles right on the spot using state-of-the-art equipment and technologies with the aim to delay the necessity to replace rails as much as possible through high-quality renovation.

Last year, the company managed to renew more than 4.6 km of track curves by building up and 40 km of tracks by grinding for Prague Public Transit Co. Inc. In 2003 the company increased its performance by more than 15%.

In addition to the city of Prague the company also carried out repairs in the cities of Bratislava and Liberec, minor deliveries were performed also for Stavby silnic a železnic (Road and Rail Constructions), Stavební obnova železnic (Rail Track Structural Renewal), Metrostav and Hans Wendel – rail structures.

In winter season when the core activity, i.e. rail grinding and building-up, could not be performed due to unfavourable weather conditions Elaugen DP Praha performed contracted maintenance of traffic islands.

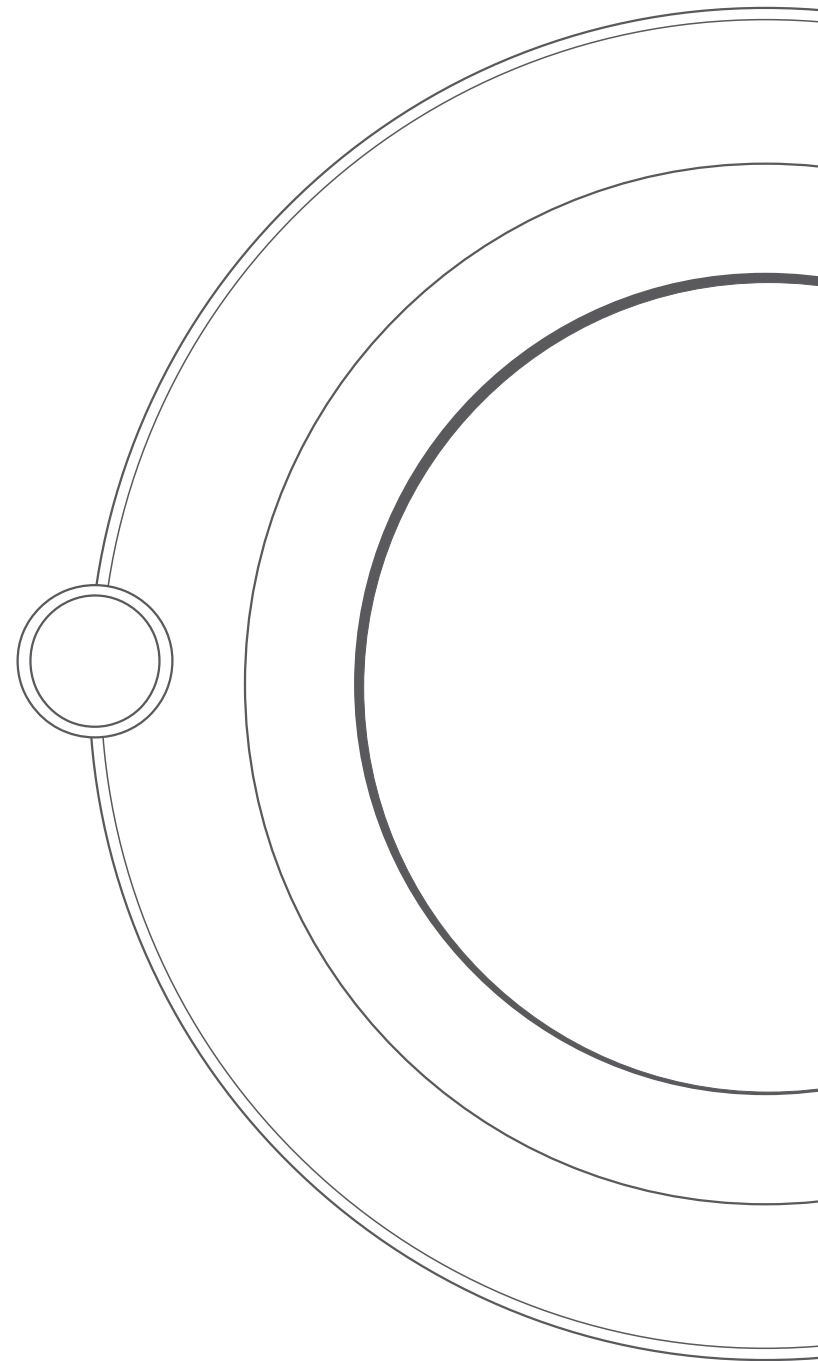
PragoNet, a.s. – the company is active on the telecommunication market. Until 2003 Prague Public Transit Co. Inc. held an 11% interest in the company which was sold in the second half of 2003.



Companies with capital interest



Report on activities of the Supervisory Board





REPORT ON ACTIVITIES OF THE SUPERVISORY BOARD

In 2003 there were some changes in the membership of the Supervisory Board of Prague Public Transit Co. Inc. consisting of nine members, and that based on the Resolution of the Board of Representatives of the Prague City Council No. 0283 as of 11 March 2003, which took into account the end of the term of office of six members and appointed new members of the Supervisory Board effective from 12 March 2003: Mgr. Blažek, Ing. Hejl, Ing. Kaňák, prof. Ing. Moos, CSc., Ing. Paroubek and Mr. Zajíček. This change in membership did not affect three Board members elected by the staff of the company.

At the next Supervisory Board meeting on 19 March 2003 its members elected Ing. Martin Hejl - who had performed this function successfully in the previous four-year's period - chairman of the Supervisory Board.

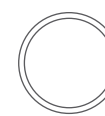
In the course of 2003 the Supervisory Board met on a regular basis in accordance with the agreed schedule as well as on irregular basis, when necessary. On their regular meetings they discussed key issues based on the skeleton plan, including the following:

- continuous monitoring of economic management of the company,
- continuous monitoring of the process of the post-flood recovery of the metro system, including funding, monitoring of projects and development of new flood-protection measures in the metro system,
- supervision over implementation of conclusions made by the Annual General Meeting and Annual General Meetings of companies with capital interest of Prague Public Transit Co. Inc.,
- discussion of materials and conclusions approved by the Board of Directors and ordinary general meetings,
- continuous monitoring of electric power and fuel price developments in relation to costs of public transport,

- continuous monitoring of deliveries of new metro trains of the second series and preparations in connection with future deliveries for tram rolling stock renewal,
- continuous monitoring of the progress of metro extension C-IV., including funding and development of Hlubočepy – Barrandov tram line,
- participation in tender commissions established to assess bids of individual contractors,
- operative discussions concerning material corporate issues.

Apart from the above mentioned issues the Supervisory Board focused its attention to issues not resolved in 2002 and transferred to the subsequent period.

The Annual General Meeting held on 13 May 2003 approved economic results of Prague Public Transit Co. Inc. for 2002. For this meeting the Supervisory Board prepared its position on economic performance and Public Auditor's Statement on the audit of annual financial statements of the company as of 31 December 2002. In its position the Supervisory Board appreciated a number of positive achievements of Prague Public Transit Co. Inc. in 2002 and stated that between January and July the company fulfilled, without any material failures, tasks laid down by the Project of Organization of Public Passenger Transport within Prague Region for 2002. August floods had a very negative impact on the performance of the approved Project of Organization of Public Passenger Transport and resulted in material damages to the property of the company, particularly with respect to the Metro Unit and the Tram Unit. In spite of this the company managed to ensure substitute public transport services. The Supervisory Board stated that the



Report on
activities of the
Supervisory
Board

REPORT ON ACTIVITIES OF THE SUPERVISORY BOARD

amount of funds paid in 2002 represented only a minor part of operating and investment costs charged for 2002 for the purposes of recovery from flood damages. Accordingly, the major part of metro system recovery would be funded no sooner than in 2003 and/or 2004. In the conclusion of the position on the annual closing of books for 2002 the Supervisory Board advised the Annual General Meeting to assign a task to the Board of Directors to pay particular attention to post-flood recovery with a special focus on funding schedule for 2003.

In 2002 the Supervisory Board monitored economic management of the company on a regular basis and discussed quarterly results and calculation of costs of public transport. As soon as in June 2003 the Board stated that the issue of insufficient financial coverage of increased depreciations including deferred tax and repairs was not properly solved and asked the Board of Directors to propose an alternative solution. Based on the Supervisory Board's opinion the issue of resources from write-offs was extremely material due to the fact that more than 50% of assets of Prague Public Transit Co. Inc. were acquired before 1995 and write-offs were based on acquisition costs of that period.

Special attention was also paid to funding of costs in connection with the final stage of recovery of the technical condition of the metro system; two Supervisory Board members were engaged in a special Commission established by the Board of Directors for the purposes of supervision over invoicing for works carried out in connection with post-flood recovery. At the same time, the Supervisory Board monitored the issue of obtaining

financial resources to cover the costs resulting from such extraordinary maintenance and repairs.

The Supervisory Board continuously required the Board of Directors to report on the process of solving the issue of flood protection of metro stations, particularly in flood-risk areas of Florenc, Karlín and Palmovka, including establishment of internal regulations for crisis management applying to the metro system.

Steps taken by the Board of Directors in connection with a complex analysis of the situation of Prague Public Transit Co. Inc. and proposed strategic plan resulting from this analysis was one of special issues monitored by the Supervisory Board on a continuous basis.

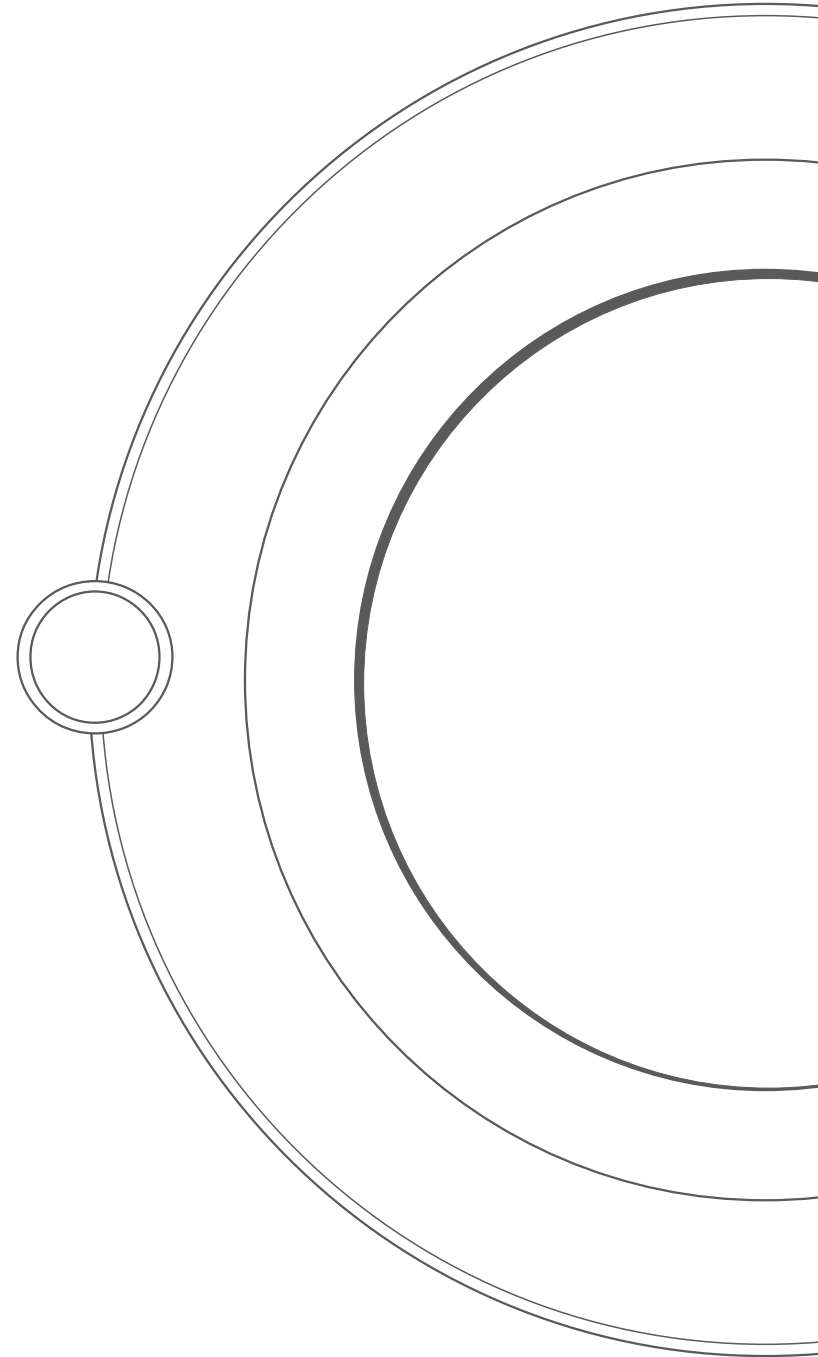
Other special issues included also public procurement. In 2003 representatives of the Supervisory Board were members of commissions awarding contracts in connection with all major investments and similar activities.

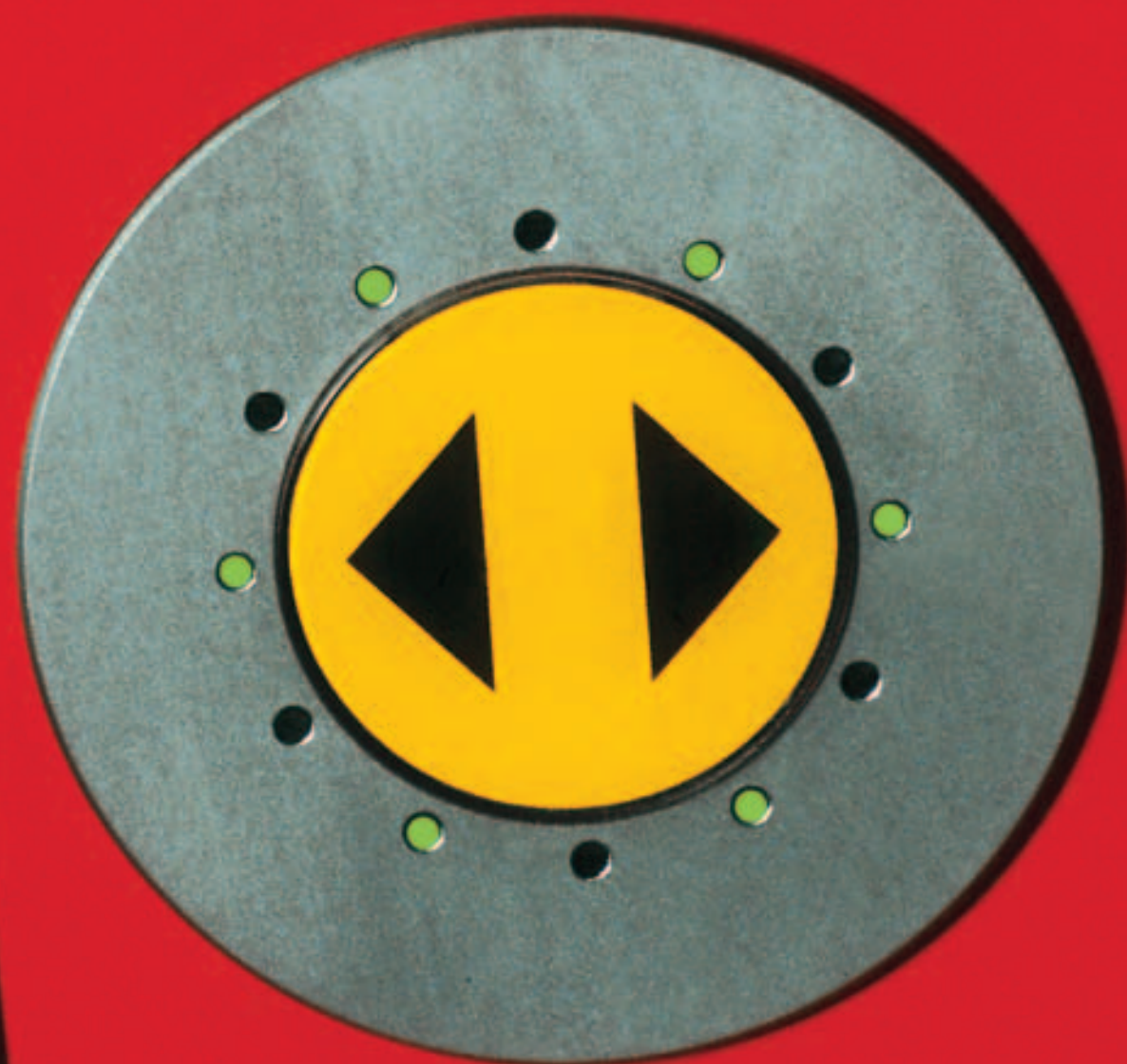
The Supervisory Board also monitored the impact of increased oil prices on the costs of the company. This issue was extended also by future power supplies as the impact of traction power costs on total costs is quite substantial.

The Supervisory Board also monitored preparations and progress of collective bargaining.

In conclusion, it can be stated that in the course of 2003 the Supervisory Board acted in compliance with the Articles of Association and with the interests of its shareholder – the Capital City of Prague - and performed its supervisory role in a proper and systematic fashion and supervised the performance of the Board of Directors and business activities of the company.

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OPERATIONAL AND TECHNICAL INDICATORS

Number and length of routes (km)

	Daytime	Nighttime	Total length
Metro	3		50.10
Trams*	25	8	533.40
Buses	189	13	2 197.70
Total	217	21	2 781.20

* excluding nostalgic tram line

Average speed (km/h)

	Commercial	Operational
Metro	35,7	33,9
Trams	19,6	14,2
Buses	26,3	16,9

Percentage of fleet/rolling stock repairs*

	%
Metro	13.53
Trams	7.89
Buses	6.98

* net of vehicles put aside for modernization, reconstruction and disposal

Average number of vehicles in operation/day

	Morning peak	Off-peak	After. peak	Saturday	Sunday
Metro	351	183	329	148	139
Trams	703	559	705	390	389
Buses	997	447	932	411	417
Total	2 051	1 189	1 966	949	945

Traction power consumption (kWh)

	Total	Per 1 v.km
Metro	97 592 668	2.26
Trams	157 090 556	3.33
Total	254 683 224	

Diesel oil consumption (l)

	Total	Per 1 v.km
Buses	29 416 882	0.4367
Total	29 416 882	

OPERATIONAL AND TECHNICAL INDICATORS

Fleet and rolling stock (inventory and operating records) as of 31/12/2003

		inventory records			operating records for PT +/-
		Total	of which:		
			M+R */	disposal	
Metro cars		660	143	0	514
of which:					
81-71		377	53		324
81-71M (modernized)		125	90		35
M1		155			155
Ečs (historic)		3			
Trams		964	22	0	926
of which:					
KT8D5		47			47
RT6N		4			4
T3, T3R.P		354	22		332
T3M		103			103
T3SU		289			289
T6A5		151			151
historic tram cars		16			
Buses		1 393	0	20	1 364
of which:					
standard (S)	B731, B951	220		1	219
	B732, B732R	277		6	271
	B732R pro ZTP	7			7
	B931	199			199
	C734, C734R	11			11
	C934	1			1
	total standard	715		7	708
standard low-floor (SL)	CITY standard	271			271
	Neoplan 4014	3			3
	E91 midibus	3			3
	total low-floor	277			277
articulated (A)	B741, B741R, B961	184		13	171
	B941	175			175
	total articulated	359		13	346
articulated low-floor (AL)	CITY articulated low-floor		33		33
long-distance	LC735, LC936, Neoplan, Mercedes	9			
TOTAL		3 017	165	20	2 804

*/M+R = vehicles undergoing modernization and reconstruction
+/- the total does not include historic vehicles and long-distance buses
Unlike operating records inventory records include also vehicles under reconstruction, modernization, put aside for disposal, historic vehicles and long-distance buses.
Operating records include vehicles certified for operation in public passenger transport, including vehicles undergoing ordinary repairs.

NOTE: Inventory records – total number of vehicles = 3 017 – 165 vehicles under modernization and reconstruction – 20 vehicles put aside for disposal – 19 historic cars M and ED – 9 long-distance buses = 2 804 vehicles included in operating records for PT.

OPERATIONAL AND TECHNICAL INDICATORS

Types and numbers of metro cars (inventory records)

Type of car/Year of manufact.	76	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93
81-7171 - frontal	0	7	6	2	6	15	10	13	21	24	12	12	12	10	0	0	0
81-7141 - inset	0	2	6	6	26	20	13	20	31	36	18	16	18	15	0	0	0
Ečs (historic)	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Type of car/Year of manufact.	94	95	96	97	98	99	00	01	02	03	Total	Mean age
81-7171 - frontal	0	0	0	0	0	0	0	0	0	0	150	18.10
81-7141 - inset	0	0	0	0	0	0	0	0	0	0	227	18.10
81-7171M - frontal	0	0	0	0	0	0	8	12	18	12	50	1.32
81-7141M - inset	0	0	0	0	0	0	10	20	27	18	75	1.29
M1.1 - frontal	0	0	0	0	0	0	0	30	14	18	62	1.19
M1.2; M1.3 - inset	0	0	0	0	0	0	0	45	21	27	93	1.19
Ečs (historic)	0	0	0	0	0	0	0	0	0	0	3	27.00
											TOTAL	10.99
											660	

Types and numbers of trams (inventory records)

Type of car**/Year of manufact.	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78
T3	1	0	1	2	15	40	9	0	28	18	0	53	22	12	21	0	0
T3M	0	0	0	0	0	0	0	0	0	35	0	15	12	9	12	0	0

Type of car**/Year of manufact.	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95
T3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
T3M	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0
T3 - SU	0	0	0	17	50	0	80	40	62	0	40	0	0	0	0	0	0
KT8D5 (articulated)	0	0	0	0	0	0	0	4	0	0	37	6	0	0	0	0	0
T6A5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	80
RT6N (articulated) *N	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Type of car**/Year of manufact.	96	97	98	99	2000	01	02	03	Total	Mean age
T3	0	0	0	0	0	0	0	0	222	31.97
T3M	2	6	10	1	0	0	0	0	103	25.31
T3R.P	0	0	0	0	2	49	40	41	132	1.09
T3 - SU	0	0	0	0	0	0	0	0	289	17.40
KT8D5 (articulated)	0	0	0	0	0	0	0	0	47	14.13
T6A5	50	20	0	1	0	0	0	0	151	7.38
RT6N (articulated) *N	4	0	0	0	0	0	0	0	4	7.00
									TOTAL	17.60
									948	

L* – low-floor vehicles
**) excluding 16 historic trams

OPERATIONAL AND TECHNICAL INDICATORS

Types and numbers of buses (inventory records)

Type of car/Year of manufact.	89	91	92	93	94	95	96	97	98	99	00	01	02	03		Total	Mean age
B73 I	0	0	0	0	34	125	0	0	0	0	0	0	0	0		159	8.56
B95 I	0	0	0	0	0	0	0	0	0	0	0	0	31	30		61	0.64
B732, B732R	0	0	0	9	69	1	2	28	35	43	46	31	20	0		284	5.64
B74 I, B74 I R (articulated)	0	1	4	31	0	36	70	0	0	0	1	10	0	0		153	8.18
B96 I (articulated)	0	0	0	0	0	0	0	0	0	0	0	0	11	20		31	0.99
B93 I	0	0	0	0	0	11	133	25	0	20	0	10	0	0		199	6.51
B94 I (articulated)	0	0	0	0	0	0	0	55	50	50	0	20	0	0		175	5.32
C734, C734R	0	0	0	0	2	3	0	4	1	0	1	0	0	0		11	7.18
C934	0	0	0	0	0	0	0	0	0	1	0	0	0	0		1	4.67
CITY standard *L	0	0	0	0	0	1	5	10	26	50	80	50	19	30		271	3.28
long-distance **	1	0	0	0	0	0	0	3	5	0	0	0	0	0		9	6.77
CITY articulated *L	0	0	0	0	0	0	0	0	0	0	0	1	12	20		33	0.86
Midibus E9 I *L	0	0	0	0	0	0	0	0	0	0	0	0	0	3		3	0.77
NEOPLAN *L	0	0	0	0	1	2	0	0	0	0	0	0	0	0		3	9.01
TOTAL	1	1	4	40	106	179	210	125	117	164	128	122	93	103		1 393	5.46

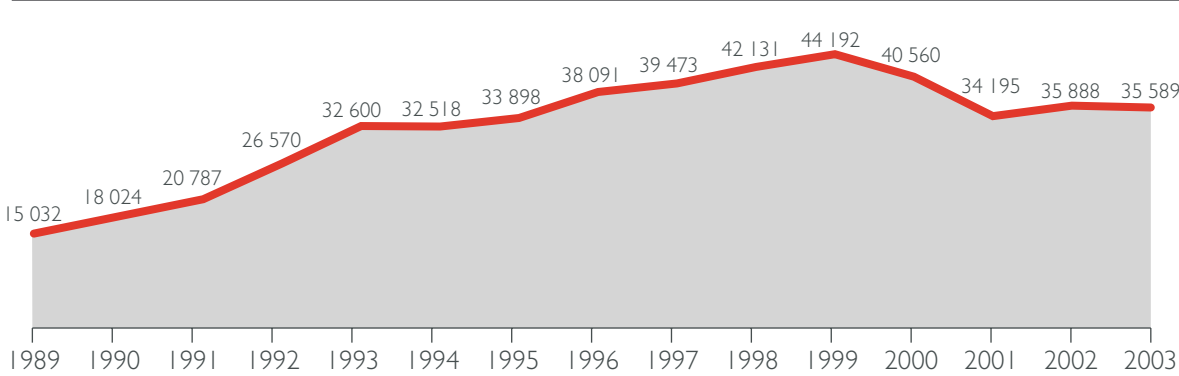
L* – low-floor vehicles
** – type LC735; LC936; Mercedes; Neoplan

OPERATIONAL AND TECHNICAL INDICATORS

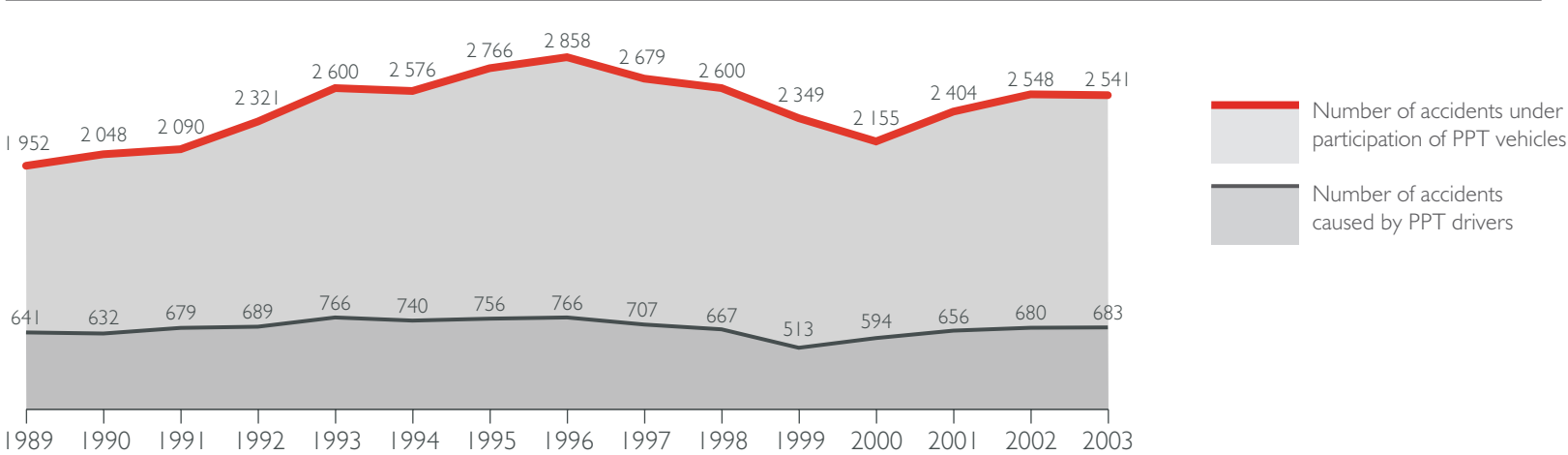
Accident rate

Year	accidents in Prague	accidents with participation of PPT	accidents caused by PPT	v.km/l accident caused
1998	42 131	2 600	667	223 681
1999	44 192	2 349	513	296 534
2000	40 560	2 155	594	256 314
2001	34 195	2 404	656	232 756
2002	35 888	2 548	680	227 108
2003	35 589	2 541	683	230 924

Development of accident rate in Prague



Accident rate in PPT Co. Inc.



OPERATIONAL AND TECHNICAL INDICATORS

Lines and routes operated by Prague Public Transit Co. Inc. (as of 31/12/2003)

METRO LINES

A Skalka - Dejvická
B Zličín - Smíchovské nádraží - Českomoravská - Černý Most
C Nádraží Holešovice - Háje

TRAM ROUTES

Daytime operation

- 1 Petřiny - Spojovací
- 2 Červený vrch - Petřiny
- 3 Lehovec - Sídliště Modřany / Levského
- 4 Kotlářka - Čechovo náměstí
- 5 Vystaviště - Olšanské hřbitovy
(until 29. 8. 2003 Vozovna Kobylisy - Olšanské hřbitovy)
- 6 Laurová - Kubánské náměstí
(until 28. 11. 2003 Smíchovské nádraží - Kubánské náměstí)
- 7 Sídliště Řepy - Kotlářka - Ústřední dílny DP
- 8 Podbaba - Nádraží Vysočany / Vysočanská
(until 29. 8. 2003 Bílá hora - Nádraží Vysočany / Vysočanská)
- 9 Sídliště Řepy - Spojovací
- 10 Sídliště Ďáblice - Sídliště Řepy
- 11 Černokostelecká - Spořilov
- 12 Palmovka - Sídliště Barrandov
(until 28. 11. 2003 Palmovka - Hlubočepy)
- 14 Vozovna Kobylisy - Sídliště Barrandov
(until 29. 8. 2003 Střelničná - Laurová,
until 28. 11. 2003 Vozovna Kobylisy - Laurová)
- 15 Střelničná - Vypich
(operating from 30. 8. 2003)
- 16 Spojovací - Nádraží Braník
- 17 Sídliště Ďáblice - Sídliště Modřany / Levského
- 18 Petřiny - Vozovna Pankrác
- 19 Lehovec - Kubánské náměstí
- 20 Divoká Šárka - Smíchovské nádraží - Sídliště Barrandov
(until 28. 11. 2003 Divoká Šárka - Podbaba)
- 21 Levského - Národní třída - Sídliště Modřany
(semi-circular line)
- 22 Bílá hora - Nádraží Hostivař
- 23 Malovanka - Kubánské náměstí
- 24 Sídliště Ďáblice - Nádraží Strašnice / Radošovická
- 25 Bílá hora - Vozovna Kobylisy
(until 29. 8. 2003 Podbaba - Vozovna Kobylisy)
- 26 Divoká Šárka - Nádraží Hostivař

Nighttime operation

- 51 Divoká Šárka - Nádraží Strašnice / Radošovická
- 52 Lehovec - Sídliště Modřany / Levského
- 53 Sídliště Ďáblice - Vozovna Pankrác
- 54 Lehovec - Sídliště Barrandov
(until 29. 11. 2003 Lehovec - Hlubočepy)
- 55 Vozovna Kobylisy - Ústřední dílny DP
- 56 Petřiny - Spořilov
- 57 Bílá Hora - Nádraží Hostivař
- 58 Sídliště Řepy - Spojovací

BUS ROUTES

Daytime operation

- 100 Zličín - Letiště Ruzyně
- 101 Strašnická - Centrum Zahradní Město - Plynárna Měcholupy
- 102 Nádraží Holešovice - Staré Bohnice - Zámky
- 103 Palmovka - Ďáblice - Březiněves
- 104 Na Knížecí - Slivenecká
- 105 Smíchovské nádraží - Filmové ateliéry - Smíchovské nádraží
(semi-circular line)
(cancelled as of 29. 11. 2003)
- 106 Kavkazská - Nádraží Braník
- 107 Dejvická - Suchdol
- 108 Špejchar - Sídliště Na Dědině
- 109 Palmovka - Sídliště Rohožník
- 111 Skalka - Sídliště Petrovice - Pitkovice
- 112 Nádraží Holešovice - Zoologická zahrada - Podhoří
- 113 Kačerov - Písnice
- 114 Kačerov - Šeberák
- 115 Chodov - Keblovská
- 116 Dejvická - Bořislavka
- 117 Kačerov - Poliklinika Modřany / Čechova čtvrť
(until 13. 12. 2003 Kačerov - Poliklinika Modřany)
- 118 Dvorce - Koleje Jižní Město
- 119 Dejvická - Letiště Ruzyně
- 120 Na Knížecí - Klukovice
- 121 Roztyly - Nádraží Braník
- 122 Chodov - Nádraží Hostivař - Léčiva
- 123 Na Knížecí - Šmukýřka
- 124 Kavkazská - Dvorce
- 126 Smíchovské nádraží - Pražská čtvrť
(cancelled as of 29. 11. 2003)

OPERATIONAL AND TECHNICAL INDICATORS

127	Českomoravská - Sídliště Bohnice	174	Špejchar - Velká Ohrada
128	Smíchovské nádraží - Klukovice (cancelled as of 29. 11. 2003)	175	Nádraží Holešovice - Ke Stírce - Šimůnkova
129	Smíchovské nádraží - Baně	176	Karlovo náměstí - Stadion Strahov
130	Na Knížecí - Sídliště Stodůlky	177	Chodov - Skalka - Poliklinika Mazurská (until 29. 8. 2003 Chodov - Poliklinika Mazurská)
131	Hradčanská - Bořislavka	179	Nové Butovice - Letiště Ruzyně
133	Florenc - Sídliště Malešice	180	Kafkova - Sídliště Řepy
135	Florenc - Želivského	181	Sídliště Čimice - Nádraží Hostivař
136	Sídliště Ďáblice - Sídliště Spořilov	182	Kloboučnická - Sídliště Lhotka - Nádraží Braník
137	Na Knížecí - U Waltrovky	183	Vozovna Kobylisy - Sídliště Petrovice
138	Skalka - Tolstého	184	Nové Butovice - Petřiny
139	Želivského - Na Beránku	185	Palmovka - Letecké opravy (until 27. 6. 2003 Českomoravská - Letecké opravy)
140	Palmovka - Čakovice (until 29. 8. 2003 Českomoravská - Čakovice)	186	Černý Most - Sídliště Bohnice
141	Černý Most - Generála Janouška - Černý Most (semi-circular line)	187	Nádraží Holešovice - Prosek - Palmovka
142	Nové Butovice - Nad Malou Ohradou	188	Želivského - Kavčí hory
143	Dejvická - Stadión Strahov	189	Kačerov - Sídliště Lhotka
144	Nádraží Holešovice - Poliklinika Mazurská	191	Na Knížecí - Petřiny
145	Poliklinika Prosek - Jesenická	192	Budějovická - Pražská čtvrt (until 28. 11. 2003 Budějovická - Klukovice)
146	Černý Most - Satalická obora - Poliklinika Prosek	193	Náměstí bratří Synků - Mikrobiologický ústav
147	Dejvická - Výhledy	194	Skalka - Léčiva
148	Podolská vodárna - Kavčí hory - Budějovická	195	Avia Letňany - Jesenická (until 29. 8. 2003 Čakovice - Jesenická)
149	Dejvická - Nové Butovice	196	Smíchovské nádraží - Kačerov
150	Kloboučnická - Poliklinika Modřany / Čechova čtvrt (until 13. 12. 2003 Kloboučnická - Poliklinika Modřany)	197	Na Knížecí - Háje
151	Českomoravská - Poliklinika Prosek	198	Smíchovské nádraží - Sídliště Písnice
152	Nádraží Holešovice - Sídliště Čimice	199	Smíchovské nádraží - Nové dvory - Smíchovské nádraží (semi-circular line)
154	Skalka - Koleje Jižní Město	200	Nádraží Holešovice - Sídliště Bohnice
155	Želivského - Sídliště Malešice	202	Poliklinika Mazurská - Za Avií / Vínor
156	Nádraží Holešovice - Avia Letňany - Nádraží Holešovice (semi-circular line)	203	Vavřenova - Kačerov - Jižní Město
157	Na Beránku - Kačerov (one direction only)	205	Zelený pruh - Komořany
158	Českomoravská - Miškovice (until 13. 12. 2003 Českomoravská - Čakovice - Miškovice)	207	Staroměstská - Ohrada
160	Dejvická - Lysolaje	208	Želivského - Dolní Počernice
161	Dejvická - Nebušice	210	Nádraží Holešovice - Čakovice
162	Ke Stírce - Dolní Chabry	211	Nové Butovice - Velká Ohrada
163	Skalka - Štěrboholy - Bezděkovská	212	Jižní Město - Tiskařská - Jižní Město (semi-circular line)
164	Nové Butovice - Bílá hora	213	Želivského - Jižní Město
166	Českomoravská - Třeboradice - Teplárna Třeboradice	215	Kačerov - Sídliště Libuš
167	Na Knížecí - Nemocnice Na Homolce	216	Špejchar - Bořislavka - Nové Vokovice
168	Palmovka - Dolní Počernice	217	Na Knížecí - Dejvická
170	Vavřenova - Jižní Město	218	Dejvická - Sídliště Na Dědině
171	Kačerov - Sídliště Písnice	219	Nové Butovice - Bavorská
172	Smíchovské nádraží - Velká Chuchle - Smíchovské nádraží (semi-circular line)	222	Černý Most - Výzkumné ústavy Běchovice
		223	Černý Most - Horní Počernice
		224	Strašnická - Skalka

OPERATIONAL AND TECHNICAL INDICATORS

225 Nové Butovice - Sídliště Na Dědině - Letiště Ruzyně
 226 Opatov - Hrnčíře
 228 Skalka - Dubeč
 229 Skalka - Koloděje
 230 Sídliště Stodůlky - Řeporyjské náměstí
 231 Na Knížecí - Dívčí Hrad - Na Knížecí
 (semi-circular line)
 233 Palmovka - Obchodní centrum Čakovice
 (until 13. 12. 2003 Palmovka - Červený mlýn)
 234 Habrová - Sídliště Skalka
 235 Nové Butovice - Velká Ohrada - Nové Butovice
 (semi-circular line)
 238 Želivského - Léčiva
 239 Želivského - Rektorská
 241 Smíchovské nádraží - Lipence
 242 Háje - Továrny Hostivař
 243 Smíchovské nádraží - Sídliště Zbraslav
 244 Smíchovské nádraží - Sídliště Radotín
 245 Nádraží Radotín - Lahovská - Nádraží Radotín
 (semi-circular line)
 246 Smíchovské nádraží - Lochkov - Nádraží Radotín
 (until 28. 11. 2003 Smíchovské nádraží - Nádraží Radotín)
 247 Chaplinovo náměstí - Lochkov
 (until 28. 11. 2003 Smíchovské nádraží - Lochkov)
 248 Smíchovské nádraží - Holyně
 249 Sídliště Stodůlky - Třebonice
 250 Černý Most - Sídliště Rohožník
 251 Nádraží Klánovice - Sídliště Rohožník
 253 Smíchovské nádraží - Na Beránku
 254 Dejvická - Přední Kopanina - Letiště Ruzyně
 256 Nové Butovice - Nádraží Radotín
 257 Zličín - Sobín
 259 Českomoravská - Vinoř
 260 Jižní Město - Koh-i-noor
 (one direction only)
 261 Černý Most - Klánovice
 262 Avia Letňany - Klánovice
 263 Avia Letňany - Xaverov - Výzkumné ústavy Běchovice
 264 Skalka / Nádraží Uhříněves - Královce
 265 Skalka - Lipany - Kolovraty
 (until 1. 3. 2003 Skalka - Lipany - Tehovičky)
 266 Skalka / Nádraží Uhříněves - Hájek
 267 Háje - Uhříněves
 268 Skalka - Nedvězí
 269 Avia Letňany - Sídliště Rohožník
 271 Skalka - Háje
 272 Kačerov - Sídliště Písnice
 273 Hloubětínská - Ve žlábku

274 Palmovka - Avia Letňany - Palmovka
 (semi-circular line)
 277 Přeštická - Skalka
 (one direction only)
 280 Českomoravská - Vinoř
 291 I. P. Pavlova - Karlovo náměstí - I. P. Pavlova
 (semi-circular line)
 (operating from 18. 4. 2003)

Suburban bus routes:

301 Sídliště Stodůlky - Chýnice
 305 Českomoravská - Čakovičky
 306 Zličín - Jeneč
 312 Dejvická - Tuchoměřice, kulturní dům - Tuchoměřice,
 Štěrbův mlýn - Tuchoměřice, Špejchar - Lichoceves
 324 Opatov - Čestlice
 325 Opatov - Čestlice
 326 Opatov - Jesenice - Jesenice, Belnická - Jesenice, Osnice
 327 Opatov - Jesenice, Osnice
 (until 13. 12. 2003 Opatov - Jesenice)
 329 Skalka - Škvorec, nám.
 351 Českomoravská - Hovorčovice - Měšice,
 Agropodnik - Čakovičky - Libiš, Spolana 4
 352 Sídliště Stodůlky - Jinočany, náměstí
 354 Českomoravská - Podolanka
 355 Dejvická - Horoměřice, V lipkách - Únětice
 356 Dejvická - Horoměřice, V lipkách - Statenice
 357 Zličín - Hostivice, Staré Litovice
 358 Zličín - Chýně
 359 Dejvická - Únětice
 364 Skalka / Nádraží Uhříněves - Doubek
 365 Českomoravská - Mratín - Kostelec n. Lab., nám.
 366 Českomoravská - Kostelec n. Lab., nám.

Nighttime operation

501 Smíchovské nádraží - Pražská čtvrt
 (cancelled as of 30. 11. 2003)
 502 Vítězné náměstí - Suchdol
 503 Lehovce - Sídliště Rohožník
 504 Ohrada - Sídliště Písnice
 505 Sídliště Čimice - Jižní Město
 506 Sídliště Malešice - Uhříněves
 507 Smíchovské nádraží - Sídliště Zbraslav
 (until 29. 11. 2003 Smíchovské nádraží - Sídliště Radotín -
 - Sídliště Zbraslav - Smíchovské nádraží)
 508 Anděl - Sídliště Stodůlky

OPERATIONAL AND TECHNICAL INDICATORS

- 509 Čakovice - Na Beránku
- 510 Divoká Šárka - Letiště Ruzyně
- 511 Florenc - Nádraží Hostivař
- 512 Lehovec - Ve žlábku
- 513 Jilemnická - Sídliště Lhotka
- 514 Chaplinovo náměstí - Sídliště Radotín
(operating from 30. 11. 2003)

Schoolbus routes

- 551 Opatov - Brechtova (one direction only)
- 552 Náměstí Míru - Karlov (one direction only)
- 554 Ronešova - Sídliště Lehovec (one direction only)
- 555 Jenerálka - Žákovská (one direction only)
- 556 Za horou - Škola Kyje (one direction only)
- 558 Bazovského - Nádraží Veveslavín (one direction only)
- 559 Jahodnice II - Žárská (one direction only)
- 560 Bílá hora - Na okraji (one direction only)
- 561 Sídliště Zbraslav - Velká Chuchle
- 562 Sídliště Rohožník - Horní Počernice
- 563 Divoká Šárka - Červený vrch (one direction only)
- 564 Sídliště Rohožník - Hulická / Polesná - Sídliště Rohožník
- 565 Stadion Strahov - Weberova (one direction only)
- 566 Škola Kolovraty - Picassova (one direction only)
(until 1. 3. 2003 Kolovraty - Picassova)
- 567 Habrová - Olšanské náměstí (one direction only)
- 568 Sídliště Zličín - Za slánskou silnicí (one direction only)
- 570 Sídliště Petrovice - Picassova (one direction only)
- 571 Správa soc. zabezpečení - Škola Radlice
(one direction only)
- 572 Lyčkovo náměstí - Třebenická / Šimůnkova
- 573 Molákova - Na Korábě (cancelled as of 30. 10. 2003)

Routes for disabled persons

- 103001 Bryksova - Florenc - Chodov
- 103003 U spojů - Sídliště Ďáblice - Florenc - Sídliště Řepy - Zličín

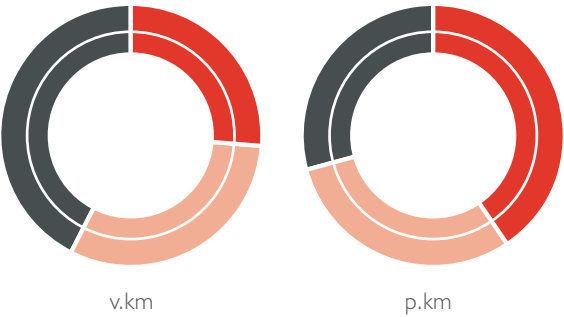
FUNICULAR RAILWAY

Újezd - Petřín

NOSTALGIC TRAM ROUTE

- 91 Vozovna Střešovice - Výstaviště

DATA ON SUPPLY OF TRANSPORT SERVICES



Vehicle and place kilometers (in '000)*

	v.km	p.km
Metro	40 181	7 290 246
Trams	47 777	5 458 558
of which: funicular railway	21	2 102
outsourced substitute bus services	1 136	79 505
Buses	64 956	5 261 459
Total	152 914	18 010 263

* excluding irregular services and overhead services

Number of passengers within the capital (P + O) and outer zones (in '000)

	total/year	average/day
Total number of passengers	1 130 788	3 098
of which: zone (P + O)	1 108 367	3 037
outer zones	22 421	61
of which: Metro	458 642	1 256
Trams	334 949	918
Buses + outer zones	337 197	924

Number of passengers by type of ticket (in '000)

	Total	%
Discounted civil season tickets with provision of personal data of the holder:		
- monthly	73 348	6.49
- quarterly	77 659	6.87
- annual	188 817	16.70
Discounted season tickets:		
- monthly	52 707	4.66
- quarterly	159 653	14.12
Season tickets with optional commencement of validity period:		
- 30 days	40 046	3.54
- 90 days	65 908	5.83
Annual season tickets issued without provision of personal data of the holder	36	0.00
Free of charge transportation	217 247	19.21
Single transfer tickets incl. P+R	129 500	11.45
Non-transfer short-term local tickets	35 282	3.12
Other season tickets	68 164	6.03
Total (zones P + O)	1 108 367	98.02

Number of passengers by type of ticket

- Discounted monthly civil extra coupons	7 351	0.65
- Discounted monthly extra coupons (children 6-15)	2 746	0.24
- Discounted quarterly civil extra coupons	8 178	0.72
- Short-term season tickets valid for all PIT fare zones (30 %)	5	0.00
- Single tickets	4 141	0.37
Total outer zones	22 421	1.98
Total (zone P + O) + outer zones	1 130 788	100.00

HR INDICATORS



Number of employees 2002 (average equivalent number)

Metro Unit	4 149
Trams Unit	3 999
Bus Unit	4 268
General Management	575
Total	12 991

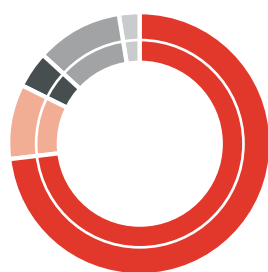
Number of employees by profession categories (average equivalent number)

Profession category	Metro Unit	Tram Unit	Bus Unit	Gen. Management	Total
PT drivers, total	473	1 263	2 376		4 112
of which: metro drivers	473				473
tram drivers		1 263			1 263
bus drivers			2 376		2 376
Truck drivers	24	88	20	2	134
Operators and attendants	176	253	361	15	805
Total workers	2 104	1 614	919	29	4 666
of which: repairs and maintenance	1 060	832	608	24	2 524
operation	1 044	387	118		1 549
other workers		395	193	5	593
Total technical and economic staff	1 372	781	592	529	3 274
of which: dispatchers	118	91	95	19	323
foremen	142	146	53	2	343
operators	447	267	236	191	1 141
tutors		10	8		18
other	665	267	200	317	1 449
Total	4 149	3 999	4 268	575	12 991
of which: male (%)	82.36	82.8	90.2	55.65	83.91
female (%)	17.64	17.2	9.8	44.35	16.09

Age structure (current number)

Category	Total		- 21		21 - 30		31 - 40		41 - 50		51 - 54		55 - 60		+ 60	
	male	female	male	female	male	female	male	female	male	female	male	female	male	female	male	female
Workers	4 367	417	37	0	791	41	811	57	978	101	644	93	930	116	176	9
Operators and attendants	4 492	438	2	0	613	36	1 112	79	1 164	118	627	98	847	89	127	18
T+E staff	2 049	1 237	2	4	248	101	362	218	472	375	335	256	497	269	133	14
Total	10 908	2 092	41	4	1 652	178	2 285	354	2 614	594	1 606	447	2 274	474	436	41
Total	13 000															

ECONOMIC INDICATORS



Share of particular costs in total PT costs (in '000 CZK)

		%
Direct costs	7 560 855	73.12
Operation overhead	950 203	9.19
Administration overhead	464 405	4.49
PT coordination and management costs	1 098 627	10.63
Other costs (museum, funicular railway, deferred tax)	265 804	2.57
Total PT costs excluding flood costs	10 339 894	100.00
Extraordinary flood costs	3 265 024	
of which: IDS a. s.	3 014 979	
own costs	250 045	
Total PT costs including flood costs	13 604 918	



Structure of PT direct costs excluding infrastructure (in '000 CZK)

		%
PT vehicles repairs	1 423 973	29.07
Fuel, material and traction power consumption	1 009 111	20.60
PT drivers costs	1 684 742	34.39
Substitute bus services	27 123	0.55
PT vehicles depreciation	730 597	14.91
Other direct costs of PT operation	23 684	0.48
Total PT direct costs	4 899 230	100.00



Share of PT operating costs and infrastructure costs in total PT costs (in '000 CZK)

		%
PT operating costs	7 678 269	74.26
Infrastructure costs	2 661 625	25.74
Total PT costs excluding flood costs	10 339 894	100.00
Extraordinary flood costs	3 265 024	
Total PT costs including flood costs	13 604 918	



Share of cost categories in total PT costs (in '000 CZK)

		%
Depreciation and deferred tax	2 289 027	22.14
Wage costs	3 091 858	29.90
Diesel oil and power consumption	1 023 270	9.90
Repairs and maintenance	3 072 215	29.71
Other costs	863 524	8.35
Total PT costs excluding flood costs	10 339 894	100.00
Extraordinary flood costs	3 265 024	
Total PT costs including flood costs	13 604 918	

Calculation of PT costs per 1 operational v.km including impact of floods*

	CZK/v.km
Metro	107.03
Trams	47.89
Buses	41.64

* excluding PT coordination and management costs and costs of post-flood recovery amounting to CZK 7.65/v.km

ECONOMIC INDICATORS

TYPES OF TICKETS IN 2003

Single tickets valid within the capital (zone P + 0)

	price (in CZK)
Basic transfer full - price ticket	
- 60 min. or 90 min.	12,-
- sold by bus driver	15,-
Basic transfer discounted ticket	
- 60 min. or 90 min.	6,-
- sold by bus driver	9,-
Non-transfer short-term local tickets	
- full-price	8,-
- for children from 6-15	4,-
Tickets in connection with P+R system	
- full-price return ticket	20,-
- one-day ticket	50,-

Season tickets valid within the capital (zone P + 0)

	price (in CZK)
Short-term season tickets	
- 24 hours	70,-
- 24 hours for children from 6-15	35,-
- 3 days	200,-
- 7 days	250,-
- 15 days	280,-
Discounted civil season tickets	
- monthly	420,-
- quarterly	1 150,-
- annual	3 800,-
Discounted season tickets	
For children from 6 to 15 years	
- monthly	100,-
- quarterly	280,-
For pupils and students from 15 to 26 years, university students up to 26 years	
- monthly	210,-
- quarterly	570,-
For pensioners	
- monthly	210,-
- quarterly	570,-
Tickets in connection with P+R system	
- one-day ticket	50,-

ECONOMIC INDICATORS

Season tickets with optional commencement of validity period within the capital

	price (in CZK)
Season tickets issued without provision of personal data of the holder	
- 30 days	560,-
- 90 days	1 600,-
- annual	5 900,-
Discounted season tickets issued based on provision of personal data of the holder	
civil	
- 30 - day civil season ticket	420,-
- 90 - day civil season ticket	1 150,-
for children from 6 to 15 years	
- 30 - day season ticket	100,-
- 90 - day season ticket	280,-
for pupils and students from 15 to 26 years, university students up to 26 years	
- 30 - day season ticket	210,-
- 90 - day season ticket	570,-
for pensioners (see Tariff)	
- 30 - day season ticket	210,-
- 90 - day season ticket	570,-

Single tickets for outer zones in PIT system*

	price (in CZK)
Basic full-price transfer tickets	
- for three follow-up zones 90 min.	18,-
- for four follow-up zones 120 min.	24,-
- for five follow-up zones 150 min.	30,-
- for six follow-up zones 180 min.	36,-
- for seven follow-up zones 210 min.	42,-
Basic discounted transfer tickets	
- for three follow-up zones 90 min.	9,-
- for four follow-up zones 120 min.	13,-
- for five follow-up zones 150 min.	16,-
- for six follow-up zones 180 min.	19,-
- for seven follow-up zones 210 min.	22,-
Short-term season tickets for all zones	
- 24-hours ticket	100,-
- 24-hours ticket for children from 6 to 15 years	50,-

*These tickets are not valid on trains of the Czech Railways excluding the following lines:
011 within the segment Praha Masarykovo nádraží (Praha hl. n.) – Poříčany,
091 within the segment Praha Masarykovo nádraží (Praha hl. n.) – Kralupy nad Vltavou,
093 within the segment Kladno – Kladno-Ostrovec,
120 within the segment Praha Masarykovo nádraží (Praha hl. n.) – Kladno
122 within the segment Hlavní nádraží Praha – Hostivice (on selected fast and express trains only)
171 within the segment Hlavní nádraží Praha – Řevnice,
221 within the segment Hlavní nádraží Praha – Senohraby,
231 within the segment Praha Masarykovo nádraží (Praha hl. n.) – Lysá nad Labem,
232 within the segment Lysá nad Labem – Milovice

Extra season tickets (coupons) for outer zones within PIT system

	price (in CZK)
Coupons for one outer zone	
- discounted monthly civil	230,-
- discounted quarterly civil	630,-
- discounted monthly for children (6-15)	110,-
Coupons for two zones	
- discounted monthly civil	350,-
- discounted quarterly civil	960,-
- discounted monthly for children (6-15)	170,-
Coupons for three zones	
- discounted monthly civil	590,-
- discounted quarterly civil	1 620,-
- discounted monthly for children (6-15)	290,-
Coupons for four zones	
- discounted monthly civil	820,-
- discounted quarterly civil	2 240,-
- discounted monthly for children (6-15)	410,-
Coupons for five zones	
- discounted monthly civil	1 020,-
- discounted quarterly civil	2 790,-
- discounted monthly for children (6-15)	510,-
Coupons for six zones	
- discounted monthly civil	1 250,-
- discounted quarterly civil	3 420,-
- discounted monthly for children (6-15)	620,-

ECONOMIC INDICATORS

Fare-box revenues by type of ticket (in '000 CZK)

PT (zone P + 0)		%
- revenues from season tickets + lump sum + PT tickets	1 488 724	55.80
- revenues from single tickets incl. ticket vending machines	1 039 293	38.95
- revenues from penalty fares	140 069	5.25
Total PT (zone P + 0)	2 668 086	100.00
Outer zones		%
- revenues from single tickets incl. ticket vending machines	36 194	37.47
- revenues from extra season coupons	60 405	62.53
Total outer zones	96 599	100.00
Total PT (P+0) + outer zones	2 764 685	

Wages paid by categories (in '000 CZK)*

	Metro	Trams	Buses	Management	Total
PT drivers	145 789	298 293	600 595		1 044 677
Workers	467 568	357 650	182 953	6 278	1 014 449
Operators and attendants	39 036	38 986	69 084	2 932	150 038
T+E staff	374 454	192 046	148 730	170 221	885 451
TOTAL	1 026 847	886 975	1 001 362	179 431	3 094 615

* including wages paid in connection with recovery from flood damages

ECONOMIC INDICATORS

Volume of total investment resources (in '000 CZK)

Own resources	
depreciation + deferred tax	2 289 027
own resources saved from previous years	144 420
Total own investment resources	2 433 447
Other resources	
subsidy – state budget	509 900
subsidy – budget of the City of Prague *	5 662 751
loan granted by Česká spořitelna, a.s. and ČSOB, a.s. **	1 975 403
Total other investment resources	8 148 054
Total volume of investment resources	10 581 501

* out of municipal subsidy granted by the City of Prague amounting to CZK 6,116,913,000 CZK 454,162,000 were used in 2003 to retroactively settle advance payments and invoices of 2002, i.e. CZK 5,662,751,000 were drawn to settle advance payments and invoices of 2003.

** loan granted for acquisition of the 2nd series of metro trains; after inclusion of exchange-rate differences as of 31 December 2003 the loan amounted to CZK 2,014,090,000.

Special purpose investment subsidies (in '000 CZK)

Project name	Drawn from municipal budget	Drawn from state budget
Metro extension IV.C – stage I.	2 251 343	485 000
Metro extension IV.C – stage II.	10 000	
Technical Centre II.B (TC4)	5 000	
Hostivař Depot metro station	48 903	
Reconstruction of safety control system (metro line A)	150 000	
Metro cars renewal – modernization	750 000	
Tram line Hlubočepy-Barrandov	795 724	
RTT Senovážné Square	84 413	
RTT Na Poříčí – Těšnov	73 899	
RTT Českomoravská – Harfa	249 146	
Verification of TT Wenceslas Square	310	
Modernization of trams	140 000	
Bus terminal next to Českomoravská metro station	12 650	
Acquisition of standard articulated buses	42 830	900
Acquisition of low-floor articulated buses	85 640	24 000
Acquisition of standard solo buses	126 317	
Acquisition of low-floor solo buses	52 124	
Reconstruction of metro resulting from floods	1 055 539	
RTT Sokolovská – reconstruction resulting from floods	183 075	
Total	6 116 913	509 900

ECONOMIC INDICATORS

VOLUME OF TOTAL INVESTMENT COSTS (IN '000 CZK)

Metro development

Projects in progress	
Metro extension IV.B	973
Metro extension IV.C – stage I.	2 736 343
Technical Centre TC4	5 547
Hostivař Depot metro station	48 903
Projects in preparation	
Metro extension IV.C – stage II.	32 589
Metro line D - 1st operational segment	100
Total investments in metro development	2 824 455

Other investment projects

Escalator replacement	1 043
Development of TL Hlubočepy – Barrandov	795 724
Reconstruction of tram tracks	528 751
Reconstruction of cable network	510 545
Development and reconstruction of converting substations	138 742
Depots and central workshops	58 688
Garages and parking facilities	119 790
Safety control system – line A	150 005
Safety control system – line B	33
MATRA automatic train control – installation in rec. and new cars	71 979
Total other investment projects	2 375 300

Fleet/rolling stock renewal

Metro	
Reconstruction of cars	750 043
Acquisition of new cars (loan drawing + charges and loan interest)	2 080 626
Trams	
Added technical value to trams	196 226
Buses	
Acquisition of new buses	597 153
Total fleet/rolling stock renewal	3 624 048
Other investments in technical facilities	959 508
Post-flood reconstruction of technical facilities	
Post-flood metro reconstruction*	601 377
RTT Sokolovská	183 089
Other	13 724
Total post-flood reconstruction of technical facilities	798 190
Total volume of investment costs	10 581 501
of which loan drawn for acquisition of metro cars amounting to**	1 975 403

* in 2003 - allocated and drawn CZK 1,000,000,000 + CZK 55,539,000, i.e. total CZK 1,055,539,000; these funds were used to retroactively settle advance payments and invoices of 2002 amounting to CZK 454,162,000, i.e. advance payments and invoices amounting to CZK 601,377,000 were settled in 2003.

** loan granted for acquisition of the 2nd series of metro trains; after inclusion of exchange-rate differences as of 31 December 2003 the loan amounted to CZK 2,014,090,000.

(in whole '000 CZK)

Registered office
Sokolovská 217/42
190 22 Praha 9

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PROFIT AND LOSS STATEMENT (FULL EXTENT) AS OF 31.12.2003

Item no.	TEXT	Data for the relevant accounting period		
		current I	last 2	before last 3
a	b			
VI.	Revenues from sales of securities and interests	66 065	18 496 207	43 686 950
J.	Securities and interests sold	27 000	18 495 408	43 624 763
VII.	Return on long-term financial assets	5 364	3 645	2 612
VII. I.	Return on interests in controlled and managed entities and accounting units under substantial influence	5 364	3 645	2 612
VIII.	Return on short-term financial assets	0	30 320	76 361
M.	Settlements of reserves and adjustments in financial area	0	-47 888	32 073
X.	Interest from revenues	40 459	46 505	26 451
N.	Interest from costs	18 528	0	0
XI.	Other financial revenues	17 892	145 110	7 859
O.	Other financial costs	4 001	228 175	188 484
*	Profit/loss resulting from financial transactions (taking into account items VI. – P.)	80 251	46 092	-45 087
Q.	Tax on income from ordinary activities	249 179	498 473	467 914
Q. 2.	-deferred	249 179	498 473	467 914
**	Profit/loss resulting from ordinary activities (operating profit/loss + financial profit/loss-Q.)	0	95	-35 027
XIII.	Extraordinary revenues	5 099 793	905 352	43 563
R.	Extraordinary costs	3 265 024	3 062 573	8 536
*	Extraordinary profit/loss (XIII.-R.-S.)	1 834 769	-2 157 221	35 027
***	Profit/loss for the accounting period (+/-) (profit/loss resulting from ordinary activities + extraordinary profit/loss)	1 834 769	-2 157 126	0

Drawn on (date): 18. 2. 2004		Signature of the statutory body of the accounting unit 
Legal form of the accounting unit incorporated company	Subject of business activity Public transport operation and other activities	Comments:

BALANCE SHEET (FULL EXTENT) AS OF 31.12.2003

(in whole '000 CZK)

Identification Number
00005886

Company
Dopravní podnik hl. m. Prahy, akciová společnost

Registered office
Sokolovská 217/42
190 22 Praha 9

Item no.	ASSETS	Current accounting period			Acc. period last	Acc. period before last
		Gross	Correction	Net	Net	Net
a	b	1	2	3	4	5
	TOTAL ASSETS (A. + B. + C. + D.)	99 022 777	-19 454 192	79 568 585	71 086 403	64 446 353
B.	Fixed assets	93 778 962	-19 358 693	74 420 269	66 729 632	60 182 602
B. I.	Intangible fixed assets	336 307	-252 751	83 556	101 052	96 749
3.	Software	300 139	-246 868	53 271	61 208	80 261
4.	Assessable rights	6 482	-4 410	2 072	3 532	1 249
6.	Other intangible fixed assets	20 817	-1 473	19 344	19 463	13 241
7.	Unfinished intangibles	2 191	0	2 191	10 657	347
8.	Advances on intangible fixed assets	6 678	0	6 678	6 192	1 651
B. II.	Tangible fixed assets	93 191 054	-19 105 942	74 085 112	66 354 063	59 821 655
B. II. 1.	Land	3 869 491	0	3 869 491	3 442 874	3 126 217
2.	Buildings	43 833 837	-8 193 387	35 640 450	35 265 406	35 047 607
3.	Individual property items and property sets	24 830 436	-10 912 555	13 917 881	11 776 422	10 739 268
6.	Other tangible fixed assets	35 433	0	35 433	35 433	35 433
7.	Unfinished tangibles	17 890 905	0	17 890 905	12 969 214	9 167 303
8.	Advances on tangible fixed assets	2 730 952	0	2 730 952	2 864 714	1 705 827
B. III.	Financial assets	251 601	0	251 601	274 517	264 198
B. III. 1.	Interests in controlled and managed entities	162 225	0	162 225	166 146	236 358
2.	Interests in accounting units under substantial influence	89 376	0	89 376	81 371	840
3.	Other long-term securities and interests	0	0	0	27 000	27 000

BALANCE SHEET (FULL EXTENT) AS OF 31.12.2003

Item no.	ASSETS	Current accounting period			Acc. period last	Acc. period before last
		Gross	Correction	Net	Net	Net
a	b	1	2	3	4	5
C.	Current assets	5 193 276	-95 499	5 097 777	4 305 879	4 211 322
C. I.	Inventories	539 736	0	539 736	523 305	489 418
C. I. 1.	Material	528 539	0	528 539	509 738	482 996
2.	Unfinished production and semi-finished articles	569	0	569	1 744	917
5.	Goods	2 795	0	2 795	2 171	2 184
6.	Advances on inventories	7 833	0	7 833	9 652	3 321
C. II.	Long-term receivables	385 456	0	385 456	232 231	776 658
C. II. 1.	Trade receivables	360 441	0	360 441	189 496	747 633
4.	Advances allocated	1 166	0	1 166	1 907	3 644
6.	Other receivables	23 849	0	23 849	40 828	25 381
C. III.	Short-term receivables	1 359 692	-95 499	1 264 193	1 383 211	1 187 504
C. III. 1.	Trade receivables	587 167	-94 835	492 332	388 735	446 362
6.	State – tax receivables	587 990	0	587 990	393 963	591 255
7.	Advances allocated	119 302	0	119 302	486 599	108 391
8.	Contingent accounts, active	31 027	0	31 027	102 345	28 911
9.	Other receivables	34 206	-664	33 542	11 569	12 585
C. IV.	Short-term financial assets	2 908 392	0	2 908 392	2 167 132	1 757 742
C. IV. 1.	Cash	16 281	0	16 281	17 336	15 796
2.	Bank accounts	2 892 111	0	2 892 111	2 149 796	588 297
3.	Short-term securities and interests	0	0	0	0	1 153 649
D. I.	Time adjustments	50 539	0	50 539	50 892	52 429
D. I. 1.	Deferred expense	49 851	0	49 851	50 292	3 765
3.	Deferred income	688	0	688	600	776
4.	Active exchange-rate differences	0	0	0	0	47 888

BALANCE SHEET AS OF 31/12/ 2003

Item no.	LIABILITIES	Status- current accounting period 6	Status – last accounting period 7	Status – before last accounting period 8
a	b			
	TOTAL LIABILITIES (A. + B. + C.)	79 568 585	71 086 403	64 446 353
A.	Capital stock	61 248 212	59 070 102	60 910 791
A. I.	Registered capital	30 726 125	30 726 125	30 726 125
A. I. I.	Registered capital	30 726 125	30 726 125	30 726 125
A. II.	Capital funds	31 029 679	30 681 257	30 361 003
2.	Other capital funds	30 967 432	30 623 094	30 361 003
3.	Difference in valuation resulting from overvaluation of assets and liabilities	62 247	58 163	0
A. III.	Reserve funds, indivisible fund and other profit funds	1 582	6 663	6 687
A. III. I.	Statutory reserve fund/Indivisible fund	1 582	1 582	1 582
2.	Statutory and other funds	0	5 081	5 105
A. IV.	Profit/loss – previous years	-2 343 943	-186 817	-183 024
2.	Outstanding loss – previous years	-2 343 943	-186 817	-183 024
A. V.	Profit/loss – current accounting period (+ -)	1 834 769	-2 157 126	0
B.	External resources	17 836 788	11 635 152	3 060 820
B. I.	Provisions	100 000	0	103 288
B. I. I.	Provisions based on special legal regulations	50 000	0	55 400
4.	Other provisions	50 000	0	47 888
B. II.	Long-term liabilities	2 804 008	2 355 656	1 902 055
B. II. I.	Trade liabilities	201 578	2 694	46 823
5.	Long-term advances received	5 624	5 335	9 871
10.	Deferred tax liability	2 596 806	2 347 627	1 845 361

BALANCE SHEET AS OF 31/12/ 2003

Item no.	LIABILITIES	Status- current accounting period 6	Status – last accounting period 7	Status – before last accounting period 8
a	b			
B. III.	Short-term liabilities	11 634 240	7 995 046	1 055 476
B. III. 1.	Trade liabilities	1 353 317	1 515 231	609 334
5.	Liabilities towards employees	34 347	40 115	38 561
6.	Liabilities resulting from social welfare and health insurance	142 814	130 840	111 585
7.	State – tax liabilities and subsidies	9 626 921	3 836 771	25 285
7.1.	State – tax liabilities	42 526	37 671	29 728
7.2.	Subsidies	9 584 395	3 799 100	-4 443
8.	Short-term advances received	249 344	70 422	25 577
10.	Contingent accounts, passive	24 795	2 210 618	83 822
11.	Other liabilities	202 702	191 049	161 312
B. IV.	Bank loans and financial assistance	3 298 540	1 284 450	1
B. IV. 1.	Long-term bank loans	3 298 540	1 284 450	0
2.	Short-term bank loans	0	0	1
C. I.	Time adjustments	483 585	381 149	474 742
C. I. 1.	Deferred expenses	82 803	1 578	2 796
2.	Deferred income	400 782	379 571	447 399
3.	Passive exchange-rate differences	0	0	24 547

Drawn on (date):
18. 2. 2004

Signature of the statutory body of the accounting unit

Legal form of the accounting unit
incorporated company

Subject of business activity
**Public transport
operation
and other activities**

AUDITOR'S IDENTIFICATION:
A&CE Auditoři a znalci Praha, s. r. o.
Bělehradská 17, 140 00 Praha 4
číslo osvědčení KA ČR 157

LIST OF ABBREVIATIONS

PPT Co. Inc.	Prague Public Transit Co. Inc.
PT	public transport
PIT	Prague Integrated Transport
SBS	substitute bus services
ČSOB, a.s.	Czech Commercial Bank
UITP	Union Internationale des Transports Publics (International Association of Public Transport)
ROPID	Regional Organizer of Prague Integrated Transport
RATP	Régie Autonome des Transports Parisiens (transport undertaking, Paris)
SPŠD, SOU a U, a.s.	Transport Technical College, Secondary Vocational Training Centre and Apprenticeship Training Centre Co. Inc.
IDS a.s.	Transport Constructions Engineering Co. Inc.
T + E	technical and economic staff
TL	tram line
TT	tram track
RTT	reconstruction of tram track
P+R	Park&Ride parking facility
CYQUAL	Cycle of Quality (quality club of European transport undertakings)
EU	European Union
H&S	Health and safety at work

A&CE

**Auditor's Report
on the Audit of the Annual Financial Statements
for the Year 2003**

We have audited the attached financial statements of **DOPRAVNÍ PODNIK hl.m. Prahy, a.s.**, as of December 31, 2003. The Board of Directors is responsible for the preparation of the financial statements. Our responsibility is to issue an Auditor's Statement based on the audit of these financial statements.

We conducted the audit in accordance with the Act on Auditors and the auditing guidelines of the Chamber of Auditors of the Czech Republic. These guidelines require an audit to be planned and conducted in such a way that the auditor obtains a reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, the accounting records and other evidence supporting the figures in the financial statements. It also includes an assessment of the accounting principles used and significant estimates made by the Company in the preparation of the financial statements, as well as an evaluation of the overall financial statements presentation. We believe that the carried out audit provides a reasonable basis for the issuance of the statement.

Auditor's Statement

In our opinion, the financial statements present in all material aspects a true and fair view of the assets, liabilities, equity, and the financial situation of **DOPRAVNÍ PODNIK hl.m. Prahy, a.s.**, as of December 31, 2003, and of the financial results for the year 2003 in accordance with the Act on Accounting and relevant accounting regulations of the Czech Republic.

Prague, March 12, 2004

Ing. Zdeněk Rabas
Auditor
Certificate of the Chamber of Auditors
of the Czech Republic No. 647
Responsible for the Report

A & CE, Auditoři a znalci Praha, Ltd.
Bělehradská 17, 140 00 Praha 4
Certificate of the Chamber of Auditors
of the Czech Republic No. 157
Represented by Ing. Rostislav Otřisal, CSc.,
Managing Director of the Company



