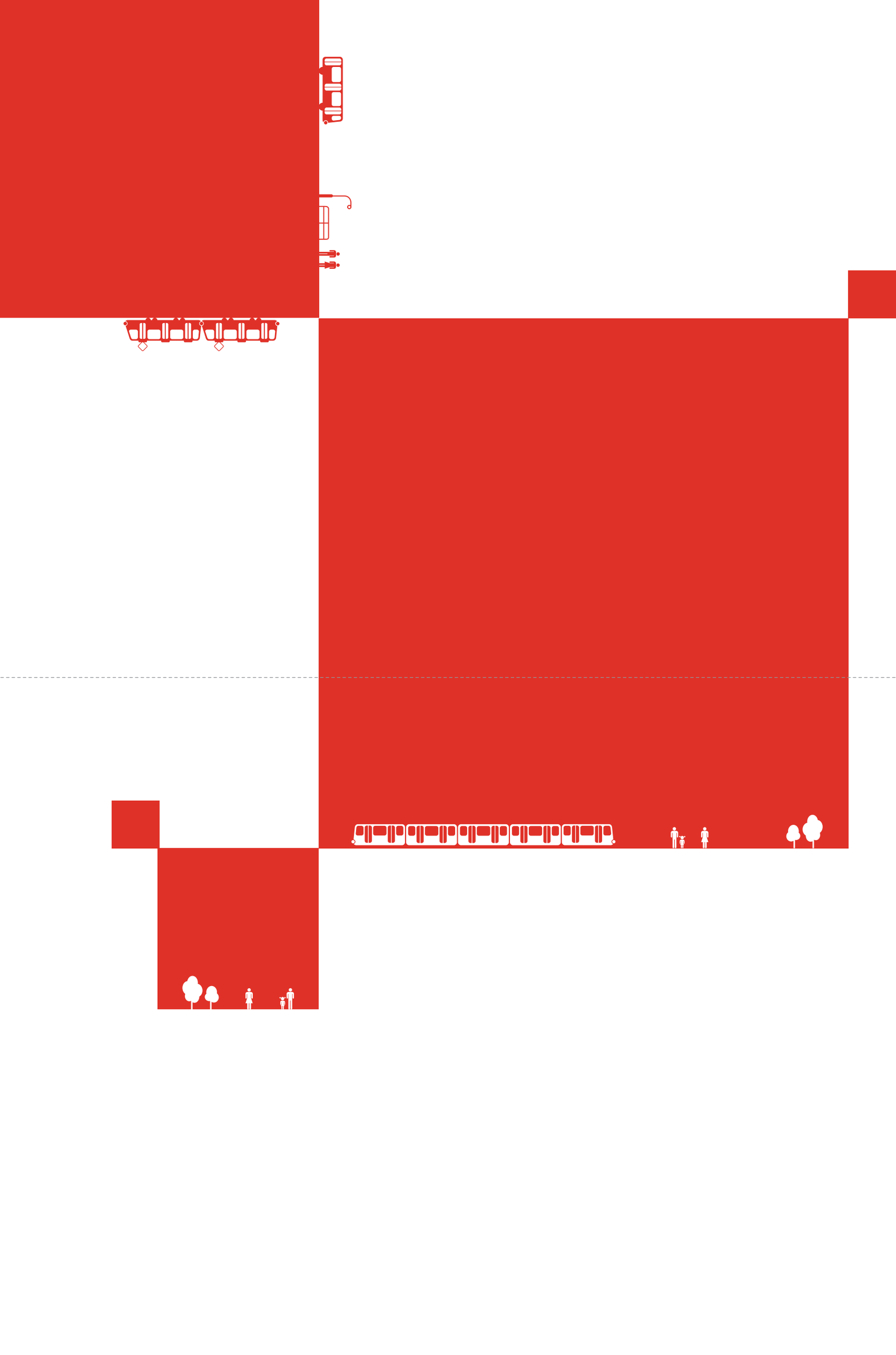
2016

ANNUAL REPORT

Dopravní podnik
hlavního města Prahy



ANNUAL REPORT 2016

CONTENT

Opening speech 4
Basic Identification Data on the Company 6
Organizational Chart as of 31. 12. 2016 7
Company's Bodies and Management Organizational Structure in 2016 8
Calendarium 12

TRANSPORT 15
- Quality of Services 15
- Performance of the Quality Standards 16
- Overview of Performed QMS External Audits 17
- Transport Network Development 18
- Transit Performances 18
- Services for Passengers with Disability of Movement and Orientation 18
- Historic Vehicles 19
- Public Mass Transport Preferences 19
- New Software for Timetables and Associated Tasks 19
- Timetables 19
- Transit Inspection 20
- Transit and Transport Researches 21
- Rate of Accidents 21
- Information for Passengers 22
- Transport Information Centres 23

TECHNIQUE 25
- Company's Fleet 25
- Transit Tracks 27
- Revision 30
- Facility Management 30
- Power Engineering 31

ECONOMY 33
- Introduction 33
- The Capital City of Prague 33
- Suburban Transport 34
- Trading Income 34
- Revenues from Fares 34
- JIT + Registry 35
- Archive 36
- Supplies Division 37
- Real Property Division 38
- Tenders, Tender Procedures Division 38
- Stock Economy Division 39

HUMAN RESOURCES 41
- Human Resources Strategy and Management 41
- Human Resources Development 41
- Wage Policy 41
- Social Policy 41
- Education and Development Programmes 42

SECURITY 45
- Crisis Planning 45
- Security and Protection of Property 45
- Occupational Health and Safety 47
- Fire Protection 47
- Inspection 48

INVESTMENT 51
- Priorities for the Coming Period 52

Marketing and Communication 57
Professional Relations 60
Companies with Investment Interest of the Prague Public Transit Co., Inc. 63
Report from the Supervisory Board 64
Report from the Auditing Committee 66
Act No. 106/1999 Coll. on free access to information 68

TABLE SECTION 70

Report on Relations 108
List of Abbreviations 116
Auditor's Report 117
Balance Sheet in Full Scope 122
Profit and Loss Statement in Full Scope 126
Changes in Equity Capital Statement 128

ANNEX TO THE FINANCIAL STATEMENTS 130

OPENING SPEECH

BY THE CHAIRMAN OF THE BOARD OF DIRECTORS AND MANAGING DIRECTOR

Dear Readers,

I am pleased to address you from my position to evaluate the period of the past year, when I was elected by the Supervisory Board of the Prague Public Transit Co. Inc. (DPP) to the office of the Board of Directors and became its Chairman.

First of all, I am glad that we succeeded to stabilize the company ´s management, which created the corporate strategy for the period of years 2016–2020. This document and thesis contained here form a backbone of DPP´s heading in the next four years, specifically in compliance with requirements of the owner. Our aim within this strategy is to be the first choice, when citizens and visitors of Prague make decision about transport in terms of speed, reliability, comfort and ecology. All these in view of maximum economic efficiency of corporate resources expended.

Our priority is also setting and real launch of individual recovery processes and development of transport infrastructure, company´s fleet and technologies. We envisage a lot of investments in the investment plan to ensure quality and in particular transport safety. DPP´s Board of Directors has approved this integrated and specific investment plan and thanks to it we can focus on a number of significant events in 2017, which will further enhance public mass transport passengers´ comfort. Thanks to effective recovery these investments will generate operating savings.

I, as the Chairman of the Board of Directors, can affirm that DPP is in good financial standing. We are successful at fulfilling of obligations and requirements from our sole shareholder and simultaneously against third parties. In 2016, DPP reported profit before tax amounting to TCZK 1,275,662. Even though we reported a positive trading income, DPP will not pay (also with respect to interruption of tax depreciation of long-term tangible assets and utilization of writing-off of claimable loss by tax) income tax for the accounting period 2016. The interruption of tax depreciation of long-term tangible assets in 2016 brought decrease in difference between the tax net book value and accounting net book value of these assets and thereby decrease in deferred tax liability, which was reflected directly into the amount of deferred tax for the year 2016. After inclusion of deferred tax, DPP generated profit after tax amounting to TCZK 1,835,451. Profit was realized in direct consequence of accounting for compensation, of which actual value reached the amount of TCZK 12,666,127 in the year 2016, out of it appropriate profit amounting to TCZK 991,000. The full value of allocated appropriate profit was reported in the profit accounts and will be used to cover reinvestment (recovery) projects. Positive operating trading income higher with MCZK 261 compared to the plan is very important within the total reported profit. We saved more than MCZK 430 in direct operating costs after deducting depreciations and other financial statement accounting operations. Together with drop in costs, in particular in the area of overhead administrative expenses and service operation, efficiency of the public mass transport in Prague improved.

I consider reaching of an agreement with representatives of labour unions of DPP as a key topic of the past year, i.e. at the end of 2016, we entered into an amendment to the collective bargaining agreement extending this agreement up to the year 2020. Apart from higher wages employees will get significantly better benefits and both parties consider this step as a reasonable compromise.

This way employees will benefit in next years from one percentage above the inflation rate for the previous calendar year and moreover DPP management has certainty about wage costs for a longer period of time. The society-wide situation in the Czech Republic indicates that conclusion of the amendment to the collective bargaining agreement in December 2016 was a strategic decision, which will allow us to realize many saving measures without affecting the amount of personal and wage costs up to the end of 2020.

Our company is strong enough to achieve even better results, when we take savings with the actual maintaining of high standard of services provided into account. We strive in cooperation with other municipal companies for advancing the Prague public mass transport, specifically just in the way of improving the quality of services on the level of the Smart City strategy. A lot of work is ahead of us in these coming years and I am sure that the greatest share in success consists in the human capital – our employees. The task of the company´s Board of Directors for the coming period will be effective management of all resources in the manner to satisfy the needs of the sole shareholder constantly.

Mgr. Martin Gillar

Chairman of the Board of Directors
and Managing Director of
The Prague Public Transit Co., Inc.

BASIC IDENTIFICATION DATA

ON THE COMPANY

Company's name:	**Dopravní podnik hl. m. Prahy, akciová společnost**
Registered office:	**Sokolovská 217/42, 190 22 Prague 9**
Company's ID No.:	**00005886**
Vat No.:	**CZ00005886**
Date of foundation:	**19. 3. 1991**
Date of establishment:	**11. 7. 1991**
Legal form:	**Joint-stock company**
Zakladatel:	**The Capital City of Prague**
Entities having share in the company's capital stock:	**The Capital City of Prague 100 %**
Companies Register:	**Prague Public Transit Co., Inc. was entered into the Companies Register maintained by the Municipal Court in Prague on 11. 7. 1991, file ref. Rg.: B 847 (in Section B, Insert No. 847)**
Capital stock:	**CZK 30,726,125,000**

ORGANIZATIONAL CHART

AS OF 31. 12. 2016

Company´s Bodies

- GENERAL ASSEMBLY
- Supervisory Board
- Auditing Committee
- BOARD OF DIRECTORS

Corporate Macrostructure

- TRANSPORT DEPARTMENT
  - Metro Operation Division
  - Tram Operation Division
  - Bus Operation Division
  - Historic Vehicles Division
- TECHNICAL DEPARTMENT
  - Metro Vehicles Management Division
  - Tram Vehicles Management Division
  - Vehicles and Buses Management Division
  - Metro Transit Track Division
  - Tram Transit Track Division
- ECONOMIC DEPARTMENT
  - Information Technology Division
- HUMAN RESOURCES DEPARTMENT
- SECURITY DEPARTMENT
- INVESTMENT DEPARTMENT
- COMPANY´S MANAGEMENT DEPARTMENT

COMPANY´S BODIES

ORGANIZATIONAL STRUCTURE IN 2016

BOARD OF DIRECTORS

The company's Board of Directors worked in the composition as of 1st January 2016:
Ing. Jaroslav Ďuriš, the Chairman of the Board of Directors, Bc. Magdalena Češková, the Vice-Chairman of the Board of Directors, PhDr. Jiří Špička, Ing. Ladislav Urbánek and RSDr. Antonín Fedorko, the Members of the Board of Directors.

On 18. 5. 2016, the company's Supervisory Board withdrew Ing. Jaroslav Ďuriš and Bc. Magdalena Češková from the office of the member of the Board of Directors and Mgr. Martin Gillar and Ing. Jan Šurovský, Ph.D. were elected to this office as of 19. 5. 2016.

The Board of Directors at its session held on 19. 5. 2016 elected Mgr. Martin Gillar to the office of the Chairman of the Board of Directors. Ing. Ladislav Urbánek was elected to the office of the Vice-Chairman of the Board of Directors at its session held on 10. 6. 2016.

In connection with expiration of the term of office of Ladislav Urbánek as of 16. 8. 2016 the Supervisory Board made resolution at its session held on 22. 6. 2016 on repeated election of Ing. Urbánek to the office of the member of the Board of Directors as of 17. 8. 2016. Then on 25. 7. 2016, the company´s Board of Directors elected again Ing. Ladislav Urbánek to the office of the Vice-Chairman of the Board of Directors as of 17. 8. 2016.

On 23. 11. 2016, the company´s Supervisory Board withdrew RSDr. Antonín Fedorko from the office of the member of the Board of Directors as of 30. 11. 2016 and elected JUDr. Jan Blecha to the office as of 1. 12. 2016.

The company´s Board of Directors at its session held on 1. 12. 2016 withdrew Ing. Ladislav Urbánek from the office of the Vice-Chairman of the Board of Directors and elected JUDr. Jan Blecha to the office of the Vice-Chairman of the Board of Directors.

SUPERVISORY BOARD

The Supervisory Board of the Prague Public Transit Co. Inc. (hereinafter only the "Supervisory Board") worked in the composition in the year 2016:
Petr Dolínek, the Chairman of the Supervisory Board, Ing. Jarmila Bendová, the Vice-Chairman of the Supervisory Board, Mgr. Petra Kolínská, the Vice-Chairman of the Supervisory Board, Bc. Oldřich Schneider, the Vice-Chairman of the Supervisory Board, Bc. Jan Kolář, Josef Buriánek, Václav Pospíšil, Jiří Obitko, Ing. Vojtěch Kocourek, Ph. D., Ing. Petr Hlubuček, JUDr. Petr Novotný, Martin Slabý, Jaroslav Štěpánek, Ing. Marek Doležal and Petr Šimůnek, the members of the Supervisory Board.

The following personnel changes took place at the Supervisory Board at the course of the year 2016:
It approved expiration of membership at the Supervisory Board to Mgr. Petra Kolínská as of 18. 2. 2016. On the basis of the resolution made by the General Assembly of 17. 5. 2016, by which Mgr. Petra Kolínská was elected to the office of the member of the Supervisory Board, the Supervisory Board elected Mgr. Petra Kolínská to the office of the Vice-Chairman of the Supervisory Board on 18. 5. 2016.

AUDITING COMMITTEE

The company's Auditing Committee worked in the composition of three members until February 2016. On 24. 2. 2016, the term of office of Ing. Miroslav Zámečník, the Chairman, expired. On 26. 6. 2016, the term of office of Ing. Pavel Černý expired. The General Assembly by reason of comparison of the terms of office of members of the Auditing Committee on 16. 8. 2016, withdrew Ing. Zdena Javornická, member of the Auditing Committee, from the office as of 16. 8. 2016 and elected Ing. Ladislav Langer, Ing. Aleš Michl and Ing. Zdena Javornická to the office of the member of the Auditing Committee as of 17. 8. 2016.

The Auditing Committee worked in the following composition from August till the end of the year 2016:

- Ing. Aleš Michl, the Chairman of the Auditing Committee,
- Ing. Zdena Javornická, the Vice-Chairman of the Auditing Committee
- Ing. Ladislav Langr.

COMPANY'S MANAGEMENT

ORGANIZATIONAL STRUCTURE IN 2016

Managing Director
Ing. Jaroslav Ďuriš held the position as the Managing Director from 1. 1. 2016 till 19. 5. 2016.
Since 10. 6. 2016, Mgr. Martin Gillar holds the position as the Managing Director.

Director in Charge of the Economic Department
Bc. Magdalena Češková held the position as the Director in charge of the Economic Department from 1. 1. 2016 till 19. 5. 2016.
Since 10. 10. 2016, Ing Peter Hlaváč holds the position as the Director in charge of the Economic Department.

Director in Charge of the Transport Department
Ing. Ladislav Urbánek held the position as the Director in charge of the Transport Department in the year 2016.

Director in Charge of the Technical Department
Ing. Jan Šurovský, Ph.D. held the position as the Director in charge of the Technical Department in the year 2016.

Director in Charge of the Investment Department
Ing. Petr Vítek held the position as the Director in charge of the Investment Department from 25. 4. 2016 till 13. 10. 2016.
Since 1. 12. 2016, JUDr. Jan Blecha holds the position as the Director in charge of the Investment Department.

Director in Charge of the Security Department
RSDr. Antonín Fedorko held the position as the Director in charge of the Security Department in the year 2016.

Director in Charge of the Human Resources Department
PhDr. Jiří Špička held the position as the Director in charge of the Human Resources Department in the year 2016.

Managing Director	**Mgr. Martin Gillar**	10. 6. 2016 – 31. 12. 2016
Director in charge of the Economic Department	**Ing. Peter Hlaváč**	10. 10. 2016 – 31. 12. 2016
Director in charge of the Transport Department	**Ing. Ladislav Urbánek**	1. 1. 2016 – 31. 12. 2016
Director in charge of the Technical Department	**Ing. Jan Šurovský, Ph.D.**	1. 1. 2016 – 31. 12. 2016
Director in charge of the Investment Department	**JUDr. Jan Blecha**	1. 12. 2016 – 31. 12. 2016
Director in charge of the Security Department	**RSDr. Antonín Fedorko**	1. 1. 2016 – 31. 12. 2016
Director in charge of the Human Resources Department	**PhDr. Jiří Špička**	1. 1. 2016 – 31. 12. 2016

CALENDARIUM 2016

JANUARY

In January, the Prague Public Transit Co., Inc. commemorated right a number of interesting anniversaries. At the New Year Day, i.e. on 1st January, it was exactly 45 years from the day, when DPP was transformed in framework of reorganization into "producing-economic unit of trust type", divided into more autonomous enterprises, which was named the Prague Public Transit Co. Inc. Media attention was also captured by another anniversary on 7th January. It was 50 years from start of construction of the Prague underground railway. And finally, one tram anniversary, when fans of rail transport could remember in January dispatching of "submarines" or the first trams, from which it was not possible to get off during drive, just before 80 years.

FEBRUARY

On Monday, 1st February 2016, the Prague Public Transit Co. Inc. put EV01 tramcar with passengers into trial operation. The repair shop in Hostivař assembled this first single-articulated fully low-floor tramcar, nicknamed "Evička", characterized with its white-yellow paint. One week later, i.e. on 8th February, the longest double-articulated European bus Mercedes-Benz CapaCity L with length of 21 meters was introduced officially to journalists at the Václav Havel Airport. DPP tested this bus on the line No. 119 from Nádraží Veleslavín to the Ruzyně airport during two weeks in February. By reason of the planned replacement of the original wooden ties with concrete ones, operation on the C metro line Muzeum – Pražského povstání was interrupted during two weekends in February, i.e. 20th–21st February and 27th–28th February.

MARCH

Ceremonial opening of new elevators at the Můstek station started the third month in 2016. They made this station fully barrier-free as the 43rd station in the order. On Saturday, 19th March, on the Josef´s Day, an event on the occasion of 120 years of the Praha-Libeň – Vysočany tram track was organized on the Elsnicovo square and in its surroundings. A historic tram line No. 92 was transporting passengers and passers-by free of charge.

APRIL

The Petřín funicular was started up after seven-month reconstruction. Works, of which price did not exceed 24 million Czech crowns, concerned in particular a new bridge and Na Nebozízku platform. On Monday 18th April, the Prague Public Transit Co. Inc. introduced a new sample 14T tramcar at the Výstaviště Holešovice tram loop. The new design of this tramcar differs from the original design not only with new appearance, but in particular with better arrangement and execution of seats. In April, the pilot project of payment for tickets with contactless payment card in trams was launched. It happened at two stations of the tram line No. 22.

MAY

On Wednesday 25th May, five vestibules of the Prague metro experienced a six-hour dancing marathon. A varied mix of dancing styles made passengers and passers-by to dance at the Hlavní nádraží, Florenc C, Můstek B, Budějovická and Malostranská metro stations. Existing and previous employees of DPP commemorated 50 years of the Kačerov depot at the end of the month, on 31st May. In May, DPP hosted the jubilee 100th meeting of the Bus Commission of the International Association of Public Transport – UITP. The key topic, frequently discussed, was electromobility in the bus transport at the meeting of 47 participants from all the world.

JUNE

On Friday 10th June, the DPP´s Board of Directors elected Martin Gillar to the office of the Managing Director. Traditional events – Noci kostelů (Nights of Churches) and Pražské muzejní noci (Prague Museum Nights) were organized as every year by the Prague Public Transit Co. Inc. during two evenings in June. Rudolf Zikmund from Plzeň became the jubilee seventh million transported passenger on the cable railway at ZOO. The popular Kinobus was dispatched to its ninth tournament.

JULY

One of the biggest closures of metro since flood in 2002 occurred from 2nd till 11th July. Together with redevelopment of rail connection and point switches at the Kačerov station replacement of wooden ties with concrete ties took place at the Pankrác – Budějovická section and replacement of rails at the Kačerov-Budějovická section. In July, the Prague Public Transit Co. Inc. celebrated 125 years, when the first electric tramcar was dispatched to streets of Prague (on the track from Letenské sady up to entrance to Královská obora).

AUGUST

The Prague Public Transit Co. Inc. celebrated 38 years of operation on the A metro line with stylish dispatching of historic Soviet 81-71 set. Two round anniversaries date back to August. The first one was 50th anniversary of the DPP´s Archive and the second one was 80 years, when the first trolleybus was dispatched to streets of Prague. On Wednesday 17th August, a replica of arc lamp, improved by František Křižík, was unveiled at the entrance to the Křižíkova station. The Prague Public Transit Co. Inc. launched the DPP INFO mobile application for passengers at the end of the month.

SEPTEMBER

The month of September was also in the spirit of anniversaries. The main anniversary, the 40th anniversary, was associated with the so-called "singing" T3M trams. Open Day at DPP is organized as a tradition in September. Visitors could see back offices at the Zličín, Řepy and Motol workshops. Projections of Kinobus and autograph session of Jiřina Bohdalová – actress attracted fans of the Dáma na kolejích (The Lady of the Lines) film, from which first night exactly 50 years passed, on the Malostranské square on Friday 30th September.

OCTOBER

The Board of Directors of the Prague Public Transit Co. Inc. approved the humanitarian aid of two rejected trams of T3SU type for the Ukraine city of Mariupol. Martin Gillar, the Managing Director, and Ladislav Urbánek, the Director in charge of the Transport Department, signed the Contract on hand-over of trams on behalf of DPP at the mayor´s residence. DPP Info Centres started distribution of a new set of advertising objects. Fans of transport could purchase for example tie clips with various public mass transport symbols, flash disk in "ešemka" design and/or for example a string with bus symbol.

NOVEMBER

The Prague Public Transit Co., Inc. started building works at the Jinonice metro station. This few-month reconstruction was initiated due to massive leaks through lining into the station interior. DPP organized in cooperation with the ROPID organization a complex transit survey of tram network during the second week in November. It was focused on survey of tram network after extensive changes in the line connections, which took place at the end of August 2016. A three-articulated bus Van Hool arrived to Prague for testing. Fans could see at the Czechbus 2016 fair at the Prague Exhibition grounds the longest vehicle, which DPP has operated up to now. On Wednesday 16th November, 250th issue of the DP kontakt magazine was released.

DECEMBER

On 1st December, the educative tramcar informing passengers about fight against AIDS was dispatched already for the thirteenth time into streets of Prague. The Prague Public Transit Co. Inc. prepared the Nicholas afternoon full of games and entertainment on Saturday 3rd December. Apart from others a special Nicholas tramcar and Nicolas metro ensured transport to the venue for this event at the Střešovice yard. Vestibules of the Prague metro were sounded with music already for the fifth time during the advent time. This also happened within the "Be in good mood in metro during Christmas" event on Thursday 15th December. Shortly before the Christmas Eve the popular lubricating tram returned into operation. This tram underwent reconstruction and apart from traditional lubrication it will be also irrigating strips between rails.

TRANSPORT

QUALITY OF SERVICES

Well-functioning and consistently developing the quality management system, which takes the needs of customers into account and satisfies their expectations, is the precondition for achieving success when DPP ensures public transit of passengers.

Quality management is ensured in DPP by the Transport Department.

Implemented quality standards in compliance with the requirements and recommendations in the EN 13816 standard allow for improvement of the level of services provided in DPP. In framework of the Service Quality Program DPP monitors, analyses and with the measures taken helps improving the level of fulfilment of individual quality standards. Tendencies in individual quality standards prove the high level of service provided - transportation of passengers, and satisfy the long-term company's target – improvement of the level of public city transit service provided in Prague and in its vicinity, and thereby improving satisfaction of passengers. At the course of this year, we focused our attempt on further development of quality standards for the service provided.

The service quality program guarantees regular measuring of quality standards:

- **On-time operation** – on-time operation and reliability of transport, observance with the timetables
- **Information to public** – provision of actual and comprehensible information
- **Approach to passengers** – the level of behaviour and approach to passengers taken by our operation workers
- **Working uniform – appearance of an employee** – tidiness of an employee, observance with the working uniform discipline
- **Functionality of transit ticket vending machines** – overall functionality and reliability of transit ticket vending machines and completeness of informative elements on these machines
- **Accessibility of barrier-free equipment** – operating reliability of passenger elevators and special platforms in metro stations, making the public transport accessible mainly to passengers with disability of movement and orientation
- **Fulfilment of the graph of operation (GVD)** – fulfilment of the volume of planned transit performances
- **Transit availability in metro stations** – observance with the guaranteed metro transit availability to passengers
- **Cleanness and appearance of vehicles** – monitoring the external and internal cleanliness and appearance of vehicles
- **Operation safety** – analysis and evaluation of events with impact on passengers´safety
- **Impact of metro and buses vehicles operation on the environment** – monitoring the impact of operation of metro and buses on the environment (production of emissions)

PERFORMANCE OF THE QUALITY STANDARDS IN 2016

QUALITY STANDARD	LEVEL OF DEMANDINGNESS OF PERFORMANCE	PERFORMANCE
On-time operation	85% of connections are performed on-time or within a permitted deviation	91.67
Information in the metro stations	90% of stations are equipped with actual, legible, official and visibly placed information	98.11
Information in metro vehicles	95% of vehicles are equipped with prescribed information	98.02
Information at land transit stops	90% of stops are equipped with actual, legible, official and visibly placed information	97.66
Information on and in land transit vehicles	95% of vehicles are equipped with prescribed information	99.38
Approach to passengers	90% of passengers are satisfied with behaviour of employees	95.46
Working uniform	95% of employees wear working uniforms and satisfy the request for tidiness	99.77
Functionality of the land transit ticket vending machines	90% of transit ticket vending machines are functional and in terms of design they are acceptable	95.76
Accessibility of barrier-free equipment in metro	90% of equipment is accessible and has adequate design	97.83
Performance of GVD	99.75% of performance of the planned volume of kilometres per vehicle	99.92
Availability of metro transit	98.5% of stations are available during operating hours	99.64
Cleanness and appearance of vehicle	85% of vehicles are perceived clean and in maintained condition by passengers	90.45
Operation safety	Metro, trams and buses operation safety	Fulfilled
Energy demandingness for metro vehicles operation	The determined energy demandingness was not exceeded (100%)	87.32
Impact of buses operation on the environment	Share of buses under 12 years of service life including will not drop under 60%	64.02

In 2016, the quality management systems underwent a review in terms of fulfilment of the requirements imposed by criteria standards through auditing performed by a supranational certification organization.

LIST OF PERFORMED EXTERNAL QMS AUDITINGS IN 2016

DEPARTMENT	CERTIFIED PROCESSES	TYPE OF AUDITING	STANDARD	CERTIFICATION ORGANIZATION
Transport Dpt.	Public transport of passengers through metro, tramcars, buses and cable railway. Operation of the Public Transport Museum.	Supervisory	ISO 9001 EN 13816	LRQA
Establishment of the Central BUS Workshops	Repair of compression ignition engines, gearboxes, axles and braking, air-controlled and electric components in road motor vehicles	Supervisory	ISO 9001	
Logistics Dpt.	Purchase and storage of spare parts and products for purposes of the Prague Public Transit Co., Inc.	Supervisory	ISO 9001	
State Technical Inspection Centre	Operation of the state technical inspection activities	Supervisory	ISO 9001	
Establishment of the Tram repair workshop	Repairs and modernization of electric machines and apparatuses in traction vehicles and components for rail vehicles	Supervisory	ISO 9001	

Auditors of the certification organization did not find any serious deficiencies and confirmed fulfilment of the requirements imposed by the standards concerned and suitability of preparatory works for transition to a new standard version (CSN EN ISO 9001:2016). Auditors assessed as strengths of our quality management systems under review professional competence of our employees and helpful approach towards passengers.

In order to enhance the level of service provided in the territory of the Capital City of Prague and in its vicinity we cooperated in assessment of PID quality standards. The ROPID company always evaluated DPP as a „Transporter with high quality", which is the maximum positive assessment.

TRANSPORT NETWORK DEVELOPMENT

Metro

In 2016, three metro lines – A, B and C were in operation. The number of stations is 61 on metro lines in the total length of 65.4 km.

Trams

The tram network, which as of 31 December 2016 had 142.7 km of track, was served by 24 daytime and 9 night lines with a total track length of 547.4 km.

A historic tram line was in operation on Saturdays, Sundays and holidays during the tourist season from 25. 3. till 17. 11. 2016.

On 30th August 2016, tram line connections were changed. Three new tram lines were established: line No. 2 (Sídliště Petřiny – Nádraží Braník), line No. 15 (Kotlářka – Olšanské hřbitovy) and line No. 21 (Levského/Sídliště Modřany-Kotlářka). Another part of lines changes its route. Furthermore local closures took place, for example closure of tram track in Karlín, in the Vršovická street (Koh-i-noor – Kubánské náměstí section) in the Nuselská street and in the Michelská street.

Buses

As of the end of 2016, the Prague Public Transit Co., Inc. operated 96 daytime urban bus lines, 14 suburban bus lines, 17 school bus lines, 14 night urban bus lines and 1 line for persons with disability of movement in the Prague Integrated Transit (PID) system within the communication network with length of 830 km. The total length of all 142 lines was 1 695.30 km. On 15th October 2016, routes of some lines were changed, specifically in particular in the south-eastern and north-eastern part of the city.

TRANSIT PERFORMANCES

The total transit performance of urban and suburban lines in the Prague Integrated Transit (PID) system, operated by DPP, including a special line transport for persons with disability of movement and orientation, reached 162 266 thousands of kilometres per vehicle. Volume of transit performances expressed in km per one place (mkm) represents 21 913785 thousands of mkm (see the table). As it concerns transit performances in km per vehicle (vozkm) an increase by 1.83% was recorded compared to the year 2015 and the volume of km per one place recorded a growth by 3.30%. This difference was affected significantly by a higher number of deployed articulated vehicles to the detriment of the standard vehicles (further deployment of 15T trams, restoration of 14T trams operation and in particular higher deployment of articulated buses).

SERVICES TO PASSENGERS WITH DISABILITY OF MOVEMENT AND ORIENTATION

Metro

From the total number of 61 metro stations as of the end of 2016, 43 stations were made accessible through public passenger elevators, slanting staircase platforms or direct barrier-free entrances. It concerns 10 stations on A line (Nemocnice Motol, Petřiny, Nádraží Veleslavín, Bořislavka, Dejvická, Můstek, Muzeum, Strašnická, Skalka, Hostivař depot), 16 stations on B line (Zličín, Stodůlky, Luka, Lužiny, Hůrka, Nové Butovice, Smíchovské nádraží, Anděl, Národní třída, Můstek, Florenc, Vysočanská, Kolbenova, Hloubětín, Rajská zahrada, Černý Most) and 17 stations on C line (Letňany, Prosek, Střížkov, Ládví, Kobylisy, Nádraží Holešovice, Vltavská, Florenc, Hlavní nádraží, Muzeum, I.P. Pavlova, Vyšehrad, Pankrác, Budějovická, Roztyly, Chodov and Háje). The Opatov station on the C line allows for barrier-free movement accompanied by trained personnel through goods lift.

Buses

The guaranteed low-floor vehicles are being deployed on all daytime urban lines, 10 night lines and 12 suburban lines. In total 668 low-floor buses were dispatched during working days in 2016, which represent 73% of dispatched vehicles.

Trams

Guaranteed traffic connections are also ensured for all daytime lines within the tram network. Dispatching of low-floor tram vehicles was extended in particular due to supplies of new vehicles of 15T type and vehicles of 14T type were again put into operation. As of the end of 2016, in total 180 guaranteed low-floor vehicles, i.e. 42% from the total number of dispatched tram trains, were dispatched during working days.

HISTORIC VEHICLES

The Public Transport Museum had very successful year in terms of the number of visitors. More than 22 thousand of fans of the Prague public mass transport history could see expositions here. Completion works on the Citybus are under way to further extend the collection of vehicles, documenting their development. Renovation of the Praga TOT trolleybus has made significant progress. Complete repair of T6A5 number 8702 tramcar was also finished and painting of the trailer number 1304 was realized.

An important matter was participation of vehicles from the Museum on the occasion of Open Day of the Prague Public Transit Co. Inc. and the České Budějovice Public Transit Co., Inc. and 75th anniversary of operation of trolleybuses of the Plzeň Public Transit Co., Inc. and furthermore celebrations of 100th session of UITP and Childrens´Day within the Prague 4 Metropolitan District event.

Involvement in the Prague Museum Night, Days of European Heritage and cycle of concerts of chamber music organized in the Public Transport Museum cannot be left out.

Commemorative event on the occasion of 50 years from the first night of Dáma na kolejích (The Lady of the Lines) film won great favour with the public, also with participation of vehicles from the Museum.

Contractual drives and operation of the nostalgic line No. 91 gained in popularity. Volume of sales increased as well as presentation of the enterprise.

PREFERENCES OF THE PUBLIC MASS TRANSPORT

Works on the "Preferences of the Public Mass Transport in Prague" project continued in cooperation with the municipal bodies, the traffic department of the Police of the Czech Republic and other organizations during the past year.

As the tram operation is concerned, attention was paid as tradition in particular on installation of lengthwise separating shaped pieces between the rail body and drive-way and on adaptation of light signalling equipment for tram preferences. Implementation of separating sills came from assumptions as contained in the "Preferences of the Public Mass Transport in Prague" project and in compliance with coordination of investment and reconstruction projects. Length of the separating elements on the entire tram network was 12 397 m as of the end of 2016.

The number of light signalling equipment (SSZ) with tram preferences reached 77.5% from the total number of 244 as of the end of the year 2016.

As bus operation is concerned, the preferences development continued in particular in the area of active preferences for buses on light-controlled crossings. At the end of the year, 206 light signalling equipment was in operation. Reserved traffic lanes for the public city transport buses were marked on approx. 1495 m of drive-ways and in the tram lane in 2016. The total length of reserved traffic lanes reached 39 545 m as of the end of 2016.

THE NEW SOFTWARE FOR TIMETABLES AND ASSOCIATED TASKS

In 2016, the software for timetables creation underwent continuous development according to needs and comments from users in order to ensure all necessary support for preparation of operation.

TIMETABLES

At the course of 2016, in order to ensure operation of the DPP´s lines in total 8 447 records were processed

in the database of graphical timetables. This number was affected in particular by changes in line connections of trams and buses and further by closures in the metro, tram and bus network operation. The valid graphical timetables are adapted to the transit demand. So, graphical timetables for the holiday's limitations during summer and Christmas holidays are processed. Further on the basis of job assignment from the ROPID organization time positions of connections are changed and the scope of operation of individual lines is adapted. If any change of graphical timetable occurs, it is necessary to process all supporting documents for DPP lines operation and provide actual information to passengers through timetables on stops and through actual locator of line connections on DPP web pages.

TRANSIT INSPECTION

The Prague Integrated Transport (PID) tariff underwent some changes in framework of improvement of services to passengers. Option of transport of bicycles on more platforms in metro was introduced from 25th March 2016. As tram transport is concerned, sections, where bicycles can be transported, were extended. It still applies that transport of bicycles in metro, trams and in trial bus operation No. 147 is for free for passengers. The bus line No. 690 is the exception, where passengers will pay CZK 16 for transport of a bicycle. Surcharge to fare for non-observance with the Contractual Transit Conditions within the Prague Integrated Transport (PID) remained on the same level compared to the previous year, i.e. penalty of CZK 1,500. Payments of CZK 800 on the place of inspection or within 15 calendar days at the DPP´s additional charge cash desk are options for passengers.

Management of the 100300 division organized 150 joint inspections together with the Metropolitan Police and the Police of the Czech Republic with respect to observing the transit-tariff discipline by passengers within PID. This intensive cooperation was affected by a threat of possible terrorism and from this situation more important tasks for the police emerged.

The volume of performed joint transit inspections decreased with 10% compared to the previous year. Nevertheless, the night inspections organized with the Police on tram lines were very intensive. 2898 persons, whose appearance proved overall neglect and whose behaviour and cloths bothered other passengers, polluted vehicle or passengers area, were excluded from transit during these inspections.

In order to make service simpler and accelerate check-in of passengers the tram line No. 18 was equipped with contactless payment terminals. This convenient method of purchase of a transit document was firstly applied at limited extent on the line No. 22 and on some selected buses. Payment for a ticket is through standard contactless payment card, which majority of passengers hold and it is a helpful step towards foreigners, who usually use this supplementary type of sale.

The Fidentia s.r.o. company, which was repurchasing claims from transport for contractually agreed prices, ended in fact cooperation with DPP and this critical situation required solution. Therefore a tender procedure was published with respect to extrajudicial claims, however no suitable partner was selected. Whereas a new act on public procurement/Section 29 (k) of the Act No. 134/2016 Coll. is in effect since 1st September 2016, when the tendering authority is not obliged to place any public order, the Prague Public Transit Co. Inc. is intensively searching by itself for a partner to enforcing claims from transit.

NUMBER OF IMPOSED PENALTIES	INCOME FROM PENALTIES
299 533	MCZK 138.60
i.e. + 1.86% compared to the year 2015	i.e. +5.30% compared to the year 2015

TRANSIT AND TRANSPORT SURVEYS

In 2016, we conducted transport surveys within the PID network, which served as a base for designing transport in the territory of the Capital City of Prague and its adjacent regions, of which target was to reach optimal harmonization of transit offer with demand:

- Regional survey on total 78 bus lines in the eastern area of the Capital City of Prague, including the adjacent region, conducted in April;
- Complex tram transit survey in November;
- 3 regular and 1 on-line survey of passengers turnover in metro by means of data reading from automatic counters (everyday remote data transfer from all metro stations was put into operation in November 2016);
- Metro transit surveys at the maximum profile of individual tracks at the regular monthly intervals;
- A wide range of surveys of operative character were conducted at the course of the year:
  - We were reviewing the transit capacities of vehicles of substitute bus transport,
  - We were monitoring the regular PID lines at selected stations,
  - We were discovering transit demand on newly implemented PID lines,
  - We were conducting review surveys of error-free functionality of automatic counters of passengers in metro,
  - We were reviewing preferences of buses at selected crossings.

According to results from the transit surveys the means of transport of the Prague Public Transit Co., Inc. transported in total figures 1,186,736 thousand of passengers in the year 2016, out of it:
461,160 thousand of passengers through metro,
368,609 thousand of passengers going by tram and using the Petřín funicular,
349,664 thousand of passengers going by the city bus lines, including ZLD and AE,
and 7,303 thousand of passengers using suburban lines including external zones.

ACCIDENT RATE

In 2016, accident rate increased by 7.12%; year-to-year increase amounted to 219 accidents (3294/3075).

As the metro operation is concerned, the number of accidents decreased with 6 (8/14) and the tram operation recorded a decrease with 6 accidents (1353/1359) and bus operation recorded an increase with 231 accidents (1933/1702).

The number of accidents caused by DPP´s employees recorded a growth with 5.84% on year-to-year base; growth amounted to 65 accidents (1179/1114); out of it

due to metro operation it was decrease with 4 accidents (0/4), due to tram operation decrease with 7 accidents (191/198), and due to bus operation increase with 76 accidents (988/912).

During traffic accidents of DPP´s vehicles 5 persons were killed, which is with 5 persons less compared to 2015 (due to metro operation 2/7, due to tram operation 2/3, due to bus operation 1/0).

INFORMATION TO PASSENGERS

Information on timetables, line connections, tariff rates, tickets etc. form a substantial part of services offered by the Prague Public Transit Co., Inc. to passengers. Accurate, actual and high quality information belong in this area to the most demanding ones and they contribute to creation of positive awareness of the entire enterprise's activities among the general public.

Passengers can find them in printed, electronic or acoustic form for example at metro stations, land transport stops and directly in vehicles. Other printed information materials, which are updated with substantial changes on line connections, tariff rates etc. appear also for example at stands, the so-called wire program at metro stations.

Information events, which received the greatest feedback from the public in 2016, included definitely measures associated with a couple of relatively extensive changes in the tram line connections (as of 28th August) and bus line connections (as of 15th October). This required updating and modification in practice of all information material with display of daytime line connections at vehicles, at stops and at metro stations. An updated version of Prague maps with drawn PID network had to be released two times to be placed at the information showcases at the metro stations and at the land transport stops shortly in succession within each of the specified dates of permanent changes. As other planned and exceptional events with impact on line connections, permanent and temporary changes (for example closures of metro sections by reason of necessary repairs of track, closures in the tram operation reaching the city centre, as for example repair of tram track in the I.P. Pavlova – Karlovo náměstí section, or time-demanding projects as for example closure of the Nuselská – U Plynárny section, which has taken place at different stages with changes in traffic measures approx. from the second half of May and will continue also at the 1st quarter of 2017), were concerned, in addition to textual noticeboards at the land transport stops concerned information with a lay-out plan of the given area were prepared for 34 more significant events. Leaflets of a number of various types were printed in total for 31 events (the number of leaflets for individual events differs according to gravity and impact on line connections). 186 press releases for eventual use in the print and on DPP´s web pages and 159 announcements at the metro station were prepared concerning the topic of temporary or permanent changes within the Prague Integrated Transport (PID) at the course of the year. Big signboards were used for 33 events to inform about more significant changes within the Prague Integrated Transport (PID) operation. These big signboards are managed directly by DPP and located in areas affected by a change. Informers, who were informing passengers about traffic measures in relation to a change concerned directly in situ, were deployed at large extent at important traffic junctions and in places affected by changes during transit closures. They were deployed during 27 events.

In order to update and maintain information at the land transport stops 2 000 drives (growth by approx. 9% compared to the previous year) to all tram stops and to bus stops equipped with stops markers in assets of DPP were realized in 2016, both on the territory of the Capital City of Prague and also in the adjacent region served with the Prague Integrated Transport lines (placement and removal of transportable stop markers during temporary traffic measures, adaptations and changes of stop information elements, replacement of stop timetables (this year in the total number of 105 470 pieces), distribution, installation and again removal of information noticeboards after termination of an event, changes and small maintenance of noticeboard accessories of stop markers etc.).

Some other information materials to passengers were also issued in updated form, as they are for example notepads of sheets in A3 format with the map of streets in the city and chart of line connections of metro or trams and after permanent changes in October composite maps of Prague with drawn line connections within the Prague Integrated Transport (PID).

TRANSIT INFORMATION CENTRES

Transit Information Centres (SDI) provided passengers with information on the Prague Integrated Transport operation and tariff rates, ensured sale of individual tickets and also time-limited transit documents and last but not least also free distribution of information materials and sale of promotion materials and souvenirs with the public mass transport topic also in 2016. In 2016, a significant change occurred at the Václav Havel Airport, where the Transit Information Centre – Terminal 1 was relocated to the newly reconstructed arrival hall. Demand from passengers at the Hlavní nádraží station resulted in extension of working hours with two hours per day during business days. In 2016, SDIs attended to more than 1.5 million of passengers with the share of clients speaking foreign language reaching 37%. Over 80% of visitors then purchased some of the offered transit documents. The information office situated at the Hlavní nádraží station was the most occupied. This information centre attended to on average more than 1 300 clients per one day. The total revenues reached more than MCZK 650, which represents a growth with 4% compared to the previous year. Rising attendance at SDI Anděl during weekends and growing popularity of the newest information offices at the Nádraží Veleslavín station and at the Můstek station contributed with the highest share in growth of revenues and visitors.

TECHNIQUE

Significant projects realized in 2016 included completion of realization of the barrier-free access to the Můstek A and B stations and installation of the stationary part of the LZA security equipment on B line. As reconstruction of tram tracks is concerned, the most important ones were the first stage of reconstruction of tram tracks in the Nuselská street and in the U Plynárny street. This way we increased the number of barrier-free tram stops to the actual 75% from the total number. We completed reconstruction of the bridge with the Nebozízek stop on the Petřin funicular. As the metro vehicle fleet is concerned the number of vehicles in operation remained unchanged in the year 2016 like during the previous years. We maintained the average service life of bus vehicle fleet under nine years with purchase of new buses. Low-floor trams of 15T type are gradually replacing old trams and the average service life of tram vehicle fleet again decreased in 2016.

FLEET

Metro

As of 31. 12. 2016, the operating metro fleet consisted in total of 730 vehicles, out of it:

- vehicles of 81-71M type – 465 units, which underwent reconstruction
- vehicles of M1 type – 265 units

It concerns a steady number and no increase is expected for the coming period. The operating state of metro fleet does not include 2 historic sets, consisting of 3 Ečs vehicles and 5 vehicles of 81-71 type. These sets are intended for realization of the "Experience tourism" program.

The total percentage of mends was 13.07% for the year 2016. In particular putting the M1 vehicles out-of-operation still negatively affected this amount due to cracks on frames of undercarriages. They were put into operation at the second half of 2016. The average service life of operating vehicles was 11.35 years.

Trams

As of 31. 12. 2016, the operating tram fleet consisted of in total 826 vehicles, out of it:

- modernized low-floor KT8D5.RN2P trams – 48 units
- T6A5 vehicles – 106 units
- low-floor 14T trams – 57 units
- low-floor 15T trams – 196 units
- T3R.P vehicles – 350 units
- partly low-floor T3R.PLF vehicles – 33 units
- T3SU, T3M and T3M2DVC vehicles – 36 units

Modernization of two other vehicles KT8D5 (manufactured in Miskolec) was commenced in cooperation with KOS Krnov in 2016. Small-extent modernization of 14T vehicle – key number 9148 was performed at the tram repair shop, consisting in the vehicle´s interior modification including assembly of new plastic seats and changes in the external colour design of the vehicle. 84 trams (T3M, T3SU, T6A5 type) were put out of operation and they are being gradually sold or possibly liquidated. 105 trams of type T3M, T3SU, T6A5 (vehicles

of T3 type mainly to Ukraine and 20 vehicles of T6 type were sold to Sofia) were sold in 2016. DPP was supplied by the producer with 39 units of low-floor trams of type 15T, be specific with modernized design, with air-conditioning in the passenger compartment and with wi-fi connection. These trams were stored at the Motol carriage shed. 22 vehicles were equipped during trial operation with ticket vending machines, which allow passengers to buy tickets through payment cards (line No. 18 is actually completely covered with these ticket vending machines). If they meet with positive response from passengers, we expect gradual assembly also on other operated vehicles.

The average service life of operating vehicles was 10.48 years. With taking other deliveries of new trams 15T into consideration and thereby associated rejecting of trams of older year of manufacture the service life of company's fleet will continue to reduce.

For the year 2016, the total percentage of mends was 16.99%, on which amount putting of a part of 14T vehicles out of operation still have negative impact as well as increase in the percentage of mends of 15T vehicles due to time-demanding repairs.

Buses

As of 31. 12. 2016, the operating bus fleet consisted of in total 1 179 buses; out of it 484 articulated buses including 393 low-floor buses, in total 630 buses of standard length including 477 low-floor buses and in total 65 midi buses (all with low-floor design). At the course of the year, the bus fleet underwent partial renovation. In total figures, 60 new buses were put into operation, out of it 27 articulated SOR NB 18 buses, 32 SOR BN 12 buses of standard length and 1 midi-buses SOR BN 8.5. All supplied buses have low-floor design.

We continued to operate within trial operation one bus SOR EBN 11 with electric drive with the option of renewal for another one year until 31st August 2017 within the project of searching for new perspective ways of electrification.

DPP accepted the offer from Mercedes Benz and Van Hool to put the so-called large-capacity buses of MB 628,05 CapaCity L and Van Hool AGG 300 into trial operation. They were deployed on the line No. 119 serving passengers to/from the Václav Havel Airport. The trial operation of the Van Hool bus is for a longer period of time and it still continues.

Supplies of new buses allowed for partial renovation with respect to the determined quality standards. At the same time we could put 56 buses out of operation, out of it 38 buses of standard length and 18 articulated buses, mainly of Karosa B 900 series and the oldest standard low-floor buses City Karosa - Renault, which were put into operation in the nineties of the last century and at the beginning of the new millennium. On the basis of realized renovation and displacement of buses the average service life of bus fleet remains closely under the limit of nine years, i.e. in compliance with the valid legislation. All newly supplied buses are equipped with engines, which satisfy the emission limits as determined in the EURO VI standard. Compared to displaced buses, which satisfied mainly only the EURO I and II emission limits, they decrease the emission level produced by buses significantly and contribute to improvement of air environment quality in Prague. Buses contributed significantly to managing of transport services during repairs of tram tracks. More than 1 000 buses were dispatched to the transit network during the most critical period, out of it 608 standard buses and 400 articulated buses.

The total percentage of mends for the year 2016 was 8.57% and the average service life of operating vehicles was 8.69 years.

Intra-corporate transport

The company was ensuring services with passenger, freight and special vehicles, building machines and machinery in the standard mode during the course of the year 2016. At the first half of the year 2016, operative leasing of vehicles from the year 2009 was terminated. 5 vehicles were purchased from the vehicles returned after termination of lease. Furthermore 20 new passenger and commercial vehicles were purchased. The group of special vehicles was completed with a vehicle used for suction of sludge from the tram track. For reconstruction and repair of tram tracks a movable workshop with power supply source, two-way freight car with a hydraulic hand, two-way wheel-type excavator and autocrane were purchased. A two-way vehicle with sliding platform was acquired to ensure maintenance of overhead power lines. All new acquired vehicles satisfy the emission limits according to EURO VI and thereby contribute significantly to improvement of air environment in Prague.

TRANSIT TRACKS

Metro

The Metro Transit Track Division ensured operation, maintenance and repairs of technological systems.

The central supply system, of which base consists of the input supply cables 22 kV with the total cables length of 493 km from 15 distribution centres 110/22kV PRE to 18 electric power stations and 22 kV distribution cables with the total length of 495 km, 70 electric stations - out of it 25 distribution transformer stations, 1 substation and 44 substations and distribution transformer stations, where 342 units of transformers are located, out of it 97 traction transformers and 245 distribution transformers, the traction supply network with cable network 302 km in length. The lighting system consists of 42 000 units of lamps located in public areas, 44 700 units of lamps located in service areas and 24 300 units of lamps in track tunnels, at connections, ventilation shafts etc., i.e. in total approx. 111 000 units of lamps, the lighting control system, 157 units of uninterrupted power sources (UPS), automated systems for dispatcher's control of electric equipment and lighting. Security and automation facilities, which consist of the station and track security equipment, the stationary part of train security systems at all metro tracks, automated system for the dispatcher's transit management ASDŘ-D. Communication equipment, i.e. telephone equipment, including telephone network of DPP´s buildings, DPP´s access system, the electric fire signalling systems (EPS), the electronic security signalling (EZS), the industrial television system (PTv), clock's equipment, radio equipment, dispatching system, information systems (AIS, VIP), the technological optical network, the systems for guidance of blind persons, equipment for radio connection (VKV) etc.

Metro stations, tunnels and operating/constructional works, which represent 61 metro stations, 169 km of single-track and 108 km of tunnels. The mentioned length of rails covers 139 km of tracks (including connections between tracks and connections to depots), 5 km of testing tracks, 23 km of tracks at depots and approx. 2 km of industrial rail from the Kačerov depot to the Czech Railways track. 108 km of tunnels consist of 88 single-tracks and 20 km of double-tracks.

Rail vehicles on independent traction used for maintenance and repairs of metro lines: 37 driving vehicles, 3 special driving vehicles and 108 driven vehicles.

The transport equipment consists in total of 267 arms of escalators, 154 elevators and 5 platforms.

Mechanical/technological equipment, which consists of 175 ventilators in the main ventilation system, 1 603 air-conditioning equipment, 5454 fire seals and fire wall-type closures, 415 equipment of the control system (ASDŘ-T), 518 gully pumping stations and pumping stations, 25 exchanger stations and 13 boiler rooms.

Equipment of the metro protection system, in addition to the basic mechanical/technological equipment, consists of special equipment designed for filtration-ventilation, pressure protection, equipment to ensure independent energy and water sources. The metro protection system also includes a newly constructed anti-chemical warning system at some stations.

We can mention from projects of higher extent in 2016 in particular realization of barrier-free access to the Můstek A and B station. Access is provided with three elevators and it was put into operation on 1st March 2016. Testing installation of GapFilter rubber elements at the Anděl metro station belongs into measures taken in order to improve access by disabled persons on carts to the metro set.

Closures during extended weekends were used for realization of complete renovation of sliding rail No. 1 at the Želivského station, complete renovation of sliding rails No. 3 and 6 and double rail connection at the Kačerov

station and replacement of wooden ties with concrete ties on 1st and 2nd rail in the Vyšehrad – Pražského povstání section and on 2nd rail in the Budějovická – Pražského povstání section. Planned replacement of rails and grinding of rails were going on. We can mention from a number of constructional adaptations the securing and redevelopment of bridging joists at the Florenc station until commencement of overall reconstruction of the ceiling board. Sealing of tunnel lining was under way on the B line in the Karlovo náměstí – Smíchovské nádraží section.

Assembly and revitalization of the new LZA security equipment were performed on the entire B line.

8 arms of Transporta escalator were replaced with the new ones from the Schindler brand.

General repair of fans was performed at the ventilation shafts of the main ventilation system at the Želivského station and Luka station. Repairs of some air-conditioning equipment at the Hradčanská and Národní stations were realized. Reconstructions of the primary and transit pumping stations at the Hradčanská, Jiřího z Poděbrad, Náměstí Míru and Strašnická stations and repair of pipeline for emergency water supplies to the Central Dispatching Room, repair of water pipeline at the Florenc and Můstek stations and tunnel water conduit in the Nádraží Holešovice – Vltavská section were performed. Switchboards for the technological equipment, which were in emergency condition due to aggressive environment, had to be repaired. We succeeded to complete repair of public toilets at the Opatov station. Hand-over to a new tenant is expected at the beginning of the year 2017. All professional departments of the Metro Transit Track division participated at various stages of preparation or start of realization of more extensive investment projects at the course of the year, like reconstructions of the Jinonice station commenced in November. They were also preparing projects to be implemented in the next periods. Preparation of additional installation of escalators at the Nádraží Veleslavín station or reconstruction of damp-proof course of ceiling board at the Florenc C stations rank among them.

They were performed also in close cooperation with the Institute of Planning and Development of the Capital City of Prague, which initiated evaluation and remedy of errors on the visual appearance of metro stations and mapping of the potential of developer´s projects near the metro stations at the course of the year.

Trams

The Tram Transit Track division ensured operation, maintenance and repairs of technological systems under its administration. In 2016, the process of tram tracks modernization continued with the target to enhance transit comfort, shorten running time and extend the service life with the use of modern constructions and last but not least to decrease the noise level.

The year 2016 brought adaptation of the Těšnov swinging area to allow for entrance in the direction from the city centre, realized by DPP´s own capacities. Completion of entrance to the swinging area brings advanced options of handling in case of extraordinary events, planned closures on the Hlávkův bridge or in the Sokolovská street. A new drive-away exchange, crossing 1x5 on the main track and a new entrance arc in the three-rail arrangement together with entrance arch from the Sokolovská street were realized. Construction made from large-area panels was replaced with NT1 rails on wooden ties in the entire swinging area.

Building activities performed by the Vrchní stavby JDCT continued in this area with reconstruction of tram track in the Sokolovská street in the section Březinova – Zenklova. Rail superstructure with 49E1 rail is grassed over in the section from the Urxova stop to the U Rustonky street and the remaining section up to the Palmovka station is established as a solid carriageway (W-Tram) with bituminous cover. The TSK company almost in parallel with reconstruction of the tram track built stop islands in both directions at the Urxova and Invalidovna stops.

Reconstruction of the tram track in the Vršovická street, which commenced with the Na Zámecké – Koh-i-noor section in autumn 2015, was ended with reconstruction of the section between Koh-i-noor and Kubánské náměstí crossings. Apart from the area of level crossing and stops the track is grassed over. Most areas were grassed over during the 1st stage in the year 2015. Level crossing over the Bělocerkevská street was made from prefab concrete panels.

Reconstruction of the tram track in the Nuselská and U Plynárny streets in the section between the Vladimírova and Chodovská street was In terms of extent the most extensive reconstruction in the year 2016, the first one, however critical. In 2016, section from the Vladimírova street crossing underwent reconstruction almost up to the Chodovská station.

At the same time new panels were laid on the entire section before the Spořilov swinging area, including rail reduction at the swinging area mentioned. In 2017, the remaining section up to the arc U Plynárny – Chodovská will udergo reconstruction. This track is led in the centre of the road on the road level and occupied with automobile transport and by this reason NT1 rail on concrete board (W-Tram system) with surface made from poured asphalt is used. In order to ensure fluent passing of trams preference concrete shaped pieces separating rail from the traffic lane were installed in selected sections. Final appearance of tram stops, which have not been provided yet with barrier-free access, will be solved within the section under reconstruction as an associated project managed by TSK. Final design of the Pod Jezerkou stop towards the city centre will be proposed by the Vrchní stavba in coordination with reconstruction of roads.

In order to accelerate tram transport a speed point switch was installed at the U Letenského tunelu crossing in direction from the Strossmayerovo square. This allows for increasing of the maximum permitted speed in direct direction to 50 km/h (in direction towards the Štefánikův bridge) and to 30 km/h to the branch (further up to quay in the direction of Čechův most).

Reconstruction of supports of rails at the Kobylisy carriage shed was commenced one isle after another in March 2016. The last isle will be completed in the year 2017. Anti-noise wall on drive-around rail was built at the Kobylisy carriage shed independently on reconstruction of rails support.

In April 2016, reconstruction of bridge with the Nebozízek stop on the Petřín funicular was completed. The original bridge construction was dismounted and replaced with a completely new construction, made from prefab reinforced-concrete panels. The original rails were fastened to the bridge supporting construction with indirect fixing on plastic-concrete cushions, Metro type.

A lot of small repairs or replacements of rails and rail constructions were underway at the course of the year 2016, focused primarily on removing sections with speed limit for trams.

Speed limit at the counter-arc on the Jana Palacha square was removed with laying of new panels on the tram track in the section from the crossing on the Jana Palacha square up to the Mánesův bridge. Local large-size panels were replaced on the Mánesův bridge and adjacent rail constructions at the crossing Jana Palacha square and Klárov x Letenská were also replaced including connecting arcs during the closure between Klárov and the Staroměstská station. Extensive maintenance works were performed between the crossings Karlovo square and Francouzská x Blatnická in July. They included laying of new panels on the tram track on the Karlovo square (from the Ječná street) with the total length of approx. 100 m and thereby we sorted out the problem of frequent defects during hot summer days. Furthermore replacement of 1x16 rail construction in the middle of the crossing on the Tylovo square and replacement of rails at the I.P. Pavlova stop and then in the entire length of the Jugoslávská street and at the arc Francouzská – Náměstí Míru were performed. Three pairs of dilatations on the Čechův bridge, replacement of rails at the arch on the Náměstí Curieových and in the 17. listopadu street for laying of new panels in the Břehová street took place at the turn of July and August. Repair of fixation of rails on the rail construction was performed through drilling-into and chemical anchoring into the original slot ties. Apart from these mentioned projects, a number of smaller projects consisting

in replacement of point switch arches, welding-on of arches and grinding of undulation or rolled-over areas were underway.

Modernization of yard was associated in a number of cases with modernization of trolley lines. Reconstruction of the Nuselská and U plynárny streets was the most extensive one, which will continue also in the year 2017. Its most important part is reconstruction of the trolley bearing construction in the U Plynárny street, associated with limiting the number of towers on the southern pavement and with relocating of public lighting to the adapted trolley towers on the street northern side and with newly installed jibs. Another project of large extent was completion of the trolley reconstruction in the Vršovická street. A lot of smaller adaptations of trolley lines were performed, for example at the Těšnov swinging area and in the Ječná street. Last but not least we must mention emergency replacements of individual trolley towers.

In 2016, in particular replacement of junction boxes with the plastic ones, renovation of suction cables to rails and reconstruction of cable lines at tram stops were realized within modernization of the cable network. LED diodes were installed into further tram stop markers, which is in compliance with the program of electric energy consumption reduction. Cable route in the length of approx. 240 m was replaced within the RTT Vršovická completion project. Supply junction boxes in form of replacing screwed special rail connectors with disconnectors undergo gradual repair to allow for quicker and safer handling in the energy supply network.

Two new electric polarized drainages were built within the RTT Sokolovská and RTT Nuselská – U Plynárny projects to restrict spreading of stray current and its effect on in particular older metal gas pipeline.

Reconstruction or construction of new electrically-controlled point switches (EOV) was performed during reconstruction of tram routes in 2016. In total, 11 EOV were realized. 1 unit of separately-heated point switch was installed during reconstructions. The light signalling equipment at crossings was gradually completed with tram detection by means of preference inputs, of which 3 units were installed.

Reconstruction of the Bělehradská substation belonged among the greatest projects concerning substations. Replacement of highly faulty direct-current technological equipment was performed. Reconstruction run under operation and in conflict with the planned constructional works also repair and reinforcement of the bearing pillar of the object in the underground floor of the substation had to be realized. Furthermore replacement on two traction transformers at the Strašnice substation was performed and own-consumption switchboard was replaced at the Košíře substation.

The number of barrier-free stops increased to the actual 75% from the total number also in the year 2016. Seven stops were completed. Installation of a testing section with anti-noise panels contributed in cooperation with ŽPSV to the number of barrier-free stops. It was followed by construction of a new barrier-free passage to platforms at the Hloubětín station.

REVISION

The main scope of activities is to guarantee to the entire company in terms of valid legislation for proper operation of the equipment and technical supervision over proper operation of the Defined Technical Equipment (hereinafter "UTZ") pursuant to the Act No. 266/1994 Coll. and the Reserved Technical Equipment (hereinafter "VTZ") pursuant to the Act No. 174/1968 Coll., which belong under the competency of the Railway Authority and TIČR. These activities concerned in 2016 revisions of UTZ and VTZ (gaseous, pressurized, electric, lifting and transport equipment) within determined and exceptional dates. The Inspection department is the holder of two authorizations for performance of technical inspection and tests issued by the Ministry of Transport of the Czech Republic pursuant to the Act No. 266/1994 Coll.

In total figures, 3581 revisions, operating revisions, inspections and tests and technical inspections and tests were performed.

FACILITY MANAGEMENT

It ensures the technical facility management of individual complexes in metro depots, tram carriage sheds, bus garages, the Sokolovská administrative building, the Central Dispatching building, network of sanitary facilities at end stations, recreation centres, lands and other buildings. In 2016, approximately 4 550 cases were resolved by means of the HelpDesk application in framework of the operating and technical maintenance of allocated real estate. In the area of environmental protection, the Environmental dpt. updated other 7 plans of measures in connection with emergency pursuant to the Act on Water Management (Act No. 254/2001 Coll.). In conjunction with obligations imposed by the Act on prevention to serious emergencies (Act No. 224/2015 Coll.) the Environmental dpt. elaborated a list of dangerous substances for all complexes and separate buildings and on the basis of this list "protocols on non-inclusion" of building into A and/or B group were prepared. According to the Regulation of the European Parliament and of the Council (EC) No. 1005/2009 on substances that deplete the ozone layer an overview of equipment containing the regulated substances and substances with effect on the global warming was prepared. Monitoring of hot water distribution pipeline continued in framework of prevention of the Environmental dpt., focused in particular on monitoring of pathogenic bacteria legionella.

POWER ENGINEERING

In 2016, we continued in enforcing positive changes in contractual relations, and thereby decreasing costs of energies. Another area of priority was discovering and enforcing of possible savings on energies.

Electric energy

The Prague Public Transit Co., Inc. is currently the biggest metropolitan electric energy consumer. In 2016, the total electric energy consumption was 369 mil. kWh. Financial costs of electric energy amounted to MCZK 768 for the year 2016. 238 mil. kWh was consumed for traction operation of metro and trams. Costs of these energies amounted to MCZK 488.

Heat supplies

The České teplo s.r.o. company remained as the main and biggest heat supplier for DPP also in the year 2016. This company ensures heating and maintenance of heat supply lines within premises and water supply lines in the Hostivař and Kačerov premises and in the Pankrác carriage shed (1st stage), at the Zličín depot, at the Motol carriage shed, in Řepy garage, in Klíčov garage and in Vršovice garage (2nd stage). In 2016, we purchased from this supplier 216 thousands of GJ of heat, for which we paid MCZK 127. We were supplied with heat from other suppliers in the amount of 49 thousands of GJ, for which we paid MCZK 23.

Natural gas

We produced heat from our own sources (gas boiler rooms) to the Žižkov, Vokovice, Strašnice and Střešovice depots, to Florence metro station and to the Radlice technical centre and to the Central Dispatching. Gas consumption for the year 2016 was 1 613 thousands m^3 for the price of MCZK 16.

Water and sewage rates

Pražské vodovody a kanalizace, a.s. supplies water to DPP. In 2016, we were supplied with 578 thousands of m^3 for the price of MCZK 21. Sewage rate includes not only water supplies, but also water leakages in metro and rainfall water. We paid sewage charge for 2 152 thousands of m^3 in the amount of MCZK 70 in the year 2016.

Total costs of all types of energies (electric energy, heat, gas, water rate, sewage rate) amounted to MCZK 1,025 in the year 2016.

ECONOMY

NTRODUCTIONI

The Prague Public Transit Co., Inc. ensures the transport service in the Capital City of Prague and suburban areas within the Prague Integrated Transport (PID) system.

A long-term contract on public services was concluded with the Capital City of Prague, represented by the ROPID organization (hereinafter the "HMP Contract") for ensuring transport services in the territory of the Capital City of Prague.

Contracts on public services are concluded with more clients for operation of suburban lines within the PID system, be specific:

- basic transport services in the territory of the Capital City of Prague – contract with the Capital City of Prague, represented by the ROPID organization;
- basic transport services in the territory of the Central Bohemia region – contract with the Central Bohemia region;
- other transport services – contracts with individual municipalities in the Central Bohemia region.

DPP fully respects requirements imposed by the Act No. 319/2006 Coll. to conduct separate accountancy with respect to individual commitments to public services and other activities.

THE CAPITAL CITY OF PRAGUE

The Annex No. 18 to the HMP contract, of which the subject-matter was determination of preliminary estimate of compensation for the calendar year of 2016, determined a preliminary estimate of operating part of compensation in the amount of TCZK 11,816,411 in case of ordering of transport performances of 173,223 thousands of km per vehicle. The amount of appropriate profit was fixed for the year 2016 in the amount of TCZK 991,000.

Annexes No. 19, 20, 21, 22, 23 and 24 increased the operating part of compensation for the year 2016 with the amount of TCZK 90,090. The subject-matter of individual Annexes was additional funding to the continuous overall results of the performance of the public service commitments for the 1st half of the year 2016, increase in orders of transit performances in particular in connection with the change in line connections of tram operation and additional funding to the bus lines Nos. 123, 128, 174, 180 and 191.

DPP reported at actual costs and revenues the savings for lower fulfilment of transit performances amounting to TCZK 108,499. The costs of fuel consumption and depreciations of vehicles and transit routes were lower with TCZK 130,785 and unpaid costs of lower revenues from fare and higher costs of energies amounted to TCZK 47,402. On the basis of evaluation of contractual

risks a balance amounting to TCZK 191,882 was reported. This amount was further corrected with already realized additional funding at the 1st half of the year 2016 with TCZK 39,491 and an amount to be returned is in total TCZK 231,373.

Paid compensation, including the appropriate profit for the year 2016, was TCZK 12,666,128 with orders of transit performances of 172,434 thousand of kilometres per vehicle.

SUBURBAN TRANSPORT

Further a grant in annual amount of TCZK 59,317 is provided for bus transport – suburban lines:

- for bus lines on the territory of the Capital City of Prague within 0 zone (TCZK 40,332)
- for bus lines within external zones 1, 2 (TCZK 12,671 from municipalities and TCZK 6,314 from the Regional Authority for the Central Bohemia region).

Other Activities and Accounting Items

As other activities not included into individual commitments of public services are concerned, DPP proceeds at planning of their amount in the manner to reach their profitability and effective realization with regard to utilization of capacities and productivity.

Accounting items, which DPP must record from the view of its establishment as a trading company, are allocated according to their purpose to individual activities. They are for example creation of reserves, contingencies or adjustments or deferred tax.

ECONOMIC RESULT

The balance of the public services commitment for the Capital City of Prague, that is main activities of DPP, amounts to TCZK -231,373 for the year 2016. DPP reached in the total economic result a profit amounting to TCZK 1,835,451, in particular due to accounting non-financial items.

The total economic result includes:

- Financial economic result – amounted actually to TCZK -293,400 and it was affected by a profit higher with TCZK 23,742 compared to the plan.
- Operating economic result – was actually affected by a profit higher with TCZK 260,920 compared to the planned value of TCZK 1,308,142, when the operating costs are higher with TCZK 75,136 and operating revenues are higher with TCZK 336,056.

REVENUES FROM FARE

Revenues in framework of the entire PID system for the year 2016 (without surcharges to fare) recorded a drop with 2.96% compared to the year 2015, which represents an amount lower with MCZK 130.09. Revenues from sale of favoured time-limited transit tickets (without transferable and employee's transit tickets) recorded a drop with 6.20% (MCZK -150.57) compared to the year 2015. Reduction in price of the 365-day citizen transit ticket from 1st July 2015 brought growth in revenues from their sales with 22.71% (MCZK +164.64) compared to the year 2015. On the other side citizen coupons with shorter period of validity recorded a significant decline in sales, be specific for 30-day coupons with 15.40% (MCZK -123.71), for 90-day coupons with 37.15% (MCZK -149.01) and for 5-month coupons with 71.09% (MCZK -34.10). Total revenues from sales of time-limited transit tickets (including employee's transit tickets and transferable tickets) are lower with 5.20% (MCZK -133.88) compared to the year 2015.

Total revenues from sale of individual fare (without short-time time-limited transit tickets) are lower with 1.98% (MCZK -28.97) for the year 2016 compared to the year 2015. On the contrary revenues from sale of time-limited short-time tickets increased on year-on-year basis with 9.59% (MCZK +33.14). In total figures, revenues from sale of individual fare and short-time fare recorded a slight increase compared to the year 2015, specifically with 0.23% (MCZK +4.16).

The PID´s revenues plan was fulfilled for 103.90% in 2016.

DPP´s revenues in connection with the long-term contract concerning ZVS amount to **TCZK 3,612,022**, which represents share of **84.80%** from the total revenues from fare within the entire PID system.

JIT + REGISTRY

Available, dynamic and reliable provider of ICT services at DPP

The JIT 2012–2015 strategic concept was assessed with the positive impact on economy of the IT division at the course of the year 2016. Then a new strategic concept of IT development for the years 2016–2020 was presented to the company´s management. This concept is primarily based on the introduction of system and technological integration, centralization and standardization of the used ICT technologies, corporate processes automation and services automation, ICT development, services and employees. Further the introduction of ICT innovations and the Centralized management of the information security.

As the area of applications is concerned, the project titled "Introduction of bar codes" was completed successfully in the stock economy. Migration of MS SharePoint 2007 to MS SharePoint 2013 was finished.

Upgrade of SAP systems was performed in compliance with the strategic development plan. The JIT division ensured with this upgrade that the SAP HANA database can be used for the SAP products also as the development area for data consolidation and development of in-house applications. New legislative requirements pursuant to the Act on electronic recording of sales required commencement of the project titled "Central cashdesk system" (CPS), including reimplementation of the system for sale of transit documents (JD), further implementation of the Sysel system (Act on registry of contracts), modification of the SAP system in consequence of introduction of the VAT control reporting and works started on modification of the SAP system for the purpose to comply with the requirements for the accounting state consolidation.

At the course of the year 2016, a contract for the public order of supply and implementation of the personnel-wage system was awarded to a winner of the tender procedure. Activities on modernization of modules (for example the Magis system, Daily overview of operation,

Services of transit inspection) continued according to time-schedule in the area of the transport information system. Development of modules (for example Manual workplace, Services of dispatchers – buses) met with success. Analysis for transition of some modules to new technologies according to actual ICT tendencies was commenced.

We ensured in cooperation with the OSM service in the area of administration of servers spare power supplies through the diesel power unit for the Kačerov depot data centre already in the beginning of the year. This way availability of this data centre increased significantly. Higher use of virtualization to the detriment of physical servers takes place gradually and it thereby ensures better options to allocate computing means to individual applications. The department of administration of servers currently operates six virtualization ESXi systems, centrally-controlled applications of vCenter. Consolidation of disc capacities also took place in this year.

The area of data networks underwent as every year the alteration of active elements for types, when support was terminated. A public order was prepared for supplies of new elements for the next year. Preparation of cabling for new ticket vending machines with payment through payment card and moving of data switchboards from offices to reserved premises continue, which will enhance physical security and allow for checking of accesses to the data network elements. Wi-Fi coverage of lay-by areas at the Strašnice carriage shed and Vršovice depot was completed, including data cabling for the new security camera systems. Cabling for counters of passengers at selected metro stations was laid and ticket vending machines were connected through VPN GSM.

In 2016, central press services were assumed from external supplier by the IT division. The technical support of multi-functional press services is now fully secured in framework of provision of standard user support through the IT division internal capacities.

About 700 user stations were newly installed within migration to the operating system Windows 7. A significant part was solved with replacement with new computing technology.

Replacement of information kiosks for employees was completed with the newest model "EAGLE Standard", specifically with replacement of the last 7 units from the total 19 units.

17 units of "Display panels" with the "IČV Vlaky" application were extended in rooms of train squads at Metro. Furthermore the number of "Handling workplaces" for the "Tram operation" increased at carriage sheds and shifting points with 11 units and with 6 units for the "Transit inspection".

ARCHIVE

Pursuant to the Act on archiving and registry service the Archive department ensured professional administration of documents produced from activities of the Prague Public Transit Co. Inc. in 2016.

After completion of settlement of premises of the so-called New Central Registry during the years 2014–2015, we focused our attention in 2016 on modernization of the original premises of archive, which has been used without any interruption since the year 1997. Designs for modernization of depository for the storage of photographic material, new air-conditioned depository for large-format archived material in the A0 format and further for reorganization of the main air-conditioned depository for historic archived material were prepared. These projects are aimed at maximization of utilization of premises with controlled storage conditions (temperature, air humidity) and at ensuring of maximum care of funds, which are valuable in view of history or frequently required. Implementation of these projects commenced on autumn 2016. The digitalization workplace already equipped and arranged commenced its activities from 1st November.

In 2016, 428.8 running meters of documents were received at the DPP´s registry. These documents are intended for temporary storing, as a rule for the period from 1 to 10 years. With the approval from the Archive of the Capital City of Prague 383 running meters of documents were rejected and shredded within the shredding procedure (1497 packages, 903 files and 510 boxes). 36.8 running meters of documents, 891 pieces of personal cards, 121 pieces of earnings records and other documents were received at the depository of the DPP´s Archive intended for permanent storing.

DPP´s Archive prepared in cooperation with the Public Transport Museum the introductory study of further use of the premises of former carriage shed in Vinohrady (the so-called "Orionka" premises) for educative-museum purposes in August 2016. Supporting documents for awarding the Investment study of realization of extension of the Public Transport Museum into these premises followed this study in December 2016.

DPP´s Archive closely cooperated within the professional activities in particular with the Marketing and Communication department and with the Historic Vehicles Division. The significant events organized in 2016 included for example 50 years of the Kačerov garage, 120th anniversary of the Electric track Prague – Libeň – Vysočany, 125th years of the Prague electric track, 80th anniversary of the Prague trolleybus transport, 40 years of the thyristor trams and the event titled "Fenomén Křižík" (Křižík Phenomenon) organized in cooperation with the National Technical Museum. DPP´s Archive prepared for three events printed materials and expositions in the position as their author. Works on the complex cycle of Encyclopaedia of the Prague public mass transport continued in the area of publication activities, when issue of one book devoted to tram fleet will be realized not until the year 2017. Preparatory works for establishment of a nature trail "Follow the trail of the first Prague cable railway and Czech electric track" were commenced at the course of the year. Furthermore the DPP´s Archive took important part in creation of film materials concerning termination of regular operation of T3 tramcars in the original constructional arrangement.

DPP´s Archive organized six lectures concerning history of the Prague public mass transport for interested persons belonging to education institutions and citizens association. Two lectures were presented within the University of the Third Age organized by the Faculty of Transport at the Czech Technical University in Prague. Three lectures were organized within walks through the first Prague trolleybus track accompanied with commentaries and one lecture for "Klub přátel Žižkova" (Club of Friends of the Žižkov District).

DPP´s Archive provided within its professional activities numerous information, professional consultancies or possibly publicistic presentations for mass media, transport companies, museums and other professional institutions also in the year 2016. Researchers´room of DPP´s Archive played an important role, used mainly by researches, among whom designers, facility managers, professional historians, publicists, private interested persons and last but not least students of secondary schools and universities preparing their qualification works on the topic associated with the Prague public mass transport rank. In 2016, 11 external researchers were recorded for the study at the researchers´room. They realized in total 23 visits. Employees of the Prague Public Transit Co. Inc. and designing offices rank among other tens of visitors. Frequent questions concerning historic topic were answered quickly through letters or possibly via phone.

In 2016, DPP´s Archive acquired continuous photographic documentation for archiving purposes. After sorting, in total figures 10 138 digital photographs from 38 thematic coverages were archived, out of it 2 complex photo-documentations of historic constructional premises (Orionka, Švábky), emptied for further use.

SUPPLYING

The Supplying department participated actively in the preparation of tender conditions for announcement of inquiry procedures and public orders in collaboration with the internal customer, initiated revisions of old contracts used in framework of DPP.

The still existing task in the area of acquisition of material and services was decreasing of operating costs of

all DPP´s divisions with searching for the most-favourable suppliers in terms of economy.

The Supplying department took part in preparation and realization of the process of publishing of contracts and orders at the registry of contracts pursuant to the Act No. 340/2015 Coll. on registry of contracts in 2016.

In total figures, 33 450 orders were issued by the Supplying department.

REAL ESTATE DEPARTMENT

The principal scope of activities of the Real Estate department at DPP is ensuring records of both real estate of DPP recorded on the public list and real estate not liable to this recording and then its possible contractual protection.

The Real Estate department in cooperation with other departments, which deliver documentary supporting documents, puts records of real estate into compliance, when the factual state in-situ, state in the accountancy records and state on the public list are put into accord. These activities are performed in 112 cadastral territories on the entire Czech Republic. It takes high share in the preparation of investment projects in form of comments at proposing project documentation and then at ensuring proprietary settlement. Support in investment projects is the base for follow-up recording on the public list and in compliance with the future factual state in-situ.

Other activities include ensuring of all contractual relations in terms of handling with real estate and at the same time contractual protection of DPP´s interests in case when DPP´s interests are affected with real estate of another entity. In 2016, the Real Estate department entered into 279 new contracts relating to real estate and 26 amendments to previously concluded contracts. DPP invoiced under the concluded lease contracts rental amount for the year 2016 amounting to in total CZK 188,054,941 and the amount of CZK 5,940,396 for payments associated with establishment of servitude. Under purchase contracts DPP was paid with the total amount of CZK 5,136,654. Agenda of the Real Estate department includes in addition to others resolving of judicial disputes relating to real estate.

PUBLIC ORDERS, TENDER PROCEDURES

The Public Orders and Tender Procedures department focused its attempt within its scope of activities on long-term basis on inspection of actual conditions of individual contractual relationships with suppliers for purchase of services, supplies and building works.

The objective was and will be to ensure for DPP more favourable conditions in framework of standardized legislative tasks, including more interesting and more favourable conditions in terms of economy for more effective ensuring of purchase processes applied in the next period.

Significant growth in the number of prepared tender procedures occurred in the Tender Procedure department compared to the previous year, specifically with 81% compared to the previous year.

STOCK ECONOMY

The Stock Economy department is within the economic sector at the organizational chart.

In 2016, it controlled methodically and coordinated complexly the quality management system, which lays emphasis on demands and expectations from internal clients. The quality management system has been implemented in the logistics division, including Public Orders, Tender Procedures, Supplying and Stock Economy departments. The implemented processes were monitored and analysed in the quality management system during the year. After evaluation measures were taken to constantly improve the level of fulfilment of requests from internal clients.

A supervisory auditing was performed within the determined certification cycle by an external supranational certification body in 2016. The supervisory auditing was focused on fulfilment of requirements imposed by the criteria standard, storing and purchasing as the main processes of the subject-matter of certification and its associated supporting processes. Auditors of the certification organization did not discover any serious defects, evaluated the strengths of the company and confirmed the qualification to prove effectiveness of the management system with issuing of a certificate until the next recertification auditing. These facts had positive impact on all activities, which are pursued by the Stock Economy department resulting from its scope of activities.

All activities concerning the topic of PNEU economy were included into the scope of activities of the Stock Economy department at the course of the year. As of 1st December 2016, fundamental change occurred in the accounting and stock record-keeping of purchased products for the purpose of simplification and making the accountancy records more transparent. The "Bar Codes" project, which was commenced in 2015, reached its implementation stage at the course of the year 2016. A new functionality was implemented into the productive environment and pilot operation in the Stock economy environment was launched at the end of the year.

HUMAN RESOURCES

PERSONNEL STRATEGY AND HUMAN RESOURCES MANAGEMENT

DPP´s macrostructure did not change In 2016. System changes of the microstructure aimed at the area of supplying occurred. 400 430 Supplying – Material department and 400 440 Supplying – services department were established. DPP responded to the need to enhance security with establishment of the 600 150 Supervisory centrum – DPPC department and 600 330 Information Security Centrum department.

HUMAN RESOURCES DEVELOPMENT

As of 31. 12. 2016, 10 936 employees were recorded, out of it 9 366 men and 1 570 women. The number and composition of employees come from needs and possibilities of employment in our company. The highest numbers are represented by public city transport drivers (38.8%), followed by workers (32.9%) and technical-economic workers (28.3%).

Composition by education and age did not change significantly for the year 2016. Employees of middle age with secondary education completed with school leaving examination and secondary education without school leaving examination are predominant.

The composition by education corresponds with the composition of professions in the transport-technical field.

WAGE POLICY

The corporate wage policy was realized in the sense of a uniform collective bargaining agreement including common rules for remuneration of all company's employees.

The average monthly wage for 2016 amounted to CZK 35,237, wage costs were expended in the total amount of TCZK 4,748,538. The amount of wage costs was affected by payment of severance pays by organizational and health reasons.

As concerns overtime work, a growth by 73 911 hours was recorded compared to 2015.

Share of overtime work in worked hours amounted to 5.30% in 2016.

SOCIAL POLICY

Privileges and benefits for employees, through which the company endeavours to enhance their motivation, were set in accordance with the collective bargaining agreement for the period of years 2016–2017, including appendix thereto. The employer ensured increase of some below stated benefits with extension of the collective bargaining agreement.

DPP provided to its employees for example contributions for occupational pension scheme with state con-

tribution, supplementary pension saving, life insurance, vouchers for leisure time activities, contributions for recreation of children, contributions for catering, contributions in case of work anniversaries and in case of first termination of employment in connection with old age retirement or disability retirement, help at social distress, favoured fare for employees, their family members and retired persons – former employees.

DPP pays to selected professions, set in the collective bargaining agreement, a part of employee's liability insurance for damage caused to the employer.

Furthermore DPP offered to its all employees to draw one day of unpaid leave in a month on the basis of their request and in case of sudden disease other three working days without wage compensation.

EDUCATION AND DEVELOPMENT PROGRAMS

Care of education and professional development of employees belong among the tools of strengthening DPP´s competitive power. The system approach to education puts emphasis on gaining and continuous improvement of qualification of employees for an agreed type of job, on personal development and on support to their motivation.

In 2016, periodic training and examinations, professional training and workshops are conducted by educational agencies. Courses from the IT area were not missing in their offer. 113 employees completed these courses. Professional workshops responding to changes in legislation and new technologies used at DPP were realized within the Programme of professional qualification development, which is highly demanded. Increasing number of managers of individual department participate at preparation of these workshops and thereby the required content of these workshops is guaranteed. 979 employees completed these workshops in this year.

13th year of the Management course was organized in cooperation with the Secondary Industrial School of Transport (SPŠD), which was completed by 24 employees. Furthermore 9 masters of professional education completed the accredited course of the Secondary Industrial School of Transport (SPŠD) to gain professional qualification.

Training concerning managing of conflict situations with passengers was organized for 1663 tram drivers. A development program focused on communication and managerial skills was prepared for the line management of the Management of Vehicles and Buses division, which was completed by 24 employees. This program was followed by 2 excursions and national-wide Meeting of Masters at the Škoda Auto Mladá Boleslav organized for selected employees.

714 new employees passed the compulsory Entrance training of the Human Resources department within the standardized adaptation process, of which integral part the re-training in the Programme of prevention to criminal activities became.

The Graduate´s and motivation programme for students of the Secondary Industrial School of Transport (SPSD), secondary schools and universities has been used and developed. Its main objective is generation exchange. In total figures, 13 graduates enrolled for the Graduate´s programme. An education programme focused on communication, team cooperation and presentation skills was ensured for 10 selected graduates with higher professional education and university education.

Introduction of the uniform concept of language education belongs into significant development activities. Language courses are intended for employees based on permanent employment contract, who provably use an international language to perform their job. 79 employees enrolled for the first year, where deepening of knowledge of English and German language takes place according to the determined teaching plans.

In connection with the development programme of Career consultancy for Universities another programme for internal employees – Career consultancy for secondary schools was introduced at the end of the year, of which objective is to support internal mobility of

employees with secondary education and contribute to maintaining of knowledge at DPP resulting from experiences of employees, who are going to leave the company. Extension of the existing system of rating with regular rating of competences of all technical-economic employees was the strategically important area of development of employees and support to improvement of work performance and the tool of communication between managers and employees. Competences subjected to rating are linked to employee development, professional career development and the System of personnel reserves. Training on the topic of Rating of DPP´s employees was realized for more than 350 evaluators in connection with extension of rating to all technical-economic workers.

The personnel reserves system was still realized with the objective of ensuring succession on key positions and creation of personnel base of internal employees with high work performance and potential for vertical and horizontal professional career development. As of 31st December 2016, 174 employees were included into this system, for whom development activities resulting from the predetermined Plans of personal development were ensured.

Employees are make the use of the option to improve their qualification at secondary schools, higher vocational schools or universities in compliance with the needs of the company. In 2016, in total 27 employees studied during their employment under closed qualification agreement, out of it 5 employees at secondary schools and 22 employees in universities.

SAFETY

CRISIS PLANNING

600 110 Department - Crisis Planning creates in compliance with the crisis plan and the Crisis Plan of the Capital City of Prague various measures in order to allow for effective and adequate responses to crisis situations.

In 2016, our department updated the basic standards in the area of crisis planning, The Board of Directors approved the new Crisis Readiness Plan at DPP, which was prepared in close collaboration with the Fire Rescue Brigade of the Capital City of Prague in connection with the amended Crisis Plan of the Capital City of Prague, approved by the Security Board of the Capital City of Prague (BR HMP). At the same time a contract between the Capital City of Prague and the Prague Public Transit Co. Inc. was updated. This contract deals with mutual cooperation at solving crisis situations and includes annexes concerning mutual assistance and communication. Due to organizational changes titles of functions and departments were changed and thus it was necessary to include them into DPP´s internal standards and then harmonize them with standards of the Town Council of the Capital City of Prague.

In cooperation with relevant responsible departments the Evacuation Plan was prepared as a part of the Operating Rules for the DPP´s Central Building within the meaning of Section 12 of the Decree of the Ministry of Interior of the Czech Republic No. 380/2002 Coll. on preparation and performance of tasks of the protection of citizens. Furthermore evacuation plans of bus garages were inspected and discovered defects were remedied.

New drafts of standards in the area of protection of citizens against occurrence of militant chemical substances in metro were prepared and thereby the actual standard (the so-called "provisional") was completed and extended with activities commencing from detecting of occurrence of militant chemical substances at metro up to restoration of metro operation. Another directive concerning suspicion of occurrence of dangerous substances in metro was elaborated in connection with this new standard.

SAFETY, SECURITY AND PROPERTY PROTECTION

These activities are currently divided into three areas, which are managed by the 600 120 – Safety and Property Protection department, 600 140 – Security of Buildings department and a newly established department 600 150 – Supervisory Centrum – DPPC.

Principal activities of the 600 120 department are the methodology in the area of personal data protection and protection of secret information, security of buildings in cooperation with the security agencies, production and the system of delivery of entrance magnetic cards and entrance cards to external entities and management of camera systems in land buildings. Close cooperation with the Metropolitan Police and the State Police is running.

A number of documents within the mode of the secreting "Reserved" were prepared on a new electronic equipment, for which a certificate of the National Security Authority was issued, in cooperation with the service of Technological equipment and OSM. In compliance with wording of the Act No. 412/2005 Coll., on the protection of classified information and on security competence, in total 90 employees have access to them. This number is expected to be increased.

We succeeded in collaboration with the I3 Consultants company to realize the project of registration of camera systems in trams and buses in the area of methodology of personal data protection. The Office for the Protection of Personal Data permitted operation of camera systems with recording inside and outside the transportation means mentioned.

In order to improve safety the camera system undergoes digitalization. In 2016, a reconstructed system transformed completely into digital form was taken over at the Strašnice carriage shed and at Vršovice garages. Preparation of the project of establishing of digital camera system at the Motol carriage shed and at the Žižkov carriage shed commenced. This change is very important especially for the firstly mentioned building, which also contains a school building. At the same time a camera system at the Kobylisy carriage shed was extended with 4 analog cameras due to construction of anti-noise wall. As of 31st December 2016, the department managed in total 278 cameras located in 15 buildings. Outputs from these cameras are further used in particular by the Police of the Czech Republic.

External entities were provided in total with 1245 entrance cards, 490 magnetic cards and validity was renewed for 2236 magnetic cards in the year 2016.

Several practices of bodies of the Police of the Czech Republic were ensured in cooperation with the Metro Operation division, Management of Vehicles and Buses division and Management of Tram Vehicles.

Workers in the 600140 – Security of Buildings department ensure security of vehicles at the Hloubětín, Kobylisy, Pankrác, Strašnice, Střešovice, Vokovice and Žižkov carriage sheds. In 2016, we focused in this area on unification of procedures at the exercise of guarding service with respect to specifics of individual carriage sheds and our attempt will be the same in the following year.

In addition to routine acts resulting from the nature of this department we constantly endeavour to improve standards resulting from risk assessment and possible endangering of life and health of an individual as well as closer cooperation within the Prague Public Transit Co. Inc. This should result in extension of options of inclusion of employees from the social programme to job positions, which will match better with their abilities and skills.

In cooperation with the Technical Facility Management of Buildings department reconstruction of gatehouses at the Vokovice, Střešovice and Pankrác carriage sheds took place. We succeeded to improve working conditions at gatehouses among others with installation of air-conditioning units. Key economy in individual buildings was reviewed, reduction and better location of keys took place and depositories were installed at gatehouses for placement of strategic keys.

17% new employees were employed in the department, out of it 4% within the social programme in the year 2016. 11% of employees terminated their employment (termination due to old-age pension or by another reason) and 11% of employees migrated to another work position within DPP.

Essence of the social programme starts to be realized. At the course of the past year, 4 persons within this programme returned to their original job positions after remedy of their health conditions or these persons were transferred to jobs corresponding better with their knowledge and qualification. Occupancy of gatehouses with workers employed within the social programme was on average between 15% and 20%.

With respect to the actual safety situation and increasing need to process and evaluate the safety situation at DPP the company´s management made the decision to establish a new department – 600150 Supervisory Alarm and Entrance Centrum department – DPPC. This department assumed activities, which has been performed by a security agency for DPP until now, because from the strategic point of view it was not appropriate with consideration of the actual situation. Technological and personnel strengthening took place. Full personnel occupancy was completed as of 1st November 2016. The main task of this department is the collection and evaluation of information on security incidents and adequate responses to them. Input information is realized not only through the technical protection system, but also through information from the physical security of individual premises. Among others, not less important tasks include methodical cooperation at reconstruction of security systems and close cooperation at development of security extension of autonomous systems.

OCCUPATIONAL SAFETY

The Occupational Safety department – BOZP continued in its standard activities to ensure safe working conditions for employees resulting from the valid legal standards in 2016. Regular inspections and checks were performed at all management levels. Employees were trained in the area of safety according to the needs of individual departments. Internal documentation was updated in the area of prevention to risks and outputs from inspection as a response to amendments of associated legal regulations.

The target of prevention to risks was in particular creation of a safe working environment, where numbers of work injuries can be lowered significantly. In 2016, the lowest number of work injuries was recorded for the last 10 years.

FIRE PROTECTION

The target of activities in the area of fire protection is prevention to fires, create conditions for their successful elimination and minimize impacts on lives, health and property.

The DPP´s Fire Rescue Brigade (hereinafter as the "HZS") is a guarantor for ensuring fire protection within DPP and a partner to the state administration bodies. HZS´s competencies include fire prevention, care for aids for elimination of fires and fire-security equipment and securing permanent action readiness of the HZS´s units to eliminate fires and solution of other extraordinary events in buildings and at DPP´s operations.

In 2016, we recorded in total numbers 472 interventions by the HZS´s units for extraordinary events. Out of these figures, 42 fires, 84 interventions in case of accidents of road and rail vehicles, 193 technical assistances and 2 other helps, 24 liquidations of escape of dangerous substances, 15 natural disasters, 13 examining exercises and 99 false alarms.

In accordance with the Plan of professional training of the fire protection units for the year 2016 consistent and systematic professional and physical training of HZS´s employees was realized. Practising of emergency procedures for individual types of rail metro vehicles, trams and buses continued. We organized professional occupation of members of climbing groups, power saws´ attendants and technicians of the chemical service. We ensured the regular professional training of members of voluntary fire brigade at the enterprise ensuring the fire protection of bus garages.

The Hostivař fire station was equipped with the spare stationary diesel power supply unit in order to ensure operation of the building, and in particular the dispatcher´s station of the Fire Rescue Brigade in case of power supplies failure. Two new specialized fire vehicles – technical bus and anti-gas automobile were deployed.

We participated within DPP in resolving of the issue of automatic fire extinguishing equipment at motor operation of buses, the issue of pasting large-area advertisement on buses and participated in creation of the Plan of reaction in case of chemical attack in metro.

In framework of the Integrated Rescue System (IZS) we cooperated closely with the Health Rescue Service of

the Capital City of Prague at exercises of its crews for solving exceptional events in metro. We continued in acquainting of members of the Fire Rescue Brigade of the Capital City of Prague with specifics of rescue activities at DPP and with use of oxygen breathing apparatuses for long-term interventions at irrespirable air environment. We ensured professional occupations for special divisions of the Police of the Czech Republic on the basis of their requests.

We conducted inspections of all ground, underground and wall-type hydrants and dry-ducts in DPP (in total 2 260 units of equipment) and coordinated inspections and revisions of portable and mobile fire extinguishers in DPP (in total 14 137 pieces). We have been continuously updating documentation for fire elimination, in particular in connection with construction of accesses for persons with disability of movement at metro stations and reconstruction of the Electric Fire Signalling (EPS).

Fire prevention activities consist mainly in prevention to fire and emergency situations. Performance of the fire prevention tasks results from the valid legal regulations, in particular the Act No. 133/1985 Coll., on fire protection, as amended by later regulations and guidelines of DPP, which are aimed at fire security of employees and public transport passengers. The Fire prevention department determines in framework of inspections and processing of fire protection documentation measures to secure minimum risk of fire occurrence. In connection with this assignment cooperation with all DPP´s bodies and to a considerable extent with organizations of others has a priority. In framework of fire protection design of constructions 153 negotiations with designers were conducted.

Statements to contracts sent from the Contractual Relations division concerning the existing and new commercial units in the number of 155.

We conducted inspections for observance with the obligations imposed by the fire protection regulations in all premises and facilities of DPP, i.e. in the number of 958 preventive fire inspections. 209 checks of removal of defects were recorded.

In 2016, 2 365 employees on managerial positions, including professional training of preventive fire patrols and fire supervisors, and then 135 managerial workers of supplier's companies underwent training.

In the area of fire protection of constructions, we participated in approving and assessment of building projects for new constructions and constructions under reconstruction and attended to 558 technical inspections, acceptances and final approval of constructions.

In 2016, our department issued 3 new versions of regulations:

- SM 39 – 2010 – 02 Training and professional preparation of DPP´s employees and organizations of others with respect to fire protection.
- SM 17 – 2012 – 02 Establishment of the fire protection security organization.
- SM 22 – 2012 – 01 Principles of the fire protection for designing and constructing of Prague´s metro.

Furthermore marking of DPP´s buildings and facilities with safety marks was performed at the course of the year.

In compliance with the plan of alarm exercises 15 training fire alarms were realized at DPP.

Another agenda consists of approving works at metro stations. The Fire prevention department participated in such 195 negotiations.

INSPECTION

In 2016, the Inspection department devoted to internal check activities, which were focused as standard on compliance with legal standards, internal legislation and on the level of quality of provided services. Inspections were performed in compliance with the plan compiled on the basis of requirements from managers at DPP and on the basis of knowledge from results of inspections for the previous periods. At the same time operative checks were performed, which resulted from the actual needs and requirements of individual departments or employees at DPP. Results of investigations were provided to managers in order to improve performed activities of departments concerned and to remove deficiencies discovered. The department´s activities also included continuous provision of assistance at preparation of supporting documents on the basis of investigating, prosecuting and adjudicating bodies.

On the basis of requirements from managers of individual departments at DPP inspections were conducted in compliance with the Act on sickness insurance, specifically inspections of the determined mode of temporary work of employees with work disability all the year. At the same time employees were continuously subjected to breath tests to detect alcohol and other additive drugs.

At the end of the year 2016, this department was extended with the 600340 division – Technical Inspection Station. Supervisory auditing of the quality management system (QMS) according to EN ISO 9001:2008 was performed within the department with planning of recertification auditing. The final report from the auditing confirmed that the Technical Inspection Station introduced and maintained properly the quality management system in compliance with the ISO 9001:2008 standard. The Technical Inspection Station is currently preparing for transition to performance of requirements imposed by the new standard ISO 9001:2015. Certification was performed by the LRQA organization (Lloyds´Register Quality Assurance).

The system of information and cybernetic security has to be currently established and developed on the basis of obligations resulting from the act on cybernetic security. These activities are necessary for ensuring of protection of information assets within DPP. By this reason the Inspection department was extended with a new department 600330 – Centre of Information Security at the end of the year 2016. Activities of this new department are focused on safety aspects of information systems and implementation of elements of the security policy at DPP.

INVESTMENTS

We expended for acquisition of investments these funds at the course of the year 2016:

Own resources of DPP	MCZK 2,496.007
Bill programme for purchase of 15T trams and disponable funds	MCZK 2,750.193
Compensation 2016 (appropriate profit)	MCZK 991.000
Retained compensation from the year 2012	MCZK 74.663
Grants from EU – The Operational Programme Transport – Metro A	MCZK 161.655/*
Grants from the budget of the Capital City of Prague – Prague Operational Programme OPPK	MCZK 26.025/**
Grants from EU – Prague Operational Programme OPPK	MCZK 0.390/**
Common grant from the budget of the Capital City of Prague	MCZK 249.345/***
In total	MCZK 6,749.278

/* Grants from EU – the Operational Programme Transport – Metro A

Remaining part of grant from EU amounting to MCZK 679.191 was provided in the year 2016. The Prague Public Transit Co. Inc. had to return after performed inspection from the Ministry of Transport of the Czech Republic a part of the grant amounting to MCZK 6.278 (penalty for breach of the act on public procurement).

/ Grants from the budget of the Capital City of Prague and EU for the projects funded within the Operational Programme Prague – Competitiveness**

In 2016, we were provided with grants for the projects Elevator at the Anděl station, Elevator at the Můstek station, RTT Střešovická – Na Petřinách and RTT Plzeňská II; all these grants were provided for works performed before the year 2016 and a part of them was used for funding of these projects in 2016.

a) Grants from the budget of the Capital City of Prague	
In total	MCZK 27.003
out of it in 2016	MCZK 26.025
b) Grants from EU	
In total	MCZK 306.037
Out of it in 2016	MCZK 0.390

/* Common grants from the budget of the Capital City of Prague**

In total	MCZK 249.345
Out of it:	
I. Operating section of the D metro line (preparation)	MCZK 5.043
Barrier-free measures	MCZK 4.138
Barrier-free access to the metro station – Karlovo náměstí	MCZK 7.080
TT Sídliště Barrandov – Holyně – Slivenec	MCZK 1.850
TT Divoká Šárka – Dědinská	MCZK 2.397
RTT Nuselská – U Plynárny	MCZK 128.837
RTT Vršovická (Otakarova – Kubánské náměstí)	MCZK 100.000

Great part of funds was used for renovation and modernization of the fleet:

- 39 pieces of trams were supplied for the amount of MCZK 2,158.021 and deferred payments from the year 2015 were settled amounting to MCZK 1,144.943
- 7 units of rejected KT8D5 trams were purchased from the City of Miskolc for the amount of MCZK 9.709 (they will be gradually reconstructed into KT8N2 type)
- buses were purchased (articulated low-floor buses and midibuses) for the amount of MCZK 221.700

We prematurelily paid up the loan provided for purchase of 20 new M1 metro sets (we paid up MCZK 1,140.556) and paid the instalment within the bill programme drawn for payment for 15T trams amounting to MCZK 800.00.

In 2016, works on completion of the A metro track from the Dejvická station continued and construction of the D metro track is underway.

We expended a significant part of funds for reconstruction of tram tracks with expending the amount of MCZK 473.941 for this purpose.

Barrier-free access at the Můstek metro station was put into operation.

Tram tracks RTT Vršovická (Otakarova – Kubánské náměstí), RTT Nuselská – U Plynárny II. Stage, RTT Sokolovská (Březinova – Palmovka) and RTT Smyčka Těšnov underwent reconstruction.

PRIORITIES FOR THE COMING PERIOD

The Prague Public Transit Co., Inc. holds the position of the greatest carrier within the system of Prague's integrated transport. Thereby it contributes quite significantly in maintaining of great share of the public city transport in the overall transport work, which belongs to the fundamental conditions to secure acceptable traffic situation in the territory of the Capital City of Prague. With full awareness of this position exceptional emphasis is put in all areas of its activities on permanent improvement of the level of services provided. The precondition for fulfilment of this objective is corresponding restoration and technical base development, which requires consistent selection of implementation priorities. The area of optimization measures in operating activities belongs among the significant ones. A big challenge for the coming period is in particular real option of co-funding of our biggest investments from European funds, for which we must achieve the stage of their readiness and then apply for relevant grants.

Unequivocal priorities of the Town Hall, reflected in its fundamental development documents, include development of the network of the city rail transport and fulfilment of the given purpose. In this connection it belongs to our critical tasks in long-term horizon. Development of the metro network and tram network ensures growth in the share of segregated tracks of the city public mass transport with a positive impact on its regularity, speed and safety. This is the precondition for growth in interest in our services and corresponding reduction of the automobile transport in the territory of the city. Associated reduction in ecologic load on the city territory, given by higher use of electric traction, cannot be neglected. On the basis of the valid national energy concept of the Czech Republic emissions of CO2 produced from generation of electricity will be reduced significantly until 2040 and the so-called carbon footprint of emissions of CO2 related to one kilometre per the number of places in transportation means of a company for the tram transport will be half compared to the bus transport.

The Prague Public Transit Co. Inc. is engaged actively in the primary stage of creation of conditions for development of the network of the city rail transport, for which new projects must be reflected into the territorial-planning documentation. It participates in assessment of initial supporting studies, ordered by the Institute of Planning and Development of the Capital City of Prague and in compliance with the valid legislation it expresses its opinion on outputs from individual stages of provision of the territorial-planning documentation during its public discussion. As the tram tracks, which are subjected to changes in the existing master plan or the metropolitan plan, are concerned, we can expect significant moves in 2017, in particular from view of final solution of their concept and routing itself. Attention will be paid in this area in particular to TT Nádraží Podbaba – Suchdol, TT Chodovská – Spořilov – Opatov – Háje and to the tram connection of Prague 6 and Prague 8. Decision to be made on the manner of completion of the tram network in the central part of the city appears to be desirable. One of changes of the existing master plan, prepared for approval, will simplify the territorial-planning conditions for some tram tracks in the extent that it will be possible to immediately approach to commencement of project preparation of TT Strahov, which will ensure replacement for the existing intensive bus transport from student hostels through environment-friendly tram transport.

Some fundamental transport constructions are already at advanced stages of preparation, of which completion has to however face the critical situation in the area of proprietary relations, because we cannot purchase some lands we need.

By a lot of reasons attention is paid to in particular completion of the Prague metro with its fourth D line, which has been prepared in the long term. Effective territorial-planning decision was obtained for the operating section of metro I.D Náměstí Míru – Depo Písnice already in 2014. Then we proceeded to acquisition of the consecutive stage of documentation. However, further progress of preparatory works was very negatively affected in particular with unsuccessfulness of acquisition of lands, intensified with judicial disputes with some owners of lands. They led even to cancellation of a change in the master plan, by which the original concept of the introductory part of the metro section under preparation was originally included into the territorial-planning documentation. Judicial proceedings are conducted also in the matter of validity of the territorial-planning decision. This complicated situation can lead even to changes in the project implementation staging.

Ensuring of purchase of lands as the necessary condition for issuance of the building permit for the introductory section of D line Pankrác – Depo Písnice is the decisive task for the year 2017 (the building permit proceedings were interrupted). A separate application for issuance of the building permit will be filed for the Písnice depot. In compliance with the decision made by the Town Council of the Capital City of Prague No. 2543/2016 preparation of architectural contests will be commenced with respect to design of the Náměstí Míru and Náměstí Bratří Synků stations and further with respect to a visual design for stations within the section Pankrác – Depo Písnice. If preparation of the metro construction develops positively, we can expect awarding of documentation for selection of contractor and possibly commencement of archaeological survey in the year 2017.

As the area of preparation for realization of tram tracks is concerned, projects, for which readiness can be achieved to allow for applying for grants from European funds, are of key importance. Building permit proceedings was interrupted for TT Sídliště Barrandov – Holyně – Slivenec until final solution of proprietary relations. So the most important task for the following periods is unequivocally ensuring of purchase of lands to allow for issuance for building permit and for commencement of activities with respect to selection of a contractor to the construction. In case of TT Divoká Šárka – Dědinská the main task is to ensure issuance of a territorial-planning decision (deadline until end of April was determined in the updated contractual conditions for filing of an application) in 2017. Further continuance of preparation was already ensured on the basis of concluded contracts. Situation concerning preparation of TT Sídliště Modřany – Libuš is similar. Complete designing and engineering activities, including author´s supervision, were ensured on the basis of concluded contracts. Obtaining of a territorial-planning decision is expected until the end of the year 2017. This tram track is divided into two implementation stages by reason of spatial connection with the Libuš station of the D metro line under preparation. It will be operated before the metro construction with

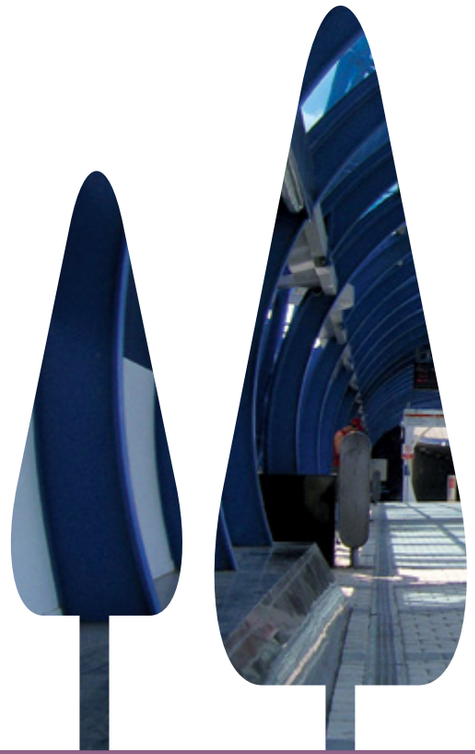
temporary ending of dead centre in the Novodvorská street and the project will be completed with construction and connection of tram loop after implementation of the Libuš metro station. The tram track network will be also extended with two new tram loops. As the tram loop Zahradní Město is concerned, it is a project ensuring corresponding transit links to the prepared railway station named the same, which will be realized within optimization of the railway track section Praha Hlavní nádraží – Praha Hostivař. In 2017, we will apply for issuance of a territorial-planning decision. Implementation of the tram loop itself will be directed in terms of date of implementation at joint commissioning with the railway stop, expected in the year 2020. The second tram loop under preparation will be located in foreground of the Depo Hostivař metro station, which will ensure optimal transit link to metro, with significant shortening of approach distance. It will allow for extension of tram lines from the existing Černokostelecká loop to metro. Localization and design of the Depo Hostivař loop correspond also with preconditions for development of the tram lines network, directed at the Štěrbohol area.

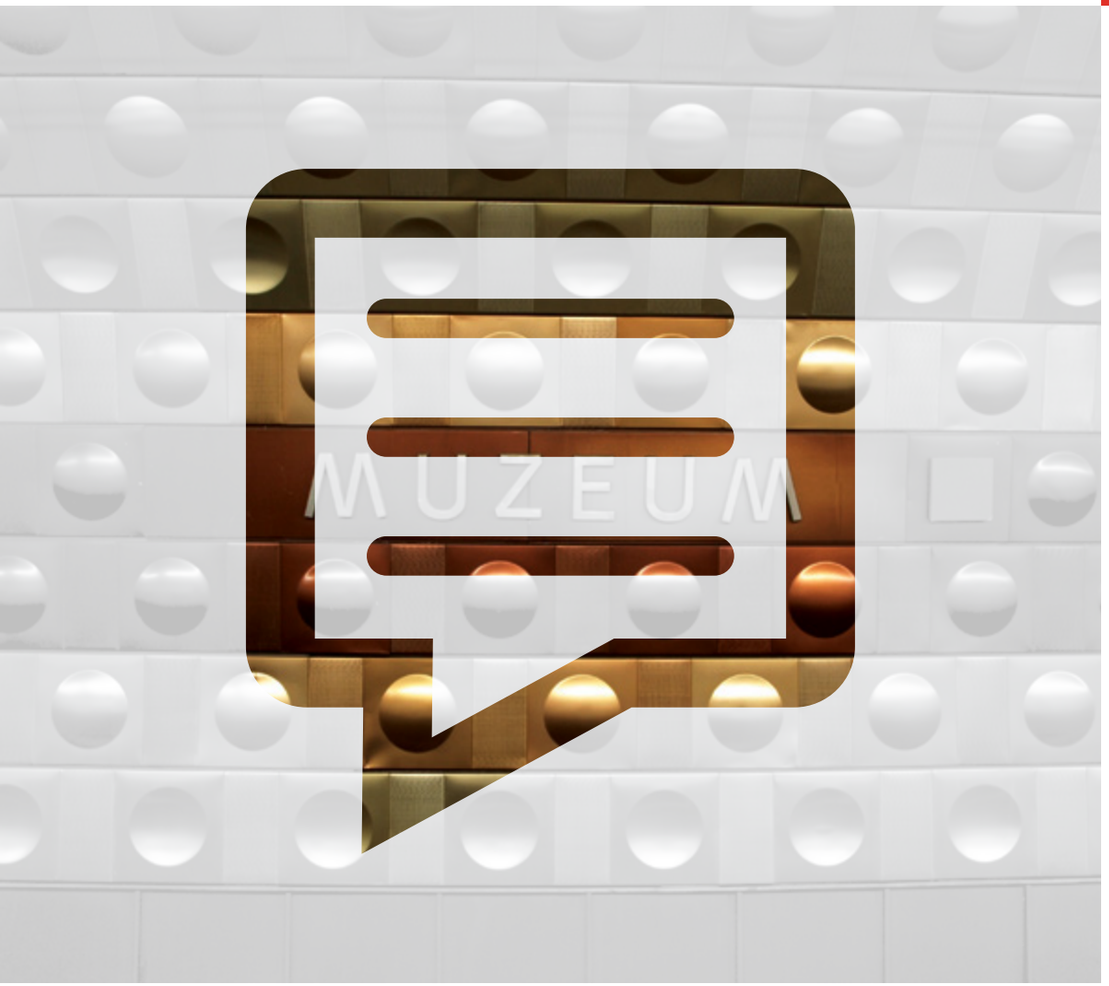
With consideration to the fact that condition of preparation of tram new constructions does not allow in the meantime for commencement of their implementation, improving of the technical level of the network of tram tracks will be done with their reconstructions. At this point the most important projects include in particular RTT Albertov – Otakarova, RTT Palmovka – block and completion of RTT Nuselská – U Plynárny.

Further positives moves will occur in the monitored area of barrier-free metro stations, since installation of vertical elevators at the Palmovka metro station will be commenced in the year 2017. Barrier-free access to the Karlovo náměstí station will be completed until the end of the given year (connecting pair of vertical elevators with interconnecting corridor) as well as at the Opatov station (vertical elevators) – implementation of both constructions is expected in the year 2018.

Renovation of the company´s fleet for land transport will ensure further increase in share of low-floor vehicles. In 2017, 25 pieces of 15T trams are to be supplied, 2 trams of KT8D5 type will undergo reconstruction with inserting of a low-floor segment and minimum of 1 tram T3 is expected to be reconstructed to partly low-floor T3R PLF tram. Public tenders are expected in the area of renovation of buses to select a supplier of 150 articulated buses and 300 standard low-floor buses together with 20 partly low-floor buses.

The breaking point in the coming period will be the creation of conditions for gradual development of electromobility at bus operation as another form of reduction of emission and other negative impacts due to transport. Pilot electrification of the bus line No. 207 will be the fundamental step forward, with operation from September 2018. The project is associated with construction of places for night-time recharging at the Vršovice garage and day-time recharging at the Ohrada swinging area. 14 electric buses will be purchased. Another project is the review of the electric buses system with dynamical recharging. The testing operation will run at the Palmovka – Letňany section, of which part will be equipped with trolleybus trace for dynamical recharging, 2 leased buses with the length of 12 m and 18 m will be equipped with collectors allowing for stationary and dynamical recharging. Recharging will take place at the Palmovka swinging area during operating breaks, night-time recharging will be ensured at the Klíčov garage. Commencement of trial operation is planned for the 4th quarter of 2017. In addition to that operation of SOR EBN 11 electric bus will continue in 2017, with double-pole recharging, for which tram power supply network is used.





MARKETING AND COMMUNICATION

The area of marketing and communication delt with not only projects for the travelling public, but important part included also activities within the internal communication towards the company´s employees in 2016. Like during the previous years emphasis was put during communication on the target to present DPP as a modern and dynamically developing company, which cares of the high standard, in particular reliability and safety. In the spirit of these ideas DPP strived to present services provided to passengers.

Core presentation took place in the background of important anniversaries of the Prague Transit Co. Inc. and also the Prague public mass transport. So inhabitants of Prague could commemorate 120 years of tram operation on the Prague – Libeň – Vysočany line already in March. DPP presented 125 years from commencement of operation of the first electric track in the Czechlands with exposition and first brochure titled "Fenomén Křižík" (Křižík phenomenon). The famous Czech electrotechnician and businessman František Křižík was at the birth of utilization of electricity in transport also on the territory of Prague. Replica of arc lamp, which was improved by František Křižík and for this invention he was awarded internationally, was installed at the Křižík metro station on this occasion.

There are no doubts that metro changed significantly live in Prague and adjacent areas. DPP commemorated 50 years from commencement of metro construction in the last year. In the sixties of the last century, Prague had to face lack of garage places for rapidly developing bus transport. In 1966, buses from the Kačerov depot were dispatched for the first time and traffic situation was improved mainly in the southern city district.

Inhabitants of Prague and all passengers using the public mass transport can await in particular innovations in the Prague transport. The first day in March 2016 was a significant one, which brought barrier-free access at the Můstek metro station on the A and B metro line. Since this day, all transit metro stations are barrier-free. The first barrier-free access was opened at the end of the year 1992 and after a little less than quarter of century the City of Prague has 70% of stations with barrier-free access. There is the same tendency also in land transport, trams and buses. The Prague Public Transit Co. Inc. tries to achieve all Prague public mass transport as barrier-free till 2025. All the first half of the year 2016, DPP was informing passengers about significant moves in barrier-free stations during the last two decades.

The Prague Public Transit Co. Inc. noticed significant improvements in the area of transit documents, in particular their availability, for the last decade. Option to buy tickets through contactless payment card directly at tramcars was added to purchase of tickets through SMS and at new ticket vending machines since the last year. This novelty was well accepted on tram lines No. 18 and 22. And even these novelties contribute to an increasing number of passengers at Prague´s trams. This was confirmed by a complex transport survey performed in November. The Prague Public Transit Co. Inc. started on the basis of feedback from its customers adaptation of arrangement of seats at 14T trams in spring 2016.

The Prague Public Transit Co. Inc. tries hard to make everyday travelling pleasant also with unconventional events, which have become traditional. In summer, the six-hour dancing marathon made passengers to dance at five vestibules of the Prague´s metro, specifically at

the Hlavní nádraží, Florenc C, Můstek B, Budějovická and Malostranská stations. People joining the Experience Tourism program have experienced extraordinary feelings and impressions for more than five years. More than two thousands of fans joined the two-hour program in the last year.

Popular events for children accompanied by their parents are organized traditionally by the Prague Public Transit Co. Inc. Few hundred of visitors enjoyed the Nicholas´s Day afternoon at the Střešovice depot. Vestibules of the Prague´s metro started to sound already for several times with music within the "Be in good mood also during the Christmas time" during the Advent time. September is a traditional date for the Open Day, which this time offered to the public to view the back offices at Zličín, Řepy and Motol.

The Prague Public Transit Co. Inc. appreciates loyal employees. In 2016, the company´s management awarded 70 employees on the occasion of 35 years of their employment. DPP is also a traditional partner to important and popular all city events, as they are "Noc kostelů" (the Night of Churches) and "Pražská muzejní noc" (the Prague Museum Night). It is the official transporter for these both events and succeeds to manage still increasing number of visitors. The summer movie theatre bus "Kinobus" welcomed hundreds of visitors, which passed its ninth tour this year. This event brought more than 12 thousand Czech crowns for the charity. Malostranské square was the last stop of Kinobus, where DPP commemorated 50 years from the first night of the legendary film "Dáma na kolejích" (The Lady of the Lines), starring Jiřina Bohdalová.

Official facebook page of the Prague Public Transit Co. Inc. proved increasing tendency in use of social networks in 2016. In case of DPP in exact figures an increase with more than four thousands of fans to 11 500 fans. The most popular entry of the year 2016 was a video recorded from installation of Christmas lighting decoration on the popular "Mazačka" (Lubricating tram – special working tram), which was viewed by more than 22 thousand of users.

In October 2016, established its account on the Twitter social network, which becomes still more popular in the Czech Republic. More than 200 users added the account with official title "DPPoficialni" to be viewed on their profiles for less than three months.

Official web pages dpp.cz still maintain high rate of visitors per day, which reaches on average 50 thousand of visitors. The most viewed pages apart from home page are: "Mimořádné události" (Exceptional events), "Spojení a jízdní řády" (Line connections and timetables) and "Jízdné" (Fare). Absolute number of visitors recorded 21,808,095 visitors last year, out of it 37% from the total number was realized through mobile phones and tablets. The average duration of visit on web page was exactly 1 minute and 32 seconds per one visitor, when DPP´s pages were opened by 82,879 persons in connection with changes in tram lines route.

Year 2016 brought in total 8 517 media releases with the topic of the Prague Public Transit Co. Inc. or the city transport in Prague, that is in all media-types; i.e. in press, TV, radio and on internet. Compared to the previous year it is a slight drop in media interest, since 9054 articles or coverages were reported in 2015. Media picture went through positive changes due to drop in critically oriented publicity. The greatest interest in the topic of the public mass transport was recorded just in January (870), not only due to introduction of "Lítačka" and issues regarding the Opencard. Compared to January the month of July recorded the lowest number of articles and coverages (550).

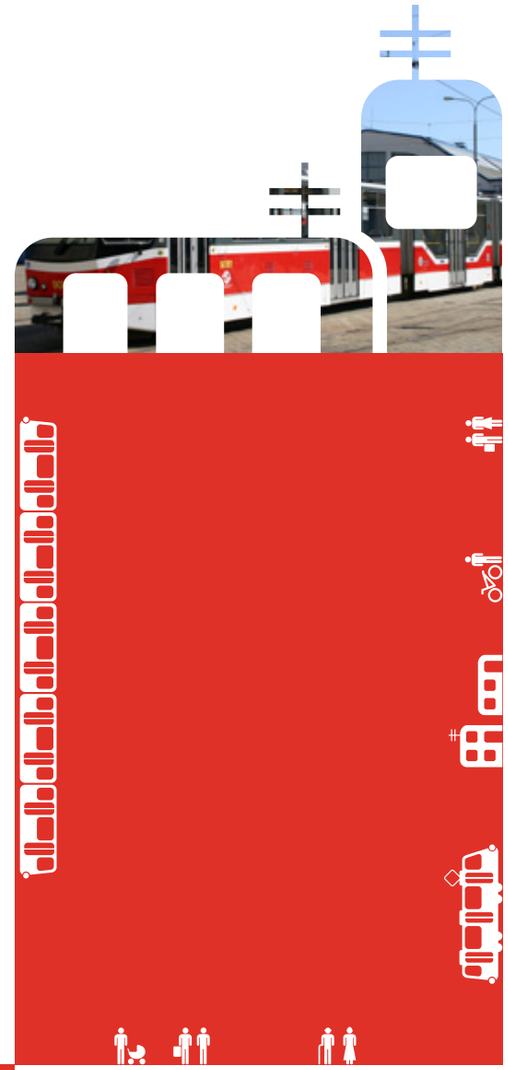
PR activities led positively oriented publicizing immediately associated with DPP and brought in total 307 outputs, out of which almost one fifth (approx. 60) connected with the popular lubricating tram, which returned to the Prague´s rails after longer reconstruction and modifications few days before Christmas holidays. In addition to the mentioned this time the already legendary "Mazačka" tram (Lubricating tram) was awarded with 2nd place in the category of Digital and Social Media at the ceremony of 11th year of the Czech Price for public relations. The "Mazačka" tram became a phenomenon, which captured attention of more than 11 thousand of fans on social networks. Due to live transmission with camera placed at the cabin back it allowed us to see the city from yet unknown perspective. On-line transmission on Slow TV recorded more than 2 million of views.

Three-article bus became very attractive also for media. This bus was dispatched under trial operation to the Václava Havla Airport line. Opening of new barrier-free accesses at metro stations or launching of the DPP INFO mobile application met with positive response in media.

In 2016, employees of the Communication department handled in total 17991 impulses from the travelling public, out of it 9316 complaints and 8675 questions, and then comments, notices and compliments. Overally, two-percent increase compared to the year 2015 is concerned. The highest increase in impulses was noticed by the Communication department at the fourth quarter after re-numbering and changes in bus line connections.

Intranet played an irreplaceable role in communication with employees in the area of internal communication in DPP. The Communication department ensures for a part of operating employees, who are not equipped with PC and cannot use intranet, distribution of printed documents at the Communication points. In total 221 messages were published on the main intranet page.

DP Bulletin actually was an effective tool of internal communication also in the year 2016 (released in total eight times). This bulletin brought invitations to cultural events organized by the Prague Public Transit Co. Inc., reminders of important anniversaries and actual offers of discounts and benefits for all employees. The traditional monthly journal for employees – DP kontakt crowned already 21 years of its existence. The issue No. 11 of the year 2016 became the 250th issue in the overall history of this journal.



PROFESSIONAL RELATIONS 2016

Involvement in the **ZeEUS** (Zero Emission Urban Bus system) project of the International Association of Public Transport (UITP) brought DPP a chance to monitor the latest technologies and tendencies in the area of emission-free city bus systems. DPP is a member of the user group and simultaneously it participates in comparing of operating, technical and economic data from the European electric buses operation within the so-called ZeEUS Observatory group. In December 2016, an updated overview of 61 electric buses operation in Europe was prepared and released within this project. This overview naturally includes the successful project of SOR EBN 11 electric bus with double-pole charging from the tram power supply network, which DPP operates from September 2015.

The **ELIPTIC** (Electrification of Public Transport in Cities) European project is focused on research and demonstrative projects in the area of the public mass transport electromobility, in particular with the use of various forms of charging systems for electric buses. DPP became involved in this project in cooperation with the Cegelec a.s. company in framework of the so-called "Twinning cities" initiative together with the German Eberswalde. Preparation of the feasibility study of electric bus line for sections with higher transit demand (electric buses with higher occupation rate, the dynamic recharging system etc.) is underway within this project. This study is primarily coordinated with the project of electric bus with dynamic recharging in the section Palmovka – Letňany, including realization of possible variants of further stages of this project (extension of the section, deployment of vehicles with higher capacity etc.), which is at the stage of preparation.

NGTC Group (New Generation Train Control) is engaged within UITP in designing of new generation train interlocking plant with movable block, which would allow for unification of the train interlocking plants for city tracks (Communications Based Train Control) and the train interlocking plants for national railways ETCS (European Train Control System). It emerged during work of the group that some parts could be most probably integrated, however requirements remain still different and in all probability it would not be possible to create a universal interlocking plant for railways and metro. We can mention as an example differences in requirements for operation, when the city track/metro uses a homogenous fleet at operation with minimum consecutive interim (up to 60 s). Compared to that the national railways must enable operation of absolutely different vehicles (passenger trains, electric units, freight trains) with completely different running parameters.

DPP became a member of the **"Asociace Metro" (Metro Association)** at the end of the year 2015. In consideration of different local operating conditions of individual metro operators grouped to this association, their different levels of the standard of technical equipment and relatively high number of transported passengers, participation of DPP in the association means a very good platform for gaining further experiences from metro operation. One of the main important sessions of the Metro Association in 2016 was the meeting at the Mytišci´s production plant "Metrovagonmas" in Moscow. A lot of eastern metro operators took part in the meeting. The production plant introduced new projects and DPP was acknowledged for many years of attempt at application of up-to-date technologies in designing of metro vehicle during the time of supplying Soviet vehicles to Prague. The thing is that DPP made the Metrovagonmaš company change the old philosophy, which thanks to DPP set out to apply new technologies used worldwide. So, DPP is perceived by the management of the Association and a lot of operators as a pattern of system reliability, quality and operation safety.

DPP took part in the 5th year of the **European Championship of Tram Drivers**, hosted by the City of Berlin and the transport company BVG in April. 27 teams from 17 countries competed in total in six events (estimate of speed 20 km/h, target braking, estimate of through profile, stopping with the second left door on a determined place, pushing along to a mark and tram bowling). DPP´s team did not win any price in its premiere, however it represented Prague with dignity and fair.

DPP hosted the jubilee **100th session of the UITP Bus Commission**. 47 participants from in total 22 countries and 3 continents arrived to Prague for this prestigious event. Electromobility in the bus transport was a key discussed topic at the session. Therefore the program also included practical presentation of an example of testing of electric bus SOR EBN 11. Celebrations of the history of the UITP Bus Commission were completed with presentation of historic buses from the Public Transport Museum during excursion to bus workshops at the Hostivař premises. Complex repair activities of the Vehicles Management – Buses were presented during the excursion.

Several tens of foreign **delegations**, which visited DPP to gain and exchange information in particular in transport, technological and repair areas of the public mass transport, prove good reputation of DPP among European transporters. In January, experts from the **Israeli** Tel Aviv arrived to DPP in order to get acquainted in details with the rail transport and gain experiences from operation of the public mass transport with putting emphasis on personnel issues, planning and safety of operation. Representatives of the **Bulgarian** metropolis came to discuss business matters of sale of trams. Representatives of the academic sector from the **U.S.A** were interested in the history of public mass transport and had the option to share motives of operating workers for selection of their job. Visit of railways specialists from **Denmark** examined premises and equipment at the Tram repairshop. DPP also welcomed **Finnish** delegation led by the managing director of the Helsinki´s transport company HKL. Representatives of the public sector of the most southern **Brazilian** state Rio Grande do Sul were surprised positively with the Prague public mass transport system. They admired frequency of line connections, high quality, cleanliness in means of transportation and quantity of transported passengers. We welcomed representatives from the **Ukrainian** Mariupol at the end of April. They came to know the technical condition of two tramcars of type T3SU, which are the subject of a humanitarian gift. They received officially this gift during their second visit in October. A group from **Swiss** Basilej stayed in Prague during the first days in May. They visited the Public Transport Museum in Střešovice, experienced two drives by historic trams and excursion to the tram repairshop. Students of the **Slovak** University in Žilina were interested in creation of metro graphs. They came during this visit also to the Pankrác carriage shed, where they could compare the oldest types of operated tramcars with the latest ones. The Director in charge of the Transport department and Manager of the Tram operation division acquainted the **Turkish** delegation from Istanbul consisting of representatives of the city Town Hall and representatives of the transport company with the Prague public mass transport system. Then they had the option to visit the metro dispatcher´s office and tram dispatcher´s office. A group of experts for rail vehicles from the **Great Britain** admired the back offices for trams and metro. In May, the **Spanish** delegation from the city of Jaen was familiarized with the bus repairshop in Hostivař. The most important visits in June include delegation from the transport company of the Latvian metropolis Rigas satiksme. They had the opportunity to get information on transport organization, creation of timetables, transport surveys, transit inspection, check-in systems and types of tickets, preference measures for trams and buses or public transport control in Prague during three days. Representatives of the **Latvian** transport company were amazed with the volume of offer and demand for travelling using the public mass transport, because just under 150 million passengers are transported in Riga per year and night transport is organized only during weekends. The **Chinese** group from the Beijing state-owned company Beijing Major Projects Construction arrived to draw information in particular about rail transport, because the underground track network in Beijing should

extend from the actual 554 km with unbelievable 400 km in a time horizon of a few little years. Another **Asian** visit was from Japan. Meeting was organized at the Pankrác carriage shed with participation of the technical director, because the group consisted of experts for rail vehicles and infrastructure. Their visit continued with excursion to the train dispatcher´s office. Representatives of the **Danish** school of transport EUC Sjaelland visited the tram dispatcher´s office and were interested in public mass transport development. Delegation from the South-American **Peru** came to visit the Kačerov metro depot. The metropolis of Lima currently offers only one metro line with the length of 10 km and with seven metro stations. However, there are plans for massive development. A group from **Sweden** arrived to Prague the first week in October and was interested in geologic conditions and their effect on the metro construction. On that account these visitors were acquainted in details with geologic situation of the newest realized metro project V.A from the Dejvická station to Nemocnice Motol. Experts for transport from the **South-Korean** city of Daejon dropped in at DPP to know in details the system of city rail transport, in particular trams and tram infrastructure. Another Asian delegation was a group from the **Chinese** Peking in October. This delegation visited DPP and had the interest to establish cooperation and have first-hand experience of the public mass transport system, about which these visitors read many positives in professional journals. We made available to **Turkish** experts for securing of rail transport workplace of train dispatcher at the Hostivař depot, relay room at the Nemocnice Motol station and train dispatcher´s office. We spent the last day in October with 21 experts from **Norway**, which focused on deeper knowledge of the Prague metro. They were fascinated with the system effectiveness – the thing is that 5 metro lines with 101 stations on the length of 84 km are in operation in the metropolis of Oslo, however they transport only 100 million of passengers per one year. Experts for transport from the **Chinese**-Shanghai´s transport authority visited our company already for several times. They hereby confirmed positive perception of DPP by this Chinese metropolis. Officers from the **South-Korean** city of Gwacheon arrived to Prague to get to know mainly the tram transport. They were surprised with the length of the tram infrastructure, frequency of line connections and preference measures, owing to which they evaluated the tram transport as an unrivalled way of transport compared to individual motor transport. We welcomed delegation from the **Turkish** Izmir at the half of October. Officers of the Town Hall, responsible for preparation and realization of the project of the local metro, met representatives of the Metro Transport Route division. They were acquainted with technological systems of the Prague´s metro and had the option to visit back office at the Nemocnice Motol station. Nearly 20 experts paid attention to a group of officers from the **Serbian** metropolis during the last week in November. Representatives of the city of Belgrade visited during their stay in Prague the train dispatcher´s office, Kačerov depot and interesting stations within our metro network. We spent the last day in November with a group of MBA students of the field of transport from the **U.S.A**. They were amazed with our offer of services and among others with the condition of our infrastructure and tram and metro fleet in the context of more than one-hundred history of the tram transport in Prague, flood in 2002 etc. A group of students from the Secondary School of Transport from **the Federal Republic of Germany**, from Dresden, visited various workplaces of DPP during their study stay like every year. Delegation from the **Russian** Chelyabinsk district was welcomed at DPP´s headquarters, led by the ministry for economic development.

COMPANIES WITH INVESTMENT SHARE OF THE PRAGUE PUBLIC TRANSIT CO., INC.

Pražská strojírna, a. s.
The main scope of activities is development, production and assembly of components and equipment for construction and maintenance of tram tracks. The Prague Public Transit Co., Inc. is the sole shareholder.

RENCAR PRAHA, a. s.
The company has been engaged in all types of advertising activities from operation of advertising all-decorated trams, buses and metro sets to rent of showcases at bus stations. The Prague Public Transit Co. Inc. owns 28% of shares.

The Secondary Technical School of Transport, Inc.
(in Czech: Střední průmyslová škola dopravní, a.s.)
The main activities of the company are teaching, training and education in three organizational units of the school, i.e. the Secondary Technical School of Transport, the Vocational Secondary School and the Vocational School. The Prague Public Transit Co. Inc. is the sole shareholder.

REPORT FROM THE SUPERVISORY BOARD OF THE PRAGUE PUBLIC TRANSIT CO. INC. IN 2016

The Supervisory Board of the Prague Public Transit Co. Inc. (hereinafter only the "Supervisory Board") worked in the year 2016 in the composition:
Petr Dolínek, the Chairman of the Supervisory Board, Ing. Jarmila Bendová, the Vice-Chairman of the Supervisory Board, Mgr. Petra Kolínská, the Vice-Chairman of the Supervisory Board, Bc. Oldřich Schneider, the Vice-Chairman of the Supervisory Board, Bc. Jan Kolář, Josef Buriánek, Václav Pospíšil, Jiří Obitko, Ing. Vojtěch Kocourek, Ph.D., Ing. Petr Hlubuček, JUDr. Petr Novotný, Martin Slabý, Jaroslav Štěpánek, Ing. Marek Doležal and Petr Šimůnek, the members of the Supervisory Board.

The following personnel changes took place at the Supervisory Board during the course of the year 2016:
The Supervisory Board approved expiration of the office of Mgr. Petra Kolínská, the member of the Supervisory Board, as of 18. 2. 2016.

On the basis of the resolution made by the General Assembly of 17. 5. 2016, by which Mgr. Petra Kolínská was elected to the office of the member of the Supervisory Board, the Supervisory Board elected Mgr. Petra Kolínská to the office of the Vice-Chairman of the Supervisory Board on 18. 5. 2016.

REGULARLY DISCUSSED MATTERS:

In 2016, 12 sessions of the Supervisory Board were performed. Among other matters, the company's Supervisory Board on regular base:

- monitored the operating economy of the Prague Public Transit Co., Inc. (hereinafter only "DPP") and development of sales (discussing the quarterly and semi-annual economic results, annual financial statement, calculation of PID´s costs and development of funds drawing);
- discussed fulfilment of the plan of tenders and their members participated in rating commissions evaluating suppliers ´tenders;
- discussed supporting documents and adopted conclusions from session of the company's Board of Directors and the General Meeting;
- discussed the proprietary relations: granted approvals to conclusion of individual contracts resulting in limitation or proprietary rights or creation of a lien to movables or immovables in property of the Prague Public Transit Co. and granted approvals to conclusion of some contracts concerning sale of DPP´s real estate and lease of DPP´s real estate for a definite period (above 1 year of lease period);
- monitored the issue of sustainability of the project of V.A metro track extension and contractual agreement on the final price of the constructional part of the work;
- monitored individual steps of preparation for the construction of I.D metro track;
- granted approval to election or withdrawal of members of the Board of Directors of companies with proprietary share of the Prague Public Transit Co.;
- became acquainted with results from individual internal auditing and monitored fulfilment of recommended remedial measures;
- discussed the DPP´s investment plan and monitored its performance and changes.

The Supervisory Board was dealing with a number of issues across all areas of the company's business.

The Supervisory Board granted approval to transformation in the management system in subsidiary companies of the Prague Public Transit Co. Inc., Pražská strojírna a.s. and Střední průmyslová škola dopravní, a.s. to the so-called German model.

In connection with removal of concurrence of offices of members of the Board of Directors the Supervisory Board recommended to the Board of Directors to approve division of competences of individual members of the Board of Directors by fields and approved a new version of the contract on performance of office of the members of the Board of Directors.

The Supervisory Board gave its consent to counter-proposal of the employer for growth in wage tariffs, initiated by the collective bargaining and by the amendment to the Collective bargaining agreement for the years 2016–2017.

The Supervisory Board approved the use of disposable tax losses in form of interruption of tax depreciation of long-term tangible assets in the taxable period 2016 with the declared non-financial impacts on the economic result of the Prague Public Transit Co. Inc.

The Supervisory Board paid special attention to the issue of contractual relation concerning lease of areas for advertising purposes in property of the Prague Public Transit Co. Inc. and monitored the progress of negotiations in the matter of regulation of margins within the sale of electronic fare and dependence of the Prague Public Transit Co. Inc. on the contractual relation ensuring management of the transport control and information system all the year.

ACTIVITIES OF THE SUPERVISORY BOARD´S COMMISSIONS:

The Supervisory Board continued in its set trend of sessions of working commissions held before session of the Supervisory Board itself. This trend contributed to improvement of awareness and thereby more consistent control activities by the Supervisory Board. The working commissions were dealing in details and discussing the supporting documents submitted at the session of the Supervisory Board as well as professional and specific information, which they required about activities of the Prague Public Transit Co.

Commission for Safety and ICT
The Commission for Safety and ICT was summoned two times in the year 2016, be specific for the purpose to discuss the complaint filed by the chairman of OO ZO OS ČMS DPP and information concerning the overview of occupancy of operating workplaces and changes occurred between years 2000 and 2016.

Commission for Strategy
The Commission for Strategy was summoned three times during the year 2016. The agenda of March's session included information about the development of launching of radio signal for mobile networks in the Prague´s metro. The session held in April concerned information on economic evaluation of outsourcing of the freight transport and actual information on the state of the Program to prevent criminal activities was submitted at the session held in June.

Commission for Personnel and Wage Policy
The Commission for Personnel and Wage Policy was summoned nine times in the year 2016. It was dealing at its sessions in particular with implementation of the concept of new rating of employees, release of representatives of trade unions, sending of employees for preventive medical examinations, overview of measures to optimize the age structure of employees in the Prague Public Transit Co. Inc., preparation of a directive on e-learning and amendment of the Organizational rules, Signature rules and Working rules.

CONCLUSION:

The Supervisory Board of the Prague Public Transit Co. very carefully monitored the continuous economic results, discussed quarterly reports on achieved economic results on regular base, including calculations of

costs for PID. Its activities contributed in large extent to functioning of the Prague Public Transit Co.

The Supervisory Board paid high attention to selected contractual obligations of DPP or to results from internal auditing. The controlling activities of the Supervisory Board were also targeted at contractual provision of final price of the constructional part of the work of V.A metro track and preparation for I.D metro track.

At the course of 2016, delegated representatives of the Supervisory Board participated in large extent in work of evaluating commissions during announced tender procedures and public orders.

We must state that the Supervisory Board of the Prague Public Transit Co. worked with due care of economist and duly performed its powers as the control body of the company in compliance with valid laws, the articles of association of the company, other regulations and interests of the sole shareholder – the Capital City of Prague and it supervised over performance of office of the Board of Directors and company's economy at the course of the year 2016.

REPORT FROM THE AUDITING COMMITTEE OF THE PRAGUE PUBLIC TRANSIT CO. INC. IN 2016

In compliance with the Act No. 93/2009 Coll. on Auditors, the General Assembly decided to establish an Auditing Committed (hereinafter only as "VpA"), as the body of the Prague Public Transit Co. Inc. (hereinafter as "DPP") on 19. 1. 2010. In 2016, VpA worked as an independent company's body and issued resolutions and minutes of meeting from its sessions. These resolutions and minutes of meeting were archived.

The company's Auditing Committee worked in the composition of three members until February 2016. On 24. 2. 2016, the term of office of Ing. Miroslav Zámečník, the Chairman, expired. On 26. 6. 2016, the term of office of Ing. Pavel Černý expired. The General Assembly by reason of comparison of the terms of office of members of the Auditing Committee withdrew on 16. 8. 2016 Ing. Zdena Javornická, member of the Auditing Committee, from the office as of 16. 8. 2016 and elected Ing. Ladislav Langer, Ing. Aleš Michl and Ing. Zdena Javornická to the office of the member of the Auditing Committee as of 17. 8. 2016.

The Auditing Committee worked in the following composition from August till the end of the year 2016:

- Ing. Aleš Michl, the Chairman of the Auditing Committee
- Ing. Zdena Javornická, the Vice-Chairman of the Auditing Committee
- Ing. Ladislav Langr.

In 2016, the Auditing Committee was summoned in total for 9 sessions. These sessions were always governed by approved program and materials, which were sent to members of the Auditing Committee in advance.

VpA was dealing at its sessions in particular with the following topics:

- process of compiling the Financial Statements;
- recommendation for an external auditor;
- evaluation of independence of a statutory auditor;
- the process of mandatory auditing of the Financial Statements;
- continuous quarterly economic results of DPP;
- information on activities of the Internal auditing department;
- final reports from internal auditors.
- information on performance of remedial measures;
- information from meetings of DPP´s Board of Directors and the Supervisory Board.

Considering the issues discussed the managing director, the director in charge of the economic department, the director in charge of the internal auditing department and possibly other professional employees of DPP were invited to meetings on regular base.

In 2016, VpA fulfilled its obligations given by the valid legal regulations and the articles of association of the Prague Public Transit Co., Inc.

As activities of VpA are concerned, we can mention the following:
At its session held on 4. 2. 2016, VpA acknowledged the report on activities of the Internal auditing department for the year 2015 and approved the plan of activities of DPP´s internal auditing for the year 2016.

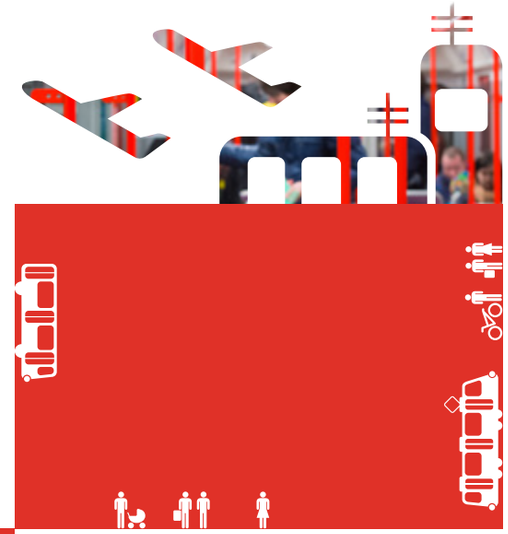
VpA with its resolution No. 2/2016/4 of 17. 3. 2016 to the financial statements and report on relations acknowledged the financial statements of the company composed as of the balancing day 31. 12. 2015 for the accounting period of the year 2015 and the report on relations between interconnected persons for the year 2015.

The Auditing Committee with its resolution No. 4/2016/4 of 26. 4. 2016 to the auditor´s verification of the financial statements and to the annual report acknowledged the company´s annual report for the accounting period of the year 2015 and the report from independent auditor of the Deloitte Audit s.r.o company to the financial statements for the year 2015 and to the annual report for the year 2015. Further the Auditing Committee recommended to the Shareholders´Meeting of DPP to proceed in compliance with proposal of the Board of Directors, i.e. to approve transfer of economic result for the year 2015 amounting to profit of TCZK 1,255,407 to the account No. 429 – Unpaid loss from previous years.

The Auditing Committee further adopted its resolution No. 6/2016/4 at its session held on 25. 8. 2016, in which it recommended to appoint the NEXIA AP. a.s. company as an auditor of the company for the years 2016–2019.

The Auditing Committee with its resolution No. 8/2016/5 of 31. 10. 2016 acknowledged the calculation of costs of impact of temporary suspension of tax depreciation of long-term tangible assets and gave its consent to suspension of tax depreciation of long-term tangible assets by reason of utilization of exercisable tax losses.

The Auditing Committee will aspire among others for supervision over implementation of the risk management system at DPP in the year coming.



ACT NO. 106/1999 COLL. ON FREE ACCESS TO INFORMATION

Annual Report for the year 2016 about activities of the Prague Public Transit Co., Inc. in the area of provision of information pursuant to the Act No. 106/1999 Coll., on free access to information, as amended.

In compliance with provisions in Section 18, para 1, of Act No. 106/1999 Coll., on free access to information, as amended, (hereinafter as the "Act on Information") this Annual Report for the year 2016 concerning activities of the Prague Public Transit Co. Inc. (hereinafter only as "DPP") in the area of provision of information pursuant to the Act on information, is submitted.

1. The number of submitted applications for information and the number of issued decisions about refusal of application:

a) The number of submitted applications for information: **125**

b) The number of issued decisions about refusal of application: **25**

2. The number of submitted appeals against decisions: 3

3. Data on judicial review of decisions about appeal: 0

a) Transcription of substantial parts of each judgement on merits of review of legality of the decision on refusal of application for provision of information:

b) List of all expenses, which were expended in connection with the judicial proceedings concerning rights and obligations pursuant to law, be specific including expenses for own employees and expenses for legal representation:

- total expenses: no expenses were expended

4. Enumeration of granted exclusive licences including grounds for the necessity to provide exclusive licence: no exclusive licences were granted;

5. Data on complaints submitted against the procedure of attending to the applications for information (hereinafter only as the "complaint"):

a) The number of submitted complaints: **12**

b) Reason for submission of a complaint against the procedure conducted by the Prague Public Transit Co. Inc.:

- Section 16a, para 1, letter c) **6**
- Section 16a, para 1, letter d) **6**

c) Manner of settlement by the Prague Public Transit Co. Inc.:

- Section 16a, para 6

6. Other information relating to settlement of applications for provision of information:

a) Applications for the provision of information related to most often:

- transit inspection conducted by the Prague Public Transit Co. Inc.

PRESTIGIOUS AWARD DPP IS THE MOST TRANSPARENT METROPOLITAN COMPANY IN V4 COUNTRIES

Prague on 2nd March 2017 – the Prague Public Transit Co. Inc. (DPP) is the best rated company from the Czech Republic, the Slovak Republic, Hungary and Poland in the chart of transparency. It beat other 35 great metropolitan trading companies in the countries of Visegrad 4. It comes out from the data of the Oživení citizens´association, which compiled the chart within anti-corruption measures.

DPP management´s emphasis pays dividends. According to findings of the Oživení citizens´association the Prague Public Transit Co. Inc. is the most transparent metropolitan company from the Czech Republic, Poland, Hungary and the Slovak Republic. *"We perceive it as confirmation of correctness of or strategy, of which priority is to be transparent towards the general public"*, **Martin Gillar, the Chairman of the Board of Directors and the managing director of DPP**, emphasizes.

"Unfortunatelly all rated companies within V4 countries evinced deficiencies in transparency. DPP stood the best in the rating, however gained only 60% from possible 100%. Which means that there is still a great space for approval", **Andrea Kohoutková, the lawyer cooperating with the Oživení citizens´association**, mentions.

DPP´s management has unequivocal support from the ruling Prague´s politicians at its fight against corruption. *"We are proud that just DPP won among 36 metropolitan trading companies from four countries. In addition to that Kolektory Praha succeeded. We perceive it as a signal that things go in the right direction. We do not want to rest on our laurels and we will force DPP, as its shareholder, so as its management continues to make maximum important information available not only to citizens of Prague"*, **Adriana Krnáčová, the mayor of the Capital City of Prague**, informs.

"When we look back to reputation of the Prague Public Transit Co. Inc. before few years, winning in the public inquiry is an important move towards better future. I think that a citizen of Prague will appreciate more that the Prague Public Transit Co. Inc. runs excellently, increases constantly its transport performances and transports increasing number of passengers, who prefer DPP to individual motor transport", **Petr Dolínek, the deputy mayor responsible for transport, sport and leisure time**, said.

DPP succeeded in particular thanks to making information available. According to the Oživení citizens´association DPP offers on its web pages easily accessible information about the company with a guidepost to documents, informs in transparent manner about the procedure for filing applications for information and also states until what date it will respond to applications. *"We must behave as a modern company of the 21st century, even if it is not sometimes easy, we take it as today´s standard"*, **Martin Gillar**, adds.

Furthermore the report from the Oživení citizens´association emphasizes DPP´s communication concerning ownership infrastructure, the manner of voting and decision-making processes in the company.

Results from an independent study of the Oživení citizens´association indicate that DPP managed to rid of mistakes of previous management, when corporate activities were associated with non-transparency and corruption environment.

TOP 5 of Czech metropolitan companies from four European countries in the chart of the Oživení citizens´association:

	Placing	Rankings
DPP	1.	60,42 %
Kolektory Praha, a.s.	6.	47,67 %
Teplárny Brno, a.s.	7.	46,83 %
Plzeňské městské dopravní podniky, a.s.	12.	40,00 %
SAKO Brno, a.s.	14.	37,58 %

TOP 5 of metropolitan companies in V4 countries according to the Oživení citizens´association:

	Placing	Rankings	Country
DPP	1.	60,42 %	CZ
FKF Zrt.	2.	55,67 %	HU
Public Transport Company Bratislava, Inc.	3.	54,17 %	SK
Miskolc Városi Közlekedsi Zrt.	4.	51,67 %	HU
Szeged IKV Zrt.	5.	49,00 %	HU

TABLE SECTION

CONTENT

OPERATING-TECHNICAL INDICATORS 72
- Number of operated lines, their length and average speed 72
- Average number of dispatched vehicles per 1 day 72
- Operating kilometres per vehicle and place 72
- List of lines 73
- Important changes in line connections within PID at the course of 2016 82
- Division of the transport service area into zones 84
- Data on the PID company's fleet as of 31. 12. 2016 86

PERSONNEL INDICATORS 88
- Number of employees (record-keeping state as of 31. 12. 2016) 88
- Number of employees by professions for the year 2016 88
- Wage costs, including OON in thousands CZK, and average wage in CZK for 2016 88
- Structure by education according to recorded state as of 31. 12. 2016 88

ECONOMIC INDICATORS 89
- Share of individual types of costs in the PID´s total costs 89
- Structure of direct PID´s costs without transport routes 89
- Share of PID´s operating costs and costs of transport routes in the total PID´s costs 89

REVENUES FROM TRANSIT 90
- Revenues from fare in framework of the PID´s system for 2016 90

SPECIAL-PURPOSE GRANT 91
- Special-purpose investment grant from the budget of the Capital City of Prague 91
- Special-purpose non-investment grant from the budget of the Capital City of Prague 91

OVERVIEW OF TYPES OF TRANSIT DOCUMENTS 92
- Time-limited coupons to the pre-paid tickets valid in the territory of the Capital City of Prague with a selectable start of validity 92
- Time-limited coupons to the personal card valid in the territory of the Capital City of Prague with a selectable start of validity 93
- Time-limited coupons to the non-personal card valid in the territory of the Capital City of Prague with a selectable start of validity 94
- Time-limited transferable coupons valid in the territory of the Capital City of Prague with a selectable start of validity 94
- Employees fare 94
- Transit tickets for single trip in the territory of the Capital City of Prague (P+0+B) 95
- Special AE transit tickets (Airport Express) 95
- Combined time-limited coupons BUS+TRAIN to the pre-paid transit ticket valid within PID external zones for a fixed calendar period or to a personal card with a selectable start of validity 96
- Combined time-limited coupons BUS+TRAIN to the pre-paid transit ticket valid within PID external zones with a selectable start of validity 98
- Combined time-limited coupons BUS+TRAIN to the personal card or to the pre-paid transit ticket valid within PID external zones – special economy 100
- Transit tickets for a single trip within external zones 102
- Transit tickets for a single trip within external zones – special economy 103
- Prague card 103

DEVELOPMENT OF TARIFF RATES OF THE PRAGUE INTEGRATED TRANSPORT IN THE 5-YEAR PERIOD 104
- Pre-paid civil time-limited transit tickets – economy 104
- Pre-paid time-limited transit tickets – economy 104
- Pre-paid time-limited transferable transit tickets with selectable start of validity 105

VOLUME OF TOTAL INVESTMENT COSTS AND RESOURCES 106
- Volume of total investment cots 106
- Volume of total investment resources 107

OPERATING-TECHNICAL INDICATORS

NUMBER OF OPERATED LINES, THEIR LENGTH (IN KM) AND AVERAGE SPEED (IN KM/H)

	Number of operated lines		Length of lines in km	Average speed (in km/h)	
	Day-time	Night-time		transit	Circulating (operating)
Metro	3	-	65,4	35,65	33,21
Trams	24	9	547,4	18,77	13,00
Buses	128	14	1 695,3	25,31	16,80

Note: without the historic (nostalgic) tram line and the Petřín funicular.

AVERAGE NUMBER OF DISPATCHED VEHICLES PER 1 DAY (DURING REGULAR OPERATION EXCLUDING OPERATION DURING HOLIDAYS)

	Morning Peak	Settled down	Afternoon Peak	Saturday	Sunday
Metro	503	265	400	167	180
Trams	620	448	595	358	334
Buses	897	501	834	409	396

OPERATING KILOMETRES PER VEHICLE AND PLACE (IN THOUSAND KM)

	Kilometres per vehicle (thousand vozkm)	Kilometres per place (thousand mkm)
Metro	57 529	10 604 617
Trams	41 893	6 001 538
Buses	62 825	5 305 777
Funicular	19	1 853
In total	**162 266**	**21 913 785**

Note: excluding kilometres of contractual transport, substitute bus transport and historic (nostalgic) tram line, kilometres per vehicle of trams are not re-counted. Buses are counted including suburban lines.

LIST OF LINES

METRO LINES OPERATED AS OF 31. 12. 2016

	Route	Length of track in m *	Running time in minutes
A	Nemocnice Motol – Depo Hostivař	16 957	31,17
B	Černý Most – Zličín	25 706	41,17
C	Háje – Letňany	22 425	35,83

* Length of track means the distance between mid points of terminal stations on 1st rail, data come from survey of actual situation and it was provided by the Metro transport route unit (JDCM). Time according to book timetables (SJŘ) was used for the running time – always the longest one for each track.

A line consists of 17 stations:	B line consists of 24 stations:	C line consists of 20 stations:
Nemocnice Motol	**Černý Most**	**Háje**
Petřiny	Rajská zahrada	Opatov
Nádraží Veleslavín	Hloubětín	Chodov
Bořislavka	Kolbenova	Roztyly
Dejvická	Vysočanská	Kačerov
Hradčanská	Českomoravská	Budějovická
Malostranská	Palmovka	Pankrác
Staroměstská	Invalidovna	Pražského povstání
Můstek (transfer station)	Křižíkova	Vyšehrad
Muzeum (transfer station)	**Florenc** (transfer station)	I. P. Pavlova
Náměstí Míru	Náměstí Republiky	**Muzeum** (transfer station)
Jiřího z Poděbrad	**Můstek** (transfer station)	Hlavní nádraží
Flora	Národní třída	**Florenc** (transfer station)
Želivského	Karlovo náměstí	Vltavská
Strašnická	Anděl	Nádraží Holešovice
Skalka	Smíchovské nádraží	Kobylisy
Depo Hostivař	Radlická	Ládví
Zone operation: Nemocnice Motol – Petřiny Skalka – Depo Hostivař	Jinonice	Střížkov
	Nové Butovice	Prosek
	Hůrka	**Letňany**
	Lužiny	Zone operation: Ládví – Letňany
	Luka	
	Stodůlky	
	Zličín	

TRAM LINES OPERATED AS OF 31. 12. 2016 / BASIC LINE CONNECTIONS – STATE WITHOUT CLOSURES

DAY-TIME LINES

Line	Route	Average length without loops in m	Average running time in minutes
1	Sídliště Petřiny – Spojovací	14 110	42,5
2	Sídliště Petřiny – Nádraží Braník	14 670	44,5
3	Levského / Sídl. Modřany – Kobylisy / Březiněveská	20 270	57,0
4	Sídliště Barrandov – Čechovo náměstí	11 240	38,5
5	Sídliště Barrandov – Ústřední dílny DP	17 560	56,0
6	Palmovka – Kubánské náměstí	13 230	48,5
7	Radlická – Černokostelecká	11 590	40,5
8	Nádraží Podbaba – Starý Hloubětín	13 790	44,0
9	Sídliště Řepy – Spojovací	17 380	54,5
10	Sídliště Řepy – Sídliště Ďáblice	22 290	72,0
11	Spořilov – Spojovací	12 700	44,0
12	Sídliště Barrandov – Výstaviště Holešovice	15 980	52,0
13	Náměstí Bratří Synků – Černokostelecká	7 690	29,0
14	Spořilov – Nádraží Vysočany / Vysočanská	15 330	52,0
15	Kotlářka – Olšanské hřbitovy	11 450	39,0
16	Sídliště Řepy – Lehovec	22 740	72,5
17	Levského / Sídl. Modřany – Vozovna Kobylisy	20 030	52,5
18	Nádraží Podbaba – Vozovna Pankrác	11 390	41,0
20	Sídliště Barrandov – Divoká Šárka	16 920	50,0
21	Levského / Sídl. Modřany – Kotlářka	14 440	35,5
22	Bílá Hora – Nádraží Hostivař	20 950	67,0
24	Březiněveská / Kobylisy – Kubánské náměstí	14 340	49,0
25	Bílá Hora – Lehovec	17 560	52,0
26	Divoká Šárka – Nádraží Hostivař	20 550	63,5

NIGHT-TIME LINES

Line	Route	Average length without loops in m	Average running time in minutes
51	Divoká Šárka – Nádraží Strašnice / Radošovická	18 840	59,0
52	Lehovec – Nádraží Modřany / Levského	22 230	54,5
53	Sídliště Ďáblice – Vozovna Pankrác	16 020	47,0
54	Lehovec – Sídliště Barrandov	22 240	62,0
55	Vozovna Kobylisy – Ústřední dílny DP	21 500	59,0
56	Sídliště Petřiny – Spořilov	17 220	50,0
57	Bílá Hora – Nádraží Hostivař	21 310	60,5
58	Sídliště Řepy – Spojovací	18 610	52,5
59	Sídliště Řepy – Nádraží Hostivař	20 600	57,5

FUNICULAR AND HISTORIC TRAM

Line	Route	Average length without loops in m	Average running time in minutes
LD	Újezd – Petřín	510	3,0
91	Vozovna Střešovice – Výstaviště Holešovice	9 310	34,5

BUS LINES OPERATED BY DPP AS OF 31. 12. 2016

A) BUS LINES WITHIN THE BASIC NETWORK

Line	Route	Average length of line in m	Average running time in minutes
100	Zličín – Airport	11 050	19
101	Sídliště Skalka – Tolstého	10 350	31
102	Šimůnkova – Staré Bohnice	6 900	17
103	Ládví – Březiněves	6 500	15
105	Smíchovské nádraží – Smíchovské nádraží	9 500	19
106	Kačerov – Nádraží Braník	7 575	21
107	Dejvická – Suchdol	5 925	13
108	Sídliště Na Dědině – Bořislavka	13 125	37
109	Palmovka – VÚ Běchovice	12 900	29
111	Skalka – Koloděje	12 800	29
112	Nádraží Holešovice – Podhoří	4 975	13
113	Kačerov – Točná	11 000	27
114	Kačerov – Ústavy Akademie věd	3 225	9
116	Dejvická – Nebušice	9 600	23
117	Poliklinika Budějovická – Čechova čtvrť	13 850	37
118	Sídliště Spořilov – Smíchovské nádraží	10 925	28
119	Nádraží Veleslavín – Airport	8 750	19
120	Na Knížecí – Nádraží Radotín	16 100	40
121	Poliklinika Budějovická – Nádraží Braník	8 700	26
123	Na Knížecí – Šmukýřka	5 750	17
124	Habrová – Dvorce	13 450	45
125	Smíchovské nádraží – Skalka	24 050	47
128	Hlubočepy – Hlubočepy	2 250	8
129	Smíchovské nádraží – Baně	13 050	21
130	Zličín – Chaplinovo náměstí	13 325	31
131	Bořislavka – Hradčanská	5 650	17
133	Florenc – Sídliště Malešice	6 425	20
134	Podolská vodárna – Zelený pruh	6 400	23
135	Florenc – Chodov	13 050	41
136	Sídliště Čakovice – Jižní Město	25 975	72
137	Na Knížecí – Velká Ohrada	12 200	34
138	Zentiva – Nemocnice Krč	13 100	37
139	Želivského – Komořany	15 250	45
140	Palmovka – Miškovice	11 325	29
141	Hloubětínská – Ve Žlíbku	10 950	27
142	Nové Butovice – Nové Vokovice	17 925	49
143	Dejvická – Stadion Strahov	4 000	12
144	Kobylisy – Poliklinika Mazurská	3 475	7
145	Kobylisy – Sídliště Čimice	4 300	11
147	Dejvická – Výhledy	6 575	15
148	I. P. Pavlova – I. P. Pavlova	4 200	16
149	Dejvická – Bavorská	17 000	46
150	Želivského – Na Beránku	14 275	41
151	Českomoravská – Novoborská	8 575	24
152	Sídliště Čimice – Českomoravská	10 925	28
156	Nádraží Holešovice – Nádraží Holešovice	9 100	30
157	Kačerov – Násirovo náměstí	6 850	18
158	Letňany – Třeboradice	8 025	20
	159 – bus line cancelled		
160	Dejvická – Výhledy	11 425	31
161	Bořislavka – Přední Kopanina	6 575	14
162	Kobylisy – Dolní Chabry	4 450	11
163	Želivského – Sídliště Rohožník	18 600	45
167	Na Knížecí – Nemocnice Na Homolce	7 675	21
168	Nové Butovice – Bílá Hora	17 175	45
169	Kobylisy – Sídliště Čimice	4 325	10

170	Jižní Město – Pražská čtvrť	19 850	55
172	Smíchovské nádraží – Na Hvězdárně	8 325	17
174	Vypich – Třebonice	12 100	29
175	Florenc – Háje	18 300	53
176	Karlovo náměstí – Stadion Strahov	4 575	15
177	Poliklinika Mazurská – Chodov	27 850	75
	179 – bus line cancelled		
180	Obchodní centrum Zličín – Dejvická	14 650	41
181	Černý Most – Opatov	14 300	37
182	Poliklinika Prosek – Opatov	18 175	46
183	Vozovna Kobylisy – Háje	23 075	55
184	Velká Ohrada – Hradčanská	12 675	31
185	Palmovka – Vinořský hřbitov	12 775	29
	186 – bus line cancelled		
188	Želivského – Kavčí hory	13 650	40
189	Kačerov – Sídliště Lhotka	4 375	12
191	Na Knížecí – Airport	20 575	52
192	Nemocnice pod Petřínem – Nemocnice pod Petřínem	1 950	10
193	Nádraží Vršovice – Šeberák	11 700	36
195	Krausova – Jesenická	15 725	44
196	Kloboučnická – Smíchovské nádraží	12 800	33
197	Háje – Smíchovské nádraží	22 725	54
200	Kobylisy – Sídliště Bohnice	4 100	10
201	Nádraží Holešovice – Černý most	21 700	54
202	Poliklinika Mazurská – Nádraží Kbely	15 875	37
207	Staroměstská – Ohrada	5 375	21
213	Želivského – Jižní Město	10 625	29
215	Kačerov – Sídliště Libuš	4 700	13
222	Černý most – VÚ Běchovice	7 450	15
230	Holyně – Filmové ateliery	7 750	21
231	Na Knížecí – Na Knížecí	5 050	16
236	Zámky – Podhoří	6 900	16

241	Smíchovské nádraží – Lipence	13 950	24
244	Smíchovské nádraží – Sídliště Radotín	11 000	20
245	Nádraží Radotín – Nádraží Radotín	6 150	18
250	Černý Most – Sídliště Rohožník	12 075	22
253	Smíchovské nádraží – Na Beránku	9 450	21
255	Sídliště Stodůlky – Zbraslavské náměstí	18 875	38
257	Zličín – Sobín	3 700	9
	261 – bus line cancelled		
265	Nádraží Uhříněves – Kolovraty	9 000	19
266	Depo Hostivař – Královice	14 375	28
267	Háje – Nedvězí	14 025	31
	273 – bus line cancelled		
	291 – bus line cancelled		

B) NIGHT-TIME LINES

Line	Route	Average length of line in m	Average running time in minutes
501	Sídliště Lhotka – Jinonice	14 400	30
502	Řeporyjské náměstí – Suchdol	19 600	36
503	Palmovka – Sídliště Rohožník	17 175	31
504	Sídliště Stodůlky – Sídliště Písnice	28 300	60
505	Sídliště Čimice – Jižní Město	29 325	63
506	Strašnická – Nádraží Uhříněves	19 575	42
507	Smíchovské nádraží – Sídliště Zbraslav	11 450	15
509	Florenc – Dubeč	18 125	40
510	Airport – Na Beránku	34 725	75
511	Čakovice – Nádraží Hostivař	37 575	74
512	Lehovec – Ve Žlíbku	8 075	16
513	Palmovka – Vinoř	15 275	27
514	Sídliště Ďáblice – Březiněves	5 300	10
515	Hradčanská – Nebušice	11 425	25

C) SCHOOL LINES

Line	Route	Average length of line in m	Average running time in minutes
551	Sídliště Čimice – Šimůnkova	4 250	10
552	Ústřední – Morseova	6 450	17
553	Štěrboholy – Škola Dubeč	4 575	8
555	Nebušice – Dejvická	10 850	27
556	Knovízská – Mokrá	2 350	7
558	Žvahov – Hlubočepy	8 950	23
559	Jahodnice II – Hloubětínská	6 575	16
560	Bílá Hora – Na Okraji	4 250	13
561	Sídliště Zbraslav – Velká Chuchle	13 700	30
564	Polesná – Sudějovická	3 700	11
565	Stadion Strahov – Weberova	4 700	11
566	Nové Butovice – Zadní Kopanina	7 350	17
567	Habrová – Olšanské náměstí	2 800	9
569	Otěšínská – Škola Radotín	3 900	12
570	Pitkovice – Na Vartě	5 650	14
571	Správa sociálního zabezpečení – Škola Radlice	3 700	10
575	Náměstí Jiřího Berana – Sídliště Čakovice	2 250	4
	576 – bus line cancelled		

D) SUBURBAN LINES

Line	Route	Average length of line in m	Average running time in minutes
301	Luka – Chýnice	8 400	19
305	Náměstí Jiřího Berana – Hovorčovice	4 875	11
312	Bořislavka – Lichoceves	16 050	33
329	Sídliště Skalka – Škvorec, náměstí	28 625	58
340	Dejvická – Roztoky, Levý Hradec	10 250	21
347	Zličín – Motol	22 250	45
351	Letňany – Neratovice, žel. st.	19 275	42
352	Luka – Jinočany, náměstí	7 225	18
355	Dejvická – Únětice	10 600	23
359	Suchdol – Roztoky, Bělina	11 925	26
363	Opatov – Velké Popovice, Todice	24 000	52
364	Depo Hostivař – Doubek	23 125	43
366	Depo Hostivař – Březí, Podskalí	20 125	38
NIGHT-TIME SUBURBAN LINES			
605	Modrá škola – Čestlice	8 750	20

E) ZLD LINES

(these lines are intended for persons with disability of movement and orientation and their accompaniment)

Line	Route	Average length of line in m	Average running time in minutes
H1	Chodov – Obchodní centrum Černý Most	38 725	96

F) AIRPORT EXPRESS LINE

Line	Route	Average length of line in m	Average running time in minutes
AE	Hlavní nádraží – Airport	17 975	41

IMPORTANT CHANGES IN LINE CONNECTIONS WITHIN PID AT THE COURSE OF 2016

1. 5. 2016

- line No. **137** converted to the Na Knížecí – U Waltrovky – Nové Butovice – Velká Ohrada route
- line No. **149** converted to the Dejvická – Nové Butovice – Bavorská route
- line No. **172** converted to the Smíchovské nádraží – Na Hvězdárně route
- line No. **174** converted to the Kukulova / Vypich – Luka – Řeporyjské náměstí – Třebonice route
- line No. **179 cancelled**
- line No. **301** shortened to the Luka – Chýnice route
- line No. **352** shortened to the Luka – Jinočany, náměstí route

28. 8. 2016

- **new** line No. **2** was established on the Sídliště Petřiny – Nádražní Braník route
- line No. **3** operated only without inserted line connections
- line No. **4** converted to the Sídliště Barrandov – Čechovo náměstí route
- line No. **5** converted to the Sídliště Barrandov – Ústřední dílny DP route
- line No. **6** converted to the Palmovka – Kubánské náměstí route
- line No. **11** operated up to Spojovací all day and all week
- line No. **12** converted to the Sídliště Barrandov – Výstaviště Holešovice route
- line No. **14** converted to the Vysočanská – Spořilov route
- **new** line No. **15** was established on the Kotlářka – Olšanské hřbitovy route
- line No. **18** converted to the Nádraží Podbaba – Vozovna Pankrác route
- line No. **20** converted to the Divoká Šárka – Sídliště Barrandov route
- new line No. **21** was established on the Levského / Sídliště Modřany – Kotlářka route
- line No. **22** – approx. one half of line connections in the direction from the centre shortened to Vypich
- line No. **24** converted to the Březiněvská – Kubánské náměstí route
- line No. **25** extended in the direction from the centre to Bílá Hora
- **new** line No. **130** established on the Zličín – Chaplinovo náměstí route
- line No. **230** shortened to the Filmové ateliéry – Holyně route

1. 9. 2016

- line No. **566** extended from Řeporyjské náměstí to Zadní Kopanina

15. 10. 2016

- line No. **101** converted to the Tolstého – Skalka – Sídliště Skalka route
- line No. **102** extended through selected line connections from Kobylisy to Šimůnkova
- **new** line No. **117** was established on the Poliklinika Budějovická – Čechova čtvrť route
- line No. **121** shortened to the Poliklinika Budějovická – Nádraží Braník route
- **new** line No. **134** was established on the Podolská vodárna – Zelený pruh route
- line No. **136** converted to the Sídliště Čakovice – Jižní Město route
- line No. **138** converted to the Nemocnice Krč – Sídliště Spořilov Skalka – Zentiva route
- line No. **140** extended through selected line connections from Čakovice to Miškovice
- **new** line No. **145** was established on the Kobylisy – Sídliště Čimice route
- line No. **152** extended from Kobylisy to Českomoravská
- **new** line No. **154** was established on the Strašnická – Koleje Jižní Město route
- line No. **157** converted to the Kačerov – Násiřovo náměstí route
- line No. **158** converted to the Letňany – Čakovice – Třeboradice route
- lines Nos. **159** and **186** were **cancelled**, line No. **261** handed over to another **transporter**
- line No. **175** extended from Sídliště Petrovice to Háje
- line No. **183** converted to the Vozovna Kobylisy – Háje route
- line No. **193** shortened to the Nádraží Vršovice – Šeberák route
- line No. **195** converted to the Krausova – Jesenická route
- line No. **196** converted to the Smíchovské nádraží – Kačerov – Kloboučnická route
- line No. **201** converted to the Nádraží Holešovice – Černý Most route
- line No. **202** converted to the Poliklinika Mazurská – Čakovice – Nádraží Kbely route
- **new** line No. **222** was established on the Černý Most – Výzkumné ústavy Běchovice route
- line No. **273** converted to the line No. **141** without any change of the route (Hloubětínská – Ve Žlíbku)
- line No. **291** converted to the line No. **148** without any change of the route (I. P. Pavlova – Karlovo náměstí)
- **new** line No. **552** was established on the Ústřední – Morseova route
- line No. **564** extended from Sídliště Rohožník to Sudějovická

11. 12. 2016

- line No. **113** extended through selected line connections from Písnice to Točna

Note:

the list of changes mentions only important changes of permanent nature. It does not include frequent temporary changes associated with investment activities, even if they are for longer time (In relation to the financial compensation from the Municipal District of Prague 5 the 123 line has been operated on the Na Knížecí – Kavalírka – Šmukýřka route during working days since 17. 10. 2015.)

Owing to the increasing number of request stops both in the bus transport and tram transport, these changes of types of stops are not even mentioned for the tram transport.

The data mentioned concern only lines operated by DPP.

DIVISION OF THE TRANSPORT SERVICE AREA INTO ZONES

The Prague Integrated Transport (PID) is the system ensuring transport service in the Capital City of Prague and suburban areas by individual transporters in various types of transport. Transporters fulfil the transit contract in accordance with individual Contractual transport conditions and tariff conditions.

Public City Transport is the transport operated in the territory of the Capital City of Prague.

The territory of the Capital City of Prague in terms of tariffs is divided into P and 0 zones, which are totally included as four tariff zones.

"P" zone has the double tariff value and includes metro, trams, public city transport buses (lines No. 100–297 and 501–576), the Petřín funicular, ferries and selected sections of railway.

"0" zone includes suburban bus lines within PID (lines No. 301–398 and 601–610) and selected track sections of railway. "0" zone is divided into "0" and "B" zones - the zone of cross-border stops. In framework of "0" zone, stops are defined and marked as "B" zone - the so-called cross-border stops. For purposes of PID´s tariff the "0" zone and "B" zone are included separately for individual drives (i.e. as two zones) and for pre-paid time-limited fare as one zone.

PID´s suburban transport is the transport outside the territory of the Capital City of Prague, which is divided into seven external zones (tariff zones 1, 2, 3, 4, 5, 6, 7) for purposes of PID´s tariff.

TARIFF FOR INDIVIDUAL FARES AND TIME-LIMITED PRE-PAID TICKETS:

1) Transfer – for individual tickets, pre-paid time-limited short-time tickets, time-limited coupons valid on the territory of the Capital City of Prague ("P" and "0" zones including "B" cross-border zone), combined time-limited coupons BUS+TRAIN valid for suburban buses and trains within 0-7 zone.

List of stops included into B zone, for trains within the PID system – stations and stops included into zone 0 or B, mentioned in the "Prague Integrated Transport Tariff" with the validity from 1. 2. 2016 – including Amendment No. 4 valid from 1. 9. 2016 and Amendment No. 6 valid from 11. 12. 2016

2) Special AE tickets (Airport Express).

DATA ON THE PID COMPANY´S FLEET AS OF 31. 12. 2016

			Actual inventory (accounting) state	Actual operating (record-keeping) state *	Put out of operation **	Average service life from the operating state
M		81-71M	465	465	0	10,15
		M1	265	265	0	13,45
In total Metro			**730**	**730**	**0**	**11,35**
T	Solo	T3 R.P	350	350	0	11,66
		T3 R.PLF low-floor	33	33	0	7,30
		T3 M	26	21	5	22,29
		T3 SU	34	15	19	29,33
		T6A5	113	106	7	20,24
	Articulated	KT8N2 low-floor	48	48	0	6,75
		14 T low-floor	57	57	0	8,37
		15 T low-floor	196	196	0	2,44
	In total Solo		**556**	**525**	**31**	**14,05**
	In total Articulated		**301**	**301**	**0**	**4,25**
In total Trams			**857**	**826**	**31**	**10,48**

B	Mid	Ikarus E91 low-floor	4	4	0	11,96
		Solaris U8,9LE low-floor	40	40	0	2,74
		SOR BN 8,5 low-floor	21	21	0	5,68
	Standard	B 931	22	21	1	16,60
		B 951	131	131	0	12,35
		C 934	1	1	0	17,67
		Citybus + Citelis low-floor	247	229	18	14,72
		Crossway low-floor	8	8	0	5,53
		SOR NB 12, BN 12, EBN 11 low-floor	239	240	0	4,61
	Articulated	VanHool low-floor	0	1	0	6,81
		B 941	67	61	6	17,48
		B 961	31	30	1	13,99
		SOR NB 18 low-floor	347	349	0	4,03
		City articulated low-floor	46	43	3	13,13
	In total Midi		**65**	**65**	**0**	**4,26**
	In total Standard		**648**	**630**	**19**	**10,34**
	In total Articulated		**491**	**484**	**10**	**7,15**
In total Buses			**1 204**	**1 179**	**29**	**8,69**

***** Two SOR NB18 buses are included, VanHool and SOR EBN11 buses, which are under lease, are not included to the record-keeping state.
****** put out of operation due to modernization, reconstruction and liquidation; new and modernized vehicles not commissioned yet.
Note: historic vehicles and one touring bus, which is not intended for operation within the public mass transport, are not included into the overview.
As opposed to the record-keeping state the **inventory accounting state** includes vehicles: under reconstruction, under modernization, intended for liquidation, at higher stage of repairs, for sale etc.
The **record-keeping operating state** includes vehicles approved for operation within PID with passengers, including vehicles under usual repairs.

PERSONNEL INDICATORS

NUMBER OF EMPLOYEES (RECORD-KEEPING STATE AS OF 31. 12. 2016)

Category		
Public city transport drivers		4 243
Out of it:	M engine-drivers	618
	T drivers	1 390
	B drivers	2 235
Workmen		3 170
POP		426
Technical-economic employees (TH)		3 097
Out of it:	TH employees as per item 2.5.1 a) KS	988
	TH employees as per item 2.5.1 b) KS	2 109
In total		**10 936**

NUMBER OF EMPLOYEES BY PROFESSION CATEGORIES FOR 2016 (AVERAGE CONVERTED STATE)

Category		
Public city transport drivers		4 204
Out of it:	M engine-drivers	613
	T drivers	1 368
	B drivers	2 223
Workmen		3 184
POP		430
Technical-economic employees (TH)		3 084
Out of it:	TH employees as per item 2.5.1 a) KS	982
	TH employees as per item 2.5.1 b) KS	2 102
In total		**10 902**

The average record-keeping number of employees converted is the conversion of average record-keeping number of employees in physical persons according to duration of their workload for working hours (full) determined by the employer.

WAGE COSTS, INCLUDING 00N IN THOUSANDS CZK, AND AVERAGE WAGE IN CZK FOR 2016

Category	Wage costs, including 00N in thousands CZK	Average wage in CZK
Public city transport drivers	1 880 403	35 385
Workmen	1 161 396	29 943
POP	152 455	28 613
Technical-economic workers (TH)	1 554 284	41 424
In total	**4 748 538**	**35 237**

STRUCTURE BY EDUCATION ACCORDING TO RECORDED STATE AS OF 31. 12. 2016

Education	In total	%
Academic	606	5,54
Secondary with school-leaving examination	4 541	41,52
Secondary without school-leaving examination	4 870	44,53
Primary	919	8,41
In total	**10 936**	**100,00**

ECONOMIC INDICATORS

SHARE OF INDIVIDUAL TYPES OF COSTS IN THE PID´S TOTAL COSTS (IN THOUSANDS CZK)

		%
Direct costs (including costs of transport routes)	12 438 617	80,88
Operating overhead costs	638 579	4,15
Costs of services	581 798	3,79
Costs of coordination and management	1 089 115	7,08
Other costs (museum, central dispatching management, dispatching system...)	630 543	4,10
In total PID´s costs	**15 378 652**	**100,00**

STRUCTURE OF DIRECT PID´S COSTS WITHOUT TRANSPORT ROUTES (IN THOUSANDS CZK)

		%
Repairs of PID´s vehicles	2 839 279	32,25
Consumption of fuel, materials and traction energy	1 132 130	12,86
Personnel expenses for PID´s drivers	3 097 498	35,18
Depreciations of PID´s vehicles	1 524 486	17,32
Other direct costs for PID operation	210 105	2,39
In total PID´s direct costs (for transport operation)	**8 803 498**	**100,00**

SHARE OF PID´S OPERATING COSTS AND COSTS OF TRANSPORT ROUTES IN TOTAL PID´S COSTS (IN THOUSANDS CZK)

		%
PID´s operating costs	11 743 533	76,36
Costs of transport routes	3 635 119	23,64
Total PID´s COSTS	**15 378 652**	**100,00**

REVENUES FROM TRANSIT

REVENUES FROM FARE IN FRAMEWORK OF THE PID SYSTEM FOR 2016 (IN THOUSANDS CZK)
(INCLUDING REVENUES OF OTHER TRANSPORTERS INCLUDED INTO THE PID SYSTEM)

			%
Territory of the Capital City of Prague (P+0 zone):			
- Revenues from time-limited transit tickets including fixed payments, employees´tickets and duplicates		2 219 272	56,24
- Revenues from individual fare, including USV machines		1 727 095	43,76
In total in the territory of the Capital City of Prague (P+0 zone)		**3 946 367**	**100,00**
External zones:			
- Revenues from combined time-limited coupons		228 276	73,32
- Revenues from individual fare, including USV machines		83 087	26,68
In total external zones		**311 363**	**100,00**
In total revenues from fare in framework of PID system for 2016		**4 257 730**	
Out of it	- Revenues of DPP	3 668 568	
	- Revenues of other transporters	589 162	
In total revenues from fare in framework of PID system for 2016		**4 257 730**	
Revenues from surcharges to fare *		**326 867**	
In total revenues from fare in framework of PID system including surcharges to fare for 2016		**4 584 597**	

***** Specification of surcharges to fare for 2016.

SPECIAL-PURPOSE GRANT

SPECIAL-PURPOSE INVESTMENT GRANT FROM THE BUDGET OF THE CAPITAL CITY OF PRAGUE
(IN THOUSANDS OF CZK)

	Drawn from budget of the Capital City of Prague	Drawn from the national budget	Drawn from the EU Structural funds
Usual grant from the budget of the Capital City of Prague			
I. Operating section of D metro line	5 043		
Barrier-free measures	4 138		
Barrier-free access at the Karlovo náměstí station	7 080		
TT Sídliště Barrandov – Holyně – Slivenec	1 850		
TT Divoká Šárka – Dědinská	2 397		
RTT Nuselská – U Plynárny	128 837		
RTT Vršovická (Otakarova – Kubánské náměstí)	100 000		
In total usual grant from the budget of the Capital City of Prague	**249 345**	**0**	**0**
Operational Programme Prague – Competitiveness			
Elevator at the Anděl station	3 826		43 360
Elevator at the Můstek station	2 315		26 236
RTT Plzeňská II	6 781		76 855
RTT Střešovická – Na Petřínách	14 052		159 256
In total	**26 974**	**0**	**305 707**
In total special-purpose investment grant	**276 319**	**0**	**305 707**

SPECIAL-PURPOSE NON-INVESTMENT GRANT FROM THE BUDGET OF THE CAPITAL CITY OF PRAGUE
(IN THOUSANDS OF CZK)

	Drawn from the budget of the Capital City of Prague	Drawn from the national budget	Drawn from the EU Structural funds
Operational Programme Prague – Competitiveness			
Elevator at the Anděl station	3		30
Elevator at the Můstek station	3		30
RTT Plzeňská II	10		122
RTT Střešovická – Na Petřínách	13		148
In total special-purpose non-investment grant	**29**	**0**	**330**

OVERVIEW OF TYPES OF TRANSIT DOCUMENTS AS OF 31. 12. 2016

TIME-LIMITED COUPONS TO THE PRE-PAID TRANSIT TICKETS VALID IN THE TERRITORY OF THE CAPITAL CITY OF PRAGUE WITH A SELECTABLE START OF VALIDITY

Type of transit document		Price of transit ticket in CZK
Civil time-limited coupons - economy:		
	- Monthly	550,-
	- Quarterly	1 480,-
	- 150-day	2 450,-
	- One-year	3 650,-
Time-limited coupons - economy:		
For juniors from 15 to 19 years	- Monthly	260,-
	- Quarterly	720,-
	- 150-day	1 200,-
	- 300-day	2 400,-
For pupils and students from 19 to 26 years	- Monthly	260,-
	- Quarterly	720,-
	- 150-day	1 200,-
	- 300-day	2 400,-
For seniors from 60 to 70 years, for citizens in financial distress *	- Monthly	250,-
	- Quarterly	660,-
	- 150-day	1 100,-

TIME-LIMITED COUPONS TO THE PERSONAL CARD VALID IN THE TERRITORY OF THE CAPITAL CITY OF PRAGUE WITH A SELECTABLE START OF VALIDITY

Type of transit document		Price of transit ticket in CZK
Civil time-limited coupons - economy:		
	- Monthly	550,-
	- Quarterly	1 480,-
	- 5-month	2 450,-
	- One-year	3 650,-
Time-limited coupons - economy:		
For juniors from 15 to 19 years	- Monthly	260,-
	- Quarterly	720,-
	- 5-month	1 200,-
	- 10-month	2 400,-
For pupils and students from 19 to 26 years	- Monthly	260,-
	- Quarterly	720,-
	- 5-month	1 200,-
	- 10-month	2 400,-
For seniors from 60 to 70 years and citizens in financial distress *	- monthly	250,-
	- quarterly	660,-
	- 5-month	1 100,-

***** For seniors from 65 to 70 years, who hold a Document proving the right for special fare prices (price of electronic document of CZK 120 and price of paper document of CZK 20) apply to fare price for trips through Prague (P, 0 and B) of CZK 0.

TIME-LIMITED COUPONS TO NON-PERSONAL CARD VALID IN THE TERRITORY OF THE CAPITAL CITY OF PRAGUE WITH A SELECTABLE START OF VALIDITY

Type of transit document	Price of transit ticket in CZK
Time-limited transferable coupons with a selectable start of validity:	
- Monthly	670,-
- Quarterly	1 880,-
- One-year	6 100,-

TIME-LIMITED TRANSFERABLE COUPONS VALID IN THE TERRITORY OF THE CAPITAL CITY OF PRAGUE WITH A SELECTABLE START OF VALIDITY

Type of transit document	Price of transit ticket in CZK
Time-limited transferable coupons with a selectable start of validity:	
- 30-day	670,-
- 90-day	1 880,-
- 365-day	6 100,-

EMPLOYEES´FARE

Type of transit document	Price of transit ticket in CZK
- One-year for employees	50,-
- One-year for employees ´family members	200,-
- One-year for pensioners	50,-
- One-year for pensioners ´family members	200,-

TRANSIT TICKETS FOR SINGLE TRIP IN THE TERRITORY OF THE CAPITAL CITY OF PRAGUE (P+0+B)

Type of transit document	Price of transit ticket in CZK
Transfer full-price tickets:	
- 30-minute	24,-
- 90-minute	32,-
- In case of purchase from bus driver – 90-minute	40,-
Transfer economy tickets:	
- 30-minute	12,-
- 90-minute	16,-
- In case of purchase from bus driver – 90-minute	20,-
Pre-paid time-limited short-time transit tickets for the public city transport (P+0+B):	
- 24-hour full-price	110,-
- 24-hour for children from 6 to 15 years and holders of PID card for seniors	55,-
- 3-day full-price	310,-
*** Pre-paid time-limited short-time tickets for all zones:**	
- 24-hour full-price	160,-
- 24-hour for children from 6 to 15 years	80,-

***** for the public city transport 70% share

SPECIAL AE TRANSIT TICKETS (AIRPORT EXPRESS)

Type of transit document	Price of transit ticket in CZK
Full-price non-transfer	
- Hlavní nádraží – Václav Havel Airport Prague	60,-
Economy non-transfer for children from 6 to 15 years	
- Hlavní nádraží – Václav Havel Airport Prague	30,-

COMBINED TIME-LIMITED COUPONS BUS+TRAIN TO THE PRE-PAID TRANSIT TICKET VALID WITHIN PID EXTERNAL ZONES FOR A FIXED CALENDAR PERIOD OR TO A PERSONAL CARD WITH A SELECTABLE START OF VALIDITY

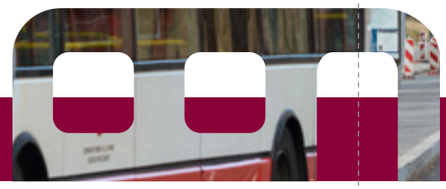
Type of transit document	Price of transit ticket in CZK
Coupons for one external zone:	
- Monthly civil – economy	300,-
- Quarterly civil – economy	760,-
- Monthly economy for children from 6 to 15 years	150,-
- Quarterly economy for children from 6 to 15 years	380,-
Coupons for two zones:	
- Monthly civil – economy	460,-
- Quarterly civil – economy	1 200,-
- Monthly economy for children from 6 to 15 years	230,-
- Quarterly economy for children from 6 to 15 years	600,-
Coupons for three zones:	
- Monthly civil – economy	700,-
- Quarterly civil – economy	1 800,-
- Monthly economy for children from 6 to 15 years	350,-
- Quarterly economy for children from 6 to 15 years	900,-
Coupons for four zones:	
- Monthly civil – economy	920,-
- Quarterly civil – economy	2 400,-
- Monthly economy for children from 6 to 15 years	455,-
- Quarterly economy for children from 6 to 15 years	1 190,-
Coupons for five zones:	
- Monthly civil – economy	1 130,-
- Quarterly civil – economy	3 000,-
- Monthly economy for children from 6 to 15 years	565,-
- Quarterly economy for children from 6 to 15 years	1 500,-
Coupons for six zones:	
- Monthly civil – economy	1 350,-
- Quarterly civil – economy	3 600,-
- Monthly economy for children from 6 to 15 years	675,-
- Quarterly economy for children from 6 to 15 years	1 795,-
Coupons for seven zones:	
- Monthly civil – economy	1 560,-
- Quarterly civil – economy	4 200,-
- Monthly economy for children from 6 to 15 years	780,-
- Quarterly economy for children from 6 to 15 years	2 100,-
Coupons for eight zones:	
- Monthly civil – economy	1 780,-
- Quarterly civil – economy	4 800,-
- Monthly economy for children from 6 to 15 years	890,-
- Quarterly economy for children from 6 to 15 years	2 400,-

COMBINED TIME-LIMITED COUPONS BUS+TRAIN TO THE PRE-PAID TIME-LIMITED TRANSIT TICKET WITHIN PID EXTERNAL ZONES WITH A SELECTABLE START OF VALIDITY

Type of transit document	Price of transit ticket in CZK
Coupons for one external zone:	
- 30-day civil – economy	300,-
- 90-day civil – economy	760,-
- 30-day economy for children from 6 to 15 years	150,-
- 90-day economy for children from 6 to 15 years	380,-
Coupons for two zones:	
- 30-day civil – economy	460,-
- 90-day civil – economy	1 200,-
- 30-day economy for children from 6 to 15 years	230,-
- 90-day economy for children from 6 to 15 years	600,-
Coupons for three zones:	
- 30-day civil – economy	700,-
- 90-day civil – economy	1 800,-
- 30-day economy for children from 6 to 15 years	350,-
- 90-day economy for children from 6 to 15 years	900,-
Coupons for four zones:	
- 30-day civil – economy	920,-
- 90-day civil – economy	2 400,-
- 30-day economy for children from 6 to 15 years	455,-
- 90-day economy for children from 6 to 15 years	1 190,-
Coupons for five zones:	
- 30-day civil – economy	1 130,-
- 90-day civil – economy	3 000,-
- 30-day economy for children from 6 to 15 years	565,-
- 90-day economy for children from 6 to 15 years	1 500,-
Coupons for six zones:	
- 30-day civil – economy	1 350,-
- 90-day civil – economy	3 600,-
- 30-day economy for children from 6 to 15 years	675,-
- 90-day economy for children from 6 to 15 years	1 795,-
Coupons for seven zones:	
- 30-day civil – economy	1 560,-
- 90-day civil – economy	4 200,-
- 30-day economy for children from 6 to 15 years	780,-
- 90-day economy for children from 6 to 15 years	2 100,-
Coupons for eight zones:	
- 30-day civil – economy	1 780,-
- 90-day civil – economy	4 800,-
- 30-day economy for children from 6 to 15 years	890,-
- 90-day economy for children from 6 to 15 years	2 400,-

COMBINED TIME-LIMITED COUPONS BUS + TRAIN TO THE PERSONAL CARD OR TO PRE-PAID TIME-LIMITED TRANSIT TICKET WITHIN PID EXTERNAL ZONES - SPECIAL ECONOMY

Type of transit document	Price of transit ticket in CZK
Monthly coupons for pupils from 6 to 15 years	
- For one external separate zone	110,-
- For two zones	170,-
- For three zones	260,-
- For four zones	345,-
- For five zones	420,-
- For six zones	500,-
- For seven zones	585,-
- For eight zones	665,-
5-month coupons for pupils from 6 to 15 years	
- For one external separate zone	510,-
- For two zones	795,-
- For three zones	1 195,-
- For four zones	1 590,-
- For five zones	1 970,-
- For six zones	2 360,-
- For seven zones	2 745,-
- For eight zones	3 135,-
Monthly coupons for pupils and students from 15 to 26 years	
- For one external separate zone	225,-
- For two zones	345,-
- For three zones	525,-
- For four zones	690,-
- For five zones	845,-
- For six zones	1 010,-
- For seven zones	1 170,-
- For eight zones	1 335,-
5-month coupons for pupils and students from 15 to 26 years	
- For one external separate zone	1 020,-
- For two zones	1 590,-
- For three zones	2 395,-
- For four zones	3 180,-
- For five zones	3 945,-
- For six zones	4 725,-
- For seven zones	5 490,-
- For eight zones	6 270,-



TRANSIT TICKETS FOR SINGLE TRIP WITHIN EXTERNAL ZONES

Type of transit document	Price of transit ticket in CZK
Basic transfer full-price transit tickets:	
- For two connected zones 15 min	12,-
- For two connected zones 30 min	18,-
- For three connected zones 60 min	24,-
- For four connected zones 90 min	32,-
- For five connected zones 120 min	40,-
- For six connected zones 150 min	46,-
- For seven connected zones 180 min	54,-
- For eight connected zones 210 min	62,-
- For nine connected zones 240 min	68,-
- For ten connected zones 270 min	76,-
- For eleven connected zones 300 min	84,-
Basic transfer economy transit tickets:	
- For two connected zones 15 min	6,-
- For two connected zones 30 min	9,-
- For three connected zones 60 min	12,-
- For four connected zones 90 min	16,-
- For five connected zones 120 min	20,-
- For six connected zones 150 min	23,-
- For seven connected zones 180 min	27,-
- For eight connected zones 210 min	31,-
- For nine connected zones 240 min	34,-
- For ten connected zones 270 min	38,-
- For eleven connected zones 300 min	42,-
*** Pre-paid time-limited short-time transit tickets for all zones:**	
- 24-hour	160,-
- 24-hour for children from 6 to 15 years	80,-

***** For PID external zones 30% share.

TICKETS FOR SINGLE TRIP WITHIN EXTERNAL ZONES – SPECIAL ECONOMY

Type of transit document	Price of transit ticket in CZK
Transfer tickets for pupils from 6 to 15 years:	
- For two connected zones 15 min	4,-
- For two connected zones 30 min	6,-
- For three connected zones 60 min	9,-
- For four connected zones 90 min	12,-
- For five connected zones 120 min	15,-
- For six connected zones 150 min	17,-
- For seven connected zones 180 min	20,-
- For eight connected zones 210 min	23,-
- For nine connected zones 240 min	25,-
Transfer tickets for pupils from 15 to 26 years:	
- For two connected zones 15 min	9,-
- For two connected zones 30 min	13,-
- For three connected zones 60 min	18,-
- For four connected zones 90 min	24,-
- For five connected zones 120 min.	30,-
- For six connected zones 150 min	34,-
- For seven connected zones 180 min	40,-
- For eight connected zones 210 min	46,-
- For nine connected zones 240 min	51,-

PRAGUE CARD

Type of transit document	Price of transit ticket in CZK
- 2-day full price	1 280,-
- 2-day for children and students *****	940,-
- 3-day full price	1 540,-
- 3-day for children and students *****	1 120,-
- 4-day full price (transit ticket price according to tariff rate)	1 780,-
- 4-day for children and students *****	1 300,-

***** Children/student card is valid for children from 6 to 16 years and for full-time students up to 26 years.

The Prague card price includes fare in the territory of the Capital City of Prague (P+O+B), on the Airport Express line, ferries, entrance to 50 historic buildings etc.

DEVELOPMENT OF TARIFF RATES OF THE PRAGUE INTEGRATED TRANSPORT IN THE 5-YEAR PERIOD

PRE-PAID CIVIL TIME-LIMITED TRANSIT TICKETS - ECONOMY (in CZK)

Type of transit document	2012	2013	2014	2015	2016
Civil time-limited economy coupons:					
- 30-day/monthly	550,-	550,-	550,-	550,-	550,-
- 90-day/quarterly	1 480,-	1 480,-	1 480,-	1 480,-	1 480,-
- 150-day/5-month	2 450,-	2 450,-	2 450,-	2 450,-	2 450,-
- 365-day/one-year (from 1. 7. 2015 – CZK 3,650)	4 750,-	4 750,-	4 750,-	3 650,-	3 650,-

PRE-PAID TIME-LIMITED TRANSIT TICKETS ECONOMY (in CZK)

Type of transit document	2012	2013	2014	2015	2016
For juniors from 15 to 19 years					
- 30-day/monthly	260,-	260,-	260,-	260,-	260,-
- 90-day/quarterly	720,-	720,-	720,-	720,-	720,-
- 150-day/5-month	1 200,-	1 200,-	1 200,-	1 200,-	1 200,-
- 300-day/10-month	2 400,-	2 400,-	2 400,-	2 400,-	2 400,-
For pupils and students from 19 to 26 years					
- 30-day/monthly	260,-	260,-	260,-	260,-	260,-
- 90-day/quarterly	720,-	720,-	720,-	720,-	720,-
- 150-day/5-month	1 200,-	1 200,-	1 200,-	1 200,-	1 200,-
- 300-day/10-month	2 400,-	2 400,-	2 400,-	2 400,-	2 400,-
For seniors from 60 to 70 years and citizens in financial distress:					
- 30-day/monthly	* 250,-	* 250,-	* 250,-	* 250,-	* 250,-
- 90-day/quarterly	* 660,-	* 660,-	* 660,-	* 660,-	* 660,-
- 150-day/5-month	* 1 100,-	* 1 100,-	* 1 100,-	* 1 100,-	* 1 100,-

PRE-PAID TIME-LIMITED TRANSFERABLE TRANSIT TICKETS WITH A SELECTABLE START OF VALIDITY (in CZK)

Type of transit document	2012	2013	2014	2015	2016
Transferable time-limited coupons					
- 30-day/monthly	670,-	670,-	670,-	670,-	670,-
- 90-day/quarterly	1 880,-	1 880,-	1 880,-	1 880,-	1 880,-
- 365-day/one-year	6 100,-	6 100,-	6 100,-	6 100,-	6 100,-

* For seniors from 65 to 70 years, who hold the Document proving the right of special fare price (price of electronic document of CZK 120, price of paper document of CZK 20), applies to fare for trips through Prague (tariff zones P, O and B) of CZK 0.

For children from 6 to 15 years, who hold the Document proving the right of special fare price (price of electronic document of CZK 120, price of paper document of CZK 20), applies to fare for trips through Prague (tariff zones P, O and B) of CZK 0. Children from 6 to 10 years can prove only a personal card verified by its issuer (legal entity) with name, surname, date of birth and photo.

Accompaniment of children under 3 years of age, if a child holds a special card - Children under 3 years of age or identity card or passport, have been transported for a special price of 0 CZK since 1st July 2015. This does not relate to railways and AE.

Transport of dogs for free – passengers with a valid transit ticket for PID in the territory of Prague (P, O and B zones) or passengers having a right to transport for free in the territory of Prague do not pay a charge for dog. It is valid only with a time-limited coupon in external zones.

VOLUME OF TOTAL INVESTMENT COSTS AND RESOURCES

VOLUME OF TOTAL INVESTMENT COSTS IN 2016 (IN THOUSANDS CZK)

Investment metro construction	
Projects under progress	
A metro line	161 656
Reconstruction of departure platform at the Muzeum metro station	651
Reconstruction of the Jinonice metro station	18 029
Reconstruction of the Opatov metro station	10 982
Reconstruction of the Skalka metro station	166
Projects under preparation	
I. Operating Section of D metro line	5 043
In total metro investment construction	**196 527**
Other investment projects	
Replacement of escalators	46 617
Tram tracks construction	9 695
Tram tracks reconstruction	473 941
Cable routes reconstruction	1 048
Construction and reconstruction of substations	43 810
Carriage sheds and central workshops	93 694
Garages and stand-by areas	516
Metro security system	50 223
In total other investment projects	**719 544**
Renovation of the company's fleet	
METRO	
Purchase of new vehicles – repayment of loan	1 140 556
TRAMS	
Technical improvement of trams (KT8D5)	9 726
Purchase of new trams	3 302 964
Purchase of new trams – repayment within the Bill Program	800 000
BUSES	
Purchase of new buses	217 703
Purchase of midibuses	3 997
Other company's fleet	**85 327**
In total renovation of the company's fleet	**5 560 273**
Other investments into technical background	**272 934**
Total volume of investment costs	**6 749 278**

VOLUME OF TOTAL INVESTMENT RESOURCES IN 2016 (IN THOUSANDS CZK)

	In total investment resources	Out of it:	
		Investment resources received in 2016 for payment of invoices paid before the year 2016	Investment resources used for payment of invoices paid in 2016
In total own investment resources			
Depreciations	2 496 007		2 496 007
Compensation (appropriate profit)	991 000		991 000
Other resources			
Bill program / disposable funds	2 750 193		2 750 193
Operational Programme Prague – Competitiveness:			
- Grants from the EU structural funds – investment	305 707	305 317	390
- Grants from the EU structural funds – non-investment	330	330	
- Grants from the budget of the Capital City of Prague – investment	26 974	949	26 025
- Grants from the budget of the Capital City of Prague – non-investment	29	29	
Operational Programme – Transport – A metro line			
- Grants from EU funds – investment	672 913	511 258	161 655
Grants from the budget of the Capital City of Prague	249 345		249 345
Compensation from 2012	74 663		74 663
Total volume of investment resources	**7 567 161**	**817 883**	**6 749 278**

REPORT ON RELATIONS

On 6th March 2017
The Prague Public Transit Co., Inc.

CONTENT

Introductory provisions
1. Structure of relations between the controlling entity and the controlled entity and between the controlled entity and entities controlled by the same controlling entity. The task of the controlled entity within the structure of these relations, manner and means of control p. 108
1.1. Controlling entity p. 108
1.2. Entities controlled directly by the controlling entity p. 109
1.3. Other entities indirectly controlled by the controlling entity and their subsidiaries p. 109
2. Acts performed during the last accounting period on the stimulus or for the benefit of the controlling entity or entities controlled by the controlling entity p. 112
3. Review and evaluation p. 113
4. Annexes p. 114
   1. Overview of contracts concluded in the year 2016 between the controlled entity and the controlling entity
   2. Contracts concluded in the year 2016 with the entities controlled by the controlling entity – directly
   3. Contracts concluded in the year 2016 with the entities controlled by the controlling entity – indirectly

Introductory provisions

The Report on relations between the controlling entity and the controlled entity and between the controlled entity controlled by the same controlling entity ("Report on relations") was prepared pursuant to provisions in Section 82 of the Act No. 90/2012 Coll., on trading companies and cooperatives (the Act on trading corporations). This report for the previous accounting period (year 2016) will be attached to the Annual report in compliance with the legal regulations regulating accountancy. The sole shareholder of the controlled entity will have the option to become acquainted with this report within the same time limit and under the same conditions as for the Financial Statement.

1. Structure of relations between the controlling entity and the controlled entity and between the controlled entity and entities controlled by the same controlling entity. The task of the controlled entity within the structure of these relations, manner and means of control

1.1. The trading company – the Prague Public Transit Co. Inc. with the registered office in Sokolovská 217/42, Prague 9, Postal Code: 190 22, ID No.: 00005886, recorded in the Companies Register, maintained by the Municipal Court in Prague, Section B, Insert No. 847 (hereinafter only as the "**controlled entity**") is the entity controlled by the Capital City of Prague. The Capital City of Prague is the sole shareholder of the controlled entity. The **controlling entity** is the Capital City of Prague.

1.2. According to data available to the controlled entity the controlling entity controls these other **directly controlled entities**:

a) Kolektory Praha, a.s. with the registered office in Prague 9, Pešlova 341/3, Postal Code: 190 00, recorded in the Companies Register maintained by the Municipal Court in Prague, Section B, Insert No. 7813, ID No.: 26714124 (100% share)
b) Kongresové centrum Praha, a.s., with the registered office in Prague 4 - Nusle, 5.května 65, Postal Code: 140 00, recorded in the Companies Register maintained by the Municipal Court in Prague, Section B, Insert No. 3275, ID No.: 63080249 (45.652% share)
c) Obecní dům, a.s., with the registered office in Prague 1 – Staré Město, nám. Republiky 1090/5, Postal Code: 110 00, recorded in the Companies Register maintained by the Municipal Court in Prague, Section B, Insert No. 9990, ID No.: 27251918 (100% share)
d) Pražská energetika Holding a.s. with the registered office in Prague 10, Na Hroudě 1492, Postal Code 100 05, recorded in the Companies Register maintained by the Municipal Court in Prague, Section B, Insert No. 7020, ID No.: 26428059 (51% share)
e) Pražská plynárenská Holding a.s., with the registered office in Prague 4, U Plynárny 500/44, Postal Code: 140 00, recorded in the Companies Register maintained by the Municipal Court in Prague, Section B, Insert No. 7151, ID No. 26442272 (100% share)
f) Pražská teplárenská Holding a.s., with the registered office in Prague 7, Partyzánská 1, Postal Code: 170 00, recorded in the Companies Register maintained by the Municipal Court in Prague, Section B, Insert No. 6889, ID No. 26416808 (51% share)
g) Pražská vodohospodářská společnost a.s., with the registered office in Prague 1 – Staré Město, Žatecká 110/2, Postal Code: 110 00, recorded in the Companies Register maintained by the Municipal Court in Prague, Section B, Insert No. 5290, ID No. 25656112 (100% share)
h) Pražské služby, a.s. with the registered office in Prague 9, Pod Šancemi 444/1, Postal Code: 190 00, recorded in the Companies Register maintained by the Municipal Court in Prague, Section B, Insert No. 2432, ID No. 60194120 (76.92% share)
i) Rozvojové projekty Praha, a.s., with the registered office in Prague 1 – Nové Město, Opletalova 929/22, Postal Code: 110 00, recorded in the Companies Register maintained by the Municipal Court in Prague, Section B, Insert No. 5231, ID No. 25649329 (100% share)
j) TRADE CENTRE PRAHA a.s. with the registered office in Prague 2, Blanická 1008/28, Postal Code: 120 00, recorded in the Companies Register maintained by the Municipal Court in Prague, Section B, Insert No. 43, ID No. 00409316 (100% share)
k) Úpravna vody Želivka, a.s., with the registered office in Prague 10, K Horkám 16/23, Postal Code: 102 00, recorded in the Companies Register maintained by the Municipal Court in Prague, Section B, Insert No. 7437, ID No. 26496224 (90.0353% share)
l) Zdroj pitné vody Káraný, a.s., with the registered office in Prague 1, Žatecká 110/2, Postal Code: 110 00, recorded in the Companies Register maintained by the Municipal Court in Prague, Section B, Insert No. 7438, ID No. 26496402 (97.25% share)
m) Operátor ICT, a.s. with the registered office in Prague 7 - Holešovice, Dělnická 213/12, Postal Code: 170 00, recorded in the Companies Register maintained by the Municipal Court in Prague, Section B, Insert No. 19676, ID No. 02795281 (100% share),
n) Technická správa komunikací hl. m. Prahy, a.s. with the registered office in Řásnovka 770/8, Old City, Prague 1 – Staré Město, recorded in the Companies Register maintained at the Municipal Court in Prague, Section B, Insert No. 20059, ID No. 03447286 (100% share)

1.3. The controlling entity controls **indirectly** according to data available to the controlled entity **these other entities and their subsidiary companies**

Companies with investment share of the trading company the Prague Public Transit Co. Inc. (in Czech: Dopravní podnik hl. m. Prahy, akciová společnost)

a) Pražská strojírna, a.s., with the registered office in Prague 9 - Vinoř, Mladoboleslavská 133, Postal Code: 190 17, recorded in the Companies Register maintained by the Municipal Court in Prague, Section B, Insert No. 2318, ID No. 60193298 (100% share)

b) Střední průmyslová škola dopravní, a.s., with the registered office in Prague 5, Plzeňská 298/217a, Postal Code: 150 00, recorded in the Companies Register maintained by the Municipal Court in Prague, Section B, Insert No. 5097, ID No. 25632141 (100% share)

c) RENCAR PRAHA, a.s., with the registered office in Prague 8, Rohanské nábřeží 678/25, Prague 8 - Karlín, Postal Code: 186 00, recorded in the Companies Register maintained by the Municipal Court in Prague, Section B, Insert No. 86, ID No. 00506397 (28% share)

Companies with investment share of the trading company Pražská energetika Holding, a.s.

a) Pražská energetika, a.s. with the registered office in Prague 10, Na Hroudě 1492/4, Postal Code: 100 05, recorded in the Companies Register maintained by the Municipal Court in Prague, Section B, Insert No. 2405, ID No. 60193913 (58.046% share)

Companies with investment share of the trading company Pražská energetika, a.s. (subsidiary company)

a) PREdistribuce, a.s. with the registered office in Prague 5, Svornosti 3199/19a, Postal Code: 150 00, recorded in the Companies Register maintained by the Municipal Court in Prague, Section B, Insert No. 10158, ID No. 27376516 (100% share)

b) eYello CZ, k.s. with the registered office in Prague 10 – Vršovice, Kubánské nám. 1391/11, Postal Code: 100 00, recorded in the Companies Register maintained by the Municipal Court in Prague, Section A, Insert No. 76596, ID No. 25054040 (90% share)

c) PREměření, a.s., with the registered office in Prague 10, Na Hroudě 2149/19, Postal Code: 100 05, recorded in the Companies Register maintained by the Municipal Court in Prague, Section B, Insert No. 5433, ID No. 25677063 (100% share)

d) KORMAK Praha a.s. with the registered office in Prague 10 - Uhříněves, K Sokolovně 667, Postal Code: 104 00, recorded in the Companies Register maintained by the Municipal Court in Prague, Section B, Insert No. 20181, ID No. 48592307 (100% share)

e) KORMAK nemovitosti s.r.o. with the registered office in Prague 10 - Uhříněves, K Sokolovně 667/9, Postal Code: 104 00, recorded in the Companies Register maintained by the Municipal Court in Prague, Section C, Insert No. 215222, ID No. 02065801 (100% share)

Companies with investment share of the trading company Pražská plynárenská Holding a.s.

a) Pražská plynárenská, a.s. with the registered office in Prague 1 – Nové Město, Národní 37, Postal Code: 110 00, recorded in the Companies Register maintained by the Municipal Court in Prague, Section B, Insert No. 2337, ID No. 60193492 (100% share)

Companies with investment share of the trading company Pražská plynárenská, a.s. (subsidiary company)

a) Pražská plynárenská Distribuce, a.s., a member of the Pražská plynárenská, a.s. group, with the registered office in Prague 4, U Plynárny 500, Postal Code: 145 08, recorded in the Companies Register, maintained by the Municipal Court in Prague, Section B, Insert No. 10356, ID No. 27403505 (100% share)

b) Pražská plynárenská Servis distribuce, a.s., a member of the Pražská plynárenská a.s. group, with the registered office in Prague 4, U Plynárny 1450/2a, Postal Code: 140 00, recorded in the Companies Register, maintained by the Municipal Court in Prague, Section B, Insert No. 1878, ID No. 47116471 (100% share)

c) Prometheus, energetické služby, a.s., a member of the Pražská plynárenská, a.s. group, with the registered office in Prague 4, U Plynárny 500, Postal Code: 140 00, recorded in the Companies Register, maintained by the Municipal Court in Prague, Section B, Insert No. 17568, ID No. 63072599 (100% share)

d) Pražská plynárenská Správa majetku, a.s., a member of the Pražská plynárenská, a.s. group, with the registered office in Prague 4 - Michle, U Plynárny 500, Postal Code: 145 08, recorded in the Companies Register, maintained by the Municipal Court in Prague, Section B, Insert No. 17753, ID No. 27436551 (100% share)

e) Informační služby – energetika, a.s., with the registered office in Prague 4, U Plynárny 500, Postal Code: 141 00, recorded in the Companies Register, maintained by the Municipal Court in Prague, Section B, Insert No. 7946, ID No. 26420830 (100% share)

Companies with investment share of the trading company Pražská teplárenská Holding a.s.

a) Pražská teplárenská, a.s. with the registered office in Prague 7, Partyzánská 1/7, Postal Code: 170 00, recorded in the Companies Register, maintained by the Municipal Court in Prague, Section B, Insert No. 1509, ID No. 45273600 (47.42% share)

b) PT měření a.s., with the registered office in Střelničná 2221/50, Prague 8, Postal Code: 182 00, recorded in the Companies Register maintained at the Municipal Court in Prague, Section B, Insert No. 20555, ID No.: 04002385 (47.42% share)

c) PT Real Estate a.s., with the registered office in Partyzánská 1/7, Prague 7, Postal Code: 170 00, recorded in the Companies Register maintained at the Municipal Court in Prague, Section B, Insert No. 21696, ID No.: 05197155 (47.42% share)

Companies with investment share of the trading company Pražská teplárenská, a.s.

a) TERMONTA PRAHA, a.s., with the registered office in Prague 10, Třebohostická 46/11, Postal Code: 110 00, recorded in the Companies Register, maintained by the Municipal Court in Prague, Section B, Insert No. 1846, ID No. 47116234 (100% share)

b) Teplo Neratovice, spol. s.r.o., with the registered office in Neratovice, Školní 162, Postal Code: 277 11, recorded in the Companies Register, maintained by the Municipal Court in Prague, Section C, Insert No. 34074, ID No. 49827316 (100% share)

c) Areál Třeboradice, a.s., with the registered office in Prague 4, Duhová 1444/2, Postal Code: 140 00, recorded at the Companies Register, maintained at the Municipal Court in Prague, Section B, Insert No. 18724, ID No.: 29132282 (5% share)

d) Energotrans SERVIS a.s., with the registered office in Prague 7 - Holešovice, Partyzánská 1/7, Postal Code: 170 00, recorded in the Companies Register maintained at the Municipal Court in Prague, Section B, Insert No. 19399, ID No.: 29352797 (95% share)

e) Pražská teplárenská Trading a.s., with the registered office in Prague 7 - Holešovice, Partyzánská 1/7, recorded in the Companies Register maintained at the Municipal Court in Prague, Section B, Insert No. 19886, ID No.: 03261816 (100% share)

Companies with investment share of the trading company PT Real Estate, a.s.

a) RPC, a.s. with the registered office in Prague 7 - Holešovice, Partyzánská 1/7, Postal Code: 170 00, recorded in the Companies Register maintained at the Municipal Court in Prague, Section B, Insert No. 20291, ID No.: 03669475 (100% share)

b) Nová Invalidovna, a.s. with the registered office in Prague 7 - Holešovice, Partyzánská 1/7, Postal Code: 170 00, recorded in the Companies Register maintained at the Municipal Court in Prague, Section B, Insert No. 20290, ID No.: 03658767 (100% share)

c) Nový Veleslavín, a.s. with the registered office in Prague 7 - Holešovice, Partyzánská 1/7, Postal Code: 170 00, recorded in the Companies Register maintained at the Municipal Court in Prague, Section B, Insert No. 20282, ID No.: 03655636 (100% share)
d) Nové Modřany, a.s. with the registered office in Prague 7 - Holešovice, Partyzánská 1/7, Postal Code: 170 00, recorded in the Companies Register maintained at the Municipal Court in Prague, Section B, Insert No. 20289, ID No.: 03658082 (100% share)
e) Michelský trojúhelník, a.s. with the registered office in Prague 7 - Holešovice, Partyzánská 1/7, Postal Code: 170 00, recorded in the Companies Register maintained at the Municipal Court in Prague, Section B, Insert No. 20283, ID No.: 03634051 (100% share)
f) Pod Juliskou, a.s. with the registered office in Prague 7 - Holešovice, Partyzánská 1/7, Postal Code: 170 00, recorded in the Companies Register maintained at the Municipal Court in Prague, Section B, Insert No. 20281, ID No.: 03668231 (100% share)
g) PT Properties I, a.s. with the registered office in Prague 7 - Holešovice, Partyzánská 1/7, Postal Code: 170 00, recorded in the Companies Register maintained at the Municipal Court in Prague, Section B, Insert No. 20287, ID No.: 03653901 (100% share)
h) PT Properties II, a.s. with the registered office in Prague 7 - Holešovice, Partyzánská 1/7, Postal Code: 170 00, recorded in the Companies Register maintained at the Municipal Court in Prague, Section B, Insert No. 20285, ID No.: 03623475 (100% share)
i) PT Properties III, a.s. with the registered office in Prague 7 - Holešovice, Partyzánská 1/7, Postal Code: 170 00, recorded in the Companies Register maintained at the Municipal Court in Prague, Section B, Insert No. 20288, ID No.: 03634329 (100% share)
j) PT Properties IV, a.s. with the registered office in Prague 7 - Holešovice, Partyzánská 1/7, Postal Code: 170 00, recorded in the Companies Register maintained at the Municipal Court in Prague, Section B, Insert No. 20286, ID No.: 03640787 (100% share)

Companies with investment share of the trading company Pražské služby, a.s.

a) AKROP s.r.o., with the registered office in Tuchoměřice, Ke Špejcharu 392, Postal Code: 252 67, recorded in the Companies Register, maintained by the Municipal Court in Prague, Section C, Insert No. 81758, ID No. 26432331 (100% share)
b) Pražský EKOservis, s.r.o. with the registered office in Na křečku 365/5, Horní Měcholupy, Prague 10, Postal Code: 109 00, recorded in the Companies Register maintained at the Municipal Court in Prague, Section C, Insert No. 229808, ID No.: 03298973 (100% share)
c) EVOK o.p.s. with the registered office in Vlkova 430/35, Prague 3 - Žižkov, Postal Code: 130 00, recorded in the Companies Register maintained at the Municipal Court in Prague, Section O, Insert No. 1319, ID No.: 02412390 (100% share)

Company with investment share of the trading company TRADE CENTRE PRAHA, a.s.

a) TCP – Vinohrady, a.s., with the registered office in Prague 2, Blatnická 1008/28, Postal Code: 120 00, recorded at the Companies Register, maintained at the Metropolitan Court in Prague, Section B, Insert No. 5402, ID No.: 25672541 (100% share)

Company with investment share of the trading company Úpravna vody Želivka, a.s.

a) Želivská provozní a.s., with the registered office in Prague 10 – Hostivař, K Horkám 16/23, Postal Code: 102 00, recorded in the Companies Register, maintained by the Municipal Court in Prague, Section B, Insert No. 19766, ID No. 29131804 (100% share)

Company with the investment share of the trading company Zdroj pitné vody Káraný, a.s.

a) Vodárna Káraný, a.s., with the registered office in Žatecká 110/2, Prague 1 – Staré Město, Postal Code: 110 00, Prague 1, recorded in the Companies Register, maintained by the Municipal Court in Prague, Section B, Insert No. 18857, ID No. 29148995 (100% share)

2. Acts performed during the last accounting period on the stimulus or for the benefit of the controlling entity or entities controlled by the controlling entity

2.1. The Controlled entity did not make any acts during the last accounting period, which would be made on stimulus or for the benefit of the controlling entity or entities controlled by the controlling entity and which would related to property, which exceeds 10% of own capital of the controlled entity according to the last Financial Statement.
2.2. At the course of the accounting year 2016, contracts as specified in the Annex No. 1 were concluded between the controlled entity and the controlling entity. These contracts were concluded under conditions usual in trade relationship and performances and counter-performances correspond with the conditions of usual trade relationship with taking the character of business activity of the controlled entity into consideration, so with fulfilment of these contracts no detriment was caused to the controlled entity.
2.3. No other legal acts for the benefit of the controlling entity were made between the controlled entity and the controlling entity.
2.4. No measures were adopted for the benefit of the controlling entity.
2.5. No measures were taken for the benefit of the controlling entity.
2.6. No measures were adopted on the stimulus of the controlling entity.
2.7. No measures were taken on the stimulus of the controlling entity.
2.8. At the course of the accounting year 2016, contracts as specified in the Annex No. 2 were concluded between the controlled entity and other entities controlled directly by the controlling entity. These contracts were concluded under conditions usual in trade relationship and performances and counter-performances correspond with conditions of usual trade relationship, so with fulfilment of these contracts no detriment can be caused to the controlled entity.
2.9. No other legal acts for the benefit of other entities controlled directly by the controlling entity were made between the controlled entity and other entities controlled by the controlling entity.
2.10. No measures were adopted for the benefit of other entities controlled directly by the controlling entity.
2.11. No measures were taken for the benefit of other entities controlled directly by the controlling entity.
2.12. No measures were adopted on the stimulus of other entities controlled directly by the controlling entity.
2.13. No measures were taken on the stimulus of other entities controlled directly by the controlling entity.

Information on relation to other entities indirectly controlled by the controlling entity

2.14. At the course of the accounting year 2016, contracts as specified in the Annex No. 3 were concluded between the controlled entity and other entities indirectly controlled by the controlling entity. These contracts were concluded under conditions usual in trade relationship and performances and counter-performances correspond with conditions of usual trade relationship, so with fulfilment of these contracts no detriment can caused to the controlled entity.
2.15. No other legal acts for the benefit of other entities controlled indirectly by the controlling entity were made between the controlled entity and other entities controlled indirectly by the controlling entity.
2.16. No measures were adopted for the benefit of other entities controlled indirectly by the controlling entity.
2.17. No measures were taken for the benefit of other entities controlled indirectly by the controlling entity.
2.18. No measures were adopted on the stimulus of other entities controlled indirectly by the controlling entity.
2.19. No measures were taken on the stimulus of other entities controlled indirectly by the controlling entity.

3. Review and Evaluation

The Board of Directors of the controlled entity states that no predominant benefits or disadvantages or other risks can be derived from relations between the entities mentioned. All contractual relations were concluded between them in compliance with the generally binding legal regulations and under conditions usual in trade relationship between traders.

It results from the above mentioned that no detriment on property was caused to the controlled entity due to influence of the controlling entity during the accounting period of 2016.

For the trading company Prague Public Transit Co., Inc.:

Mgr. Martin Gillar

Chairman of the Board of Directors

JUDr. Jan Blecha

Vice-Chairman of the Board of Directors

Annex No. 1

Overview of contracts concluded between the controlled entity and the controlling entity

Controlling entity	Controlled entity	Contracts concluded in total
The Capital City of Prague	Prague Public Transit Co., Inc.	67

Characteristics of contracts and their number:

- Amendments to the Contract on the commitment of public service at the public line transport in the PID system for the period 2010-2019 – 3,
- Amendments to the Contract on the public services at the public railway transport and the city bus transport in the PID system for the period 2010–2019 – 7,
- Contract for the provision of services to ensure a uniform performance of the commitment of public services – 1,
- Amendment to the contract on funding of the project within the Operational Programme – Prague – Competitiveness – 1,
- Contracts for the establishment of easement, contracts for the future contract on establishment of easement, loan Contracts, contracts for the future contract on establishment of servitude – 29,
- Contracts on fare – 2,
- Agreement on realization of construction – 2,
- Lease contract – 16,
- Contract on set-off of claims – 1,
- Contract on the provision of assistance in case of exceptional events or crisis situations – 1,
- Amendment to the tariff contract – 1,
- Agreement on beneficiary – 2,
- Contract of purchase – 1

Annex No. 2

Contracts concluded with entities controlled DIRECTLY by the controlling entity in 2016

Trading company	Number	Characteristics of contracts
Pražská vodohospodářská společnost, a.s.	2	Contract on relaying – 1, Lease Contract – 1
Operátor ICT, a.s.	2	General contract on the provision of services for issuing of the "Lítačka" cards, Contract on confidentiality
Pražské služby, a.s.	1	Amendment to the Contract for work

Annex No. 3

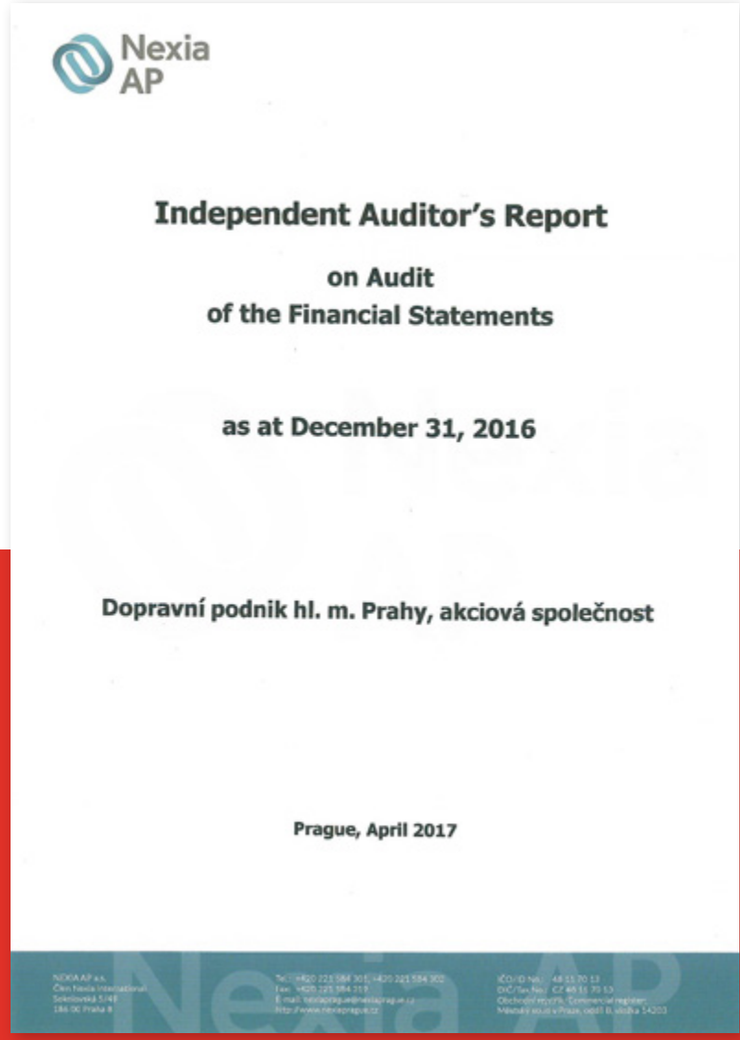
Contracts concluded with entities controlled INDIRECTLY by the controlling entity in 2016

Trading company	Number	Characteristics of contracts
Střední průmyslová škola dopravní, a.s.	4	Contract on the teaching and training to get the B+C and RB/C driving licences – 3, Lease contract – 1
Pražská plynárenská, a.s.	19	Contracts and amendments to contracts on combined services of natural gas supplies and consumption
Pražská plynárenská Distribuce a.s., a member of the Pražská plynárenská, a.s. group	11	Contract on operation of defined technical equipment (UTZ) – 1, Contract for the operation of gasworks equipment – 3, Affirmatory statement – 2, Contract for the establishment of personal common right – 2, Contract for the future contract on establishment of easement – 1, Lease contract – 1, Contract on relaying of gasworks pipeline – 1
Pražská plynárenská – servis Distribuce, a.s., a member of the Pražská plynárenská, a.s. group	1	Lease contract
Pražská teplárenská a. s.	9	Contract of purchase – 1, Contract for the future contract on heat energy supplies – 1, Contract for the future contract on establishment of easements – 3, Contract on the establishment of servitude – 1, Affirmative statement – 3
RPC, a.s.	1	Agreement on procedure to ascertain price of real estate
TERMONTA PRAHA, a.s.	1	Lease contract
Pražská energetika, a.s.	196	Contracts and amendments on composite services of electricity supplies to customers
PREdistribuce, a.s.	33	Contract on connection – 2, Contract for the future contract on establishment of easement – 12, Contract on establishment of easement – 6, Lease contract – 8, Contract on manipulation, servicing and works on electric equipment – 3, Contract on short-term connection on the HV voltage level – 1, Agreement on ensuring of cable relaying – 1
KORMAK Praha a.s.	1	Lease contract

LIST OF ABBREVIATIONS

AE	Airport Express
BOZP	Occupational Safety and Health
BŘ	Director in charge of the safety department
ČS	Česká spořitelna
ČSOB	Československá obchodní banka
DHM	Tangible fixed assets
DNM	Intangible fixed assets
DPH	Value added tax
DPP	the Prague Public Transit Co. (the Transit Company – DP)
DŘ	Director in charge of the transport department
EŘ	Director in charge of the economic department
EU	European Union
EZS	Electronic security system
GVD	Train set graphical timetable
HMP	the Capital City of Prague
HZS DP	Fire Brigade of the Prague Public Transit Co., Inc.
ICT	Computers and information technology
IT	Information technique
JDCM	Traffic route – Metro division
JPA	Bus operation division
JPT	Tram operation division
KČ	Czech crowns
KS	Collective agreement
LZ	Human resources
MČ	Municipal district
MD	Ministry of Transport
MHD	Public city transport
MHMP	Metropolitan Authority of the Capital City of Prague
MS	Municipal court
MŠMT	Ministry of Education, Youth and Sport
OON	Other personnel expenses
OPD	Operational programme – Transport
OPPK	Operational programme Prague – Competitiveness
P+R	Park + ride
PČR	Police of the Czech Republic
PID	Prague Integrated Transport
POP	Operating and attending worker
POSPOLU	Support to cooperation between schools and companies focused on professional training in practice
PROVAS	Anti-chemical warning system in metro
ROPID	Regional organizer of the Prague public transport
RTT	Reconstruction of tram track
SDI	Centres of traffic information
SPŠD	Secondary Technical School of Transport
SSZ	Lighting signalling equipment
Stř. STK	Technical inspection station centre
TCP	Trade centre Prague
TH	Technical-economy (employees)
TŘ	Director in charge of the technical department
TT	Tram track
ÚOHS	Office for the Protection of Economic Competition
UTZ	Defined technical equipment
VpA	Auditing Committee
VT	Computing technique
VTZ	Selected technical equipment

AUDITOR´S REPORT



Nexia AP

Information about the audited company

Name of the Company:	Dopravní podnik hl. m. Prahy, akciová společnost
Registered office:	Sokolovská 217/42, 190 22 Praha 9
Recording carried out at:	Municipal court in Prague
Recording under number:	Section B, file number 847
ID number:	000 05 886
Tax ID number:	CZ00005886
Statutory body:	Board of Directors
Subject of business:	Operating a tram line, a special line (metro) and the cableway (Petřín and the Prague ZOO) and railway in Prague
Audited period:	from 1 January 2016 to 31 December 2016
Recipient of the report:	Shareholder of Dopravní podnik hl. m. Prahy, akciová společnost

Information about the auditing company

Name of the company:	NEXIA AP a.s.
Audit firm licence No.:	No. 096
Registered office:	Sokolovská 5/49, 186 00 Prague 8 Karlín
Recording carried out at:	Municipal court in Prague
Recording under number	Section B, file number 14203
ID number:	481 17 013
Tax ID number:	CZ48117013
Phone:	+420 221 584 302
E-mail:	nexiaprague@nexiaprague.cz
Responsible auditor:	Ing. Jakub Kovář
Auditor licence No.:	No. 1959

Nexia AP

Independent auditor's report

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

Opinion

We have audited the accompanying financial statements of joint-stock company **Dopravní podnik hl. m. Prahy, akciová společnost** (hereinafter also the „accounting unit") prepared in accordance with accounting principles generally accepted in the Czech Republic, which comprise the balance sheet as at 31 December 2016, the income statement, statement of changes in equity and statement of cash flows for the year 2016 then ended 31 December 2016 and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of joint-stock company Dopravní podnik hl. m. Prahy, akciová společnost as at 31 December 2016, and of its financial performance and its cash flows for the year 2016 then ended 31 December 2016 in accordance with accounting principles generally accepted in the Czech Republic.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors, and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements as at 31 December 2015 were audited by another auditor who, in its report dated April 4, 2016, issued an unqualified opinion on these financial statements.

Other Information included in the Annual Report

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Component Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- the other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- the other information is prepared in compliance with applicable law or regulation.

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In addition, our responsibility is to report, based on the knowledge and understanding of the accounting unit obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

Responsibilities of the Company's Board of Directors, Supervisory Board and Audit Committee for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the Czech Republic and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Accounting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board and Audit Committee are responsible for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 accounting unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Component Management.
- Conclude on the appropriateness of the Component Management' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the accounting unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the accounting unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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We communicate with the Board of Directors, the Supervisory Board and the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Prague, 12.4.2017

NEXIA AP a.s. KA ČR E. OPRÁVNĚNÍ 096

Jakub Kovář
auditor licence No. 1959
NEXIA AP a.s.
audit firm licence No. 096

BALANCE SHEET WITHIN FULL SCOPE

as of 31st December 2016
(in thousands CZK)

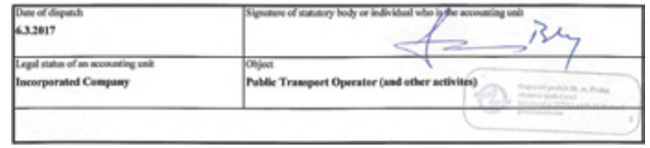
The Prague Public Transit Co. Inc.

Sokolovská 217/42
190 22 Prague 9

Company´s ID No.: 00005886

Line	Assets	31. 12. 2016			31. 12. 2015
		Gross	Correction	Net	Net
	TOTAL ASSETS	**127 522 161**	**48 443 676**	**79 078 485**	**80 691 116**
B.	**Long-term assets**	**119 637 574**	**47 631 023**	**72 006 551**	**71 264 356**
B.I.	**Long-term intangible assets**	1 119 948	1 020 516	99 432	80 864
B.I.2.	Valuable rights	995 990	916 314	79 676	64 620
B.I.2.1.	Software	985 908	906 232	79 676	64 620
B.I.2.2.	Other valuable rights	10 082	10 082	0	0
B.I.4.	Other long-term intangible assets	119 658	104 202	15 456	15 901
B.I.5.	Advances provided for long-term intangible assets and unfinished long-term intangible assets	**4 300**	**0**	**4 300**	**343**
B.I.5.2.	Unfinished long-term intangible assets	4 300	0	4 300	343
B.II.	**Long-term tangible assets**	**118 272 126**	**46 610 507**	**71 661 619**	**70 942 786**
B.II.1.	Lands and constructions	**61 606 498**	**19 546 412**	**42 060 086**	**42 622 932**
B.II.1.1.	Lands	3 375 114	0	3 375 114	3 374 876
B.II.1.2.	Constructions	58 231 384	19 546 412	38 684 972	39 248 056
B.II.2.	Corporeal chattels and their sets	54 785 335	27 056 764	27 728 571	25 969 401
B.II.4.	Other long-term tangible assets	**64 381**	**7 331**	**57 050**	**41 589**
B.II.4.3.	Another long-term tangible asset	64 381	7 331	57 050	41 589
B.II.5.	Advances provided for long-term tangible assets and unfinished long-term tangible assets	**1 815 912**	**0**	**1 815 912**	**2 308 864**
B.II.5.1.	Advances provided for long-term tangible assets	230 937	0	230 937	693 845
B.II.5.2.	Unfinished long-term tangible assets	1 584 975	0	1 584 975	1 615 019
B.III.	**Long-term financial assets**	**245 500**	**0**	**245 500**	**240 706**
B.III.1.	Shares – controlled entity or controlling entity	221 121	0	221 121	222 321
B.III.3.	Shares – substantial control	24 379	0	24 379	18 385
C.	**Current assets**	**7 747 707**	**812 653**	**6 935 054**	**9 256 651**
C.I.	**Inventories**	**462 549**	**7 842**	**454 707**	**395 954**
C.I.1.	Material	450 916	7 842	443 074	387 001
C.I.2.	Work in progress and semi-finished products	10 671	0	10 671	7 757
C.I.3.	Products and goods	962	0	962	1 196
C.I.3.2.	Goods	962	0	962	1 196
C.II.	**Receivables**	**1 834 058**	**804 811**	**1 029 247**	**1 344 481**
C.II.1.	**Long-term receivables**	**103 306**	**0**	**103 306**	**99 036**
C.II.1.1.	Trade receivables	5 311	0	5 311	12 936
C.II.1.5.	Receivables – other	97 995	0	97 995	86 100
C.II.1.5.2.	Long-term advances provided	97 995	0	97 995	86 089
C.II.1.5.4.	Other receivables	0	0	0	11
C.II.2.	**Short-term receivables**	**1 730 752**	**804 811**	**925 941**	**1 245 445**
C.II.2.1.	Trade receivables	1 043 663	803 219	240 444	292 124
C.II.2.4.	Receivables – other	**687 089**	**1 592**	**685 497**	**953 321**
C.II.2.4.3.	State – tax receivables	340 631	0	340 631	465 414
C.II.2.4.4.	Short-term advances provided	99 062	0	99 062	32 684
C.II.2.4.5.	Estimated pre-paid items	214 380	0	214 380	94 840
C.II.2.4.6.	Other receivables	33 016	1 592	31 424	360 383
C.III.	**Short-term financial assets**	**2 000 000**	**0**	**2 000 000**	**2 168 121**
C.III.2.	Other short-term financial assets	2 000 000	0	2 000 000	2 168 121
C.IV.	**Finances**	**3 451 100**	**0**	**3 451 100**	**5 348 095**
C.IV.1.	Cash float	47 083	0	47 083	41 158
C.IV.2.	Pecuniary means on accounts	3 404 017	0	3 404 017	5 306 937
D.	**Accrual basis**	**136 880**	**0**	**136 880**	**170 109**
D.1.	Deferred expenses	135 155	0	135 155	167 628
D.3.	Accrued revenue	1 725	0	1 725	2 481

Line	Liabilities	31. 12. 2016	31. 12. 2015
	TOTAL LIABILITIES	**79 078 485**	**80 691 116**
A.	**Equity capital**	**63 040 526**	**61 107 143**
A.I.	**Authorized capital**	**30 726 125**	**30 726 125**
A.I.1.	Authorized capital	30 726 125	30 726 125
A.II.	**Agio and capital funds**	**30 745 163**	**30 647 231**
A.II.2.	Capital funds	**30 745 163**	**30 647 231**
A.II.2.1.	Other capital funds	30 931 366	30 931 594
A.II.2.2.	Estimated changes in asset and payables value (+/-)	-186 203	-284 363
A.IV.	**Trading income from previous years (+/-)**	**-266 213**	**-1 521 620**
A.IV.2.	Unpaid loss from previous years (-)	-266 213	-1 521 620
A.V.	**Trading income for current accounting period (+/-)**	**1 835 451**	**1 255 407**
B.+C.	**Resources of others**	**15 241 527**	**18 902 332**
B.	**Reserves**	**546 275**	**586 050**
B.IV.	Other reserves	546 275	586 050
C.	**Payables**	**14 695 252**	**18 316 282**
C.I.	**Long-term payables**	**4 985 532**	**6 863 406**
C.I.2.	Payables to credit institutions	0	773 175
C.I.3.	Long-term advances received	21 826	16 520
C.I.4.	Trade payables	654 380	1 226 496
C.I.8.	Deferred tax payable	4 309 326	4 847 215
C.II.	**Short-term payables**	**9 709 720**	**11 452 876**
C.II.2.	Payables to credit institutions	0	257 725
C.II.3.	Short-term advances received	280 017	80 519
C.II.4.	Trade payables	1 460 968	1 910 454
C.II.5.	Short bills payable	6 400 000	6 600 000
C.II.8.	Other payables	**1 568 735**	**2 604 178**
C.II.8.3.	Payables to employees	331 088	321 361
C.II.8.4.	Payables from social security and health insurance	194 307	189 490
C.II.8.5.	State – tax payables and grants	684 154	1 472 256
C.II.8.6.	Estimated accrued items	57 817	56 056
C.II.8.7.	Other payables	301 369	565 015
D.	**Accrued liabilities**	**796 432**	**681 641**
D.1.	Accrued expenses	121 064	15 343
D.2.	Accrued revenue	675 368	666 298



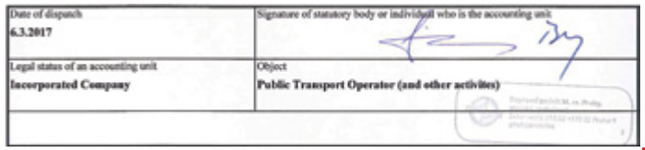
PROFIT AND LOSS STATEMENT WITHIN FULL SCOPE

as of 31st December 2016
(in thousands CZK)

The Prague Public Transit Co. Inc.

Sokolovská 217/42
190 22 Prague 9

Company´s ID No.: 00005886



Line		Period until 31st December 2016	Period until 31st December 2015
I.	Product and service revenue	**17 580 169**	**17 654 721**
I.1.	Revenue from manufactured products and services	**17 580 169**	**17 654 721**
I.1.1.	Revenue from fare	4 257 730	4 387 818
I.1.2.	Compensation for the commitment of public service	12 666 127	12 656 545
I.1.3.	Other revenue	656 312	610 358
II.	Merchandise revenue	988	1 048
A.	Power consumption	**6 699 514**	**6 521 263**
A.1.	Expenses of sold goods	930	1 000
A.2.	Material and energy consumption	2 739 563	2 764 540
A.3.	Services	3 959 021	3 755 723
B.	Revenueisation of manufactured products inventory (+/-)	-2 914	-2 126
C.	Activation (-)	-488 169	-435 824
D.	Private expenses	**6 611 386**	**6 364 256**
D.1.	Wage expenses	4 755 458	4 573 164
D.2.	Social security, health insurance and other expenses	**1 855 928**	**1 791 092**
D.2.1.	Social security and health insurance expenses	1 690 146	1 629 052
D.2.2.	Other expenses	165 782	162 040
E.	Adjustment of values in the operating area	**3 314 883**	**3 141 937**
E.1.	Adjustment of values of long-term intangible and tangible assets	**3 106 555**	**3 023 342**
E.1.1.	Adjustment of values of long-term intangible and tangible assets - permanent	3 107 706	2 998 732
E.1.2.	Adjustment of values of long-term intangible and tangible assets - provisional	-1 151	24 610
E.2.	Adjustment of values of inventory	-1 876	6 896
E.3.	Adjustment of values of receivables	210 204	111 699
III.	Other operating revenues	**1 283 003**	**1 184 786**
III.1.	Revenue from sold long-term assets	29 163	42 625
III.2.	Revenue from sold material	63 949	57 843
III.3.	Other operating revenue	1 189 891	1 084 318
F.	Other operating expenses	**1 160 398**	**1 279 071**
F.1.	Net book value of sold long-term assets	1 805	27 060
F.2.	Net book value of sold material	60 024	56 936
F.3.	Taxes and fees	6 717	6 875
F.4.	Reserves in operating area and complex pre-paid expenses	-39 775	260 544
F.5.	Other operating expenses	1 131 627	927 656
*	**Operating trading income (+/-)**	**1 569 062**	**1 971 978**
V.	Revenue from other long-term financial assets	**0**	**7 560**
V.1.	Revenue from other long-term financial assets – controlled entity or controlling entity	0	7 560
VI.	Interest received and similar revenues	**832**	**1 149**
VI.2.	Other interest received and similar revenues	832	1 149
J.	Interest expenses and similar expenses	**78 728**	**144 962**
J.2.	Other interest expenses and similar expenses	78 728	144 962
VII.	Other financial revenue	4 144 507	67 992
K.	Other financial expenses	4 360 011	219 230
*	**Financial trading income (+/-)**	**-293 400**	**-287 491**
**	**Trading income before tax (+/-)**	**1 275 662**	**1 684 487**
L.	Income tax	**-559 789**	**429 080**
L.2.	Deferred income tax (+/-)	-559 789	429 080
**	**Trading income after tax (+/-)**	**1 835 451**	**1 255 407**
***	**Trading income for the accounting period (+/-)**	**1 835 451**	**1 255 407**
*	Net sales for the accounting period	**23 009 499**	**18 917 256**

STATEMENT ON CHANGES IN EQUITY CAPITAL

as of 31st December 2016
(in thousands CZK)

The Prague Public Transit Co. Inc.

Sokolovská 217/42
190 22 Prague 9

Company´s ID No.: 00005886

Date of dispatch	Signature of statutory body or individual who is the accounting unit
6.3.2017	
Legal status of an accounting unit	Object
Incorporated Company	Public Transport Operator (and other activites)

Account	Authorized capital	Other capital funds	Adjustments to assets and payables	Cumulative trading income	In total equity capital
Opening balance as of 1st January 2015	**30 726 125**	**30 929 777**	**-373 744**	**-1 521 620**	**59 760 538**
Capital transactions with owners					
Allocation to the reserve fund					
Paid-out dividends					
Subscription of authorized capital					
Grants to increase equity capital		1 719			1 719
Other transactions					
Trading income for the current year				1 255 407	1 255 407
Valuation of lands and buildings		98			98
Increase in estimated changes in value of securities etc.			4 401		4 401
Revaluation of derivates			104 913		104 913
Deferred tax to derivates			-19 933		-19 933
Settlement of loss from reserve fund					
Correction of errors and changes in methods					

Closing balance as of 31st December 2015	**30 726 125**	**30 931 594**	**-284 363**	**-266 213**	**61 107 143**
Capital transactions with owners					
Allocation to the reserve fund					
Paid-out dividends					
Subscription of the authorized capital					
Grants to increase equity capital		0			
Other transactions					
Trading income for the current year				1 835 451	1 835 451
Valuation of lands and buildings		-228			-228
Increase in estimated changes in value of securities etc.			4 793		4 793
Revaluation of derivates			115 268		115 268
Deferred tax to derivates			-21 901		-21 901
Settlement of loss from the reserve fund					
Correction of errors and changes in methods					
Closing balance as of 31st December 2016	**30 726 125**	**30 931 366**	**-186 203**	**1 569 238**	**63 040 526**

Company name:
Dopravní podnik hl. m. Prahy,
akciová společnost

Registered office:
Sokolovská 217/42, 190 22 Prague 9

Legal form:
joint stock company
Company Reg. No.: 00005886

NOTES TO THE FINANCIAL STATEMENTS FOR 2016

CONTENT

1. GENERAL DATA 132
- 1.1. Foundation and characteristics of the company 132
- 1.2. Changes and amendments in the Commercial Register in the previous accounting period 133
- 1.3. Organisational structure of the company 134
- 1.4. Identification of the group 135
- 1.5. Corporate bodies 139

2. ACCOUNTING METHODS AND GENERAL ACCOUNTING PRINCIPLES 140

3. OVERVIEW OF IMPORTANT ACCOUNTING RULES AND PROCEDURES 140
- 3.1. Fixed tangible and intangible assets 140
- 3.2. Fixed financial assets 143
- 3.3. Inventory 143
- 3.4. Receivables 144
- 3.5. Short-term financial assets 144
- 3.6. Liabilities from business relations 144
- 3.7. Bills of exchange 145
- 3.8. Derivatives 145
- 3.9. Credit facilities 145
- 3.10. Provisions 145
- 3.11. Financial leasing 146
- 3.12. Conversions of figures in foreign currencies to the Czech currency 146
- 3.13. Taxes 146
- 3.14. Compensation 147
- 3.15. Subsidies 147
- 3.16. Incomes 147
- 3.17. Use of estimations 148
- 3.18. Extraordinary costs and incomes 148
- 3.19. Changes in the manner of valuation, procedures of depreciation and procedures of accounting against the previous accounting period 148
- 3.20. Overview of financial flows 149
- 3.21. Consolidated Financial Statements 149

4. COMPLEMENTARY DATA TO THE BALANCE SHEET AND PROFIT AND LOSS STATEMENT 150
- 4.1. Specifics of the company 150
- 4.2. Fixed intangible assets 150
- 4.3. Fixed tangible assets 152
- 4.4. Fixed financial assets 155
- 4.5. Inventory 156
- 4.6. Long-term receivables 156
- 4.7. Short-term receivables 157
- 4.8. Equity 162
- 4.9. Provisions 163
- 4.10. Bank credit facilities 163
- 4.11. Long-term liabilities from business relations and long-term advance payments 164
- 4.12. Deferred tax 164
- 4.13. Short-term liabilities 165
- 4.14. Valid liabilities in virtue of social security, public health insurance levies and life insurance schemes, pension insurance, tax liabilities and subsidies 166
- 4.15. Other short-term liabilities 167
- 4.16. Accruals and deferrals (passive) 169
- 4.17. Incomes from current activities according to main activities 169
- 4.18. Consumed purchases 174
- 4.19. Services 174
- 4.20. Depreciation of fixed intangible and tangible assets 175
- 4.21. Change in the state of provisions and adjustment of values in the operational area, except for depreciation 176
- 4.22. Sold fixed assets and revenues from sale of fixed assets 176
- 4.23. Material sold and revenues from the sale of material 176
- 4.24. Other operational incomes 177
- 4.25. Other operational costs 177
- 4.26. Incomes from fixed financial assets 177
- 4.27. Income interest and similar incomes 178
- 4.28. Cost interest and similar costs 178
- 4.29. Other financial incomes except for derivative transactions 178
- 4.30. Other financial costs except for derivative transactions 179

5. EMPLOYEES, COMPANY MANAGEMENT AND STATUTORY BODIES 180
- 5.1. Personnel costs and number of employees 180
- 5.2. Provided loans, credit facilities or other fulfilment 181

6. LIABILITIES NOT STATED IN THE ACCOUNTING 182

7. APPROVAL OF THE FINANCIAL STATEMENTS OF 2015, PROFIT DISTRIBUTION FOR 2016 183
- 7.1. Approval of the Financial Statements for 2015 183
- 7.2. Profit distribution for 2016 183

8. EVENTS OCCURRING AFTER THE DATE OF THE FINANCIAL STATEMENTS 183

9. OVERVIEW OF FINANCIAL FLOWS – CASH FLOW 184

10. APPROVAL OF THE NOTES TO THE FINANCIAL STATEMENTS FOR 2016 185

1. GENERAL DATA

1.1. FOUNDATION AND CHARACTERISTICS OF THE COMPANY

The accounting unit Dopravní podnik hl. m. Prahy, akciová společnost (The Prague Public Transport Company, a.s.; hereinafter referred to as "the company" or "DP") was founded as a joint stock company through the foundation plan of the Assembly of the Capital City of Prague of 19 March 1991 as the successor of the state-owned enterprise "Dopravní podnik hl. m. Prahy – integrated enterprise", and was incorporated through registration in the Commercial Register administered by the Municipal Court in Prague on 11 July 1991, Rg.: B 847 (at that time in the Companies Register of the District Court for Prague I, Section Sa, File no. 847).

Registered office of the company: Prague 9, Sokolovská 217/42, Post Code No. 190 22.

The sole shareholder of the company is the CAPITAL CITY OF PRAGUE having its registered office at Prague 1, Mariánské náměstí 2, Post Code No. 110 00, Company Reg. No. 00064581.

The company has the registered capital amounting to CZK 30,726,125,000, which arose through a non-financial deposit of the sole shareholder.

The registered capital of the company is divided into altogether 3,001 registered shares, of which:

• 3,000 shares with a nominal value of 10,000,000; i.e.	CZK 30,000,000,000
• 1 share with a nominal value of	CZK 726,125,000
Total nominal value of shares as at 31 December 2016	**CZK 30,726,125,000**

The shares of the company are registered in the name: "Obec – hlavní město Praha" ("Community - Capital City of Prague").

The Financial Statements of the company have been drawn up as at 31 December 2016.

The accounting period is the calendar year: from 1 January 2016 to 31 December 2016.

The objects of business activities of the company are:

- Operation of a tramway network, special railroad (metro system) and cableway (Petřín and ZOO) and operation of railroad transport in the Capital City of Prague,
- Repairs of road vehicles,
- Operation of a car school,
- Psychological advisory services and diagnostics,
- Restaurant services,
- Provision of healthcare services,
- Operation of technical inspection stations,
- Operation of emission measurement stations,
- Execution of constructions, their changes and removal,
- Provision of services in the field of occupational health and safety,
- Technical and organisational activities in the field of fire protection,
- Road motor transport – freight transport, operated with vehicles or vehicle sets with the largest permitted weight exceeding 3.5 tonnes, if they are intended for transport of animals or things, - passenger transport, operated with vehicles intended for transport of more than 9 persons, including the driver, - freight transport, operated with vehicles or vehicle sets with the largest permitted weight not exceeding 3.5 tonnes, if they are intended for transport of animals or things,
- Production, business and services not stated in Annexes 1 to 3 to the Trade Licensing Act,
- Repairs of other means of transport and work machines,
- Metal sheet work and repair of bodyworks,
- Metal work, tool making activities,
- Production, installation, repairs of electrical machines and instruments, electronic and telecommunication equipment,
- Assembly, repairs, revisions and tests of electrical equipment.

1.2. CHANGES AND AMENDMENTS IN THE COMMERCIAL REGISTER IN THE PREVIOUS ACCOUNTING PERIOD

Changes in records concerning the members of the Board of Directors

On 11 January 2016, the position of the Vice Chairwoman of the Board of Directors arose to Bc. Magdalena Češková. The record in the Commercial Register was made on 19 February 2016. On 18 May 2016, the membership on the Board of Directors was terminated and at the same time the position of the Vice Chairwoman of the Board of Directors was terminated for Bc. Magdalena Češková. The deletion in the Commercial Register was made on 12 July 2016.

On 18 May 2016, the membership on the Board of Directors was terminated and at the same time the position of the Chairman of the Board of Directors was terminated for Ing. Jaroslav Ďuriš. The deletion in the Commercial Register was made on 12 July 2016.

On 19 May 2016, the membership on the Board of Directors arose to Ing. Jan Šurovský, Ph.D. The registration in the Commercial Register was made on 25 July 2016.

On 19 May 2016, the position of the Chairman of the Board of Directors and at the same time the membership on the Board of Directors arose to Mgr. Martin Gillar. The registration in the Commercial Register was made on 25 July 2016.

On 10 June 2016, the position of the Vice Chairman of the Board of Directors arose to Ing. Ladislav Urbánek. The registration in the Commercial Register was made on 12 July 2016.

On 16 August 2016, his position of the Vice Chairman of the Board of Directors and at the same time his membership on the Board of Directors ceased to exist due to the lapsing of the function period. The registration in the Commercial Register was made on 12 July 2016.

On 17 August 2016, the position of the Vice Chairman of the Board of Directors arose, by re-election, and at the same time the membership on the Board of Directors arose to Ing. Ladislav Urbánek. The registration in the Commercial Register was made on 10 October 2016.

On 30 November 2016, his position of the Vice Chairman of the Board of Directors ceased to exist. The deletion from the Commercial Register was made on 28 December 2016.

On 30 November 2016, the membership on the Board of Directors ceased to exist for RSDr. Antonín Fedorkov. The deletion from the Commercial Register was made on 28 December 2016.

On 1 December 2016, the position of the Vice Chairman of the Board of Directors and at the same time the membership on the Board of Directors arose to JUDr. Jan Blecha. The registration in the Commercial Register was made on 28 December 2016.

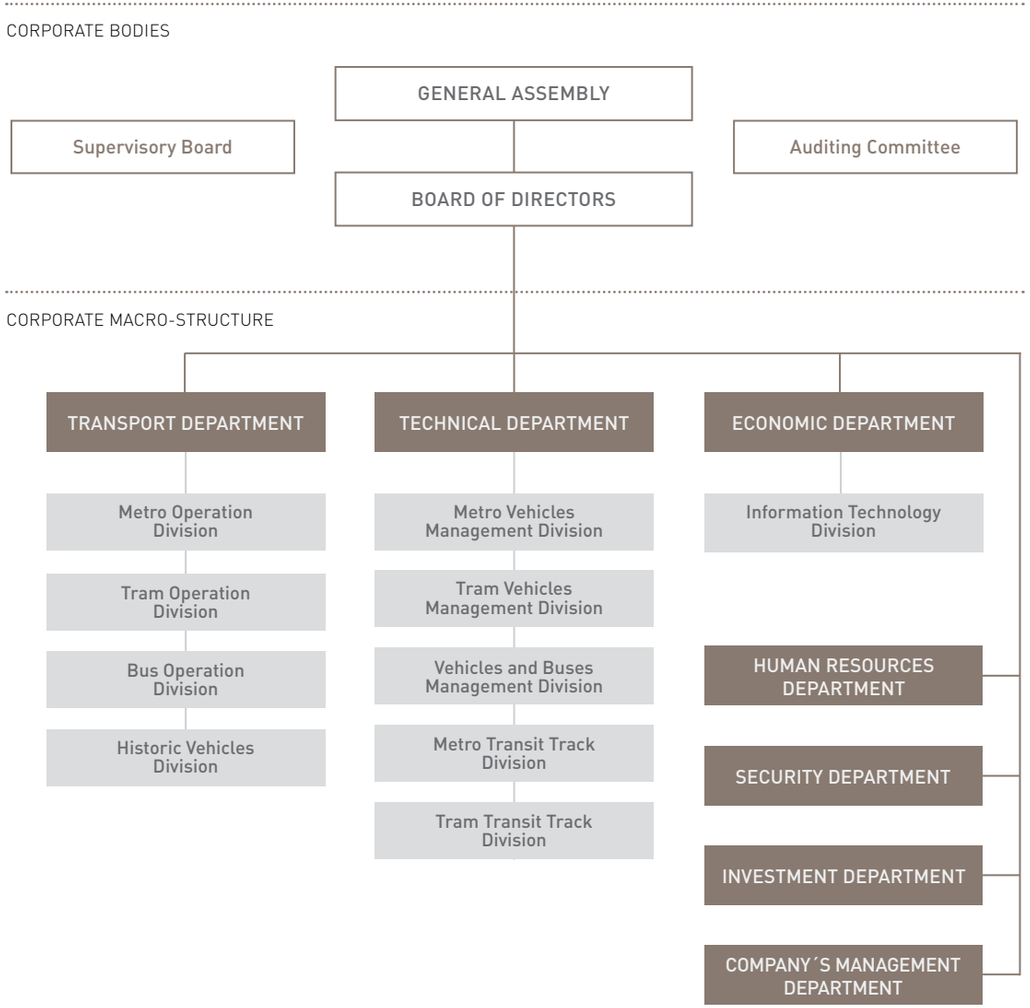
Changes in the registrations of the members of the Supervisory Board

On 18 February 2016, the position of the Vice Chairwoman of the Supervisory Board and at the same time the membership on the Supervisory Board ceased to exist for Mgr. Petra Kolínská. The deletion from the Commercial Register was made on 12 April 2016.

On 17 May 2016, the membership on the Supervisory Board arose to Mgr. Petra Kolínská and on 18 May 2016, the position of the Vice Chairwoman of the Supervisory Board arose to Mgr. Petra Kolínská. The registration in the Commercial Register was made on 25 July 2016.

1.3. ORGANISATIONAL STRUCTURE OF THE COMPANY

Organisational structure of the company as at 31 December 2016



1.4. IDENTIFICATION OF THE GROUP

The sole shareholder of DP

CAPITAL CITY OF PRAGUE (hereinafter referred to as "HMP") having its registered office at Prague 1, Staré Město, Mariánské nám. 2, Administrative Id. No.: 000 64 581.

Affiliated business companies of the DP company

Commercial name	% shareholding of HMP in the registered capital	Registered office	Company Reg. No.
Kolektory Praha, a.s.	100	Prague 9, Pešlova 3, čp. 341	26714124
Kongresové centrum Praha, a.s.	45,652	Prague 4, 5. května 65	63080249
Obecní dům, a.s.	100	Prague 1, nám. Republiky 1090/5	27251918
Operátor ICT, a.s.	100	Prague 7, Dělnická 213/12	02795281
Pražská energetika Holding a.s.	51	Prague 10, Na Hroudě 1492	26428059
Pražská plynárenská Holding a.s.	100	Prague 4, U Plynárny 500/44	26442272
Pražská teplárenská Holding a.s.	51	Prague 7, Partyzánská 1	26416808
Pražská vodohospodářská společnost a.s.	100	Prague 1, Žatecká 110/2	25656112
Pražské služby, a.s.	76,92	Prague 9, Pod Šancemi 444/1	60194120
Rozvojové projekty Praha, a.s.	100	Prague 1, Opletalova 929/22	25649329
Technická správa komunikací hl. m. Prahy, a.s.	100	Prague 1, Řásnovka 770/8	03447286
TRADE CENTRE PRAHA a.s.	100	Prague 2, Blanická 1008/28	00409316
Úpravna vody Želivka, a.s.	90,0353	Prague 10, K Horkám 16/23	26496224
Zdroj pitné vody Káraný, a.s.	97,25	Prague 1, Žatecká 110/2	26496402

Subsidiaries and related business companies of the DP company

Commercial name	% shareholding of HMP in the registered capital	Registered office	Company Reg. No.
Pražská strojírna a.s.	100	Prague 9, Mladoboleslavská 133	60193298
RENCAR PRAHA, a.s.	28	Prague 8, Rohanské nábřeží 678/25	00506397
Střední průmyslová škola dopravní, a.s.	100	Prague 5, Plzeňská 298/217a	25632141

Shareholding in the related business company RENCAR PRAHA, a.s.

Commercial name	% shareholding of RENCAR PRAHA, a.s. in the registered capital	Registered office	Company Reg. No.
RENCAR MEDIA s.r.o.	100	Prague 8, Rohanské nábřeží 678/25	25082906

Overview of subsidiaries and related business companies at affiliated companies of DP as at 31 December 2016

Affiliated companies	Indirectly controlled companies and subsidiaries	% shareholding in the reg. capital	Registered office	Company Reg. No.
Pražská energetika Holding a.s.	Indirectly controlled company	% shareholding of PREH in PRE		
	Pražská energetika, a.s.	58,046	Prague 10, Na Hroudě 1492/4	60193913
	Companies with PRE capital participation	% shareholding of PRE in the subsidiary		
	PREdistribuce, a.s.	100	Prague 5, Svornosti 3199/19a	27376516
	eYello CZ, a.s.	90	Prague 10, Kubánské náměstí 1391/11	25054040
	PREměření, a.s.	100	Prague 10, Na Hroudě 2149/19	25677063
	KORMAK Praha a.s.	100	Prague 10, K Sokolovně 667	48592307
	KORMAK nemovitosti s.r.o.	100	Prague 10, K Sokolovně 667/9	02065801
Pražská plynárenská Holding a.s.	Indirectly controlled company	% shareholding of PPH in PP		
	Pražská plynárenská, a.s.	100	Prague 1, Národní 37	60193492
	Companies with PP capital participation	% shareholding of PP in the subsidiary		
	Pražská plynárenská Distribuce, a.s., member of grouping Pražská plynárenská, a.s.	100	Prague 4, U Plynárny 500	27403505
	Pražská plynárenská Servis distribuce, a.s., member of grouping Pražská plynárenská, a.s.	100	Prague 4, U Plynárny 1450/2a	47116471
	Prometheus, energetické služby, a.s., member of grouping Pražská plynárenská, a.s.	100	Prague 4, U Plynárny 500	63072599
	Pražská plynárenská Správa majetku, a.s., member of grouping Pražská plynárenská, a.s.	100	Prague 4, U Plynárny 500	27436551
	Informační služby – energetika, a.s.	100	Prague 4, U Plynárny 500	26420830
Pražská teplárenská Holding a.s.	Indirectly controlled company	% shareholding of PTH in PT		
	Pražská teplárenská a.s.	47,42	Prague 7, Partyzánská 1/7	45273600
	PT měření a.s.	47,42	Prague 8, Střelničná 2221/50	04002385
	PT Real Estate, a.s.	47,42	Prague 7, Partyzánská 1/7	05197155
	Companies with PT capital participation	% shareholding of PT in the subsidiary		
	Areál Třeboradice, a.s.	5	Prague 4, Duhová 1444/2	29132282
	Energotrans SERVIS, a.s.	95	Prague 7, Partyzánská 1/7	29352797
	Pražská teplárenská Trading, a.s.	100	Prague 7, Partyzánská 1/7	03261816
	TERMONTA PRAHA a.s.	100	Prague 10, Třebohostická 46/11	47116234
	Teplo Neratovice, spol. s r.o.	100	Neratovice, Školní 162	49827316
	Companies with PTRE capital participation	% shareholding of PTRE in the subsidiary		
	RPC, a.s.	100	Prague 7, Partyzánská 1/7	03669475
	Nová Invalidovna, a.s.	100	Prague 7, Partyzánská 1/7	03658767
	Nový Veleslavín, a.s.	100	Prague 7, Partyzánská 1/7	03655636
	Nové Modřany, a.s.	100	Prague 7, Partyzánská 1/7	03658082
	Michelský trojúhelník, a.s.	100	Prague 7, Partyzánská 1/7	03634051
	Pod Juliskou, a.s.	100	Prague 7, Partyzánská 1/7	03668231
	PT Properties I, a.s.	100	Prague 7, Partyzánská 1/7	03653901
	PT Properties II, a.s.	100	Prague 7, Partyzánská 1/7	03623475
	PT Properties III, a.s.	100	Prague 7, Partyzánská 1/7	03634329
	PT Properties IV, a.s.	100	Prague 7, Partyzánská 1/7	03640787
Pražské služby, a.s.	Companies with PS capital participation	% shareholding of PS in the reg. capital		
	AKROP s.r.o.	100	Tuchoměřice, Ke Špejcharu 392	26432331

	Pražský EKOservis, s.r.o.	100	Prague 10, Na křečku 365/5	03298973
	EVOK, o.p.s.	100	Prague 3, Vlkova 430/35	02412390
TRADE CENTRE PRAHA a.s.	Companies with TCP capital participation	% shareholding of TCP in the reg. capital		
	TCP – Vinohrady, a.s.	100	Prague 2, Blanická 1008/28	25672541
Úpravna vody Želivka, a.s.	Companies with ÚVŽ capital participation	% shareholding of ÚVŽ in the reg. capital		
	Želivská provozní s.r.o.	100	Prague 10, K Horkám 16/23	29131804
Zdroj pitné vody Káraný, a.s.	Companies with ZPVK capital participation	% shareholding of ZPVK in the reg. capital		
	Vodárna Káraný, a.s.	100	Prague 1, Žatecká 110/2	29148995

1.5. CORPORATE BODIES

The corporate bodies are the General Meeting, Board of Directors, Supervisory Board and Audit Committee.

The General Meeting is the supreme corporate body of the company. The competence of the General Meeting is performed, according to provisions of Section 68(2) (h) of the Act no. 131/2000 Coll., on the Capital City of Prague, by the Council of the Capital City of Prague (except for the decision about cancellation of the company, which is decided about by the Assembly of the Capital City of Prague - see Section 59 of the Act on the Capital City of Prague).

The Board of Directors and Supervisory Board as at 31 December 2016

	Position	Name
Board of Directors	Chairman	Mgr. Martin Gillar
	Vice Chairman	JUDr. Jan Blecha
	Member	PhDr. Jiří Špička
	Member	Ing. Jan Šurovský, Ph.D.
	Member	Ing. Ladislav Urbánek
Supervisory Board	Chairman	Petr Dolínek
	Vice Chairwoman	Ing. Jarmila Bendová
	Vice Chairman	Bc. Oldřich Schneider
	Vice Chairwoman	Mgr. Petra Kolínská
	Member	Ing. Marek Doležal
	Member	Bc. Jan Kolář
	Member	Ing. Petr Hlubuček
	Member	Václav Pospíšil
	Member	JUDr. Petr Novotný
	Member	Martin Slabý
	Member	Josef Buriánek
	Member	Petr Šimůnek
	Member	Ing. Vojtěch Kocourek, Ph.D.
	Member	Jaroslav Štěpánek
	Member	Jiří Obitko
Audit Committee	Chairman	Ing. Aleš Michl
	Vice Chairwoman	Ing. Zdena Javornická
	Member	Ing. Ladislav Langr

2. ACCOUNTING METHODS AND GENERAL ACCOUNTING PRINCIPLES

The accounting of the company is conducted and the Financial Statements have been drawn up in accordance with the Act no. 563/1991 Coll. on accounting, as amended, Decree no. 500/2002 Coll. (hereinafter referred to as the Decree), implementing certain provisions of the Act no. 563/1991 Coll. on accounting, for accounting units, which are entrepreneurs accounting in the double-entry accounting system, as amended, and Czech Accounting Standards for Entrepreneurs, as amended.

The accounting system respects general accounting principles, especially the principle of property valuation with historical cost, principle of accounting in material and time contexts, principle of prudence and presumption on the ability of the accounting unit to continue in its activities. The data in the present Financial Statements, unless provided for otherwise, is expressed in thousands of Czech crowns (CZK 1,000).

3. OVERVIEW OF IMPORTANT ACCOUNTING RULES AND PROCEDURES

3.1. FIXED TANGIBLE AND INTANGIBLE ASSETS

The term "fixed assets" denotes the assets whose usability time period is longer than one year and whose valuation in an individual case is higher than CZK 40,000 (intangible assets and tangible assets except for plots of land, constructions and buildings, including utility networks, water works, rights to build, unless they are goods, flats and non-residential premises outlined as units and works of art and rights to use concerning plots of land and constructions). Plots of land, buildings and constructions, including utility networks, water works, rights to build, unless they are goods, flats and non-residential premises outlined as units, rights to use concerning plots of land and constructions and works of art are considered as fixed assets, regardless of their valuation. Besides this, the term "fixed assets" includes also the assets which are purchased partly by using the company's own resources and partly by using the subsidy when the input price of fixed tangible and intangible assets acquired by using the company's own resources is up to CZK 40,000 inclusive.

The limit for the outlining of technical betterment which increases the value of fixed assets is more than CZK 40,000 in total for the accounting period.

Tangible and intangible assets up to CZK 40,000 are not subject to depreciation in the DP conditions. They are considered as stock (DRHM - low-value tangible assets) or services (DRNM - low-value intangible assets). They are accrued assets for 2 years and registered in off-balance records except for extraordinary events.

Costs associated with acquisition of fixed assets

The valuation of fixed intangible and tangible assets and technical betterment includes, until the time of putting the assets into the condition eligible for use, in particular, the following costs:

- Research, geological, geodetic and project works, including variant solutions,
- Customs duty, assembly, transport fees, fee for environmental disposal, packaging fees,
- Residual price of disabled buildings or their parts in consequence of new constructions,
- Costs of tender procedures,
- Compensations for limitation of ownership rights, compensations for property detriments to the owner, lessee or tenant of real property assets,
- Tests before the putting of assets into the condition capable of use,
- Preparatory work, in particular costs of expertises, fees, remunerations for advisory and intermediation services associated with the fixed assets acquired,
- In case of fixed assets financed from structural funds of the EU, a part of the purchase cost of fixed assets is also the auditor's verification, advisory activities and other costs associated with the approval of the request for financing from structural funds of the EU,
- Real property acquisition tax,
- Value of modification of the VAT deduction, when there is a change in the extent of the use of assets for the purpose establishing the claim for tax deduction.

During registration and valuation of plots of land in DP we differ 4 possibilities:

1) In case that due to digitisation of cadastral maps (before increase in their precision) there occurs a situation that the Land Registry specifies a different surface area of plots of land than the one specified in the asset card in the accounting system, then a change in the surface area of plots of land on the card of assets will be specified. Valuation of the plot of land will remain unchanged.
2) If it is necessary to correct errors in the surface area of the plot of land found out by the actual Land Registry, the surface area specified in the card of assets will be modified. Valuation of the plot of land shall remain unchanged.
3) If it is found out that the DP accounting states a surface area of the plot of land different (lower or higher) than the one which is stated in the Land Registry, it is necessary to carry out a change in the surface area of the plot of land in the card of assets, so that it can correspond to the Land Registry without modification of valuation of the plot of land.
4) If the accounting records do not state the plot of land which DP owns according to the Extract from the Land Registry, then it is necessary to include the plot of land into the records in the surface area according to the Land Registry and the valuation of the plot of land is carried out according to the Expert Opinion, which is to include the administrative and market prices, and it will be introduced into the accounting records for the reasons of prudence at a lower price.

While creating new assets or carrying out a change in the assets of third persons, which are not associated with the mission of DP, but the execution of which is necessary for acquisition and use of the DP assets, DP proceeds as with a capital expenditure called out.

It registers these assets on the acquisition accounts and at the time of putting into use of the main capital expenditure these investment costs invested by using the company's own resources become a part of the purchase costs of the DP assets.

Valuation by means of reproduction cost was used in 2016 for the rights to use acquired without consideration. The reproduction price was determined according to the Expert Opinion.

Fixed tangible assets created by the company's own activities are valued through the company's own costs, i.e. on the basis of all direct costs and indirect costs which are immediately connected with creation of the fixed assets.

Fixed intangible assets and fixed tangible assets are depreciated on a straight-line basis on the basis of the depreciation plan through accounting depreciations, in accordance with Section 7(1) of the Accounting Act. The amount of adjustments to fixed assets is determined by means of the lifetime, which is specified with regard to the wear and tear corresponding to ordinary conditions of use. Depreciation starts in the month of putting into use.

The length of presupposed lifetime for the most important groups of assets is as follows:

Fixed assets	Lifetime in years
Metro tunnels	100
Metro power supply system	30
Tramways – railway substructure	30
Tramways – railway superstructure	15
Escalators	25
Means of transport:	
- Metro carriages acquired by the end of 1991	20
- Metro carriages acquired from 2001	40
- Renovated metro carriages	15
- Trams T3R.P	15
14T, 15T	30
Other types of trams	20
- Buses – standard and articulated models	10
- Buses – standard and articulated low-floor vehicles, midi-buses	12

Depreciation of the rights to use established and of the rights to build in favour of the company is as follows:

Purchase price of the right to use and right to build	Time of creation	Depreciation time
Up to CZK 40,000	Definite	24 months
	Indefinite	24 months
From CZK 40,000 to CZK 10,000,000	Definite	According to the time specified in the contract, for which the right to use or the right to build has been established
	Indefinite	48 months for the right to use and 99 years for the right to build
More than CZK 10,000,000	Definite	According to the time specified in the contract, for which the right to use or the right to build has been established
	Indefinite	30 years for the right to use and 99 years for the right to build

The assets fully purchased from the subsidy for purchase of fixed intangible assets and of fixed tangible assets are not depreciated.

As at the date of the Financial Statements, there are created adjustments to the accounts of fixed assets. Their amount is found out on the basis of inventory taking and individual assessment of the realistic condition of individual items when the useful value of fixed assets is markedly lower than their valuation in the accounting system after subtracting of adjustments, and this value reduction cannot be considered as a reduction of a permanent nature.

3.2. FIXED FINANCIAL ASSETS

Fixed financial assets represent property participations (shareholdings) in controlled and controlling persons and accounting units under essential influence. On acquisition they are accounted at purchase price.

Property participations in the companies, in controlled and controlling persons and in accounting units under essential influence are valued as at the date of the Financial Statements by using the equity method, i.e. the value of property participation is, as at the date of the Financial Statements, modified to the value corresponding to the rate of participation of the company in the equity of the subsidiary. The valuation by means of equity is accounted as a change in the value of securities, in relation with the account no. 414 – Valuation differences from re-pricing of assets and liabilities.

3.3. INVENTORY

Purchased inventory is valued at purchase cost. A part of the purchase cost of the inventory consists of the cost associated with its purchase, in particular transport fees, commissions, customs duty, insurance fees, packing fees, postage, discounts, disposal fees (PHE fee).

Inventory of the same kind is conducted in stock in valuation with the price found out by means of the weighted arithmetic means.

If the cost associated with purchase is not a part of the purchase cost of particular materials and goods, it is monitored on a separate analytical account of the inventory and once a month it is dissolved into consumption of materials and goods according to the internal guideline. This procedure is used at the company also for transport services ensured by intra-company services.

The purchase and decrement of the inventory are carried out, according to the Czech Accounting Standard for Entrepreneurs no. 15, according to the method A.

The inventory created by the company's own activities are valued by means of its own cost.

Spare parts and other materials created through the company's own activities are valued by means of the company's actual own cost. Spare parts and other materials created through the company's own activities for which it is not possible to determine, in an unambiguous way, the unit price, are valued on the basis of predetermined prices. These prices are updated on an ongoing basis. The cost components included into the prices of spare parts and other materials determined at the level of the company's own costs are formed of: direct consumption of materials, energy, direct wages, social security and public health insurance, share of production overheads, cooperation, transport fees.

The reproduction price at the inventory was determined according to the current average stock price at the time of finding a surplus of the inventory (diesel oil, coolant, oil, other operation liquids). The reproduction price determined by means of a professional estimation is used for the inventory arising from the material acquired from disposal or repairs of fixed assets.

Adjustments to the inventory are created according to the ground materials of the Inventory Management Department. These adjustments were created on the basis of the inventory taking carried out, after the review of the condition, storage time duration and with regard to the presupposed usability and minimum merchantability.

3.4. RECEIVABLES

Receivables are valued, on their arising, with a nominal value, subsequently reduced by applicable adjustments to receivables difficult to collect.

The receivables, whose maturity period is one year and less at the time as at which the Financial Statements have been drawn up, are stated as short-term (current) receivables. The other receivables are stated as long-term receivables.

Adjustments are created to receivables from business relations and other receivables according to applicable laws and instructions of the Legal Department. Tax adjustments are created at an amount whose creation is enabled by the applicable law. For receivables which are overdue for from half a year to 1 year, there are created accounting adjustments in such an amount that the total value of tax and accounting adjustments can form 50 % of the unsettled balance sheet value of the receivable, and adjustments to receivables which are overdue for more than 1 year are created up to an amount of 100 % of the balance sheet value of the receivable.

Accounting adjustments are created to receivables from surcharges to fare and to receivables from fare. Their amount is determined as a percentage with regard to the presupposed rate of repayment and recoverability of these receivables.

The mutual setting off of liabilities and receivables takes place within the meaning of the Civil Code and Commercial Code according to agreements between business partners.

3.5. SHORT-TERM FINANCIAL ASSETS

The item "short-term (current) financial assets" includes purchased debentures held until the due date – bills of exchange acquired as short-term betterment of free financial means with a maturity period shorter than one year.

3.6. LIABILITIES FROM BUSINESS RELATIONS

Liabilities from business relations are accounted in a nominal value.

The liabilities whose maturity period is, at the time as at which the Financial Statements have been drawn up, one year and less are stated as short-term (current) liabilities. The other liabilities are stated as long-term liabilities.

3.7. BILLS OF EXCHANGE

Bills of exchange are securities containing the data predetermined by the law, from which a debtor's obligation implies, providing the owner of the bill of exchange with an undisputable right to require payment of the bill amount at the specified time.

Bills of exchange are registered as short-term liabilities on the line of statements "Short-term bills of exchange for payment". These bills of exchange are promissory notes issued by the Issuer, i.e. DP to the order of creditors with the clause "without protest". The minimum nominal value of a promissory note is CZK 200 million. The promissory note programme amounted, in total, to CZK 8 billion, when for the period from 20 December 2015 to 19 December 2016 the contractual maximum volume of drawing amounted to CZK 7.2 billion and for the period from 20 December 2016 to 19 December 2017 this amount was CZK 6.4 billion. As at 31 December 2016, CZK 1.6 billion was paid up, CZK 800 million of which in 2016. The balance of the promissory note programme amounted, as at 31 December 2016, to CZK 6.4 billion.

3.8. DERIVATIVES

In accordance with the strategy in the field of interest risk management the company minimises expositions of financial flows implying from these entrepreneurial activities. In this context it makes interest derivative transactions which reduce the risk of changes in values of the future financial flows implying from the financing by way of the promissory note programme.

All financial derivatives are stated in case of a positive real value as assets and in case of a negative real value as liabilities.

In 2016, tests of effectiveness were carried out for all derivative transactions and the company conducts accounting based on hedging for all derivatives.

3.9. CREDIT FACILITIES

Credit facilities are accounted in nominal values. The interest implying from credit facilities are accounted into the economic result for the accounting period with which they are linked. In accordance with Section 47(1) of the Decree, the company decided not to include the interest on credit facilities into the valuation of fixed assets and technical betterment.

Short-term credit facility shall include also a part of a long-term credit facility, which is payable within one year from the date of the Financial Statements.

The company paid up, in the course of 2016, all credit facilities and settled the hedging derivatives associated therewith.

3.10. PROVISIONS

Provisions are intended for covering liabilities or costs whose nature is clearly defined and for which it is, as at the Balance Sheet Day, either probable that they will occur, ot it is sure that they will occur, but their amount or the time of their arising are not sure.

Provision for indemnification in virtue of occupational accidents and diseases of some former employees is formed on the basis of statistical evaluation of available historical data at an amount of the current value of expected future payments on the basis of claims arising till the date of the Financial Statements.

Provisions for remunerations of managerial staff members and members of the corporate bodies of the company, incl. public health and social security insurance are created if the legal entitlement to their payment does not depend only on the carrying out of the work in

the accounting period but on fulfilment of other conditions, i.e. approval by a responsible person or by a corporate body of the company.

Provisions for staff benefits are created in virtue of employment anniversaries and retirement according to the Collective Agreement. On the basis of the current wording of the Collective Agreement they are created for 2017 – 2020 and registered in the discounted value.

Provisions for repairs of fixed tangible assets are created for important repairs implying from extraordinary events previous events and going beyond the framework of ordinary repairs, for which an outflow of financial means in the subsequent accounting periods is presupposed, in the link to adherence to other binding legal regulations (Public Procurement Act, etc.).

Provisions for future repairs of fixed tangible assets, which are created due to accidents and damage are fully or partly covered by creation of contingencies for provided insurance benefits.

Other provisions are created in virtue of prudence, for liabilities arising on the basis of previous events and for settlement of liabilities, which could mean an outflow of financial means, e.g. in connection with litigations.

3.11. FINANCIAL LEASING

Financial leasing includes acquisition of fixed tangible assets in the manner during which the ownership of the assets is transferred, after the lapsing of the agreed time period of the use of the assets by the user for consideration, from the owner to the user and the user pays payments for the acquisition within the framework of the costs until the transfer of the ownership right.

3.12. CONVERSIONS OF FIGURES IN FOREIGN CURRENCIES TO THE CZECH CURRENCY

The accounting of the exchange rate differences is carried out according to the Decree and Czech Accounting Standards for Entrepreneurs.

The assets and liabilities, expressed in a foreign currency, are converted to the Czech currency by using the daily exchange rate of the bank within the meaning of applicable regulations. The foreign exchange treasury uses the quarterly fixed exchange rates which are determined as at the 1st day of the corresponding year quarter according to the exchange rate of the Czech National Bank.

Within the framework of the monthly Financial Statements, conversion is made for foreign exchange bank accounts to Czech currency according to the exchange rate of the last day of the month.

The assets and liabilities in a foreign currency are converted as at the date of the Financial Statements according to the applicable exchange rate announced by the Czech National Bank as at that date and the exchange rate differences found out are accounted according to their nature into costs or incomes.

3.13. TAXES

3.13.1. Tax depreciation of fixed assets

A straight-line method is used for the purpose of calculation of tax depreciation. According to the decision of the Board of Directors of DP, tax depreciation of fixed tangible assets was interrupted for the reason of the exercise of tax loss from previous years in the taxation period of 2016. Tax depreciation of fixed intangible assets was applied in accordance with applicable legal regulations.

3.13.2. Deferred tax

The deferred tax calculation is based on the liability method built upon the balance sheet approach. The term "liability method" means the procedure when the calculation uses the income tax rate valid in the future time periods. The balance sheet approach means that the liability method is based on transitional differences which are differences between the tax base of assets or liabilities, and the amount of the assets, or liabilities stated in the Balance Sheet. The tax base of assets or liabilities is the value of these assets or liabilities exercisable in the future for tax purposes.

Deferred tax liabilities and receivables are mutually set off and in the Balance Sheet they are stated in the net value.

3.14. COMPENSATION

In accordance with the Regulation (EC) No 1370/2007 of the European Parliament and of the Council, which entered into force on 3 December 2009, the company accounts about compensation. Compensation is understood as the price for public service, which is to cover the difference between the costs spent in connection with fulfilment of the public service obligation and the incomes arising in connection with the public service obligation and to ensure reasonable profit, which is to enable creation of the company's own resources for the financing of renewal of assets and other investments focused on the increase in the quality of services agreed by the Client. The Public Service Contract made between the company and HMP determined the method of calculation of the compensation, the methodology for calculation of a reasonable profit and the manner of risk distribution.

In the follow-up to contractual arrangements contained in the, the company accounts, in the course of the year, about the advance payment received for compensation and about the contingency entries of the operational part of the compensation at an amount of the necessity planned, which is to be cancelled at the end of the year. Within the framework of the Annual Financial Statements, the receivable in virtue of the public service obligation is accounted, and so is a reasonable profit within the framework of the compensation. At the same time the received advance payment is cleared and the receivable amount is financially settled. The compensation amount is accounted in incomes as revenues from sales of the company's own products and services and in the Profit and Loss Statement it is monitored on a separate line – see point 4.1.1.

3.15. SUBSIDIES

Subsidies for settlement of costs are accounted in other operational incomes in the time and material context with the accounting of costs for the specified purpose.

Subsidies for acquisition of fixed intangible and tangible assets and technical betterment reduce their purchase price or the company's own costs at the moment of capitalisation. As at the Balance Sheet day the use of the subsidies will be accounted to the fixed assets that are not capitalised yet.

3.16. INCOMES

Incomes from transport are accounted into the time period in which the transport services were provided.

The other incomes are accounted into the time period with which they are associated in terms of material and time.

Accruals and deferrals of incomes from the rights to use established on the assets of the company are as follows:

Purchase cost of the right to use	Establishment time period	Accruals and deferrals
Up to CZK 40,000	Definite	Not carried out due to an insignificant amount
	Indefinite	Income of the given period
From CZK 40,000 to CZK 10,000,000	Definite	According to the time specified in the contract for which the right of use is established
	Indefinite	Income of the given period
More than CZK 10,000,000	Definite	According to the time specified in the contract for which the right of use is established
	Indefinite	The incomes are divided by using the proportional part according to the remaining lifetime of the real property asset to which the right to use has been established

Incomes and revenues concerning future periods are subject to accruals and deferrals.

3.17. USE OF ESTIMATIONS

The drawing up of the Financial Statements requires the company to use the estimations and presumptions affecting the stated values of assets and liabilities as at the date of the Financial Statements and the stated amount of incomes and costs for the time period monitored. The company determined these estimations and presumptions on the basis of all relevant information available to it. Nevertheless, as implies from the substance of the estimation, the actual values in the future may differ from these estimations.

3.18. EXTRAORDINARY COSTS AND INCOMES

These entries contain incomes and costs from operations which are absolutely extraordinary with regard to ordinary activities of the accounting unit, as well as incomes and costs from extraordinary events occurring on a random basis. In 2016 the company does not register any extraordinary costs and incomes. The accounting statements of these entries of extraordinary incomes and costs would be reflected according to point 3.19.

3.19. CHANGES IN THE MANNER OF VALUATION, PROCEDURES OF DEPRECIATION AND PROCEDURES OF ACCOUNTING AGAINST THE PREVIOUS ACCOUNTING PERIOD

The amendment to the Decree no. 500/2002 Coll. for entrepreneurial entities has brought a number of changes in connection with the amendment to the Accounting Act in 2016. The changes concern accounting and stating of some entries, new structures of the accounting statements and information, which are to be stated, on a mandatory basis, in the Notes to the Financial Statements, according to the newly established categorisation of the accounting units.

Changes in the accounting system since 1 January 2016:

Cancellation of separate accounting and stating of extraordinary costs and incomes in the groups 58 and 68.
Extraordinary costs and incomes are newly stated according to their nature as operational or financial costs and incomes. They are broken down into the following entries: Other operational incomes, Other operational costs, Other financial incomes and Other financial costs. This means that only the operational and financial result of the economic management remains in the Profit and Loss Statement.

Change in the method of accounting of the change in the state of inventory of the company's own activities.
The increments or decrements of the inventory (products, unfinished production and semi-finished products of the company's own production) are not accounted as incomes anymore but they are accounted through the corresponding cost account. The increments of the inventory are accounted to the credit of the corresponding cost account of the account group 58 - Change in the balance of inventory of the company's own production and capitalisation, the decrements of the inventory are accounted to the debit of that account. This entry can have a negative value as well.

In the DP conditions, the change in unfinished production is accounted through the corresponding account 581 - Change in the balance of inventory of unfinished production.

Change in the method of accounting of capitalisation of the inventory and of fixed assets created by the company's own activities.
Capitalisation is not accounted as incomes anymore. The costs associated with capitalisation are accounted as reduction of costs to the credit of the corresponding account of the account group 58 - Change in the balance of inventory of the company's own production and capitalisation. This entry has a negative value.

In the DP conditions, capitalisation of the inventory and unfinished assets created by the company's own production is accounted through the accounts 585, 586 and 588.

Change in accounting of donations/gifts received.
Received gifts are not accounted as capital increase anymore (to the account 413 - Other capital funds), but as other operational incomes – account group 64 or other financial incomes (received gifts in the form of financial assets) – account group 66.

In case that received gifts are exempted from the income tax, this income will be excluded as a non-tax income in the tax return.

Registration of loans in the off-balance records.
In the DP conditions, the subject matter of the loan - if DP is a borrower - is registered through the off-balance records on the account 76201 Accepted loans. There are registered borrowed assets, whose valuation is CZK 40,000 and higher in an individual case.

3.20. OVERVIEW OF FINANCIAL FLOWS

The overview of financial flows was drawn up by using an indirect method. The financial equivalents represent a short-term liquid assets, which can be transferred easily and immediately to the cash amount which is known in advance. Financial means and financial equivalents can be analysed as follows:

(The figures are stated in CZK 1,000)

Financial equivalent	31. 12. 2016	31. 12. 2015
Treasury cash and cash in transit, valuables	47 083	41 158
Bank accounts and cash in transit	3 404 017	5 306 937
Short-term securities and participations	2 000 000	2 168 121
Financial means and financial equivalents, total	**5 451 100**	**7 516 216**

Financial flows from operational, investment and financial activities are stated in the overview of financial flows in a non-compensated way.

The entry entitled "short-term securities and participations" contains short-term highly liquid bills of exchange, for more information see point 4.7.6.

3.21. CONSOLIDATED FINANCIAL STATEMENTS

The Act no. 563/1991 Coll. on accounting, as amended by the Act no. 221/2015 Coll. with effectiveness from 1 January 2016, newly introduces categorisation of consolidation groups in Section 1c. It implies from individual criteria that The Prague Public Transport Company, a.s. fulfils the criteria of a large group of accounting units.

The ratio of the sum of consolidated companies to the consolidating company is, however, not significant in individual criteria and the company therefore used provisions of Section 22a(3) of the above mentioned Act.

The Prague Public Transport Company, a.s., has always used this provision of the Accounting Act so far, for the reason that not only are the consolidated companies insignificant, both individually and as a whole, for the total values and mission of DP, but conversely, there would be a presentation distortion of economic indicators of DP, because they would contain also the values of the companies with an absolutely different mission.

4. COMPLEMENTARY DATA TO THE BALANCE SHEET AND PROFIT AND LOSS STATEMENT

4.1. SPECIFICS OF THE COMPANY

4.1.1. Modification of statements

In connection with the amendment to the Act no. 563/1991 Coll., on Accounting, and subsequent amendment to the Decree no. 500/2002 Coll., for entrepreneurial entities, there was, from 1 January 2016, a change in the structure in arrangement and marking of the entries of the Balance Sheet and Profit and Loss Statement. The Balance Sheet and Profit and Loss Statement state items in the order as provided for in the Decree. Furthermore, DP provides, in these statements, other sub-entries for the reason of higher comprehensibility and documentary capability regarding the accounting unit. The matter concerns the following data:

Profit and Loss Statement

I. I. 1. Revenues for the sale of the company's own products and services
1.1. Revenues for fare
1.2. Compensation for the public service obligation
1.3. Other revenues

4.2. FIXED INTANGIBLE ASSETS

Purchase cost (DNM = Fixed intangible assets) (The figures are stated in CZK 1,000)

	State as at 31. 12. 2014	Increments	Decrements	State as at 31. 12. 2015	Increments	Decrements	State as at 31. 12. 2016
Software	884 969	56 900	0	941 869	57 263	13 224	985 908
Other copyrights	10 082	0	0	10 082	0	0	10 082
Other DNM	153 445	0	0	153 445	0	33 787	119 658
Unfinished DNM	21 792	29 198	50 647	343	74 931	70 974	4 300
Total	**1 070 288**	**86 098**	**50 647**	**1 105 739**	**132 194**	**117 985**	**1 119 948**

Adjustments (The figures are stated in CZK 1,000)

	State as at 31. 12. 2014	Increments	Decrements	State as at 31. 12. 2015	Increments	Decrements	State as at 31. 12. 2016
Software	827 533	49 716	0	877 249	42 214	13 231	906 232
Other copyrights	10 082	0	0	10 082	0	0	10 082
Other DNM	136 805	739	0	137 544	444	33 786	104 202
Adjustment to unfinished DNM	19 457	0	19 457	0	0	0	0
Total	**993 877**	**50 455**	**19 457**	**1 024 875**	**42 658**	**47 017**	**1 020 516**

Residual value (The figures are stated in CZK 1,000)

	State as at 31. 12. 2015	State as at 31. 12. 2016
Software	64 620	79 676
Other copyrights	0	0
Other DNM	15 901	15 456
Unfinished DNM	343	4 300
Total	**80 864**	**99 432**

Among the most significant DNM increments it is necessary to mention the purchase of the SAP Licence "Hana RE", the purchase of the Central Monitoring and Supervisory System and Technical Betterment of the Transport Information System in 2016.

4.2.1. Fixed intangible assets created by the company's own activities

No fixed intangible assets were created by the company's own activities in 2016.

4.2.2. Assets which are not included in the Balance Sheet

Intangible assets monitored in the off-balance records:

(The figures are stated in CZK 1,000)

Type of assets	Purchase cost	
	2016	2015
Low-value intangible assets	11 171	11 467
Fixed assets purchased by using subsidies	120 523	120 523
Total	**131 694**	**131 990**

In case of the assets acquired from subsidies the matter concerns fixed assets whose purchase cost was reduced by the subsidy provided according to point 3.15 and whose value therefore is not depreciated into the costs of the company.

4.3. FIXED TANGIBLE ASSETS

Purchase cost of fixed tangible depreciated and non-depreciated assets (The figures are stated in CZK 1,000)

	State as at 31. 12. 2014	Increments	Decrements	State as at 31. 12. 2015	Increments	Decrements	State as at 31. 12. 2016
Plots of land	3 345 607	53 216	23 947	3 374 876	1 325	1 087	3 375 114
Buildings	57 290 150	799 131	282 700	57 806 581	519 785	94 982	58 231 384
Tangible movable assets	49 039 309	3 277 352	421 485	51 895 176	3 753 554	863 395	54 785 335
- Plant and machinery	11 363 144	394 506	179 276	11 578 374	436 723	141 083	11 874 014
- Transport means	37 665 683	2 882 846	241 957	40 306 572	3 316 416	721 993	42 900 995
- Inventory	10 482	0	252	10 230	415	319	10 326
Other DHM – rights to use	3 904	1 973	0	5 877	20 537	0	26 414
Other DHM	38 128	0	0	38 128	0	161	37 967
Unfinished DHM	3 636 511	7 136 946	9 158 438	1 615 019	4 660 157	4 690 201	1 584 975
Total	**113 353 609**	**11 268 618**	**9 886 570**	**114 735 657**	**8 955 358**	**5 649 826**	**118 041 189**

Adjustments a adjustment entries to fixed tangible depreciated assets (The figures are stated in CZK 1,000)

	State as at 31. 12. 2014	Increments	Decrements	State as at 31. 12. 2015	Increments	Decrements	State as at 31. 12. 2016
Buildings	17 669 801	1 048 609	159 885	18 558 525	1 066 960	79 073	19 546 412
Tangible movable assets	24 277 340	1 950 083	301 648	25 925 775	2 036 227	905 238	27 056 764
- Plant and machinery	8 975 267	404 332	59 614	9 319 985	400 876	140 567	9 580 294
- Transport means	15 288 432	1 498 121	238 316	16 548 237	1 588 837	716 819	17 420 255
- Inventory	10 175	97	252	10 020	132	319	9 833
Other DHM – rights to use	1 057	1 359	0	2 416	4 915	0	7 331
Adjustment to transport means	3 466	47 533	3 466	47 533	46 382	47 533	46 382
Total	**41 948 198**	**3 000 051**	**461 533**	**44 486 716**	**3 108 102**	**984 311**	**46 610 507**

Residual value of fixed tangible depreciated and non-depreciated assets

(The figures are stated in CZK 1,000)

	State as at 31. 12. 2015	State as at 31. 12. 2016
Plots of land	3 374 876	3 375 114
Buildings	39 248 056	38 684 972
Separate movable assets	25 969 401	27 728 571
- Plant and machinery	2 258 389	2 293 720
- Transport means	23 710 802	25 434 358
- Inventory	210	493
Other DHM – rights to use	3 461	19 083
Other DHM	38 128	37 967
Unfinished DHM	1 615 019	1 584 975
Total	**70 248 941**	**71 430 682**

The most important increments are recorded for buildings and transport means where the 15T trams were capitalised at an amount of CZK 2,790,463,000; in case of buses this amount was CZK 335,737,000. The most important entries for buildings are especially capitalisation of tramways (projects known as Sokolovská, Vršovická, Nuselská, Plzeňská, Bělohorská, Střešovická, Evropská and Patočkova) at an amount of CZK 359,273,000, barrier-free accessibility of metro stations (I.P. Pavlova, Můstek, Anděl) and others at an amount of CZK 152,057,000.

The most important decrements at transport means are caused by the sale and physical disposal of buses at a purchase price of CZK 398,844,000 (at a residual price of CZK 4,203,000) and trams at a purchase price of CZK 314,124,000 (at a residual price of CZK 971,000).

As at 31 December 2016, there were created adjustments to transport means at an amount of CZK 46,382,000.

The balance of the account of unfinished fixed assets (DHM) at an amount of CZK 1,584,975,000 is formed especially by capital expenditure projects - through introduction of the comprehensive safety system in metro at an amount of CZK 805,679,000 and construction of the 1st section of the D Metro Line at an amount of CZK 223,292,000.

The balance of the advance payment for DHM as at 31 December 2016 amounts to CZK 230,937,000. The most important entries include advance payments for introduction of the comprehensive safety system in metro at AŽD Praha s.r.o. at an amount of CZK 140,803,000 and for the purchase of trams at Škoda Transportation, a.s. at an amount of CZK 83,107,000.

The company leases:

- **Real property assets, non-residential premises** in the buildings of depots and garages, in metro depots, metro stations, on tramway loops, on public transport stops, etc., and free plots of land out of these buildings,
- **Areas on both movable and real property assets** in particular for advertising activities, for the laying of optical cables at metro stations, for operation of the telecommunication system in metro, for placement of antennas, telecommunication equipment, etc.,
- **Movable assets**, e.g. freight lifts at metro stations and equipment of the leased real property assets.

4.3.1. Fixed assets encumbered with pledges

As at 31 December 2016, a right to use is established on 623 real property assets, by way of a contract on establishment of the right to use. In most cases the matter concerns enabling of access for operation of the corresponding equipment in the metro premises, entrances into buildings, etc.

On 15 June 2005, a pledge agreement was established, where DP is a debtor (pledgor) DP and the creditors (pledgees) are the banks participating in the credit facility provided to the company for new metro trains. Altogether 100 items of electrical motor carriages of the metro system manufactured by Siemens Kolejová vozidla s.r.o. were pledged. The pledge according to the contract was established for the term until the full and proper repayment of the credit facility.

On 31 March 2016, the entire credit facility was repaid prematurely and the pledge agreement was cancelled.

4.3.2. Fixed tangible assets created by the company's own activities

The company's own activities were focused on renovations of tramways, traction lines and renovations of the KT8D5-VV trams. For the method of valuation see point 3.1.

4.3.3. Assets leased by way of financial leasing

(The figures are stated in CZK 1,000)

Object description	Date of beginning	Term in months	Total value of the leasing	Actually paid instalments as at 31. 12. 2015	Actually paid instalments as at 31. 12. 2016
Special vehicle MAGMA Alficar	10/2011	60	1 200	1 151	201
Special vehicle MAGMA Alficar	12/2011	60	1 200	1 107	251
Special vehicle MAGMA Alficar	12/2011	60	1 200	1 107	250
Special vehicle MAGMA Alficar	12/2011	60	1 200	1 107	251
Special vehicle MAGMA Alficar	9/2011	60	1 250	1 217	185
Total				**5 689**	**1 138**

As at 31 December 2016, DP does not register any assets leased by way of financial leasing.

4.3.4. Operational leasing

In 2016, the company stated operational leasing from AUTOSTYL a.s. at a price of the annual lease of CZK 4,159,000, from SPEED LEASE a.s. at the price of the lease of CZK 321,000 and other lease of cars at an amount of CZK 210,000.

Besides this, comprehensive transport services have been provided to DP on the basis of a contract on provision of services of the intra-company transport supplier (KARIR CZ s.r.o.) since August 2011. These services consist in provision of the leased vehicles in an annual volume of CZK 34,106,000 for the constant rental for 2016, assurance of the transport services with a driver by means of vehicles of the transport service in an annual amount of CZK 21,857,000 for 2016 and assurance of other services through any vehicles other than transport service vehicles.

4.3.5. Assets which are not included in the Balance Sheet

Tangible assets monitored in the off-balance records:

(The figures are stated in CZK 1,000)

Type of assets	Purchase cost	
	2016	2015
Low-value tangible assets	605 614	599 878
Fixed assets acquired from subsidies	63 213 540	45 385 089
Total	**63 819 154**	**45 984 967**

In case of assets acquired from subsidies the matter concerns fixed assets, whose purchase price was reduced by the provided subsidies according to point 3.15 and whose value therefore is not depreciated into the costs of the company.

The significant increase in 2016 was caused by capitalisation of assets of the prevailing part of the capital expenditure project – Extension of the Metro A Line (Dejvická – Motol). The value of the capitalised assets which were purchased from subsidies amounts to CZK 17,011,054,000 and are registered in the off-balance records.

4.4. FIXED FINANCIAL ASSETS

4.4.1. Participations in controlled and controlling entities

Company name	2016		2015	
	Number of securities	Share in the registered capital in %	Number of securities	Share in the registered capital in %
Pražská strojírna a.s.	196	100	196	100
Střední průmyslová škola dopravní, a.s.	22	100	22	100

2016

(The figures are stated in CZK 1,000)

Company name	Purchase cost	Valuation difference	Nominal value	* Equity of the company	* Accounting economic result	Financial incomes	Shareholding value
Pražská strojírna a.s.	185 614	7 947	157 594	193 561	1 572	0	193 561
Střední průmyslová škola dopravní, a.s.	11 322	16 238	21 930	27 560	5	0	27 560
Total	**196 936**	**24 185**	**179 524**	**221 121**	**1 577**	**0**	**221 121**

***** The figures are data found out as at 23. 1. 2017.

2015

(The figures are stated in CZK 1,000)

Název společnosti	Purchase cost	Valuation difference	Nominal value	* Equity of the company	* Accounting economic result	Financial incomes	Shareholding value
Pražská strojírna a.s.	185 614	9 161	157 594	194 775	7 510	0	194 775
Střední průmyslová škola dopravní, a.s.	11 322	16 224	21 930	27 546	6	0	27 546
Total	**196 936**	**25 385**	**179 524**	**222 321**	**7 516**	**0**	**222 321**

***** The figures are data found out as at 25. 1. 2016.

4.4.2. Participations in accounting units – essential influence

2016

(The figures are stated in CZK 1,000)

Company name	Purchase cost	Valuation difference	Nominal value	* Equity of the company	* Accounting economic result	Financial incomes	Shareholding value
RENCAR PRAHA, a.s.	840	23 539	840	87 068	20 615	0	24 379
Total	**840**	**23 539**	**840**	**87 068**	**20 615**	**0**	**24 379**

***** The figures are data found out as at 23. 1. 2017.

2015

(The figures are stated in CZK 1,000)

Název společnosti	Purchase cost	Valuation difference	Nominal value	* Equity of the company	* Accounting economic result	Financial incomes	Shareholding value
RENCAR PRAHA, a.s.	840	17 545	840	65 661	18 112	7 560	18 385
Total	**840**	**17 545**	**840**	**65 661**	**18 112**	**7 560**	**18 385**

***** The figures are data found out as at 25. 1. 2016.

The number of securities was 84 shares and the total shareholding in the registered capital was 28 %.

4.5. INVENTORY

(The figures are stated in CZK 1,000)

	as at 31. 12. 2016	as at 31. 12. 2016
Spare parts	265 602	261 262
Auxiliary material	128 764	91 451
Clothing and protective equipment	27 726	25 464
Fuel materials, fuels	26 633	15 843
Other materials	1 627	1 581
Material in progress	564	1 118
Adjustments	-7 842	-9 718
Material, total	**443 074**	**387 001**
Unfinished production and semi-finished products	10 671	7 757
Goods	962	1 196
Total value	**454 707**	**395 954**

The total increase in the financial volume of stock inventory of the company is a consequence of:

- Increase in auxiliary materials which was caused by the purchase of the rails necessary for projects of 2017,
- Increase in spare parts which was caused by creation of the necessary preparatory supply of spare parts with a long delivery term for repairs of tram carriages with an ending warranty period,
- Increase in the item referred to as "unfinished production and semi-finished products" was caused in particular by the servicing orders in progress, which concerned repairs of trans of the KT4DC type.

The fuel inventory oscillated due to changes in the current purchase price. Unlike 2015, the stock was increased for the reason of preparation for the winter period 2016/2017, with regard to weather forecast and assurance of operation in the existing climatic conditions.

4.6. LONG-TERM RECEIVABLES

The entry "long-term receivables" stated, as at 31 December 2016, a balance of CZK103,306,000, as at 31 December 2015 these receivables amounted to CZK 99,036,000.

A significant entry of long-term receivables consists especially of advance payments provided to the company "ŠKODA TRANSPORTATION a.s." for unplanned repairs according to the contract on maintenance of vehicles of Prague Metro "81-71M" through Full Service at an amount of CZK 88,874,000.

4.7. SHORT-TERM RECEIVABLES

4.7.1. Age structure of receivables from business relations

(The figures are stated in CZK 1,000)

Year	Before the due date	Overdue				Total overdue	Gross total
		0–180 days	181–365 days	1–5 years	5 and more years		
2016	161 748	4 565	1 163	28 752	16 259	50 739	212 487
2015	172 112	5 991	4 104	44 363	5 690	60 148	232 260

(The figures are stated in CZK 1,000)

Year	Gross total	Adjustments	Net total	Surcharges*	Adjustments surcharges	Net total including surcharges
2016	212 487	46 266	166 221	831 176	756 953	240 444
2015	232 260	53 207	179 053	650 653	537 582	292 124

Among the most important receivables it is necessary to mention receivables owed by GLOBDATA, a.s. at an amount of CZK 45,161,000 and those owed by GLOBAL ASSET HOLDING a.s. at an amount of CZK 34,345,000 in virtue of assignment of receivables for SMS tickets, and also receivables owed by Pražská strojírna, a.s. for revenues from the sale of rails at an amount of CZK 33,043,000.

As at 31 December 2016, there was a significant increase in adjustments to receivables from surcharges to fare and to receivables for fare from transport checks due to the lower recoverability of these receivables.

***** The entry "Surcharges" includes receivables from surcharges to the fare, receivables for fare and receivables from postage fees for recovery of surcharges to the fare. These are especially overdue receivables.

4.7.2. Receivables owed by companies within the group

Short-term receivables from business relations and short-term advance payments provided

(The figures are stated in CZK 1,000)

Company name	State as at 31. 12. 2016	State as at 31. 12. 2015
HMP (Capital City of Prague)	2 860	17 016
Operátor ICT, a.s.	1 392	0
Pražská energetika, a.s.	18 224	3 366
Pražská plynárenská, a.s.	0	2 024
Pražská plynárenská Distribuce, a.s., member of grouping Pražská plynárenská, a.s.	4 422	5 620
Pražská plynárenská Servis distribuce, a.s., member of grouping Pražská plynárenská, a.s.	0	35
Pražská strojírna a.s.	33 044	47 830
Pražská teplárenská a.s.	5	5
Pražská vodohospodářská společnost a.s.	698	1
Pražské služby, a.s.	0	4
PREdistribuce, a.s.	46 717	371
RENCAR PRAHA, a.s.	230	243
Rozvojové projekty Praha, a.s.	0	34
Střední průmyslová škola dopravní, a.s.	429	368
TERMONTA PRAHA a.s.	0	19
Total receivables from business relations and advance payments provided to companies within the group	**108 021**	**76 936**
Short-term receivables from business relations and advance payments, total	**1 142 725**	**915 597**

4.7.3. Other short-term receivables

The entry "State – tax receivables" stated, as at 31 December 2016, a balance of CZK 340,631,000 and is formed of a receivable in virtue of excessive deduction of the Value Added Tax for the months of November and December 2016 at an amount of CZK 292,562,000 and accounted VAT on the input at received invoices obtained in January 2017, concerning fulfilment of 2016 in an amount of CZK 48,069,000. As at 31 December 2015, the entry stated a balance of CZK 465,414,000.

The short-term advance payments provided registered an increase compared to 2015 especially for the reason of non-accounted advance payments for energy, when they achieved, as at the Balance Sheet Day 31 December 2016, an amount of CZK 99,062,000 (as at 31. 12. 2015 the amount was CZK 32,684,000).

Gross contingency accounts (active) stated, as at 31 December 2016, an amount of CZK 214,380,000, as at 31 December 2015 the balance amounted to CZK 97,343,000. An increase in the balance as at 31 December 2016 is caused in particular by the expected fulfilment of the insurance benefits for damaged trans in consequence of accidents.

The entry "Other receivables" stated, as at 31 December 2016, a net balance of CZK 31,424,000, while as at 31 December 2015 the balance amounted to CZK 360,383,000. In 2015, this entry was markedly higher due to the accounting of receivables in virtue of the approved claim of subsidies for capital expenditure projects.

4.7.4. Pledge right

On 31 March 2016, the entire credit facility for the purchase of metro carriages was paid up prematurely and the pledge agreement was cancelled.

4.7.5. Compensation and subsidies

For 2016, the company stated, the economic result before taxation – profit amounting to CZK 1,275,662,000. The profit was realised as a direct consequence of compensation accounting (see point 3.14.). The costs spent in connection with the public service obligation are paid by way of compensation, which is accounted into incomes.

For getting familiar with and evaluation of financial and asset situations of the company it is necessary to emphasise that the company is receives compensation for public service obligation and significant volume of capital expenditure subsidies from various providers.

In 2016, the company received advance payments for compensation amounting to CZK 12,861,249,000 and from 2015 the balance of the advance payments for compensation was transferred at an amount of CZK 34,152,000. The operational part of the compensation was accounted into incomes according to the actual amount of CZK 11,675,127,000 and a reasonable profit amounting to CZK 991,000,000. The balance of the advance payments as at 31. 12. 2016 amounted to CZK 229,274,000.

The final amount of compensation was in accordance with the applicable legislation and contractual arrangements approved by the Ropid organisation in representation of HMP.

In 2016, the company accounted subsidies for settlement of costs and for acquisition of fixed assets at an amount of CZK 1,354,615,000. In 2015 it was CZK 6,226,075,000. At the same time there was an advance-payment refund of the excess of the subsidy of HMP for the capital expenditure project no. 0004534 – Metro line A route A (Dejvická – Motol) at an amount of CZK 1,400,000,000. The subsidies are stated in accordance with the applicable legislation.

Subsidies according to the purpose

(The figures are stated in CZK 1,000)

Subsidies total		**1 354 615**
Subsidies for settlement of costs		**99 676**
Subsidies from the budget of the Capital City of Prague		**29**
Current cost of the project no. 29002 – Lift – Můstek	3	
Current cost of the project no. 21507 – Lift – Anděl	3	
Current cost of the project no. 21570 – Tramway renovation ("RTT") – Plzeňská II.	10	
Current cost of the project no. 21572 – RTT Střešovická – Na Petřinách	13	
Subsidies from the EU		**330**
Current cost of the project no. 29002 – Lift – Můstek	30	

Current cost of the project no. 21507 – Lift - Anděl	30	
Current cost of the project no. 21570 – RTT - Plzeňská II.	122	
Current cost of the project no. 21572 – RTT Střešovická – Na Petřinách	148	
Subsidies from the state budget		**40 000**
in Chap. 07: for civil protection (operation of the protection metro systems)	40 000	
Subsidies within the framework of the Prague Integrated Transport ("PID")		**59 317**
Subsidies for the zone 0 – PID	40 332	
Subsidies from communities, for the zones 1, 2, PID	12 671	
Subsidies from the SK – Regional Authority – zones 1, 2	6 314	
Subsidies for purchase of fixed assets		**1 254 939**
Subsidies from the budget of the Capital City of Prague		**249 345**
42176 – Barrier-free measures	4 138	
42487 – Tramway ("TT") Sídliště Barrandov – Holyně – Slivenec	1 850	
42489 – RTT Vršovická (Otakarova – Kubánské náměstí)	100 000	
42495 – Barrier-free access to the Karlovo náměstí metro station	7 080	
42829 – RTT Nuselská – U Plynárny	128 837	
42923 – Preparation of the 1st operational section of the Metro D Line	5 043	
42493 – TT Divoká Šárka – Dědinská	2 397	
Subsidies from the Ministry of Transport (EU)		
66003008 – Extension of the Metro A Line		**672 913**
Subsidies from the Operating Programme "Prague Competitiveness" ("OPPK")		**332 681**
in which: EU participation	305 707	
participation from the budget of the Capital City of Prague	26 974	
of which:		
29002 Lift - Můstek – 11th call of OPPK – total	**28 551**	
of which: EU participation	26 236	
participation from the budget of the Capital City of Prague	2 315	
21507 Lift -Anděl – 11th call of OPPK – total	**47 186**	
of which: EU participation	43 360	
participation from the budget of the Capital City of Prague	3 826	
21570 RTT Plzeňská II. – 11th call of OPPK – total	**83 636**	
of which: EU participation	76 855	
participation from the budget of the Capital City of Prague	6 781	

21572 RTT Střešovická – Na Petřinách – 11th call of OPPK – total	**173 308**	
of which: EU participation	159 256	
participation from the budget of the Capital City of Prague	14 052	

4.7.6. Short-term financial assets

The entry "short-term securities and participations" (other short-term financial assets) includes, as at the Balance Sheet day, the securities – corporate bills of exchange in the following structure:

- Purchased promissory notes from ČSOB, a.s. issued by the issuer "ČSOB Leasing a.s." at the purchase price of CZK 2,000,000,000.

The promissory notes were purchased in accordance with the corporate strategy consisting in deposition of temporarily free financial means in order to minimise the impacts on the costs of the company in the form of new fees introduced by the bank institutions (resolution fund).

4.7.7. Accruals and deferrals (active)

The entry "Accrued costs" stated, as at 31 December 2016, a balance amounting to CZK 135,155,000, as at 31 December 2015 the balance amounted to CZK 167,628,000. The balance of this entry is formed especially of:

- Dissolving of the invoiced first part of the total contractual price for services (ŠKODA TRANSPORTATION a.s.) at an amount of CZK 125,000,000. On the basis of the Agreement on Maintenance by Way of Full Service this amount is, for the term of validity of the Agreement, i.e. till 15 December 2020, subject to accruals and deferrals into costs. As at 31 December 2016, the remainder for accounting amounts to CZK 44,935,000,
- Dissolving of the invoiced first part of the total contractual price for services (Siemens, s.r.o.) at an amount of CZK 155,000,000. On the basis of the Agreement on Maintenance by Way of Full Service this amount is subject to accruals and deferrals into costs for the term of the Agreement, i.e. till 31 December 2019. As at 31 December 2016, the remainder for accounting amounts to CZK 42,273,000,
- Accruals and deferrals of the costs associated with the bill-of-exchange programme (interest and remunerations for arranging persons) at an amount of CZK 21,764,000.

4.8. EQUITY

Information on changes in equity

The equity of the company contains the accounts of the account groups 41, 42, including the economic result of the ordinary accounting period.

(The figures are stated in CZK 1,000)

Account	Registered capital	Other capital funds	Valuation differences from re-pricing of assets and liabilities	Unsettled loss of previous years	Economic result in the current period	Equity total
Initial balance as at 1 January 2015	**30 726 125**	**30 929 777**	**-373 744**	**-1 837 576**	**315 956**	**59 760 538**
Changes with influence on total equity	**0**	**0**	**0**	**0**	**0**	**0**
Economic result of the current year	0	0	0	0	1 255 407	1 255 407
Subsidies for equity increase	0	1 719	0	0	0	1 719
Valuation of plots of land and buildings	0	98	0	0	0	98
Nat. val. of dif. from re-pricing of sec., etc.	0	0	4 401	0	0	4 401
Re-pricing of derivatives	0	0	104 913	0	0	104 913
Deferred tax to derivatives	0	0	-19 933	0	0	-19 933
Changes without influence on total equity	**0**	**0**	**0**	**0**	**0**	**0**
Allotment to the reserve fund	0	0	0	0	0	0
Settlement of loss from the reserve fund	0	0	0	0	0	0
Distribution of the economic result	0	0	0	315 956	-315 956	0
Correction within the equity	0	0	0	0	0	0
End balance as at 31 December 2015	**30 726 125**	**30 931 594**	**-284 363**	**-1 521 620**	**1 255 407**	**61 107 143**
Changes with influence on total equity	**0**	**0**	**0**	**0**	**0**	**0**
Economic result of the current year	0	0	0	0	1835 451	1 835 451
Subsidies for equity increase	0	0	0	0	0	0
Valuation of plots of land and buildings	0	-228	0	0	0	-228
Nat. val. of dif. from re-pricing of sec., etc.	0	0	4 793	0	0	4 793
Re-pricing of derivatives	0	0	115 268	0	0	115 268
Deferred tax to derivatives	0	0	-21 901	0	0	--21 901
Changes without influence on total equity	**0**	**0**	**0**	**0**	**0**	**0**
Allotment to the reserve fund	0	0	0	0	0	0
Settlement of loss from the reserve fund	0	0	0	0	0	0
Distribution of the economic result	0	0	0	1 255 407	-1 255 407	0
Correction within the equity	0	0	0	0	0	0
End balance as at 31 December 2016	**30 726 125**	**30 931 366**	**-186 203**	**-266 213**	**1 835 451**	**63 040 526**

4.9. PROVISIONS

(The figures are stated in CZK 1,000)

	Balance as at 1 Jan. 2015	Creation	Drawing and cancellation of provisions	Balance as at 31 December 2015	Creation	Drawing and cancellation of provisions	Balance as at 31 December 2016
Provision for annuities	5 717	1 540	2 113	5 144	643	1 626	4 161
Provision for jubilees, retirement	15 789	46 774	15 789	46 774	85 277	46 774	85 277
Provision for co-participation at 14T trams	11 600	0	0	11 600	0	11 600	0
Provision for repairs of fixed assets	0	124 100	0	124 100	101 586	98 866	126 820
Provision for litigations	72 973	72 688	5 603	140 058	58 516	8 793	189 781
Provision for remunerations	2 566	2 614	2 566	2 614	6 983	2 614	6 983
Provision for repairs of 14T trams	3 428	0	175	3 253	0	0	3 253
Provision for contractual interest	213 433	19 074	0	232 507	0	232 507	0
Other provisions	0	20 000	0	20 000	110 000	0	130 000
Provisions total	**325 506**	**286 790**	**26 246**	**586 050**	**363 005**	**402 780**	**546 275**

As at 31 December 2016, the company stated a balance on the accounts registered on the line of the statement "Other provisions" for the reason of taking the risks, losses and possible future liabilities into consideration.

4.10. BANK CREDIT FACILITIES

On 15 May 2002, a Credit Facility Agreement was made between the debtor (the company) and the creditors, namely Česká spořitelna, a.s. and Československá obchodní banka, a.s., for the purchase of twenty new metro trains at an amount of CZK 1,500,000,000 and EUR 89,928,000. The credit facility was drawn till November 2004 and from December 2004 it was repaid on a quarterly basis.

On 31 March 2016, the entire credit facility was paid up prematurely.

The annual interest rates on the credit facility were different with regard to the terms of drawing of individual parts. For the above mentioned reason, the following securing derivatives have been agreed upon with Československá obchodní banka, a.s. and Česká

spořitelna, a.s. A part of the credit facility drawn in EUR had firmly fixed interest rate of 5.2 % and a margin of 1.35 %.

The interest rates on the part drawn in CZK were secured with an interest rate option in the range from 3.85 % to 5.7 % at Československá obchodní banka, a.s. and 3.85 % - 5,5 % at Česká spořitelna, a.s. plus margin of 1.35 %.

Also these concerned securing derivatives were closed as at the date of repayment of the credit facility.

(The figures are stated in CZK 1,000)

Bank/creditor	Credit currency	Balance as at 31 Dec. 2016	Balance as at 31 Dec. 2015	Form of security 2016
Česká spořitelna-agent – credit for new metro trains	CZK	0	393 443	trains purchased
Česká spořitelna-agent – credit for new metro trains	EUR	0	637 457	trains purchased
Česká spořitelna – overdraft current account facility	CZK	0	0	
Total		**0**	**1 030 900**	

4.11. LONG-TERM LIABILITIES FROM BUSINESS RELATIONS AND LONG-TERM ADVANCE PAYMENTS

The entry "Long-term liabilities from business relations" stated, as at 31 December 2016, a balance of CZK 654,380,000; as at 31 December 2015 it stated a balance of CZK 1,226,496,000.

The significant decrease is caused by the premature repayment of receivables of Česká spořitelna, a.s. at an amount of CZK 1,824,671,000 arising in virtue of the assignment of receivables by Škoda Transportation a.s. for the delivery of the 15T trams.

As at 31 January 2017, the company paid up the receivables to Česká spořitelna, a.s. in virtue of the above mentioned reason at an amount of CZK 321,977,000 prematurely.

Long-term advance payments accepted achieved, as at the Balance Sheet day (31 December 2016) an amount of CZK 21,826,000 (as at 31 December 2015 this amount was CZK 16,520,000). The matter concerns especially the advance deposits accepted.

The company does not have any long-term liabilities from business relations towards companies within the group.

4.12. DEFERRED TAX

Deferred tax liability can be analysed as follows:

Deferred tax in virtue of: (The figures are stated in CZK 1,000)

	State as at 31. 12. 2016	State as at 31. 12. 2015
Fixed assets	4 346 887	4 925 995
Unpaid contractual fines and penalties	134 068	123 443
Adjustments to fixed assets	-8 812	-9 031
Adjustments to the inventory	-1 490	-1 846
Adjustments to receivables	-1 118	-1 566
Provisions	-103 792	-111 349
Unpaid social security and public health insurance levies	-1 545	-1 658
Derivatives	- 54 872	-76 773
Total deferred tax liability	**4 309 326**	**4 847 215**

The significant decrease in the deferred tax liability is caused in 2016 especially by reduction of the difference of accounting and tax residual prices of fixed depreciated assets, for the reason of interruption of tax depreciation of fixed tangible assets in 2016. This step has been taken on the basis of the decision made by the Board of Directors of the company in view of drawing the cumulated exercisable tax losses with the approaching date of their expiration.

The drop of the deferred tax receivables in virtue of derivative transactions in 2016 is caused in particular by means of premature repayment of the credit facility for the purchase of the metro carriages and thus also by making hedging transactions for interest and currency swaps.

From the viewpoint of prudence the deferred tax calculation in 2016 does not include the remaining amount of the non-exercised tax loss, which can be used in the following taxation periods because it is not possible to presuppose its use.

4.13. SHORT-TERM LIABILITIES

4.13.1. Age structure of liabilities from business relations

(The figures are stated in CZK 1,000)

Year	Category	Before the due date	Overdue				Total overdue amount	Total
			0–180 days	181–365 days	1–5 years	5 and more years		
2016	Short-term	1 445 154	14 479	1 335	0	0	15 814	1 460 968
2015	Short-term	1 908 709	1 741	2	2	0	1 745	1 910 454

Overdue short-term liabilities were settled immediately after 1 January 2017, which means that as at the date of the drawing up of the Financial Statements DP does not register any overdue liabilities from 2016.

The significant increase in short-term advance payments accepted, which achieve, as at the Balance Sheet day (31 December 2016), the amount of CZK 280,017,000 (as at 31 December 2015 an amount of CZK 80,519,000) is caused in particular by the accounting of accepted advance payments in virtue of compensation of provable loss, from which a surcharge amounting to CZK 229,274,000 implies, see Chapter 4.7.5.

4.13.2. Short-term bills of exchange for payment

The most significant entry of short-term liabilities is the bill-of-exchange programme. The contract was signed on 28 June 2013 between DP and Česká spořitelna, a.s. and Československá obchodní banka, a.s. equally. The programme has been implemented on a gradual basis.

As at 31 December 2016, the entire volume was drawn, i.e. CZK 8,000 million, provided that in 2015 altogether CZK 800 million was repaid and in 2016 the second instalment as made, also at an amount of CZK 800 million. The current volume of the bills of exchange as at 31 December 2016 amounted to CZK 6,400 million. The bills of exchange in a total value of CZK 6,400 million area payable on 17 March 2017, and the bill-of-exchange programme continues according to the contract in a quarterly cycle.

The bill-of-exchange programme is a short-term programme and was intended for the funding of the purchase of the 15 T For City trams.

4.13.3. Liabilities towards the companies within the group

Short-term liabilities from business relations and short-term advance payments accepted

(The figures are stated in CZK 1,000)

Company name	State as at 31. 12. 2016	State as at 31. 12. 2015
HMP	7	15 981
Kolektory Praha, a.s.	0	14
Operátor ICT, a.s.	0	1
Pražská energetika, a.s.	2 862	22 722
Pražská plynárenská, a.s.	41	719
Pražská strojírna a.s.	14 627	24 257
Pražská teplárenská a.s.	1 469	892
Pražské služby, a.s.	3 282	3 638
PREdistribuce, a.s.	1 133	18 257
PREměření, a.s.	10	7
RENCAR PRAHA, a.s.	27 226	36 301
Střední průmyslová škola dopravní, a.s.	2 924	2 887
Technická správa komunikací hl. m. Prahy, a.s.	1	0
Total liabilities from business relations and advance payments towards companies within the group	**53 582**	**125 842**
Short-term liabilities from business relations and advance payments, total	**1 740 985**	**1 990 973**

4.14. VALID LIABILITIES IN VIRTUE OF SOCIAL SECURITY, PUBLIC HEALTH INSURANCE LEVIES AND LIFE INSURANCE SCHEMES, PENSION INSURANCE, TAX LIABILITIES AND SUBSIDIES

4.14.1. Liabilities in virtue of social security, public health insurance levies and life insurance schemes, pension insurance schemes and complementary pension insurance programmes

The amount of liabilities in virtue of social security levies and contribution to the state employment policy as at 31 December 2016 was CZK 130,629,000 (as at 31 December 2015 it was CZK 127,633,000).

The amount of liabilities in virtue of public health insurance levies as at 31 December 2016 was CZK 56,305,000 (as at 31 December 2015 it was CZK 55,005,000).

The amount of liabilities in virtue of pension scheme for employees as at 31 December 2016 was CZK 6,332,000 (as at 31 December 2015 it was CZK 6,102,000).

The amount of liabilities in virtue of life insurance scheme for employees as at 31 December 2016 was CZK 132,000 (as at 31 December 2015 it was CZK 144,000).

The amount of liabilities in virtue of complementary pension insurance programmes for employees as at 31 December 2016 was CZK 909,000 (as at 31 December 2015 it was CZK 606,000).

All liabilities are before the due dates.

4.14.2. Tax liabilities at locally competent financial authorities

(The figures are stated in CZK 1,000)

	as at 31 December 2016	as at 31 December 2015
Individual (natural person) income tax	57 001	55 348
Road tax	135	128
Electricity tax	63	13
Real property acquisition tax	0	1 819
Total	**57 199**	**57 308**

All liabilities are before the due dates.

4.14.3. Subsidies

The balance of the entry "subsidies" as at 31 December 2016 amounted to CZK 626,956,000 and was formed especially of:

- HMP subsidy for acquisition of fixed assets for coverage of the costs of the capital expenditure project "Metro A Line (Dejvická – Motol)" at an amount of CZK 144,690,000,
- Financial settlement of subsidies for 2016 with HMP at an amount of CZK 480,922,000,
- Liabilities from subsidies for settlement of PID operation costs at an amount of CZK 1,344,000.

4.15. OTHER SHORT-TERM LIABILITIES

The entry "Other liabilities" stated, as at 31 December 2016, a balance of CZK 301,369,000; as at 31 December 2015 the balance was CZK 565,015,000. This entry contains in particular:

Derivative financial instruments

The company agreed in the past with ČS and ČSOB several securing interest swaps for the securing of the interest rate risk of the bill-of-exchange programme, for the reason of its gradual drawing.

For individual transactions there were conducted hedging-based accounting which was effective at 100%. Within the framework of simplification of the records, consolidation was agreed upon with ČS and ČSOB for individual separate transactions into a new transaction by way of the merging of original derivative transactions under conforming general conditions.

The company thus determined the following interest rate swaps as securing derivatives:

- ČS derivative
  - Counterparty: Česká spořitelna, a.s.
  - Date of arrangement of the deal: 23 November 2016,
  - Nominal value: CZK 4,502,970,000 (nominal value being reduced gradually)
  - Interest rate paid: 1.346%, quarterly
  - Collected interest payment: 3M Pribor, quarterly
  - Date of end: 20 December 2024
- ČSOB derivative
  - Counterparty: ČSOB, a.s.
  - Date of arrangement of the deal: 23 November 2016,
  - Nominal value: CZK 1,917,360,000 (nominal value being reduced gradually)
  - Interest rate paid: 1.727%, quarterly
  - Collected interest payment: 3M Pribor, quarterly
  - Date of end: 20 December 2024

The secured items for both the derivatives are interest payments from the bills of exchange issued within the framework of the bill-of-exchange programme made with ČS and ČSOB on 28 June 2013 up to the maximum limit for the corresponding time period with the due date 20 January 2024 linked to Pribor.

The company thus classified the above stated transactions as hedging of the future financial flows, when the hedging interest-bearing derivatives are valued, as of the Balance Sheet day, with fair value and the fair value is accounted on the account of valuation differences in the equity of the company.

Overview of derivative financial transactions: (The figures are stated in CZK 1,000)

	Fair value (liability) as at 31 December 2016	Fair value (liability) as at 31 December 2015
ČS currency swap	0	151 055
ČSOB currency swap	0	54 167
Interest option collar – ČSOB	0	11 139
Derivative – forward – ČS	0	2 532
Interest option collar – ČS	0	18 325
Swaps to the bill-of-exchange programme II – ČS	174 481	167 553
Swaps to the bill-of-exchange programme II – ČSOB	116 645	117 612
Diesel oil hedging	0	26 503
Total	**291 126**	**548 886**

The significant decrease as at 31 December 2016 is caused in particular by paying up the credit facilities for the purchase of metro carriages, and therefore also by concluding related transactions for interest and currency swaps. As at 31 December 2016 also the commodity hedging of diesel oil was terminated and this hedging transaction was settled.

Incomes and costs of derivative transactions

Incomes (The figures are stated in CZK 1,000)

	2016	2015
End of deals – COLLAR ČS and ČSOB	0	1 732
End of deals – forward	0	1 256
Total	**0**	**2 988**

Costs (The figures are stated in CZK 1,000)

	2016	2015
Costs of derivative transactions – commodities	27 150	29 293
Costs of derivative transactions – other	185 834	103 256
Total	**212 984**	**132 549**

The significant growth of costs of derivative transactions was caused by premature repayment of the credit facility for purchase of metro carriages, and therefore also by making transactions for interest and currency swaps. This operation leads to significant savings in the field of these costs in the following accounting periods.

4.16. ACCRUALS AND DEFERRALS (PASSIVE)

The entry stated, as at 31 December 2016, a balance of CZK 796,432,000; as at 31 December 2015 the balance was CZK 681,641,000.

The balance is formed especially of the account entitled "deferred incomes" (CZK 675,368,000), where the largest item is accruals and deferrals of revenues from season tickets at an amount of CZK 638,896,000 and accruals and deferrals of incomes implying from provided rights to use at an amount of CZK 27,410,000. Another important entry is formed of "accrued expenses" (CZK 121,064,000), where the largest part consists of non-invoiced deliveries of PREdistribuce, a.s.

4.17. INCOMES FROM CURRENT ACTIVITIES ACCORDING TO MAIN ACTIVITIES

Incomes from current activities according to main activities

(The figures are stated in CZK 1,000)

	2016	2015
Revenues for the sale of the company's own products and services total	**17 580 169**	**17 654 721**
in which:		
Revenues for fare of regular transport	4 257 730	4 387 818
Compensation for the public service obligation	12 666 127	12 656 545
Other revenues	656 312	610 358
of which:		
Lease	283 001	259 671
Incomes from surcharges to fare	**326 868**	**329 393**

The most important entry of Revenues for the sale of the company's own products and services is compensation for the public service obligation amounting to CZK 12,666,127,000.

Another important entry is formed of revenues for fare of regular transport. In comparison with 2015, there was a decrease in revenues from regular transport fare (without surcharges to the fare) for 2016 by CZK 130,088,000, i.e. by 2.96 %. The drop occurred for the reason of the reduced price of the annual ticket.

Revenues for other services include revenues for other activities, in particular for the lease of plots of land, buildings and services associated therewith, for the lease of areas on movable assets, passing of energy, repairs and maintenance of transport means, revenues from irregular transport, revenues for medical services, etc.

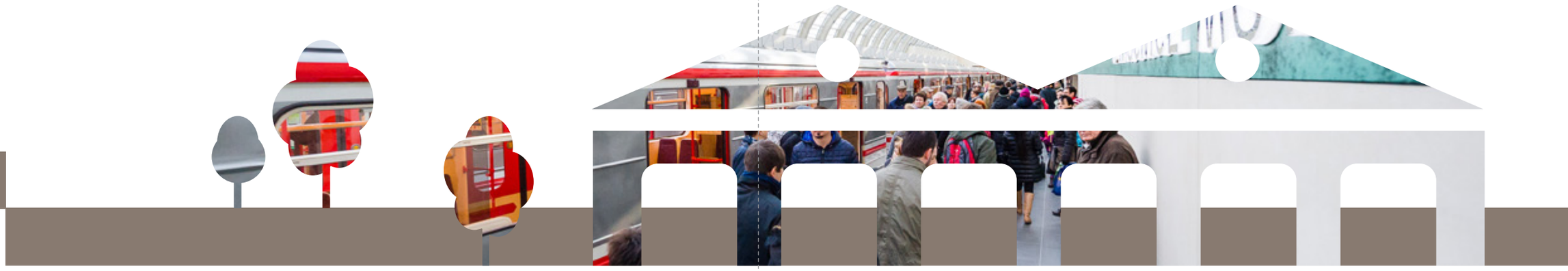
4.17.1. Other incomes realised with related entities

2016 (The figures are stated in CZK 1,000)

Entity	Relation to the company	Inventory	Services	Other	Total
HMP	parent company	0	8 761	10	8 771
KORMAK Praha a.s.	another company	0	20	0	20
Operátor ICT, a.s.	affiliated company	0	1 176	115	1 291
Pražská energetika, a.s.	another company	0	1 260	8	1 268
Pražská plynárenská Distribuce, a.s., member of grouping Pražská plynárenská, a.s.	another company	0	122	15	137
Pražská plynárenská Servis distribuce, a.s., member of grouping Pražská plynárenská, a.s.	another company	0	154	0	154
Pražská strojírna a.s.	subsidiary	21 380	0	0	21 380
Pražská teplárenská a.s.	another company	0	150	18	168
Pražská vodohospodářská společnost a.s.	affiliated company	0	3 633	0	3 633
Pražské služby, a.s.	affiliated company	0	4 854	0	4 854
PREdistribuce, a.s.	another company	0	1 403	45	1 448
PREměření, a.s.	another company	0	501	0	501
RENCAR PRAHA, a.s.	subsidiary	9	46 348	1 778	48 135
Rozvojové projekty Praha, a.s.	affiliated company	0	45	0	45
Střední průmyslová škola dopravní, a.s.	subsidiary	0	4 797	0	4 797
Total		**21 389**	**73 224**	**1 989**	**96 602**

2015 (The figures are stated in CZK 1,000)

Entity	Relation to the company	Inventory	Services	Other	Total
HMP	parent company	0	9 744	116	9 860
Pražská energetika, a.s.	another company	0	1 384	12	1 396
Pražská plynárenská, a.s.	another company	0	21	0	21
Pražská plynárenská Distribuce, a.s., member of grouping Pražská plynárenská, a.s.	another company	0	372	17	389
Pražská plynárenská Servis distribuce, a.s., member of grouping Pražská plynárenská, a.s.	another company	0	593	0	593
Pražská strojírna a.s.	subsidiary	16 749	87	0	16 836
Pražská teplárenská a.s.	another company	0	17	0	17
Pražská vodohospodářská společnost a.s.	affiliated company	0	598	0	598
Pražské služby, a.s.	affiliated company	4	4 840	0	4 844
PREdistribuce, a.s.	another company	0	1 414	27	1 441
PREměření, a.s.	another company	0	566	1	567
RENCAR PRAHA, a.s.	subsidiary	5	39 106	42	39 153
Rozvojové projekty Praha, a.s.	affiliated company	0	0	28	28
Střední průmyslová škola dopravní, a.s.	subsidiary	0	5 046	147	5 193
Total		**16 758**	**63 788**	**390**	**80 936**



4.17.2. Purchases realised with related entities

2016 (The figures are stated in CZK 1,000)

Entity	Relation to the company	Inventory	Services	Other	Total
HMP	parent company	0	1 532	76	1 608
Kolektory Praha, a.s.	affiliated company	0	466	0	466
Operátor ICT, a.s.	affiliated company	0	2	0	2
Pražská energetika, a.s.	another company	333 754	0	17	333 771
Pražská plynárenská, a.s.	another company	16 273	0	0	16 273
Pražská plynárenská Servis distribuce, a.s., member of grouping Pražská plynárenská, a.s.	another company	0	4	0	4
Pražská strojírna a.s.	subsidiary	118 944	51 568	0	170 512
Pražská teplárenská a.s.	another company	16 222	11	0	16 233
Pražské služby, a.s.	affiliated company	95	5 424	0	5 519
PREdistribuce, a.s.	another company	361 828	627	0	362 455
RENCAR PRAHA, a.s.	subsidiary	0	215	0	215
Rozvojové projekty Praha, a.s.	affiliated company	0	97	0	97
Střední průmyslová škola dopravní, a.s.	subsidiary	16	29 786	0	29 802
Total		**847 132**	**89 732**	**93**	**936 957**

2015 (The figures are stated in CZK 1,000)

Entity	Relation to the company	Inventory	Services	Other	Total
HMP	parent company	0	944	137	1 081
Kolektory Praha, a.s.	affiliated company	0	466	0	466
Operátor ICT,a.s.	affiliated company	0	6	0	6
Pražská energetika, a.s.	another company	395 373	0	533	395 906
Pražská plynárenská, a.s.	another company	18 674	0	0	18 674
Pražská plynárenská Servis distribuce, a.s., member of grouping Pražská plynárenská, a.s.	another company	0	21	0	21
Pražská strojírna a.s.	subsidiary	118 403	37 047	39	155 489
Pražská teplárenská a.s.	another company	16 607	11	0	16 618
Pražská teplárenská LPZ, a.s.	another company	1 491	0	0	1 491
Pražské služby, a.s.	affiliated company	4	5 749	19	5 772
PREdistribuce, a.s.	another company	386 564	573	25	387 162
PREměření, a.s.	another company	0	12	0	12
Střední průmyslová škola dopravní, a.s.	subsidiary	0	29 888	0	29 888
Total		**937 116**	**74 717**	**753**	**1 012 586**

4.17.3. Purchases and sales of fixed intangible, tangible and financial assets with affiliated entities

Sales

2016 (The figures are stated in CZK 1,000)

Entity	Relation to the company	DHM	
		Account-ing value	Sales price
HMP	parent company	111	111
Pražská teplárenská a.s.	another company	0	3
Total		**111**	**114**

Sales

2015 (The figures are stated in CZK 1,000)

Entity	Relation to the company	DHM	
		Account-ing value	Sales price
Střední průmyslová škola dopravní, a.s.	subsidiary	0	4
Total		**0**	**4**

Purchases

2016 (The figures are stated in CZK 1,000)

Entity	Relation to the company	DHM	DNM
Pražská plynárenská Distribuce, a.s., member of grouping Pražská plynárenská, a.s.	another company	236	0
Pražská teplárenská a.s	another company	25	0
PREdistribuce, a.s.	another company	172	0
Total		**433**	**0**

Purchases

2015 (The figures are stated in CZK 1,000)

Entity	Relation to the company	DHM	DNM
HMP	parent company	15 850	0
Pražské služby, a.s.	affiliated company	67	0
PREdistribuce, a.s.	another company	461	0
Total		**16 378**	**0**

4.18. CONSUMED PURCHASES

(The figures are stated in CZK 1,000)

	2016	2015
Energy, gas, heat	951 616	978 695
Material	1 061 077	997 422
Diesel oil, oil, lubricants, coolant, petrol	624 812	684 436
Clothing and protective equipment	52 225	50 286
Low-value tangible assets	32 834	33 684
Other	16 999	20 017
Total	**2 739 563**	**2 764 540**

4.19. SERVICES

(The figures are stated in CZK 1,000)

	2016	2015
Repairs and maintenance	1 918 767	1 815 592
Services associated with transport performance	589 162	599 311
Services of assistance nature	281 321	280 856
Data system services	119 510	102 271
Other services connected with city public transport	436 323	351 819
Advisory and legal services	71 308	52 601
Services associated with advertising	18 918	22 090
Other services	523 712	531 183
Total	**3 959 021**	**3 755 723**

The growth in the entry "repairs and maintenance" is caused especially with higher planned repairs of buildings in the DP property.

4.19.1. Total costs of remunerations for the audit company

(The figures are stated in CZK 1,000)

	2016	2015
Obligatory audit of the Financial Statements	1 615	2 028
Other non-auditing services	35	35
Total	**1 650**	**2 063**

No contingencies are created for audit services, they are accounted at the time when the service is performed.

4.20. DEPRECIATION OF FIXED INTANGIBLE AND TANGIBLE ASSETS

Comparison of depreciations by asset class

(The figures are stated in CZK 1,000)

Class		2016	2015
1310	Software	42 161	49 682
1311	PC software, CZK 40,000–60,000	53	33
1900	Other fixed intangible assets	445	739
2110	Tracks	318 519	306 767
2111	Power supply system	137 278	138 265
2112	Metro tunnels	334 741	333 286
2113	Technical equipment of the metro system	16 548	16 644
2114	Station columns, waiting rooms, sheds	2 604	2 865
2115	Building structures for operational purposes	43 875	42 949
2116	Buildings and halls for operational purposes	140 663	131 465
2117	Constructions for operational purposes	36 178	35 454
2118	Communication and interlocking equipment	36 458	40 761
2119	Technical betterment of the assets leased	96	96
2210	Check-in system "MYPOL"	3 033	74
2211	IT means – computers	57 596	60 055
2212	Communication and interlocking equipment - machinery	167 499	155 890
2213	Technical equipment of the metro system	22 990	18 755
2214	Plant and machinery for operational purposes	79 254	83 871
2215	Power supply system - machinery	68 736	75 006
2216	Cableway	45	0
2221	Metro carriages	714 475	740 111
2223	Midi buses – N	20 819	18 015
2224	Standard buses	891	3 735
2225	Articulated buses	0	9
2226	Standard low-floor buses	73 562	50 447
2227	Articulated low-floor buses	178 247	156 157
2228	Escalators, metro lifts	45 618	56 147
2230	Automobiles, other	15 776	8 258
2231	Transport means, other	6 963	6 873

2232	Trams – T3	90	181
2233	Trams – T3RP	40 264	43 681
2234	Trams – T6	47 484	67 015
2235	Trams – KT8	37 157	35 205
2236	Trams – 14T	2 240	2 124
2237	Trams – 15T	405 629	310 223
2240	Inventory	132	97
2900	Other fixed tangible assets – rights to use	4 915	1 359
	Residual price of the disposed fixed assets	4 672	6 438
Total		**3 107 706**	**2 998 732**

Depreciation of fixed assets purchased by way of subsidies would amount in 2016 to CZK 1,828,875,000 (CZK 1,693,303,000 in 2015).

4.21. CHANGE IN THE STATE OF PROVISIONS AND ADJUSTMENT OF VALUES IN THE OPERATIONAL AREA, EXCEPT FOR DEPRECIATION

(The figures are stated in CZK 1,000)

	2016	2015
Change in the state – other provisions	-39 775	260 544
Change in the state – accounting adjustments - to receivables	208 803	111 158
Change in the state – tax adjustments– to receivables	1 401	541
Change in the state – adjustments to inventory	-1 876	6 896
Change in the state – adjustments to assets	-1 151	24 610
Total change in the state	**167 402**	**403 749**

4.22. SOLD FIXED ASSETS AND REVENUES FROM SALE OF FIXED ASSETS

As at 31 December 2016, the entry "Residual price of fixed assets sold" amounted to CZK 1,805,000 (CZK 27,060,000 in 2015), the entry "Revenues from the sale of fixed assets sold" amounted to CZK 29,163,000 (CZK 42,625,000 in 2015).

The entry "Revenues from the sale of fixed assets" includes especially revenues from the sale of trams to Sofia (firm STOLICHEN ELETROTRANSPORT EAD) at an amount of CZK 10,580,000.

4.23. MATERIAL SOLD AND REVENUES FROM THE SALE OF MATERIAL

As at 31 December 2016, the entry "Residual price of the material sold" amounted to CZK 60,024,000 (CZK 56,936,000 in 2015), the entry "Revenues from the sale of the material sold" amounted to CZK 63,949,000 (CZK 57,843,000 in 2015).

4.24. OTHER OPERATIONAL INCOMES

(The figures are stated in CZK 1,000)

	2016	2015
Subsidies to settlement of costs	99 452	97 034
Incomes – surcharges to the fare	326 868	336 815
Incomes – assignment of receivables for SMS tickets	499 715	512 173
Assessment of compensations - insurance companies	221 501	72 729
Contractual penalties, fines, interest on delays	-3 017	17 538
Other operational incomes	45 372	48 029
Total	**1 189 891**	**1 084 318**

The reduction in the entry "Contractual penalties, fines, interest on delays" is especially due to suspension of the judicial litigations with Škoda Transportation a.s.

The increase in the assessments of insurance compensations is caused by expected fulfilment of the insurance premiums for damaged trams in consequence of accidents.

4.25. OTHER OPERATIONAL COSTS

(The figures are stated in CZK 1,000)

	2016	2015
Insurance premium	311 583	317 198
Depreciation of receivables	12 493	43 359
Depreciation of assigned receivables from SMS tickets	499 715	512 173
Contractual penalties, interest on delays	270 671	-699
Other operational costs	37 165	56 595
Total	**1 131 627**	**927 656**

The increase in the entry "Contractual penalties, interest on delays" is for the reason of the Settlement Agreement concluded with Škoda Transportation a.s. in the matter of the interest on delay for the late payment of invoices of the 15T trams.

4.26. INCOMES FROM FIXED FINANCIAL ASSETS

(The figures are stated in CZK 1,000)

	2016	2015
Dividends – RENCAR PRAHA, a s.	0	7 560
Total	**0**	**7 560**

4.27. INCOME INTEREST AND SIMILAR INCOMES

(The figures are stated in CZK 1,000)

	2016	2015
Interest on bank accounts (current)	832	1 149
Total	**832**	**1 149**

4.28. COST INTEREST AND SIMILAR COSTS

(The figures are stated in CZK 1,000)

	2016	2015
Interest on credit facilities for purchase of metro carriages	3 596	17 991
Interest on credit facilities for purchase of metro carriages - SWAP	0	30 021
Interest - bill of exchange programme	75 132	96 950
Total	**78 728**	**144 962**

The significant decrease in the entry of "Interest on credit facilities for purchase of metro carriages" was caused by the premature repayment of this credit facility and termination of related hedging transactions.

4.29. OTHER FINANCIAL INCOMES EXCEPT FOR DERIVATIVE TRANSACTIONS

(The figures are stated in CZK 1,000)

	2016	2015
Incomes from the securities and shareholdings sold	4 098 756	0
Exchange rate differences	68	53 574
Incomes from short-term securities	2 993	940
Other financial incomes	42 690	10 490
Total	**4 144 507**	**65 004**

The entry "Other financial incomes" stated, as at 31 December 2016, the balance of CZK 42,690,000 (as at 31 December 2015 the balance was CZK 10,490,000). The growth in 2016 achieved CZK 32,200,000, which was caused in particular by the bonus from ČS for prolongation of hedging of diesel oil at an amount of CZK 26,000,000 and bonuses from ČS for premature repayment of receivables at an amount of CZK 5,500,000.

4.30. OTHER FINANCIAL COSTS EXCEPT FOR DERIVATIVE TRANSACTIONS

(The figures are stated in CZK 1,000)

	2016	2015
Bank expenses	15 114	24 835
Exchange rate differences	1 773	53 629
Securities and participations sold	4 098 756	0
Other financial costs	31 384	8 217
Total	**4 147 027**	**86 681**

The entry "Securities and participations" reflects, in accordance with applicable accounting regulations, the costs of the sale of securities which were acquired by the company in accordance with the strategy in deposition of temporarily free financial means. The reciprocal item is formed, within the framework of the chart of accounts of "Incomes from securities and shareholdings sold", see Chapter 4.29.

5. EMPLOYEES, COMPANY MANAGEMENT AND STATUTORY BODIES

5.1. PERSONNEL COSTS AND NUMBER OF EMPLOYEES

2016

(The figures are stated in CZK 1,000)

	Number *	Wage costs	Costs of soc. and health security	Other costs	Personnel costs, total
Employees	10 889	4 713 254	1 677 905	165 622	6 556 781
Company management	13	33 543	10 377	160	44 080
Board of Directors		6 302	1 062		7 364
Supervisory Board		2 290	779		3 069
Audit Committee		69	23		92
Corp. body members **		8 661	1 864		10 525
Total	**10 902**	**4 755 458**	**1 690 146**	**165 782**	**6 611 386**

2015

(The figures are stated in CZK 1,000)

	Number *	Wage costs	Costs of soc. and health security	Other costs	Personnel costs, total
Employees	10 869	4 532 769	1 617 226	161 849	6 311 844
Company management	16	37 842	11 051	191	49 084
Corp. body members **		2 553	775		3 328
Total	**10 885**	**4 573 164**	**1 629 052**	**162 040**	**6 364 256**

Total converted number of employees in the course of the accounting period

Time period	Number *	Company management of the total number of employees
1. 1. 2016 – 31. 3. 2016	10 899	15
1. 1. 2016 – 30. 6. 2016	10 899	15
1. 1. 2016 – 30. 9. 2016	10 890	13
1. 1. 2016 – 31. 12. 2016	10 902	13

* The number of employees is based on the average converted headcount.
** Board of Directors, Supervisory Board, Audit Committee.

In the course of 2016, there was a principal change in the company management. For the first half of 2016 the term "company management" denoted the Chief Executive Officer, Specialised Directors and Heads of the Units. In the second half of 2016 the term "company management" denoted Specialised Directors (except for those Specialised Directors who are at the same time members of the Board of Directors) and Heads of the Units. The members of the Board of Directors, including the Chief Executive Officer were not employees of DP as at the day of the drawing up of the Financial Statements anymore, but they performed their office on the basis of an Agreement on Performance of an Office.

5.2. PROVIDED LOANS, CREDIT FACILITIES OR OTHER FULFILMENT

Passenger cars were provided to selected members of managerial bodies for use (at simultaneous taxation according to the Act no. 586/1992 Coll., on income tax, Section 6 as amended by later regulations).

Non-residential premises and low-value assets were provided to trade unions free of charge.

There were not provided any financial loans or credit facilities to shareholders or members of statutory, supervisory and control bodies.

The contributions for pension insurance schemes, complementary pension insurance programmes and life insurance plans were provided only to those members of statutory, supervisory and control bodies, who are at the same time also employees of the company.

6. LIABILITIES NOT STATED IN THE ACCOUNTING

Contractual liabilities for renewal and development of the fleet and other capital expenditures from contracts of purchase made till the end of 2016 amount to CZK 7,713,090,000. The most important entries are:

- Purchase of low-floor articulated trams "15T" at an amount of CZK 4,359,823,000;
- Comprehensive safety system at an amount of CZK 2,100,000,000.

The main source of funding of these liabilities will be the company's own resources.

For the area of renewal and development of building capital expenditures the contractual liabilities are in total CZK 906,251,000 and concern especially the following projects:

- 1st op. section of the Metro D Line (Náměstí Míru – Písnice depot) at an amount of CZK 560,000,000,
- Modernisation and barrier-free access of public toilets in the Prague metro system at an amount of CZK 112,083,000,
- Renovation of the Jinonice station at an amount of CZK 90,080,000,
- Other renovation and modernisation of tramways and metro stations in an amount of CZK 144,088,000.

The company presupposes, in connection with renovation and development of building capital expenditures, financing also from subsidies for acquisition of fixed assets.

7. APPROVAL OF THE FINANCIAL STATEMENTS OF 2015, PROFIT DISTRIBUTION FOR 2016

7.1. APPROVAL OF THE FINANCIAL STATEMENTS FOR 2015

Through the Resolution of the Council of the Capital City of Prague in the competence of the General Meeting of DP no. 1363 of 7 June 2016, the Financial Statements were approved in the full extent for 2015 with the economic result: profit amounting to CZK 1,255,407,000. At the same time a decision was made about the transfer of the profit at an amount of CZK 1,255,407,000 on the account 429 – Unsettled loss of previous years.

7.2. PROFIT DISTRIBUTION FOR 2016

The Board of Directors of the company suggests to the General Meeting of DP the distribution of the economic result for 2016 in the form of profit amounting to CZK 1,835,451,000 in the following way:

- Settlement of unsettled loss of previous years at an amount of CZK 266,213,000,
- Transfer of the profit at an amount of CZK 1,569,238,000 on the account of retained profit of previous years.

8. EVENTS OCCURRING AFTER THE DATE OF THE FINANCIAL STATEMENTS

No significant facts which would mean unusual changes in the state of assets and liabilities occurred between the Balance Sheet day 31 December 2016 and the moment of the drawing up of the Financial Statements.

9. OVERVIEW OF FINANCIAL FLOWS – CASH FLOW

(The figures are stated in CZK 1,000)

		Period to 31. 12. 2016	Period to 31. 12. 2015
P.	**Balance of cash means and cash equivalents at the beginning of the accounting period**	**7 516 216**	**4 020 949**
Z.	**Accounting profit or loss from ordinary activities before taxation**	**1 275 662**	**1 684 487**
A.1.	Adjustments with non-monetary operations (A.1.1 to A.1.6)	3 338 429	3 541 495
A.1.1.	Depreciation of fixed assets (+)	3 107 706	2 998 732
A.1.2.	Change in the state of adjustments, reserves (+/-)	167 402	403 748
A.1.3.	Profit (-) or loss (+) from sale of fixed assets	-27 358	-15 565
A.1.4.	Incomes from dividends and shares in profit (-)	0	-7 560
A.1.5.	Cost (+) and income (-) interest	77 896	143 813
A.1.6.	Adjustments with other non-monetary operations	12 783	18 327
A*	**Net operational cash flow before changes in working capital (Z+A.1)**	**4 614 091**	**5 225 982**
A.2.	Change in the state of working capital (A.2.1 to A.2.4)	-982 016	84 386
A.2.1.	Change in the state of receivables and accruals and deferrals of assets (+/-)	127 044	-408 688
A.2.2.	Change in the state of liabilities and accruals and deferrals of liabilities (+/-)	-1 051 323	568 968
A.2.3.	Change in the state of the inventory (+/-)	-57 737	-75 894
A**	**Net cash flow from operation activities before taxation (A.*+A.2)**	**3 632 075**	**5 310 368**
A.3.	Interest paid (-)	-78 728	-144 962
A.4.	Interest accepted (+)	832	1 149
A.6.	Accepted participations in profit (+)	0	7 560
A***	**Net cash flow from operation activities (A.**+A.3 to A.6)**	**3 554 179**	**5 174 115**
B.1.	Expenses connected with acquisition of fixed assets (-)	-4 129 437	-1 827 631
B.2.	Incomes from the sale of fixed assets (+)	28 935	42 625
B***	**Net cash flow related to investment activities (B.1 to B.3)**	**-4 100 502**	**-1 785 006**
C.1.	Change in the state of liabilities from financing	-1 518 793	106 158
C***	**Net cash flow related to financial activities (C.1+C.2)**	**-1 518 793**	**106 158**
F.	**Net increase or reduction of cash means and cash equivalents (A.***+B.***+C.***)**	**-2 065 116**	**3 495 267**
R.	**Balance of cash means and cash equivalents at the end of the accounting period (P+F)**	**5 451 100**	**7 516 216**

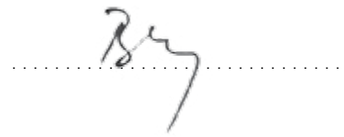
10. APPROVAL OF THE NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2016 IN A FULL EXTENT

Mgr. Martin Gillar

Chairman of the Board of Directors
Chief Executive Officer
Dopravní podnik hl. m. Prahy,
akciová společnost

JUDr. Jan Blecha

Vice Chairman of the Board of Directors
Dopravní podnik hl. m. Prahy,
akciová společnost



In Prague on 6 March 2017
Drawn up by: Ing. Marek Polický

Dopravní podnik hl. m. Prahy,
akciová společnost

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8490

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