

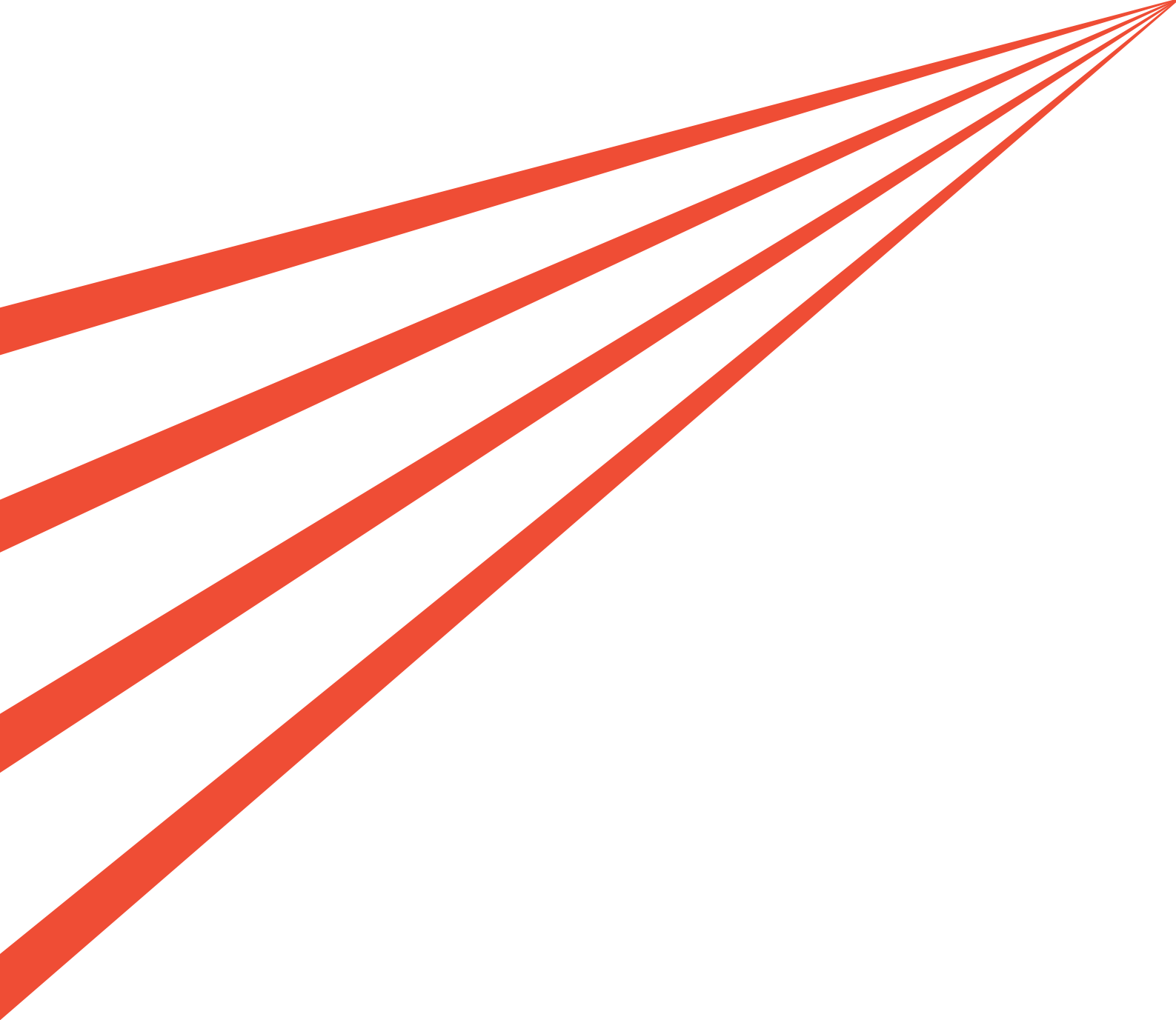
ANNUAL REPORT

OF ŽELEZNIČNÁ SPOLOČNOSŤ SLOVENSKO, A. S.



ŽELEZNIČNÁ SPOLOČNOSŤ SLOVENSKO

2006



ŽELEZNIČNÁ SPOLOČNOSŤ SLOVENSKO

www.slovakrail.sk

SPRÁVA NEZÁVISLÉHO AUDÍTORA

Pre akcionárov spoločnosti: Železničná spoločnosť Slovensko, a.s.
Rožňavská 1, 832 72 Bratislava

V súlade s medzinárodnými audítorskými štandardami sme uskutočnili audit účtovnej závierky **Železničná spoločnosť Slovensko, a.s.**, za rok ktorý sa skončil 31. 12. 2006. Údaje účtovnej závierky uvedené vo výročnej správe boli od tejto auditovanej účtovnej závierky odvodené. Náš názor na zostavenie účtovnej závierky k 31. 12. 2006 sme vyjadrili v správe audítora zo dňa 21. marca 2007.

Podľa nášho názoru údaje uvedené vo Výročnej správe spoločnosti za rok 2006 sú konzistentné vo všetkých významných súvislostiach s účtovnou závierkou za účtovné obdobie, za ktoré sa vyhotovuje výročná správa.

Pre lepšie porozumenie finančnej situácie a výsledkov hospodárenia za dané obdobie a rozsahu vykonaného auditu má sa táto účtovná závierka a údaje uvedené vo výročnej správe čítať spolu s kompletnou účtovnou závierkou, od ktorej boli odvodené a so správou audítora na túto kompletnú účtovnú závierku.

V Prešove, dňa 09. mája 2007



ACCEPT AUDIT & CONSULTING, s.r.o.
Októbrova 35, 080 01 Prešov
licencia SKAU č. 000124
OR OS Prešov, vl.č. 2365/P

Zodpovedný audítor:
Ing. Ivan Bošela, PhD.
licencia SKAU č. 000161

INDEPENDENT AUDITOR'S REPORT

For the shareholders of: Železničná spoločnosť Slovensko, a.s.
Rožňavská 1, 832 72 Bratislava

In accordance with the International Standards on Auditing we have audited the financial statements of **Železničná spoločnosť Slovensko, a. s.** for the year ended on 31 December 2006. The figures and data of the financial statements mentioned in the Annual Report were derived from the audited financial statements. We have expressed our opinion on the financial statements as on 31 December 2006 in the Auditor's Report of 21 March 2007.

In our opinion, the data and information stated in the Annual Report of the company for 2006 are consistent in all material respects with the financial statements for the accounting period covered by the Annual Report.

For better understanding of the financial situation and economic results for the given period and the extent of the audit, these financial statements and the Annual Report shall be read together with the full financial statements, which the two documents are based on, and together with the Auditor's Report on the full financial statements.

In Prešov, on 9 May 2007

ACCEPT AUDIT & CONSULTING, s.r.o.
Októbrová 35, 080 01 Prešov
Licence SKAU no. 000124
Commercial Register of the District Court of Prešov,
Entry no. 2365/P

Responsible auditor:
Ing. Ivan Bošela, PhD.
Licence SKAU no. 000161

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List of Abbreviations

CER	Community of European Railway and Infrastructure Companies
EC	Euro City train
EU	European Union
IC	Inter City train
MTPT SR	Ministry of Transport, Posts and Telecommunications of the Slovak Republic
MF SR	Ministry of Finance of the Slovak Republic
NSRF	National Strategic Reference Framework
OSJD	Organisation for Cooperation of Railways
PSO	Public Service Obligations
SAP R/3	Corporate information system
SR	Slovak Republic
SZNR	Machines and equipment not included into the budget
TSI	Technical Specification of Interoperability
UIC	International Union of Railways
WGS	Wagon Slovakia
VAT	Value Added Tax
ZSSK	Železničná spoločnosť Slovensko, a.s.
ZSSK Cargo	Železničná spoločnosť Cargo Slovakia, a.s.
ŽSR	Železnice Slovenskej republiky

Foreword of the Director General

In the second year of its existence Železničná spoločnosť Slovensko, a.s. (ZSSK) achieved better economic results than in 2005, however, the number of passengers, transport volumes and revenues continue to follow their declining tendency. Already in the course of the last year, it became clear that the strategic objectives of the company would not be fulfilled, and thus we have started intensive discussions about a new ZSSK strategy.

Transport market in Central Europe is a very lively mechanism, it changes and develops very fast. The same is true for Slovakia, with its population mobility in individual regions affected especially by new industrial parks and by increase of automobile production. We have not prepared in a sufficient way to this trend, mainly as regards infrastructure and development of integrated transport systems. Drop in passenger numbers is significantly caused also by a change of lifestyle of Slovak families, which sees a rapid growth of automobile use.

The transport performance in 2006 shows that the company has been losing its customers in suburban and regional services. Unless we are able to attract more passengers to this market segment, there is a serious threat that, after the transfer of competencies to regions, whether transposed or original, our company could, figuratively speaking, remain with the shorter end of the rope.

The declining trend in passenger numbers does not apply only to rail passenger transport but concerns public transport in Slovakia as such. The surveys show that the trend is likely to continue, unless measures are taken to enhance attractiveness of railway transport, for instance, by introduction of an interval transport each 15 or 20 minutes to show the passenger that when he or she arrives at the station the knowledge of train timetable is not at all necessary, because there would be the certainty of a fast transport within a short waiting period. We are considering interval transport, with longer intervals, also for long-distance journeys within a train timetable that would be qualitatively better prepared. And in the places with a lower passenger frequency, we should provide for the basic accessibility, so that people could get to schools, work, visit their doctor and get back home.

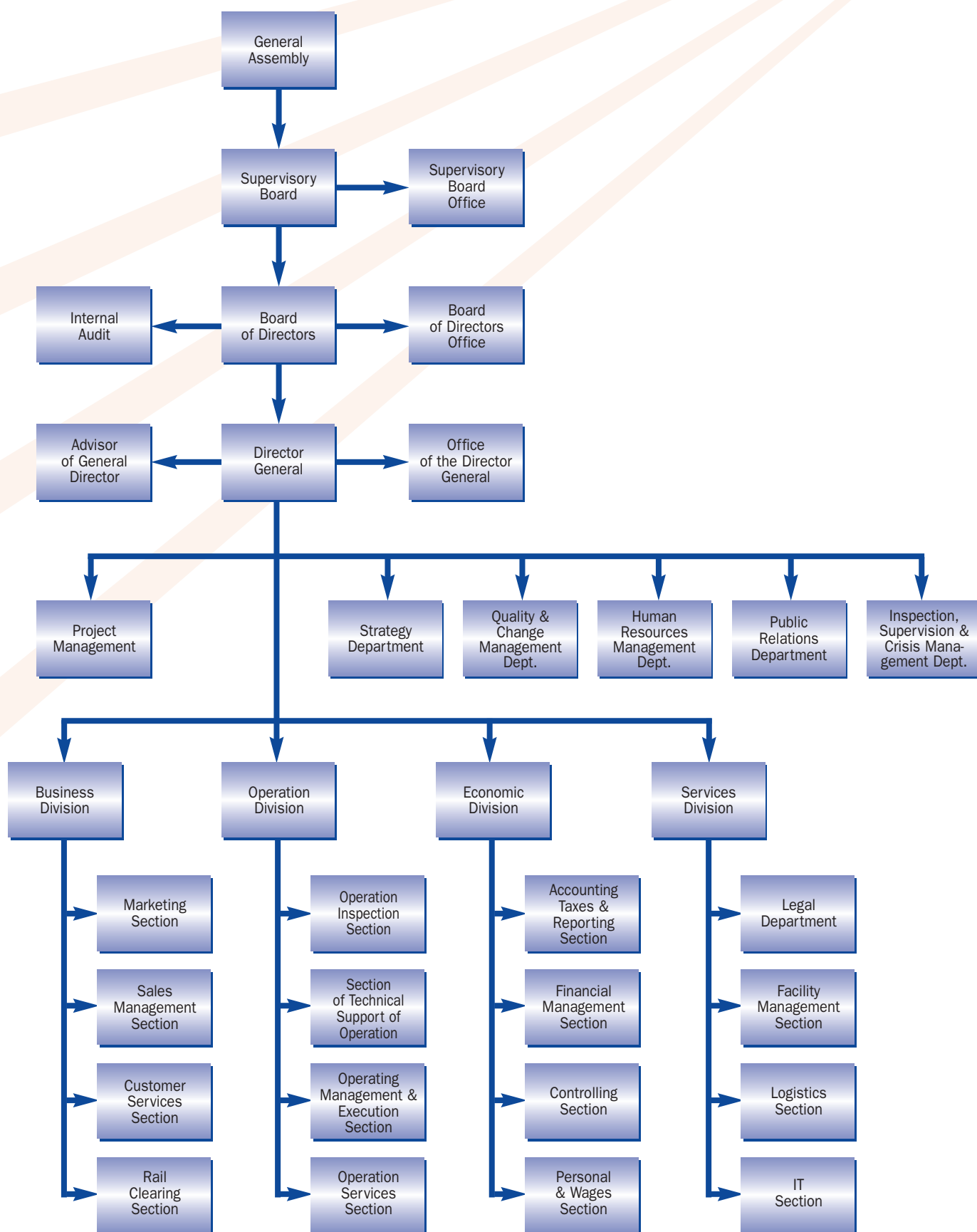
From 2008 onwards the so-called higher territorial units (self-government, regional authorities) will gain transferred competencies from the State and will participate in decision-making as regards transport coverage of regions by rail transport. Later on, original competencies shall be transferred and the regional authorities themselves will conclude contracts on public service obligations to provide for transport coverage of their territory, as well as harmonise public transport volumes under transparency and non-discrimination principles and in order to enhance effectiveness of public financial means. Our aim in this situation is to maintain the role and function of the principal transport mode.

Even though in the past we have introduced refurbished carriages into the operation, created a new product portfolio and innovated the ticket distribution system, it has not been enough to enhance the quality of transport. When comparing other railway undertakings in the European Union, we acknowledge that the acute issue for our company is the purchase of new and modern train-sets. Just consider that the rolling stock fleet of Slovak railways has not seen a new carriage in almost twenty years, and I am speaking of really new carriages, not older ones refurbished or modernised. We, therefore, insist and expect that the State will assist in the purchase of new train-sets.

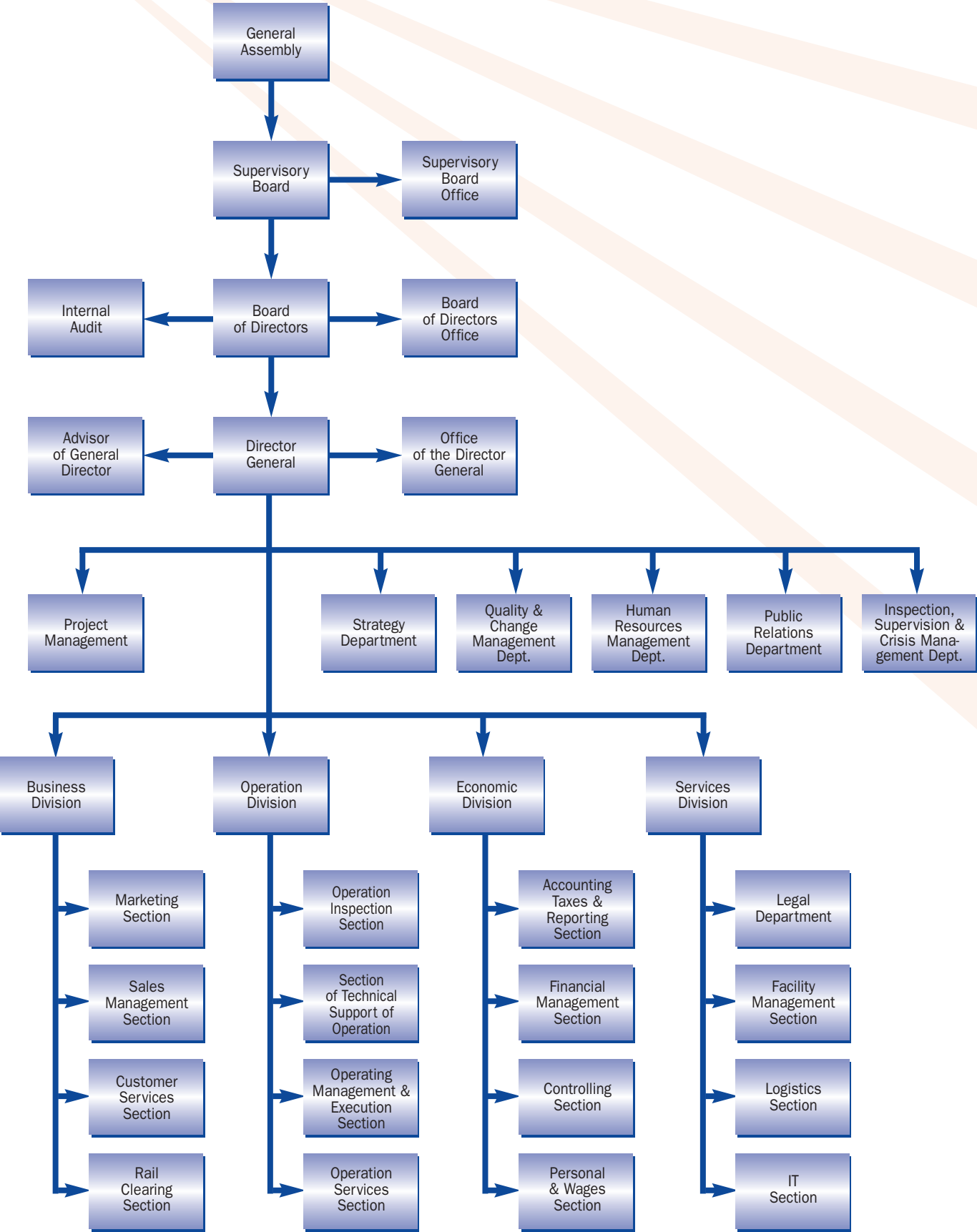
Analyses show that when maintaining the current volumes of public service obligations and their guaranteed compensation by the State, we may be able to achieve a balanced management. However, the concept presumes a new perception of cost structure because it is not possible to continue with restrictions that have other negative side-effects besides cost saving. This is one of the reasons the management is challenged with a criticism of employees in the operation about the process of continuous cost reduction getting slowly unbearable.

In the future we would like to concentrate more on suburban transport that indicates major potential to increase transport volumes. The macroeconomic estimates let us expect growth in employability and income, therefore, we may anticipate increase in population mobility as well. If the State assists the company with a tender for double-deck units, their high capacity and efficiency may double the value of the offered potential – increase the share of rail transport within the whole public transport volume, and increase our performance and revenues, which could have a positive impact on the development and investments into the rolling stock.

Organisational Structure (from 1 August 2005 do 28 February 2006)



Organisational Structure (since 1 March 2006)



Board of Directors of the Company

ZSSK is incorporated in the Commercial Register of the District Court of Bratislava I., and was established as of 1 January 2005. Its founder and a 100-percent shareholder is the Slovak Republic, represented by the Ministry of Transport, Posts and Telecommunications of the Slovak Republic.

The General Assembly is the supreme body of the company.

The Board of Directors is the statutory body of the company. It is authorized to act for and on behalf of the company in all matters and represents the company against third parties, at courts and other bodies. The Board of Directors manages the company activities and decides upon all company matters, unless assigned to other company bodies by legal regulations or company statutes. It consists of five members.

Ing. Ondrej MATEJ

Chairman of the Board of Directors

Director General

of Železničná spoločnosť Slovensko, a.s.

(held the position from 8 December 2005 to 10 October 2006)

Ing. Pavol GÁBOR

Vice-Chairman of the Board of Directors

Economy Division Director

of Železničná spoločnosť Slovensko, a.s.

(held the position from 20 December 2005 to 15 October 2006)

Ing. Jaroslav BAJUŽIK

Member of the Board of Directors

Operation Division Director

of Železničná spoločnosť Slovensko, a.s.

(held the position from 8 December 2005 to 10 October 2006)

Ing. Miloslav LUŽÁK

Member of the Board of Directors

Services Division Director

of Železničná spoločnosť Slovensko, a.s.

(held the position from 8 December 2005 to 10 October 2006)

Ing. Peter KLIMENT

Member of the Board of Directors

Director of Human Resources Management
Department

of Železničná spoločnosť Slovensko, a.s.

(held the position from 8 December 2005 to 10 October 2006)

Ing. Milan CHÚPEK

Chairman of the Board of Directors

Director General

of Železničná spoločnosť Slovensko, a.s.

(from 11 October 2006 to 31 December 2006)

Ing. Pavol GÁBOR

Vice-Chairman of the Board of Directors

Economy Division Director

of Železničná spoločnosť Slovensko, a.s.

(from 16 October 2006 to 31 December 2006)

Ing. Igor KRŠKO

Member of the Board of Directors

Operation Division Director

of Železničná spoločnosť Slovensko, a.s.

(from 11 October 2006 to 31 December 2006)

Ing. Ján KOVÁČIK

Member of the Board of Directors

Services Division Director

of Železničná spoločnosť Slovensko, a.s.

(from 11 October 2006 to 31 December 2006)

Ing. Michal VEREŠ

Member of the Board of Directors

Strategy Department Director

of Železničná spoločnosť Slovensko, a.s.

(from 11 October 2006 to 31 December 2006)

Supervisory Board

The Supervisory Board is the supreme control body of the company. It supervises the activities of the Board of Directors and business activities of the company. It consists of six members.

Ing. Ján KOTULA

Chairman of the Supervisory Board

(from 1 January 2005 to 23 October 2006)

Ing. Dušan TURANOVIČ

Vice-Chairman of the Supervisory Board

(from 10 February 2005 to 23 October 2006)

Ing. Anton JABOREK

Member of the Supervisory Board

(from 1 January 2005 to 23 October 2006)

Ing. Štefan HLINKA

Member of the Supervisory Board

(from 1 January 2005 to 23 October 2006)

Ing. Stanislav BOŘUTA

Chairman of the Supervisory Board

(from 24 October 2006 to 31 December 2006)

Mgr. Matej AUUGUSTÍN

Member of the Supervisory Board

(from 24 October 2006 to 31 December 2006)

JUDr. Miroslav BALÁŽ

Member of the Supervisory Board

(from 24 October 2006 to 31 December 2006)

Ing. Miloš MOJŠ

Member of the Supervisory Board

(from 24 October 2006 to 31 December 2006)

Mgr. Jozef SCHMIDT

Member of the Supervisory Board

(from 1 January 2005 to 31 December 2006)

Ján GRIEČ

Member of the Supervisory Board

(from 1 January 2005 to 31 December 2006)

Scope of Activity

ZSSK performs transport and commercial activities by rail. The scope of activity of the company is as follows:

- 1) operation of transport on the railway network - national and regional railways,
- 2) advertising and promotional activity,
- 3) organization of education in the field of railway transport,
- 4) manufacturing of spare parts for machines and mechanisms,
- 5) purchase of goods for the purpose of their sale to other traders (wholesale trade),
- 6) purchase of goods for the purpose of their sale to the end consumer (retail trade),
- 7) intermediary activity within the scope of free trade,
- 8) lease of real estates including provision of supplementary services,
- 9) domestic irregular and bus traffic,
- 10) domestic freight road traffic,
- 11) exchange activities,
- 12) provision of software – sale of ready-made programmes under the contract with the author,
- 13) automated data processing,
- 14) counselling and consultancy in the field of hardware and software,
- 15) activity of accounting counsellors,
- 16) bookkeeping,
- 17) forwarding,
- 18) repairs of working machines,
- 19) repairs of road motor vehicles,
- 20) provision of mailing services,
- 21) lease of transport vehicles and mechanisms,
- 22) lease of consumer and industrial goods,
- 23) publishing activity within the free trade,
- 24) activity of the chief clearance agent,
- 25) metal working,
- 26) geodetic and cartographic works,
- 27) running of technical libraries,
- 28) procurement activity in the field of civil engineering,
- 29) administrative and photographic activity,
- 30) storage of goods, except for public bonded warehouse,
- 31) welding of rolling stock,
- 32) heat production,
- 33) carrying out of maintenance, inspections, repairs, reconstruction and revisions of the specified technical pressure devices,
- 34) carrying out of assemblies, inspections, repairs, maintenance, revisions, testing and servicing of the specified electric devices.

The company may run business activities in the scope stated above pursuant to the following:

- License no. 858/2005-ŠDÚ-ŠOD/Ks, file no. 0950/2007/L
- Trading License Reg. no. Žo-2005/12195/2/Z25 of 16 March 2005
- License Deed no. OŽP-A/2005/48837-2/CR1 of 12 December 2005
- License Deed no. Žo-2005/12193/2/Z25 of 16 March 2005
- Authorization no. 1308/2005-ŠDÚ-K, File no. K-24/2005 of 1 July 2005
- Authorization no. 3143/2005-ŠDÚ-E/Bt, File no. E-60/2005 of 23 December 2005
- Authorization for welding of rolling stock no. 1307/2005-ŠDÚ-Zv/Jg, Sl, Sa, File no. Zv-13/2005 of 18 May 2005
- Permission of the Regulatory Office for Network Industries no. 2005T 0017 of 10 October 2006

Passenger Transport

During the year 2006 **47,021 thousand passengers** were transported by rail, which meant reduction by 5,507 thousand passengers against the plan, i.e. the fulfilment of the plan in 89.5 %. In comparison with the last year 2,034 thousand passengers less were transported, i.e. decrease by 4.15 %, out of which:

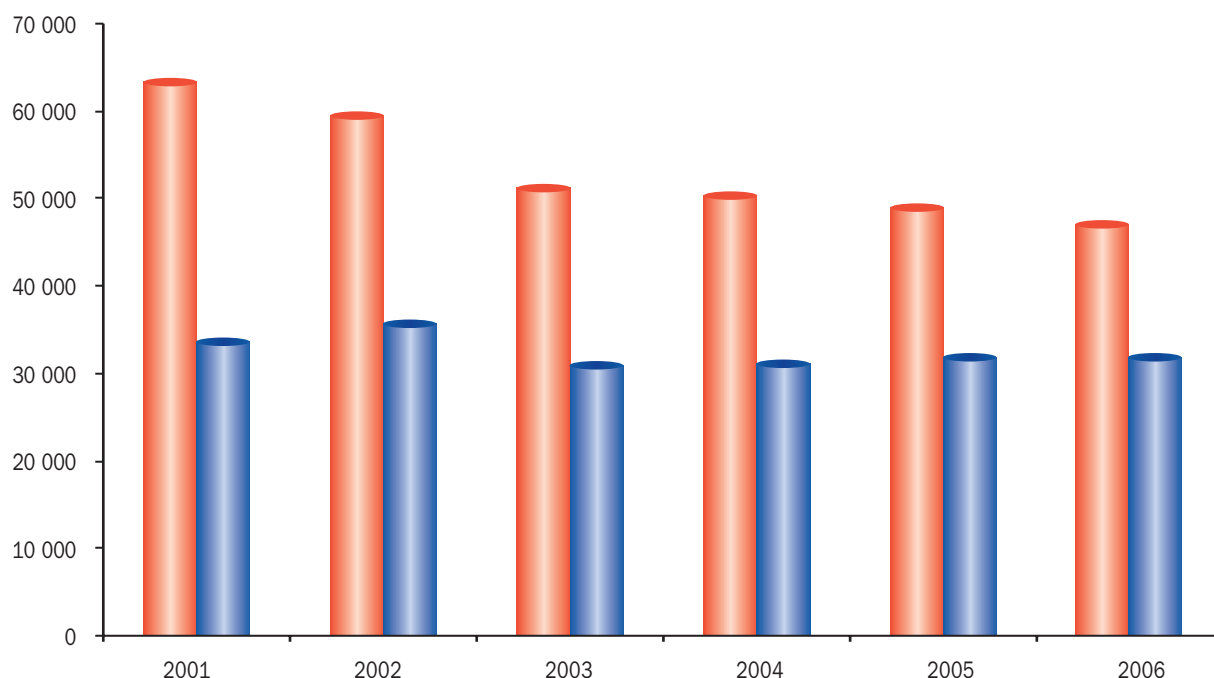
- the domestic traffic recorded reduction of passengers against the plan by 5,726 thousand (-11.48 %) and the inter-annual reduction by 2,428 thousand passengers (-5.21 %),
- the international traffic recorded increase against the plan by 219 thousand passengers (+8.25 %) and inter-annual increase by 395 thousand passengers (+15.95 %).

The total transport volume in **passenger-kilometres** for the year 2006 amounted to **2,194,180 thousand**, which meant reduction by 381,909 thousand (-14.8 %) against the plan. In comparison with the last year the transport volume increased by 27,963 thousand (+1.3 %).

The total transport volume in **train-kilometres** for the year 2006 amounted to **31,982,616 train-kilometres**, which meant increase by 263,616 train-kilometres (0.83 %) against the plan. In comparison with the last year the transport volume increased by 227,883 train-kilometres (+ 0.72 %).

Development of volumes in passenger transport:

Total passenger transport (Unit)	2001	2002	2003	2004	2005	2006	2006/2005
Transport volume (million passenger-kilometres)	2,805.4	2,682.3	2,315.6	2,227.3	2,166.2	2,194.2	101.29 %
Passengers (million)	63.473	59.430	51.274	50.268	49.054	47.021	95.86 %
Transport volume (million train-kilometres)	33.70	35.58	30.83	31.14	31.75	31.98	100.72 %



- Transported passengers (in million)
- Transported volumes (in million train-kilometres)

Unfulfilled plan as regards the number of transported passengers as well as passenger-kilometres in 2006 was caused by:

- traffic limitations due to the modernisation of corridor V., causing, besides longer journey times, also delays of IC trains by 15 – 40 minutes, fast trains by 20 – 60 minutes and local trains by 10 – 30 minutes,
- extended and long-term closure of other line sections, with a necessary change to a supplementary bus transport and subsequent shift of customers to a different transport mode,
- strong competition as regards prices and quality of services provided by various bus companies – Student agency, Nobless line etc., with ZSSK not being able to compete with its prices and offer of services,
- strong competition as regards the speed, quality as well as price of transport services by low-charge plane companies, mainly Skyeurope – special offer for students on the route Košice-Bratislava for SKK 495 starting in November,
- low quality of the rolling stock, especially of local and extraordinary support trains in peak periods. ZSSK is able to provide sufficient capacity and quality of services in weak days, while in case of enhanced requirements of passengers in strong days, the rolling stock fleet is not sufficient and of poor quality. In such case the company is forced to use carriages at its disposal,
- due to natural forces (floods, landslides on tracks etc.) and related long-term traffic limitations,
- insufficient hygiene and cleanliness of trains, design and cleanliness of stations.

The decisive qualitative indicator in passenger transport - observation of the train timetable – was set under the PSO contract as 94.0 %. The limit of timetable fulfilment stipulated by the MTPT SR was 90.00 %. In 2006 ZSSK fulfilled this indicator in 94.48%, which was a result better by 4.48 % as compared to the set limit, and by 0.48% better as compared to the PSO limit.

Type of train	Fulfilment of the train timetable (%)			Limit observation in %	Actual fulfilment year 2005	Index 2006/2005
	Contract 2006*	Reality 2006	Difference			
– international fast trains	85.50	87.42	1.92	102.25	92.07	0.95
– domestic fast trains	80.50	82.53	2.03	102.52	92.13	0.90
– passenger express and slow trains	93.20	94.89	1.69	101.81	97.33	0.97
Total passenger transport	90.00	94.48	4.48	104.98	96.89	0.98

* acceptable limit in terms of the letter of the MTPT SR no. 1706-2200/2006 of 24 August 2006

International Activities

International activities of Železničná spoločnosť Slovensko, a.s. in 2006 continued to be driven by the aim to establish the company as an independent rail passenger operator on European and domestic transport market. Železničná spoločnosť Slovensko, a.s. participated in the activities of international organisations active on regional level (G-4, V-4) and broader European and worldwide level (CER, UIC, OSJD).

2006 was an important year of implementation of European Community legislation regarding liberalisation of the transport sector and interoperability of conventional rail systems. Company representatives actively participated in the revision of drafted proposals of national version of the Technical Specifications of Interoperability, in close cooperation with experts of MTPT, ŽSR and Železničná spoločnosť Cargo Slovakia, .a.s. Besides technical issues, a crucial theme for railway experts on legislation dealing with trade and rail operation was the so-called Third Railway Package. They exchanged their viewpoints and experience as regards application of the draft Regulation on passengers rights at a conference with participation of representatives of the European Commission, the European Parliament and international railway organisations, which took place in Paris in September. As regards the Regulation on passengers' rights, ZSSK cooperated also with the Ministry of Transport, Posts and Telecommunications, which represents Slovakia in the relevant European institutions.

In cooperation with the International Union of Railways (UIC) the employees of ZSSK participated in the starting phase of HyRAIL project. The project is financed by the European Commission and its aim is to develop possibilities for use of alternative fuels in railway sector, as the diesel consumption is still rather high in both passenger and freight rail transport. Due to a direct participation in the project ZSSK has the access to important research activities and new facts in European or worldwide context.

Another important activity in 2006 was participation of the company in preparation of the National Strategic Reference Framework for the Slovak Republic. This document lays down the main priorities of Slovakia for use of the financial aid from the EU funds in the period 2007 – 2013. As a new priority for public rail transport was introduced into the NSRF, the company will have the opportunity to purchase new rolling stock for regional and inter-regional passenger transport. In this context a very active cooperation and support of the Community of European Railway and Infrastructure Companies (CER) has to be emphasised and especially CER activities towards relevant European Commission departments. In this regard CER organised several meetings, and tried to coordinate also the approach and steps of individual countries planning to draw EU funds.

In the framework of bilateral relations of Železničná spoločnosť Slovensko, a.s. several bilateral meetings of Directors General of European railways were held in 2006. These meetings aimed to strengthen the cooperation in passenger transport, especially of railway undertakings from neighbouring states.

2006 may be considered successful as regards international activities, creating good conditions for their further development in the future.

Strategic Objectives of ZSSK

What is our mission?

- We create new mobility by shortening distances between people.
- Our success is measured by the satisfaction of customers who were persuaded by our alternative to individual car transport. We shall help people reach their destinations safely and comfortably, searching for solutions enabling them to spend their journey time as usefully as possible.
- Together with bus transport, we shall help regions to create an effective transport system supporting citizens' mobility towards work, culture, education, services, that is accessible to each and every citizen of the region, and has regard to his or her social conditions.
- Together with the partner railways we shall make use of the opportunity to support international cooperation and shall contribute to development of Euroregions.

Where do we stand now?

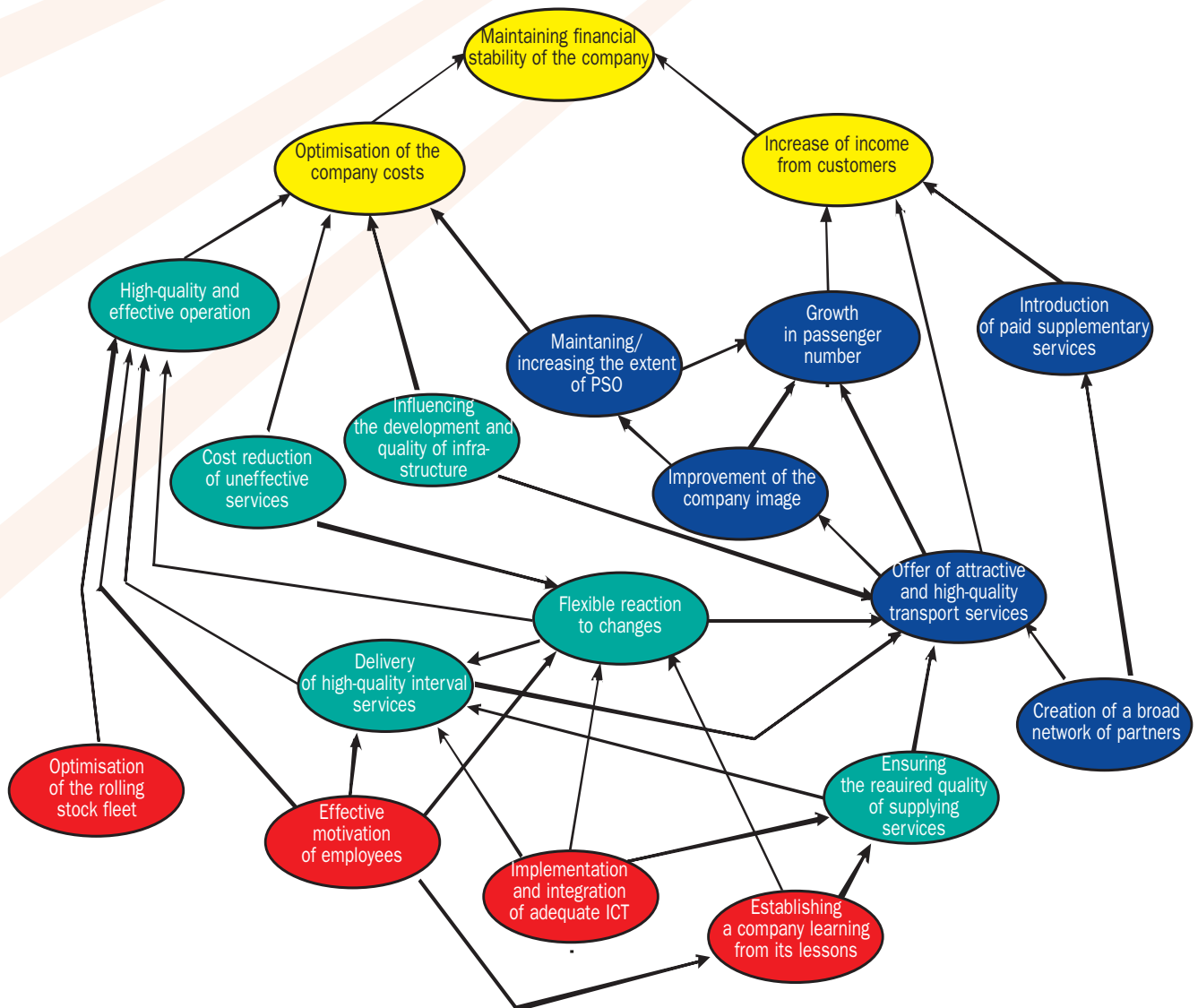
- We are living in a continuously changing and developing world. Customers and the society keep requiring increased mobility. They request, and we offer quality, mobility, space, safety and freedom of movement. We support this objective with new technologies enabling higher speeds and faster access to information and distribution.
- We are aware of the important role we are playing in Slovakia, which is also defined by the transport policy of the Slovak Republic and by its legislation.

Where are we heading?

- Our efforts lead to fulfilment of the main objectives – enhancement of quality and services and business activities that bring along growth in passenger volume and financial recovery of the company.
- ZSSK aims to become an even more customer-oriented company and a reliable passenger rail transport service provider. We want to be an important commercial company with public significance, organising effective transport for large flows of passengers, and providing high-quality services during journey. At the same time we want to become part of a compact public transport system. We strive to make the train an attractive travelling alternative to cars, and contribute in a major way to mobility of the country.
- By provision of high-quality and reliable services, oriented on the customer needs, we will create an effective backbone transport system in Slovakia, connected to routes abroad.
- We will create an environment of trust and openness externally and internally, so that the customers will perceive us as their partner for travelling.
- Change of orientation in regional transport may happen by an entry of a strategic partner, or establishment of joint ventures with other transport companies within regions. Based on an analysis, the future holds major opportunities for ZSSK in extension of train connections, more effective use of the current rolling stock fleet, while increasing the productivity of train crews.
- We will thoroughly reconsider connections between modes and will negotiate harmonisation with other public transport systems.

Strategic map for the period of 2007 – 2013

- Financial aims
- Customer-oriented aims
- Organisation-oriented aims
- Resources-oriented aims



Human Resources

In 2006 the emphasis, as regards human resources management, was put on development of human resources management strategy for the period 2006 – 2013.

The planned number of employees as on 31 December 2006 was 4,946, the actual number was 4,893.

As compared to 2005, when ZSSK had 4,775 employees, the figure rose by 118 employees especially due to the need to cover new activities in the train operation – the coach inspectors.

	2005	2006
Total no. of ZSSK employees	4,775	4,893
Managing processes	77	77
Business Division	1,208	1,203
Operation Division	3,137	3,253
Economy Division	142	145
Services Division	211	215

Sex of the employees	2005	2006
Men	2,889	3,014
Women	1,886	1,879

In 2006 the company provided work positions for 9 university graduates, who were accepted within the graduate programme.

The average wage in the company in 2006 reached the amount of SKK 21,186, which is an increase by SKK 1,437 as compared to 2005, i.e. by 7.28 %.

Age structure of the employees in 2006

Out of the total number of the employees (4,893), 358 were at the age of 18 – 29 (7.32 %), 1,415 employees at the age of 30 – 39 (28.92 %), 1,671 employees at the age of 40 – 49 (34.15 %), 1,426 employees at the age of 50 – 59 (29.14 %), 20 employees were at the age of 60 – 62 (0.41 %) and 3 employees were above 62 (0.06 %).

The facts above show a negative trend in the age structure. The number of employees in the older age categories, above 50, has been growing, especially in the professions providing operation activities. The tendency in the future shall be a gradual improvement of the age structure, mainly in the profession of train drivers.

Education structure of the employees in 2006

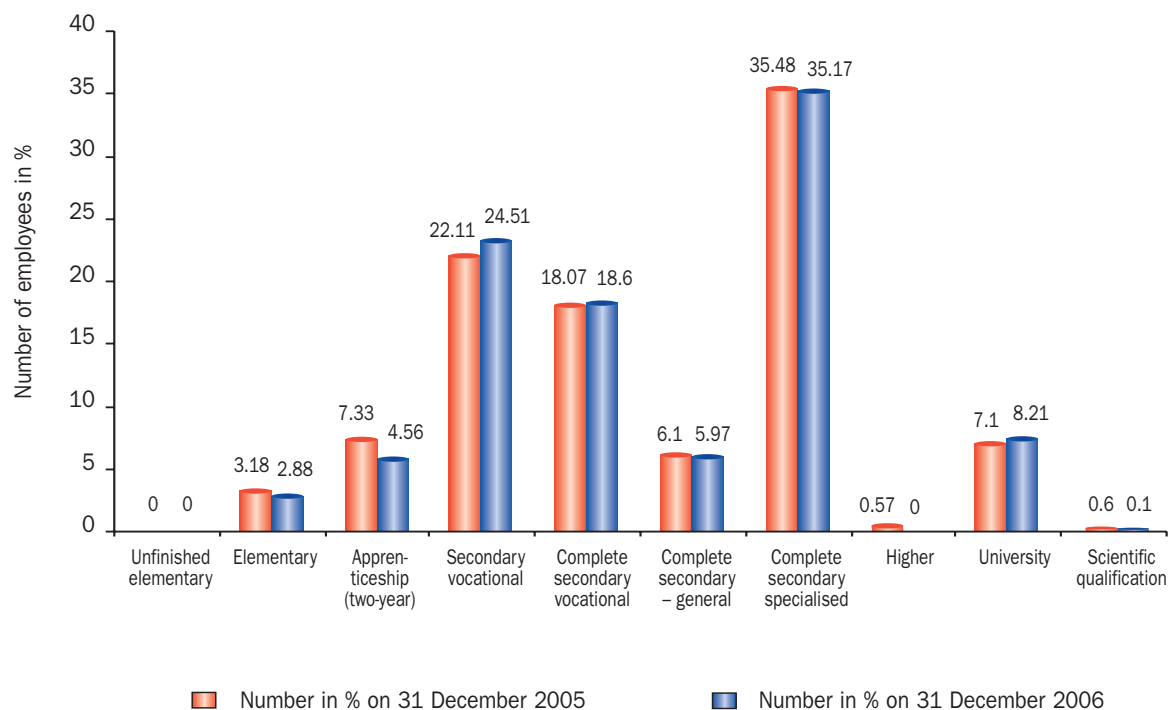
As regards the education structure, in 2006 the company, as on 31 December 2006 employed 141 employees with elementary education (2.88 %), 223 employees with two-year apprenticeship (4.56 %), 1,199 employees with secondary education (24.51 %), 910 employees with full upper secondary education with specialisation (18.6 %), 292 employed with full upper secondary education without specialisation (5.97 %), 1,721 employees with full upper secondary education at vocational schools (35.17 %), 402 employees with university degree (8.21 %) and 5 employees with scientific qualification (0.1 %).

This data shows that in 2006 the number of employees with university degree increased. On the contrary, the number of employees with elementary education decreased by 11 employees.

Age structure of ZSSK employees in 2006 (December 2005 – December 2006)



Comparison of education structure of the employees in 2006, comparison December 2005 – December 2006



Business Results

Economic results

(pursuant to Slovak Accounting Standards)

In 2006 ZSSK achieved a total profit of SKK 9,801,407 thousand, while the costs amounted to SKK 9,895,910 thousand. The economic result of ZSSK was a loss in the amount of SKK 94,503 thousand, which was lower against the plan (a loss of SKK 990,000 thousand) by SKK 895,497 thousand.

(million SKK)

	Plan 2006	Actual figures 2006	Difference against plan	% of fulfilment
Costs	9,211.0	9,895.9	684.9	107.44 %
Revenues	8,221.0	9,801.4	1,580.4	119.22 %
Profit/Loss	-990.0	-94.5	895.5	

The economic result of ZSSK in 2006 was affected by:

- costs higher by SKK 684,937 thousand
- revenues higher by SKK 1,580,434 thousand

Costs – development against the plan:

Consumed purchases:

- consumption of material grew by SKK 3,636 thousand,
- consumption of diesel oil declined by SKK 12,328 thousand,
- energy consumption declined by SKK 5,930 thousand, of which traction energy consumption declined by SKK 15,236 thousand and other energy consumption decreased by SKK 9,306 thousand,
- costs on sold goods were reduced by SKK 1,011 thousand.

Total services:

- repairs and maintenance grew by SKK 94,833 thousand,
- travelling expenses grew by SKK 780 thousand,
- representation costs decreased by SKK 357 thousand,
- other service together decreased by SKK 220,428 thousand.

Personnel costs:

- wage costs increased by SKK 6,518 thousand,
- statutory social security costs decreased by SKK 16,047 thousand,
- other social security increased by SKK 246 thousand,
- statutory social costs (account no. 527) grew by SKK 808 thousand,
- other social costs were reduced by SKK 2 thousand.

Taxes and charges:

- other taxes and charges decreased by SKK 3,572 thousand,
- property tax decreased by SKK 39 thousand,
- road tax declined by SKK 3 thousand.

Other operating costs:

- residual price of sold long-term tangible and intangible property decreased by SKK 130,347 thousand,
- sold material grew by SKK 10,339 thousand,
- contractual charges, penalties and interests on overdue payment grew by SKK 1,016 thousand,
- other operating costs grew by SKK 9,010 thousand.

Outside the plan:

- other charges, penalties and interests on overdue payment and write-offs in the amount of SKK 126 thousand,
- presents/donations in the amount of SKK 160 thousand,
- deficits and damages in the amount of SKK 1,272 thousand.

Depreciation, reserves and adjusting entries to operating costs:

- depreciation of long-term intangible and tangible assets increased by SKK 10,424 thousand,
- creation of statutory and other reserves grew by SKK 660,350 thousand,
- creation of statutory and other adjusting entries outside the plan in the amount of SKK 13,457 thousand.

Total financial costs, reserves and adjusting entries to financial costs:

- interests decreased by SKK 29,347 thousand,
- exchange-rate loss grew by SKK 205,206 thousand,
- other financial costs grew by SKK 839 thousand,

Outside the plan:

- costs on sold securities and shares in the amount of SKK 484 thousand, sale of 20 shares of WGS Košice
- costs on derivative operations in the amount of SKK 78,583 thousand,
- deficits and damages to financial property in the amount of SKK 19 thousand,
- creation of reserves to financial costs in the amount of SKK 6,311 thousand.

Extraordinary costs – planned in the amount of SKK 69 thousands were not used.

Revenues – development against the plan:**Revenues from own performance and goods:**

- revenues from transport decreased by SKK 275,997 thousand,
- revenues from sale of services grew by SKK 126,695 thousand,
- revenues from goods decreased by SKK 666 thousand.

Other operation yields:

- revenues from sale of long-term tangible and intangible property decreased by 153 967,
- revenues from sale of material increased by SKK 6,022 thousand,
- compensations for public service obligations in passenger transport grew by SKK 706,000 thousand,
- other operating revenues grew by SKK 36,337 thousand,
- other and contractual charges and penalties, as well as revenues from written-off receivables credited outside the plan in the amount of SKK 6,586 thousand.

Capitalisation:

- capitalisation of property, goods and services grew by SKK 2,280 thousand,
- capitalisation of long-term tangible property accounted outside the plan in the amount of 1,021 thousand SKK.

Reserves and adjusting entries to operating revenues

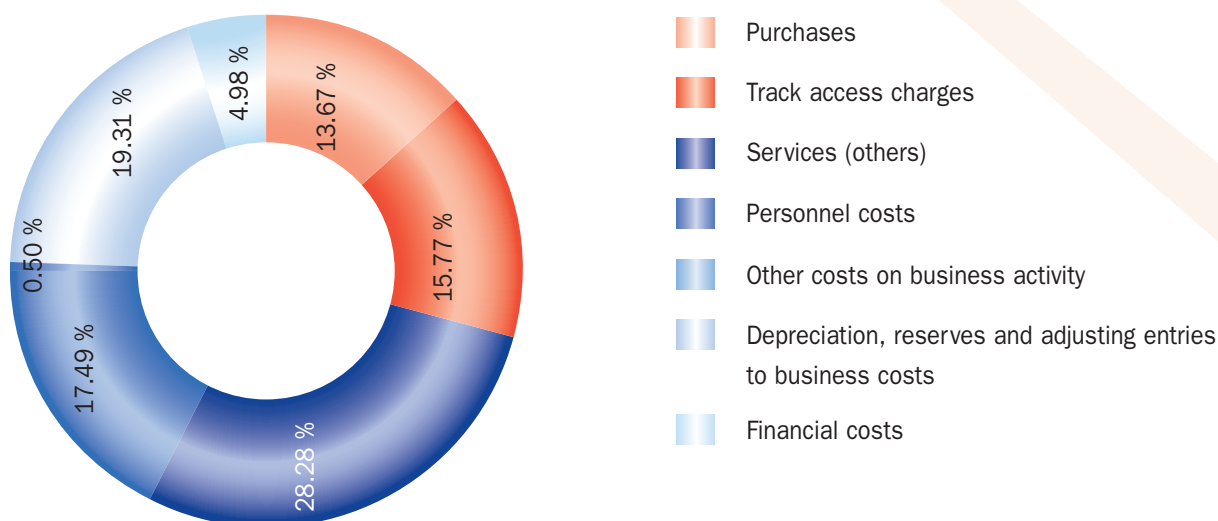
- accounting of statutory reserves grew by SKK 476,224 thousand,
- accounting of other reserves, outside of plan, in the amount of SKK 4,274 thousand and statutory adjusting entries in the amount of SKK 443 thousand.

Financial revenues, reserves and adjusting entries to financial revenues:

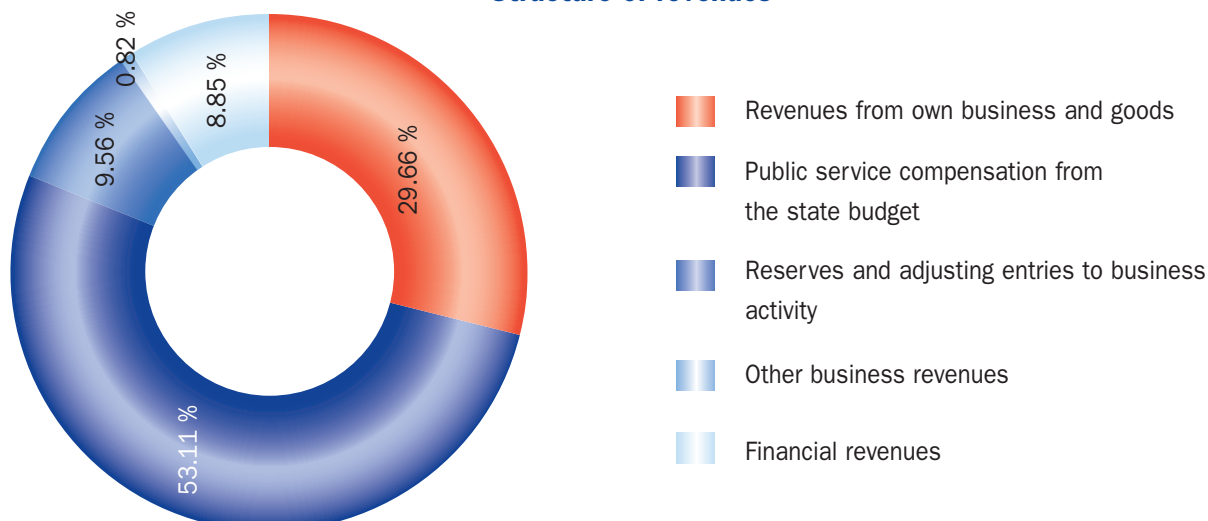
- revenues from long-term financial property grew by SKK 472 thousand (dividends of Eurofima),
- revenues from derivative and swap operations grew by SKK 11,030 thousand,
- other financial revenues increased by SKK 799 thousand,
- outside plan interests on revenues in the amount of SKK 2,946 thousand,
- revenues from sold securities and shares in the amount of SKK 600 thousand, sale of 20 shares of WGS Košice,
- exchange-rate profit in the amount of SKK 639,335 thousand.

Extraordinary revenues – plan in the amount of SKK 10,000 thousand was not fulfilled, ZSSK did not receive EU funding for education of front-office employees.

Structure of costs



Structure of revenues



Use of Contractual Compensation of the Loss for PSO in 2006

	2006 (in thousand SKK)
ŽSR – track access charges	1,787,607
ŽSR – traction energy	824,296
ŽSR – other services, telecommunications	25,116
ŽSR total	2,637,019
ZSSK Cargo – traction energy	42,089
ZSSK Cargo – repairs and maintenance	797,828
ZSSK Cargo – technical preparation + other services	588,867
ZSSK Cargo total	1,428,784
Substitute bus transport	8,958
Services of WGS	92,919
Euroclean – cleaning of coaches	41,821
Personnel costs (wages + insurance)	996,599
Total use	5,206,000
Compensation for PSO in 2005	5,206,000

In terms of the Budget Provision of the Ministry of Finance of the Slovak Republic in 2006 ZSSK was allocated means from the state budget in the amount of SKK 5,206.0 million, out of which SKK 1,831.0 million were allocated in the 4th quarter of the year.

Transfer of assets in 2006

Sale of immovable property

Subject	Price in SKK	Approved by a decision of the shareholder
Sale of a property share of ZSSK in WGS Košice, a. s. buyer – JUDr. Igor Cap	600,000	no. 98/RA-2005, on 22 December 2005

Data on remunerations of the statutory and supervisory bodies of ZSSK

Income of body members (gross) in thousand SKK	2006
Members of the Board of Directors (the statutory body)	1,284
Members of the Supervisory Board (the control body)	1,345

Acquisition of Long-Term Tangible and Intangible Assets

The decision of the sole shareholder – MTPT SR, file no.: 97/ RA-2005, of 20 December 2005, approved investment expenses in the Investment Plan of ZSSK for 2006 in the amount of SKK 1,529,406 thousand. In compliance with the competencies of the Board of Directors of ZSSK, the limit was reduced by a resolution of the Board of Directors of ZSSK no. 163/2006 of 27 November 2006 to the amount of SKK 1,461,462 thousand.

Type of investment	Volumes approved by the Board of Directos in thousand SKK	Accounted in SAP R/3 in 2006 in thousand SKK	% accounted out of annual volume	Investments into long-term tangible and intangible assets in thousand SKK
Passenger coaches	1,125,230	1,056,410	93.88	841,252
Motive power units	52,914	49,617	93.77	41,276
IT + SZNR	58,440	39,807	68.12	16,497
Buildings	71,800	15,856	22.08	1,333
Intangible investments	153,078	142,782	93.27	150,250
Total	1,461,462	1,304,472	89.26	1,050,608

The investments were procured in accordance with the Investment Plan for 2006 and were funded from own resources in the amount of SKK 363,347 thousand, and from foreign sources (EUROFIMA) in the amount of SKK 941,126 thousand.

The integration of investments into accounting and assets of individual units was done gradually after completion of projects and after delivery of rolling stock, in accordance with the time schedules and delivery deadlines agreed contractually with the suppliers. In the course of the year 2006 investments in the total amount of SKK 1,050,608 thousand were used, of which investments originating in 2006, including reconstruction of rolling stock carried out in 2006, in the total amount of SKK 894,365 thousand.

Data on development (in thousand SKK)

Indicator	As on 31 December 2005	As on 31 December 2006
Research costs	2,717	3,919
Development costs, capitalized*)	423	222
Total	3,140	4,141

*)The difference as compared to 31 December 2005 is caused by re-accounting intangible assets to the account 022/3000 (transport vehicles) in the amount of SKK 201 thousand.

Research and development activities in the conditions of ZSSK focus on preparation of studies, outlook technical documentation and tasks related to development of science and technologies. They should serve mainly to support strategic planning and decision-making, as well as to support technical and investment development of the company (introduction of new technologies and innovative methods).

This documentation serves as the first information for strategic and investment decision-making, as it includes analyses and assessment of the actual conditions, and proposes possible solutions. Work on technical tasks results in a comprehensive project documentation, if necessary also in a prototype.

In 2006 the studies concentrated on:

- drafting of company strategy, preparation of documentation for strategic decisions,
- verification of functionality of tariffs points; assessment and justification for construction of new railway stops and their potential localisation,
- preparation and carrying out of energy dispatching project and traction energy consumption measuring system aboard motive power units,
- tests on braking bench – homologation of brake lining “FRENOPLAST” for international operation,
- establishment of a testing programme for non-metallic LL brake block and tests of selected brake blocks within the UIC B126.17 project,
- drawing documentation for the third light on the motive power unit,
- hydro-geologic research.

Ownership Interests of ZSSK (as on 31 December 2006)

Subject	Number of shares against equities as on 31 December 2006 (pieces)	Share against equities in %	Acquisition price of the ownership interest in thousand SKK	As on 31 December 2006
EUROFIMA	1,300	0.5 %	174,883	131,266
Bureau Central de Clearing, s. c. r. l. Brusel (BCC) **	1	0.66 %	32	25

Settlement of the book loss in 2006

In 2006 the book loss of ZSSK amounted to SKK 94,502,983.

Settlement of the loss:

In terms of § 7, point b) of the Resolution of the Ministry of Finance of the Slovak Republic no. 23054/2002-92 on accounting, it is possible to account the loss as the unsettled loss of previous years.

SPRÁVA NEZÁVISLÉHO AUDÍTORA

Pre akcionárov spoločnosti: Železničná spoločnosť Slovensko, a.s.
Rožňavská 1, 832 72 Bratislava

Správa o finančných výkazoch

Uskutočnili sme audit priložených finančných výkazov spoločnosti **Železničná spoločnosť Slovensko, a.s.**, ktoré obsahujú súvahu k 31. decembru 2006, výkaz ziskov a strát za rok vtedy sa končiaci, ako aj prehľad významných účtovných pravidiel a ďalších vysvetľujúcich poznámok.

Zodpovednosť manažmentu za finančné výkazy

Manažment zodpovedá za zostavenie a objektívnu prezentáciu týchto finančných výkazov v súlade s národnými výkazmi pre finančné vykazovanie. Jeho zodpovednosť zahŕňa: návrh, implementáciu a zachovávanie internej kontroly relevantnej na prípravu a objektívnu prezentáciu finančných výkazov, ktoré neobsahujú významné nesprávnosti, či už v dôsledku podvodu alebo chyby; výber a uplatňovanie vhodných účtovných pravidiel; a vytvorenie účtovných odhadov primeraných za daných okolností.

Zodpovednosť audítora

Našou zodpovednosťou je vyjadriť názor na tieto finančné výkazy na základe nášho auditu. Náš audit sme uskutočnili v súlade s Medzinárodnými audítorskými štandardmi. Podľa týchto štandardov máme dodržiavať etické požiadavky, naplánovať a vykonať audit tak, aby sme získali primerané uistenie, že finančné výkazy neobsahujú významné nesprávnosti.

Súčasťou auditu je realizácia postupov na získanie audítorských dôkazov o sumách a údajoch vykázaných vo finančných výkazoch. Zvolené postupy závisia od rozhodnutia audítora vrátane posúdenia rizika významných nesprávností vo finančných výkazoch, či už v dôsledku podvodu alebo chyby. Pri ohodnotení tohto rizika audítor zvažuje internú kontrolu relevantnú na zostavovanie a objektívnu prezentáciu finančných výkazov, aby mohol navrhnúť audítorské postupy vhodné za daných okolností, nie však za účelom vyjadrenia názoru na účinnosť internej kontroly účtovnej jednotky. Audit ďalej obsahuje zhodnotenie vhodnosti použitých účtovných pravidiel a primeranosti významných účtovných odhadov vytvorených manažmentom, ako aj zhodnotenie prezentácie finančných výkazov ako celku. Sme presvedčení, že audítorské dôkazy, ktoré sme získali, sú dostatočné a vhodné ako východisko pre náš názor.

Názor

Podľa nášho názoru finančné výkazy poskytujú pravdivý a objektívny pohľad na finančnú situáciu spoločnosti k 31. decembru 2006 a na výsledky jej hospodárenia a peňažné toky za rok vtedy sa končiaci v súlade s národnými štandardmi pre finančné vykazovanie.

Bez vplyvu na náš názor upozorňujeme na nasledovné záležitosti týkajúce sa výkazov:

- Spoločnosť eviduje kumulované daňové straty vo výške cca 2,6 mld. Sk. V zmysle § 10 opatrenia ministerstva financií SR č. 23054/2002-92, ktorým sa ustanovujú podrobnosti o postupoch účtovania a rámcovej účtovej osnove pre podnikateľov účtujúcich v sústave podvojného účtovníctva v znení neskorších zmien a doplnkov spoločnosť rozhodla neúčtovať o odloženej daňovej pohľadávke z potenciálnej možnosti umorovania daňových strát v budúcnosti, tak ako je uvedené na strane 25 v poznámkach k účtovnej závierke v bode J.a). Okrem dopadov odloženej dane z prírastku majetku, záväzkov a účtov vlastného imania vzniká totiž odložený daňový záväzok z titulu rozdielov medzi účtovnou hodnotou majetku (zostatkovou cenou korigovanou o trvalé rozdiely z titulu precenenia majetku pri vzniku spoločnosti) a ich daňovou základňou, avšak nie je pravdepodobná dosiahnuteľnosť základu dane, voči ktorému by bolo možné vyrovnanie celej odloženej daňovej pohľadávky.
- Spoločnosť naďalej eviduje nedoriešené vzťahy týkajúce sa majetku vyplývajúce z rozdelenia Železničnej spoločnosti a.s. k 01. 01. 2005 ako je uvedené na strane 27 v poznámkach k účtovnej závierke v bode K.b).
- Spoločnosť zaúčtovala v roku 2006 v zmysle záverov auditu rezervu na zamestnanecké požitky vo výške cca 190 mil. Sk, z toho z titulu korekcie roka 2005 na ťarchu výsledkov hospodárenia minulých rokov (účet 429 – Nerozdelené straty minulých rokov) sumu 51 mil. Sk.

V Prešove, dňa 21. marca 2007



ACCEPT AUDIT & CONSULTING, s.r.o.
Októbrova 35, 080 01 Prešov
licencia SKAU č. 000124
OR OS Prešov, vl.č. 2365/P

Zodpovedný audítor:
Ing. Ivan Bošela, PhD.
licencia SKAU č. 000161

INDEPENDENT AUDITOR'S REPORT

For the shareholders of: Železničná spoločnosť Slovensko, a.s.
Rožňavská 1, 832 72 Bratislava

Report on financial statements

We have audited the accompanying financial statements of the joint-stock company **Železničná spoločnosť Slovensko, a.s.**, including the balance sheet as on 31 December 2006, profit and loss statement for the year then ended, as well as overview of the important accounting rules and other explanatory remarks.

Responsibility of the management for the financial statements

The management of the company is responsible for elaboration and objective presentation of these financial statements in compliance with the national rules for financial accounting. This responsibility includes: drafting, implementation and maintenance of internal control relevant for preparation and objective presentation of the financial statements, which shall not contain material inconsistencies, whether due to fraud or mistake, choice and application of suitable accounting rules and principles, and preparation of accounting estimates adequate for the given situation.

Responsibility of the auditor

Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with the International Standards on Auditing. Those standards require of us to maintain ethical requirements, to plan and conduct the audit so as to acquire sufficient assurance that the financial statements do not contain material inconsistencies.

The audit comprises undertaking steps in order to obtain audit evidence on amounts and the data stated in the financial statements. The methods chosen depend on the decision of the auditor, as well as the risk assessment as regards serious inconsistencies in the financial statements, either due to fraud or mistake. When assessing this risk the auditor considers the internal control relevant for preparation and objective presentation of the financial statements, in order to be able to propose auditing methods suitable for the given situation, however, not with the aim to express opinion on the effectiveness of the internal control of the accounting unit. Furthermore, the audit consists of evaluation of suitability of the applied accounting principles and adequateness of significant accounting estimates stated by the management, as well as assessment of the overall presentation of the financial statements. We are convinced that the auditing evidence that we obtained is sufficient and suitable as a basis for expressing our opinion.

Opinion

In our opinion, the financial statements present truthful and objective overview of the financial situation of the company as on 31 December 2006, as well as of the economic results and financial flows for the year then ended, in accordance with the national standards of accounting.

Without prejudice to our opinion, we draw attention to the following issues:

- The company shows cumulated tax loss in the amount of ca SKK 2.6 billion. In terms of the § 10 of the Measure of the Ministry of Finance of the Slovak Republic no. 23054/2002-92 on stipulation of details of accounting procedures and framework chart of accounts for entrepreneurs keeping double-entry accounting as amended, the company decided not to bring to book a deferred tax obligation resulting from a potential possibility to amortise tax losses in the future, as stated on page 25 in the Notes to financial statements, in the point J.a). Besides the impacts of the deferred tax on access of wealth, obligations and accounts of the stockholders' equity, there arises a deferred tax obligation due to differences between the accounting value of the assets (residual price adjusted by permanent differences due to re-evaluation of the assets at the establishment of the company) and their tax basis, however, it is not likely to achieve such a tax basis that would enable to settle the total deferred tax obligation.
- The company still has unsettled property relations resulting from the split-up of Železničná spoločnosť a.s. as of 1 January 2005, as stated on page 27 of the Notes to the financial statements, in the point K.b).
- In 2006 the company brought to book a reserve for employees' perquisites in the amount of ca SKK 190 million in terms of the audit results, out of which an amount of SKK 51 million was due to corrections for 2005 to the debit of the economic results of previous years (account 429 – Accumulated loss from previous years).

In Prešov, on 21 March 2007

ACCEPT AUDIT & CONSULTING, s.r.o.
Októbrová 35, 080 01 Prešov
Licence SKAU no. 000124
Commercial Register of the District Court of Prešov,
Entry no. 2365/P

Responsible auditor:
Ing. Ivan Bošela, PhD.
Licence SKAU no. 000161

Balance Sheet (Slovak Accounting Standards)

Description a	ASSETS SIDE b	Line no. c	Current accounting period			Immediately preceding account- ing period Net 4
			Gross 1	Adjustment 2	Net 3	
	Total assets line 002 + line 003 + line 032 + line 062	001	15,363,036	1,315,677	14,047,359	13,125,343
A.	Receivables for the subscribed shareholders_ equity (353)	002	0		0	0
B.	Fixed assets line 004 + line 013 + line 023	003	13,842,965	1,299,680	12,543,285	11,950,655
B.I.	Long-term intangible assets, sum total (lines 005 to 012)	004	260,637	27,140	233,497	23,070
B.I.1.	Organisation costs (011) - /071, 091A/	005	0	0	0	0
2.	Capitalized development costs (012) - /072, 091A/	006	222	147	75	296
3.	Software (013) - /073, 091 A/	007	250,597	26,214	224,383	19,145
4.	Valuable rights (014) - /074, 091A/	008	1,818	779	1,039	667
5.	Goodwill (015) - /075, 091A/	009	0	0	0	0
6.	Other long-term intangible assets (019, 01X) - /079, 07X, 091A/	010	0	0	0	0
7.	Acquired long-term intangible assets (041) - 093	011	8,000	0	8,000	0
8.	Advance payment for long-term intangible assets (051) - 095A	012	0	0	0	0
B.II.	Long term tangible assets, sum total (line 014 to 022)	013	13,451,036	1,272,540	12,178,496	11,779,005
B.II.1.	Land (031) - 092A	014	100,699	0	100,699	100,699
2.	Buildings (021) - /081, 092A/	015	227,450	11,651	215,799	220,362
3.	Independent movable property and sets of movables property (022) - /082, 092A/	016	12,857,709	1,260,889	11,596,820	11,232,483
4.	Perennial corps (025) - /085, 092A/	017	0	0	0	0
5.	Livestock and draught animals (026) - /086, 092A/	018	0	0	0	0
6.	Other long-term tangible assets (029, 02X, 032) - /089, 08X, 092A/	9 01	0	0	0	3,911
7.	Acquired long-term tangible assets (042) -094	020	212,978	0	212,978	199,083
8.	Advance payment for long-term tangible assets (052) -095A	021	52,200	0	52,200	22,467
9.	Adjusting entry to the acquired assets (+/-097) +/-098	022	0	0	0	0
B.III.	Long-term Financial Investments, sum total (line 024 to 031)	023	131,292	0	131,292	148,580
B. III.1..	Shares and ownership interests in subsidiaries (061) - 096A	024	0	0	0	0
2.	Shares and ownership interests in associates (with substantial influence (062) - 096A	025	0	0	0	0
3.	Other long-term securities and shares (063, 065) - 096A	026	131,292	0	131,292	0
4.	Loans to accounting entity in consolidation field (066A) - 096A	027	0	0	0	0
5.	Other long-term financial assets (067, 069, 06XA) - 096A	028	0	0	0	0
6.	Loans with maturity period max. 1 year (066A, 067A, 06XA), - 096A	029	0	0	0	0
7.	Acquired long-term financial assets (043) = 096A	030	0	0	0	0
8.	Advance payment for long-term financial assets (053) - 095A	031	0	0	0	0

Description a	ASSETS SIDE b	Line no. c	Current accounting period			Immediately preceding account- ing period Net 4
			Gross 1	Adjustment 2	Net 3	
C.	Current (circulating) assets lines 033 + 041 + 048 + 056	032	1,512,149	15,997	1,496,152	1,171,902
C.I.	Total inventory (line 034 to 040)	033	176,596	0	176,596	170,206
C.I.1.	Material (112,119, 11X) - /191, 19X/	034	176,132	0	176,132	169,863
2.	Work-in-progress and semi-finished products (121,122, 12X) - /192,193, 19X/	035	0	0	0	0
3.	Customer manufacturing with anticipated period of completion longer than one year (12X, - 192A)	036	0	0	0	0
4.	Products (123) - 194	037	0	0	0	0
5.	Animals (124) - 195	038	0	0	0	0
6.	Goods (132, 13X, 139) - /196, 19X/	039	464	0	464	343
7.	Advance payments for inventory (314A) - 391A	040	0	0	0	0
C.II.	Total long-term receivables (line 042 to 047)	041	0	0	0	0
C.II.1.	Trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - 391A	042	0	0	0	0
2.	Receivables from controlled person and controlling person (351A) - 391A	043	0	0	0	0
3.	Other receivables within consolidated whole (351A) - 391A	044	0	0	0	0
4.	Receivables from partners, members and associations (354A, 355A, 358A, 35XA) - 391A	045	0	0	0	0
5.	Other receivables (335A, 33XA, 371A, 373A, 374A, 375A, 376A, 378A) - 391A	046	0	0	0	0
6.	Deferred tax receivables (481A)	047	0	0	0	0
C.III.	Total short-term receivables (line 049 to 055)	048	963,403	15,997	947,406	966,066
C.III.1.	Trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - 391A	049	725,977	15,997	709,980	462,414
2.	Receivables from controlled person and controlling person (351A) - 391A	050	0	0	0	0
3.	Other receivables within consolidated whole (351A) - 391A	051	0	0	0	0
4.	Receivables from partners, members and association (354A, 355A, 358A, 35XA, 398A) - 391A	052	0	0	0	0
5.	Social security (336) - 391A	053	0	0	0	0
6.	State tax receivables (341, 342, 343, 345) - 391A	054	236,843	0	236,843	281,696
7.	Other receivables (335A, 33XA, 371A, 373A, 374A, 375A, 376A, 378A) - 391A	055	583	0	583	221,956
C.IV.	Total financial accounts (line 057 to 061)	056	372,150	0	372,150	35,630
C.IV.1.	Cash in hand (211, 213, 21X)	057	4,632	0	4,632	3705
2.	Bank accounts (221A, 22X, +/- 261)	058	367,518	0	367,518	31,925
3.	Bank accounts bound for more than one year (22XA)	059	0	0	0	0
4.	Short-term financial assets (251, 253, 256, 257, 25X) - /291, 29X/	060	0	0	0	0
5.	Short-term financial assets in acquisition (259) - /291/	061	0	0	0	0
D.	Total accrued and deferred items (line 063 to 064)	062	7,922	0	7,922	2,786
1.	Deferred expenses (381, 382)	063	5,054	0	5,054	2,658
1.	Accrued revenues (385)	064	2,868	0	2,868	128
	Control number total (line 001 to 064)	888	61,444,223	5,262,710	56,181,513	52,498,590

Description	LIABILITY SIDE	Line no.	Current accounting period 5	Immediately preceding accounting period 6
a	b	c		
	Total shareholders_ equity and liabilities line 066 + line 086 + line 116	065	14,047,359	13,125,343
A	Shareholders_ equity line 067+ line 071+ line 078 + line 082 + line 085	066	7,043,334	7,290,292
A.I	Total share capital (line 068 to 070)	067	6,400,00	6,400,00
A.I.1.	Share capital (411 or +/-491)	068	6,400,000	0
2.	Own shares and own business shares (/-/252)	069	0	0
3.	Changes of share capital +/- 419	070	0	0
A.II.	Total capital funds (line 072 to 077)	071	1,290,178	0
A.II.1.	Share premium (412)	072	0	0
2.	Other capital funds (413)	073	782,392	782,392
3.	Legal reserve fund (Non-distributable fund) from capital contributions (417, 418)	074	630,000	0
4.	Asset and liability overvaluation difference in valuation (+/- 414)	075	-122,214	16,209
5.	Financial investments difference in valuation (+/-415)	076	0	0
6.	Merger and division overvaluation difference in valuation (+/- 416)	077	0	0
A.III.	Total funds from profit (line 079 to line. 081)	078	0	0
A.III.1.	Legal reserve fund (421)	079	0	0
2.	Non-distributable fund (422)	080	0	0
3.	Statutory and other funds (423, 427, 42X)	081	0	0
A.IV.	Business results of previous years (line 083 to. 084)	082	-552,341	-7,366
A.IV.1.	Retained earnings from previous years (428)	083		0
2.	Accumulated loss from previous years (/-/429)	084	-522,341	-7,366
A.V.	Business results of current accounting period /+ -/ line 001 - (line 067 + line 071 + line 078 + line 082 + line 086 + line 116)	085	-94,503	-530,943
B.	Liabilities line 087 + line 091 + line 102 + line 112	086	6,948,926	5,804,351
B.I.	Total reserves (line 088 to 090)	087	766,600	428,081
B.I.1.	Legal reserves (451A)	088	0	0
2.	Other long-term reserves (459A, 45XA)	089	189,658	0
3.	Short-term reserves (323, 32X, 451A, 459A, 45XA)	090	576,942	428,081
B.II.	Total long-term liabilities (line 092 to 101)	091	2,697,832	1,817,894
B.II.1.	Long-term trade liabilities (479A)	092	0	0
2.	Long-term unbilled deliveries (476A)	093	0	0
3.	Long-term liabilities to controlled person and controlling person (471A)	094	0	0
4.	Other long-term liabilities within consolidated whole (471A)	095	0	0
5.	Long-term advance payments received (475A)	096	0	0
6.	Long-term bills of exchange to be settled (478A)	097	0	0
7.	Issued bonds (473A /- 255A)	098	0	0
8.	Liabilities from social fund (472)	099	182	1,190
9.	Other long-term liabilities (474A, 479A, 47XA, 372A, 373A, 377A)	100	2,697,650	1,816,704
10.	Deferred tax liability (481A)	101	0	0

Description	LIABILITY SIDE	Line no.	Current accounting period	Immediately preceding accounting period
a	b	c	5	6
B.III.	Total short-term liabilities (line 103 to 111)	102	1,118,383	796,671
B.III.1.	Trade liabilities (321, 322, 324, 325, 32X, 475A, 478A, 479A, 47XA)	103	843,092	629,107
2.	Unbilled deliveries (326, 476A)	104	2,425	10,860
3.	Liabilities to controlled person and controlling person (361A, 471A)	105	0	0
4.	Other liabilities within consolidated whole (361A, 36XA, 471A, 47XA)	106	0	0
5.	Liabilities to partners and association (364, 365, 366, 367, 368, 398A, 478A, 479A)	107	0	0
6.	Liabilities to employees (331, 333, 33X, 479A)	108	87,768	89,832
7.	Liabilities from social security (336, 479A)	109	53,347	53,905
8.	Tax liabilities and subsidies (341, 342, 343, 345, 346, 347, 34X)	110	9,367	10,772
9.	Other liabilities (372A, 373A, 377A, 379A, 474A, 479A, 47XA)	111	122,384	2,195
B.IV.	Total bank loans and financial assistance (line 113 to 115)	112	2,366,111	2,761,705
B.IV.1.	Long-term bank loans (461A, 46XA)	113	1,667,225	1,050,055
2.	Current bank loans (221A, 231, 232, 23X, 461A, 46XA)	114	698,886	1,711,650
3.	Short-term financial assistance (241, 249, 24X, 473A, -/255A)	115	0	0
C.	Total accrued and deferred items (line 117 to 118)	116	55,099	30,700
C. 1.	Accrued expenses (383)	117	42,741	27,359
2.	Deferred revenues (384)	118	12,358	3,341
	Control number total (line 065 to 118)	999	56,228,840	53,001,620

Profit and Loss Statement (Slovak Accounting Standards)

Description a	Text b	Line no. c	Actual	
			current accounting period 1	immediately preceding accounting period 2
I.	Revenues from sale of goods (604)	01	1,434	1,772
A.	Acquisition costs for sold goods (504)	02	917	1,329
+	Trade margin line 01 - line 02	03	517	443
II.	Production line 05 + line 06 + line 07	04	2,909,087	2,683,015
II.1.	Revenues from sale of own products and services (601,602)	05	2,905,287	2,681,430
2.	Change of state of internal-organisational inventory (+/- accounting group 61)	06	0	0
3.	Capitalization (accounting group 62)	07	3,801	1,586
B.	Production consumption line 09 + line 10	08	5,711,104	5,631,148
B.1.	Consumption of material, energy and other non-storable deliveries (501, 502, 503)	09	1,351,760	1,238,367
B.2.	Services (accounting group 51)	10	4,359,344	4,392,780
+	Added value line 03 + line 04 - line 08	11	-2,801,500	-2,947,689
C.	Total personnel costs line 13 to 16	12	1,730,482	1,589,951
C.1.	Wage costs (521,522)	13	1,238,163	1,129,001
C.2.	Remuneration for the members of company bodies and association (523)	14	2,629	2,364
C.3.	Social security costs (524,525,526)	15	441,121	405,153
C.4.	Social costs (527,528)	16	48,569	53,433
D.	Taxes and charges (accounting group 53)	17	5,342	5,396
E.	Depreciation of long-term tangible and intangible assets (551)	18	677,649	657,346
III.	Revenues from sale of long-term assets and material (641,642)	19	32,222	2,448
F.	Book value of sold long-term assets and material (541,542)	20	28,656	2,216
IV.	Use and cancellation of reserves recorded in operating income and recognition of complex deferred expenses (652,654,655)	21	936,990	341,539
G.	Creation of reserves for business activity and accounting of complex deferred expenses (552,554,555)	22	1,219,725	428,081
V.	Accounting and cancellation of adjusting entries into operating income (657, 658, 659)	23	443	0
H.	Creation of adjusting entries into costs from business activity (557, 558, 559)	24	13,458	2,982
VI.	Other operating income (644,645,646,648)	25	5,250,183	4,861,841
I.	Other costs for business activity (line 543 to 546,548, 549)	26	15,535	4,177
VII.	Transfer of operating income (-) (697)	27	0	0
J.	Transfer of operating costs (-) (597)	28	0	0
*	Business result of business activity line11 - line12 - line17 - line18 + line19 - line20 + line21 - line22 + line23 - line24 + line25 - line26 + (- line27) - (- line28)	29	-272,508	-432,011
VIII.	Revenues from sale of securities and shares (661)	30	600	0
K.	Sold securities and shares (561)	31	484	0
IX.	Revenues from long-term financial assets line 33 + line 34 + line 35	32	2,472	2,607
IX.1.	Revenues from shares and ownership interests in controlled person and companies with substantial influence (665A)	33	0	0
2.	Revenues from other long-term securities and shares (665A)	34	2,472	0
3.	Revenues from other long-term financial assets (665A)	35	0	2,607
X.	Revenues from short-term financial assets (666)	36	0	0

Description a	Text b	Line no. c	Actual	
			current accounting period 1	immediately preceding accounting period 2
L.	Costs of short-term financial assets (566)	37	0	0
XI.	Revenues from overvaluation of securities and revenues from derivative operations (664, 667)	38	24,575	7,895
M.	Costs on overvaluation of securities and costs on derivative operation (564, 567)	39	78,583	5,157
XII.	Revenues interests (662)	40	2,946	391
N.	Cost interest (562)	41	169,899	164,125
XIII.	Foreign exchange gains (663)	42	639,335	111,506
O.	Foreign exchange losses (563)	43	213,015	38,455
XIV.	Other revenues from financial activity (668)	44	1,119	889
P.	Other costs of financial activity (568, 569)	45	24,751	22,949
XV.	Use and cancellation of reserves in revenues from financial activity (674)	46	0	27,401
Q.	Creation of reserves for financial activity (574)	47	6,311	0
XVI.	Accounting and cancellation of adjusting entries into revenues from financial activity (679)	48	0	0
R.	Creation of adjusting entries into costs of financial activity (579)	49	0	0
XVII.	Transfer of financial revenues (-) (698)	50	0	0
S.	Transfer of financial costs (-) (598)	51	0	0
*	Business results from financial activity line 30 -31 + 32 + 36 - 37 + 38 - 39 + 40 - 41 + 42 - 43 + 44 - 45 + 46 - 47 + 48 - 49 + (- 50) - (- 51)	52	178,005	-79,996
T.	Income tax from current activity line 54 + line 55	53	0	0
T.1.	- due (591, 595)	54	0	0
2.	- deferred (+/-592)	55	0	0
**	Business results from current activity line 29 + line 52 - line 53	56	-94,503	-512,008
XVIII.	Extraordinary revenues (accounting group 68)	57	0	193,512
U.	Extraordinary costs (accounting group 58)	58	0	212,448
V.	Income tax on extraordinary activity line 60 + line 61	59	0	0
V.1.	- due (593)	60	0	0
2.	- deferred (+/- 594)	61	0	0
*	Business results from extraordinary activity line 57 - line 58 - line 59	62	0	-18,936
Z.	Transfer of shares on business results to partners (+/- 596)	63	0	0
***	Business results for the current accounting period (+/-) line 56 + line 62 - line 63	64	-94,503	-530,943
	Control number, total (line 01 to line 64)	99	26,965,972	22,386,157

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