

2008

ANNUAL REPORT



Dopravní podnik
hlavního města Prahy

BASIC IDENTIFICATION DATA

COMPANY NAME

Dopravní podnik hl. m. Prahy, akciová společnost
Prague Public Transport Company

REGISTERED ADDRESS

Sokolovská 217/42, 190 22 Prague 9

CO. REG. NO. (IČ)

00005886

TAX NO. (DIČ)

CZ00005886

DATE OF FOUNDING

1 September 1897

LEGAL FORM

Joint stock company

FOUNDER

The City of Prague

ENTITIES WITH OWNERSHIP INTEREST

The City of Prague 100 %

COMMERCIAL REGISTER

Prague Public Transport Company was entered in the Commercial Register maintained at the Municipal Court in Prague on 11 July 1991 ref. no.: Rg.: B 847 in Section B, Insert no. 847

REGISTERED CAPITAL

CZK 30,726,125,000

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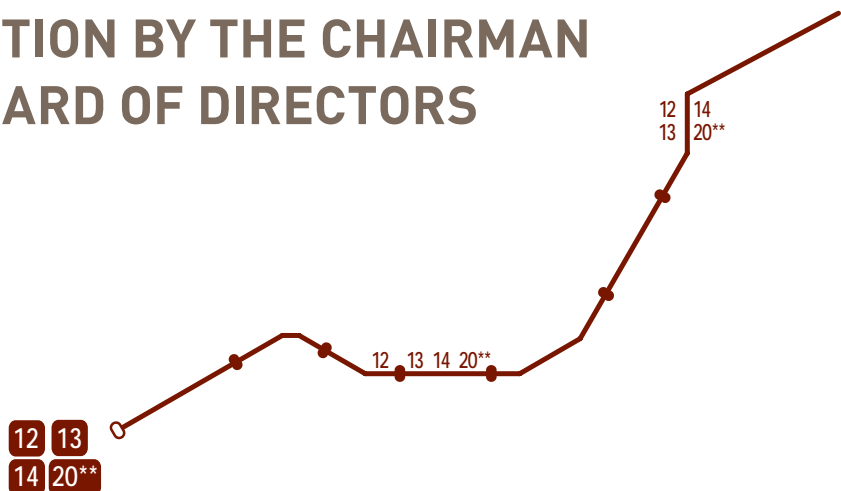
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INTRODUCTION BY THE CHAIRMAN OF THE BOARD OF DIRECTORS



Dear Readers,

For the Prague Public Transport Company 2008 was another year of changes. Another stage in the company's transformation was completed, which aims to transform the company into a fully functioning and effective mechanism.

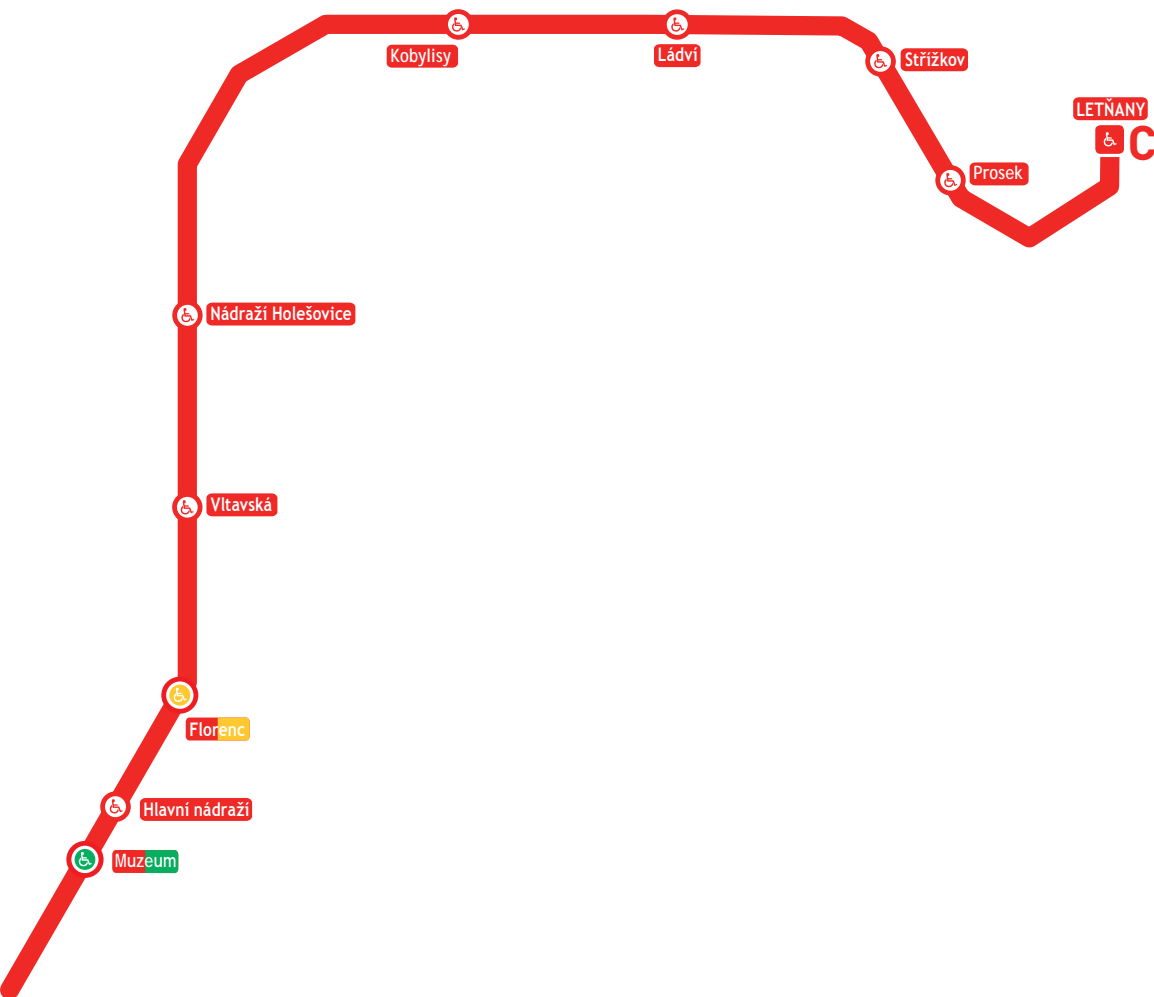
The optimisation of costs, the company structure and the reorganisation of activities focussing on the company's main activity, namely the transportation of passengers, manifested itself in the form of preparations of outsourcing projects. The concept of outsourcing is based on a simple idea, namely that work which is ordinarily undertaken by other companies (cleaning, repair work, etc.), can also be carried out for the Prague Public Transport Company on the basis of orders. The economic objective is to cut costs by at least 10% against what it costs for the company to carry out these activities itself.

As well as this internal process, external changes were also visible in 2008, which are making further improvements to public

transport in Prague. In May 2008 three new stations, Střížkov, Prosek and Letňany, were opened on Metro line C, which serve Severní Město at locations which have hitherto only been accessible by bus.

After the summer holidays the new Radlická tramline was opened, which assists the transport situation in the region overlooking Smíchov. The line is of inestimable importance as far as transport in Prague is concerned and is a strategic element in the event of a stoppage on Metro line B, since it allows for an extension of the transport capacity of large numbers of passengers as a substitute for the Metro. What's more, the line was largely financed from European Union funds and is thus a pioneer project as far as this type of financing of the construction of new tracks is concerned.

In 2008 the city decided to modify the stages by which new section of Metro line A is being constructed, and took further steps to ensure that the linking up of Prague city centre and Ruzyně Airport was realised as quickly as possible. The newly constructed first section will have 4 stations and will



terminate at the Motol Faculty Hospital. The participation of European Funds is also expected on this project to the tune of approximately EUR 300 million.

The last project in its development stage in 2008 is preparation of the construction of a completely new Metro line D, which will have 9 stations and will link the southern outskirts of Prague to the city centre.

I am convinced that 2008 was an important indication of the development of the transport infrastructure in Prague to come, and that the years ahead will see these plans enter their implementation phase.

Radovan Šteiner

Chairman of the Board of Directors

INTRODUCTION BY THE GENERAL DIRECTOR

Dear Passengers and Colleagues,

When I look back over the year 2008 I see the huge efforts which the Prague Public Transport Company expended on meeting its objective, namely the provision of top-quality services to the travelling public. Despite the difficult challenges facing our company within the process of optimisation, our priority remained the quality of the services we provide. It gives me great pleasure to state that the quality of passenger transport has improved consistently. Proof of this was completion of the operational certification of all metro lines and the successful re-certification and audits of selected auxiliary processes.

Notwithstanding unfavourable expectations we managed to increase the number of passengers against 2007 travelling within the City of Prague by 5.72%, and within the framework of Prague integrated transport there was an increase of 13.66% passengers. I am convinced that an important factor as far as these figures are concerned is the quality of transport which the Prague Public Transport Company offers its customers.

The year 2008 was a difficult one for the company given the unfavourable developments of the prices of electricity and oil. The situation was further complicated by the fact that the demands on transport services are continuing to rise, along with operating costs. As a result we concentrated

on saving electricity, both by putting into operation more trams and metro rolling stock with energy recuperation, and by saving fuel by expanding the use of emulsion diesel.

An important step forward is the development strategy for the period from 2008 to 2015 which the Prague Public Transport Company has compiled. This strategy creates a firm structure for the measures we will be taking and continuity and direction for the future. So now we have to focus our energies on developing transport and on further improvements of the services we offer the public.

During the course of last year we examined all the activities which the company has undertaken up till now and which are not part of its core mission. These are activities which assist us in ensuring the transportation of passengers takes place every day as planned, and include, for instance, the outsourcing of repairs and maintenance of metro M1 rolling stock to Siemens.

I. P. Pavlova

Vyšehrad

Pražského
povstání

Pankrác

Budějovická

In 2008 the company took concrete measures to renew the vehicle fleet. The Škoda 15T "For City" tram was introduced to the public, which over the next few years will take over the role of the T3 and with 250 units become the dominant mode of transport which the people of Prague and visitors to the city will encounter. The refurbishment of old trams continues in order that they meet the new demands being placed on public transport.



An important step was taken as far as renewal of the bus fleet is concerned with the organisation of a public tender for a delivery of 620 buses for Prague.

All of these measures made significant improvements to the quality of transport and will guarantee reliable services for years to come. As well as renewal of its vehicle fleet in 2008 the company undertook an extensive overhaul of tram lines. Some of the work was completed within extraordinarily short deadlines and with maximum utilisation of the company's own resources. These projects included repairs to the Olšanská track, the Vyšehrad tunnel, and the line running out to Modřany. The company is aware of

the importance of utilising development resources from European Union funds, and in 2008 submitted several grant applications.

In conclusion, I would like to mention two projects undertaken during the course of 2008 which represent the future of public transport. The first involves SMS tickets, which passengers responded to even more positively than had been expected, and the second was the transfer of paper passes over to electronic passes in the form of the Opencard.

Both projects show that modern technology has a lot to offer the sphere of public transport. I believe that this system will be fair above all to those passengers who are aware that public transport is a service which has to be paid for.

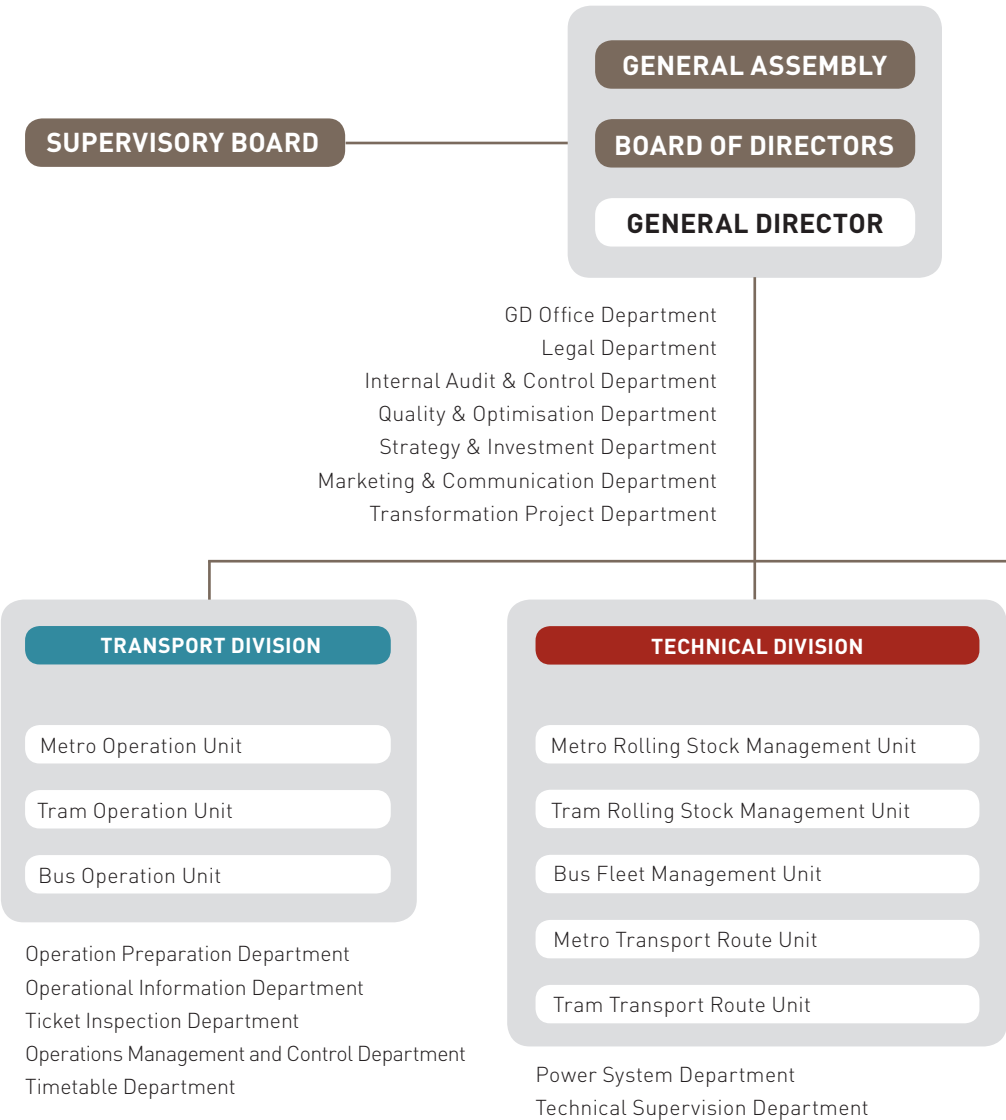
I hope that for all of us the next few years will be characterised by development,

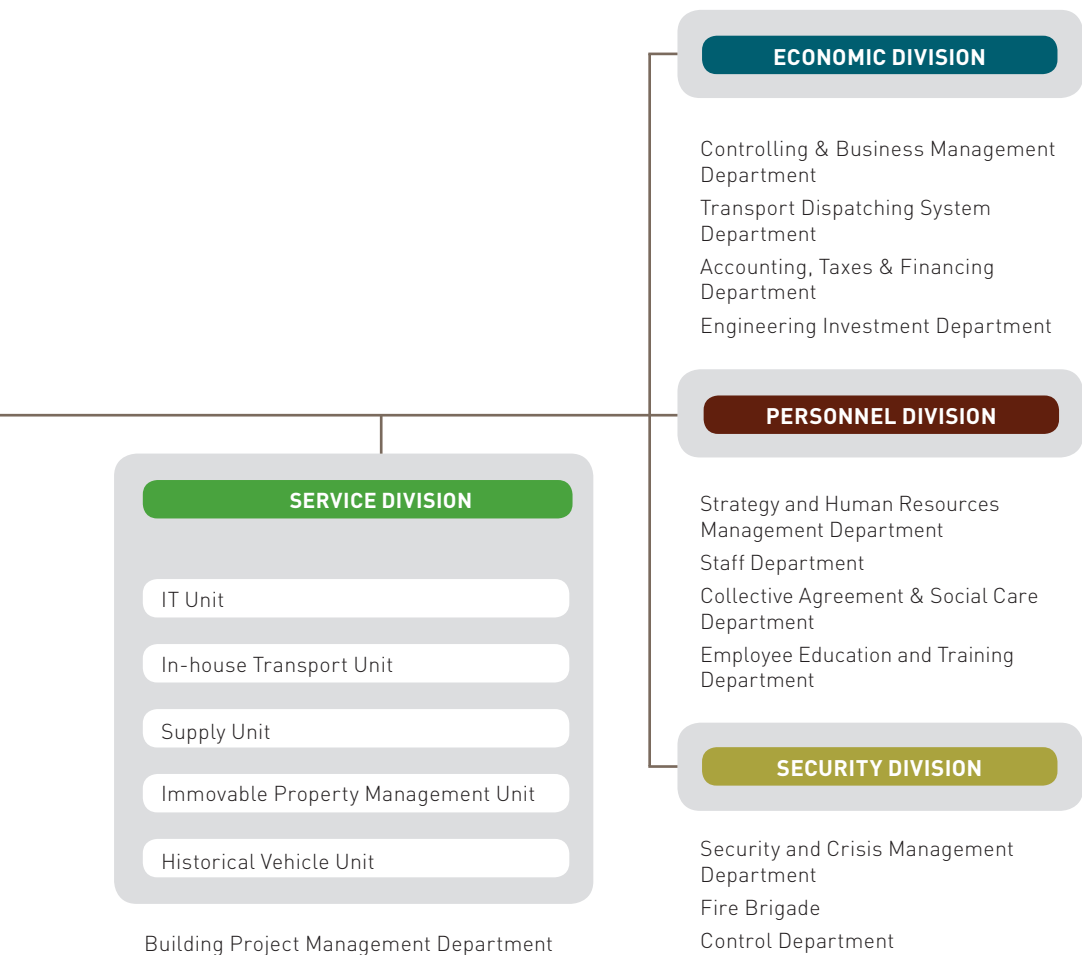
Martin Dvořák

General Director

ORGANISATIONAL STRUCTURE AS AT 31 DECEMBER 2008

STATUTORY BODIES





PERSONNEL DATA

BOARD OF DIRECTORS

Radovan Šteiner – chairman
Martin Dvořák – vice-chairman
Petr Hána – member
Jan Heroudek – member
Tomáš Jílek – member
Miroslav Sklenář – member*
Antonín Weinert – member
David Vodrážka – member
Pavel Bém – member**
Jiří Janeček – member**

* to 7 October 2008

** from 8 October 2008

SUPERVISORY BOARD

Rudolf Blažek – chairman
Jiří Čada – vice-chairman
Ivan Bednář – member
Karel Březina – member
Tomáš Homola – member
František Kadlec – member
Petr Moos – member
Jiří Obitko – member
Petr Zajíček – member

MANAGEMENT

Martin Dvořák – General Director
Petr Blažek – Transport Director
Radek Zamrazil – Technical Director*
Milan Tůma – Service Director**
Ivo Štika – Economic Director
Tomáš Petana – Personnel Director***
Antonín Fedorko – Security Director
Radek Novotný – Transformation Director

* from 1 February 2008; to 31 January 2008
Jiří Bezdíček

** from 1 June 2008 in charge of managing the division
and from 1 August 2008 in the post of director;
to 31 May 2008 Tomáš Petana

*** from 1 June 2008; to 31 May 2008 Jaroslav Ďuriš



from left: Antonín Fedorko, Ivo Štika, Milan Tůma, Martin Dvořák, Tomáš Petana,
Petr Blažek, Radek Zamrazil, Radek Novotný

IMPORTANT EVENTS

13 March 2008

We implemented a comprehensive transport survey of trams.

1 April 2008

We ran a trial (up to 31 December 2008) of permitting transportation of bicycles in trams in selected segments and during selected hours.

6 April 2008

We won a Český zavináč (Czech At Association) prize for 2008 for SMS tickets – the prize for a project that contributed most to development of IT.

15 April 2008

We launched a new website, which was prepared in collaboration with the National Council for People with Disabilities in order to fulfil accessibility conditions.

8 May 2008

We officially launched operation of a new segment of the Metro C line, which extends the line by 4.5 km and adds three new stations Střížkov, Prosek and Letňany.

26 May 2008

We completed implementation of the project "Launch of active priority system on selected TSE for bus and tram transport" financed from EU Structural Funds.

14 June 2008

We took part in preparation of the fifth annual Prague Museum Nights, when it was possible to visit 51 museums, galleries and cultural monuments and 55 low-floor vehicles transported more than 170,000 visitors.

1 August 2008

We adjusted the PIT Tariff and introduced the Junior and Senior categories.

5 August 2008

We launched the electronic fare system for Opencard; by the end of 2008 more than 310,000 Opencards had been issued and more than 180,000 passengers had taken advantage of electronic fares.

13 August 2008

Within the context of the Opencard project operation was launched of Kinobus (a special bus equipped as a projection room).

8 September 2008

The ticket sale outlet in Vysočanská Metro station was the first to be given new graphics; by the end of the year all of the Metro ticket sales outlets had been given a similar treatment.

In the Plzeň plant of Škoda Transportation s. r. o. the new 15T ForCity tram was unveiled, a 100% low-floor vehicle with a 300 person capacity.

We launched operation on our website of an e-shop providing easy purchase of fixed-period tickets.

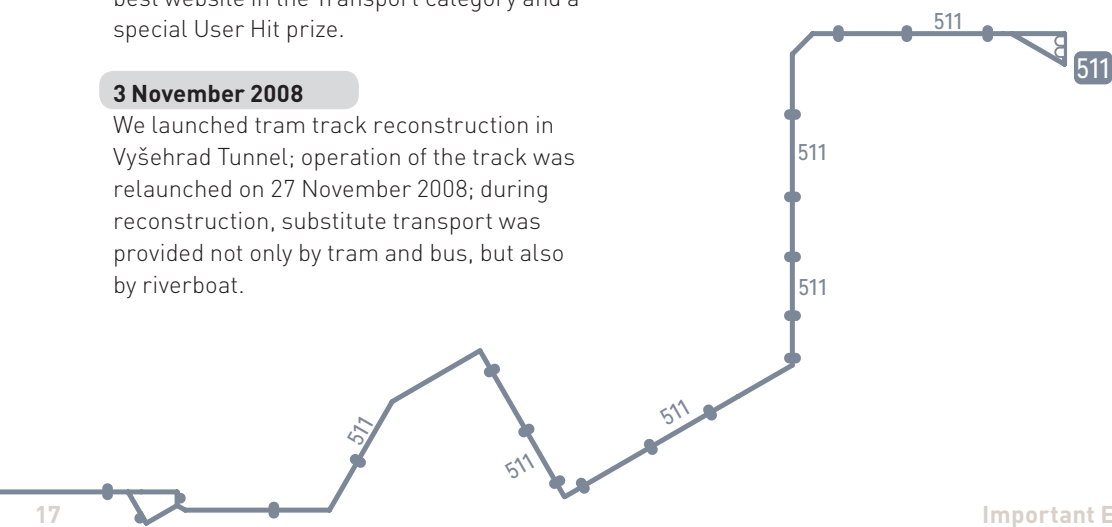
We launched operation of the new 0.741 km long Laurov–Radlick tram track and set up three new tram stops with the names Laurov, Radlick kola and Radlick.

We won first prize in a competition for the best website in the Transport category and a special User Hit prize.

We launched tram track reconstruction in Vyšehrad Tunnel; operation of the track was relaunched on 27 November 2008; during reconstruction, substitute transport was provided not only by tram and bus, but also by riverboat.

We implemented a comprehensive transport survey of the Metro with the objective of monitoring the passenger traffic of the entire Metro network.

Within the context of verifying certified sections in terms of fulfilment of EN ISO 9001 requirements, we added certification of line B to the already certified lines A and C.



TRANSFORMATION AND OPTIMISATION

THE OPTIMISATION PROGRAMME IS A CONTINUATION OF THE TRANSFORMATION OF DP, WHICH WAS LAUNCHED IN MARCH 2004. ITS MAIN OBJECTIVES INCLUDED SIMPLIFICATION OF COMPANY MANAGEMENT, SEPARATION OF MAIN DP PROCESSES FROM SUPPORT (OR SERVICE) PROCESSES AND ESPECIALLY FOCUSING ON THE CORE BUSINESS – ENSURING OPERATION OF PRAGUE PUBLIC TRANSPORT

Since April 2007 a further stage of the transformation process has been underway, designated as **Transformation II – Optimisation.**

The main goals we have set in this phase are:

- creation of preconditions for ensuring the long-term sustainability of the company's business operation,
- reducing the relative financial burden of the city in funding public transport, while maintaining its safety and high quality.

Implementation of the set Transformation II – Optimisation goals is served by a project structure of work teams. Their members represent basically all divisions of DP.

Since 2007, the DP work teams, in collaboration with consultation companies, have been handling preparation, design and implementation of optimisation projects focussed especially on reducing costs and increasing yields.

In 2008 **Dopravní podnik's strategy was approved for the period 2008–2015**, which defines in four pillars the strategic priorities important for our customers:

- **service quality,**
- **range of services,**
- **responsibility and**
- **economy.**

The proposed strategy constitutes a basic document enabling coordination of activities within the company, allocation of resources to approved development projects and achievement of the maximum quality of the main service provided – transportation of passengers.

In 2008 we focussed on outsourcing optimisation projects. The basic conditions for implementation of these projects is in every case:

- maintaining safety conditions of operation,
- maintaining, or further improvement in quality of service,
- reducing service costs,
- preparing high-quality contracts with selected service providers, which define precisely the conditions of outsourcing, rights and responsibilities of the contracting parties, including sanctions for breach of contractual agreements.

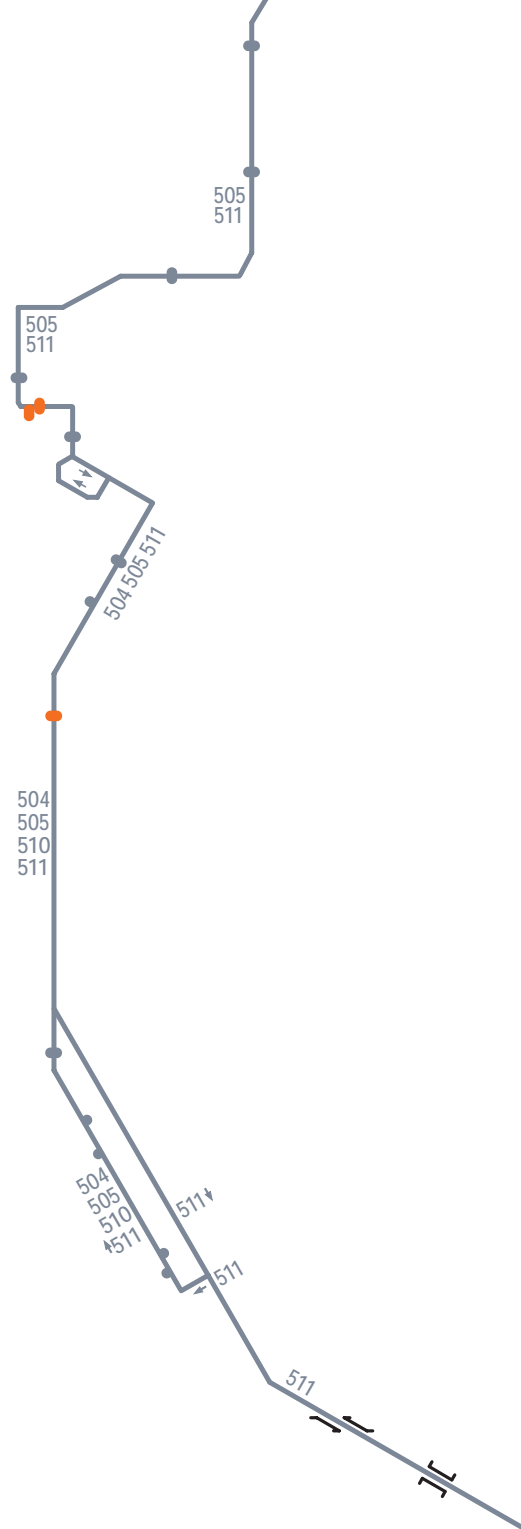
In phase 1 we decided to split off those auxiliary activities which are independent and are not service activities for the rest of the company divisions. Only in phase 2 will we examine the possibility of detaching service activities, the extent of which is anyway being reduced by the implementation of phase 1 projects.

At the end of 2008 we came up with a total of 32 projects. Of these, 21 projects were drawn up and one project was implemented during 2008. This involved maintenance of M1 Metro rolling stock in the form of a full service. Another four projects were included in a public tender for the provider of the services specified.

A very important indicator of the results of our efforts over the last year is the development in the number of jobs. Since the beginning of the company's transformation the number of jobs has been reduced **from 13,387 to 11,686** (as at 1 January 2009).

In all we reduced the number of jobs by 1,701, or by 1,811 after including the impact of the increase in the number of drivers in the same period. By reducing the number of jobs, we made annual cost savings of **approximately CZK 700 million**.

The implementation of optimisation projects, including outsourcing, has resulted in savings of **some CZK 650 million** in 2009 against 2007.



INVESTMENTS

DURING 2008 WE EXPENDED ON INVESTMENTS RESOURCES TOTALLING CZK 7,481.6 MIL.

of which:

Prague Public Transport Company funds
CZK 1,840.1 mil.

subsidies from state budget
CZK 311.6 mil.

subsidies from EU Structural Funds
CZK 13.6 mil.

subsidies from Prague City budget
CZK 5,316.3 mil.

total

CZK 7,481.6 mil.

of which subsidies used to pay invoices from previous years amounted in total to CZK 15.9 mil.

The state provided subsidies totalling CZK 311.6 mil. for:

- construction of the second part of the IV segment of the Metro C line (Ládví–Letňany) – CZK 300 mil.;
- purchase of buses – CZK 2.4 mil.;
- projects co-financed from EU structural funds – CZK 9.2 mil.

of which subsidies used to pay invoices from previous years amounted in total to CZK 5.4 mil.

Subsidies from Prague City budget amounted to CZK 5,316.3 mil.:

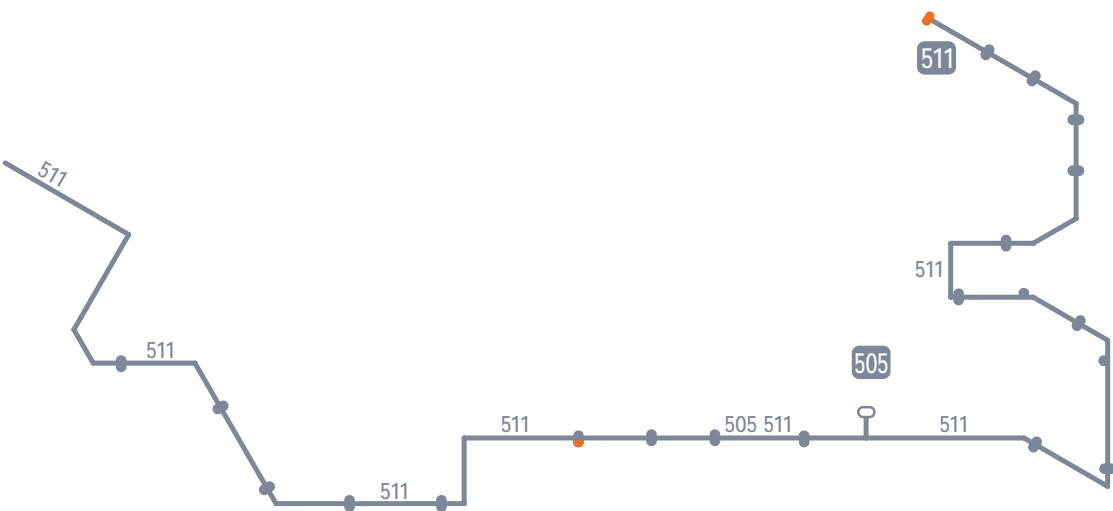
of which subsidies used to pay invoices from previous years amounted in total to CZK 2.6 mil. We obtained from EU structural funds for SPD2 subsidies totalling CZK 13.6 mil. Of this subsidies used to pay invoices from previous years amounted in total to CZK 7.9 mil.

A large portion of the funding was used for renewal and modernisation of rolling stock and the bus fleet:

- CZK 151.5 mil. was used to purchase new M1 metro cars;
- CZK 1,710 mil. was used to purchase new 14T trams;
- purchase of buses for transporting visually impaired and physically disabled individuals cost CZK 10.4 mil.;
- we paid CZK 1,180.8 mil. for reconstruction of Metro cars;
- reconstruction of trams and buses cost CZK 364.5 mil. and CZK 28.5 mil. respectively.

A payment of CZK 278.1 mil. was made on a loan used to purchase 20 new M1 Metro trains.

A large portion of the funding was used for renewal of tram tracks, with CZK 322.3 mil.



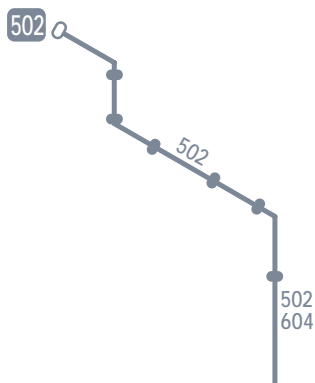
being expended for the year. In addition we invested CZK 325.9 mil. in constructing new tram tracks.

In addition to the subsidy from the Prague City budget, a remaining part of the 2008 subsidy amounting to CZK 58.1 mil. will be drawn during 2009.

The most significant investment projects of 2008 included continuing construction of the second part of the IV segment of Metro line C. The 4.5 km segment was put into operation in May 2008.

We also completed construction of a new tram line to Radlice, including a turnabout. We launched operation of the track on 4 October 2008.

We began preparation of a project for extension of the Metro A line [Dejvice–Motol].



SERVICE QUALITY

THE SUCCESS OF A COMPANY PROVIDING SERVICES IN A COMPETITIVE ENVIRONMENT DEPENDS ON A WELL-FUNCTIONING AND CONSTANTLY DEVELOPING QUALITY SYSTEM, WHICH TAKES INTO REGARD THE NEEDS OF CUSTOMERS AND FULFILS THEIR EXPECTATIONS.

In 2008 the process of certification of public passenger transport culminated in the **Metro Operation** Unit with verification of fulfilment of the requirements of quality management in accordance with the EN ISO 9001 standard, not only on Metro lines A and C, but also on line B. Also verified was fulfilment of the requirements of the EN 13816 standard, which supports development of quality in passenger transportation.

During the assessment period, the following activities were conducted in accordance with EN ISO 9001;

- recertification audits of the management system in the **Bus Fleet Management** Unit (BUS Central Workshops), **Supply** and in the **Technical Inspection Station** centre,
- an audit of the management system in the **Tram Rolling Stock Management** Unit (Tram Repair Garage).

The auditors of the certification company confirmed fulfilment of the stated standards.

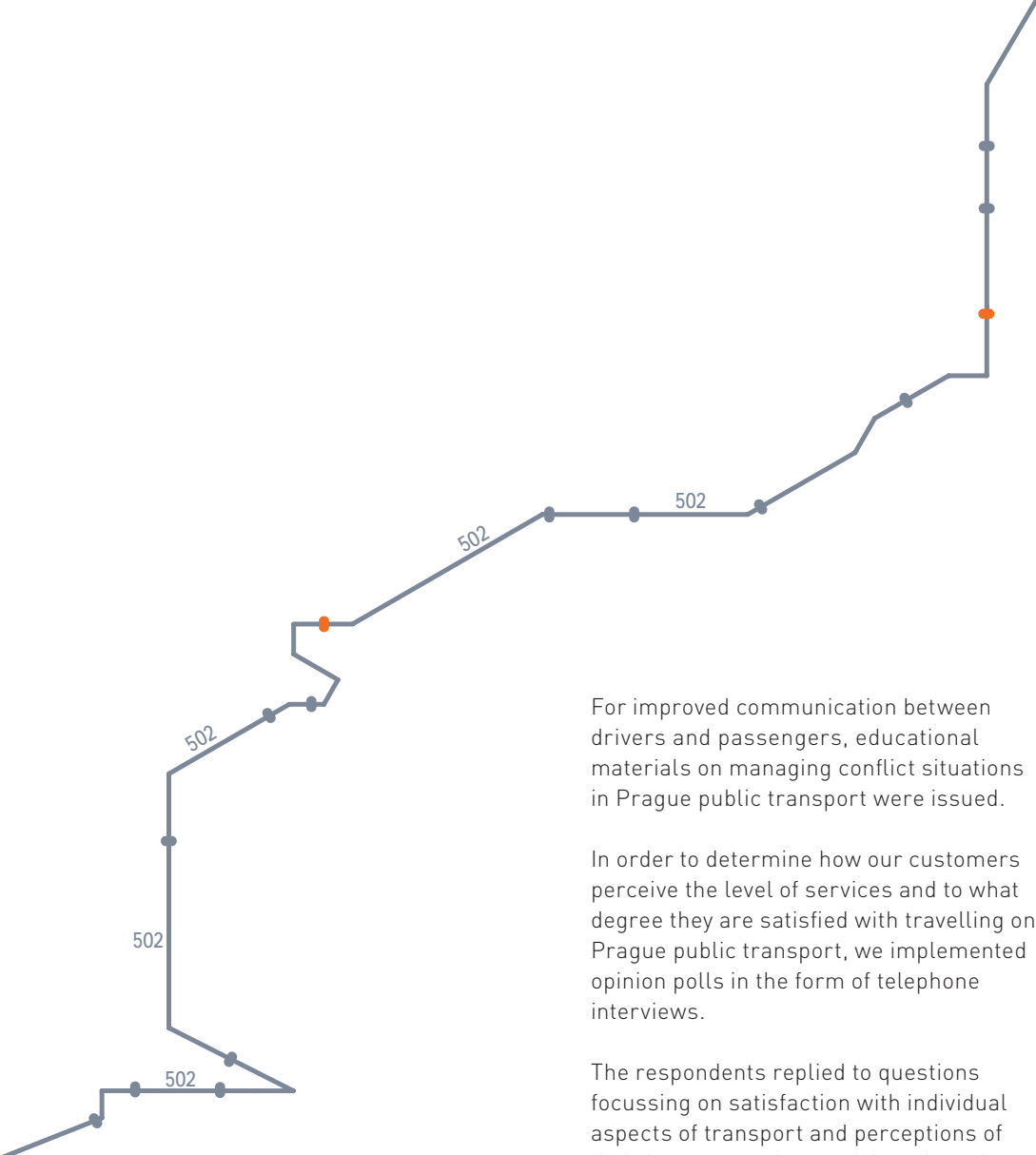
In order to increase the level of services provided we have in place standards that arise from the requirements and recommendations of the EN 13816 standard.

DP monitors and analyses the degree of fulfilment of the individual standards in the **Service Quality programme**, which serves to fulfil the company's long-term objective – to improve the level of Prague public transport services for the greater satisfaction of passengers. The Service Quality Programme guarantees regular measuring of the following quality standards:

- operational punctuality;
- public service information;
- passenger perception;
- uniforms – employee appearance;
- functionality of ticket-vending machines;
- accessibility and convenience of barrier-free facilities in the Metro;
- accuracy of train diagram in Metro operation;
- transport accessibility in Metro stations;
- vehicle cleanliness and appearance.

502 5080

In 2008 we focussed on improving the image and perceptions of DP and its employees by the public. We put greater emphasis on communication and contact with customers.



For support of this activity, within the Passenger Perception standard we implemented the **“Courteous Driver”** project. The project focussed on comprehensive job performance of bus and tram drivers and included activities ranging from assertive behaviour training to evaluation and rewarding of the best drivers. We will continue with this training in the coming years.

For improved communication between drivers and passengers, educational materials on managing conflict situations in Prague public transport were issued.

In order to determine how our customers perceive the level of services and to what degree they are satisfied with travelling on Prague public transport, we implemented opinion polls in the form of telephone interviews.

The respondents replied to questions focussing on satisfaction with individual aspects of transport and perceptions of their importance for provision of services. We factored the results determined in these projects into the overall passenger satisfaction index.

For 2008, the satisfaction index reached a value of 61 points out of 100. The detailed results have become an important benchmark for updating our future development goals in the area of quality.



CERTIFICATE OF APPROVAL

This is to certify that the Quality Management System of:

**Dopravní podnik hl. m. Prahy, akciová společnost,
jednotka Provoz Metro
Prague
Czech Republic**

has been approved by Lloyd's Register Quality Assurance
to the following Quality Management System Standards:

EN 13816:2002

The Quality Management System is applicable to:

Public transportation.

This certificate forms part of the approval identified by certificate number PRA 0004485.

Approval
Certificate No: PRA 0004485/8

Original Approval: 19 November 2007

Current Certificate: 13 December 2008

Certificate Expiry: 18 June 2009



Issued by: Lloyd's Register EMEA, Prague office

This document is subject to the provision on the reverse.
Těšnovská 31, 140-00 Prague 4, Czech Republic C281378721
The approval is valid only in accordance with the LRQA approval and surveillance procedures and is not to be used for other purposes.



CERTIFICATE OF APPROVAL

This is to certify that the Quality Management System of:

**Dopravní podnik hl. m. Prahy, akciová společnost,
jednotka Provoz Metro
Prague
Czech Republic**

has been approved by Lloyd's Register Quality Assurance
to the following Quality Management System Standards:

ISO 9001:2000

The Quality Management System is applicable to:

Public transportation.

This certificate forms part of the approval identified by certificate number PRA 0004485.

Approval
Certificate No: PRA 0004485/0A

Original Approval: 19 June 2006

Current Certificate: 13 December 2008

Certificate Expiry: 18 June 2009



Issued by: Lloyd's Register (MEA, Prague office,
for and on behalf of Lloyd's Register Quality Assurance Limited



This document is subject to the provision on the reverse.

Taborská 31, 140 00 Prague 4, Czech Republic CZ00376721

This approval is carried out in accordance with the rules, assessment and certification procedures and monitoring by UKAS.
The use of the public Assessment body reference identification is subject to these activities controlled by the Accreditation Certificate Number 001.
001/0000-00



DET NORSKE VERITAS MANAGEMENT SYSTEM CERTIFICATE

Certificate No. 44781-2008-AQ-CZS-RvA

This is to certify that the Management System of
**Dopravní podnik hl.m. Prahy a.s.
Jednotka Správa vozidel Autobusy
Provozovna Ústřední dílny BUS**

at

U vozy 6, 108 56, Praha 10, Czech Republic

has been found to conform to

ISO 9001:2000

This Certificate is valid for the following product or service ranges:

**Overhauls and upgrading of diesel engines, overhauls of compressors, gearboxes, axles
and break, air and electric components for motor vehicles.**

Initial Certification date:
November 15th, 1999


This Certificate is valid until:
November 8th, 2011

*The audit has been performed under the
supervision of*

Karel Koubeký
Lead Auditor



Place and date:
Prague, January 26th, 2009
for the Accredited Unit:
**DNV CERTIFICATION B.V.,
THE NETHERLANDS**


János Zupkó
Management Representative

Lack of fulfillment of conditions as set out in the Certification Agreement may render this Certificate invalid.

HEAD OFFICE: Det Norske Veritas AS, Nøstvetveien 1, 1322 Høvik, Norway. Tel: +47 22 37 99 00 Fax: +47 22 37 99 11 - www.dnv.com



DET NORSKE VERITAS MANAGEMENT SYSTEM CERTIFICATE

Certificate No. 00140-2007-AQ-BVA-RvA

*This is to certify that
the Quality Management System
of*

**Dopravní podnik hl. m. Prahy, a. s.
jednotka Správa vozidel Tramvaje
provozovna Opravna tramvaji**

at
Sokolovská 217/42, 190 22 Praha 9, CZECH REPUBLIC

has been found to conform to the Quality Management System Standard:
ISO 9001:2000

This Certificate is valid for the following product or service ranges:

**Overhauls and upgrading of
-electrical machines and equipment for traction wheeled vehicles
-tram bogies and bodies, gearboxes and parts for wheeled vehicles**

Original Certification date:
5th November, 1998

This Certificate is valid until:
16th December, 2009

*Compliance to the Standard in respect to the indicated scope
is verified by the DNV approved registered Team Leader:*

Michaela Zentová
Lead Auditor



Place and date:
Prague, 14th February, 2007

For the Accredited Unit:
**DNV CERTIFICATION B.V.,
THE NETHERLANDS**

Václav Šaroch
Management Representative

Lack of fulfillment of conditions as set out in the Appendix may render this Certificate invalid.

(CERT-Q 2000-07-01)

DNV CERTIFICATION B.V., Steenkolkweg 1, 3070 DC Rotterdam, The Netherlands, TEL: +31 (0) 20 230 6000, FAX: +31 (0) 20 230 6004 E-mail: info@dnv-certification.nl



DET NORSKE VERITAS MANAGEMENT SYSTEM CERTIFICATE

Certificate No. 41755-2008-AQ-CZS-RvA

This is to certify that the Management System of

**Dopravní podnik hl.m. Prahy a.s.
Jednotka Zásobování**

at

Sokolovská 217/42, 190 22, Praha 9, Czech Republic

has been found to conform to

ISO 9001:2000

This Certificate is valid for the following product or service ranges:

Purchase, storage and deliver of spare, products and cloths for repair and operational needs of Dopravní podnik hl.m.Prahy.

Initial Certification date:
November 15th, 2002

This Certificate is valid until:
November 15th, 2011

The audit has been performed under the supervision of

Zdeněk Grabmüller
Lead Auditor



Place and date:
Prague, November 20th, 2008

for the Accredited Unit:
**DNV CERTIFICATION B.V.,
THE NETHERLANDS**

János Zengő
Management Representative

Lack of fulfillment of conditions as set out in the Certification Agreement may render this Certificate invalid.

HEAD-OFFICE: Det Norske Veritas AS, Veritasveien 1, 1322 Kjøbenhavn, Norway. Tel: +47 47 37 90 00 Fax: +47 47 37 90 01 - www.dnv.com



DET NORSKE VERITAS MANAGEMENT SYSTEM CERTIFICATE

Certificate No. 47603-2009-AQ-CZS-RxA

This is to certify that the Management System of

**Dopravní podnik hl.m. Prahy a.s.
Stanice technické kontroly č. 31.03**

at

U Vozovny 6, 108 56, Praha 6, Czech Republic

has been found to conform to

ISO 9001:2000

This Certificate is valid for the following product or service range:

Operation of motor vehicle Technical Inspection Facility.

Initial Certification date:

January 24th, 2006

This Certificate is valid until:

January 24th, 2012

The audit has been performed under the supervision of

**Radka Lukšilová
Lead Auditor**



Place and date:

Prague, February 13th, 2009

for the Accredited Unit:
**DNV CERTIFICATION B.V.,
THE NETHERLANDS**

**Hiron Ziegler
Management Representative**

Lack of fulfillment of conditions as set out in the Certification Agreement may render this Certificate invalid.

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EU STRUCTURAL FUNDS

DURING 2008 WE HAD AN OPPORTUNITY TO ACQUIRE RESOURCES FOR FINANCING PROJECTS IN OUR INVESTMENT PLAN IN THE FORM OF SUPPORT FROM EU STRUCTURAL FUNDS.

From the 2006 planning period we obtained from EU Structural Funds for SPD2 for the 3rd and 4th stages of the project **“Launch of active priority system on selected TSE for bus and tram transport”** the amount of CZK 27,124 mil., and almost CZK 400 mil. since the start of SPD2 for all 5 submitted projects.

In the current 2007–2013 European fund planning period, DP has sought support in two programmes:

1. Operation Programme Prague – Competitiveness, which is a continuation of SPD 2.

Within Priority Axis 1, support area 1.1, an application was submitted in the 1st invitation in January 2008 for the TT Radlická project, which includes two investment projects that are related in terms of geographical area, transport and operations – extension of the tram track to Radlice, including a turnabout, and reconstruction of the existing tram track to Radlice. The total qualifying expenditures for the project amount to CZK 568.3 mil. and the total financial support that Prague Public Transport Company will obtain in Q2 of 2009 is CZK 507.8 mil. The project was implemented from 15 August 2007 to 30 November 2008 and was already in operation from 4 October 2008.

Within Priority Axis 1 we anticipate the submission of further applications, in particular for tram track construction and reconstruction. Roughly CZK 2.5 bil. is available and Prague Public Transport Company can obtain in the individual invitations up to 92.5% of the recognised costs of each submitted project.

2. Operation Programme Transport, where a subsidy will be drawn in the context of Priority Axis 5 for extension of Metro line A from Dejvická station to Motol station (implementation 2009 – 2014) to the amount of EUR 290 mil., i.e. around CZK 7.7 bil. A feasibility study was carried out in 2008 and submission of the application is planned for Q1 2009.

We regularly investigate the possibilities of drawing support also from other operation programmes, e.g. OP Prague – Adaptability, OP Environment, OP Supranational cooperation and OP Inter-regional cooperation. Obtaining support within these programmes has so far, however, proved very difficult and complicated.



TRANSPORT

TRANSPORT SYSTEMS

Metro

In 2008 three lines, A, B, and C, were in operation. There are a total of 57 stations and 59.4 km of Metro track. On 8 May 2008 the official opening took place of the new section of line C from Ládví station via Střížkov and Prosek to Letňany station, a total of 4.5 km.

Trams

At the end of 2008 there were 25 daytime and 9 night lines operating on the tram network with over 141.59 km of track, providing a total of 540.6 km of service. During the peak tourism season from 22 March to 17 November 2008 the historical tram no. 91 ran on weekends and bank holidays.

During the course of 2008 modifications were made to tram operations, and as of 30 August 2008 line no. 19 was transferred to the Lehovce – Nádraží Strašnice / Radošovická route, line no. 24 was shortened to Kubánské náměstí. The frequency of operations on line no. 22 was doubled, line no. 23 was cancelled, and line no. 25 has been permanently shorted to Vypich (at present line no. 25 is subject to long-term service cancellations).

On 4 October 2008 the Laurová–Radlická tramline section was put into operation.

As part of the new tramline to Radlická, line no. 4 was extended to Sídliště Řepy during morning rush hour, line no. 6 transferred to the Kubánské náměstí – Kotlářka route, and line no. 7 transferred to the Ústřední dílny DP – Radlická route.

Construction work impacting on tram lines mainly involved the construction of the Blanka road tunnel, which required long interruptions to tram operations in the district of Letná and an overhaul of the tramline from Podolská vodárna all the way to Sídliště Modřany / Levského, as well as modifications to the Vyšehrad Tunnel.

Buses

At the end of 2008 we were operating 128 daytime city lines, 16 suburban lines, 17 school buses, 13 night lines, and 2 lines for physically disabled people on a road network of 822 km. The total length of all 176 service lines was 1,912 km.

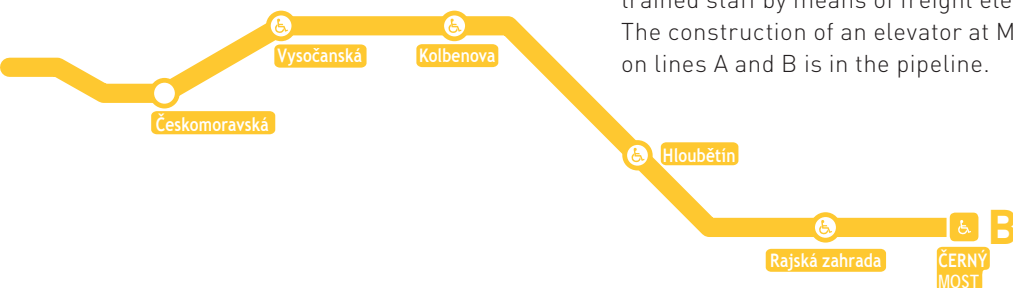
A fundamental change took place to bus transport in 2008. As of 5 April 2008 the ZOO contractual line was opened (from Nádraží Holešovice to Zoologická zahrada) on a seasonal basis running from April to September inclusive.

As part of the extension of Metro line C from Ládví to Letňany Station as of

9 May 2008 changes were made to the bus lines on this route. After an evaluation of Metro operations to Letňany and on the basis of the results of transport surveys, further changes were made to bus lines in the district of Severní město from 30 August 2008 onwards.

TRANSPORT OPERATIONS

The total transport operations of urban and suburban lines included in the Prague Integrated Transport System operated by the Prague Public Transport Company, including special transport facilities for physically disabled persons, reached 163,418,000 vehicle-kilometres. The volume of transport operations represents 20,698,926,000 passenger place kilometres.



Last year there was an increase of 3.54% in vehicle-kilometres on 2007, while the volume of place kilometres rose by 6.62%.

This difference was to a large part caused by the deployment of more articulated vehicles at the expense of standard vehicles (further utilisation of tram 14T and articulated buses).

SERVICES FOR PHYSICALLY DISABLED AND VISUALLY IMPAIRED PEOPLE

Metro

At the end of 2008, 35 Metro stations of a total of 57 were barrier free.

They were fitted with public elevators, transverse staircases or direct barrier-free entries. This applies to 5 stations on line A, 13 stations on line B, and 14 stations on line C. Another 3 stations on line C, Háje, Opatov and Rožtyly, allow for barrier-free movement with the assistance of trained staff by means of freight elevators. The construction of an elevator at Můstek on lines A and B is in the pipeline.

Trams

During 2008 we significantly increased the deployment of low-platform trams on 15 selected routes. We indicated the location of barrier-free links on the timetables situated at tram stops.

We operate the following types of vehicles on these lines:

- T3R.PLF on lines 1, 2, 8 and 22;
- KT8D5N2 on lines 3, 8, 19, 24, 25 and 26;
- 14T on lines 7, 9, 10, 12, 14 and 20.

At present we guarantee the utilisation of 47 low-platform trams (at the end of 2007 there were only 16 such guaranteed trams).

Buses

During 2008 we deployed low-platform buses on a guaranteed 94 daytime city lines. These lines are serviced by 242 standard low-platform and 32 articulated low-platform vehicles. Two bus routes provide transport to barrier-free homes in the residential estates of Černý Most, Jižní Město II, Jihozápadní Město and Řepy, as well as to the Jedlička Institute and various healthcare centres.

PUBLIC TRANSPORT PRIORITY PROJECT

Last year we continued work on the Public Transport Priority Project in Prague with

the cooperation of city authorities, the transport division of the Czech Police force, the commissioned designer, Inženýring dopravních staveb Praha, a.s., and other organisations.

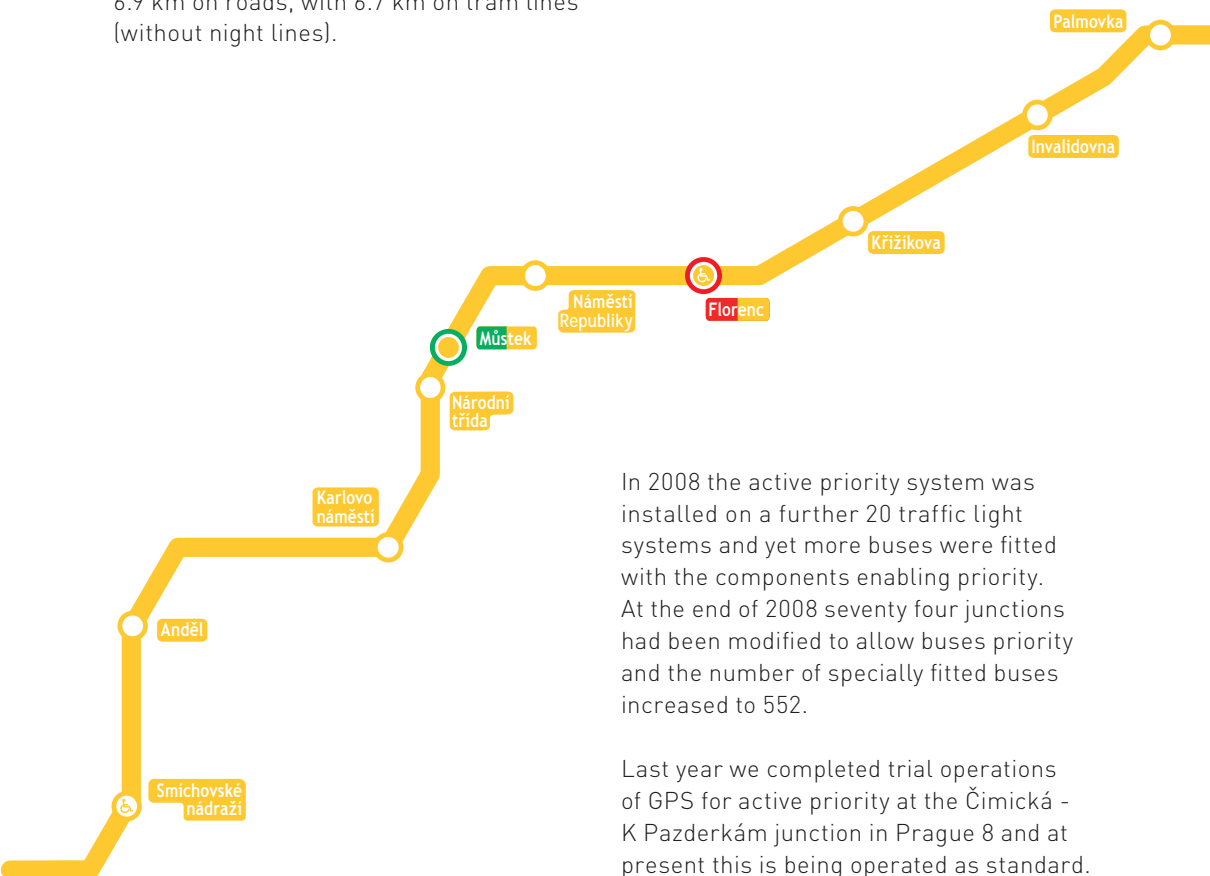
As regards tram operations we have concentrated on creating lengthways separating strips (separators) between the tram tracks and the road and on modifying traffic lights so as to give priority to trams. A total of 310 m of separators have been installed. The total length of separators at the end of 2008 was 9,737 m.

During 2008 traffic lights were modified to give priority to trams on 8 junctions. By the end of the year the number of junctions at which trams take priority was 117 (of which trams have absolute priority at 55, and conditional priority at 62).

Last year we undertook trial GPS operation for active priority on 5 junctions in Prague 9 and these are in standard operation at present.

We expanded the active priority system **for buses** at traffic light controlled junctions. As part of the project involving the hierarchisation of bus operations on the Želivského – Jižní Město section and priority for buses in Prague 4, basic measures are being prepared to set

out reserved bus lanes and sections of tramline on which buses can travel, including priority on junctions. During 2008 public transport bus lanes were created on 2,400 m. Bus lanes now stretch a total of 6.9 km on roads, with 6.7 km on tram lines (without night lines).



In 2008 the active priority system was installed on a further 20 traffic light systems and yet more buses were fitted with the components enabling priority. At the end of 2008 seventy four junctions had been modified to allow buses priority and the number of specially fitted buses increased to 552.

Last year we completed trial operations of GPS for active priority at the Čimická - K Pazderekám junction in Prague 8 and at present this is being operated as standard.

NEW TIMETABLE SOFTWARE AND RELATED TASKS

Last year work continued on the following areas of software applications, above all:

- Stage 8 of timetable application software (ASW JŘ), the importance of which is that it ensures the completeness, accuracy and amount of information contained in the timetables and exported to related systems (control system, shift creation, vehicle fleet management);
- ASW The preparation of operations in the interest of providing software support for activities linked with the preparation of transport initiatives;
- ASW Transport construction coordination serving as an operating application supporting the activities of the Public Transport Field Commission, which is one of the General Director's permanent commissions.

TICKET INSPECTION

Changes were made twice to Prague Integrated Transport tariffs during 2008, along with a change to the fine charged to passengers who did not meet the transport tariff conditions. The lower fine applied to passengers who pay up on the spot or within 15 days of the inspection at a transport surcharge ticket office was increased from CZK 500 to CZK 700. The basic fine of CZK 950 remained the same.

The tasks of transport inspectors were expanded in connection with trial operations of electronic SMS travel tickets purchased by mobile telephone to include inspecting electronic travel documents using a personal digital assistant (PDA).

The Opencard project involved a further expansion of the tasks of inspectors. On 1 August 2008 a multifunctional universal smartcard, the Opencard, was introduced, which is issued by the City of Prague and which acts as a storage device for prepaid time tickets in the form of an electronic record recorded on the card. In order to inspect these cards inspectors use special scanners allowing them to check the time pass recorded on the card. The transport inspection division is collaborating on this project with the company Haguess, XT-CARD and Deloitte.

During 2008 we brought to an end cooperation with the law firm Brož & Sokol & Novák on the recovery of transport debts, and the task was handed over to the company Tessile ditta under the terms of a mandate agreement with the Prague Public Transport Company.

We continued to cooperate with the Czech Police Force and the Metropolitan Police



Force. We successfully organised 207 joint events (an increase of 55% on 2007). This year we have organised regular night inspection initiatives with the Metropolitan Police.

Results of the Transport Inspection Division

Number of fines imposed

235,598

+ 2.9% on 2007

Income from fines

CZK 117,406,001

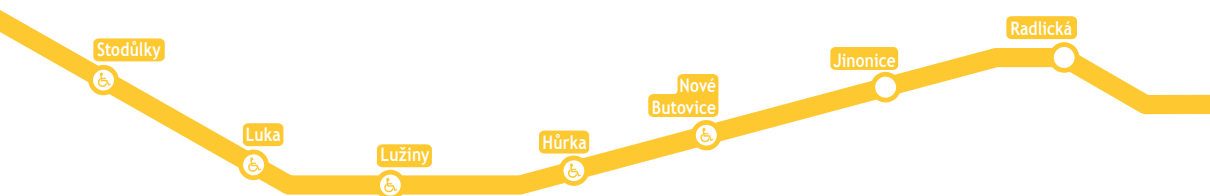
+ 15.9% on 2007

TRANSPORT SURVEYS

In 2008 we carried out a number of transport surveys in order to acquire the data for the planning of transport requirements and in order to align passenger needs with our offer.

In March we carried out a comprehensive transport survey of the entire tram network on all 26 daytime tram lines. The survey allowed us to acquire information not only on the occupancy rate of trams on individual sections, but also on the entry and exit of passengers at individual tram stops.

In November 2008 we carried out a similar survey on the Metro. The aim was to update transport relations on the Metro network in connection with putting into operation the new section of Metro IV.C2 in May 2008. The survey used a tally card method and also monitored the numbers of passengers entering and exiting the network using automatic people counters. The survey took place over the entire operating period, i.e. from 5 a.m. to 12 p.m. The results showed that since the last such comprehensive survey of the Metro in 2004 there had been around a 5% increase in the numbers of passengers.



During the year we also conducted many surveys of an operative character for individual types of public transport, which monitored the values of specifically selected spheres and sections based on the operational and transport situation.

ACCIDENT RATE

In 2008 accidents were up by 2.3%. There was a year-on-year increase of 62 accidents [2,797/2,735].

As far as the Metro was concerned the number of accidents fell by 7 [14/21], on trams the reduction was by 16 accidents [1,441/1,457], while in the case of buses there was increase in the number of accidents of 85 [1,342/1,257].

The number of accidents caused by the company's employees increased year-on-year by 7.5%. Overall there were 63 more accidents than the year before [904/841], of which Metro accidents decreased by 7 [7/14], tram accidents increased by 28 [230/202], and bus accidents increased by 42 [667/625].

In 2008 eleven people died during accidents involving Prague public transport vehicles, which is 1 more than in 2007 [the figures for Metro deaths were 3/4, trams 6/5, and buses 2/1].

INFORMATION FOR PASSENGERS

One of our duties is to provide passengers with information on lines, tariffs or changes made to Prague Integrated Transport within the City of Prague.

Passengers regularly receive information in printed and acoustic form at Metro stations, land transport stops, and in the vehicles themselves. More printed information materials are available in approximately 400 places in Prague and its surroundings (hotels, tourist information centres, etc.), and recently on stands of the **Wired Programme** in selected Metro stations. Probably the largest information initiative from the point of view of transport measures was the inauguration of the new Metro IV.C2 Ládví–Letňany section in May 2008. We updated the existing information system in line C Metro stations and fitted new equipment in three new stations (Střížkov, Prosek and Letňany). As far as land transport is concerned we modified the individual elements of the system advising passengers on transport linkups.

In cooperation with the Marketing and Communication Department we created a new symbol for prepaid sales outlets in Metro stations, several new types of materials for information posters in billboard vitrines at Metro stations, and a symbol for the Opencard ticket validators installed.

TECHNOLOGY

IN 2008 WE CONTINUED OUR LONG-TERM WORK ON THE REMOVAL OF TECHNICAL DEFECTS. WE PROCEEDED IN ACCORDANCE WITH THE SPECIFIED PRIORITIES AND THE POSSIBILITIES PERMITTED BY THE SIGNIFICANT FINANCIAL DEMANDS OF THE PROJECT.

We resolved the largest problems when removing defects to land rail transport, something which requires perfect preparation, timetabling and cooperation with other organisations managing the mains network and other transport routes and have their own repair plan.

Another important technical sphere is **repairs to public transport vehicles**. Operations continued using new Metro M1 type rolling stock and modernised trains made in Russia.

Improvements were made to trams and we continued with deliveries of the new 14T tramcars and modernisation of the older T3 and KT8 trams.

There are large reserves for the renewal of the bus fleet. A public tender was held for the purchase of a new type of bus, and this is beginning to be manifest in the technical condition of current vehicles, since the serviceability of the oldest buses must also be ensured.

We regard it as essential to resolve this problem from both an economic and ecological point of view.

METRO FLEET

Metro

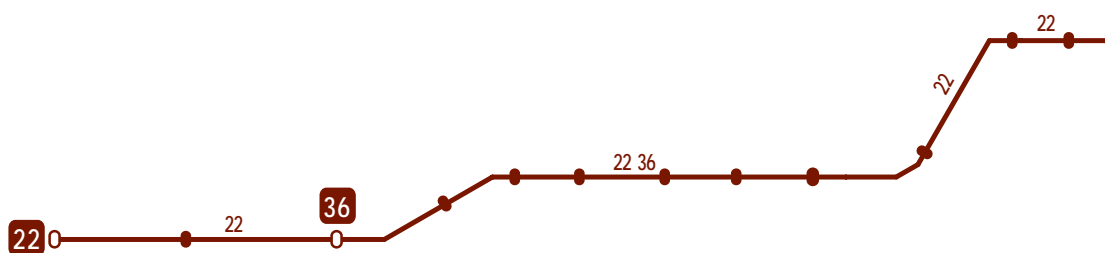
As at 31 December 2008 the metro fleet numbered a total of 720 vehicles:

- the original Russian type 81-71;
- the 81-71M type refurbished by Škoda Transportation s. r. o.;
- the new M1 vehicle;
- 3 Ečs type vehicles (historical units).

In 2008 deliveries continued of the modernised 81-71M units from the plant at Škoda Transportation s. r. o.

At the end of 2008 there were 70 such units inventoried at the Metro Rolling Stock Management Unit. Of this, 28 units were for line A (all units are in operation with passengers in accordance with GVD), 42 units for line B (37 used for GVD and 4 units at various stages of completion or awaiting documents from the Rail Authority, which are necessary before passenger transport can commence, and 1 prototype unit awaiting serial production).

We have stabilised the number of units on lines A and C. However, on line B the number of units is practically identical with the required number according to GVD.



Trams

At the end of 2008 the tram fleet numbered 991 tramcars. The registration (operating) figure is 956, of which 23 are triple articulated type KT8D5, 23 are modernised low-platform types KT8D5.RN2P, 151 are T6A5, 4 are low-platform type RT6N1 trams which are not in operation, and 51 are low-platform 14T trams. The remaining vehicles are various modifications of the T3 type. The T3R.P and T3R.PLF vehicles are refurbished T3 vehicles.

In 2008 thirty operating T3 vehicles and 3 practice vehicles were modernised in the Hostivař Tram Repair Works. By the end of the year 6 T3 vehicles, 1x T3M, 9x T3SU and 1 KT8D5 had been put in for modernisation. In 2009 the modernisation will be completed of the last 18 vehicles into the low-platform type T3R.PLF, of which there will be a total of 30. We will continue only with modernisation of the remaining KT8D5 vehicles to the low-platform tram type KT8D5.RN2P with an anticipated 6 vehicles a year.

At the beginning of 2009 the remaining 9 new low-platform 14T trams were delivered, making a total of 60 vehicles. As of 2010 under the terms of the contract new low-platform trams 15T should be delivered. In 2009 two prototypes of this tram will be delivered in order to test their properties and to carry out the requisite trials.

Given the number of new trams and the capacity of tram depots we had to reduce the existing vehicle fleet, and in 2008 we successfully sold 20 T3 type trams. In 2009 some 30 T3 trams will be relinquished and over the next few years liquidation will continue in accordance with the delivery of new trams.

The average age of operating vehicles is 12.83 years and at present there are 138 T type trams in operation exceeding their technical service life. These vehicles comprise 14.44% of the total operating number of vehicles, though they are still in use. The administration percentage for 2008 was 7.24%.

Vehicle maintenance is concentrated in 7 tram depots, namely those in Hloubětín, Kobylisy, Motol, Pankrác, Strašnice, Vokovice, Žižkov and the Tram Repair Works in Hostivař.

Buses

As at 31 December 2008 the bus fleet comprised 1,158 vehicles, which represents the minimum required to cover transport needs. This situation is the result of a suspension of the purchase of new buses, a state of affairs which has been partially resolved through borrowing 10 SOR buses from the manufacturer and carrying out extensive repairs to the existing fleet in order to extend its service life.

A total of 15 repairs of standard buses was conducted in 2008. The recorded size of the bus fleet decreased in 2008 by 51 vehicles, which were removed from service due to their very poor condition. The average age of buses rose to 8.41 years.

Following operation tests, operation of selected types of buses on emulsion diesel was launched in the Řepý depot and was extended in the second half of the year to the Hostivař and Vršovice depots. Buses with Liaz and Renault engines can run on emulsion diesel and its use in Iveco engines is now being investigated. The use of emulsion diesel brings a **roughly 50% reduction in exhaust emissions** as well as a lower content of other toxins. Alongside the environmental factor, there is also a considerable financial gain.

After deduction of higher consumption, **there is a saving of CZK 3.00 to 3.50 per litre** of emulsion diesel. In 2008, a total of 2,800 litres of emulsion diesel was used, producing total savings on diesel purchase of around CZK 9 mil. From Q2 2009 roughly 2/3 of the bus fleet will be running on emulsion diesel.

TRANSPORT ROUTES

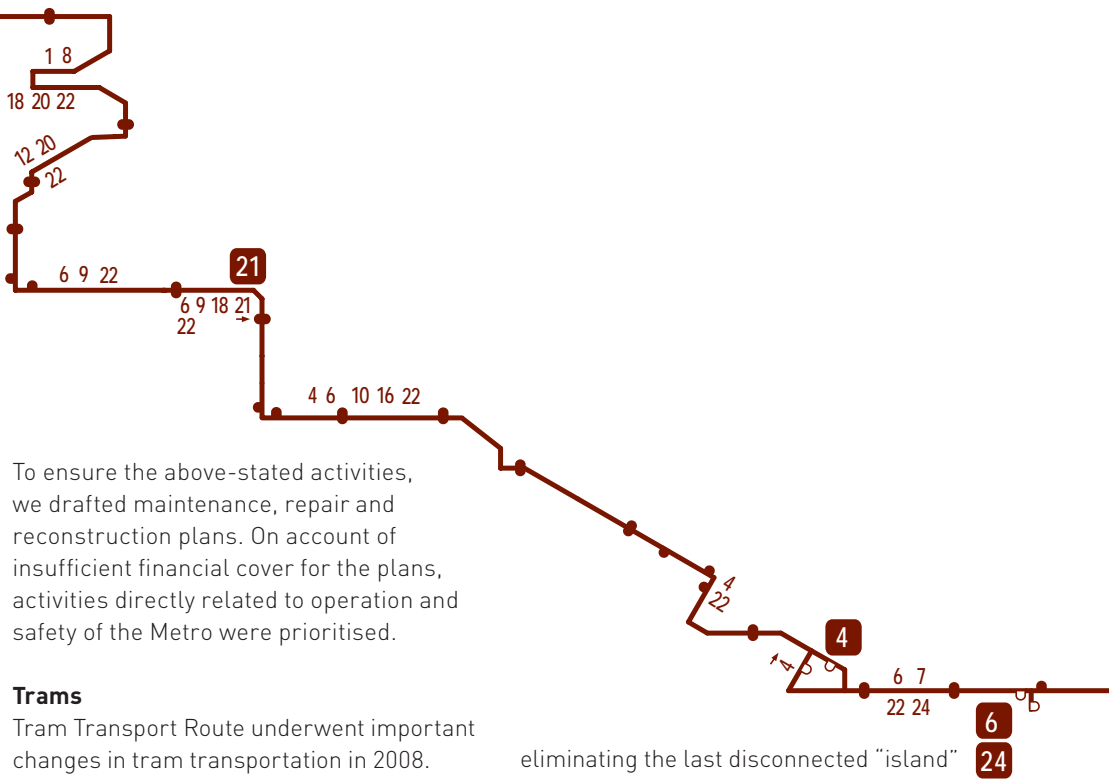
Metro

The Metro Transport Route Unit provides repairs and maintenance to:

- the power supply system;
- announcement and security equipment;
- escalators and elevators;
- machinery and technological equipment;
- tunnels;
- operations buildings;
- track rails;
- MPS equipment.

In May we opened the new IV.C2 Metro line extension. At the present time we are ensuring operation and maintenance to the following extents:

• tunnels	117 km
• stations	57
• enclosed spaces	approx. 4.1 mil. m ³
• rail track	139.2 km
• bridges	21
• converter and transformer substations	61
• cable networks	
- 22 kV	277 km
- traction	282 km
• light fittings	112,000 pcs.
• escalators	243
• elevators and platform lifts	129
• main ventilation control rooms	
- ventilation shafts	86
• station HVAC control rooms	644
• sewage and non-sewage pumping stations	436



To ensure the above-stated activities, we drafted maintenance, repair and reconstruction plans. On account of insufficient financial cover for the plans, activities directly related to operation and safety of the Metro were prioritised.

Trams

Tram Transport Route underwent important changes in tram transportation in 2008.

After five years of work, we completed the Prague tram track in the Laurová–Radlická segment. The connected Křížová–Laurová tram track segment also underwent fundamental reconstruction. Tram track reconstruction was also carried out in Vyšehrad Tunnel and its immediate vicinity, in the Přístaviště – Nádraží Braník turnabout approach segment and also in Olšanská Street. Reconstruction was carried out of overhead power lines in the Albertov–Otakarova and Křížová–Laurová segments. We built a new converter substation in Radlice, revitalised the Strojnická converter substation and removed the liquid-filled transformers from the Altán converter substation.

We completed modernisation of the Bělehradská converter substation cable network, resulting in a cable connection with the Vinohrady convertor substation, thus

eliminating the last disconnected “island” area. In the area of track repair, the last continuous renewal of track rails by the BKV panel method was carried out. Following our good experience with the replacement of the track construction in Karlovo náměstí in 2007, we used this “weekend replacement” method in Radošovická and na Vinici in order to minimise the impact on passing traffic. We undertook a lengthier and more complicated replacement of track constructions in Klárov, by the Strašnice terminus and at the Francouzská–Blanická intersection, where we launched comprehensive grinding of the tram tracks. We also made greater use of repairs consisting of effective machine surfacing of curves.

In view of the considerable deterioration of curves in BKV panels, in 2008 we again could not avoid the necessity of emergency track repairs, this time at the Dukelských hrdinů – Kostelní intersection. This track serves as a diversion track for the long-term

closed track in Letná. The closure is due to construction of the City Ring Road and we therefore elected to conduct weekend repairs. The Tram Transport Route Unit also maintains tram and bus stops. This area was negatively influenced by the amount of allocated resources, but there is hope for the future in the form of construction of new shelters and posts by the companies JCDecaux and Rencar.

The Tram Transport Route Unit unfortunately continues to suffer from a considerable shortage of financial resources, especially in the area of investments, which gives rise to increasing internal debt.

TECHNICAL SUPERVISION

The main task of the division is inspection of and adherence to legally correct operation of DTE equipment (dedicated technical equipment) and RTE (reserve technical equipment).

Supervision is conducted of:

- the qualifications of employees operating this equipment and working on it, especially in the area of electrical equipment;
- operation of the equipment (maintenance, documentation of the equipment and construction of new equipment, including prior planning documentation);

- the condition of the operated equipment, by means of conducting revisions, inspections and tests in accord with ČSN standards and Decree no. 100/1995 Coll.

We carried out on electrical equipment:

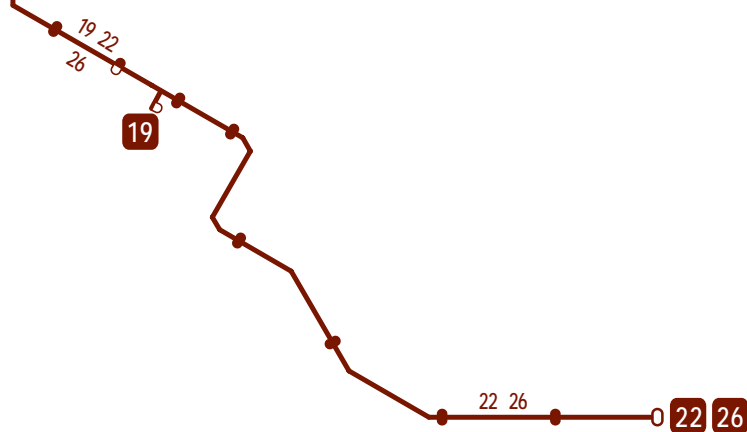
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| • revision of electrical equipment | 457 |
| • DTE inspections and tests | 183 |

The subject was rail electrical networks and distributors which fall under the competence of the Rail Authority. We also conducted technical inspections and tests for the issue of a "Competence Certificate" in line with the conditions established by Decree no. 100/1995 Coll.

In the case of mechanical equipment, we conducted the following prescribed revisions, inspections and tests on the following equipment:

- | | |
|---|-------|
| • lifting equipment | 651 |
| • transport equipment (escalators, elevators) | 1 027 |
| • pressure equipment | 473 |
| • gas equipment | 214 |

Our employees also provide expert assistance to operators of electrical equipment in the whole of Prague Public Transport Company, assess electrical equipment in technical inspections and on acceptance tests for



newly built or reconstructed equipment, act as expert observers at examinations and re-examinations of employees with electro-technical qualifications.

ENERGY

In 2008 the Power System Division continued with the promotion of positive changes in contractual relationships resulting in reduced energy costs. The second priority area of our activities was ensuring and promoting possible energy savings.

Electricity

DP continues to be the city's largest consumer of electricity. The total consumption of electricity in 2008 was 361.6 million kWh, the cost of which amounted to CZK 843.95 mil. Of this, traction operation (Metro and trams) accounted for 230.4 mil. kWh. The cost of this energy amounted to CZK 543.8 mil.

The consumption even fell slightly compared to last year, despite the fact that the IV C2 Metro line extension was put into permanent operation with passengers in May. The fact that the extended traction operation did not project into higher electricity consumption was due to two main factors:

- The influence of ongoing renewal of rolling stock, with ever greater numbers

of vehicles with recuperation being put into operation. Thanks to this the measured traction consumption fell year-on-year. In 2008 it was 2.79 kWh/v.km for trams and 1.78 kWh/v.km for the Metro.

- Milder climatic conditions, mainly affecting tram operation.

Continuation of the newly implemented method of evaluating tram traction consumption and the introduction of a new system of purchasing reserve capacity brought us savings amounting to CZK 18 mil. in 2008.

Heat

Prague Public Transport Company's largest supplier of heat continues to be České teplo s. r. o., which provides heating and maintenance of the heating networks and water main networks in the Hostivař, Kačerov and Pankrác depots (1st stage) and the Zličín and Motol depots, Řepy, Klíčova and Vršovice garages (2nd stage). **In 2008 we bought 309,782 GJ of heat for which we paid CZK 166,307 mil., although in the final reckoning (the "13th invoice") a rebate of CZK 5 mil. is expected according to preliminary estimates.**

In 2008, heat was invoiced according to price provisions that complied with valid legislation. Renegotiation of the original contracts concluded brought significant savings.

Deliveries of heat from other suppliers amounted to 55,192 GJ, for which we paid CZK 20,794 mil.

Natural gas

We supplied heat from our own sources (gas furnaces) in the Žižkov, Vokovice, Strašnice and Střešovice depots, in Florenc Metro station, in Radlice technical centre and for the Švábky, Central Dispatching and Vinohrady buildings.

The consumption of gas in 2008 amounted to 2,025,000 m³ at a cost of CZK 20,901 mil.

Water and sewage

PPTC's supplier of water is the Prague water management company Pražské vodovody a kanalizace, a.s. **In 2008 we drew 742,000 m³ of water at a cost of CZK 18,153 mil.**

Water and sewage charges include not only deliveries of water, but also seepage in the Metro and rainwater.

In 2008 we paid sewage charges for 2,328,000 m³ amounting to CZK 52,092 mil.

Savings

In 2008 we formed a "Savings" work team, the members of which have been selected through a cross-section of the entire company. At its regular meetings, the team's main goal is to identify possible savings in all kinds of Power System consumption.

The Power System department conducted in Q3 and Q4 an audit of all the company's premises with the participation of the Immovable Property Management Unit, focussed especially on electricity and heat energy savings. The result was a document with ideas for savings measures, which was submitted to the Immovable Property Management Unit for gradual implementation. On the basis of the measurements conducted by our department, lighting of the Hlubočepy–Barrandov tram track was reduced. Reconstruction of the lighting systems in the large halls of the Kačerov and Vršovice garages is underway.

Financial savings on heat consumption were achieved by providing the Muzeum and Náměstí Republiky Metro stations with their own electrical boilers. Heat supplies for these two stations had previously been provided by third-party suppliers – the National Museum and the Office of the Government Representation in Property Affairs. In view of the fact that the price of 1 GJ from the third-party suppliers is relatively high (gas furnaces), a saving of roughly 30% was achieved, because PPTC has agreed with its electricity supplier PRE on a favourable price for electricity supplies.

SERVICES

DEJVIKÁ

A 

Hradčanská

Malostranská

Staroměstská

Můstek

Muzeum

Náměstí Míru

In 2008 we carried on with the already begun intensive transformation. Our goal was to continue with projects that had created the conditions for good functioning of services in our company.

BUILDING PROJECT MANAGEMENT

The department took part in launching operation of the Metro line extension IV.C2 Ládví–Letňany stage as well as completion of construction of the new tram line to Radlice.

Construction of the V. extension segment of the Metro A line, Dejvická–Motol, is at the preparatory stage, as are a project for completion of the western vestibule of Stodůlky Metro station and reconstruction of the Národní třída station.

INFORMATION TECHNOLOGY

The IT Unit underwent a fundamental transformation in 2008. The majority of activities and jobs were outsourced to an external service supplier. The unit contributed by means of its infrastructure to the successful commencement of the Opencard project. In 2008 an electronic invoice processing project was launched.

In October 2008 we assimilated the Archiving Department into the IT Unit.

ARCHIVE

The archive collaborated especially in the preparation of the 2009 – 35 Years of the Prague Metro diary. The department regularly prepared articles with an historical theme for the magazine DP-KONTAKT and gave a number of interviews for various TV crews on historical themes (the Metro, Vyšehrad Tunnel).

In the last quarter of 2008 alone, the division shredded more than 15 tonnes of obsolete documents and took over around 380 linear metres of documents for long-term storage. It took over for permanent storage another approx. 35 linear metres of documents and 200 personal cards of former employees.

IN-HOUSE TRANSPORT

In 2008, the In-house Transport Unit provided services consisting of company cars, freight and special vehicles, construction machines and mechanisms. The unit took part in important construction

projects of the Tram Transport Route Unit. It collaborated in the selection and provision of mobile cranes for lifting T14 and T15 trams. The unit introduced further savings measures aimed at improving effectiveness of in-house transport activities. In the area of operating costs the unit reduced its fleet by 34 vehicles whose operation was uneconomical. It reduced its staff by 27 employees. On the grounds of saving investment resources, it was decided to launch a project for replacing company cars in the form of leasing. A tender has taken place and the project will be implemented in 2009. The vehicle testing station successfully passed the **ISO 9001:2000 certification audit of the quality management system (QMS) for 2009.**

SUPPLY

The Supply Unit ensured the purchase of materials and services, storage of materials and subsequent fulfilment of the company's requirements. It is the guarantor for adherence to all principles of economical use of financial resources in the area of purchase and supply of materials and services. It is also responsible for upholding the demands of Act no. 137/2006 Coll., on public procurements.

In 2008 the Supply Unit passed the **ISO 9001:2000** certification audit of the management system. The process of

unifying material codes was completed and creation of codes for services was launched.

In collaboration with other company departments, the Supply Unit carried out a project of internal electronic ordering in the form of POBJ in the SAP application. It tested an electronic contract workflow system in pilot operation.

In the area of supplies, the unit succeeded in achieving planned goals and reduced the quantity of supplies by 10% y/y in financial terms. One of its priority tasks is reducing the total level of supplies in central and operations stores.

PROPERTY MANAGEMENT

The Immovable Property Management Unit provides comprehensive handling of PPTC's immovable property, which is registered in 73 cadastral areas, including some outside of the city of Prague. It launched a process of comprehensive ownership right verification of real estate held by PPTC.

In 2008 it concluded a total of 152 contracts relating to immovable property, consisting mainly of lease agreements (including leases of non-residential spaces in the commercial zones of the newly opened stations on the IV.C2 Metro line extension – Střížkov, Prosek and Letňany), purchase contracts for the sale of property unusable

for operations and contracts on establishing easements.

The Immovable Property Management Unit completed reorganisation of Building Technical Management department, where the Other Buildings division was abolished. This organisational change completed the unification process of operational management of the department, together with savings in the area of personnel costs.

A programme was launched in July 2008 of public works on public spaces owned by PPTC. Savings of CZK 1,382,000 were achieved in the period from July to December 2008 with the use of public work by sentenced persons and the trend is progressive.

In the area of repairs and service of buildings, the Immovable Property Management Unit resolved 4,500 Help Desk cases.

The Environment department conducted revision in 2008 of stationary sources of

air pollution. Plans were drafted and were approved by the administrative bodies for measures to deal with emergency cases of deterioration or hazard to water quality by substances detrimental to water in all grounds and buildings of PPTC, including all three Metro lines.

HISTORICAL VEHICLES

The historical vehicle exhibition in the Prague Public Transport Museum in Střešovice continues to attract the public, as is indicated by visitor figures in 2008 of 24,000. The Museum Night and St. Nicholas Ride have already established their popularity.

The range of programmes arranged by the Historical Vehicle Unit, especially for parents and children, together with expansion of the museum collection, operation of the no. 91 nostalgic line and contractual historical vehicle trips constitute effective promotion of Prague public transport.



ECONOMICS

The City of Prague approved a subsidy from its budget for Prague Public Transport Company for 2008 amounting to CZK 7,151,420,000 for payment of operating costs.

During the course of the year, subsidies were purposefully increased for:

- operation of the Metro protection system;
- creation of unmanned Internet electronic pass sales and integration of the transport dispatching system (TDS) with "Praguer" cards (Opencard) and other PPTC systems;
- provision of substitute bus transport during construction of the City Ring Road.

Total subsidies from the City of Prague in 2008 amounted to CZK 7,241,166,000.

Further subsidies were distributed to a total value for the year of CZK 54,338,000 for periphery bus transport and outlying zone routes and a dedicated subsidy for Opencard.

DP had a profit of CZK 50,954,000 in 2008, which was influenced by the level of deferred income tax on operating income (a change in accounting in 2008, where an additional item was added to calculation of tax – deduction of tax losses).

FARE REVENUES

Prague Integrated Transport revenues, including fare premiums, reached CZK 4,554 bil. in 2008, which represents a 16.13% growth year on year. The comparison reflects the fare increase arising from changes in the PIT Tariff schedule conducted in 2008.

There was an 18.20% growth in revenues from prepaid fixed-period tickets, most of which was due to the revenue share of reduced-fare monthly, quarterly and one-year passes for select civic groups, which rose on average by 21.28%. Other reduced-fare fixed-period tickets had an average revenue increase of 7.87%. Sales increased significantly of fixed-period tickets issued without personal holder's personal information with passenger-selected validity start period.

Revenues from fixed-period tickets had a 57.64% share in total PIT revenues.

Revenues from the sales of individual tickets (with transfer options) grew by 16.17% compared to the same period of the previous year. Revenues from sales of individual limited-transfer tickets increased by 15.50%; the highest revenue increase in this area was on sales of individual reduced-fare tickets

and amounted to 32.03%. Revenues from individual tickets, including fare premiums, constituted 42.36% of the total volume of revenues.

Revenues from individual and fixed-period fares for the Prague public transport zone (P + O) constituted 95.78% of the total volume of PIT revenues, while fare revenues for outlying zones had a 4.22% share in total PIT revenues.

The Prague Integrated Transport revenue plan for 2008 was fulfilled by 100.02%.

PASSENGERS

The number of passengers transported in Prague increased year on year by 5.72% and the number of passengers in outlying zones by 13.66%.

The number of transported passengers who took advantage of fixed-period tickets issued on the basis of the holder's personal information with passenger-selected validity start period increased considerably – by 26.02% compared to 2007.

There was a 9.25% overall growth in passengers using fixed-period tickets.

Despite strong sales in 2008 of SMS tickets (90 min.), there was a 5.1% drop in the

volume of single-journey tickets sold. The number of passengers who took advantage of short-term fixed-period tickets dropped by 14.14%.

In January 2008, 7-day and 15-day tickets were abolished completely. Buying back of these tickets valid up to 31 December 2007 took place throughout the year. This fact also influenced the number of transported passengers in 2008. For this reason, the number of transported passengers is not completely comparable with the previous year.



PERSONNEL DEVELOPMENT

IN THE PERSONNEL SPHERE WE ATTEMPTED TO IMPROVE INDIVIDUAL ASPECTS OF HUMAN RESOURCES MANAGEMENT IN ORDER TO ATTAIN NOT ONLY THE OPTIMUM NUMBER OF EMPLOYEES BUT ABOVE ALL TO INCREASE OUTPUT.

Linked to the adoption of a new public transport strategy we focused on the creation of an overall conception and the integration of the following personnel activities:

- employee motivation;
- the evaluation and management of output;
- employee training;
- the planning of career development, personnel reserves and internal communication.

PERSONNEL DEVELOPMENT

As at 31 December 2008 we had 11,518 registered employees, of which 9,894 were men and 1,624 women.

The number and composition of employees is based on the requirements and possibilities of employment at our company. In terms of numbers the largest group are blue-collar workers (38.4%), followed by public transport drivers (35.8%) and technical-economic employees (25.8%). The development of the total number of employees shows a significantly falling tendency. The reduction in the numbers of employees did not affect public transport drivers last year.

The education and age structure of company employees did not change much

during 2008. Middle-aged people still outnumber other groups, with a secondary school education completed with a school-leaving certificate, i.e. graduates of apprenticeship courses. The structure of educational qualifications corresponds to the composition of professions in the transport technical sphere.

PERSONNEL STRATEGY

Our endeavour was above all to identify problems faced by the company in the sphere of human resource management. It became clear that it was necessary to involve more managers in individual personnel activities.

This involves above all the decision-making of managers in the sphere of the education and careers of their subordinates, the planning of the future needs of employees in individual divisions, cooperation on analyses of work places, the selection and recruitment of new employees, the evaluation of subordinates and decisions on their remuneration, the creation of effective work teams and healthy work relationships, care for employees and their working environment, and compliance with the regulations of labour law.

In 2008 the next stage was initiated in the optimisation of workplaces in all divisions of the Prague Public Transport Company. In order to make save on the cost of maintaining the vehicle fleet, the company management decided to transfer the complete maintenance and repairs of M1 vehicles, including the transfer of 132 employees, to Siemens.

As a result of the rationalisation of work processes we reduced the total number of jobs by 436.

SALARIES AND WAGES POLICY

The company's wage policy was realised in accordance with the integrated Collective Agreement, including the joint rules for the remuneration of all company employees.

The average monthly salary for employees in 2008 was CZK 26,458, and wage costs came to a total of CZK 3,773,023,000.

We paid considerable attention to the extent of overtime work and the reasons for it according to individual workplaces. The 1,152,693 overtime hours worked in 2008 is higher than 2007 by 13,603 hours because of the increase in operations of the Tram Operation Unit and Bus Operation Unit.

SOCIAL POLICY

We are attempting to increase employee motivation through various perks and benefits. We provide employees with a contribution to meals (including during overtime), supplementary pension insurance, FlexiPASS vouchers, contributions to children's recreation, and a financial contribution on work jubilees and upon an employee first entering full retirement. As of 1 November 2008 we are providing our employees with a contribution to life assurance. We pay liability insurance for selected employees specified in the Collective Agreement covering damage suffered by the employer.

We pay for free days caused by impediments to work and severance pay over and above the levels specified by the Labour Code.

In December 2008 we concluded annex 1 to the Collective Agreement for the period 2008–2009.

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EMPLOYEE EDUCATION AND TRAINING

We systematically prepared the conditions for improving the specialist knowledge and professionalism of our employees.

We have factored in the changes which took place when the Czech Republic joined the EU and supported the adaptability of employees inside the company and within the broader perspective of the external competitive environment. As part of these activities we are preparing various forms of education, which include projects co-financed from EU Structural Funds.

In 2008 we successfully completed two education projects with EU support:

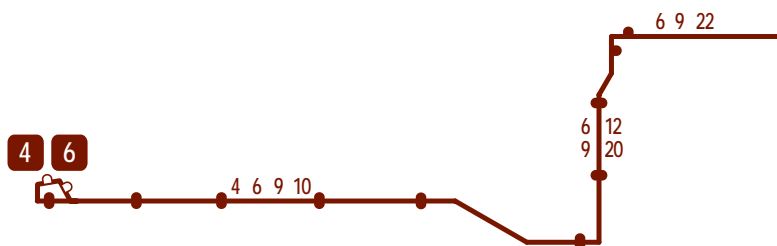
- The development of middle managers and employee training in the sphere of IT;
- Receptive and accessible Prague – the development of the language and communication skills of public transport employees.

We used our own resources to prepare training activities, which we are in the process of implementing and which cover all professional employee categories.

The most extensive projects include the **“Courteous Driver”** programme, which trains operating employees in communication skills, the **Professional Specialist Development** programme and the **Line Management School**, which successfully completed its 5th year in 2008.



SAFETY



CRISIS PLANNING

In this sphere a defining moment for us was the amendment to the City of Prague Crisis Plan. Following requests from the Prague Municipal Authorities we drafted an amendment to the Prague Public Transport Company Crisis Readiness Plan.

An important step in the cooperation on the prevention and management of crisis situations between the City of Prague and the Prague Public Transport Company was the signing of a cooperation agreement in this sphere.

The company updated its Flood Plan and issued new internal norms for the Organisation of Crisis Management, which reacted to changes in the company's management system.

We incorporated evacuation plans of operating areas of land transport, i.e. trams and buses, into the already existing evacuation plans of underground transport.

We initiated trial operations for verification of an anti-chemical warning system (PROVAS) intended to identify poisonous chemical substances in the event of terrorist attack on a metro station.

With the cooperation of the mobile operator O2 and the General Director's office of the

Fire Brigade we established a priority mobile telephone link for selected company employees in the event of crisis situations.

We held meetings on possible changes to crisis management and planning in the event of a transfer of the organisation of operating activities over to a supplier-based method of providing the operating activities of the Metro Transport Route Unit.

SAFETY AND PROTECTION OF PROPERTY

We ensure the protection of personal data and confidential information and have drawn up a concept for the security of buildings, including contracts with security agencies, the company's own employees and companies maintaining the operations of technical equipment.

We are also cooperating with the Czech Police Force and the Metropolitan Police on safety measures and situations. Cooperation has been initiated on the protection of personal data in relation to the Opencard project. In 2008 we completed the certification of information systems in relation to the National Security Authority, which issued the certificate.

The Security Division is organising and recording the access of persons and the entry of vehicles from external organisations into company buildings.

OCCUPATIONAL HEALTH AND SAFETY

In the sphere of occupational health and safety we are attempting to prevent the causes and sources of work-related accidents.

In light of legislative changes made during the course of 2008 we concentrated on training managers, we completed an assessment of possible threats to the health of our employees, and we increased the number of copies of local safety regulations.

We concentrated on comprehensive supervision on workplaces in cooperation with the Regional Labour Inspectorate for the City of Prague, which found no fundamental breaches of legal regulations relating to occupational health and safety. We also created the conditions for inspections undertaken by public health bodies on the company's premises, during which no serious faults were discovered in the sphere of hygiene, work conditions and preventative healthcare at the workplace.

FIRE PROTECTION

In the sphere of fire protection the aim is to prevent fires and to minimise the impact on life, health and property.

This sphere includes fire prevention, the provision of fire extinguishers, and

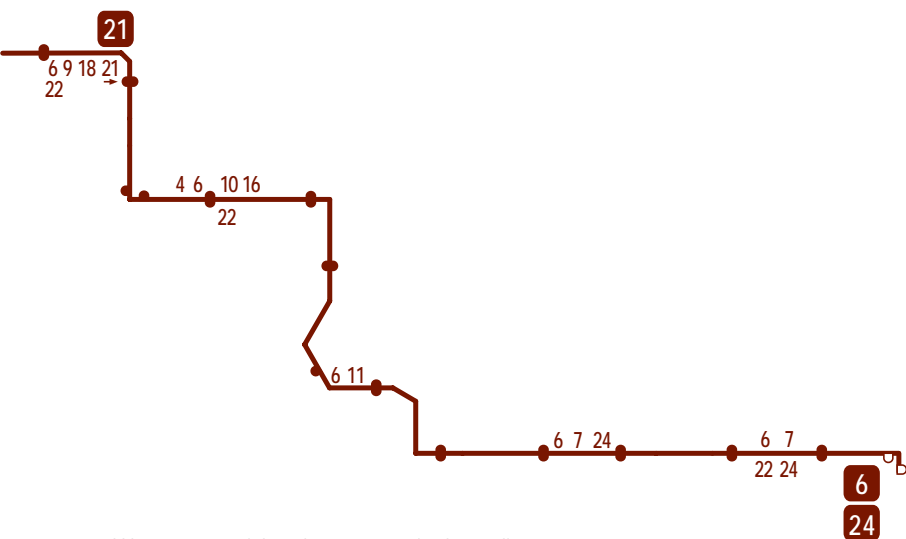
the activities of the Fire Brigade, which liquidates fires, provides technical assistance in the event of extraordinary events, ameliorates the consequences of natural disasters and ecological accidents, and is the prescribed body for rescue work in the event of terrorist attack.

In 2008 the Fire Brigade was called out a total of 539 times.

The Fire Brigade took over rerailing activities and rerailing equipment and the resolution of extraordinary events for all types of Prague Public Transport Company vehicles. We trained in the resolution of emergency situations using tram 14T.

We participated on preparation of an anti-chemical warning system in the Metro and continued providing care for units of the company's volunteer fire-fighters. We trained in the resolution of extraordinary events involving chemical weapons and we demonstrated an intervention in a contaminated environment at the conference of NBC International.

Within the framework of fire prevention we undertook inspections of all of our premises, including those we are leasing. Inspections were carried out in Metro stations, including commercial premises, as well as at all surface buildings every three months.



We arranged for the removal of any flaws discovered during inspections by the state fire supervisor.

We updated fire protection documentation and as part of the amendment of directives stipulated a method for implementing fire protection in spheres of the organisation and providing training in fire protection. We trained 296 company managers, 97 managers of suppliers, 886 members of preventative fire patrols and 500 operating employees of Metro stations.

We cooperated with designers on the processing and assessment of the designs of new buildings and refurbishment, including technology, and participated at the subsequent planning permission proceedings. We labelled workplaces and other premises with safety symbols. In selected buildings we conducted fire alarm drills.

CONTROL

We consolidated the personnel of the newly established Control Department. The department will conduct ongoing internal controls with the aim of providing the most

comprehensive overview of the functioning of work processes, the application of internal norms, and the handling of company resources.

In 2008 we conducted inspections upon the suggestion of specialist divisions and employees, as well as those prescribed by the company's internal norms, which were incorporated into the control activity plan. We concentrated on external service subcontractors, with the aim of verifying the functionality of the company's control mechanisms in respect of these parties. An integral part of our work is the implementation of operative checks upon the suggestion of the management and verification of the procedure followed by managers on the basis of complaints submitted by company employees.

During the course of the year we regularly carried out breathalyser tests for alcohol and other addictive substances on operating staff and technical and economic employees.

MARKETING AND COMMUNICATION

IN 2008 WE IMPLEMENTED 38 PROJECTS IN THE SPHERE OF MARKETING AND COMMUNICATION, SOME OF WHICH WILL CONTINUE IN 2009.

We managed to profile the Prague Public Transport Company as a modern company, good employer and a company with strong feeling for social responsibility to the general public. This was corroborated by a regular survey which monitored the satisfaction of passengers during 2008 with various parameters of Prague public transport, e.g. satisfaction with the way they are treated by the staff, the availability of travel tickets, cleanliness, safety and the technical condition of vehicles.

The survey rated responses on a scale of 1 (dissatisfied) to 5 (satisfied) in six periods of the year and reveals increased satisfaction on the part of passengers. The overall index of values is between 2.65 to 2.93, i.e. in the region of "generally satisfied".

As part of our marketing and communication projects we prepared 2,371,919 items of printed materials in 41 different formats.

A fundamentally important innovation was the **SMS travel ticket** project, which allows passengers to purchase a travel ticket wherever and whenever they want by sending an SMS from their mobile telephone.

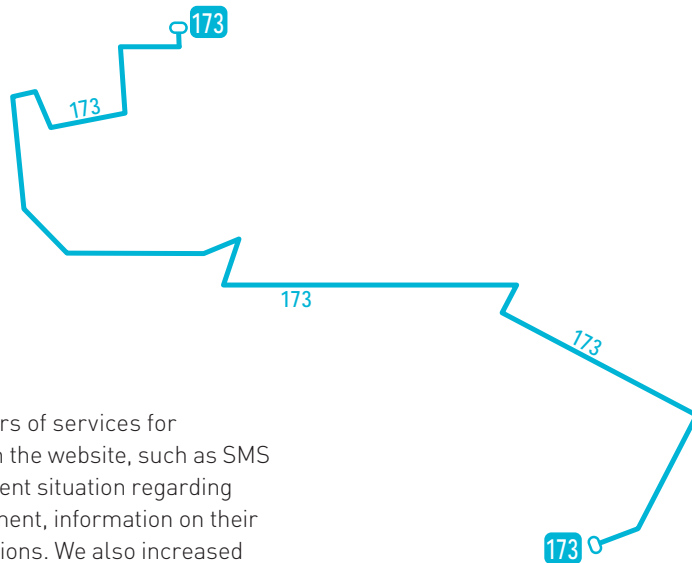
The main reason for the introduction of SMS tickets was the absence of vending machines at certain public transport stops. The measure further increased the level of

the services we offer. During 2008 customers ordered SMS tickets from more than **480,000 unique telephone numbers**.

Passengers are at present buying 30,000 SMS tickets on average every day. The quality of this project is borne out by the level of information which passengers have received regarding the service, which the survey puts at 92%, as well as the fact that 70% of passengers who had previously, albeit unwillingly, travelled without a ticket, are now using the SMS ticket as a valid travel document.

The SMS ticket project won the prize awarded by the prestigious "**Czech At**" **Association** for best implemented project in the sphere of information technology in public administration and by local authorities.

Another important project during 2008 was the change to the structure of the company website. Our aim was to achieve greater clarity, functionality of pages and ease of orientation for users. We also improved the service for the visually impaired. We added extra information for passengers, e.g. the provision of barrier-free equipment on the Metro on an interactive map, the current occupancy of the P+R car park in Prague, again on an interactive map, and the situation at any given moment in time in respect of land transport in Prague



There are now offers of services for registered users on the website, such as SMS reports on the current situation regarding barrier-free equipment, information on their routes and connections. We also increased considerably the space on the site devoted to the media.

From April to December 2008 approximately **8,000,000 people** visited the new website. The average daily visit rate was 30,500. In 2008 www.dpp.cz was twice a prize-winner in the competition for the best corporate website organised by the nationwide project **Webtop100 – 1st prize in the category Transport and 1st prize in the category User Hit**.

We got closer to our long-term objective of introducing fully electronic prepaid passes for city public transport in Prague. We successfully initiated electronic tickets in the form of the Opencard. An electronic data storage device is an effective path to follow given future developments. It assists us to integrate and simplify passenger check-in within the city public transport network. In the future, integration will take place to cover the entire PIT network for all transport companies in the system.

At the end of 2008 we had received 312,489 applications for electronic fare (almost 60% up on the plan). Since the introduction of

the Opencard in August 2008 we have sold a total of 224,627 electronic passes. At present approximately 200,000 clients have their fares recorded on an Opencard, i.e. a third of all our clients using prepaid tickets.

In September 2008 we began selling tickets at our **e-shop**. This was mainly in order to provide the comfort of making purchases from home or office without having to visit a ticket office. The system allows for cash-free online payments by card or by bank transfer when buying an electronic or traditional fixed period ticket. Another advantage is the possibility of delivering a traditional paper pass to the client's home. It takes only a few seconds to replenish the electronic ticket at self-service validators.

Since its introduction we have received 48,804 orders.

According to a survey, of 53% of Prague inhabitants already knew of the possibility of e-shop purchases and more than a fifth of those asked expressed an interest, giving as their reasons comfort, simplicity, speed and expediency.

In 2008 we organised many other important projects and events: the official **opening of the new Metro line C stations**, the Children's Day on Petřín, the Kinobus – a summer showing of Czech films, the production of company flags for the company building, a leafleting campaign aimed at Metro passengers (Wired Programme), the official opening of the Radlická tram line, Christmas concerts on the metro, and Santa Claus Afternoon. We continued projects initiated from previous years, including the Open Doors Day, the Cool Tour Line, Museum Night, public transport museum nurseries, etc.

In 2008 we were partners of many cultural, social and sports events and participated at important trade fairs.

The recruitment of tram and bus drivers took place in two phases. The ongoing long-term project Service Stoppages was begun, and 25 promo events were held at which short-term or permanent changes to transport were presented. As every year we produced a calendar and diary for drivers, as well as other publicity items.

In 2008 we ran **eight Info-Centres**. One of them, looking after telephone queries, deals with an average of 800 calls daily, and last year took a total of some 300,000 calls. The Info-Centre is staffed in two shifts by 32 core employees, and from September 2008 we boosted these numbers by 14 temporary

workers, who provided assistance on the Opencard project.

From September 2008 as part of the Opencard project we significantly expanded the activities of the Info-Centres and their opening hours. Info-Centre employees provide information about public transport, travel times and tariffs, field questions about the Opencard, replenish Opencards, issue passes purchased at the e-shop, sell travel tickets, information materials, maps and publications, and deal with complaints.

Considerable improvements have been made in the sphere of PR and internal communication.

During the course of 2008 Prague Public Transport Company appeared in a total of **6,475 articles and features** in the media.

On average 539 articles were published a month, i.e. almost 18 articles every day, including weekends and bank holidays.

We observed a very positive response to the form and newly categorised contents of the company magazine **"DP contact"**. Passenger satisfaction surveys are regularly conducted.

INTERNATIONAL RELATIONS



In 2008 the European survey **SPUTNIC** (Strategies for Public Transport in Cities) continued. This is a project coordinated by the UITP (International Association of Public Transport), which we are an active part of. Representatives of our company attended work meetings in Leipzig and Prague. We played an important role in the organisation of the accompanying programme, which allowed more than a hundred participants from around Europe to familiarise themselves in more detail with the basis and background of the Prague public transport system.

The aim of the project is to draw attention to all important aspects of the organisation, legislation, method of financing and relations with partners and clients so that this information is available to the new European states involved in the modernisation of their municipal public transport systems. The project's backbone comprises a consortium made up of representatives of the best European consultancy agencies, important European institutions and banking organisations such as the European Investment Bank, and integrated public transport system coordinators and large public transport operators.

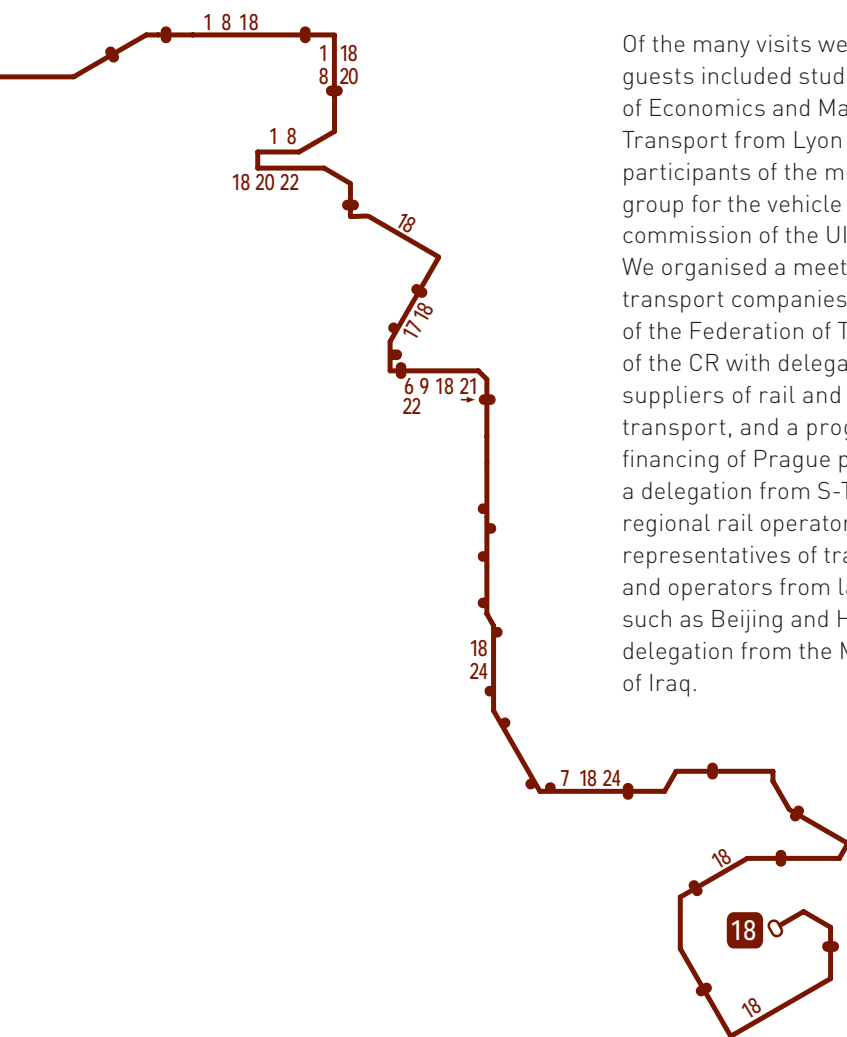
Company representatives participated at the **7th round of the UITP training**

programme for managing staff in public transport, which took place at the end of last year and followed on from previous years in which our younger managing staff participated.

Representation on the commissions and committees of UITP was expanded with the acceptance of a new personnel director on the human resources commission. As well as their regular work on commissions and committees our representatives gave presentations at international regional conferences of the UITP in Tunis, Zvolen in Slovakia and Aden in Turkey. Another important conference which we participated at was the **3rd international conference on metro systems in Lausanne, Switzerland**, focussing on automation of systems.

Company representatives are also involved in the ongoing European research project **"Urban Track"** within the framework of a specially created users group. We obtained information on the application of advertising on means of public transport, at stations and transport stops at the UITP conference in Cagliari, Sardinia.

Our company remains a very sought after partner in respect of the exchange of experience in operations, organisation, financing and many other, often very technical specialist areas of public transport.



Of the many visits we had in 2008 our guests included students of the Faculty of Economics and Management of Public Transport from Lyon University and participants of the meetings of the work group for the vehicle fleet of the metro commission of the UITP.

We organised a meeting of managers of transport companies and representatives of the Federation of Transport Companies of the CR with delegates of the Spanish suppliers of rail and municipal rail transport, and a programme on the financing of Prague public transport for a delegation from S-Train, the Danish regional rail operator. We also invited representatives of transport authorities and operators from large Chinese cities, such as Beijing and Hangzhou, as well as a delegation from the Ministry of Transport of Iraq.

PRIORITIES FOR THE FUTURE

REGARDING OUR FUTURE ACTIVITIES WE HAVE DEFINED AND APPROVED THE BASIC STRATEGIC PRIORITIES AND OBJECTIVES FOR 2008–2015.

Ongoing priorities include the continued development of rail transport systems, which is a prerequisite for regular, fast and safe city public transport.

Through greater utilisation of electrical traction we have reduced the environmental burden on Prague. From the long-term perspective the new City of Prague Land Use Plan is decisive for the development of the infrastructure, which is at present in the conceptual phase. We expect the new planning documentation to be approved during 2010.

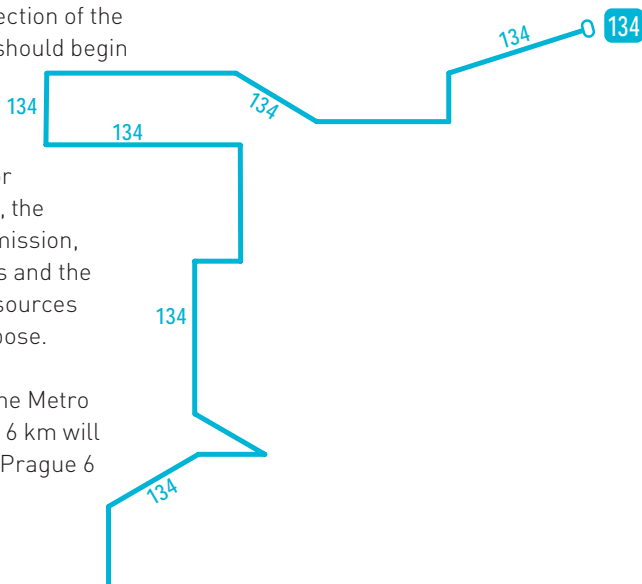
In 2009 implementation of the new operating Metro sections awaits us. We are completing preparations of the development transport priorities stipulated by municipal bodies, namely the V.A Dejvická–Motol section of the Metro, implementation of which should begin in December 2009.

We have adapted the timetable for the compilation of documentation, the acquisition of the necessary permission, the organisation of public tenders and the process of acquiring financial resources from European funds to this purpose.

The new four-station section of the Metro with an operating length of some 6 km will improve the transport service to Prague 6

and Motol hospital grounds, and a fundamental contribution is the significant reduction in bus transport and the freeing up of the Dejvická bus terminal.

The next phase of the preparation of the opening section of the new Metro D line awaits us. We are concentrating on a definitive specification of the implementation sections and their inclusion in the land planning documentation, the selection of a transport system, and acquiring financing for the plans. On the basis of a decision reached by the supreme municipal bodies utilisation is preferred of a system with the parameters of a light metro, and within the framework of preparations of financing of the plan we are examining the possibility of including private capital in the form of a PPP project.



We anticipate implementation of the basic section I.D of approximately 10.8 km in 3 stages: I.D1 Pankrác – Nové Dvory, I.D2 Nové Dvory – Depo Písnice (including the Písnice depot), I.D3 Pankrác – Náměstí Míru.

When planning the route we take into consideration the new Land Use Plan which is in the pipeline. The operating Metro section I.D is linked with a wide range of operating and ecological benefits. One of the decisive benefits is the considerable improvement of the transport service in the western part of the south sector of the city (Lhotka, Krč, Libuš, Písnice, etc.), the creation of a necessary transport alternative to taking the Metro on the Nusle Bridge, relieving the burden of line C, and reinforcing bus and car transport in the outskirts of the city.

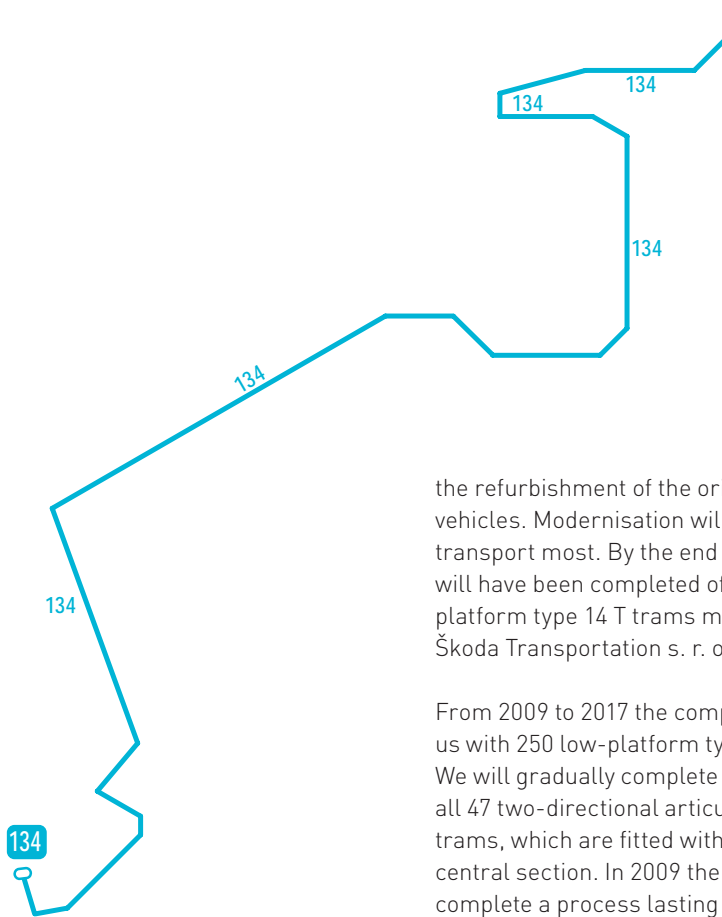
An unambiguous priority is gradually increasing the number of barrier-free metro stations, which on older sections is often linked with demanding construction alterations of the original stations. For 2009 we are preparing barrier-free access at Metro line C stations Chodov and Háje, and we will also commence barrier-free accessibility of Národní station on Metro line B.

We are concentrating on the continued development of the tramline network. We will need to update and review several

original development plans in connection with the preparation of the new Land Use Plan. At present, documentation is being drawn up for a completely new tram connection, in many cases of a groundbreaking character. This includes the penetration of tram transport to the districts of Štěrboholy, Jižní Město, Bohnice (including a tram connection for Prague 8 and Prague 6), a new method of connecting Suchbátka, a revival of the original plan for a Pankrác –Dvorce–Zlíchov tram link, and other key developmental projects. We shall specify the priorities depending on the results of a study.

Given budgetary restrictions only the prolongation of the tramline from the existing terminal stop Podbaba to the railway will enter the higher preparatory phases, where a special purpose integration link will be created to the Podbaba railway station being prepared.

We are planning to begin construction of the new tramline in 2010. If financing possibilities improve we will continue preparation of other development plans. Work on documentation for the Barrandov–Holyně–Slivenec tramline should then enter a new phase, which would provide an excellent transport service to a dynamically evolving part of the city.



It is important for us that we continue preparations of the Počernická – Sídliště Malešice tramline, including resolution of the limiting coordination with the refurbishment of the main Káranská pipelines in Počernické street.

We have not forgotten maintenance and repairs of tramlines. The key initiatives in the future will include RTT Plzeňská (in the Klamovka – Sídliště Řepy section) and RTT Střelnická.

One of the main priorities is the modernisation of the vehicle fleet, which will increase the numbers of technically progressive, operationally economical and barrier-free vehicles. We will continue with deliveries of new Metro M1 rolling stock and

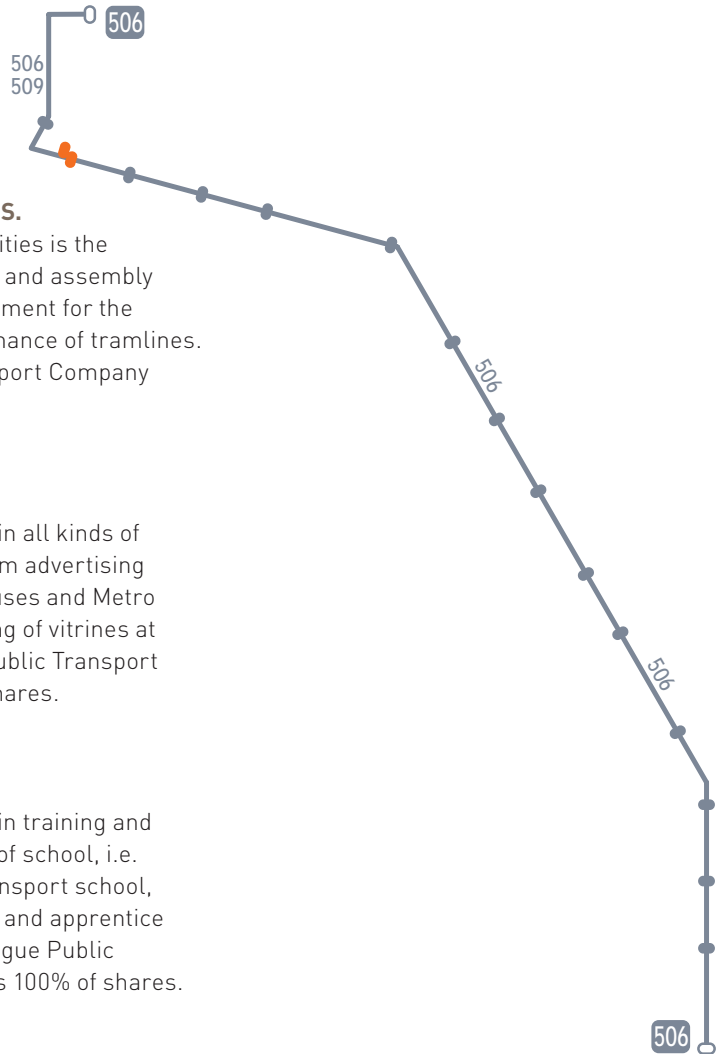
the refurbishment of the original 81-71 range vehicles. Modernisation will affect tram transport most. By the end of 2009 a delivery will have been completed of 60 modern low-platform type 14 T trams manufactured by Škoda Transportation s. r. o.

From 2009 to 2017 the company will supply us with 250 low-platform type 15 T trams. We will gradually complete modernisation of all 47 two-directional articulated type KT8D5 trams, which are fitted with a low-platform central section. In 2009 the final delivery will complete a process lasting many years of the refurbishment of the tried-and-tested type T3 tram, including partial reconstruction linked with the application of a low-platform central section to the vehicle.

As part of the renewal of the bus fleet in the period up to 2013 we anticipate purchasing 620 buses, a minority of which will feature a hybrid drive unit.

An important element which contributes to increasing the speed and regularity of city public transport operations is the priority given to trams and buses over cars. Prioritisation measures undertaken in the form of the active management of traffic lights, special lanes, and the application of traffic separators have demonstrated their effectiveness and we are planning to extend these measures.

COMPANIES IN WHICH PRAGUE PUBLIC TRANSPORT COMPANY HAS A CAPITAL INTEREST



PRAŽSKÁ STROJÍRNA A. S.

The main subject of activities is the development, production and assembly of components and equipment for the construction and maintenance of tramlines. The Prague Public Transport Company owns 100% of shares.

RENCAR PRAHA, A. S.

The company is involved in all kinds of advertising activities, from advertising covering entire trams, buses and Metro rolling stock to the leasing of vitrines at bus stops. The Prague Public Transport Company owns 28% of shares.

SPŠD, SOU A U, A. S.

The company is involved in training and education in three types of school, i.e. middle industrial and transport school, middle training colleges, and apprentice training centres. The Prague Public Transport Company owns 100% of shares.

GTR-DP PRAHA, S.R.O.

The company renews the profiles of tram rails. The Prague Public Transport Company is a 40% shareholder in the company.

REPORT ON ACTIVITIES OF THE SUPERVISORY BOARD

During the course of 2008 the composition of the nine-member Supervisory Board remained unchanged. At its regular meetings it discussed the approved topics and in accordance with the approved framework plan monitored the following on an ongoing basis:

- the company's economic activities, the development of revenues and the efficiency of marketing, the implementation of the conclusions reached by the Annual General Meeting and other General Meetings;
- the financial results, the implementation of the conclusions reached by the Annual General Meetings of companies in which the Prague Public Transport Company has a capital interest;
- the optimisation procedure in accordance with the Transformation Project, including outsourcing projects and the results of a personnel audit;
- creation of the 2008 financial plan and its fulfilment;
- the development of the price of energy and fuel in relation to the city public transport costs;
- the preparation of future deliveries for renewal of the bus and tram fleets.

And also:

- discussed materials and conclusions accepted from the company's Board of Directors;
- participated on evaluation commissions examining the offers submitted by contractors and parties interested in outsourcing;
- discussed the procedure for the construction of Metro line C – IV. operating section, including its financing;
- monitored issues relating to implementation of Directive 1370/2007 EP (previously 1191/1969 EC/EU);
- monitored the impacts of developments in financing on the maintenance and repairs of selected segments of the company's activities.

The Annual General Meeting of the company which was held on 20 May 2008 approved the financial results of the Prague Public Transport Company for 2007.

In accordance with Section 198 of the Commercial Code the Supervisory Board prepared its opinion on the following:

- the annual financial statement;
- the report on the financial results achieved;

- the auditor's report on the annual financial statement as at 31 December 2007;
- the report on relations between affiliated parties.

The Supervisory Board stated that the company had carried out the tasks specified in the Contract on the Obligation of a Public Service to Organise Transport in the City of Prague, including the annexes thereto, since the transport operations of city lines had been carried out in terms of vehicle-kilometres and passenger place kilometres to 99.70%, i.e. within the permitted tolerance of 0.5% in comparison with the contract.

The Supervisory Board also stated that it was monitoring in detail the development of revenues from the main activities:

- the net revenue of Prague Integrated Transport, including fare surcharges, was CZK 3.922 billion in 2007, an increase on the year before of 3.66%;
- the Prague Integrated Transport revenue plan was met in 2007 to 100.98%;
- the number of passengers transported using Prague Integrated Transport in 2007 rose by 1.9% against 2006, of which the increase was 1.8% in the City of Prague and 3.2% in the outlying zones.

For this reason the Supervisory Board recommended that the Annual General Meeting decide on the gradual provision of funds resources for public transport necessary to cover the long-term deficit for the payment of obligations ensuing from contracts concluded in the period 2001-2007 for the development, maintenance and repairs of tramlines, Metro lines and modernisation of the vehicles of all three forms of transport.

The Supervisory Board very carefully monitored the financial results throughout the year and:

- regularly discussed the quarterly reports on the financial results achieved;
- drew the attention of the Board of Directors to the long-term under-funding of the company's budget over several consecutive years (2004 to 2008) and to the problems ensuing from this, especially insufficient cash-flow, and the gradual deterioration of the technical condition of certain segments of the assets under management, including tramlines, to a level beneath bearing capacity;
- requested the Board of Directors in its resolution of 27 August 2008 to submit a report on the financial situation of the Prague Public Transport Company,

accompanied by a risk analysis, to the next meeting of the Prague Municipal Authorities for examination.

The Supervisory Board also examined the issue of the maintenance and repairs of entrusted assets, especially repairs to tramlines with service cancellations, and repairs to Metro lines. It stated that there was still an internal debt in this sphere which must be resolved in the future. It received positively the decision reached by the management to create a book reserve in the financial plan over the years to come.

The ongoing optimisation phase of the Transformation Process at the company has also impacted on the financial results. At every one of its meetings the Supervisory Board requested up-to-date information, including on the development of the individual outsourcing of selected activities. It paid special attention to the preparation of the outsourcing of "Full-service Metro M1", which has become a pilot project in respect of a possible progressive resolution of the maintenance of rolling stock.

The Supervisory Board is paying ongoing attention to the renewal of the vehicle fleet of all tractions, including the development of transport routes. It also examined the

related issue of financing the completion of the operating Metro section IV.C2 and monitoring preparations of the possible future expansion of the tramline network and Metro network, line A in a westerly direction, and line D, including studies of the possibilities of financing.

The Supervisory Board familiarised itself with an analysis of the ratio of revenue from fares to the overall volume of the annual budget, and the results of a study compiled by Deloitte, and in its resolution of 17 October 2008 stated that one of its members had submitted a written proposal (14 points) for possible modifications to tariffs and fares.

Another serious topic to which the Supervisory Board has given its attention is implementation of Directive 1191/1969 EES (EU), the amended Council Regulation No. 1893/1991 EU (and the latest Regulation of Parliament and the Council No. 1370/2007 of 23 October 2007), which regulates the provision of public assistance to transport companies operating city, peripheral and regional transport services.

The Supervisory Board also examined many operational themes:

- it monitored the development of the price of energy and the possibility of achieving savings (especially of engine diesel);
- the issue of transport-related debts;
- the results of an investigation of a series of fires on buses during summer 2008;
- the organisation of cleaning services on the Metro;
- monitoring the state of safety and quality of public transport in Prague, including an evaluation of the measures taken;
- the course and impacts of a nationwide strike by transport workers.

Delegated representatives of the Supervisory Board also participated on the work of evaluation commissions during the selection of contractors (suppliers) within the framework of public tenders.

In 2008 the Supervisory Board of the Prague Public Transport Company met its duties as the company's controlling body in accordance with valid laws, the company's Articles of Association, other regulations, and the interests of the sole shareholder, the City of Prague, and supervised the performance of the Board of Directors and the company's management. The Supervisory Board's activities were carried out throughout the year in the form of active teamwork.

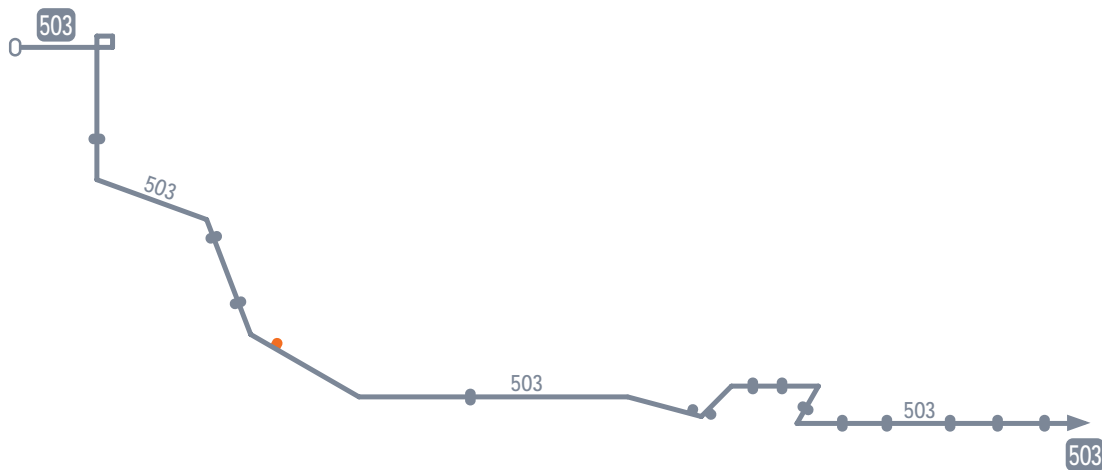


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OPERATION-TECHNICAL INDICATORS

NUMBER OF OPERATED LINES, THEIR LENGTH (km) AND AVERAGE SPEED (km/h)

	number of operated lines		length of lines (km)	average speed (km/h)	
	day-time	night-time		commercial	operational
Metro	3	0	59.4	35.51	33.2
Trams	25	9	540.6	18.45	14.7
Buses	163	13	1 912.0	25.65	16.5

Note

Not including historical (nostalgic) tram lines and funicular to Petřín Hill.

AVERAGE NUMBER OF VEHICLES IN OPERATION PER DAY

(in routine operation, not including holiday period)

	morning peak	off-peak	afternoon peak	Saturday	Sunday
Metro	440	241	406	163	159
Trams	686	536	679	412	415
Buses	938	484	849	390	393

OPERATING VEHICLE AND PLACE KILOMETRES (thousand km)

	vehicle km (thousand km)	place km (thousand p.km)
Metro	52 770	9 801 991
Trams	48 323	5 836 450
Buses	62 302	5 058 165
Funicular	23	2 320
Total	163 418	20 698 926

Note

Not including kilometres of contracted transport, substitute bus transport and historical (nostalgic) tram lines.

PERCENTAGE OF REPAIR AND ENERGY CONSUMPTION

	percentage of repair rolling stock and buses*	traction energy consumption		diesel oil consumption	
		kWh x1,000	per 1 v.km	litre x1,000	per 1 v.km
Metro	12.0	93 961	1.78		
Trams	7.2	136 441	2.79		
Buses	8.7			29 711	0.46

*) Not including vehicles set aside for modernisation or renewal

PIT LINES OPERATED BY PRAGUE PUBLIC TRANSPORT COMPANY AS AT 31 DEC 2008

1) METRO

- A** Depo Hostivař – Dejvická
- B** Zličín – Černý Most
- C** Letňany – Háje

2) TRAMS

Day-time operation

- 1** Petřiny – Spojovací
- 2** Červený Vrch – Petřiny
- 3** Lehovec – Sídliště Modřany / Levského
- 4** Sídliště Řepy – Kotlářka – Čechovo náměstí (until 3 Oct 2008 Kotlářka – Čechovo náměstí)
- 5** Výstaviště – Olšanské hřbitovy
- 6** Kotlářka – Kubánské náměstí (until 3 Oct 2008 Laurová – Kubánské náměstí)
- 7** Radlická – Ústřední dílny DP
(until 3 Oct 2008 Sídliště Řepy – Kotlářka – Ústřední dílny DP)
- 8** Podbaba – Nádraží Vysočany / Vysočanská
- 9** Sídliště Řepy – Spojovací
- 10** Sídliště Ďáblice – Sídliště Řepy
- 11** Černokostelecká – Spořilov
- 12** Palmovka – Sídliště Barrandov
- 13** Smíchovské nádraží – Sídliště Barrandov
- 14** Vozovna Kobylisy – Sídliště Barrandov
- 15** Vypich – Palmovka
- 16** Spojovací – Nádraží Braník
- 17** Sídliště Ďáblice – Sídliště Modřany / Levského
- 18** Petřiny – Vozovna Pankrác
- 19** Lehovec – Nádraží Strašnice / Radošovická (until 29 Aug 2008 Lehovec – Kubánské náměstí)
- 20** Divoká Šárka – Smíchovské nádraží – Sídliště Barrandov
- 21** Levského – Národní třída – Sídliště Modřany (semi-circular line)
- 22** Bílá Hora – Nádraží Hostivař

- 23** Malovanka – Kubánské náměstí (cancelled from 30 Aug 2008)
- 24** Březiněveská / Kobylisy – Kubánské náměstí
(until 29 Aug 2008 Březiněveská / Kobylisy – Nádraží Strašnice / Radošovická)
- 25** Vypich – Vozovna Kobylisy (until 29 Aug 2008 Bílá hora – Vozovna Kobylisy)
- 26** Divoká Šárka – Nádraží Hostivař

Night-time operation

- 51** Divoká Šárka – Nádraží Strašnice / Radošovická
- 52** Lehovec – Sídliště Modřany / Levského
- 53** Sídliště Ďáblice – Vozovna Pankrác
- 54** Lehovec – Sídliště Barrandov
- 55** Vozovna Kobylisy – Ústřední dílny DP
- 56** Petřiny – Spořilov
- 57** Bílá Hora – Nádraží Hostivař
- 58** Sídliště Řepy – Spojovací
- 59** Sídliště Řepy – Nádraží Hostivař

3) BUSES

Day-time operation

- 100** Zličín – Letiště Ruzyně
- 101** Skalka – Tolstého
(until 8 May 2008 Strašnická – Centrum Zahradní Město – Plynárna Měcholupy)
- 102** Nádraží Holešovice – Kobylisy – Sídliště Bohnice – Staré Bohnice – Zámky
- 103** Ládví – Ďáblice – Březiněves
- 104** Na Knížecí – Slivenecká
- 106** Kavkazská – Nádraží Braník
- 107** Dejvická – Suchbátka
- 108** Špejchar – Čiolkovského
- 109** Palmovka – Sídliště Rohožník
- 111** Skalka – Dubeč – Koloděje (until 13 Dec 2008 Skalka – Dubeč)

- 112** Nádraží Holešovice – Zoologická zahrada – Podhoří
- 113** Kačerov – Písnice
- 114** Kačerov – Šeberák – Chodov
- 115** Chodov – Městský archiv – Chodov (semi-circular line)
- 116** Dejvická – Nebušice
- 117** Kačerov – Poliklinika Modřany / Čechova čtvrť
- 118** Dvorce – Roztyly
- 119** Dejvická – Letiště Ruzyně
- 120** Na Knížecí – Klukovice
- 121** Sídliště Spořilov – Nádraží Braník
- 122** Chodov – Volha – Nádraží Hostivař – Zentiva
- 123** Na Knížecí – Šmukýřka
- 124** Želivského – Dvorce
- 128** Hlubočepy – Žvahov – Hlubočepy (semi-circular line)
- 129** Smíchovské nádraží – Baně
- 130** Na Knížecí – Sídliště Stodůlky
- 131** Hradčanská – Bořislavka
- 133** Staroměstská – Depo Hostivař (until 8 May 2008 Staroměstská – Sídliště Malešice)
- 134** Miškovice – Českomoravská – Kavkazská (until 29 Aug 2008 Sídliště Ďáblice – Českomoravská – Kavkazská) (until 8 May 2008 Ládví – Kavkazská)
- 135** Florenc – Želivského
- 136** Vozovna Kobylisy – Koleje Jižní Město
(until 8 May 2008 Sídliště Ďáblice – Roztyly – Koleje Jižní Město)
- 137** Na Knížecí – U Waltrovky
- 138** Skalka – Tolstého (cancelled from 9 May 2008)
- 139** Želivského – Na Beránku
- 140** Palmovka – Čakovice
- 141** Černý Most – Generála Janouška – Černý Most (semi-circular line)
- 142** Nové Butovice – Nad Malou Ohradou
- 143** Dejvická – Stadión Strahov
- 144** Kobylisy – Poliklinika Mazurská
- 145** Ládví – Jesenická (cancelled from 9 May 2008)
- 146** Českomoravská – Depo Hostivař (cancelled from 9 May 2008)

- 147** Dejvická – Výhledy
- 148** Podolská vodárna – Kavčí hory – Budějovická
- 149** Dejvická – Nové Butovice
- 150** Kloboučnická – Poliklinika Modřany / Čechova čtvrť
- 151** Českomoravská – Poliklinika Prosek – Čakovice
(until 29 Aug 2008 Českomoravská – Poliklinika Prosek)
- 152** Kobylisy – Sídliště Čimice
- 154** Skalka – Chodov (until 3 Oct 2008 Skalka – Koleje Jižní Město)
- 155** Želivského – Sídliště Malešice – Habrová (until 29 Aug 2008 Želivského
– Sídliště Malešice – Rektorská) (until 8 May 2008 Želivského – Sídliště Malešice)
- 156** Ládví – Avia Letňany – Ládví (semi-circular line) (cancelled from 9 May 2008)
- 157** Na Beránku – Kačerov (only operates in this direction)
- 158** Českomoravská – Miškovice (cancelled from 9 May 2008)
- 160** Dejvická – Lysolaje
- 161** Dejvická – Nebušice
- 162** Kobylisy – Dolní Chabry
- 163** Depo Hostivař – Štěrboholy – Bezděkovská
- 164** Nové Butovice – Bílá Hora
- 166** Palmovka – Obchodní centrum Čakovice – Třeboradice – Teplárna Třeboradice
(until 8 May 2008 Českomoravská – Třeboradice – Teplárna Třeboradice)
- 167** Na Knížecí – Nemocnice Na Homolce
- 168** Palmovka – Dolní Počernice (cancelled from 9 May 2008)
- 169** Kobylisy – Sídliště Čimice
- 170** Vavřenova – Jižní Město
- 171** Kačerov – Sídliště Písnice
- 172** Smíchovské nádraží – Velká Chuchle
- 174** Špejchar – Velká Ohrada
- 175** Florenc – Skalka (from 30 Aug 2008) (until 8 May 2008 Kobylisy – Šimůnkova)
- 176** Karlovo náměstí – Stadion Strahov
- 177** Chodov – Skalka – Poliklinika Mazurská
- 179** Nové Butovice – Letiště Ruzyně
- 180** Kafkova – Sídliště Řepy
- 181** Hloubětínská – Nádraží Hostivař (until 8 May 2008 Sídliště Čimice – Nádraží Hostivař)

- 182** Kloboučnická – Sídliště Lhotka
(until 3 Oct 2008 Kloboučnická – Sídliště Lhotka – Nádraží Braník)
- 183** Sídliště Čimice – Kobylisy – Nádraží Hostivař – Sídliště Petrovice
(until 8 May 2008 Vozovna Kobylisy – Sídliště Petrovice)
- 184** Nové Butovice – Petřiny
- 185** Palmovka – Letecké opravny
- 186** Nádraží Holešovice – Černý Most (until 8 May 2008 Černý Most – Sídliště Bohnice)
- 187** Sídliště Bohnice – Ládví – Palmovka (cancelled from 9 May 2008)
- 188** Želivského – Kavčí hory
- 189** Kačerov – Sídliště Lhotka
- 191** Na Knížecí – Petřiny
- 192** Budějovická – Pražská čtvrť
- 193** Náměstí bratří Synků – Ústavy Akademie věd
- 194** Skalka – Zentiva
- 195** Sídliště Čakovice – Jesenická (until 29 Aug 2008 Avia Letňany – Jesenická)
- 196** Smíchovské nádraží – Kačerov
- 197** Na Knížecí – Háje
- 198** Smíchovské nádraží – Sídliště Písnice
- 199** Smíchovské nádraží – Nové dvory – Smíchovské nádraží (semi-circular line)
- 200** Kobylisy – Sídliště Bohnice
- 201** Nádraží Holešovice – Poliklinika Prosek (cancelled from 9 May 2008)
- 202** Poliklinika Mazurská – Za Avii / Jilemnická
(until 29 Aug 2008 Poliklinika Mazurská – Za Avii / Vinoř)
- 203** Vavřenova – Jižní Město
- 204** Smíchovské nádraží – Sídliště Radotín
- 205** Zelený pruh – Komořany
- 207** Florenc – Ohrada (cancelled from 30 Aug 2008)
- 208** Depo Hostivař – Dolní Počernice (until 8 May 2008 Želivského – Dolní Počernice)
- 210** Nádraží Holešovice – Miškovice (cancelled from 30 Aug 2008)
(until 8 May 2008 Nádraží Holešovice – Obchodní centrum Čakovice – Čakovice)
- 211** Nové Butovice – Velká Ohrada
- 212** Jižní Město – Tiskařská – Jižní Město (semi-circular line)
- 213** Želivského – Jižní Město

- 215** Kačerov – Sídliště Libuš
- 216** Špejchar – Bořislavka – Nové Vokovice
- 217** Na Knížecí – Dejvická
- 218** Dejvická – Sídliště Na Dědině
- 219** Nové Butovice – Bavorská
- 224** Strašnická – Skalka – Sídliště Skalka (until 2 Aug 2008 Strašnická – Skalka)
- 225** Nové Butovice – Ciolkovského – Letiště Ruzyně
- 229** Depo Hostivař – Dubeč – Koloděje (cancelled from 14 Dec 2008)
- 230** Sídliště Stodůlky – Řeporyjské náměstí – Chaplinovo náměstí
- 231** Na Knížecí – Dívčí hrady – Na Knížecí (semi-circular line)
- 233** Letňany – Sídliště Čakovice (cancelled from 30 Aug 2008)
(until 8 May 2008 Palmovka – Obchodní centrum Čakovice – Sídliště Čakovice)
- 234** Habrová – Želivského (until 29 Aug 2008 Habrová – Sídliště Skalka)
- 235** Nové Butovice – Velká Ohrada – Nové Butovice (semi-circular line)
- 238** Depo Hostivař – Zentiva (until 8 May 2008 Želivského – Zentiva)
- 239** Želivského – Rektorská (cancelled from 30 Aug 2008)
- 241** Smíchovské nádraží – Lipence
- 243** Smíchovské nádraží – Sídliště Zbraslav
- 244** Smíchovské nádraží – Nádraží Radotín – Sídliště Radotín
(until 13 Dec 2008 Smíchovské nádraží – Sídliště Radotín)
- 245** Nádraží Radotín – Otěšinská – Nádraží Radotín (semi-circular line)
- 246** Smíchovské nádraží – Lochkov – Nádraží Radotín
- 247** Chaplinovo náměstí – Pod Lochkovem
- 248** Smíchovské nádraží – Holyně
- 249** Sídliště Stodůlky – Třebonice
- 250** Černý Most – Sídliště Rohožník
- 253** Smíchovské nádraží – Na Beránku
- 254** Dejvická – Přední Kopanina – Letiště Ruzyně
- 256** Nové Butovice – Nádraží Radotín
- 257** Zličín – Sobín
- 259** Letňany – Vinoř (until 8 May 2008 Českomoravská – Vinoř)
- 260** Jižní Město – Na Míčánkách – Jižní Město (semi-circular line)
- 261** Černý Most – Klánovice

- 264** Depo Hostivař – Královice
(until 13 Dec 2008 Depo Hostivař / Nádraží Uhříněves – Královice)
- 265** Depo Hostivař – Lipany – Kolovraty (until 13 Dec 2008 Depo Hostivař – Benice)
- 266** Depo Hostivař – Hájek
- 267** Háje - Uhříněves – Nedvězí (until 13 Dec 2008 Háje – Uhříněves – Lipany)
- 268** Depo Hostivař – Nedvězí (cancelled from 14 Dec 2008)
- 271** Skalka – Háje
- 272** Kačerov – Sídliště Písnice
- 273** Hloubětínská – Černý Most – Ve Žlíbku
- 274** Palmovka – Avia Letňany – Palmovka (semi-circular line) (cancelled from 9 May 2008)
- 277** Opatov – Skalka (until 29 Aug 2008 Přeštická – Skalka operating only in this direction)
- 280** Letňany – Vinoř (cancelled from 30 Aug 2008) (until 8 May 2008 Českomoravská - Vinoř)
- 291** I. P. Pavlova – Karlovo náměstí – I. P. Pavlova (semi-circular line)

Periphery lines:

- 301** Sídliště Stodůlky – Chýnice
- 305** Nám. Jiřího Berana – Čakovičky (until 8 May 2008 Českomoravská – Čakovičky)
- 312** Dejvická – Tuchoměřice, kulturní dům – Tuchoměřice, Štěrbův mlýn – Tuchoměřice, Špejchar – Lichoceves
- 324** Opatov – Čestlice
- 325** Opatov – Čestlice
- 326** Opatov – Jesenice – Jesenice, Belnická
- 327** Opatov – Jesenice, Osnice
- 329** Skalka – Květnice – Škvorec, nám.
(until 13 Dec 2008 Depo Hostivař – Květnice – Škvorec, nám.)
- 340** Dejvická – Roztoky, Levý Hradec (from 14 Dec 2008 line taken over from other transporter)
- 347** Zličín – Hostivice, Břve, sportovní hala – Motol
- 351** Letňany – Hovorčovice – Měšice, Agropodnik – Čakovičky – Libiš, Spolana 4
(until 8 May 2008 Českomoravská – Hovorčovice – Měšice, Agropodnik – Čakovičky – Libiš, Spolana 4)
- 352** Sídliště Stodůlky – Jinočany, náměstí
- 354** Českomoravská – Podolánka (cancelled from 9 May 2008)

- 355** Dejvická – Horoměřice, V lipkách – Únětice
- 356** Dejvická – Horoměřice, V lipkách – Statenice
(from 14 Dec 2008 line transferred to other transporter)
- 358** Obchodní centrum Čakovice – Měšice, Agropodnik (cancelled from 9 May 2008)
- 359** Dejvická – Únětice
- 364** Depo Hostivař – Křenice – Doubek
(until 13 Dec 2008 Depo Hostivař / Nádraží Uhřetěves – Křenice – Doubek)
- 365** Letňany – Veleň, obecní úřad – Mratín – Kostelec n. Lab., nám.
(until 8 May 2008 Českomoravská – Veleň, obecní úřad – Mratín – Kostelec n. Lab., nám.)
- 366** Českomoravská – Kostelec n. Lab., nám. (cancelled from 9 May 2008)

Night-time operation

- 501** Sídliště Lhotka – Jinonice (until 29/30 Aug 2008 Na Knížecí – Jinonice)
- 502** Sídliště Stodůlky – Suchdol (until 29/30 Aug 2008 Vítězné náměstí – Suchdol)
- 503** Palmovka – Sídliště Rohožník (until 29/30 Aug 2008 Lehovec – Sídliště Rohožník)
- 504** Florenc – Sídliště Písnice (until 29/30 Aug 2008 Ohrada – Sídliště Písnice)
- 505** Sídliště Čimice – Jižní Město
- 506** Sídliště Malešice – Uhřetěves
- 507** Smíchovské nádraží – Sídliště Zbraslav
- 508** Anděl – Sídliště Stodůlky
- 509** Florenc – Chodov (until 29/30 Aug 2008 Čakovice – Na Beránku)
- 510** Terminál 1/Letiště Ruzyně – Na Beránku
(until 29/30 Aug 2008 Sídliště Stodůlky – Letiště Ruzyně)
- 511** Čakovice – Nádraží Hostivař (until 29/30 Aug 2008 Florenc – Nádraží Hostivař)
- 512** Lehovec – Ve Žlíbků
- 513** Palmovka – Vínor (until 29/30 Aug 2008 Sídliště Lhotka – Jilemnická – Vínor)

School bus lines

- 551** Sídliště Čimice – Šimůnkova (only operates in this direction)
- 552** Náměstí Míru – Karlov (only operates in this direction)
- 553** U Slunce – Na Návsí (until 3 Oct 2008 U Slunce – Škola Dubeč)

- 554** Vinoř – Satalická obora – Vinoř (only operates in this direction) (from 30 Aug 2008)
- 555** Jenerálka – Žákovská (only operates in this direction)
- 556** Knovízská – Donovalská (only operates in this direction)
(until 29 Aug 2008 Knovízská – Brechtova (only operates in this direction))
- 558** Bazovského – Nádraží Veleslavín (only operates in this direction)
- 559** Jahodnice II – Žárská (only operates in this direction)
- 560** Bílá hora – Na Okraji (only operates in this operation)
- 561** Sídliště Zbraslav – Velká Chuchle (only operates in this direction)
- 565** Stadion Strahov – Weberova (only operates in this direction)
- 567** Habrová – Olšanské náměstí (only operates in this direction)
- 568** Sídliště Zličín – Za Slánskou silnicí (only operates in this direction)
- 569** Pitkovice – Picassova (only operates in this direction)
(until 13 Dec 2008 Benice – Picassova (only operates in this direction))
- 570** Pitkovice – Picassova (only operates in this direction)
- 571** Správa soc. zabezpečení – Škola Radlice (only operates in this direction)
- 581** Jitřní – Frýbortova – Na Planině (morning on this route) Na Planině – Na Lysinách
(afternoon on this route) (from 30 Aug 2008 until 2 Nov 2008 Jitřní – Frýbortova – only
operates in this direction)

Special regular services

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

4) FUNICULAR LINE

Újezd – Petřín

OPERATION-TECHNICAL INDICATORS

ROLLING STOCK AND BUS FLEET AS AT 31 DEC 2008 – VEHICLES RECORDED IN ACCOUNTING BOOKS AND VEHICLES IN PUBLIC TRANSPORT OPERATION

	vehicle type	inventory (accounting) balance			in operation for Prague public transport+
		total	of which in:		
			M+R*	liquidation	
Metros of which:		720	141	0	576
	81-71	127	86		41
	81-71 M (modernised)	350	45		305
	M1	240	10		230
historical cars	EČS	3			
Trams of which:		991	17	0	956
articulated	KT8D5 + KT8N2	47	1		46
	14T + RT6N	55			55
single	T3 + T3R.P + T3R.PLF	394	6		388
	T3M	75	1		74
	T3SU	251	9		242
	T6A5	151			151
historical cars		18			

*) M+R= vehicles being modernised or renovated, new and modernised vehicles not yet put into operation.

+) The balance does not include historical trams and long-distance buses.

Buses	of which:	1 158	0	19	1 138
standard (S)	B731, B951	162		3	159
	B732, B732R	136		2	134
	B931	186		11	175
	C734, LC936	7			7
	C934	1			
	total standard	492	0	16	476
standard low-floor (SL)	CITY standard	317			317
	Citelis	11			11
	LE City	4			4
	E91 midibus	6			6
	SOR BN 12	10			10
	total low-floor	348	0	0	348
articulated (A)	B741, B741R, B961	94		2	92
	B941	171			171
	total articulated	265	0	2	263
articulated low-floor (AL)	CITY kloub	52		1	51
long-distance	Mercedes	1			
TOTAL		2 869	158	19	2 670

Note

The accounting balance includes, in contrast to the operation status, vehicles: undergoing renovations, modernisation, designated for liquidation, historical trams and long-distance buses. The operating balance includes vehicles approved for operation in Prague public passenger transport, including vehicles undergoing routine repairs. The accounting number of vehicles in total = 2,869 - 158 vehicles set aside for modernisation or renewal - 19 vehicles in liquidation - 3 historical Metro cars - 18 historical trams - 1 long-distance bus = 2,670 vehicles in operating balance for Prague public transport use.

NUMBER OF PASSENGERS

NUMBER OF PASSENGERS TRANSPORTED BY THE PRAGUE PUBLIC TRANSPORT COMPANY IN PRAGUE (P + O) AND OUTLYING ZONES IN 2008

		%	passengers x 1,000
Number of passengers transported in Prague (zones P + O), incl. funicular and in outlying zones			1 261 839
P + O			1 251 611
outlying zones			10 228
of which:	Metro	47.69	596 893
	Trams	28.51	356 834
	Buses + outlying zones	23.80	308 112

NUMBER OF PASSENGERS TRANSPORTED IN PRAGUE (P + O) ACCORDING TO TICKET TYPE

	passengers x1,000	%
Reduced-fare fixed-period tickets for select civic groups:		
• monthly	66 997	5.31
• quarterly	58 919	4.67
• annual	188 876	14.97
Reduced fixed-period tickets:		
• monthly	48 130	3.81
• quarterly	126 815	10.05
Fixed-period tickets with passenger-selected validity start period:		
• 30-day	152 711	12.10
• 90-day	172 039	13.63
• 365-day	23 557	1.87
One-year tickets issued without holder's personal information	504	0.04
Free transport	216 671	17.17
Single-trip transfer ticket including P+R, AE (Airport Express) and SMS	133 267	10.57
Other fixed-period tickets	63 125	5.00
Total (P + O)	1 251 611	99.19

NUMBER OF PASSENGERS TRANSPORTED IN OUTLYING ZONES ACCORDING TO TICKET TYPE

	passengers x1,000	%
• reduced supplementary monthly passes for select civic groups, incl. those with passenger-selected validity period	1 998	0.16
• reduced supplementary monthly passes for children 6–15 years of age, incl. those with passenger-selected validity period	260	0.02
• reduced supplementary quarterly passes for select civic groups, incl. those with passenger-selected validity period	2 489	0.20
• short-term fixed-period tickets for all PIT tariff zones (30%)	1	0.00
• single ticket	971	0.08
• supplementary monthly passes and single tickets valid for outlying zones – special fare reductions	930	0.07
• free transport in outlying zones	2 934	0.23
• non-transfer tickets for 2 zones	645	0.05
Total outlying zones	10 228	0.81
Total (P + O) + outlying zones	1 261 839	100.00

SHARE OF PASSENGERS ACCORDING TO TICKET TYPE

	passengers x1,000	%
Prague public transport (P + O zones)		
• single ticket	133 267	10.57
• free transport	216 671	17.17
• fixed-period tickets (reduced-fare, with passenger-selected validity start period and other fixed-period tickets)	901 673	71.45
Total (P + O)	1 251 611	99.19
Outlying zones		
• single ticket	971	0.08
• supplementary passes	4 747	0.38
• short-term fixed-period tickets for all PIT tariff zones (30%)	1	0.00
• supplementary monthly passes and single tickets valid for outlying zones - special fare reductions	930	0.07
• free transport in outlying zones	2 934	0.23
• non-transfer ticket for 2 zones	645	0.05
Total outlying zones	10 228	0.81
Total (P + O) + outlying zones	1 261 839	100.00
Number of passengers transported by contracted transporters	102 317	

Note

The method of calculating transported passengers was changed in 2005. The figures are given for passengers transported by Prague Public Transport Company.

HR INDICATORS

NUMBER OF EMPLOYEES (RECORDED AS AT 31 DECEMBER 2008)

Category by profession	
Prague public transport drivers	4 195
Blue-collar employees	3 834
Operators and attendants (OA)	545
T+E staff	2 944
Total	11 518

**NUMBER OF EMPLOYEES CATEGORISED BY PROFESSION FOR 2008
(AVERAGE ADJUSTED BALANCE)**

Category by profession		
Prague public transport drivers		4 124
of which:	Metro drivers	561
	Tram drivers	1 323
	Bus drivers	2 240
Blue-collar employees		3 899
OA		549
T+E staff		2 981
of which:	T+E operating	1 124
	T+E non-operating	1 857
Total		11 553

Note

The average recorded adjusted number of employees is an adjustment of the average recorded number of employees in physical persons, by the length of their employment in relation to the employer-designated (full) work period.

WAGES AND SALARIES INCLUDING BONUSES PAID ACCORDING TO CATEGORY AND AVERAGE MONTHLY WAGE AND SALARY

Category by profession	wages and salaries incl. bonuses (in CZK thou.)	average monthly wage and salary (in CZK)
Prague public transport drivers	1 460 894	28 304
Blue-collar employees	1 085 956	22 859
OA	139 775	20 720
T+E staff	1 086 398	29 666
Total	3 773 023	26 458

Note

Wages and salaries shown in the table are less than those shown in the Profit and Loss Statement by estimated payables amounting to CZK 2,100,000, which will be paid in 2009.

EDUCATION-LEVEL STRUCTURE AS RECORDED AT 31 DECEMBER 2008

Education	total	%
Tertiary	393	3.41
Secondary w / cert.	4 044	35.11
Secondary no cert.	5 712	49.59
Primary	1 369	11.89
Total	11 518	100.00

ECONOMIC INDICATORS

SHARE OF INDIVIDUAL COST CATEGORIES IN TOTAL PIT COSTS (in CZK thou.)

	in CZK thou.	%
Direct costs (including transport route costs)	10 388 822	77.48
Operational overheads	618 549	4.61
Services costs	556 026	4.15
Coordination and management costs	1 801 198	13.43
Other costs (museum, funicular)	43 615	0.33
Total PIT costs	13 408 210	100.00

STRUCTURE OF DIRECT COSTS OF PIT EXCLUDING TRANSPORT ROUTE COSTS (in CZK thou.)

	in CZK thou.	%
Repairs to PIT rolling stock and bus fleet	2 227 825	31.58
Consumption of fuel, materials and traction energy	1 491 396	21.14
HR costs of PIT drivers	2 409 578	34.15
Substitute bus transport	43 726	0.62
Depreciation of PIT rolling stock and buses	843 421	11.95
Other direct costs of PIT operation	39 449	0.56
Total direct PIT costs (of transport operation)	7 055 395	100.00

SHARE OF PIT OPERATING COSTS AND TRANSPORT ROUTE COSTS IN TOTAL PIT COSTS (in CZK thou.)

	in CZK thou.	%
PIT operating costs	10 074 783	75.14
Transport route costs	3 333 427	24.86
Total PIT costs	13 408 210	100.00

SHARE OF INDIVIDUAL COST CATEGORIES IN TOTAL PIT COSTS (in CZK thou.)

	in CZK thou.	%
Depreciations	2 586 855	19.29
Wages and salaries	3 775 123	28.16
Consumption of diesel oil and electricity	1 591 378	11.87
Repairs and maintenance	4 378 046	32.65
Remaining costs	1 076 808	8.03
Total PIT costs	13 408 210	100.00

PIT COST CALCULATION PER 1 OPERATING VEHICLE-KILOMETRE

	CZK / vehicle-km
Metro	90.3571
Electrification lines	55.6721
Buses	49.2487
Services and staff	14.9317

FARE REVENUES FOR PRAGUE PUBLIC TRANSPORT AND OUTLYING ZONES

SHARE OF REVENUES BY TICKET TYPE (in CZK thou.)

	in CZK thou.	%
Prague public transport (P + O zones)		
• revenues from fixed-period tickets including payments for passes, employee tickets and duplicates	2 514 208	57.64
• revenues from single-trip fares including ticket vending machines	1 671 673	38.33
• revenues from fare surcharges	175 875	4.03
Total Prague public transport (P + O zones)	4 361 756	100.00
Outlying zones		
• revenues from single-trip fares including ticket vending machines	69 986	36.40
• revenues from fixed-period supplementary passes	122 304	63.60
Total outlying zones	192 290	100.00
Total Prague public transport (P + O) + outlying zones	4 554 046	

OVERVIEW OF TICKET AND PASS TYPES IN PRAGUE

SINGLE TICKETS VALID WITHIN THE CITY OF PRAGUE (P + O)

ticket or pass type	ticket price (in CZK)
Full-fare transfer ticket:	
• 75 minutes	26
• SMS ticket 90 minutes	26
• when purchasing from bus driver	30
Reduced transfer ticket:	
• 75 minutes	13
• when purchasing from bus driver	17
Limited-transfer tickets:	
• full-fare	18
• for children 6–15 years of age and holders of PIT pensioner/senior cards	9
Tickets linked to P+R system:	
• full-fare transfer return	40
• one-day	80
pre-paid short-term fixed-period tickets for Prague public transport (P + O):	
• 24-hour	100
• for children 6–15 years of age and holders of PIT pensioner/senior cards	50
• 3-day	330
• 5-day	500
*) pre-paid short-term fixed-period tickets for all zones:	
• 24-hour	150
• 24-hour for children 6–15 years of age	75

*) 70% share for Prague public transport

PRE-PAID FIXED-PERIOD PASSES VALID WITHIN THE CITY OF PRAGUE (P + O)

ticket or pass type	ticket price (in CZK)
Reduced-fare passes for select civic groups:	
• monthly	550
• quarterly	1 480
• annual	4 750
Reduced fixed-period passes:	
for children 6–15 years of age	
• monthly	130
• quarterly	360
for adolescents 15–19 years and students 15–26 years	
• monthly	260
• quarterly	720
for students 19–26 years old and under-26 tertiary-education students	
• monthly	260
• quarterly	720
senior citizens between 60 and 70, disadvantaged citizens and pensioners	
• monthly	250
• quarterly	660

**FIXED-PERIOD PASSES FOR PERSONAL CARDS OR PRE-PAID
FIXED-TERM PASSES VALID IN PRAGUE WITH PASSENGER-SELECTED
VALIDITY START PERIOD**

ticket or pass type	ticket price (in CZK)
Transferable, non-personalised fixed-period passes with passenger-selected validity start period:	
• 30-day	670
• 90-day	1 880
• 365-day	6 100
Reduced-fare fixed-period passes issued with or without record of holder's personal information, with passenger-selected validity start period:	
civic	
• 30-day	550
• 90-day	1 480
• 365-day	4 750
for children 6–15 years of age	
• 30-day	130
• 90-day	360
for adolescents 15–19 years and students 15–26 years	
• 30-day	260
• 90-day	720

for students 19–26 years old and under-26 tertiary-education students	
• 30-day	260
• 90-day	720
senior citizens between 60 and 70, disadvantaged citizens and pensioners	
• 30-day	250
• 90-day	660

EMPLOYEE FARES

ticket or pass type	ticket price (in CZK)
annual for employees	50
annual for employees' family members	100
annual for pensioners and their family members	50

SPECIAL AE TICKETS (AIRPORT EXPRESS)

ticket type	ticket price (in CZK)
Full-fare non-transfer	
• in the Prague Central Railway Station – Masarykovo Station – Ruzyně Airport segment	50
• in the Dejvická – Ruzyně Airport segment	30
Reduced-fare non-transfer for children 6–15 years of age	
• in the Prague Central Railway Station – Masarykovo Station – Ruzyně Airport segment	25
• in the Dejvická – Ruzyně Airport segment	15

SUPPLEMENTARY FIXED PERIOD COUPONS + TRAIN FOR PREPAID TICKETS VALID WITHIN PIT TARIFF ZONES FOR THE CALENDAR PERIOD

ticket or pass type	ticket price (in CZK)
Passes for one outlying zone:	
• monthly reduced-fare tickets for select civic groups	230
• quarterly reduced-fare tickets for select civic groups	630
• monthly reduced rate for children 6–15 years of age	110
Passes for two zones:	
• monthly reduced-fare tickets for select civic groups	370
• quarterly reduced-fare tickets for select civic groups	1 000
• monthly reduced rate for children 6–15 years of age	180
Passes for three zones:	
• monthly reduced-fare tickets for select civic groups	590
• quarterly reduced-fare tickets for select civic groups	1 600
• monthly reduced rate for children 6–15 years of age	290
Passes for four zones:	
• monthly reduced-fare tickets for select civic groups	820
• quarterly reduced-fare tickets for select civic groups	2 240
• monthly reduced rate for children 6–15 years of age	410

SUPPLEMENTARY FIXED PERIOD COUPONS BUS+ TRAIN FOR PREPAID TICKETS VALID WITHIN PIT TARIFF ZONES FOR THE CALENDAR PERIOD

ticket or pass type	ticket price (in CZK)
Passes for five zones:	
• monthly reduced-fare tickets for select civic groups	1 020
• quarterly reduced-fare tickets for select civic groups	2 790
• monthly reduced rate for children 6–15 years of age	510
Passes for six zones:	
• monthly reduced-fare tickets for select civic groups	1 250
• quarterly reduced-fare tickets for select civic groups	3 420
• monthly reduced rate for children 6–15 years of age	620

SUPPLEMENTARY FIXED-PERIOD COUPONS BUS + TRAIN FOR PERSONAL CARDS OR PRE-PAID FIXED-TERM PASSES VALID IN PRAGUE WITH PASSENGER-SELECTED VALIDITY START PERIOD

ticket or pass type	ticket price (in CZK)
Passes for one outlying zone	
• 30-day reduced-fare ticket for select civic groups	230
• 90-day reduced-fare ticket for select civic groups	630
• monthly reduced rate for children 6–15 years of age	110
Passes for two zones:	
• 30-day reduced-fare ticket for select civic groups	370
• 90-day reduced-fare ticket for select civic groups	1 000
• monthly reduced rate for children 6–15 years of age	180
Passes for three zones:	
• 30-day reduced-fare ticket for select civic groups	590
• 90-day reduced-fare ticket for select civic groups	1 600
• monthly reduced rate for children 6–15 years of age	290
Passes for four zones:	
• 30-day reduced-fare ticket for select civic groups	820
• 90-day reduced-fare ticket for select civic groups	2 240
• monthly reduced rate for children 6–15 years of age	410

SUPPLEMENTARY FIXED-PERIOD COUPONS BUS + TRAIN FOR PERSONAL CARDS OR PRE-PAID FIXED-TERM PASSES VALID IN PRAGUE WITH PASSENGER-SELECTED VALIDITY START PERIOD

ticket or pass type	ticket price (in CZK)
Passes for five zones:	
• 30-day reduced-fare ticket for select civic groups	1 020
• 90-day reduced-fare ticket for select civic groups	2 790
• monthly reduced rate for children 6–15 years of age	510
Passes for six zones:	
• 30-day reduced-fare ticket for select civic groups	1 250
• 90-day reduced-fare ticket for select civic groups	3 420
• monthly reduced rate for children 6–15 years of age	620

SUPPLEMENTARY FIXED-PERIOD COUPONS BUS + TRAIN FOR PERSONAL CARDS OR PRE-PAID FIXED-TERM PASSES VALID IN PRAGUE WITH SPECIAL REDUCED FARE

ticket or pass type	ticket price (in CZK)
monthly passes for students 6–15 years of age	
• for one outlying zone separate	80
• for two zones	135
• for three zones	215
• for four zones	305
• for five zones	380
• for six zones	1 465
monthly passes for students 15–26 years of age	
• for one outlying zone separate	170
• for two zones	275
• for three zones	440
• for four zones	615
• for five zones	765
• for six zones	940

SINGLE-TRIP TICKETS FOR OUTLYING ZONES

ticket or pass type	ticket price (in CZK)
Basic full-fare transfer tickets:	
• for two connecting zones 30 min.	14
• for three connecting zones 60 min.	20
• for four connecting zones 90 min.	26
• for five connecting zones 120 min.	32
• for six connecting zones 150 min.	38
• for seven connecting zones 180 min.	44
• for eight connecting zones 210 min.	50
• for nine connecting zones 210 min.	56
Basic reduced-fare transfer tickets:	
• for two connecting zones 30 min.	7
• for three connecting zones 60 min.	10
• for four connecting zones 90 min.	13
• for five connecting zones 120 min.	16
• for six connecting zones 150 min.	19
• for seven connecting zones 180 min.	22
• for eight connecting zones 210 min.	25
• for nine connecting zones 210 min.	28
*) Pre-paid short-term fixed-period tickets for all zones:	
• 24-hour	150
• 24-hour for children from 6–15 years	75

*) or PIT outlying zones 30% share

NON-TRANSFER TICKETS FOR 2 ZONES

ticket or pass type	ticket price (in CZK)
Non-transfer tickets for 2 zones:	
• full-fare	10
• for children 6–15 years of age	5

SINGLE-TRIP TICKETS FOR OUTLYING ZONES – SPECIAL FARE REDUCTIONS

ticket or pass type	ticket price (in CZK)
Transfer tickets for students 6–15 years old.	
• for two connecting zones 30 min.	5
• for three connecting zones 60 min.	8
• for four connecting zones 90 min.	10
• for five connecting zones 120 min.	12
• for six connecting zones 150 min.	14
• for seven connecting zones 180 min.	17
Transfer tickets for students 15–26 years old.	
• for two connecting zones 30 min.	11
• for three connecting zones 60 min.	15
• for four connecting zones 90 min.	20
• for five connecting zones 120 min.	24
• for six connecting zones 150 min.	29
• for seven connecting zones 180 min.	33

SINGLE-TRIP TICKETS FOR OUTLYING ZONES – SPECIAL FARE REDUCTIONS

ticket type	ticket price (in CZK)
Non-transfer tickets:	
• for students 6–15 years of age	4
• for students 15–26 years of age	8
Not valid on Czech Railway trains except for the following lines:	
• in the Praha Masarykovo n. (Praha hl. n. – Praha-Holešovice) – Pečky	
• 060 in the Poříčany – Sadská segment	
• 070 in the Praha-Vršovice – Praha hl. n. – Praha-Čakovice segment	
• 091 in the Praha Masarykovo nádraží (Praha hl. n.) – Kralupy nad Vltavou segment	
• 093 in the Kladno – Kladno-Ostrovec segment	
• 120 in the Praha Masarykovo n. (Praha hl. n.) – Kladno segment	
• 171 in the Praha hl. n. – Beroun	
• 210 in the Praha hl. n. – Vrané n. Vlt. – Davle and Vrané n. Vlt. – Měchenice segment	
• 221 in the Praha hl. n. – Senohraby	
• 231 in the Praha Masarykovo n. (Praha hl. n.) – Ostrá segment	
• 232 in the Lysá nad Labem – Milovice segment	

TOTAL INVESTMENT RESOURCES AND COSTS

TOTAL INVESTMENT RESOURCES (in CZK thou.)

	Total investment resources	of which	
		investment resources obtained in 2008 for payment of invoices paid in 2007	investment resources used for payment of invoices paid in 2008
	in CZK thou.	in CZK thou.	in CZK thou.
Own resources			
depreciation	2 586 855		1 840 050
Total own investment resources	2 586 855		1 840 050
Other resources			
state subsidies	311 595	5 374	306 221
City of Prague subsidies	5 316 263	2 552	5 313 711*
subsidies from EU Structural Funds	13 562	7 926	5 636
Total other resources	5 641 420	15 852	5 625 568
Total volume of investment resources	8 228 275	15 852	7 465 618

*) The Radlická tram track will, under the conditions defined by resolution of the Assembly of the City of Prague no. 18/9 dated 19 June 2008, be accounted for separately following completion of the project during 2009. The table shows the actual subsidy funds drawn as at 31 December 2008.

TOTAL INVESTMENT COSTS IN 2008 (in CZK thou.)

Metro capital investment	in CZK thou.
Construction in progress	
Extension of Metro C line, segment IV, stage 2	1 900 000
Depo Hostivař Metro station	116 621
Projects in preparation	
Metro A line	135 725
I. operation segment route of D Metro	1 710
Western vestibule of Stodůlky Metro station	5 600
Národní station	150
Total Metro capital investment	2 159 806
Other investment projects	
Replacement of escalators	7 779
Tram track construction (TT Hlubočepy, TT Radlická)	325 945
Tram track reconstruction (incl. ORTT)	322 296
Cable route reconstruction	77 086
Construction and reconstruction of substation exchanges	24 972
Depots and central workshops	9 049
Garages and parking facilities	12 679
Security system in Metro	85 168
Total other investment projects	864 974

Renewal of rolling stock and bus fleet	
Metro	
Renovations to rolling stock (including undercarriages)	1 180 878
Purchase of new Metro cars – loan repayment	278 089
Purchase of new Metro cars – six M1 vehicles	151 515
Trams	
Technical improvement of trams (T3, KT8D5 and boxes)	364 541
Purchase of new trams	1 710 019
Buses	
Renovations to buses	28 506
Purchase of new buses (for transport of disabled persons)	10 392
Total renewal of rolling stock and bus fleet	3 723 940
Other investments in technical facilities	716 898
Total capital expenditure	7 465 618

SPECIAL-PURPOSE INVESTMENT SUBSIDIES (in CZK thou.)

	Drawn from City of Prague budget	Drawn from state budget	Drawn from EU Structural Funds
	in CZK thou.	in CZK thou.	in CZK thou.
Pre-funding of project CZ 2.16/1.1.00/21003 – Radlická tram track*	448 305		
Metro A extension (Dejvická – Ruzyně Airport)	125 400		
Renovation of Metro cars – modernisation	1 100 064		
Extension of Metro C line, segment IV, stage 2 (Ládví–Letňany)	1 600 000	300 000	
Extension of Metro D line, segment I.	1 710		
Purchase of trams	1 680 000		
Modernisation of trams	180 000		
Depo Hostivař Metro station (2x P+R)	116 621		
Creation of unmanned Internet electronic pass sales	42 090		
Technical equipping of the TDS transport dispatching system	48 748		
Integration of the TDS with the PPTC central system	21 059		
SPD2 – Launch of active priority system on select TSE for Prague public transport	4 367	9 195	13 562
Construction modifications to tram stops in Prague 6	6 041		
Purchase of buses for transport of disabled persons		2 400	
Total	5 374 405	311 595	13 562

*) The Radlická tram track (Operation Programme Prague – Competitiveness) will, under the conditions defined by resolution of the Assembly of the City of Prague no. 18/9 dated 19 June 2008, be accounted for separately following completion of the project during 2009.

Note:

SPD2 projects are financed within the framework of the Single Programming Document for Objective 2 Prague, i.e. the projects are co-funded by the European Union.

Subsidies partially designated for the payment of invoices from 2007 were provided in 2008 for SPD2 projects.

This consisted of the following amounts:

- state subsidies of CZK 5,374,000
- subsidies from the City of Prague of CZK 2,552,000
- subsidies of EU Structural Funds of CZK 7,926,000

i.e. total subsidies of CZK 15,852,000 used for payment of invoices paid in 2007.

LIST OF ABBREVIATIONS

PPTC	Prague Public Transport Company	USV machines	Ticket vending machine
MHD	Prague public transport	CA	Collective Agreement
PIT	Prague Integrated Transport	SLA	Service Level Agreement
ROPID	Regional organizer of Prague Integrated Transport	P + 0	Zones covering the City of Prague
MHMP	Prague Municipal Authority	TD	Train diagram
SPŠD, a. s.	Střední průmyslová škola dopravní, a. s. (Secondary School of Transport)	TR	Tram repair garage
IDS a. s.	Inženýring dopravních staveb, a. s.	MRB	Metro repair base
T+E staff	Technical-economic employees	MPS	Metro protection system
OA	Operators and attendants	DTE	Dedicated technical equipment
W	Blue-collar employees	RTE	Reserve technical equipment
P+R	Park and Ride	ESF	European Structural Funds
EU	European Union	FRB	Fire Brigade
OHS	Occupational health and safety	EN ISO 9001	European and international standard: Quality Management Systems – Requirements
FP	Fire protection	EN 13816	European standard: Transportation – Logistics and services – Public passenger transport – Service quality definition, targeting and measurement
UITP	Union Internationale des Transports Publics (International Union of Public Transportation)	OP	Operation Programme
OSC	Other personnel costs	TDS	Transport dispatching system
SPD 2	Single Programming Document for Objective 2	RTT	Tram track reconstruction
TSE	Traffic signals equipment	ORTT	Tram track reconstruction under own management
TT	Tram track		

FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2008

Company Name: Dopravní podnik hl. m. Prahy, akciová společnost
Registered office: Praha 9, Sokolovská 217/42, PSČ 190 22
Legal form: joint stock company
Co. Reg. No. (IČ): 00005886

The financial statement consists of:

- Balance sheet
- Profit and loss statement
- Appendix
 - parts – overview of equity changes (point 9)
 - overview of cash flows (point 4.8)

The financial statement was completed on 9 March 2009

BALANCE SHEET IN A FULL FORMAT

IC

00005886

as at 31. 12. 2008

(in thousands of
Czech Crowns)

Commercial name or other name of an
accounting unit

**Dopravní podnik hl. m. Prahy,
akciová společnost**

Registered office or adress of an
accounting unit

Sokolovská 217/42, 190 22 Praha 9

Code a	ASSETS b	Current accounting period			Previous period
		Gross 1	Adjustment 2	Net 3	Net 4
	TOTAL ASSETS	96 980 509	-29 948 689	67 031 820	69 666 362
B.	Fixed assets	96 766 038	-29 738 129	65 027 909	66 530 881
B. I.	Intangible fixed assets	717 859	-460 870	256 989	102 167
3.	Software	521 204	-434 067	87 137	41 124
4.	Valuable rights	7 082	-7 032	50	250
6.	Other intangible fixed assets	53 941	-19 771	34 170	30 160
7.	Intangible fixed assets under construction	133 642	0	133 642	30 633
8.	Advance payments for intangible fixed assets	1 990	0	1 990	0
B. II.	Tangible fixed assets	93 831 475	-29 277 259	64 554 216	66 222 376
B. II. 1.	Lands	3 229 915	0	3 229 915	3 249 009
2.	Constructions	53 627 732	-12 322 358	41 305 374	41 184 014
3.	Equipment	33 785 299	-16 954 901	16 830 398	17 323 117
6.	Other tangible fixed assets	38 129	0	38 129	34 675

7.	Tangible fixed assets under construction	2 290 269	0	2 290 269	3 530 971
8.	Advance payments for tangible fixed assets	860 131	0	860 131	900 590
B. III.	Long-term financial assets	216 704	0	216 704	206 338
B. III. 1.	Shares in controlled and managed organizations	197 725	0	197 725	189 557
2.	Shares in accounting units with substantial influence	18 979	0	18 979	16 781
C.	Current assets	2 147 366	-210 560	1 936 806	3 045 577
C. I.	Inventory	485 592	-46 289	439 303	493 717
C. I. 1.	Materials	469 584	-46 289	423 295	466 456
2.	Work in progress and semi-products	4 572	0	4 572	1 115
5.	Merchandise	1 762	0	1 762	1 873
6.	Advance payments for inventory	9 674	0	9 674	24 273
C. II.	Long-term receivables	133 097	0	133 097	143 861
C. II. 1.	Trade receivables	131 194	0	131 194	141 349
5.	Long-term deposits given	1 351	0	1 351	1 808
7.	Other receivables	552	0	552	704

Code a	ASSETS b	Current accounting period			Previous period
		Gross 1	Adjustment 2	Net 3	Net 4
C. III.	Short-term receivables	1 278 036	-164 271	1 113 765	1 824 707
C. III. 1.	Trade receivables	684 221	-163 440	520 781	833 287
6.	Due from state – tax receivable	512 723	0	512 723	886 539
7.	Short-term deposits given	32 455	0	32 455	28 828
8.	Estimated receivable	29 011	0	29 011	43 873
9.	Other receivables	19 626	-831	18 795	32 180
C. IV.	Short-term financial assets	250 641	0	250 641	583 292
C. IV. 1.	Cash	15 920	0	15 920	15 138
2.	Bank accounts	234 721	0	234 721	568 154
D. I.	Accruals	67 105	0	67 105	89 904
D. I. 1.	Deferred expenses	62 159	0	62 159	76 699
3.	Deferred income	4 946	0	4 946	13 205

Code	LIABILITIES	Current period	Previous period
a	b	5	6
	TOTAL LIABILITIES	67 031 820	69 666 362
A.	Equity	58 133 455	58 075 796
A. I.	Registered capital	30 726 125	30 726 125
1.	Registered capital	30 726 125	30 726 125
A. II.	Capital funds	30 830 308	30 823 603
2.	Other capital funds	30 771 740	30 755 818
3.	Differences from revaluation of assets and liabilities (+/-)	58 568	67 785
A. IV.	Profit / loss - previous year	-3 473 932	-1 635 676
2.	Accumulated losses from previous years	-3 473 932	-1 635 676
A. V.	Profit / loss - current year (+/-)	50 954	-1 838 256
B.	Other sources	8 163 065	10 909 124
B. I.	Reserves	1 528 182	800 946
B. I. 1.	Reserves under special statutory regulations	1 510 407	800 946
4.	Other reserves	17 775	0
B. II.	Long-term payables	1 104 571	3 389 819
B. II. 1.	Trade payables	8 151	7 862
5.	Long-term advances received	633	546
9.	Other payables	144	196
10.	Deferred tax liability	1 095 643	3 381 215

Code	LIABILITIES	Current period	Previous period
a	b	5	6
B. III.	Short-term payables	2 701 500	3 297 592
B. III. 1.	Trade payables	1 385 682	2 716 402
5.	Payroll	11 299	16 975
6.	Payables to social securities and health insurance	156 558	140 376
7.	Due from state – tax liabilities and subsidies	110 593	103 243
7.1	State – tax liabilities	43 779	43 136
7.2	State – subsidies	66 814	60 107
8.	Short-term deposits received	39 583	60 064
10.	Estimated payables	82 391	14 205
11.	Other payables	915 394	246 327
B. IV.	Bank loans and financial accomodations	2 828 812	3 420 767
B. IV. 1.	Long-term bank loans	2 571 647	3 135 703
2.	Short-term bank loans	257 165	285 064
C. I.	Accruals	735 300	681 442
C. I. 1.	Accrued expenses	40 908	11 528
2.	Deffered revenues	694 392	669 914

PROFIT/LOSS ACCOUNT STATEMENT – LONG FORM

IC

00005886

as at **31. 12. 2008**

(in thousands of
Czech Crowns)

Commercial name or other name of an
accounting unit

**Dopravní podnik hl. m. Prahy,
akciová společnost**

Registered office or address of an
accounting unit

Sokolovská 217/42, 190 22 Praha 9

Code	Profit / Loss Account	Current period	Previous period
a	b	1	2
I.	Revenues from sold goods	1 759	1 611
A.	Expenses on sold goods	1 392	1 407
+	Sale margin	367	204
II.	Production	5 507 437	5 043 685
II. 1.	Revenues from own products and services	4 875 341	4 295 471
1.1	Revenues from fare	4 378 171	3 778 729
1.2	Other revenues	497 170	516 742
2.	Change in inventory of own products	3 457	-9 263
3.	Capitalisation	628 639	757 477
B.	Production consumption	6 130 956	5 356 490
B. 1.	Consumption of material and energy	3 133 179	3 008 869
B. 2.	Services	2 997 777	2 347 621
B. 2.1	Repairs and maintenance	915 524	690 230
B. 2.2	Other Services	2 082 253	1 657 391
+	Added value	- 623 152	-312 601
C.	Personnel expenses	5 357 777	5 227 822
C. 1.	Wages and salaries	3 775 123	3 702 329
C. 2.	Remuneration of board members	1 590	2 203

C.	3.	Social security expenses and health insurance	1 311 057	1 283 394
C.	4.	Other social expenses	235 855	208 111
C.	5.	Contributory pension scheme costs	34 152	31 785
D.		Taxes and fees	49 870	50 544
E.		Depreciations of intangible and tangible assets	2 586 855	2 812 760
III.		Revenues from disposals of fixed assets and materials	609 718	401 694
III.	1.	Revenues from disposals of fixed assets	474 095	260 521
III.	2.	Revenues from disposals of materials	135 623	141 173
F.		Net book value of disposed fixed assets and materials	201 797	245 501
F.	1.	Net book value of sold fixed assets	47 045	113 749
F.	2.	Net book value of sold material	154 752	131 752
G.		Change in operating reserves and adjustments and complex deferred costs (+/-)	735 758	775 015
IV.		Other operating revenues	7 608 484	7 961 300
IV.	1.	Subsidies for cost defrayal	7 297 266	7 687 869
IV.	2.	Other operating revenues	311 218	273 431
H.		Other operating expenses	397 075	718 661
*		Operating profit / loss	-1 734 082	-1 779 910

Code	Profit / Loss Account	Current period	Previous period
a	b	1	2
VI.	Revenues from sales of securities and ownership interests	0	55 437
J.	Sold securities and ownership interests	0	50 803
VII.	Revenues from long-term financial assets	11 760	12 012
VII. 1.	Revenues from shares in controlled and managed organizations and in accounting units with substantial influence	11 760	12 012
IX.	Revenues from revaluation of securities and derivatives	87 726	0
L.	Cost of revaluation of securities and derivatives	165 378	0
M.	Change in financial reserves and adjustments (+/-)	-1 211	1 211
X.	Interest revenues	23 422	28 889
N.	Interest expenses	180 884	195 612
XI.	Other financial revenues	22 626	25 544
O.	Other financial expenses	77 592	5 395
*	Profit / loss from financial operations (transactions)	-277 109	-131 139
Q.	Income tax on ordinary income	-2 285 572	-72 793
Q. 2.	Tax deferred	-2 285 572	-72 793
**	Operating profit / loss ordinary activity	274 381	-1 838 256

XIII.	Extraordinary revenues	356 726	0
R.	Extraordinary expenses	580 153	0
*	Operating profit / loss extraordinary activity	-223 427	0
***	Profit / loss of current accounting period	50 954	-1 838 256
****	Profit / loss before tax (+/-)	-2 234 618	-1 911 049

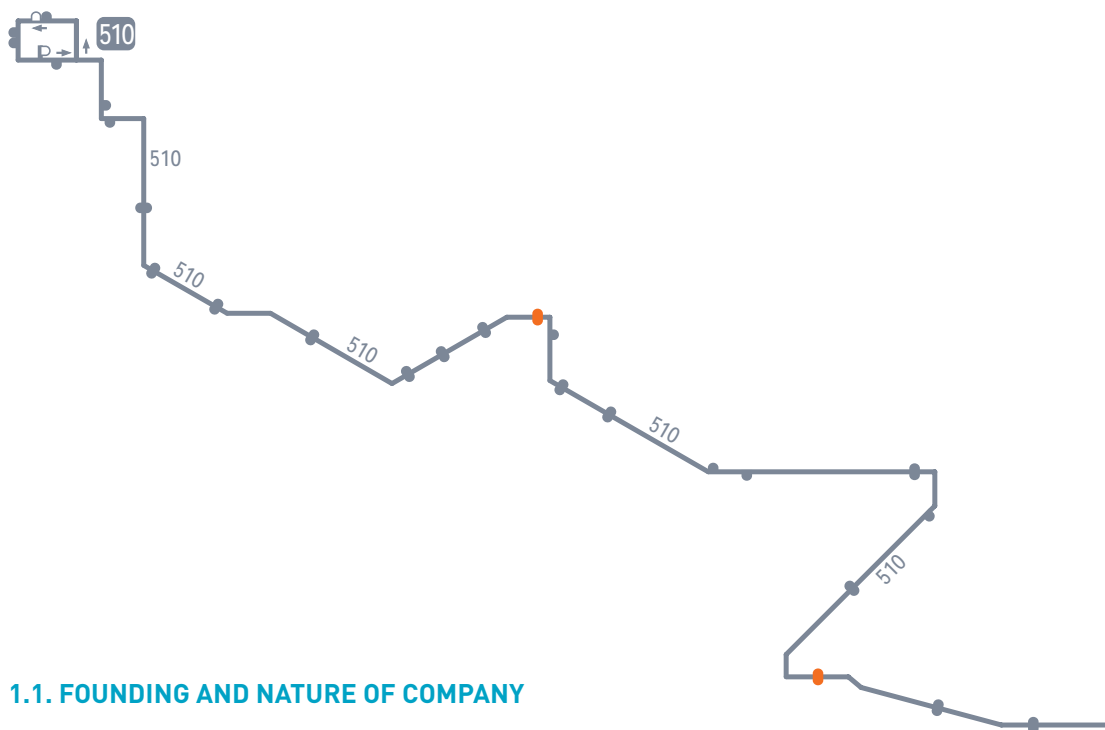
APPENDIX TO FINANCIAL STATEMENTS FOR 2008

Company Name:	Dopravní podnik hl. m. Prahy, akciová společnost
Registered office:	Sokolovská 217/42, Praha 9 – Vysočany
Legal form:	joint stock company
Co. Reg. No. (IČ):	00005886

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1. GENERAL INFORMATION



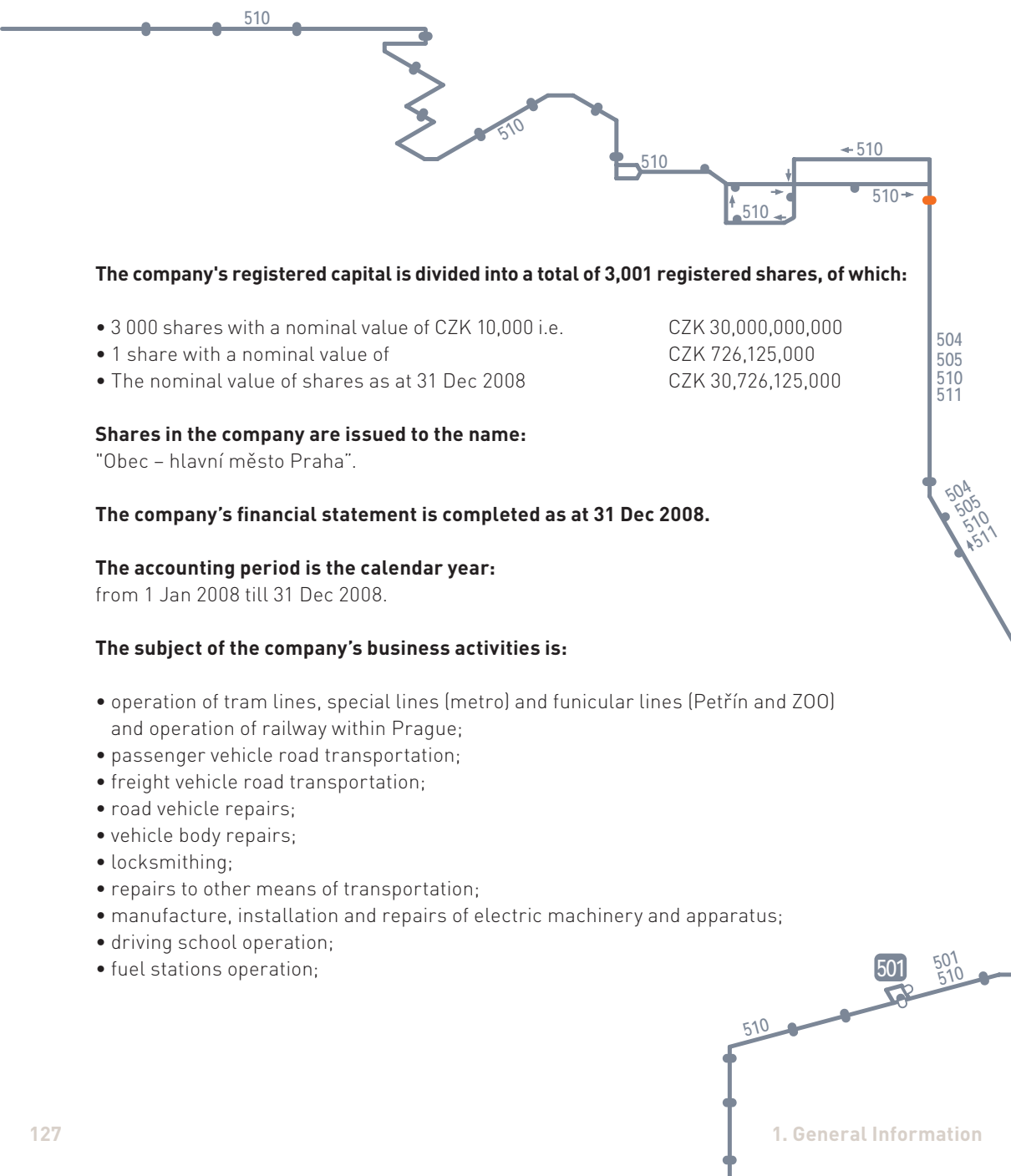
1.1. FOUNDING AND NATURE OF COMPANY

The accounting entity Dopravní podnik hl. m. Prahy, joint-stock company (hereinafter the "Company" or "Prague Public Transport Company"), was founded as a joint-stock company by the foundation plan of the Prague City Hall from 19 March 1991 as the successor to the company Dopravní podnik hl. m. Prahy – kombinát and created by entry in the commercial register maintained by the Municipal Court in Prague on 11 July 1991, Rg.: B 847 (at that time in the company register of the District Court for Prague 1, section Sa, insert 847).

Registered office: Praha 9, Sokolovská 217/42, 190 22.

The sole shareholder of the company is the CITY OF PRAGUE with registered office Praha 1, Mariánské náměstí 2, 110 00.

The company has registered capital of CZK 30,726,125,000, which was created by the non-monetary investment of a single shareholder.



The company's registered capital is divided into a total of 3,001 registered shares, of which:

- | | |
|--|--------------------|
| • 3 000 shares with a nominal value of CZK 10,000 i.e. | CZK 30,000,000,000 |
| • 1 share with a nominal value of | CZK 726,125,000 |
| • The nominal value of shares as at 31 Dec 2008 | CZK 30,726,125,000 |

Shares in the company are issued to the name:

"Obec – hlavní město Praha".

The company's financial statement is completed as at 31 Dec 2008.

The accounting period is the calendar year:

from 1 Jan 2008 till 31 Dec 2008.

The subject of the company's business activities is:

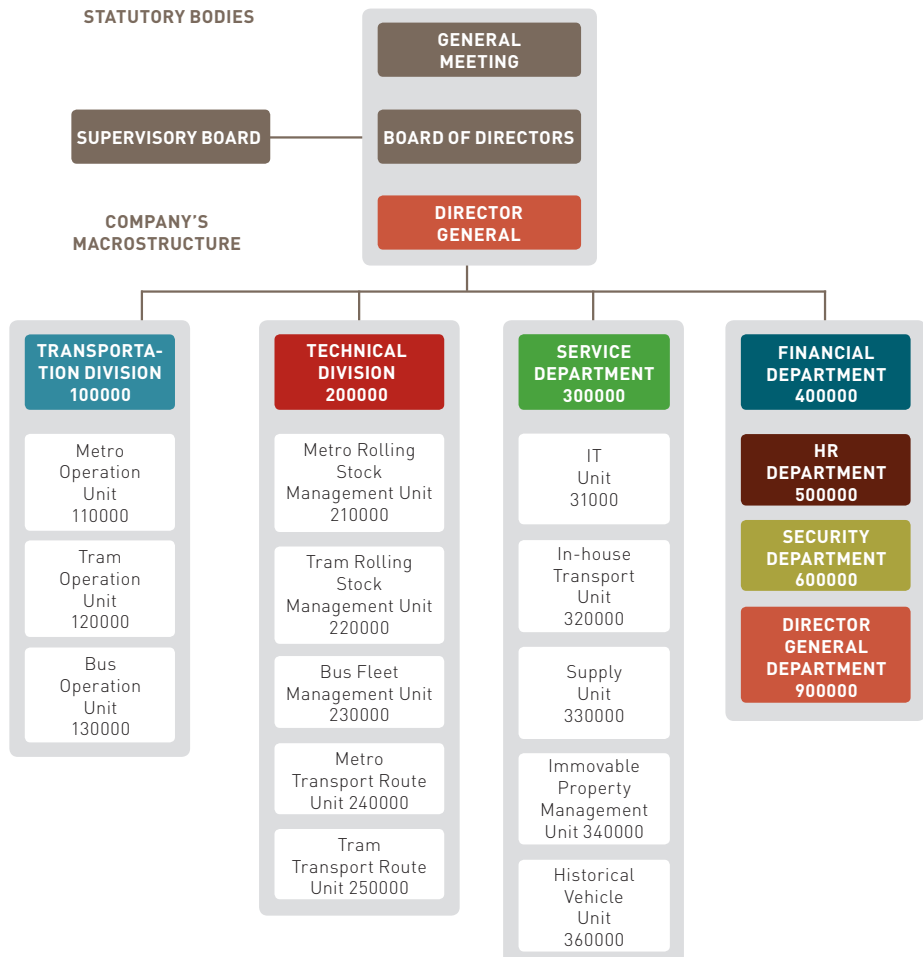
- operation of tram lines, special lines (metro) and funicular lines (Petřín and ZOO) and operation of railway within Prague;
- passenger vehicle road transportation;
- freight vehicle road transportation;
- road vehicle repairs;
- vehicle body repairs;
- locksmithing;
- repairs to other means of transportation;
- manufacture, installation and repairs of electric machinery and apparatus;
- driving school operation;
- fuel stations operation;

- [illegible]

To the company's knowledge there are no facts approved by the general meeting that should have been entered in the Commercial Register and have not yet been.

1.3. COMPANY'S ORGANISATIONAL STRUCTURE

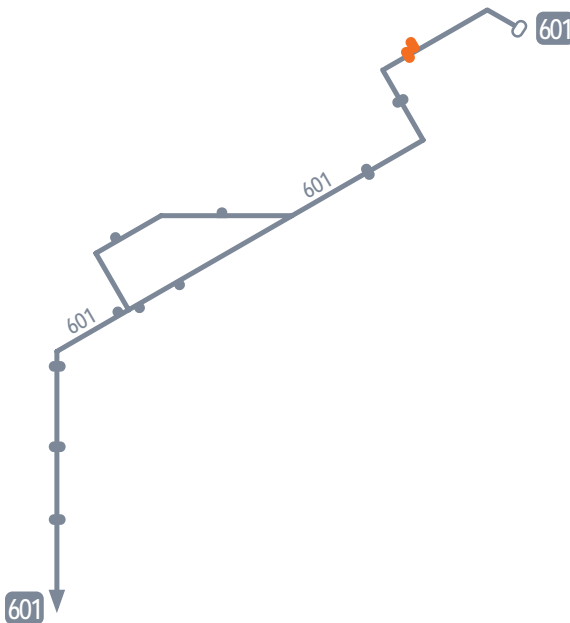
Company's organisational structure as at 31 December 2008



As part of the transformation process begun in prior years the company underwent in 2008 organisational and system changes focussed on streamlining and optimising activities within the various divisions.

Based on the results and experiences following the organisational and system changes there occurred as of 31 Dec 2008 a significant reduction in the workforce in all of the company's divisions.

As a result of the aforementioned organisational changes there occurred in 2008 a reduction of 436 positions.



1.4. GROUP IDENTIFICATION

Prague Public Transport Company parent company:

CITY OF PRAGUE with registered office Praha 1-Staré Město, Mariánské nám. 2, Company registration no.: 00064581

PRAGUE PUBLIC TRANSPORT COMPANY SUBSIDIARIES

Company name	% share of City of Prague in registered capital	Registered office	Company registration no. (IČ)
Kolektory Praha, a.s.	100%	Praha 9, Pešlova 3, čp. 341	26714124
Kongresové centrum Praha, a.s.	100%	Praha 4, 5. května 65	63080249
Obchodní společnost Praha - čisté město, a.s. in dissolution	100%	Praha 1, Celetná 29	63080664
Obecní dům, a.s.	100%	Praha 1, nám. Republiky 1090/5	27251918
Pražská energetika Holding a.s.	51%	Praha 10, Na Hroudě 1492	26428059
Pražská plynárenská Holding a.s.	51%	Praha 4, U plynárny 500	26442272
Pražská teplárenská Holding a.s.	51%	Praha 7, Partyzánská 1	26416808
Pražská vodohospodářská společnost a.s.	100%	Praha 1, Cihelná 4, čp. 548	25656112
Pražské služby, a.s.	71.84% or. 76.92%	Praha 9, Pod Šancemi 444/1	60194120
TCP – Vidoule, a.s.	98.09%	Praha 2, Blanická 1008/28	25649329

PRAGUE PUBLIC TRANSPORT COMPANY SUBSIDIARIES

Company name	% share of City of Prague in registered capital	Registered office	Company registration no. (IČ)
TRADE CENTRE PRAHA akciová společnost /TCP/	89.67%	Praha 2, Blanická 1008/28	00409316
Úpravná vody Želivka, a.s.	90.04%	Praha 1, Cihelná 548	26496224
Zdroj pitné vody Káraný, a.s.	97.22%	Praha 1, Cihelná 548	26496402

PRAGUE PUBLIC TRANSPORT COMPANY SUBSIDIARIES

Company name	% share of PPTC in registered capital	Registered office	Company registration no. (IČ)
RENCAR PRAHA, a. s.	28%	Praha 8, Křižíkova 148/34	00506397
Pražská strojírna a. s.	100%	Praha 9, Mladoboleslavská 133	60193298
GTR-DP Praha s.r.o.	40%	Praha 9, Na obrátce 16/102	25146033
Střední průmyslová škola dopravní, a.s.	100%	Praha 5, Plzeňská 102/219	25632141

PARTNER OF THE SUBSIDIARY RENCAR PRAHA, A. S.

Company name	% share of RENCAR PRAHA, a.s. in registered capital	Registered office	Company registration no. (IČ)
RENCAR MEDIA s.r.o	100%	Praha 8, Křižíkova 148/34	25082906

OVERVIEW OF INDIRECTLY CONTROLLED COMPANIES AND SUBSIDIARIES WITH PPTC SISTER COMPANIES AS AT 31 DEC 2008

Sister companies	Indirectly controlled companies and subsidiaries	% share in registered capital	Registered office	Company registration no. (IČ)
Pražská energetika Holding a.s.	Indirectly controlled company	% share of PREH in PRE		
	Pražská energetika, a.s.	50.78%	Praha 10, Na Hroudě 1492/4	60193913
	Companies with PRE capital interest	% share of PRE in subsidiaries		
	PREdistribuce, a.s.	100%	Praha 5, Svornosti 3199/19a	27376516
	PREleas, a.s.	100%	Praha 10, Limuzská 2110/8	25054040
	PREměření, a.s.	100%	Praha 10, Na Hroudě 2149/19	25677063
	ODEM a.s. „v likvidaci“ *)	100%	Praha 10, Na Hroudě 2149/19	25755609

OVERVIEW OF INDIRECTLY CONTROLLED COMPANIES AND SUBSIDIARIES WITH PPTC SISTER COMPANIES AS AT 31 DEC 2008

Sister companies	Indirectly controlled companies and subsidiaries	% share in registered capital	Registered office	Company registration no. (IČ)
Pražská plynárenská Holding a.s.	Indirectly controlled company	% share of PPH in PP		
	Pražská plynárenská, a. s.	50.20%	Praha 1, Národní 37	60193492
	Companies with PP capital interest	% share of PP in subsidiaries		
	Pražská plynárenská Distribuce, a.s., member of the concern Pražská plynárenská, a.s.	100%	Praha 4, U Plynárny 500	27403505
	Pražská plynárenská Servis distribuce, a.s., member of the concern Pražská plynárenská, a.s.	100%	Praha 4, U Plynárny 1450/2a	47116471
	Prometheus, energetické služby, s.r.o.	100%	Praha 4, U Plynárny 500	63072599
	Pražská plynárenská Správa majetku, s.r.o., member of the concern Pražská plynárenská, a.s.	100%	Praha 4, U Plynárny 500	27436551
	Informační služby - energetika, a.s.	100%	Praha 4, U Plynárny 500	26420830
	Pragoplyn, a.s.	100%	Praha 1, Jungmannova 36/31	27933318

OVERVIEW OF INDIRECTLY CONTROLLED COMPANIES AND SUBSIDIARIES WITH PPTC SISTER COMPANIES AS AT 31 DEC 2008

Sister companies	Indirectly controlled companies and subsidiaries	% share in registered capital	Registered office	Company registration no. (IČ)
Pražská teplárenská Holding a.s.	Indirectly controlled company a	% share of PTH in PT		
	Pražská teplárenská a.s.	47,33%	Praha 7, Partyzánská 1/7	45273600
	Companies with PT capital interest	% share of PT in subsidiaries		
	Energotrans, a.s.	100%	Praha 7, Partyzánská 7/1	47115726
	TERMONTA PRAHA a.s.	100%	Praha 10, Třebostická 46/11	47116234
	Teplo Neratovice, spol. s r.o.	100%	Neratovice, Školní 162	49827316

*)On 6 March 2008 the company ODEM a.s. entered into liquidation and on 5 Dec 2008 it was deleted from the Commercial Register.

Prague Public Transport Company is a partner without a share in the public company Sdružení dopravních podniků (Association of Public Transport Companies) in the Czech Republic. The subject of business of this company is to secure and carry out work, performances and services in the area of the organisation, management and financial management of urban mass transportation in the Czech Republic and ensuring technical, operational and legislative aspects.

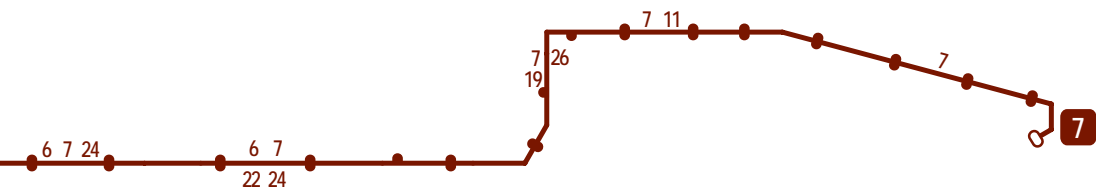
1.5. STATUTORY BODIES

The company's bodies are the general meeting, board of director and supervisory board.

The **General Meeting** is the company's highest body. The authority of the general meeting is performed by the City of Prague – in accordance with special regulations, represented by the Prague City Hall Council, except for decisions on the dissolution of the company in which the authority of the general meeting is performed by the Prague City Hall.

The **Board of Directors** is a statutory body of the company, managing the company's activities and acting on the company's behalf. It decides on all matters of the company except for those that are by generally binding legal regulations, by the company's Articles of Association or by the provisions of the general meeting exclusively the authority of the general meeting or those decisions which the board of directors entrusts to the director general in accordance with the company's Articles of Association. It determines the principles of the security policy and ensures that they are carried out.

The **Supervisory Board** is the company's auditing body that supervises the exercising of authority by the board of directors and the conducting of company's business activities.



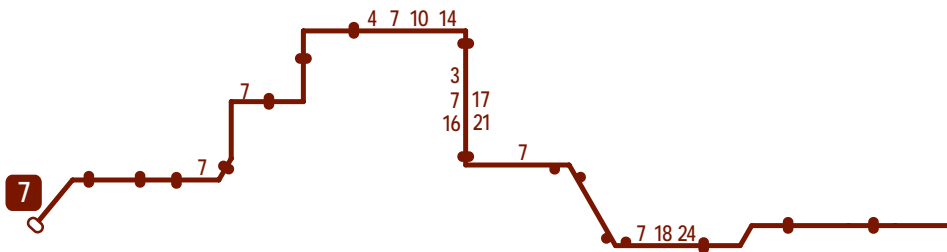
BOARD OF DIRECTORS AND SUPERVISORY BOARD AS AT 31 DEC 2008

	Functions	Name
Board of directors	chairman	Radovan Šteiner
	vice-chairman	Martin Dvořák
	member	Petr Hána
	member	David Vodrážka
	member	Jan Heroudek
	member	Tomáš Jílek
	member	Antonín Weinert, CSc.
	member	Dr. Pavel Bém
	member	Jiří Janeček
Supervisory board	chairman	Rudolf Blažek
	vice-chairman	Jiří Čada
	member	Ivan Bednář
	member	Karel Březina
	member	Petr Zajíček
	member	Petr Moos, CSc.
	member	Tomáš Homola
	member	František Kadlec
	member	Jiří Obitko

During the accounting period the following changes occurred in the board of directors:

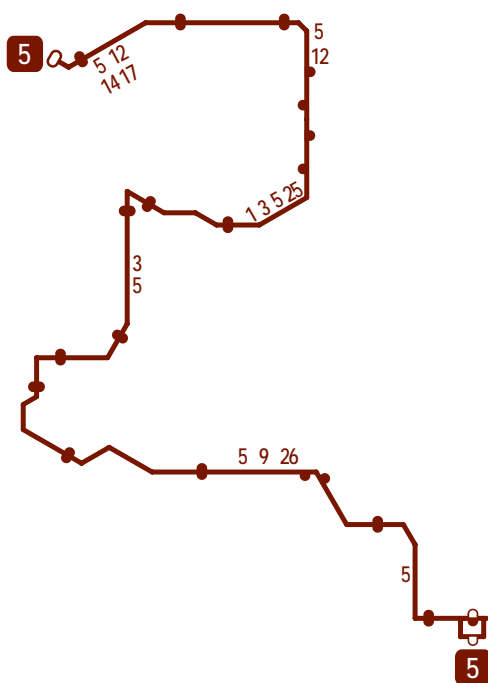
BOARD OF DIRECTORS			
Functions	Original member	New member	date of change
member	Hana Žižková	Dr. Pavel Bém	8. 10. 2008
member	Miroslav Sklenář	Jiří Janeček	8. 10. 2008

The changes were entered into the commercial register.



2. ACCOUNTING METHODS AND GENERAL ACCOUNTING PRINCIPLES

The company's accountancy is maintained and the financial statement is completed in accordance with Act no. 563/1991 Coll. on accountancy as amended, by decree no. 500/2002 Coll. (hereinafter the decree, through which there are executed some provisions of Act no. 563/1991 Coll. on accounting entities that are entrepreneurs using double-entry bookkeeping, as amended and by Czech Accounting Standards for entrepreneurs as amended. The accountancy respects the general accounting principles, above all the principle of asset valuation by historical prices, the principle of prudence and the assumption of the ability of the accounting entity to continue in its activities. The information in this financial statement is expressed in thousands of Czech (CZK) crowns unless otherwise stated.



3. OVERVIEW OF IMPORTANT ACCOUNTING RULES AND PROCEDURES

3.1. TANGIBLE AND INTANGIBLE FIXED ASSETS

A fixed asset is understood as an asset whose period of usability is longer than one year and whose valuation is in a single case greater than CZK 40,000 (a tangible asset except for land, buildings and art works), or CZK 60,000 (intangible assets except for easements). Land, buildings, easements and art works are considered to be fixed assets regardless of their valuation.

The limit for defining technical appreciation of assets that increases the value of fixed assets is over CZK 40 000 (for fixed tangible assets in total for the accounting period, for fixed intangible assets for termination of the specific asset).

If the valuation of a multi-licence (i.e. one licence for software that authorises multiple users to use the software) exceeds CZK 60,000 and the period of usability is greater than 1 year, then it is a fixed intangible asset (one inventory number)

A tangible asset up to CZK 40,000 and intangible asset up to CZK 60,000 is upon acquisition entered into expenses and also entered to the off-balance sheet. These expenses are accrued for 2 years.

Intangible fixed assets are valued at cost.

Costs related to fixed assets acquisition

The valuation of fixed intangible and tangible assets and of the technical appreciation of assets includes, up to the period of introducing the assets to a state appropriate for use, the following costs in particular:

- research, geologic, geodetic, project work including variant solutions;
- customs, assembly, freight, environmental clearance fee, packaging;
- residual value of disposed constructions or their parts due to new construction;
- compensation for ownership rights restriction, compensation for financial damage to owner or lessee;
- tests before introducing assets to a state appropriate for use;

- preparatory work, including costs for expertise, fees, remuneration for consultancy and intermediary services related to the acquisition of fixed assets;
- in the case of fixed assets financed from EU structural funds, the PC of the fixed assets includes an audit, consultancy activities and other costs related to the settlement of the request for financing from EU structural funds.

Property acquired before 1992 is valued according to Finance Ministry Decree by the price generally valid at the time the property is acquired. Property acquired after 1992 is valued at cost.

In ensuring the accord of the accounting records with the property records in the land registry, newly ascertained property acquired before the end of 1992 was valued according to the methodology pursuant to Finance Ministry Decree using the price generally valid at the time of acquisition. In other cases it was valued by the purchase price pursuant to the title deed ascertained pursuant to the ownership deed or pursuant to valuation valid at the time of acquisition and set by an expert opinion.

Valuation by replacement value was used in 2008 for easements acquired free of charge. In this case the replacement value was determined by an expert opinion. Assets ascertained during inventory that were not previously included in the accounts are valued by expert opinion. In the opposite case, i.e. in ascertaining an item in accounts that is not an asset, such an item (property) is credited against account group 41. The replacement value determined by expert opinion was also used for valuation of surpluses in small assets maintained in the off-balance sheet.

Fixed tangible assets created by the company's own activities re valued by actual costs, i.e. by any and all direct costs and by indirect costs that closely relate to the creation of the fixed assets.

Fixed intangible assets and fixed tangible assets are depreciated based on the depreciation plan using book depreciation, in accordance with section 7 par. 1 of the Accountancy Act.

The depreciation plan is announced through an internal directive of the company. The amount of provisions for fixed assets is determined by the service life, which is set with regard to wear corresponding to normal conditions of use. Depreciation begins in the month of classifying for use.

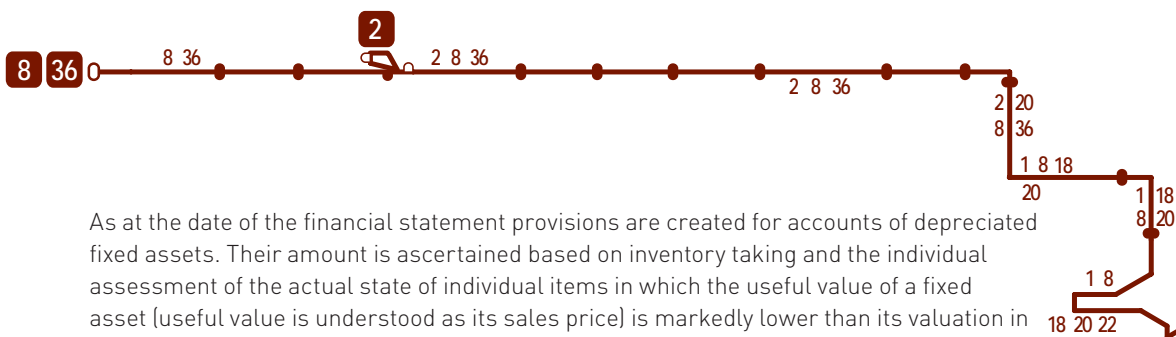
LENGTH OF EXPECTED SERVICE LIFE FOR THE MOST IMPORTANT GROUPS OF ASSETS:

Fixed assets	Service life in years
Metro tunnels	100
Metro power system	30
Tram track	30
Escalators	17
Means of transport:	
• metro cars acquired till the end of 1991	20
• metro cars acquired from 2001	40
• renovated metro cars	15
• trams T3R.P	15
• trams 14T, 15T	30
• other trams	20
• standard buses	10
• CITY BUSES (low-floor)	12
• buses depreciated after technical enhancements	4

DEPRECIATION OF EASEMENTS ESTABLISHED TO THE BENEFIT OF THE COMPANY:

Purchase price of easement	Establishment period	Depreciation period
up to CZK 60,000	definite	24 months
	indefinite	24 months
over CZK 60,000 up to CZK 10,000,000	definite	according to period given in the agreement for which the easement is established
	indefinite	48 months
over CZK 10,000,000	definite	according to period given in the agreement for which the easement is established
	indefinite	30 years

Assets acquired from subsidies for the acquisition of fixed assets and fixed tangible assets do not depreciate.



As at the date of the financial statement provisions are created for accounts of depreciated fixed assets. Their amount is ascertained based on inventory taking and the individual assessment of the actual state of individual items in which the useful value of a fixed asset (useful value is understood as its sales price) is markedly lower than its valuation in accounting after writing off accumulated depreciation, and this reduction in value cannot be considered of an enduring nature.

3.2. FIXED CURRENT LIQUID ASSETS

Fixed current liquid assets represent capital participation in controlled and managed entities and in accounting entities with shareholdings are 20% to 50% and is entered at cost at the moment of acquisition.

For ownership interest of entities controlled and managed and of accounting entities under 20%, there is conducted equivalent valuation, i.e. the ownership interest is adjusted to a value corresponding to the degree of the company's participation in the subsidiary's equity. Equivalent valuation is entered in accounts as a change in the value of a security as a counter entry to item 414 - Gains or losses from revaluation of assets and liabilities

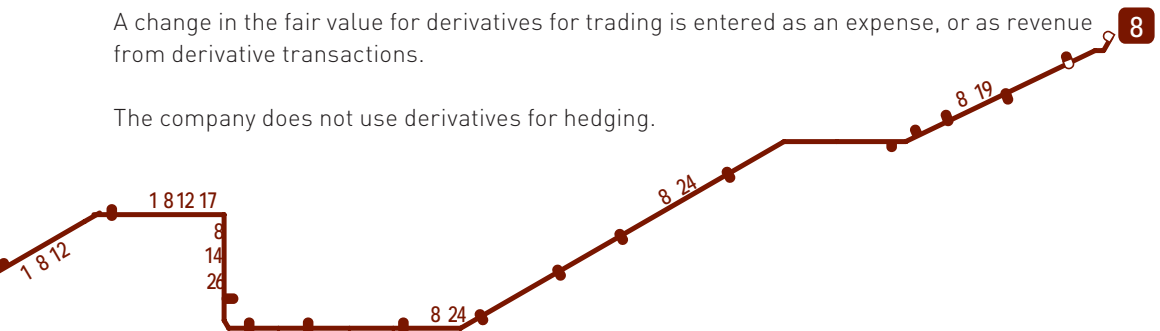
3.3. DERIVATIVES

The company keeps accounts of derivatives that are classified as derivatives for trading. As at the date of the financial statement the derivatives for trading are valued at fair value. The market value is used as the fair value.

The fair value of financial derivatives is set as the current value of expected cash flow arising from these transactions. Accepted models normal for the market are used for determining the current value. All financial derivatives are reported in the case of a positive fair value as an asset and in the case of a negative fair value as a liability.

A change in the fair value for derivatives for trading is entered as an expense, or as revenue from derivative transactions. 8

The company does not use derivatives for hedging.



3.4. INVENTORIES

Purchased inventories are valued at cost. The purchase price of inventories includes expenses related to their acquisition, above all, freight charges, commission, customs, insurances, packaging charges, postal charges and discounts.

Inventories of the same type are maintained in storage and valued at a price ascertained by a weighted arithmetic mean, except for goods in the canteen. These goods are maintained in storage valued at cost.

If acquisition-related costs are not part of the purchase price of specific materials or goods, they are monitored on a separate analytical account of inventories and once a month they are released to the consumption of materials and goods pursuant to internal directives. This process is used in the company for freight charges provided for by the company's departmental services.

Acquisition and movement of inventories according to Czech Accounting Standard for Enterprises no. 15 is conducted pursuant to method A.

Inventories created by own activities are valued by actual costs. Replacement parts and other materials created by the company's once-off activities are valued by their actual costs. Replacement parts and other materials created by own activities and for which it is not possible to clearly determine the price per item (for constantly created replacement parts and other materials) are valued based on predetermined prices. Cost components included in the costs of replacement parts and other materials determined on the level of actual costs consist of: direct consumption of materials, energy, direct wages, social and health insurance, share of production overhead, cooperation and freight charges.

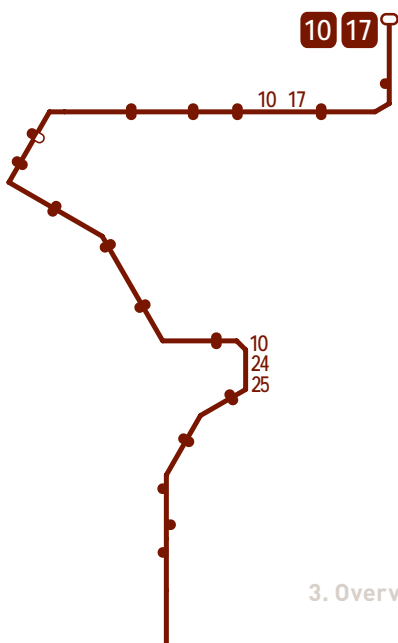
The replacement value for inventories was determined according to the current average stock price at the moment of ascertaining the inventory surplus (diesel, cooling fluid, motor oil). The replacement value determined by expert opinion is used for inventories created from obtained material from liquidation or adjustment of fixed assets.

RECEIVABLES

receivables are upon their creation valued by their nominal value, then reduced by the relevant provisions to the amounts in doubt.

Receivables which at the moment the financial statement is completed have a payment due of one year or shorter are reported as short-term. Other receivables are reported as long-term.

the receivables account there are also entered receivables that arise for the authorised entities of the City of Prague and others by virtue of a fixed asset, i.e. receivables that concern work unrelated to company activities that arise in connection with the company's capital investment (namely the metro's construction).



Provisions are created in accordance with the relevant laws and instructions of the legal department to trade receivables and to other receivables. Tax provisions are created in the amount pursuant to the relevant law. Accounting provisions are created for receivables from half a year to one year after maturity in an amount so that the total value of the tax and accounting provisions consists of 50% of the accumulated balance values of the receivable, for receivables from the first year following maturity they are created up to 100% of the receivable's balance value.

Accounting provisions are created for receivables from fare surcharges and for receivables from ticket revenues. Their amount is a set % with regard to the expected extent of repayment of the receivables pursuant to the statement of the company that deals with the recording and collection of these receivables.

In accordance with the civil and commercial codes a mutual crediting of receivables and payables is made according to the agreement of the business partners.

3.6. TRADE PAYABLES

Trade payables are entered in their nominal value.

Payables which at the moment the financial statement is completed have a payment due date of one year or shorter are reported as short-term. Other payables are reported as long-term.

3.7. LOANS

Loans are entered in their nominal value. Interest from loans are entered in the profit/loss results for the accounting period for which they pertain (Until classification as a fixed asset they were capitalised as part of the purchase price).

Part of a long-term loan that is payable within one year from the date of the financial statement is also considered to be a short-term loan

3.8. RESERVES

Reserves are created to cover future risks and expenses for which a purpose is known; it is likely that they will occur, although the amount or date on which they will be paid is not certain. Tax-effective reserves for an asset adjustment are created according to the provisions plan. The creation and use are governed by the relevant law.

Reserves for payment by virtue of compensation for work-related injuries and illnesses of former employees are created based on the statistical assessment of available historical data in the amount of the current value of expected future payments by virtue of claims made up to the date of the financial statement.

Reserves for the likely impact of lawsuits are created based on an estimated of expected results of current lawsuits.

3.9. CONVERSION OF DATA IN FOREIGN CURRENCY TO CZECH CURRENCY

Accountancy of exchange rate differences is conducted pursuant to the Finance Ministry Decree and to the Czech Accounting Standards for Enterprises.

Assets and payables, expressed in foreign currency are converted to CZK by the bank's daily exchange rate in accordance with the valid regulations. The exchange register uses fixed rates that are always determined as of the first business day of the relevant quarter in accordance with the exchange rate of the Czech National Bank.

Within the framework of the monthly financial statement for foreign currency bank accounts conversion to CZK is made in accordance with the exchange rate of the month's last day.

Assets and liabilities in foreign currency are as at the date of the financial statement converted according to the relevant exchange rate announced by the Czech National Bank on that date and ascertained exchange rate discrepancies are entered to either revenues or expenses as the case may be.

3.10. TAXES

3.10.1 Tax depreciation of fixed assets

A linear method is used for calculated tax depreciation. In 2008 a tax depreciation of tangible and intangible assets was suspended by the director general due to the use of an intentional use of tax losses from past periods.

3.10.2 Deferred taxation

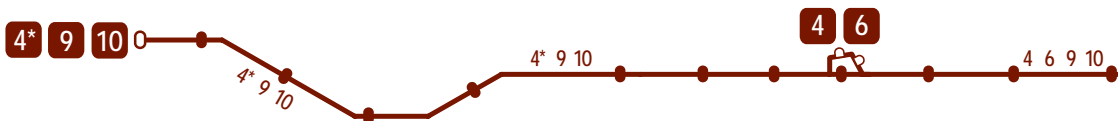
The deferred tax calculation is based on the liability method arising from the balance sheet approach. The liability method is understood as the process in which for calculations the income tax rate valid in future periods, in which the tax payable or receivable will be applied. The balance sheet approach means that the liability method comes from temporary differences that exist between the tax base of assets, or liabilities as the case may be, and the amount of assets (or liabilities) given in the balance sheet. The tax base of assets (or liabilities) is the value of these assets, or liabilities, applicable in the future for tax purposes.

Deferred tax payables and receivables are mutually set off and reported in the balance sheet in a net value.

3.11. SUBSIDIES

Subsidies for paying costs are charged to other operating revenues with the charging of expenses for the stipulated purpose.

A subsidy for acquiring an intangible and tangible fixed asset and a technical enhancement reduces their purchase price of actual costs at the moment of activation. The use of the subsidy for the still inactivated fixed asset is entered on the balance date.



3.12. REVENUES

Revenues from freight charges are entered to the period in which the freight services were provided.

Other revenues are entered to the period materially and temporally related.

Revenues and incomes that concern the future period are accrued.

ACCRUALS OF REVENUES FROM EASEMENTS ESTABLISHED ON COMPANY ASSETS

Purchase price of easement	Period of establishment	Depreciation period
up to CZK 60,000	definite	Not done due to insignificant amount
	indefinite	Revenue for a given period
over CZK 60,000 up to CZK 10,000,000	definite	according to period given in the agreement for which the easement is established
	indefinite	Revenue for a given period
over CZK 10,000,000	definite	according to period given in the agreement for which the easement is established
	indefinite	revenues are divided proportionally according to the remaining lifespan of the asset for which the easement was established

3.13. USE OF ESTIMATES

The completion of a financial statement requires that company management used estimates and forecasts that influence the reported values of assets and liabilities on the data of the financial statement and that influence the amount of revenues and expenses for the monitored period. Company management determined these estimates and forecasts based on all relevant information available to them. Nevertheless, as is the case with estimates, actual values in the future can differ from these estimates.

3.14. EXTRAORDINARY COSTS AND EXTRAORDINARY REVENUES

These items contain revenues/costs from operations that are completely extraordinary with regard to the accounting entity's normal activity, as well as revenues/costs from extraordinary events that randomly occur.

Adjustments of accounting transaction related to the year-on-year change in reporting methods are entered to the debit of these costs and the credit of these revenues.

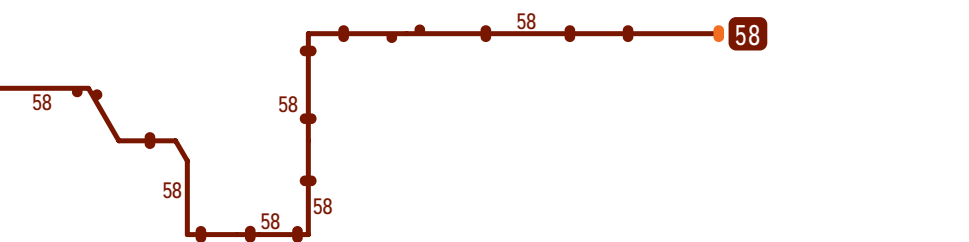
3.15. CHANGES IN MEANS OF VALUATION, DEPRECIATION PROCES AND ACCOUNTANCY COMPARED TO THE PRIOR ACCOUNTING PERIOD

In 2008 the following fundamental changes were made in reporting. The purpose of these changes was to provide a more accurate picture or improve the predicative ability of the financial statement.

The change in accounting procedures regarding the use of a subsidy for purchasing a fixed asset and technical enhancement

Beginning with the date of balance of 31 Dec 2008 there occurred a change in processes in accounting for the use of a subsidy to purchase a fixed asset. During the accounting period of the subsidy for the acquisition of a fixed asset and technical assessment, it reduces its purchase price or actual costs upon activation. As at the date of balance the received subsidy is debited to the relevant account of the account group 34 – Settlement of taxes and

The above described process was applied in the reports and for the balance as at 31 Dec 2007. This adjustment was made with reference to section 19 par. 6 of the Act on accounting.



3.16. CASH FLOW STATEMENT

An overview of cash flows was completed using an indirect method Cash equivalents represent short-term liquid assets that can be easily and readily converted to an amount in cash known in advance. Cash and cash equivalents can be analysed as follows:

Cash equivalent	31 Dec 2008 (CZK thou.)	31 Dec 2007 (CZK thou.)
Cash and cash on the way	15 920	15 138
Bank accounts	234 721	568 154
Total cash and cash equivalents	250 641	583 292

Cash flow from operating, investment or financial activities are given in the overview on cash flows and not off set.



4. ADDITIONAL INFORMATION REGARDING THE PROFIT AND LOSS BALANCE SHEET

4.1. COMPANY SPECIFICS

4.1.1 Change in statements

Items are given in order in the balance sheet and profit and loss statement, as specified in the Decree. Prague Public Transport Company also lists in these statements other sub-items for better comprehension and information capability on the accounting entity. It consists of the following information:

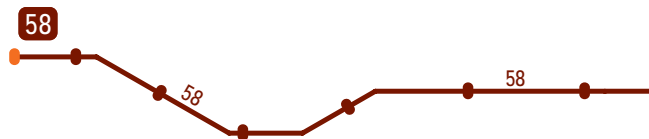
balance sheet – liabilities – B. III.7	7.1	Taxes payable
	7.2	Subsidies
profit and loss statement – II.1	1.1	Revenues from fares
	1.2	Other revenues
B.2	2.1	Repairs and maintenance
	2.2	Other services
C.	5.	Costs of supplementary pension insurance and life insurance
IV.	1.	Subsidies to cover costs
	2.	Other operating revenues

Lines XI and O contain summarise exchange rate differences.

4.1.2 Provided subsidies

In order to understand and assess the company's financial and asset situation it should be emphasised that the company is a recipient of significant financial subsidies from various providers.

The company requested in 2008 subsidies to cover costs and for the acquisition of fixed assets amounting to CZK 12,996,828,000; in 2007 CZK 15,254,357,000 in the following structure:



SUBSIDIES ACCORDING TO SOURCE

Indicator	2008 [CZK thou.]	2007 [CZK thou.]
Total subsidies	12 996 828	15 254 357
of which:		
Subsidies to cover costs	7 297 266	7 687 869
of which:		
from the City of Prague's budget:	7 241 166	7 641 590
• normal operation	7 201 166	7 601 420
– Creation of unmanned internet electronic coupon sales	5 800	
integration of DOS with the PPTC central system	26 786	
• EU TRENDSETTER project		170
• CO	40 000	40 000
Subsidy within framework of PIT	46 035	46 204
Special-purpose subsidy for Opencard project	9 838	
Special-purpose subsidy from MČ Praha 4 – cleaning of Kačerov metro station	227	
Special-purpose subsidy from SR		75
Subsidies for the acquisition of fixed assets	5 699 562	7 566 488
of which:		
from the City of Prague's budget	5 374 405	7 153 185
from a state subsidy	311 595	350 513
from the European Union	13 562	62 790

SUBSIDIES ACCORDING TO PURPOSE

Project number	Indicator	2008 (CZK thou.)
	Total subsidies	12 996 828
	of which:	
	Subsidies to cover costs	7 297 266
	of which:	
	operating subsidy from the City of Prague's budget:	7 241 166
	• in chapter 03: For operation of the public road MHD	7 201 166
	– including: Creation of unmanned internet electronic coupon sales	5 800
	Integration of DOS with the PPTC central system	26 786
	• in chapter 07: for civil defence (operation of protection systems)	40 000
	subsidy within framework of PIT:	46 035
	• subsidies for 0-PIT zone	27 568
	• subsidies from towns for zones 1, 2, PIT	6 562
	• subsidies from SK-KÚ – zones 1,2	9 687
	• subsidies from SK-KÚ – student fares	741
	• other special purpose subsidy to cover costs – strengthening line no. 112	1 477
	Special-purpose subsidy from the ROPIS organisation to cover costs – Opencard project	9 838
	Special-purpose subsidy from MČ Praha 4 – cleaning of Kačerov metro station	227

SUBSIDIES ACCORDING TO PURPOSE

Project number	Indicator	2008 (CZK thousands)
	Subsidies for the acquisition of fixed assets	5 699 562
	of which:	
	state subsidy:	311 595
	• right of way of Prague public transport buses at traffic signal intersections – 3rd stage	5 374
	• right of way of Prague public transportt buses at traffic signal intersections – 4th stage	3 821
	• other state subsidy	302 400
	subsidies from the European Union:	13 562
	• right of way of Prague public transport buses at traffic signal intersections – 3rd stage	7 926
	• right of way of Prague public transport buses at traffic signal intersections – 4th stage	5 636
	subsidy from the City of Prague's budget:	5 374 405
21003	• The Radlická tram track – pre-financed project	448 305
4534	• Metro A extension (Dejvická – Letiště Ruzyně)	125 400
5311	• Renovation of metro cars – modernisation	1 100 064
5535	• IV extension of metro C line, stage II (Ládví – Letňany)	1 600 000
6786	• Extension of metro D line, segment I.	1 710
7762	• purchase of trams	1 680 000
5666	• modernisation of trams	180 000
6035	• Depo Hostivař metro station	116 621
40266	• Creation of unmanned internet electronic coupon sales	42 090
40265	• Technical equipping of the TDS transport dispatching system	48 748
40264	• Integration of the TDS with the PPTC central system	21 059
1070	• SPD2 – creation of priority system for Prague public transport, ÚZ 0010	4 367
40643	• Construction modifications to tram stops in Prague 6	6 041

4.2. INTANGIBLE FIXED ASSETS

PURCHASE PRICE							
	Balance at 31 Dec 2006 (CZK thou.)	Increases (CZK thou.)	Decreases (CZK thou.)	Balance at 31 Dec 2007 (CZK thou.)	Increases (CZK thou.)	Decreases (CZK thou.)	Balance at 31 Dec 2008 (CZK thou.)
Software	392 334	26 357	240	418 451	104 602	1 849	521 204
Patents, rights and royalties	7 082	0	0	7 082	0	0	7 082
Other IFA	25 191	17 359	0	42 550	11 391	0	53 941
Incomplete IFA	14 559	83 018	66 944	30 633	311 796	208 787	133 642
Advances granted for IFA	1 093	0	1 093	0	1 990	0	1 990
Total	440 259	126 734	68 277	498 716	429 779	210 636	717 859

ACCUMULATED DEPRECIATION

	Balance at 31 Dec 2006 (CZK thou.)	Increases (CZK thou.)	Decreases (CZK thou.)	Balance at 31 Dec 2007 (CZK thou.)	Increases (CZK thou.)	Decreases (CZK thou.)	Balance at 31 Dec 2008 (CZK thou.)
Software	349 280	28 287	240	377 327	59 358	2 618	434 067
Patents, rights and royalties	6 632	200	0	6 832	200	0	7 032
Other IFA	5 822	6 568	0	12 390	7 381	0	19 771
Total	361 734	35 055	240	396 549	66 939	2 618	460 870

NET BOOK AMOUNT

	Balance as at 31 Dec 2006 [CZK thou.]	Balance as at 31 Dec 2007 [CZK thou.]	Balance as at 31 Dec 2008 [CZK thou.]
Software	43 054	41 124	87 137
Patents, rights and royalties	450	250	50
Other IFA	19 369	30 160	34 170
Incompleted IFA	14 559	30 633	133 642
Advances granted for IFA	1 093	0	1 990
Total	78 525	102 167	256 989

4.2.1 Intangible fixed assets created by company's own activities

In 2008 there were no intangible fixed assets created by the company's own activities.

4.2.2 Assets not included in the balance sheet

INTANGIBLE ASSETS MONITORED IN THE OFF-BALANCE SHEET

Asset type	Purchase price [CZK thou.]	
	2008	2007
Small intangible assets	18 422	28 126
Subsidised fixed assets	45 782	263
Total	64 204	28 389

4.3. LONG-TERM TANGIBLE FIXED ASSETS

PURCHASE PRICE							
	Balance at 31 Dec 2006 (CZK thou.)	Increases (CZK thou.)	Decreases (CZK thou.)	Balance at 31 Dec 2007 (CZK thou.)	Increases (CZK thou.)	Decreases (CZK thou.)	Balance at 31 Dec 2008 (CZK thou.)
Land	3 466 800	62 981	280 772	3 249 009	8 439	27 533	3 229 915
Buildings, halls and constructions	49 407 020	3 448 950	237 770	52 618 200	1 139 775	130 243	53 627 732
Independent movable property	31 798 512	1 774 722	426 824	33 146 410	1 078 261	439 372	33 785 299
• Hardware and equipment	9 413 280	877 648	244 420	10 046 508	259 996	202 040	10 104 464
• Means of transport	22 364 345	895 760	181 822	23 078 283	818 265	237 116	23 659 432
• Inventory	20 887	1 314	582	21 619	0	216	21 403
Other TFA	34 675	0	0	34 675	3 455	1	38 129
Incomplete TFA	25 183 545	9 025 719	30 678 293	3 530 971	7 201 106	8 441 808	2 290 269
Advances for TFA	1 491 137	6 389 752	6 979 088	901 801	4 960 676	5 002 346	860 131
Total	111 381 689	20 702 124	38 602 747	93 481 066	14 391 712	14 041 303	93 831 475

ACCUMULATED DEPRECIATION AND PROVISIONS

	Balance as at 31 Dec 2006 (CZK thou.)	Increases (CZK thou.)	Decreases (CZK thou.)	Balance as at 31 Dec 2007 (CZK thou.)	Increases (CZK thou.)	Decreases (CZK thou.)	Balance as at 31 Dec 2008 (CZK thou.)
Buildings, halls and constructions	10 553 739	975 346	94 899	11 434 186	938 979	50 807	12 322 358
Independent movable property	14 430 362	1 818 330	425 399	15 823 293	1 549 947	418 339	16 954 901
• Hardware and equipment	5 519 035	814 403	243 737	6 089 701	598 406	185 462	6 502 645
• Means of transport	8 896 579	997 420	181 100	9 712 899	950 106	228 809	10 434 196
• Inventory	14 748	1 609	562	15 795	1 435	216	17 014
Provisions for means of transport	0	4 898	0	4 898	0	3 852	1 046
Provisions for advances for TFA	0	1 211	0	1 211	0	1 211	0
Total	24 984 101	2 794 887	520 298	27 258 690	2 488 926	470 357	29 277 259

NET BOOK AMOUNT

	Balance as at 31 Dec 2006 [CZK thou.]	Balance as at 31 Dec 2007 [CZK thou.]	Balance as at 31 Dec 2008 [CZK thou.]
Land	3 466 800	3 249 009	3 229 915
Buildings, halls and constructions	38 853 281	41 184 014	41 305 374
Independent movable property	17 368 150	17 323 117	16 830 398
• Hardware and equipment	3 894 245	3 956 807	3 601 819
• Means of transport	13 467 766	13 365 384	13 225 236
• Inventory	6 139	5 824	4 389
Provisions	0	-4 898	-1 046
Other TFA	34 675	34 675	38 129
Incomplete TFA	25 183 545	3 530 971	2 290 269
Advances for TFA	1 491 137	900 590	860 131
Total	86 397 588	66 222 376	64 554 216

A significant decrease in a TFA is caused by activation of the asset and clearance of special-purpose subsidies for the acquisition of TFA.

The company leases:

- immovables, non-residential spaces in garages, depots, in metro depots, at metro stations, at tram turn-about, at Prague public transport stops, etc.
- surfaces on moveable and immoveable assets, especially for advertising activities, for storing optical cables in metro stations, for operating a telecommunication system in the metro, for positioning antennas, telecommunication equipment, etc.,
- moveable assets, e.g. freight lifts at metro stations, metro wagons, surveillance system, lighting technology, station switches at converters, etc.

Cadastral offices do not have in their records as of the date financial statement any proceedings regarding the acquisition of immovables for the company.

4.3.1 Fixed assets with liens on them

As of 31 Dec 2008 there are easements on 242 properties in the form of an agreement on the establishment of an easement. In most cases this concerns permission of access to service relevant equipment in the metro's spaces, entrance to buildings, etc.

On 15 June 2005 there was concluded a lien agreement in which the borrower (pledger) is Prague Public Transport Company and the creditors (attaching creditors) are banks that participated in the loan provided to the company for new metro trains. 100 electric metro motor vehicles produced by Siemens Kolečová vozidla s. r. o. were pledged. The lien is established pursuant to the agreement for a period until the full and proper repayment of the loan.

4.3.2 Tangible fixed assets created by company's own activities

Prague Public Transport Company conducted its own activities in reconstructing the tram tracks, the traction lines and modernisation of means of transportation. Valuation methods (see point 3.1)

4.3.3 Assets leased in the form of financial leasing

The Company does not have any assets leased under finance lease contracts.

4.3.4 Assets not included in the balance sheet

INTANGIBLE ASSETS MONITORED IN THE OFF-BALANCE SHEET

Asset type	Purchase price [CZK thou.]	
	2008	2007
Small intangible assets	648 334	654 395
Subsidised fixed assets	26 987 238	18 417 660
Total	27 635 572	19 072 055

4.4. FIXED CURRENT LIQUID ASSETS

4.4.1 Shares in controlled and managed entities

Company Name	2008		2007	
	Number of securities	Share of the registered capital in %	Number of securities	Share of the registered capital in %
GTR-DP Praha s.r.o.		40		40
Pražská strojírna a.s.	166	100	13	100
Střední průmyslová škola dopravní, a.s.	22	100	22	100

2008

Company Name	Purchase price (CZK thou.)	Revaluation differences (CZK thou.)	Nominal value (CZK thou.)	*Company's net asset value (CZK thou.)	*Results (CZK thou.)	Share value (CZK thou.)
GTR-DP Praha s.r.o.	800	5 293	800	15 233	7 919	6 093
Pražská strojírna a.s.	145 174	18 951	146 862	164 125	3 200	164 125
Střední průmyslová škola dopravní, a.s.	11 322	16 185	21 930	27 507	49	27 507
Total	157 296	40 429	169 592			197 725

*) Balances ascertained as at 30 Jan 2008

In 2008 the registered capital was increased in the subsidiary Pražská strojírna a. s. by CZK 19,584,000 by offsetting a receivable in the same amount that was created on the basis of unpaid debts from supplier-customer relations for the supply of products.

2007

Company Name	Purchase price (CZK thou.)	Revaluation differences (CZK thou.)	Nominal value (CZK thou.)	*Company's net asset value (CZK thou.)	*Results (CZK thou.)	Share value (CZK thou.)
GTR-DP Praha s.r.o.	800	2 336	800	7 314	619	3 136
Pražská strojírna a.s.	125 591	32 563	127 278	141 682	-15 193	158 154
Střední průmyslová škola dopravní, a.s.	11 322	16 945	21 930	27 457	82	28 267
Total	137 713	51 844	150 008			189 557

4.4.2 SHARES IN ACCOUNTING ENTITIES WITH SHAREHOLDINGS OF 20%–50%

2008							
Company Name	Purchase price (CZK thou.)	Revaluation differences (CZK thou.)	Nominal value (CZK thou.)	*Company's net asset value (CZK thou.)	*Results (CZK thou.)	Revenues for the year (CZK thou.)	Share value (CZK thou.)
RENCAR PRAHA, a.s.	840	18 139	840	67 782	49 850	11 760	18 979
Total	840	18 139	840			11 760	18 979

*) Balances ascertained as at 30 Jan 2009

2007							
Company Name	Purchase price (CZK thou.)	Revaluation differences (CZK thou.)	Nominal value (CZK thou.)	*Company's net asset value (CZK thou.)	*Results (CZK thou.)	Revenues for the year (CZK thou.)	Share value (CZK thou.)
RENCAR PRAHA, a.s.	840	15 941	840	59 932	42 248	12 012	16 781
Total	840	15 941	840			12 012	16 781

Number of securities was 84 shares and the total share on registered capital was 28%. There did not occur any change compared to 2007.

In 2007 Prague Public Transport Company sold to KVATRIS s.r.o. its remaining 34% share of registered capital of Inženýring dopravních staveb a. s.

4.5. INVENTORIES

	as at 31 Dec 2008 (CZK thou.)	as at 31 Dec 2007 (CZK thou.)
replacement parts	266 232	279 829
auxiliary material	112 530	140 101
clothes and protective aids	63 108	76 837
gasoline, fuel	20 553	27 996
other materials	7 161	4 801
provisions	-46 289	-63 108
Total material	423 295	466 456
advances granted for inventories	9 674	24 273
work in process and manufactured parts	4 572	1 115
goods	1 762	1 873
Total value	439 303	493 717

The reduction of the financial volume of the company's warehouse stock is the result of intensive activity in the area of warehouse management during 2008, the sale of material inventories no longer useful in the company and the limiting of activities related to the issuing of equipment outside the company.

4.6. LONG-TERM RECEIVABLES

The item long-term receivables shows as at 31 Dec 2008 a balance of CZK 133,097,000 as at 31 Dec 2007 these receivables amounted to CZK 143,861,000. The item long-term receivables consists of trade receivables consist of receivables that arise within the framework of the company's investment activities that do not relate to the company's activities or mission. This consists of, for instance, lighting, sewers, ground work, roads, i.e. work that was done in projects mainly in constructing the metro and tram tracks. The owner of these assets is predominantly the City of Prague, to whom these receivables should be reinvoiced. Their amount as of 31 Dec 2008 stood at CZK 131,194,000; as at 31 Dec 2007 their amount was CZK 141,349,000.

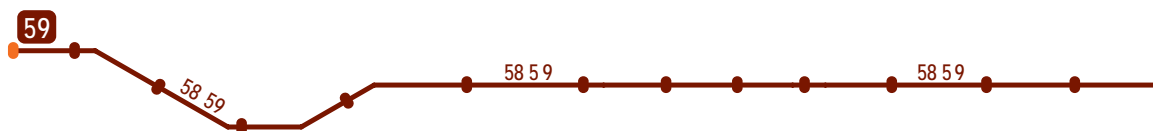
Long-term provided advances are predominantly advances provided to CCS Česká společnost for payment cards.

The company does not have receivables with a payment due date of 5 years or more.

4.6.1 Long-term receivables from group companies

Long-term trade receivables

The company does not have long-term trade receivables from group companies.



4.7. SHORT-TERM RECEIVABLES

4.7.1 Age structure of trade receivables

Year	Category	Before maturity (CZK thou.)	After maturity (CZK thou.)					Total after maturity (CZK thou.)	Total (CZK thou.)	Surcharges * (CZK thou.)	Total including surcharges (CZK thou.)
			0–90 days	91–180 days	181–365 days	1–2 years	2+ years				
2008	Gross	287 076	22 314	4 508	2 882	25 919	29 316	84 939	372 015	312 206	684 221
	Provisions	0	0	2 760	881	2 226	28 816	34 683	34 683	128 757	163 440
	Net	287 076	22 314	1 748	2 001	23 693	500	50 256	337 332	183 449	520 781
2007	Gross	592 996	11 628	16 562	14 169	24 526	20 115	87 000	679 996	281 466	961 462
	Provisions	0	0	0	154	813	14 622	15 589	15 589	112 586	128 175
	Net	592 996	11 628	16 562	14 015	23 713	5 493	71 411	664 407	168 880	833 287

*) Surcharges item contains receivables from fare surcharges and receivables for fares from ticket surcharges. These are mainly receivables after the maturity date.

Major receivables include receivables from the sale of SMS tickets, fixed-period passes and revenues from the lease of advertisement spaces. These are receivables before the maturity date.

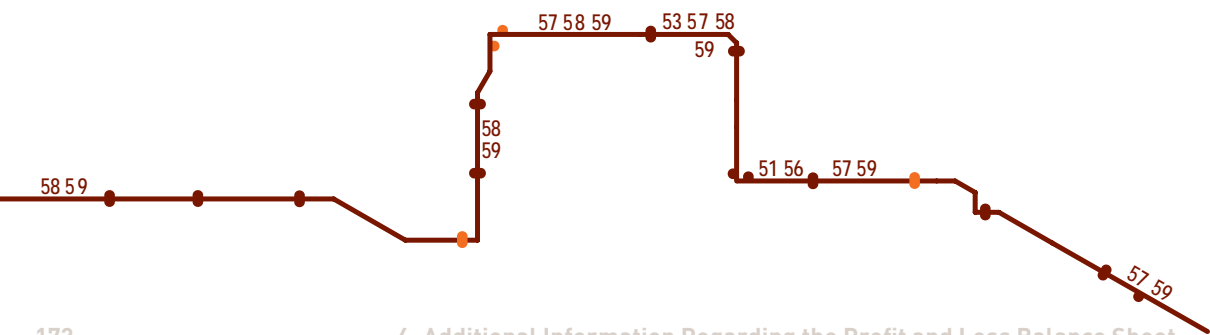
4.7.2 Receivables from group companies

SHORT-TERM RECEIVABLES		
Company Name	Balance as at 31 Dec 2008 (CZK thou.)	Balance as at 31 Dec 2007 (CZK thou.)
HLAVNÍ MĚSTO PRAHA	945	497
GTR-DP Praha s.r.o.	24	23
Pražská energetika, a.s.	9 873	3 900
Pražská plynárenská, a.s.	180	271
Pražská strojírna a.s.	33 584	54 174
Pražská teplárenská a.s.	5	15
Pražské služby, a.s.	11 677	5
PREdistribuce, a.s.	17	17
RENCAR PRAHA, a.s.	47 859	46 569
Střední průmyslová škola dopravní, a.s.	861	612
Total short-term receivables from group companies	105 025	106 083
Receivables from non-group companies	1 173 011	1 847 258
Total short-term receivables	1 278 036	1 953 341

4.7.3 Receivables from group companies

SHORT-TERM TRADE RECEIVABLES

Company Name	Balance as at 31 Dec 2008 [CZK thou.]	Balance as at 31 Dec 2007 [CZK thou.]
HLAVNÍ MĚSTO PRAHA	945	497
GTR-DP Praha s.r.o.	24	23
Pražská teplárenská a.s.	5	15
Pražská strojírna a.s.	26 254	45 844
Pražské služby, a.s.	11 677	5
PREdistribuce, a.s.	17	17
RENCAR PRAHA, a.s.	47 859	46 569
Střední průmyslová škola dopravní, a.s.	861	612
Total short-term receivables from group companies	87 642	93 582
Receivables from non-group companies	596 579	867 880
Total short-term trade receivables	684 221	961 462



4.7.4 Other short-term receivables

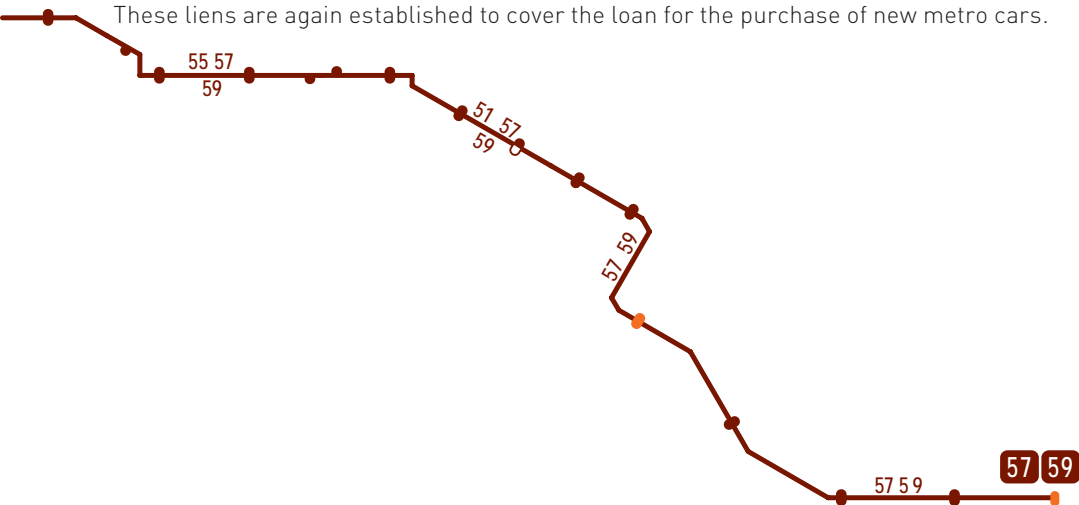
The Receivables from taxes and subsidies item created by a receivable by virtue of an excessive VAT deduction for November and December 2008 of CZK 512,723,000, as at 31 Dec 2007 the amount is reported at CZK 886,539,000.

The Estimated receivables shows as at 31 Dec 2008 a balance of CZK 29,011,000; as at 31 Dec 2007 these receivables amounted to CZK 43,873,000. There was a drop in estimated receivables due to the non-reporting of a premium refund from an insurance company due to an insurance incident (fire) in garage premises in Řepy. The most significant item in estimated receivables consisted of non-invoiced revenues from contractual transporters for dispatcher services and transport stop care amounting to CZK 7,000,000.

4.7.5 Right of lien

The company has established a lien on all receivables for the City of Prague, arising from the agreement on transport services and on receivables from the payment of indemnity for a claim on the metro cars purchased with the loan.

These liens are again established to cover the loan for the purchase of new metro cars.



4.8. EQUITY

Statement of changes in equity

The company's own capital contains accounts of the account group 41, 42 including profit and loss for the current accounting period. During the 2008 accounting period there occurred an increase in equity by CZK 57 659 000.

Account	Registered capital (CZK thou.)	Other capital funds (CZK thou.)	Estimated changes in asset and liability values (CZK thou.)	Retained loss (CZK thou.)	Profit and loss of current fiscal period (CZK thou.)	Equity (CZK thou.)
Starting balance as at 1 Dec 2007	30 726 125	30 907 815	92 729	- 1 635 676		60 090 993
Movements influencing total equity						
Profit/loss results for the current year					- 1 838 256	- 1 838 256
Gifts/easements obtained free of charge		8 401				8 401
Valuation of property and buildings		-160 398				-160 398
Gains from revaluation of securities and shares			- 24 944			- 24 944
Movements not influencing total equity						
Final balance of 31 Dec 2007 = Starting balance 1 Jan 2008	30 726 125	30 755 818	67 785	- 1 635 676	- 1 838 256	58 075 796

Account	Registered capital (CZK thou.)	Other capital funds (CZK thou.)	Estimated changes in asset and liability values (CZK thou.)	Retained loss (CZK thou.)	Profit and loss of current fiscal period (CZK thou.)	Equity (CZK thou.)
Movements influencing total equity						
Profit/loss results for the current year					50 954	50 954
Gifts/easements obtained free of charge		11 258				11 258
Valuation of property and buildings		1 209				1 209
Gains from revaluation of securities and shares			-9 217			- 9 217
Other surplus of fixed assets are not depreciated		3 455				3 455
Movements not influencing total equity						
Other				- 1 838 256	1 838 256	
Final Balance as at 31 Dec 2008	30 726 125	30 771 740	58 568	- 3 473 932	50 954	58 133 455

4.9. RESERVES

	Balance as at 1 Jan 2007	Creation	Drawdown	Balance as at 31 Dec 2007	Creation	Drawdown	Balance as at 31 Dec 2008
Reserves for repairs to TFA	0	800 946	0	800 946	755 195	45 734	1 510 407
Reserves for annuities	0	0	0	0	5 249	0	5 249
Reserves for lawsuits	0	0	0	0	12 526	0	12 526
Reserves for loan interest	100 000	0	100 000	0	0	0	0
Total reserves	100 000	800 946	100 000	800 946	772 970	45 734	1 528 182

According to the budget, the company planned reserves for the repairs of the fixed tangible assets in the total of CZK 1,821,270,000. The repairs mainly concern the Metro Transport Route, Tram Transport Route and Immovable Property Management units. The remainder of reserves will be created in 2009.

Other reserves were first created in 2008 due to caution with liabilities created based on past events (reserves for annuities not covered by the insurance company) and to cover liabilities that could mean the outlaying of funds (reserves for lawsuits).

4.10. LONG-TERM TRADE PAYABLES

The long-term trade payables shows as at 31 Dec 2008 a balance of CZK 8,151,000 as at 31 Dec 2007 these receivables amounted to CZK 7,862,000.

The total amount of liabilities with payment due dates longer than 5 years as at 31 Dec 2008 is CZK 1,713,000, as at 31 Dec 2007 this amount was CZK 1,562,000.

4.10.1 Long-term payables to group companies

Long-term trade payables

The company does not have long-term trade payables to group companies.

4.10.2 Liabilities covered by right of lien or in another way

On 15 June 2005 there was concluded a lien agreement between the borrower Prague Public Transport Company and the creditors of banks that participated in the loan provided to Prague Public Transport Company for new metro trains. A lien is attached to 100 electric metro motor cars. The lien is established pursuant to the agreement for a period until the full and proper repayment of the loan.

In connection with the loan agreement (see 4.12.1), an agreement on blank promissory note completion and use of cheques was concluded. This agreement ensures the performance of the obligations of the company toward creditors from the loan agreement for the purchase of metro cars.

Other fixed assets with liens on them – see 4.3.1.

4.11. SHORT-TERM LIABILITIES

4.11.1 Age structure of trade payables

Year	Category	Before maturity (CZK thou.)	After maturity (CZK thou.)					Total after maturity (CZK thou.)	Total (CZK thou.)
			0–90 days	91–180 days	18–365 days	1–2 years	2+ years		
2008	Short-term	1 262 407	119 235	-597	*4 650	9	-22	123 275	1 385 682
2007	Short-term	2 584 549	98 376	33 238	261	3	-25	131 853	2 716 402

*) A payable of CZK 4 647 000 will be offset by a receivable in February 2009.

4.11.2 Payables to group companies

SHORT-TERM TRADE RECEIVABLES		
Company Name	Balance as at 31 Dec 2008 (CZK thou.)	Balance as at 31 Dec 2007 (CZK thou.)
GTR-DP Praha s.r.o.	104	0
Informační služby – energetika, a.s.	3	0
Pražská energetika, a.s.	32 538	19 132
Pražská plynárenská, a.s.	846	920
Pražská strojírna a.s.	5 911	409
Pražská teplárenská a.s.	1 362	855
Pražské služby, a.s.	369	3 382
PREdistribuce, a.s.	3	101
RENCAR PRAHA, a.s.	4 647	0
Střední průmyslová škola dopravní, a.s.	2 929	2 941
Total short-term payables to group companies	48 712	27 740
Payables to non-group companies	1 336 970	2 688 662
Total short-term liabilities	1 385 682	2 716 402

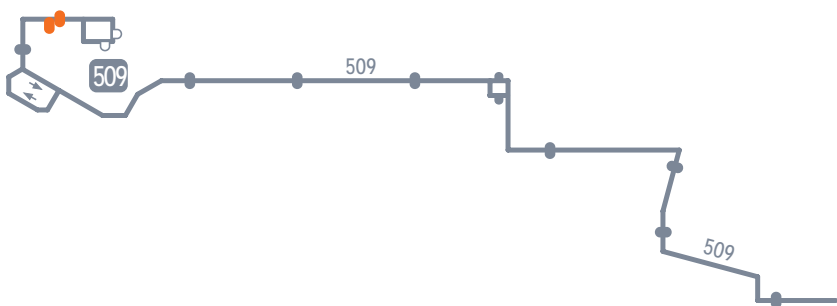
In 2008 the company accepted a bank guarantee for the subsidiary Pražská strojírna a.s. in that if the subsidiary is in default with payment of the secured receivables, Prague Public Transport Company will pay them up to CZK 12,727,000.

4.11.3 Subsidies

The balance sheet line item Liabilities B.III.7.2 Subsidies shows a balance of CZK 66,814,000 as at 31 Dec 2007 this amount was CZK 60,107,000 as broken down below:

	2008 (CZK thou.)	2007 (CZK thou.)
For the acquisition of fixed assets		
• from the City of Prague's budget	58 945	52 245
For operation from the European Union		-694
Subsidies for PIT zones, student fares	-1 417	
Special-purpose subsidy for operation	73	
Financial settlement	9 213	8 556

The structure of provided subsidies is described in 4.1.2.



4.12. BANK LOANS

4.12.1 Long-term bank loans

On 15 May 2002 a loan agreement was concluded between the borrower (the company) and the creditors Česká spořitelna, a. s. a Československá obchodní banka a. s. for the purchase of 20 new metro trains in the amount of CZK 1,500,000,000 and EUR 89,928,000. The loan was drawn by November 2004 and paid back in quarterly instalments from December 2004. So far seventeen of sixty-one instalments have been repaid. The loan will be fully repaid in 2019.

The loan's annual interest rates vary due to the fact that the various amounts are drawn at different times. From the part of the loan drawn in EUR via ČSOB, a.s. interest in the first quarter 5.98% – 6.86% and in the following period the interest was fixed at 5.35%. From the part of the loan in EUR drawn through ČS, a. s. the interest was fixed at 5.35% for the entire year. The listed interest includes a 1.35% margin.

The interest rates from the part drawn in CZK and covered by ČS are not fixed and in 2008 they ranged from 3.9% – 4.22% plus a 1.35% margin. The interest rates from the part drawn in CZK and covered by ČSOB are from 2Q secured by an interest-rate option ranging from 3.85% – 5.7% plus a 1.35% margin.

Bank / Creditor	Currency of loan	Balance as at 31 Dec 2008 [CZK thou.]	Balance as at 31 Dec 2007 [CZK thou.]	Form of security 2008
Česká spořitelna – agent – loan for new metro trains	CZK	1 081 967	1 180 328	trains purchased with loan
Česká spořitelna – agent – loan for new metro trains	EUR	1 746 845	2 240 439	trains purchased with loan
Česká spořitelna-account current	CZK	-	-	
Total		2 828 812	3 420 767	

The loan balance in EUR is as at 31 Dec 2008 EUR 64 866 142.18 (as at 31 Dec 2007 it was EUR 70 763 064.12).

REPAYMENT SCHEDULE

Bank / Creditor	2008 (CZK thou.)	2009 (CZK thou.)	2010 (CZK thou.)	2011 (CZK thou.)	2012 (CZK thou.)	In later periods (CZK thou.)
Česká spořitelna – agent – CZK thou.	98 361	98 361	98 361	73 770	122 951	688 524
Česká spořitelna – agent – EUR thou.	5 897	5 897	5 897	4 423	7 371	41 278
– in CZK thou.	158 804	158 804	158 804	119 103	198 506	1 111 628
Total payments in CZK	257 165	257 165	257 165	192 873	321 457	1 800 152

The part of the loans repayable before 31 Dec 2009 is in accordance with the valid accounting regulations reported in item B.IV.2 – Short-term bank loans.

4.13. DERIVATIVE INSTRUMENTS

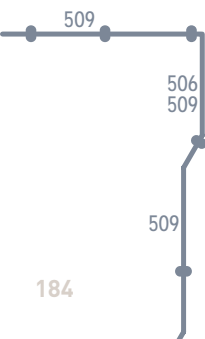
The company has financial derivatives that serve in accordance with the company's risk management strategy as an effective hedging instrument, but, according to Czech accounting regulations, they cannot be entered as derivatives for hedging because they do not satisfy requirements for hedge accounting.

The company does enter in accounts financial derivatives for trading that are assigned a fair value and entered in the profit/loss statement.

	Fair value as at 31 Dec 2008 (CZK thou.)
ČS currency swap	366 265
ČSOB currency swap	125 487
COLLAR interest-rate option - ČSOB	21 424
Oil hedging	138 187
Total	651 363

Entering financial derivatives into accounts has the following impact on costs and revenues:

- Earnings from revaluation of derivative transactions CZK 87,726,000.
- Costs from revaluation of derivative transactions CZK 165,378,000.
- Extraordinary costs CZK 573,710,000 (see 3.15)



4.15. PAYABLES FROM SOCIAL, HEALTH AND LIFE INSURANCE, SUPPLEMENTARY PENSION INSURANCE AND TAX LIABILITIES

4.15.1 Payables from social, health and life insurance and supplementary pension insurance

The amount of payables for premiums for social security and contribution to the state employment policy as at 31 Dec 2008 was CZK 106,912,000 (as at 31 Dec 2007 it was CZK 95,421,000).

The amount of payables for public health insurance as at 31 Dec 2008 was CZK 46,071,000 (as at 31 Dec 2007 it was CZK 42,683,000).

The amount of payables for life insurance as at 31 Dec 2008 was CZK 205,000 (in 2007 no contribution for health insurance was provided).

The amount of payables for supplementary pension insurance as at 31 Dec 2008 was CZK 3,370,000 (as at 31 Dec 2007 it was CZK 2,272,000).

All payables are before the payment due date.

4.15.2 Tax liabilities with locally relevant tax bodies

	Balance as at 31 Dec 2008 (CZK thou.)	Balance as at 31 Dec 2007 (CZK thou.)
Income tax on individuals	43 506	43 136
Road tax	222	0
Environmental tax	51	0
Total	43 779	43 136

All payables are before the payment due date.

4.16. EARNINGS FROM ORDINARY ACTIVITIES ACCORDING TO MAIN ACTIVITIES

	2008 (CZK thou.)	2007 (CZK thou.)
Total revenues from sales of own goods and services including:	4 875 341	4 295 471
Revenues from regular transportation fares	4 378 171	3 778 729
Other revenues of which:	497 170	516 742
• Lease	241 376	234 170
• Revenues from fare surcharges	175 875	142 805

In 2008 revenues from regular transportation fares showed a year-on-year increase of CZK 599,442,000. The change in ticket price in Prague public transport, executed on the basis of the resolution of the Prague City Council no. 1745 from 13 Nov 2007 with effect from 1 Jan 2008 had an extremely favourable impact on PIT revenues (not including revenues from fare surcharges) in 2008.

In connection with the plan of gradual transition to electronic fares from August 2008 a new PIT tariff was introduced to simplify the tariff categories. In relation to the change in the tariff system on 29 September 2008 the internet sale of tickets and passes was launched. This began the significant change in the way tickets are sold. In addition, the sale of annual coupons for 2009 in electronic form, recorded on the Opencard, was begun. Contributing to the transition to modern tickets was a special bonus provided to everyone who purchased the annual pass for 2009 before 31 Oct 2008.

Revenues from other services including revenues from other activities, namely the lease of land, buildings and non-residential spaces, flats, spaces on movable assets, from construction work in reconstructing tram tracks, establishing easements, etc.

4.16.1 Earnings generated with affiliated entities

2008					
Entity	Relation to the company	Inventories (CZK thou.)	Services (CZK thou.)	Other (CZK thou.)	Total (CZK thou.)
GTR-DP Praha s.r.o.	subsidiary		72		72
CITY OF PRAGUE	parent company		4 721		4 721
Pražská energetika, a.s.	other company		164	635	799
Pražská plynárenská Distribuce, a.s., member of the concern Pražská plynárenská, a.s.	other company		19		19
Pražská plynárenská Servis distribuce, a.s., member of the concern Pražská plynárenská, a.s.	other company		30		30
Pražská strojírna a.s.	subsidiary	27 238	45		27 283
Pražská teplárenská a.s.	other company		21		21
Pražské služby, a.s.	sister company		24	11 668	11 692
PREdistribuce, a.s.	other company		366	400	766
PREměření, a.s.	other company			376	376
RENCAR PRAHA, a.s.	subsidiary	45	90 563		90 608
Střední průmyslová škola dopravní, a.s.	subsidiary	8	3 796		3 804
TERMONTA PRAHA a.s.	other company		2		2
Total		27 291	99 823	13 079	140 193

2007

Entity	Relation to the company	Inventories (CZK thou.)	Services (CZK thou.)	Other (CZK thou.)	Total (CZK thou.)
GTR-DP Praha s.r.o.	subsidiary	429	124		553
CITY OF PRAGUE	parent company		3 919		3 919
Pražská energetika, a.s.	other company		167	1 413	1 580
Pražská plynárenská Distribuce, a.s., member of the concern Pražská plynárenská, a.s.	other company		2		2
Pražská plynárenská Servis distribuce, a.s., member of the concern Pražská plynárenská, a.s.	other company		3		3
Pražská strojírna a.s.	subsidiary	17 355	661		18 016
Pražská teplárenská a.s.	other company		18		18
Pražské služby, a.s.	sister company		46		46
PREdistribuce, a.s.	other company		623	1 327	1 950
PREměření, a.s.	other company			241	241
RENCAR PRAHA, a.s.	subsidiary	12	89 217		89 229
Střední průmyslová škola dopravní, a.s.	subsidiary	11	3 303		3 314
Total		17 807	98 083	2 981	118 871

4.16.2 Purchases made with affiliated entities

2008					
Entity	Relation to the company	Inventories (CZK thou.)	Services (CZK thou.)	Other (CZK thou.)	Total (CZK thou.)
GTR-DP Praha s.r.o.	subsidiary		34 851		34 851
CITY OF PRAGUE	parent company	12	591		603
Informační služby – energetika, a.s.	other company		14		14
Kolektory Praha, a.s.	sister company		400		400
Pražská energetika, a.s.	other company	835 955	2	3 244	839 201
Pražská plynárenská, a.s.	other company	20 805		126	20 931
Pražská plynárenská Servis distribuce, a.s., member of the concern Pražská plynárenská, a.s.	other company		5		5
Pražská strojírna a.s.	subsidiary	71 817	1 936		73 753
Pražská teplárenská a.s.	other company	17 686	17		17 703
Pražské služby, a.s.	sister company	124	10 995		11 119
PREdistribuce, a.s.	other company		495		495
RENCAR PRAHA, a.s.	subsidiary	3 916			3 916
Střední průmyslová škola dopravní, a.s.	subsidiary	20	29 354		29 374
Total		950 335	78 660	3 370	1 032 365

2007

Entity	Relation to the company	Inventories (CZK thou.)	Services (CZK thou.)	Other (CZK thou.)	Total (CZK thou.)
GTR-DP Praha s.r.o.	subsidiary		13 707		13 707
CITY OF PRAGUE	parent company		430		430
Kolektory Praha, a.s.	sister company		306		306
Pražská energetika, a.s.	other company	804 966	2	2 302	807 270
Pražská plynárenská, a.s.	other company	15 602		199	15 801
Pražská strojírna a.s.	subsidiary	44 024	426		44 450
Pražská teplárenská a.s.	other company	15 002	19		15 021
Pražské služby, a.s.	sister company	478	7 636		8 114
PREdistribuce, a.s.	other company		525		525
PREměření, a.s.	other company		1		1
Střední průmyslová škola dopravní, a.s.	subsidiary		29 429		29 429
Total		880 072	52 481	2 501	935 054

4.16.3 Purchases and sales of fixed intangible, tangible and current liquid assets with affiliated entities

Sales

2008			
Entity	Relation to the company	TFA	
		Book value (CZK thou.)	Sales price (CZK thou.)
CITY OF PRAGUE	parent company	2 745	2 717
Total		2 745	2 717

2007			
Entity	Relation to the company	TFA	
		Book value (CZK thou.)	Sales price (CZK thou.)
Pražská strojírna a.s.	subsidiary	0	120
Total		0	120

Purchases

2008

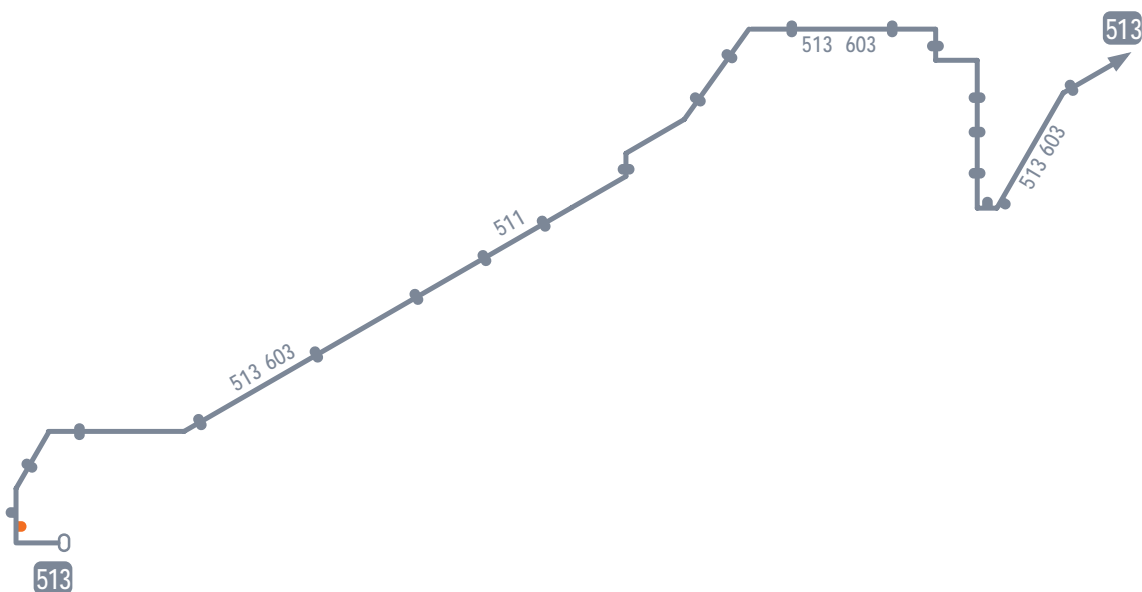
Entity	Relation to the company	IFA (CZK thou.)	TFA (CZK thou.)
Pražská energetika, a.s.	other company	0	66
Pražská plynárenská, a.s.	other company	0	24
Pražská plynárenská Distribuce, a.s., member of the concern Pražská plynárenská, a.s.	other company	0	569
Pražská teplárenská a.s.	other company	0	315
Pražské služby, a.s.	sister company	0	6
PREdistribuce, a.s.	other company	0	4 357
Total		0	5 337

2007

Entity	Relation to the company	IFA (CZK thou.)	TFA (CZK thou.)
CITY OF PRAGUE	parent company	20	1 356
Pražské služby, a.s.	sister company	0	15
PREdistribuce, a.s.	other company	0	3
Total		20	1 374

4.17. CONSUMED PURCHASES

Consumption of	2008 (CZK thou.)	2007 (CZK thou.)
materials	1 188 673	1 192 295
energy, gas, heat	1 070 428	1 007 706
oil, oils, lubricants, Fridex	749 349	664 458
clothes and protective aids	62 941	68 575
small tangible assets	48 402	53 367
Other	13 386	22 468
Total	3 133 179	3 008 869



4.18. SERVICES

	Before 31 Dec 2008 (CZK thou.)	Before 31 Dec 2007 (CZK thou.)
Repairs and maintenance	915 523	690 230
Services related to transport performance – total	357 091	348 332
Servicing	291 290	246 970
Czech heat – energy services	180 029	177 948
Remuneration for sale of tickets	176 863	35 242
Expenses for cleaning work in spaces and vehicles of MHD	145 785	139 131
Cooperation services for orders – MHD	144 566	152 180
Data system services	124 570	84 434
Advertising-related services	121 665	39 669
Consultancy and audit-related costs	87 824	45 593
Costs for translations, expert opinions, studies, expertise, analyses	69 889	155 473
Other services	382 682	232 419
Total	2 997 777	2 347 621

4.19. DEPRECIATION OF TANGIBLE AND INTANGIBLE FIXED ASSETS

DEPRECIATION COMPARISAON ACCORDING TO ASSET CLASS			
class		depreciation for 2008 [CZK thou.]	depreciation for 2007 [CZK thou.]
1310	Software	58 304	28 287
1400	Patents, rights and royalties	200	200
1900	Other intangible fixed assets	7 381	6 568
2110	Tracks	196 340	213 649
2111	Metro power system	124 647	125 276
2112	Metro tunnels	330 441	360 315
2113	Metro technical equipment	15 793	16 432
2114	Station posts, waiting rooms, bus and tram shelters	6 222	3 757
2115	Buildings overhead	45 796	45 556
2116	Buildings and halls overhead	135 055	131 370
2117	Constructions overhead	51 547	40 671
2118	Communication and security equipment	33 138	34 983
2210	MYPOL handling system	10 785	14 617
2211	VT means – computers	38 191	62 538
2212	Communication and security equipment – hardware	253 251	267 427
2213	Metro technical equipment	73 382	98 484
2214	Hardware and equipment overhead	150 013	300 466
2215	Metro power system – hardware	71 283	70 492

class		depreciation for 2008 (CZK thou.)	depreciation for 2007 (CZK thou.)
2216	Funicular	0	0
2221	Metro cars	525 743	504 499
2222	Trams	122 924	164 017
2224	Standard buses	41 531	29 539
2225	Articulated buses	48 229	54 785
2226	Standard low-floor buses	87 607	102 388
2227	Articulated low-floor buses	14 250	16 627
2228	Metro escalators, lifts	67 726	67 161
2229	Company cars	4 945	7 724
2230	Other cars	12 966	16 603
2231	Other means of transport	23 180	24 545
2240	Inventory	1 435	1 610
	Net book value of disposed fixed assets	34 550	2 174
Total		2 586 855	2 812 760

For information – depreciation of subsidised fixed depreciated assets was CZK 1,255,468,000 in 2008.

In 2008 land parcels in Prague were sold – Nové Město for the significant market price of CZK 425,095,000. The book value of the parcels was CZK 12,471,000.

4.20. CHANGE IN PROVISIONS, RESERVES - OPERATION

	Before 31 Dec 2008 (CZK thou.)	Before 31 Dec 2007 (CZK thou.)
Change of status – Reserves for repairs to tangible assets	709 461	800 946
Change of status – other reserves	11 332	-100 000
Change of status – provisions to receivables	36 551	12 079
Change of status – tax provisions	-914	-6 016
Change of status – provisions to inventories	-16 819	63 108
Change of status – provisions to assets	-3 853	4 898
Total change of status	735 758	775 015

Reserves for annuities not covered by the insurance company of CZK 6,433,000 were entered to other extraordinary costs, since they were not entered in past years.

4.21. OTHER OPERATING REVENUES

A detailed description of subsidies to cover costs is included in 4.1.2.

	Before 31 Dec 2008 (CZK thou.)	Before 31 Dec 2007 (CZK thou.)
Subsidies to cover costs	7 297 266	7 687 869
Other operating revenues	311 218	273 431
Total	7 608 484	7 961 300

4.22. OTHER OPERATING COSTS

	Before 31 Dec 2008 (CZK thou.)	Before 31 Dec 2007 (CZK thou.)
Insurance expense	259 773	229 369
Compensation for work-related injury	26 554	20 974
Write off of transferred claim	15 163	582
Write off of claims from transport inspection	13 576	11 650
Other operating costs	82 009	456 086
Total	397 075	718 661

The drop in other operating costs in 2008 was mainly caused by the fact that in 2007 abandoned project amounting to CZK 413,699,000 were entered in the books.

4.23. REVENUES FROM THE SALE OF SECURITIES AND SHARES, SOLD SECURITIES AND SHARES

2007		
	Sales price (in CZK thou.)	Net book value (CZK thou.)
Fixed current liquid asset – sold shares of IDS spol. KVATRIS	55 437	50 803
Total	55 437	50 803

In 2008 the company did not report revenues from sales of securities and shares.

4.24. REVENUES FROM FIXED CURRENT LIQUID ASSETS

	Before 31 Dec 2008 (CZK thou.)	Before 31 Dec 2007 (CZK thou.)
Dividends – RENCAR PRAHA, a. s.	11 760	12 012
Total	11 760	12 012

4.25. EARNINGS FROM REVALUATION OF SECURITIES AND DERIVATIVES

	Before 31 Dec 2008 (CZK thou.)	Before 31 Dec 2007 (CZK thou.)
Change in fair value of ČS currency swap	87 726	–
Total	87 726	–

From 2008 the company has entered derivatives into accounts (see 3.15). The change in fair value on the line of the profit and loss statement Earnings from revaluation of securities and derivatives concern valuation as at 31 Dec 2008. There occurred through extraordinary earnings valuation of the loan according to the exchange rate for 31 Dec 2007 (see 4.30 Extraordinary items).

4.26. COSTS FROM REVALUATION OF SECURITIES AND DERIVATIVES

	Before 31 Dec 2008 (CZK thou.)	Before 31 Dec 2007 (CZK thou.)
Valuation of ČS confirmation transaction – oil hedging	138 187	–
Valuation of derivative transaction as at 31 Dec 2008 – COLLAR interest-rate option – ČSOB	21 424	–
Total change in fair value of ČSOB currency swap	5 767	–
Total	165 378	–

From 2008 the company has entered derivatives into accounts (see 3.15). The change in fair value on the line of the profit and loss statement Costs from revaluation of securities and derivatives concern valuation as at 31 Dec 0.2008. There occurred through extraordinary costs valuation of derivatives according to fair value on 31 Dec 2007 (see 4.30 Extraordinary items).

4.27. INTEREST INCOME

	Before 31 Dec 2008 (CZK thou.)	Before 31 Dec 2007 (CZK thou.)
Interest on bank current accounts	22 465	28 627
Interest – notarial custody	957	262
Total	23 422	28 889

4.28. OTHER INVESTMENT INCOME

	Before 31 Dec 2008 (CZK thou.)	Before 31 Dec 2007 (CZK thou.)
Earnings of ČS financial confirmation – oil hedging	14 608	–
Earnings from derivative transactions – interest-rate hedging	8 014	–
Premium refund received from insurance company	–	25 528
Other investment income	4	16
Total	22 626	25 544

4.29. OTHER INVESTMENT COSTS INCLUDING INTEREST

	Before 31 Dec 2008 (CZK thou.)	Before 31 Dec 2007 (CZK thou.)
Interest from loan for purchase of metro wagons	180 884	195 612
Exchange rate differences (profit and loss balance)	59 727	158
Costs from ČS financial confirmation – oil hedging	11 316	–
Bank expenditures	6 549	5 199
Underpayment and damage to current liquid assets	–	38
Total	258 476	201 007

The increase in exchange rate losses is caused by a revaluation of the loan in EUR as at the date of balance. A revaluation of the loan according to the exchange rate for 31 Dec 2007 was made for 2007 via extraordinary earnings (see 4.30).

4.30. EXTRAORDINARY ITEMS

COSTS

	Before 31 Dec 2008 (CZK thou.)	Before 31 Dec 2008 (CZK thou.)
Adjustments from past accounting periods – valuation of derivative transactions from 2007 - ČSOB	119 719	–
Adjustments from past accounting periods – valuation of derivative transactions from 2007 - ČS	453 991	–
Adjustments from past accounting period – assessment of reserves for annuities not covered by the insurance company	6 443	–
Total	580 153	–

EARNINGS

	Before 31 Dec 2008 (CZK thou.)	Before 31 Dec 2008 (CZK thou.)
Adjustments from past accounting period – valuation of long-term bank loan	356 726	–
Total	356 726	–

There occurred a revaluation of the loan, valuation of derivatives and entry of reserves for annuities as at 31 Dec 2007 via extraordinary items.

5. EMPLOYEES, COMPANY MANAGEMENT AND STATUTORY BODIES

5.1. STAFF COSTS AND HEADCOUNT

2008					
	Number	Wage costs (CZK thou.)	Social and Health, security (CZK thou.)	Other costs (CZK thou.)	Staff costs (CZK thou.)
Employees	11 533	3 743 774	1 300 968	269 639	5 314 381
Company management	20	31 349	9 922	368	41 639
Member of company's statutory bodies	0	0	167	1 590	1 757
Total	11 553	3 775 123	1 311 057	271 597	5 357 777

2007					
	Number	Wage costs (CZK thou.)	Social and Health, security (CZK thou.)	Other costs (CZK thou.)	Staff costs (CZK thou.)
Employees	12 229	3 671 785	1 272 703	239 465	5 183 953
Company management	21	30 544	10 691	431	41 666
Member of company's statutory bodies	0	0	0	2 203	2 203
Total	12 250	3 702 329	1 283 394	242 099	5 227 822

*) The employee headcount is taken from the average converted status of workers

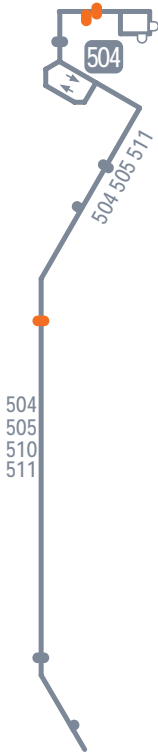
"Company Management" is understood as the director general, division directors, and unit managers.

5.2. PROVIDED CREDIT, LOANS OR OTHER

Select members of executive bodies were provided with the use of company cars (abiding by taxation regulations pursuant to Act no. 586/1992 Coll., on income tax, section 6 as amended).

No loans were provided to shareholders or to members of statutory, supervisory or executive bodies.

Supplementary pension insurance and life insurance was only provided to statutory and supervisory body members who were also company employees.

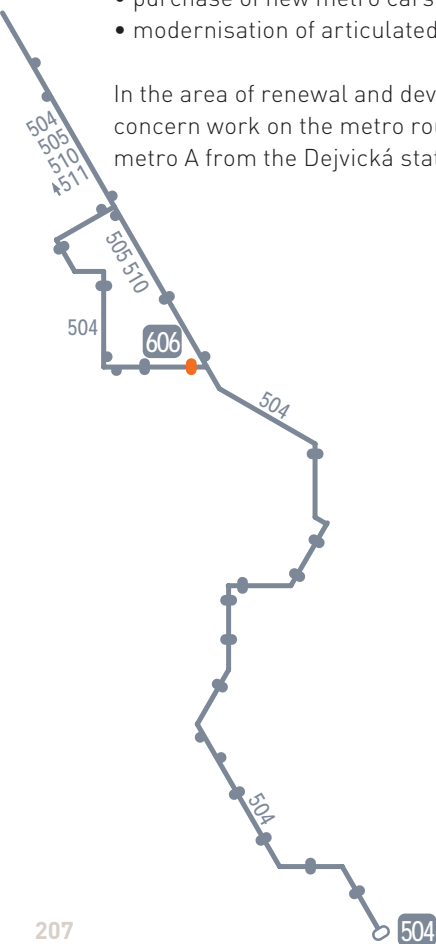


6. LIABILITIES NOT LISTED IN ACCOUNTS

Contract payables for the renovation and development of rolling stock and other investments from purchase agreements validly concluded up to the year 2017 is CZK 220,596,320,000. The most significant item is:

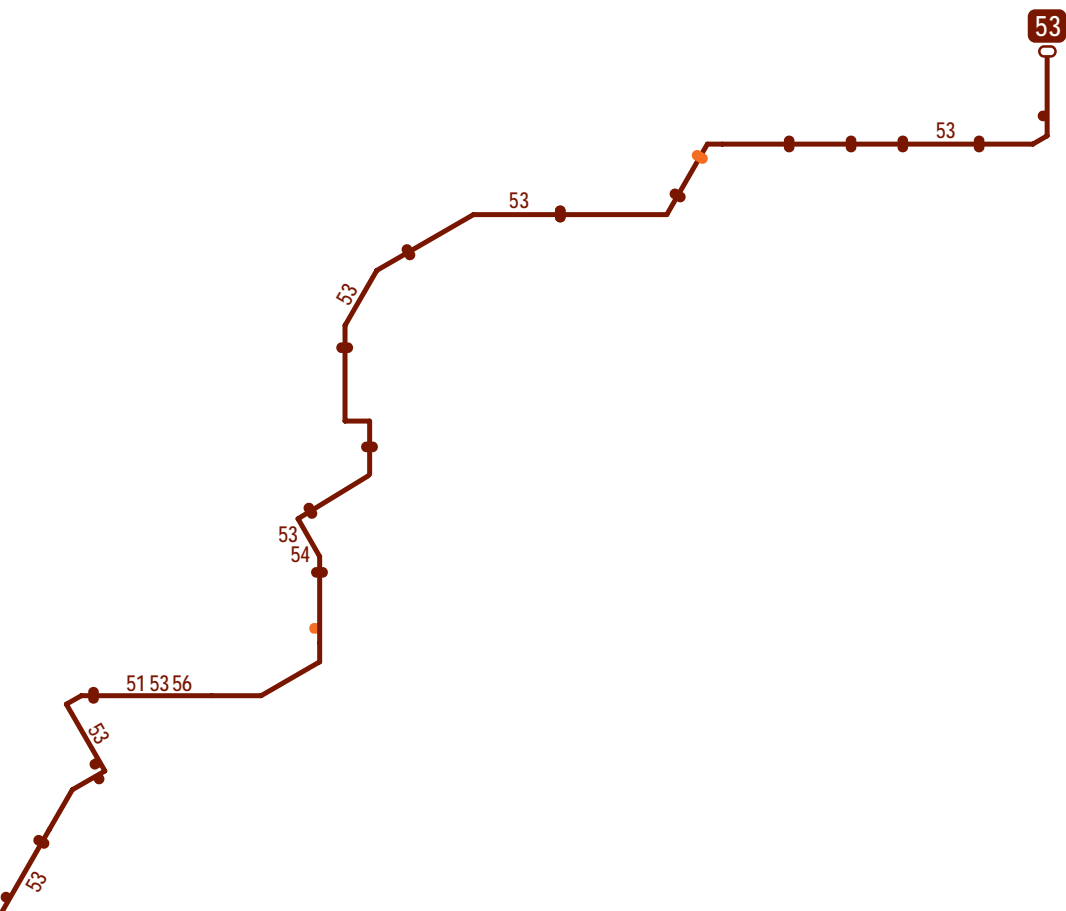
- the purchase of low-floor articulated buses T14 and T15 amounting to CZK 15,873,500,000;
- reconstruction of metro cars costing CZK 3,128,900,000;
- purchase of new metro cars costing CZK 1,052,000,000;
- modernisation of articulated cars KT8D5 costing CZK 452,500,000;

In the area of renewal and development of investment projects, contract payables mainly concern work on the metro route I V.C amounting to CZK 917,278,000 and the extension of metro A from the Dejvická station costing CZK 106,090,000.



7. APPROVAL OF FINANCIAL STATEMENT 2007

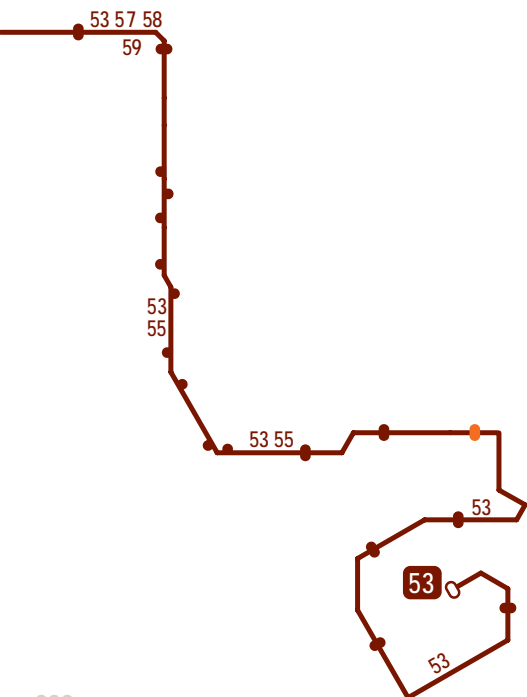
By resolution of the Prague City Council through the competence of the General Meeting of Prague Public Transport Company no. 598 from 20 May 2008 the financial statement for 2008 was approved with the following profit/loss result: CZK 1,838,256,000. The loss was transferred pursuant to this resolution to the account of account group 42 as a retained loss.



8. EVENTS THAT OCCURRED SUBSEQUENT TO THE DATE OF THE FINANCIAL STATEMENT

Part of the company consisting of an independent organizational component, not entered in the commercial register, was transferred by Prague Public Transport Company through the Agreement for the Support of the Full Service project to Siemens s.r.o. (Transport Systems Division), Company Reg. No.: 00268577, with registered office Praha 6, Evropská 33a, 160 00. The transfer was entered in the Commercial Register on 15 Jan 2009.

There occurred through this change a transfer of repair activities directly to the producer of the M1 cars with the assumption that technological processes will be improved and that repairs will be streamlined, along with the transfer of responsibility for the prompt supply of replacement parts and the care of all supplies related to this activity. Expected savings of CZK 110 million were quantified for the period of the agreement of the full service of Metro M1 for the period of 11 years.



9. CASH FLOW STATEMENT

		Before 31 Dec 2008 (CZK thou.)	Before 31 Dec 2007 (CZK thou.)
P.	Cash and cash equivalents at the start of the accounting period	583 292	1 231 869
Z.	Profit/loss from ordinary activities before taxation	-2 011 191	-1 911 049
A.1.	Adjustments by non-cash transactions (A.1.1 through A.1.5)	2 457 551	3 592 290
A.1.1.	Depreciation of fixed assets (+)	2 586 855	2 812 760
A.1.2.	Change in provisions, reserves (+/-)	740 990	776 226
A.1.3.	Profit (loss) from sale of fixed assets (profit-, loss+)	-427 050	-151 407
A.1.4.	Revenues from fixed financial assets (-)	-11 760	-12 012
A.1.5.	Interest expense (+) and revenue (-)	157 462	166 723
A.1.6.	Adjustments by other non-cash transactions	-588 946	
A*	Net cash flow from operational activity before changes (Z+A.1)	446 360	1 681 241
A.2.	Change in working capital (A.2.1. through A.2.3.)	709 554	-1 497 142
A.2.1.	Change in receivables from operational activities (+/-), accrued assets	680 858	-309 951
A.2.2.	Change in short-term liabilities from operational activities (+/-), accrued liabilities	-41 776	-1 192 827
A.2.3.	Change in inventories balance (+/-)	70 472	5 636
A**	Net cash flow from operational activity before taxation (A.*+A.2)	1 155 914	184 099
A.3.	Interest paid (-)	-180 884	-195 612
A.4.	Interest received (+)	23 422	28 889
A.5.	Paid (deferred) income taxes on normal activity (-/+)	0	0

		Before 31 Dec 2008 [CZK thou.]	Before 31 Dec 2007 [CZK thou.]
A.6.	Revenues and expenses related to extraordinary items (+/-)	-223 427	0
A.7.	Dividends and profit shares received (+)	11 760	12 012
A***	Net cash flow from operational activity (A.**+A.3 through A.6)	786 785	29 388
B.1.	Fixed asset acquisition (-)	-959 038	-105 009
B.2.	Sale of fixed assets A (+)	474 095	315 958
B.3.	Loans to related parties		
B***	Net cash flow from long-term activity (B.1 through B.3)	-484 943	210 949
C.1.	Change in liabilities from financing	-634 493	-888 914
C.2.	Impact of changes in own capital on equity [C.2.1 through C.2.6]	0	0
C.2.1.	Increase in equity by virtue of increase in registered capital		
C.2.2.	Refund of own capital to shareholders (-)		
C.2.3.	Other cash contributions		
C.2.4.	Settling of loss by shareholders, results from past years		
C.2.5.	Direct payments debited to funds (-)		
C.2.6.	Paid-out dividends and profit shares (-)		
C***	Net cash flow from financial activity (C.1+C.2+C.3)	-634 493	-888 914
F.	Net increase/decrease in cash (A.***+B.***+C.***)	-332 651	-648 577
R.	Cash and cash equivalents at the end of the accounting period (P+/-F)	250 641	583 292

10. APPROVAL OF APPENDIX TO FINANCIAL STATEMENT

Appendix to Financial Statement 2008

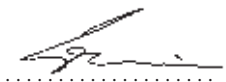
Prague Public Transport Company
Sokolovská 217/42, Praha 9

Approval

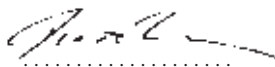
Appendix
to financial statement as at 31 Dec 2008

Long Form

Radovan Štenier
Chairman of the Board of Directors
Prague Public Transport Company



Martin Dvořák
Vice-chairman of the Board of Directors
Director General
Prague Public Transport Company



Prague, 9 March 2009
Prepared by: Pavla Maříková



REPORT ON RELATIONS BETWEEN RELATED ENTITIES

1. PREAMBLE

- 1.1. Prague Public Transport Company, with registered office at Sokolovská 217/42, Prague 9, company no.: 190 22, company no. 00005886, entered in the Commercial Register maintained by the Municipal Court in Prague, section B, insert 847 (hereinafter referred to as **"Controlled Entity"**) is an entity controlled by the City of Prague as the sole shareholder of the Controlled Entity.
- 1.2. The directly controlling entity controls, according to the information available to the Controlled Entity, these other entities: (hereinafter referred to as the **"Other entities controlled by the Directly Controlling Entity"**).
- a) Kolektory Praha, a. s. 267 27 790, with registered office at Prague 9, Pešlova 341/3, postal code 190 00, entered in the Commercial Register maintained by the Municipal Court in Prague, section B, insert 7813, company number: 26714124
 - b) Kongresové centrum Praha, a. s. with registered office at Prague 4, 5. května 65, postal code 140 21, entered in the Commercial Register maintained by the Municipal Court in Prague, section B, insert 3275, company number: 63080249
 - c) Obchodní společnost Praha - čisté město, a. s., with registered office at Prague 1, Celetná 29, postal code 110 00, entered in the Commercial Register maintained by the Municipal Court in Prague, section B, insert 3320, company number: 63080664
 - d) Obecní dům, a. s., with registered office at Prague 1, náměstí Republiky 1090/5, postal code 111 21, entered in the Commercial Register maintained by the Municipal Court in Prague, section B, insert 9990, company no.: 27251918
 - e) Pražská energetika Holding a.s., with registered office at Prague 10, Na Hroudě 4, postal code 10005 entered in the Commercial Register maintained by the Municipal Court in Prague, section B, insert 7020, company number: 26428059
 - f) Pražská plynárenská Holding a.s., with registered office at Prague 4, U Plynárny 500, postal code 14000 entered in the Commercial Register maintained by the Municipal Court in Prague, section B, insert 7151, company number: 26442272
 - g) Pražská teplárenská Holding a.s., with registered office at Prague 7, Partyzánská 1, postal code 17000 entered in the Commercial Register maintained by the Municipal Court in Prague, section B, insert 6889, company number: 26416808

- h) Pražská vodohospodářská společnost a.s., with registered office at Prague 1, Malá Strana, Cihelná 4, čp 548, postal code 11800 entered in the Commercial Register maintained by the Municipal Court in Prague, section B, insert 5290, company number: 25656112
- i) Pražské služby, a.s., with registered office at Prague 9, Pod Šancemi 444/1, postal code 19000 entered in the Commercial Register maintained by the Municipal Court in Prague, section B, insert 2432, company number: 60194120
- j) TCP-Vidoule, a. s., with registered office at Prague 2, Blanická 1008/28, postal code 120 00, entered in the Commercial Register maintained by the Municipal Court in Prague, section B, insert 5231, company number: 25649329
- k) TRADE CENTRE PRAHA akciová společnost /TCP/, with registered office at Prague 2, Blanická 1008/28, postal code 12000 00, entered in the Commercial Register maintained by the Municipal Court in Prague, section B, insert 43, company number: 00409316 l)
- l) Úpravna vody Želivka, a. s., with registered office at Prague 1, Cihelná 548, entered in the Commercial Register maintained by the Municipal Court in Prague, section B, insert 7437, company number: 26496224
- m) Zdroj pitné vody Káraný, a. s., with registered office at Prague 1, Cihelná 548, entered in the Commercial Register maintained by the Municipal Court in Prague, section B, insert 7438, company number: 26496402

1.3. With respect to the fact that in relation to the Controlled Entity there was not concluded a controlling agreement, the board of directors of the Controlled Entity prepared, in accordance with the provisions of section 66a par. 9 of Act no. 513/1991 Coll., of the Commercial Code as amended, this report on the relations between controlling and controlled entities. This report will be attached to the Controlled Entity's annual report and the sole shareholder of the Controlled Entity will have the opportunity to become acquainted within the same time period and under the same conditions as with the financial statement.

2. INFORMATION ON RELATIONS CONCERNING DIRECTLY CONTROLLING ENTITY

- 2.1. The agreements listed in appendix no. 1 were concluded between the Controlled Entity and the Directly Controlling Entity in the accounting period of 2007. These agreements were concluded under normal trade conditions and their performance and consideration correspond to normal trade conditions, so that in fulfilling these agreements the Controlled Entity cannot incur any loss.
- 2.2. No other legal acts were executed between the Controlled and Directly Controlling Entity in the interest of the Directly Controlling Entity.
- 2.3. No measures were passed in the interest of the Directly Controlling Entity.
- 2.4. No measures were passed in the interest of the Directly Controlling Entity.
- 2.5. No measures were passed upon the impetus of the Directly Controlling Entity.
- 2.6. No measures were introduced upon the impetus of the Directly Controlling Entity.

3. INFORMATION ON RELATIONS CONCERNING OTHER ENTITIES CONTROLLED BY A DIRECTLY CONTROLLING ENTITY

- 3.1. The agreements listed in appendix no. 2 were concluded between the Controlled Entity and Other Controlled Entities in the accounting period of 2008. These agreements were concluded under normal trade conditions and their performance and consideration correspond to normal trade conditions, so that in fulfilling these agreements the Controlled Entity cannot incur any loss.
- 3.2. No other legal acts were executed between the Controlled and Other Controlled Entities in the interest of Other Entities controlled by the Directly Controlling Entity.
- 3.3. No measures were passed in the interest of Other Entities controlled by the Directly Controlling Entity.
- 3.4. No measures were introduced in the interest of Other Entities controlled by the Directly Controlling Entity.
- 3.5. No measures were passed upon the impetus of Other Entities controlled by the Directly Controlling Entity.
- 3.6. No measures were introduced upon the impetus of Other Entities controlled by the Directly Controlling Entity.

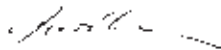
4. CONCLUSION

It is therefore clear that in the accounting period 2008 the Controlled Entity did not incur any asset loss.

On behalf of Prague Public Transport Company:



Radovan Šteiner
Chairman of the Board
of Directors



Martin Dvořák
Vice-chairman of the Board
of Directors

APPENDIX 1

Controlling Entity	Controlled Entity	Number of concluded agreements
The City of Prague	Prague Public Transport Company	4

APPENDIX 2

Other entities controlled by the directly controlling entity.	Controlled Entity	Number of concluded agreements
Kolektory Praha, a.s.	Prague Public Transport Company	7
Kongresové centrum Praha, a.s.	Prague Public Transport Company	
Obchodní společnost Praha – čisté město, a.s.	Prague Public Transport Company	
Obecní dům, a.s.	Prague Public Transport Company	
Pražská energetika Holding a.s.	Prague Public Transport Company	
Pražská plynárenská Holding a.s.	Prague Public Transport Company	5
Pražská teplárenská Holding a.s.	Prague Public Transport Company	1
Pražská vodohospodářská společnost a.s.	Prague Public Transport Company	2
Pražské služby, a.s.	Prague Public Transport Company	115
TCP – Vidoule, a.s.	Prague Public Transport Company	
TRADE CENTRE Praha a.s.	Prague Public Transport Company	
Úpravná vody Želivka, a.s.	Prague Public Transport Company	
Zdroj pitné vody Káraný, a.s.	Prague Public Transport Company	

AUDITOR'S REPORT



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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Dopravní podnik hl. m. Prahy, akciová společnost

Having its registered office at: Praha 5, Sokolovská 2174/1, 19003

Identification number: 00001089

Principal activities: operation of trams, underground trains (metro), trolleybus railway and railway transportation in the City of Prague; road passenger and freight motor transportation

Report on the Financial Statements

Based upon our audit, we issued the following audit report dated 9 March 2009 on the financial statements which are included in this annual report on the accompanying CD in the chapter "Financial statements for the year ended 31 December 2008":

"We have audited the accompanying financial statements of Dopravní podnik hl. m. Prahy, akciová společnost (hereinafter "DPH" or the "Company"), which comprise the balance sheet as of 31 December 2008, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Statutory Body's Responsibility for the Financial Statements

The Statutory Body is responsible for the preparation and fair presentation of these financial statements in accordance with accounting regulations applicable in the Czech Republic. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Except as discussed in the following sections, we conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

Audit, Tax, Consulting, Financial Advisory.

Member of
Deloitte Touche Tohmatsu

considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Qualification

In implementing investment construction, DPP affects the assets of other owners in certain cases. The majority of the affected assets are owned by the Prague Metropolitan Authority (the "Metropolitan Authority") and/or the organisations managed/founded by the Metropolitan Authority, such as the Road Technical Administration, etc. This may result in an improvement of the assets held by another owner. The Company reports the costs incurred in making such improvements as triggered investments held for assignment in line C.II.1 "Long-term trade receivables". DPP recorded the balances of the triggered investments of CZK 131,194 thousand and CZK 141,349 thousand in 2008 and 2007, respectively. Pursuant to Resolution No. 1447 passed by the Board of the Prague City Council on 17 September 2002 regarding the separation of the investment activities of DPP and the Metropolitan Authority, the Company has been seeking to settle these costs by selling the triggered investments to the organisations identified by the Metropolitan Authority and/or directly to the Metropolitan Authority. The last settlement of the triggered investments was made in terms of Resolution No. 4315 passed by the Prague City Council on 17 October 2002.

In our opinion, the costs referred to above do not represent a receivable unless a legal act establishing DPP's right to seek a settlement of the costs has taken place. As such, we believe that these assets should be reported as tangible fixed assets pending the conclusion of an agreement with the counterparty regarding the assumption of the assets or any other settlement and should also be depreciated accordingly. Given that the Company does not charge depreciation on these assets and has not undertaken a necessary analysis of their utilisation, we were unable to assess the net book value of the triggered investments as of 31 December 2008 or 31 December 2007.

Opinion

In our opinion, except for the effect of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the valuation of the triggered investments in 2007 and 2008, and except for the effect on the financial statements of the classification of these investments referred to in the preceding paragraph, the financial statements give a true and fair view of the financial position of Dopravní podnik hl. m. Prahy, akciová společnost as of 31 December 2008, and of its financial performance and its cash flows for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

Report on the Related Party Transactions Report

We have also reviewed the factual accuracy of the information included in the related party transactions report of Dopravní podnik hl. m. Prahy, akciová společnost for the year ended

31 December 2008 which is included in this annual report on the accompanying CD in the chapter 'Related party transactions report'. This related party transactions report is the responsibility of the Company's Statutory Body. Our responsibility is to express our view on the related party transactions report based on our review.

We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that we plan and perform the review to obtain moderate assurance as to whether the related party transactions report is free of material factual misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures and examination, on a test basis, of the factual accuracy of information, and thus provides less assurance than an audit. We have not performed an audit of the related party transactions report and, accordingly, we do not express an audit opinion.

The related party transactions report does not include a full summary of related party transactions and all the related party transaction amounts for the year ended 31 December 2008.

Except for the effect of the matter referred to in the preceding paragraph, nothing has come to our attention based on our review that indicates that the information contained in the related party transactions report of Dopravní podnik hl. m. Prahy, akciová společnost for the year ended 31 December 2008 contains material factual misstatements.


Report on the Annual Report

We have also audited the annual report for consistency with the financial statements referred to above. This annual report is the responsibility of the Company's Statutory Body. Our responsibility is to express an opinion on the consistency of the annual report and the financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that the auditor plan and perform the audit to obtain reasonable assurance about whether the information included in the annual report describing matters that are also presented in the financial statements is, in all material respects, consistent with the relevant financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the information included in the annual report is consistent, in all material respects, with the financial statements referred to above.

In Prague on 31 March 2009


Audit firm:
Deloitte Audit s.r.o.
Certificate no. 79
Represented by:


Václav Loubek, authorised employee

Statutory auditor:


Václav Loubek, certificate no. 2037

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Enclosed CD contains appendices to the Annual
Report: Financial statements as
at 31 December 2008
Report on Relations between Affiliated Entities

