



ŽELEZNIČNÁ SPOLOČNOSŤ SLOVENSKO, A.S.

INDIVIDUAL FINANCIAL STATEMENTS
REPORTED PURSUANT
TO THE INTERNATIONAL FINANCIAL
REPORTING STANDARDS

AS ON 31 DECEMBER 2010



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Mgr. Pavel Kravec
Chairman of the Board of Directors

Ing. Jaroslav Paulický
Vice-Chairman of the Board of Directors

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STATEMENT OF FINANCIAL POSITION

in EUR

Text		Notes	as on 31 December 2010	as on 31 December 2009
Total assets			760 024 999	663 267 375
Fixed assets			716 104 996	601 774 842
Intangible assets - IAS 38		5	4 894 684	6 467 065
Tangible assets - IAS 16, IAS, IAS 17		5.1, 5.5	537 870 476	496 831 468
of which:	Real estate/lands	5.1, 5.5	3 830 063	3 968 466
	Buildings and constructions	5.1, 5.5	8 390 225	8 841 206
	Machinery, devices and equipment	5.1, 5.5	524 477 909	480 128 210
	of which: vehicles	5.1, 5.5	517 370 477	470 555 086
Long-term receivables		7.1	167 786 055	93 687 098
of which:	Receivables for advance payments on investment property	7.1	12 624 996	23 237 553
	State subsidies	15.3.1	148 269 771	68 189 112
	Financial derivatives	6.4.1.1	6 347 896	1 882 775
	Postponed tax receivables		-	-
Investment Property – IAS 40		5.4	678 661	680 271
Long-term financial assets		6.3	4 875 120	4 108 940
Current assets			43 416 324	61 491 075
Inventories		8	2 356 185	2 405 932
Trade receivables and other assets		7.2	31 339 499	23 660 652
of which:	Trade receivables	7.2	12 842 267	17 034 023
	Receivables for advance payments on investment property	7.2	15 517 546	4 390 492
	Financial derivatives	6.4.1.2	3 549	0
Tax receivables		7.2	8 651 555	33 453 075
Cash and cash equivalents		9	1 069 085	1 971 416
Assets held for sale - IFRS 5		5.3	503 679	1 458

Cont. of Statement of Financial Position – in EUR

Equity and liabilities			760 024 999	663 267 375
Equity and funds		10	245 788 264	240 880 233
Share capital		10	212 441 088	212 441 088
Capital funds		10	49 954 144	47 239 071
Business results of previous years		11	- 21 514 998	- 45 950 658
Business result of the current accounting period			4 908 030	27 150 732
Long-term liabilities		12	250 593 423	252 386 755
Loans		6.1.1	14 469 718	22 763 752
Long-term financial assistance		6.1.3	126 950 000	139 950 000
Long-term reserves		14	9 711 233	9 120 149
of which:	Reserves for fringe benefits	12.1.2	8 007 824	7 547 493
	Reserves for environmental costs IAS 37	14	0	16 597
Other long-term liabilities		12	99 462 472	80 552 854
of which:	Financial derivatives	6.4.1.1	41 966 330	34 158 771
	Postponed tax liability		-	-
	Liabilities resulting from time differentiation of the future revenue from capital transfers	12	57 446 574	46 394 027
Short-term liabilities		12	263 643 312	170 000 387
Loans		6.1.2	183 561 347	93 800 873
Financial lease liabilities		12	0	711 167
Trade liabilities		12	45 335 032	55 303 557
Liabilities towards employees		12.1.1	3 906 410	3 756 499
Tax liabilities		12	463 461	429 497
Short-term reserves		14	5 197 409	2 989 724
of which:	Reserves for environmental costs IAS 37	14	175 900	265 551
Other liabilities		12	25 179 653	13 009 070
of which:	Financial derivatives	6.4.1.2	104 309	0
	Long-term financial assistance – short term part	6.1.3	13 000 000	0
	Liabilities resulting from time differentiation of the future revenue from capital transfers	12	3 892 583	3 214 928

STATEMENT OF COMPREHENSIVE INCOME

Classification by type in EUR

Text	Notes	as on 31 December 2010	as on 31 December 2009
Revenues from transport, sale of services and goods	15.1	96 949 111	96 737 378
Total subsidies	15.2	231 466 699	271 554 698
of which:			
Compensation to cover costs on services in public interest	15.2	228 114 060	270 338 575
State budget subsidies on investments	15.2, 15.3.2	3 352 639	1 216 123
Increase of asset value (derivates)	15.4	4 981 572	3 216 625
Revenues from sale of assets and material	15.2	1 442 769	1 649 651
Other revenues from economic activities and financial revenues and exchange rate profits	15.2, 15.4	12 181 721	8 950 037
Total revenues	15	347 021 872	382 108 389
Consumed purchases and services	16.1	190 135 898	196 744 878
Costs for fringe benefits	16.2	73 398 555	69 622 055
Depreciation and amortisation	16.3	48 847 578	42 676 509
Impairment of asset value (derivates)	16.4	8 424 770	29 107 679
Costs on sale of assets and material	16.3	1 009 748	1 206 889
Other costs operational costs, taxes and charges, deficits and damages and financial costs	16.3, 16.4	20 297 293	15 599 647
Total costs	16	342 113 842	354 957 657
Profit in the period		4 908 030	27 150 732
Other components of the comprehensive income		0	0
Break-down of the funds from revaluation of assets held for sale, IFRS		0	0
Total comprehensive income for the period		4 908 030	27 150 732

STATEMENT OF CHANGES IN THE EQUITY

in EUR

Text	Share capital	Capital funds	Statutory reserve fund	Evaluation differences from revaluation of assets and liabilities	Business result of previous years	Total
Opening balance as on 31 December 2009	212 441 088	26 326 902	20 912 169	0	- 45 950 658	213 729 501
Change in business results of previous periods	0	0	0	0	0	0
Change in accounting rules	0	0	0	0	0	0
Opening balance as on 1 January 2010	212 441 088	26 326 902	20 912 169	0	- 45 950 658	213 729 501
Surplus after revaluation of assets	0	0	0	0	0	0
Surplus after revaluation of financial investments	0	0	0	0	0	0
Settlement of business results of previous periods	0	0	0	0	24 435 660	24 435 660
Business result - not stated in the profit and loss statement	x	x	x	x	x	x
Business result of the current accounting period - stated in the profit and loss statement	0	0	0	0	4 908 030	4 908 030
Other allocation	0		2 715 073	0		2 715 073
Final balance as on 31 December 2010	212 441 088	26 326 902	23 627 242	0	- 16 606 968	245 788 264

CASH FLOW STATEMENT AS ON 31 DECEMBER 2010

(using direct method of cash flow reporting) in EUR

	31.12.2010	31.12.2009
A1 Operating receipts	424 634 189	344 591 044
1.1. Receipts from the core activity	131 335 186	131 181 111
1.2. Receipts from the public service performance	172 608 108	179 247 164
1.3. Other receipt	11 224 371	17 387 076
1.4. International clearing receipts	296 371	1 112 693
1.5. Receipts from operational loans	109 170 153	15 663 000
A2 Operating payments	-302 940 674	-296 882 219
2.1. Payments for material	-18 153 136	-15 809 982
2.2. Payments for services	-207 241 527	-193 422 513
2.2.1. Track access charges	-69 205 685	-62 377 613
2.3. Wages and other personell costs	-70 073 791	-68 735 608
2.4. International clearing payments	-7 007 754	-6 479 289
2.5. Insurance	-464 466	-6 884 827
2.6. Payments for operational loans	0	-5 550 000
A3 Interests received	4 238	6 096
A4 Interests paid	-1 767 381	-851 644
A5 Dividends +/-	0	68 152
A6 Income tax +/-	1 320	8 564
A Cash flow from operations	119 931 692	46 939 993
B1 Receipts from sale of long term assets	4 892	21 380
B2 State budget subsidies on investments	11 617 520	33 193 394
B3 EU structural funds subsidies on investments	3 465 321	17 631 163
B4 Purchase of long term assets	-96 265 149	-117 986 468
B Cash flow from investing	-81 177 417	-67 140 531
C1 Financial receipts	3 908 490	59 566 947
1.1. Receipts from bank loans	747 445	40 409 000
1.2. Receipts from received loans	0	18 350 000
1.3. Other financial receipts	3 161 046	807 947
C2 Financial payments	-41 014 337	-32 743 191
2.1. Payments for bank loans	-30 027 501	-27 736 070
2.2. Repayments of loans	0	0
2.3. Settlement of leasing liabilities	-1 152 655	-864 491
2.4. Other financial payments	-9 834 181	-4 142 630
C3 Interest paid	-2 550 760	-5 605 179
C Cash flow from financing	-39 656 606	21 218 577
Net increase/decrease in cash and cash equivalents	-902 331	1 018 040
Cash and cash equivalents, beginning of year	1 971 416	953 376
Cash and cash equivalents, end of year	1 069 085	1 971 416

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1 GENERAL INFORMATION

1.1 Company Description

Železničná spoločnosť Slovensko, a.s. (hereinafter ZSSK) as a rail transport operator provides transport services in line with the interests of the State transport policy and market demand. The passenger transport services are delivered in accordance with the State transport policy of the Slovak Republic and are based on the Public Service Contract concluded pursuant to § 30 and the subsequent articles of Act of the Slovak National Council no. 164/1996 Coll. on Railways as amended, between Železničná spoločnosť Slovensko, a.s. as the transport operator and the State (represented by the Ministry of Transport, Post and Telecommunications) as the competent authority.

ZSSK is a joint-stock company with the registered office in the Slovak Republic, established on 13 December 2004 and registered in the Commercial Register as of 1 January 2005, when it was allocated the company identification number 35914939. Its seat is at Rožňavská 1, 832 72 Bratislava.

1.2 Members of the Company Bodies

Statutory body: Board of Directors

Name	Position	From	To
Ing. Milan Chúpek, PhD.	Chairman	11 October 2006	15 September 2010
Ing. Pavol Gábor	Vice-Chairman	16 October 2006	15 September 2010
Ing. Igor Krško	Member	11 October 2006	15 September 2010
Ing. Ján Kováčik	Member	11 October 2006	15 September 2010
Ing. Michal Vereš	Member	11 October 2006	15. September 2010

Name	Position	From
Mgr. Pavel Kravec	Chairman	16 September 2010
Ing. Jaroslav Paulický	Vice Chairman	16 September 2010
Ing. Jozef Rojik	Member	16 September 2010
Ing. Viliam Majda	Member	16 September 2010
Ing. Pavol Tarcalá	Member	16 September 2010
Ing. Pavol Gábor	Member	16 September 2010

Supervisory body: Supervisory Board

Name	Position	From	To
Ing. Stanislav Bořuta	Chairman	24 October 2006	10 October 2010
Ing. Milan Mojš	Vice-Chairman	12 December 2006	10 October 2010
Mgr. Matej Augustín	Member	24 October 2006	10 October 2010
JUDr. Miroslav Baláž	Member	24 October 2006	10 October 2010
Mgr. Jozef Schmidt	Member	01 January 2005	19 January 2010
Ján Grieč	Member	01 January 2005	19 January 2010

Name	Position	From
Ing. Jozef Kováč	Chairman	11 October 2010
Ing. Vincent Štuller	Vice-Chairman	11 October 2010
JUDr. Juraj Kamenca, CSc.	Member	11 October 2010
Ing. Martin Mlýnek	Member	11 October 2010
Ján Andreanin	Member	20 January 2010
Jozef Hlavatý	Member	20 January 2010

Other bodies of the company: Director General
 Ing. Milan Chúpek, PhD. (from 11 October 2006 to 15 September 2010)
 Mgr. Pavel Kravec (from September 16, 2010)

Following officials were withdrawn from the Board of Directors member position by the decision of the sole shareholder as of 21 February 2011:

Ing. Jozef Rojík
 Ing. Viliam Majda
 Ing. Pavol Gábor.

1.3 Structure of Partners and Shareholders

In terms of the Statutes of Železničná spoločnosť Slovensko, a.s., the sole shareholder of the company is the Slovak Republic. The rights of the shareholder are executed by the Ministry of Transport, Construction and Regional Development of the Slovak Republic at the General Assembly.

In line with amended Financial Statements pursuant to the Decree No. MF/25947/2010-74 and pursuant to Act No. 431/2002 Coll. On Accounting as amended, Železničná spoločnosť Slovensko, a.s. forms part of the consolidated entity of Ministry of Transport, Construction and Regional Development of the Slovak Republic. Financial Statements for the consolidated entity are available at the Ministry.

1.4 Approval of the Financial Statements for the Previous Year

The Individual Financial Statements reported pursuant to the International Financial Reporting Standards were adopted by the General Assembly on 24 June 2010.

1.5 Legal Reason for Reporting of the Financial Statements Pursuant to IFRS

These Financial Statements are regular financial statements of ZSSK. They were elaborated for the accounting period starting from 1 January 2010 and ending on 31 December 2010 pursuant to the International Financial Reporting Standards as adopted by the European Union and in accordance with the Regulation of the European Parliament and of the Council (EC) no. 1606/2002 of 19 July 2002 on the application of international accounting standards.

1.6 Accounting Basis

The Financial Statements were elaborated on the assumption that ZSSK will continue its activities as a sound and functional business entity, and will observe the business plan as adopted by the shareholder.

2 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

2.1 Basis for Preparation of the Financial Statements

The Individual Financial Statements were prepared in accordance with the International Financial Reporting Standards and their interpretations as adopted by the European Union („IFRS-EU“).

The accounting methods and principles were used thoroughly for all periods presented in the Financial Statements. The ZSSK has accepted all new and revised standards and interpretations as issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) at IASB and as adopted for use within the EU, effective as of 1 January 2010.

	NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS	Efficient as of
IFRS 1	Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters	1/07/2010
IFRS 2	Group Cash-Settled Share-Based Payment Transactions	01/01/2010
NEW AND REVISED INTERNATIONAL ACCOUNTING STANDARDS		
IAS 24	Related Party Disclosures – Revised Standard	01/01/2011
IAS 32	Financial Instruments: Disclosure and Presentation- Amended Standard	01/02/2010
NEW AND REVISED INTERPRETATIONS		Concerning:
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction amended with „Prepayments of a Minimum Funding Requirement“	IAS 19 01/01/2011
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	01/07/2010

ZSSK has adopted all new and revised standards and ZSSK has applied standards relevant for its activities (IAS 24). The accounting rules presented below were applied in a consistent manner during all periods presented in the Financial Statements since the transfer to reporting pursuant to the International Accounting Standards.

2.2 Conversion of Foreign Currencies

Functional and Presentation Currency

This Individual Financial Statements are presented in euro (EUR), i.e. in the functional currency of ZSSK and also the presentation currency of the Financial Statements. All financial data presented in euro were rounded to whole numbers.

Foreign Currency - Transactions in the Foreign Currency

Foreign currency transactions are translated into the respective functional currency according to the reference exchange rate as published by the European Central Bank (ECB) or the National Bank of Slovakia (NBS) on the day preceding the given accounting case.

In case of a purchase or sale of foreign currency for euro, the accounting unit shall use the exchange rate which was used during the purchase or sale of these values. Should the purchase or sale of foreign currency take place at an exchange rate different than the one provided by the bank, the subsidiary of a foreign bank or an exchange office use the exchange rate in the exchange list, which the bank or the subsidiary of a foreign bank or an exchange office provide for the purchase or sale of the currency in its exchange list on the date of transaction. If the purchase or sale is not carried out via a bank, a subsidiary of a foreign bank or an exchange office, the exchange rate provided by ECB or NBS on the day preceding the transaction date shall be used.

Exchange rate yields and losses after settling these transactions and resulting from conversion of assets and liabilities in foreign currency by the exchange rate at the end of year are reported in the Statement of Comprehensive Income. At the date of the Financial Statements, the financial assets and liabilities in a foreign currency are translated into the functional currency using the reference exchange rate published by ECB or NBS prevailing on the given date.

2.3 Property, Plant and Equipment

Newly purchased property, plant and equipment in the "Property, Plant and Equipment" section are revaluated as on the day of transaction by their acquisition price. As on the day of transition to IFRS, property, plant and equipment were evaluated in their fair value, excluding any adjusting entries pursuant to IFRS 1. ZSSK uses cost model (model of acquisition costs) pursuant to IAS 16 Property, Plant and Equipment when evaluating property, plant and equipment.

Property, plant and equipment as on the day of ZSSK's establishment represent assets procured in the process of the split-up of Železničná spoločnosť, a.s. into two independent legal entities. These assets were entered into the books in the value of an expert's evaluation as on 1 January 2005.

Increase and decrease in the carrying amount of assets due to their revaluation as on the date of transition to International Financial Reporting Standards, i.e. as of 1 January 2006, was carried out pursuant to IFRS 1. It was revaluation in fair value during the first transition to IFRS with the subsequent use of the acquisition cost model.

Differences due to asset revaluation were reflected in the business results of previous periods.

The most significant item under IAS 16 Property, Plant and Equipment is rolling stock included in the category of transport vehicles. A component reporting approach was applied to this category, divided into: motor part, interior, and other parts.

Since 2009 ZSSK records a new category of assets: Low-Value Tangible Assets. The category includes assets with acquisition costs from EUR 332 to EUR 1.700 and with an assumed lifespan of 5 years.

Strategic spare parts for rolling stock are reported as assets in compliance with IAS 16 Property, Plant and Equipment. The strategic spare parts are depreciated from the moment the future economic benefits start, i.e. it is possible to relate income to the costs (write-offs) or capitalise their consumption as an investment - costs on general repairs. The strategic spare parts were revaluated in accordance with the principles of IAS 36 Impairment of Assets, i.e. evaluated in the recoverable amount as it was lower than their carrying amount.

Expenses related to property, plant and equipment after being put into use, including replacement of parts of assets, are capitalised (i.e. their carrying amount is increased) in case that ZSSK may expect future economic profit above the original use and it is possible to estimate the acquisition price in a reliable manner.

Other costs on repairs and maintenance are reported in the Statement of Comprehensive Income as costs of the accounting period, in which the given work was carried out, i.e. in a time and material correspondence.

The carrying amount and lifespan of assets are revaluated and if necessary, modified as on each balance sheet date. At the same time, and in compliance with IAS 36 Impairment of Assets, the assets are tested for impairment.

In case the carrying amount of assets is higher than their recoverable amount, the carrying amount of these assets is immediately reduced by the loss resulting from asset impairment, i.e. it is evaluated in the recoverable amount.

Profit or loss resulting from disposal or discarding of an asset is established as the difference between the profit and the carrying amount of the asset and is reported in the Statement of Comprehensive Income.

Costs Related to Bank Loans and Other Loans

Cost related to bank loans spent on production of any assets that meet the cost activation conditions are activated as part of the assets' procurement price during the period that is necessary for completion and serviceability of the assets. Other costs related to bank loans are accounted for costs.

Depreciation

Lands are not depreciated. Depreciation of the remaining assets is calculated as a linear function, starting from the difference between the acquisition price of an asset, or its value after revaluation, and the residual value during the following period of anticipated economic lifespan.

The estimated useful life of buildings and equipment in individual categories is as follows:

Buildings, halls and constructions	20 to 50 years
Machinery, devices and equipment	4 to 20 years
Transport vehicles	5 to 34 years
Inventory	6 to 25 years
Low-value tangible assets	5 years
Reserve on the disposal of contaminated soil under diesel locomotive depot in Poprad	20 years

Depreciation of "property, plant and equipment" is reported in the Statement of Comprehensive Income evenly during the estimated period of use of each item of assets. The depreciation value is also affected by a component approach to asset depreciation.

A State subsidy is presented in the Balance Sheet recognized as part of deferred income (IAS 20, Article 24) and is reversed to income in a time and material correspondence with the depreciation of assets funded from the financial means of the given subsidy.

2.4 Intangible Assets

Similarly to the case of property, plant and equipment, increase or decrease in the carrying amount of intangible assets due to revaluation as on 1 January 2006 was reported into the business results of previous years.

Basic criteria of intangible assets pursuant to IAS 38:

- **Identifiability**, i.e. the assets arise from contractual or other legal rights, regardless of whether those rights are transferable or separable from other rights and obligations;
- **Separability**, i.e. the costs of the asset are capable of being separated from other costs of the company;
- **Control**, an entity controls an asset if it has the power to obtain the future economic benefits emanating from the asset and also could restrict the access of others to those benefits.

An intangible asset shall be recognized if, and only if:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity;
- the cost of the asset can be measured reliably.

Intangible assets meeting the criteria of IAS 38 Intangible Assets are divided pursuant to the asset lifespan:

- with a limited lifespan period and
- with a non-specified lifespan period

Intangible assets with a non-specified period of lifespan are not depreciated but are tested for impairment at the end of the accounting period in accordance with the requirements of IAS 36 Impairment of Assets.

Intangible assets with a limited lifespan are depreciated during the assumed lifespan period.

Further costs and expenditures are not part of the cost of an intangible asset, but they are recorded into costs, together with the assets not meeting the criteria of IAS 38.

2.4.1 Intangible Assets with a Limited Lifespan - Depreciated

Assessable rights, licences and software are recognised in their acquisition prices reduced by adjusting entries. Trademarks and licences have a limited duration. Depreciation is calculated as a linear function during the anticipated duration of use.

The estimated useful life of intangible assets in individual categories is as follows:

Assessable rights	3 to 5 years
Software	2 to 5 years
Other intangible assets	3 years

2.4.2 Intangible Assets with a Non-specified Lifespan – Not Depreciated

Assets with an uncertain useful life (such as e.g. logo of ZSSK) are not depreciated, however, each year they are tested for impairment in accordance with IAS 36 Impairment of Assets. Loss from impairment is reported as the difference between the carrying amount of the asset exceeding its recoverable amount.

2.5 Financial Assets

ZSSK classifies the financial assets into the following categories: financial assets in fair value reported in the Statement of Comprehensive Income, loans and receivables.

In accordance to IAS 39 Financial Instruments: Recognition and Measurement, the long-term financial assets – shares in other companies were evaluated in their fair value obtained for the asset, including acquisition costs, at the moment of their initial recognition. The subsequent evaluation depends on their categorisation set by IAS 39 Financial Instruments: Recognition and Measurement. The financial assets of FVPL type (fair value through P/L) – change of fair value into Statement of Comprehensive Income.

The classification depends on the purpose of acquisition of the given financial asset as is determined at the initial recognition.

2.5.1 Derivative Financial Instruments

As on the day of book closing (i.e. 31 December), the financial derivatives are evaluated by the principle of determining the present value of all financial flows from the given instrument. Expected cash flows were determined either by using calculation of forward interest rates or by stochastic simulation of market variables. Until signing of the contract the value of a financial derivative equalled zero.

Forward contracts on interest rates were carried out in order to eliminate unfavourable impacts of variability of interest rates cash flow in case of payments for financial loans and financial aid. Derivatives are not classified as hedging and ZSSK does not keep hedge accounting. Derivatives are reported in the balance sheet within liabilities and receivables, and changes in fair value as on the day of book closing are recognised in the Statement of Comprehensive Income.

As on the day of book closing (i.e. 31 December), the financial derivatives were evaluated by an external company. Change of fair value based on this data was reported pursuant to IAS 39 Financial Instruments: Recognition and Measurement in the Statement of Comprehensive Income.

2.5.2 Trade Receivables

Trade receivables are initially recognised in their fair value and long-term receivables are reported in the carrying amounts established by the method of effective interest rate.

Adjustment entry to impairment of trade receivables is created when there is an objective evidence that ZSSK will not be able to enforce all due amounts pursuant to the original maturity conditions. Serious financial problems of the debtor, probability of bankruptcy proceedings against the debtor or financial reorganisation and delay in payments (of more than 60 days after maturity date) are deemed as indicators of impairment of receivables. The amount of adjusting entry is the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted by effective interest rate. The carrying amount of assets is reported as a result of calculation.

In case the receivable becomes irrecoverable, it is debited from the adjusting entry to trade receivables. Amounts gained from enforced receivables, which were already written off, will be reported in the Statement of Comprehensive Income.

Trade receivables are classified in the Statement of Financial Position as short-term receivables; and in case the maturity of a receivable is longer than 12 month, it is reported as long-term receivables.

2.5.3 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits on current accounts and other highly liquid investments. The Statement of Financial Position includes bank overdrafts under the heading of loans, within the short-term liabilities. Bank overdrafts are not part of cash and cash equivalents for the purposes of the Statement of the Cash Flow in accordance with IAS 7 Statement of Cash Flows.

2.5.4 Trade Liabilities

Long-term trade liabilities are initially recognised in their fair value and subsequently are adjusted by interests calculated by the effective interest rate method till their maturity date. Trade liabilities are classified in the Statement of Financial Position as short-term liabilities and in case the maturity of a liability is longer than 12 month, it is reported as long-term liabilities.

2.5.5 Loans

Loan liabilities are evaluated in their fair value at initial recognition, reduced by the costs on transaction. In the subsequent periods, loans are reported in their carrying amount assessed by the effective interest rate method.

Loans are classified as short-term liabilities if the company has no unconditional right to postpone settlement of the liability for the duration of a minimum of 12 month from the date of the Statement of Financial Position.

2.6 Share Capital

The share capital of the Company is EUR 212 441 088 and is divided into 64 ordinary shares in the nominal value of one share of EUR 3 319 392. All company shares are registered shares and are in the form of book-entry securities. The issuing price of one share equals the nominal value of one share. Železničná spoločnosť Slovensko, a.s. has not issued any shares based on a public call for share subscription and its shares are not tradable publicly and are not listed on the stock exchange.

2.7 Inventories

Inventories are reported in the lower of the acquisition price or net realisable value. The acquisition price of inventories includes acquisition price and other costs related to the acquisition. When estimating costs on consumption or when selling inventories, the method of weighted arithmetic mean is used.

2.8 Taxes

The tax system of the Slovak Republic is composed of direct and indirect taxes.

Direct Taxes:

Income tax (income tax of natural person and legal person), real estate tax (tax on lands, tax on buildings, tax on apartments) and other direct taxes (especially accommodation tax, motor vehicles tax, dog tax, tax on the use of public areas, tax on vending machines, tax on non-winning gaming machines, tax on the entry and stay of motor vehicles in historical parts of towns)

Indirect Taxes:

Value added tax and excise duties (for example: excise duty on mineral oil, excise duty on electricity, coal and natural gas).

Tax return remains open and may be subject to an inspection for the duration of five years. The fact that a certain period or the tax return related to that period has been inspected does not exempt this period from other inspections during these five years.

Payable and Deferred Income Tax

Payable income tax is calculated in accordance with the tax laws effective as on the date of the Statement of Financial Position. Deferred tax is calculated by the rate pursuant to adopted tax regulations or tax rules in the process of adoption, which will be effective at the time of temporary differences realisation.

Deferred tax receivable is brought into book only when it is likely that the future tax basis, that would enable to settle temporary differences, is reachable. Deferred tax receivables are checked at each book closing. In the near future the Company does not expect to generate sufficient profit to apply deferred tax receivable.

2.9 Employee Benefits

Employee fringe benefits as defined by International Standards are rights of employees to have financial or non-financial compensation for rendered services (performing of work tasks) during a certain time period.

Each company makes the effort to use its resources as effectively as possible in order to find and maintain its position in the market economy with great competition and in order to achieve the best results possible. Employees play a crucial role in this process. Success of each company lies to a great degree on their performance and skills. Therefore, it is important to pay great attention to human resources. A company may achieve increasing of performance of its employees by an efficient motivation and stimulation and thus increase performance of the company as a whole. Employers have the possibility to motivate their employees via various fringe benefits. This means that it is not enough only to pay attention to wage level for their work, because the topic of remuneration is much broader.

Certain level of employee benefits is stipulated by laws (e.g. Labour Code). It means that all employees are entitled to some benefits regardless the place of their employment. However, this is only the minimal care for employees, and it is certainly not sufficient to motivate them. Further employees' benefits are stipulated in the Collective Agreement.

Employee benefits granted to employees are divided into two main categories:

- short-term employee benefits,
- long-term employee benefits.

They differ in several aspects - besides different causes of their provision, these include in particular:

- a) differences in period of their impact on the financial situation and business results of the company,
- b) differences in the way the potential of these future effects is reflected already during the current accounting period.

Short-Term Employee Benefits

Pursuant to IAS 19 Employee Benefits, this category includes benefits payable at the latest within 12 months from the end of the period in which the employee rendered the service, for which the benefit is recognised - i.e. they do not have to be discounted (cleared off impacts of interests resulting from time effects). In respect of their short-term duration, probability models do not have to be applied and these benefits are undiscounted.

Železničná spoločnosť Slovensko, a.s. has its short-term employee benefits stipulated and accepted by trade union bodies representing employees in the Collective Agreement, which is concluded usually for 1 - 3 years. Employee benefits are further specified in following individual internal documents:

- Directive on Benefits for Individual Work Positions,
- Directive on Tangible and Intangible Motivation Factors,
- Directive on Health Capability of Employees of ZSSK,
- Directive on Alimentation and Provision of Free Refreshments to Employees,
- Directive on Training and Education of Employees of ZSSK,
- Directive on Provision of Regeneration Stays of Employees of ZSSK,

- Directive on the Social Fund of ZSSK,
- Directive on Awarding and Lending of State Awards,
- Regulation Ok 10, Employees' Travelling Benefits Provided by ZSSK,
- Directive Regulating Work Time of ZSSK Employees.

Železničná spoločnosť Slovensko, a.s. provides following short-term employee benefits:

1. Non-financial (tangible and intangible)

- employees' travelling benefits,
- employer's guaranties (work consultancy, precisely stipulated conditions for organisational changes, inclusion of worked years)
- work time and pauses (a weekly fund of work time in chosen professions reduced to 36 hours per week, including pauses for food and relaxation),
- refreshments under hard weather conditions,
- relaxation stays,
- language education,
- education,
- training,
- working environment (office furnishing, computers, telecommunication equipment, social facilities of workplaces, occupational safety, protection instruments),
- healthcare (vaccination of employees against virus diseases, medical checks, psychological consultations),
- participation in projects,
- benefits related to certain positions (mobile phones, service cars, laptops).

2. Financial

- remunerations,
- social fund,
- wage compensation for the sick days,
- severance pay,
- compensation in case of loss of physical capability,
- wage advantage under hard working regime for selected professions,
- wage compensation for performance of working tasks under harder conditions,
- supplementary pension insurance saving,
- Award of the Ministry of Transport, Post and Telecommunication,
- Acceptance of obstacles for work exceeding the framework stipulated by Art. 141 of the Labour Code, with wage compensation,
- possibility to search for a new job before termination of the work contract (granted leave of maximum one half day per week for the purposes of job finding),
- social compensations and redundancy pay (after meeting certain criteria, these are paid when the work contract is terminated),

- granted leave for employees in order to allow them to take care of their families (when taking care of a handicapped child younger than 15, and in case of single employees taking care of a child younger than 6 – leave with wage compensation; leave without wage compensation - when taking care of a child younger than 15 years of age),
- boarding contributions,
- Award of the Director General.

Long-Term Employee Benefits

Long-term employee benefits are the liabilities of an employer towards the employees, which are binding for ZSSK as stipulated by law. The accounting methods set different rules for reporting of costs and liabilities stemming from employee benefits, which in general require creation of a reserve in the respective amount also for all long-term employee benefits, to which ZSSK is committed. Payments of cash costs in the current period thus present the drawing of the reserve.

The priority is to create reserves covering long-term liabilities of the employer towards employees. ZSSK provided for calculation of the reserve covering the long-term employee benefits by means of a certified actuary.

Quantification of the long-term liabilities of Železničná spoločnosť Slovensko, a.s., to which long-term reserves were created:

- severance pay (in accordance with Art. 76 (6) of the Labour Code, in the amount of 1 multiple of an average monthly salary),
- bonus paid at retirement (pursuant to the conditions of work contract termination and years worked for the company),
- bonus paid when leaving for a disability retirement (pursuant to the conditions of work contract termination and years worked for the company),
- bonuses paid at anniversaries (pursuant to the number of years worked for the company),
- compensatory bonus
- redundancy payment (based on a Plan of Redundancies due to Organizational Changes) – level of redundancy payments is stipulated in the Collective Agreement taking into account years worked for the company.

When establishing long-term reserves covering employee benefits, it is important to have statistical data on employees, therefore the system of collection and recording of necessary data is also crucial (such as age, date of work contract beginning, date of benefit payment, wage), which applies also to the data on statistical estimates (used discount rates, level of future wages and benefits, mortality rate, expected duration of life, rate of reduction in employees), which are necessary for the calculations.

Health and social insurance costs calculated pursuant to the amended Act No. 461/2003 on Social Insurance and Act No. 580/2004 on Health Insurance, effective as of January 1, 2011 are included in the calculations.

2.10 Reserves

A reserve is established in case ZSSK has an outstanding legal or implicit liability due to a past event, the liability may be reliably estimated, and it is likely that meeting the liability will lead to a reduction of economic benefits.

Long-term reserves are evaluated in the present value of costs assumed for settlement of the liability by the use of a discount rate, which reflects present market cost-of-money estimates and risks specific for the given liability.

Environmental Restoration (a Reserve for Environmental Costs)

In compliance with the effective legal requirements, the reserve for environmental restoration related to contaminated soil and related costs, is reported when a conditional liability towards decontamination arises.

2.11 Reporting of Income

Revenues are fair values resulting from sale of services and goods within the ordinary activities, after deduction of value added tax and discounts.

Income is reported as follows:

ZSSK reports income at the time when a service is provided and it is possible to establish the yield amount in a reliable manner pursuant to the Conceptual Framework, if it is probable that the ZSSK will have future economic benefits, and if specific criteria for individual activities of the Company are met. The amount of income may not be reliably established, if all conditions related to the sale are not met. ZSSK bases its estimates on the results achieved in the past, taking into consideration the type of customer, transaction and specific features of the given agreement.

Yields of Services

Yields of delivered services are recognised in the Statement of Comprehensive Income proportionately to the degree of transaction execution as on the day of book closing. The degree of execution is assessed by inspections of work carried out. As on 31 December 2010, ZSSK does not report any unsettled yields.

Yields of Lease

Yields of lease are reported in the Statement of Comprehensive Income evenly for the duration of the lease.

Financial Income

Financial income includes exchange rate profit and profit resulting from financial instruments reported in the Statement of Comprehensive Income. Income interests are allocated on a time basis by the effective interest rate method.

2.12 Lease

Leased Assets

Renting is considered financial lease if some of the following conditions are met:

- it is concluded for a period representing a substantial part of the economic lifespan of the asset,
- the substantial part of the risks and potential profit related to owning such assets is transferred to the lessee,
- the present value of the minimal leasing instalments is higher than or equal to the fair value,
- the Lease Contract enables purchase of the assets upon lease termination.

When initially recognised, the rented assets are evaluated in the amount equal to the lower of their fair value or present value of the minimum leasing instalments. The respective liability towards the lessor is included in the Statement of Financial Position as a liability from financial lease. After being initially recognised, the assets are reported pursuant to IAS 16 Property, Plant and Equipment.

Other leasing type is classified as an operating lease and the leased asset is not included into the Statement of Financial Position. Payments executed within operating lease (after deduction of any discounts by the lessor) are differentiated in time as costs in the Statement of Comprehensive Income for the lease duration.

Leasing Instalments

Payments based on an operating lease are reported in the Statement of Comprehensive Income evenly for the duration of the lease. Minimal leasing instalments paid in case of a financial lease are divided into financial cost and a reduction of due liability. The financial cost is allocated to each period during the lease period, so as to gain a constant interest rate for the remaining part of the liability.

Company as a Lessee

Financial Lease

Assets acquired in the form of a financial lease are reported as Company assets in their fair value at the time of leasing commencement, or in the present value of minimum leasing instalments, applying the lower amount of the two. The respective liability towards the lessor is included in the Statement of Financial Position as a liability from financial lease and is reported under credits.

The minimal leasing instalments include also VAT, unless the tax legislation allows for VAT deduction at the beginning.

Operating Lease

The rental payable in case of an operating lease is reported in the Statement of Comprehensive Income evenly for the duration of the given lease.

Company as the Lessor**Financial Lease**

ZSSK reports any financial lease as a receivable and any income from rental is divided between reduction of the receivable and income interests.

The rented assets are not part of the assets reported in the Statement of Financial Position.

Operating Lease

The rental resulting from an operating lease is reported evenly as yields for the duration of the given lease.

2.13 Subsidies

ZSSK is a beneficiary of State subsidies in the form of transfer of financial means credited to the Company in exchange of past or future fulfilment of certain conditions related to the operational activities of the Company. The State subsidies are reported in accordance with IAS 20 – Accounting for government grants and disclosure of government assistance, in the fair value, if it is sufficiently evident that the subsidy is going to be granted and ZSSK meets all conditions for its granting.

ZSSK keeps record and reports the State subsidies:

- a) related to yields (cost-compensating subsidies) for costs on services in the public interest (Public Service Contract concluded with the Slovak Republic represented by Ministry of Transport, Construction and Regional Development). ZSSK reports them in the current accounting period, in which the costs related to these public services are reported,
- b) related to a depreciated asset – purchase of rolling stock. ZSSK reports the State subsidies granted by the Slovak Republic separately from subsidies granted from EU funds, which are further divided by individual funds. The Company will report the subsidies in the Statement of Financial Position as deferred income. ZSSK recognises a State subsidy as yield in the period and amount, in which the depreciation is reported during the lifespan of the procured asset,
- c) which are compensation of already incurred costs for public services, reported in the previous periods. They are reported as yields in the period, when the loss reported from performing the public services according to the Public Service Contract was approved and the Ministry of Transport, Construction and Regional Development of the Slovak Republic decided to cover it by settling the long term receivable. The Company discounts a long-term receivable using the method of effective interest rate.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial Risk Factors

Activities carried out by the Company put it in particular under the following financial risks: interest and credit risk, and exchange rate risk to a small degree as we are part of the euro zone as well as risk related to the character of foreign resources. Subsequently, the above-mentioned risks affect also the Cash Flow risk of ZSSK. The aim of financial risk management is risk elimination or mitigation of negative effects on ZSSK financial results, based on expectations.

Risk Resulting from Change in Interest Rates

Železničná spoločnosť Slovensko, a.s. is exposed to an interest risk due to payment of interest resulting from financial loans and aid. The amount of interests is established to a decisive extent by a variable interest rate. In the period of increase of interest rates, i.e. before the economic crisis, ZSSK decided to hedge the interest risk. Interest instalments may not be flexibly changeable due to changes in the market interest rate. The Company, therefore, decided to hedge the interest instalments from long term loans and financial aids linked to the main interest rates: 3M EURIBOR and 6M EURIBOR for the whole period of the loan maturity.

The following table presents the ZSSK's sensitivity to changes (increase/decrease) in interest rates applied by ZSSK by 100 b. p., while all other parameters are constant:

	in EUR
3M, 6M EURIBOR +/- 1%	+/- 1 560 130,37
O/N, 1M BRIBOR +/- 1%	+/- 1 152 044,21

Risk of Foreign Resources

The credit risk is defined as the probability rate of ZSSK not being able to settle its payable liabilities on time and in the requested amount related to existing or potential indebtedness, or the probability rate of inefficient structure of foreign resources. ZSSK manages this risk by planning the volume and structure of foreign resources, by evaluation of deviations, analysis of resources structure and overall debt service development, within the context of Cash Flow management of ZSSK.

3.2 Estimate of the Fair Value

Determination of Fair Values

In case of non-current assets reported pursuant to IAS 40 Investment Property and IFRS 5 Assets Held for Sale, the assets are evaluated in fair values, i.e. in the amount for which the asset could be replaced in an unrelated transaction and under usual conditions between a willing buyer and seller who are sufficiently informed of the market situation.

When evaluating the assets by their fair values, ZSSK always re-evaluates the assets as of the date of the Statement of Financial Position. The difference between the revaluations is reported into costs.

Evaluation in depreciated reproduction purchase price takes into account how much purchase of such asset would cost, after being modified by write-offs and losses due to impairment. Adjustments and write-offs take into consideration the asset age in relation to the period of use and residual value.

The fair value of **trade and other receivables and liabilities** is estimated as the present value of future cash flows discounted according to market interest rate as on the day of book closing. The carrying amount of trade receivables and liabilities, reduced by adjusting entries, equals approximately their fair value.

The fair value of interest **derivatives - swaps** is based on a qualified evaluation by an external company as on 31 December 2010. It is calculated as the present value of anticipated future cash flows.

Impairment

The **financial assets** are impaired when, due to objective reasons, one or two events had negative impact on the assumed future cash flows resulting from these assets. Items of the financial assets are tested individually for impairment.

The residual values of **non-financial assets** of ZSSK, excluding inventories and deferred tax liabilities, are tested on each day of book closing for factors indicating possible impairment. If such factors are discovered, ZSSK estimates the recoverable amount. An impaired asset is an asset, the carrying amount of which is higher than its recoverable value. Impairment losses are reported in the Statement of Comprehensive Income. For the purposes of impairment evaluations, ZSSK as a whole is considered one entity generating income.

4 SIGNIFICANT ACCOUNTING ESTIMATES AND DECISIONS ON ACCOUNTING METHODS

Estimates and considerations are continuously revaluated and are based on experience as well as on other factors, including expectations of future events, which may be anticipated under given circumstances.

4.1 Significant Accounting Estimates and Assumptions

Critical Accounting Estimates and Key Sources of Uncertainty

When applying the accounting methods and principles, the best estimate was used. The estimate affects the balance amounts in the financial statements. The data in the future financial statements may differ from the current estimates due to changes of these estimates and of the economic conditions.

This part states the main areas affected by estimates:

ZSSK reports a significant amount as a reserve for long-term fringe benefits. Evaluation of this reserve is sensitive to estimates used in calculations, for instance as regards future wages and benefits levels, discount rates, staff decrease, later retirements, mortality rate and average life expectancy.

The estimate of income from performance of ZSSK's passenger coaches in the territory of foreign countries in December 2010 was prepared on the basis of data of the past eleven months of 2010 available at the date of book closing.

4.2 Significant Decisions on Accounting Methods

Change of Accounting Methods

As on the day of the opening balance, 1 January 2006, ZSSK revaluated its assets at the initial recognition to their fair value in terms of IFRS 1. Subsequently, the assets are evaluated by the cost model. In case ZSSK procures qualifying assets pursuant to IAS 23 Borrowing Costs, interests and borrowing costs are capitalized as part of the procurement costs.

In 2010 ZSSK changed the indirect method of cash flow reporting to a direct method. Several comparable data were adjusted to correspond with the current period presentation pursuant to IAS 8 Accounting Policies, Changes in Accounting Estimates and Error.

5 TANGIBLE AND INTANGIBLE ASSETS AND PROCUREMENT OF TANGIBLE AND INTANGIBLE ASSETS*

* pursuant to IAS 16, IAS 17, IAS 23, IAS 36, IAS 38, IAS 40 and IFRS 5 in EUR

Title	Opening balance	Adjustments	Additions	Disposals	Impairment IAS 36 Reported as Adjustments	Residual Price	Residual Price
	as on 1 January 2010	as on 31 December 2010	as on 31 December 2010	as on 31 December 2010		as on 31 December 2010	as on 31 December 2009
Purchased Software	9 842 475	-6 456 406	1 232 647	-150 709	0	4 468 007	5 524 541
Trademark, Logo, Licences	1 237 345	-973 548	7 114	-7 114	0	263 797	504 829
Technical Documentation	41 780	-40 290	0	0	0	1 490	14 621
Total Intangible Assets	11 121 600	-7 470 244	1 239 761	-157 823	0	4 733 294	6 043 991
Procurement of Intangible Assets	423 074	-	321 454	-583 138	0	161 390	423 074
TOTAL INTANGIBLE ASSETS AND PROCUREMENT	11 544 674	-7 470 244	1 561 215	-740 961	0	4 894 684	6 467 065
<i>Real Estates/Lands</i>	<i>4 372 408</i>	<i>-104 562</i>	<i>0</i>	<i>-1 610</i>	<i>0</i>	<i>4 266 236</i>	<i>4 320 127</i>
Buildings	6 949 242	-490 618	128 474	0	0	6 587 098	6 620 808
Constructions	2 782 220	-332 347	97 963	0	0	2 547 836	2 549 008
Total Buildings and Constructions	9 731 462	-822 965	226 437	0	0	9 134 934	9 169 816
<i>Spare Parts IAS</i>	<i>3 162 758</i>	<i>0</i>	<i>25 153</i>	<i>-806 693</i>	<i>-54 964</i>	<i>2 326 254</i>	<i>3 038 078</i>
Energy Machines	486 214	-142 669	107 301	0	0	450 846	393 325
Working Machines	2 964 684	-535 009	2 840	0	0	2 432 515	2 642 631
Devices	8 621 922	-7 152 850	206 284	-54 155	0	1 621 201	3 224 684
Total Machinery and Devices	12 072 820	-7 830 528	316 425	-54 155	0	4 504 562	6 260 640
<i>Transport Vehicles</i>	<i>581 353 877</i>	<i>-150 266 577</i>	<i>90 829 064</i>	<i>-4 544 429</i>	<i>0</i>	<i>517 371 935</i>	<i>470 556 544</i>
increase of which: Capitalisation	33 061 371	-21 845 562	11 119 751	-621 523	0	21 714 037	21 164 480
Strategic Spare Parts (IAS 16)	456 386	-308 495	806 693	0	0	954 584	334 665
Operational Program Transport	0	0	9 637 818	0	0	9 637 818	0
Low-value Tangible Assets	101 507	-53 662	72 627	0	0	120 472	87 525
<i>Inventory</i>	<i>268 003</i>	<i>-111 726</i>	<i>0</i>	<i>-133</i>	<i>0</i>	<i>156 144</i>	<i>186 880</i>
Total Tangible Assets	611 062 835	-159 190 020	91 469 706	-5 407 020	-54 964	537 880 537	493 619 610
Procurement of Tangible Assets	3 893 587	-	77 472 946	-80 194 254	0	1 172 279	3 893 587
Of which: Capitalisation of Borrowing Costs	0	-	219 281	-17 818	0	201 463	0
TOTAL TANGIBLE ASSETS AND PROCUREMENT	614 956 422	-159 190 020	168 942 652	-85 601 274	-54 964	539 052 816	497 513 197
TOTAL TA AND IA AND PROCUREMENT	626 501 096	-166 660 264	170 503 867	-86 342 235	-54 964	543 947 500	503 980 262

Residual values of tangible assets according to individual standards related to Statement of Financial Position:

In EUR

Title	Residual Values as of 31 December 2010				
	IAS 16	IAS 17	Total IAS 16 and IAS 17	IAS 40	IFRS 5
Real Estates/Lands	3 446 141	383 922	3 830 063	350 051	86 122
Buildings and Constructions	6 929 598	1 460 627	8 390 225	328 610	416 099
<i>Machines and Devices</i>	4 504 562	0	4 504 562	0	0
<i>Spare Parts IAS</i>	2 326 254	0	2 326 254	0	0
<i>Inventory</i>	156 144	0	156 144	0	0
<i>Low-Value Tangible Assets</i>	120 472	0	120 472	0	0
<i>Transport Vehicles</i>	517 352 158	18 319	517 370 477	0	1 458
Total Machines, Devices and Other Tangible Assets	524 459 590	18 319	524 477 909	0	1 458
<i>Total Procurement of Tangible Assets</i>	1 172 279	0	1 172 279	0	0
Total Tangible Assets	536 007 608	1 862 868	537 870 476	678 661	503 679

5.1 IAS 16 Property, Plant and Equipment

The most significant items under IAS 16 Property, Plant and Equipment as on 31 December 2010 is rolling stock (RS) at the carrying amount of 473 490 883 EUR included in the category of transport vehicles. A component reporting approach was applied to this category, divided into: motor part, interior, and other parts.

In EUR

Title	IAS 16		IAS 23	Closing Balance as on 31 December 2010
	Opening Balance as on 1 January 2010	Closing Balance as on 31 December 2010	Capitalisation of Interests as on 31 December 2010	
Buildings	5 168 599	4 593 364	0	4 593 364
Constructions	2 331 252	2 336 234	0	2 336 234
Total Buildings and Constructions	7 499 851	6 929 598	0	6 929 598
Energy Machines	393 325	450 846	0	450 846
Working Machines	2 642 631	2 432 515	0	2 432 515
Devices	2 556 748	1 621 201	0	1 621 201
Total Machines and Devices	5 592 704	4 504 562	0	4 504 562
Transport Vehicles	470 542 790	507 714 340	0	507 714 340
Transport Vehicles-EMU	0	9 620 000	17 818	9 637 818
Total Transport Vehicles	470 542 790	517 334 341	17 818	517 352 158
Spare Parts IAS	3 038 078	2 326 254	0	2 326 254
Inventory	186 881	156 144	0	156 144
Low-value Tangible Assets	87 525	120 472	0	120 472
Total Real Estate/Lands	3 525 037	3 446 141	0	3 446 141
TOTAL	490 472 864	534 817 511	17 818	534 835 329

In 2010 the value was increased by capitalisation of rolling stock in the total amount of 11 856 730 EUR. The main share in capitalisation, amounting to 6 921 327 EUR was accounted for by periodical inspection of the rolling stock. Capitalisation related to parts replacement – spare parts and strategic spare parts for rolling stock amounts to 4 917 585 EUR.

In 2010, interests and borrowing costs were capitalized as part of the procurement costs (pursuant to IAS 23 Borrowing Costs) in the amount of 219 281 EUR. Interests and borrowing costs are capitalized as part of procurement costs until finalisation of all the activities necessary for preparing the qualifying assets for operation. Interests and borrowing costs amounting to 17 818 EUR were capitalized as part of procurement costs of the new transport vehicles.

In terms of IAS 16 Property, Plant and Equipment, as on the 1 January 2007 strategic spare parts were allocated into the tangible assets in the total acquisition price amounting to 105 293 thousand SKK (3 495 087 EUR). Selection of these spare parts was carried out individually after taking into consideration their importance and specific features on the available rail transport market. The addition of the strategic spare parts in 2010 amounted to 25 153 EUR. Strategic spare parts in the amount of 736 978 EUR (after taking into consideration IAS 36 Impairment of Assets) were used during repairs and are depreciated from the moment of their use. After taking into consideration increase and reduction in strategic spare parts and impairment tests of the asset (pursuant to IAS 36 Impairment of Assets amounting to 54 964 EUR), their residual value as on 31 December 2010 amounts to 2 326 254 EUR.

Capitalisation of the included assets and procurement costs:

In EUR

Title	Opening Balance as on 1 January 2010	Additions as on 31 December 2010	Disposals as on 31 December 2010	Closing Balance as on 31 December 2010
Transport Vehicles – Revisions (IAS 16)	15 580 684	6 921 327	-488 383	14 367 525
Transport Vehicles: use of strategic spare parts and replacement of spare parts (IAS16)	5 918 462	4 917 585	-133 141	8 283 279
Transport Vehicles – Borrowing Costs (IAS 23)	0	17 818	0	17 818
Capitalisation of Transport Vehicles – Included Assets	21 499 146	11 856 730	-621 524	22 668 622
Strategic Spare Parts (IAS 16)	3 038 078	25 153	-736 978	2 326 254
Devices -Leasing ZSSK CARGO (IAS 17 and IAS 16)	667 936	100	0	0
Costs of Diesel Contaminated Soil Disposal – Lands (IAS 37)	993 327	0	0	941 046
Total Capitalisation of Included Assets	26 198 487	11 881 983	-1 358 502	25 935 922
Procurement Transport Vehicles Capitalisation (IAS 23)	0	219 281	-17 818	201 463
Included Assets and Procurement – Interests Capitalisation	26 198 487	12 101 264	-1 376 320	26 137 385

As regards motor vehicles (except for vehicles procured through a lease), ZSSK established the residual value of each vehicle. The residual value presents the anticipated selling price at the end of its lifespan (in case of motor vehicles it is assumed to last 5 years). The assets are depreciated only until their residual price is higher than the residual value.

As on 31 December 2010 the total amount of assets of 1 172 279 EUR was reported on the account of not included investments. It comprises: 11 727 EUR for diesel system of automatic liquid supply point, 10 410 EUR for Customer's Centers and Project of Technical and Sanitary Maintenance, 9 610 EUR for Notebooks, 913 153 EUR for reconstructions of rolling stock, 25 916 EUR for energy dispatching and interest capitalization balance in the amount of 201 463 EUR.

In 2008, ZSSK created a reserve for diesel contaminated soil disposal after closing the operation of diesel tanks in locomotive depot in Poprad. Contaminated soil disposal is a legislatively binding obligation. The contaminated soil disposal is planned for the period of 2008-2011. The reserve is related to the real estate and it is part of its measurement pursuant to IAS 16 Property, Plant and Equipment. The reserve is reported in a separate class of assets – real estate/lands and it will be depreciated during the defined period of its useful life (period of estimated economic benefits - 20 years).

The reserve planned for 2010 amounted to 265 551 EUR. In 2010, ZSSK drew 106 248 EUR from the reserve to proceed with the contaminated soil disposal works. The works planned for 2010 will be postponed for 2011, when finalization of the contaminated soil disposal and reserves intended for this purpose is expected.

5.1.1 Advance Payments Associated with Investments

As of 31 December 2010 ZSSK reports receivables from advanced payments for transport vehicles procurement amounting to 28 142 542 EUR. Out of this amount of receivables from advanced payments, a non-refundable financial contribution from the European Fund of Regional Development and from the State Budget of the Slovak Republic amounting to 19 261 098 EUR was granted to ZSSK in the framework of the Operational Program Transport.

First double deck electric multiple unit in the amount of 9 620 000 EUR was launched into operation in 2010. Advance payments amounting to 1 835 385 EUR were paid from the non-refundable financial contribution granted in the framework of Operational Program Transport. In 2011, the financial amount of 5 506 154 EUR will be paid on the basis of accounts settlement.

Overview of advanced payments associated with investments:

In EUR

Title	Opening Balance	Additions	Disposals	Closing Balance
	As on 1 January 2010	As on 31 December 2010	As on 31 December 2010	As on 31 December 2010
Receivables from Advanced Payments for Intangible Assets	0	190 400	-190 400	0
Of which: long term receivable	0	0	0	0
Total Receivables from Advanced Payments for Intangible Assets	0	190 400	-190 400	0
Receivables from Advanced Payments for Tangible Assets	29 427 106	24 065 007	-23 833 655	29 658 458
Of which: long term receivable	23 237 553	0	0	12 624 996
Of which: short term receivable	4 390 492	0	0	15 517 546
Of which: VAT	-1 799 061	-3 096 353	3 379 498	-1 515 916
Total Receivables from Advanced Payments for Tangible Assets	27 628 045	20 968 654	-20 454 157	28 142 542

5.1.2 Unused Assets

Gross carrying amount of the unused assets as of 31 December 2010 is 2 721 393 EUR. These assets are not intended for sale as they are specific for railway transportation and usually, they are not available on the market. ZSSK continues to depreciate these assets. The assets were tested for impairment and the depreciable amounts correspond to the moral depreciation.

In EUR

Class	Title	As on 31 December 2010	As on 31 December 2009
10	Administrative buildings - Železničarska and Žabotová St., Bratislava	2 203 169	3 226 532
20	Constructions - vehicle-ramp, Bratislava	69 482	69 482
30	Energy machines – equipment: Železničarska, Žabotová and locomotive depot in Poprad	53 487	53 487
40	Working machinery – lathe, conveyors, crane at locomotive depot in Poprad	14 852	17 792
50	Devices – measuring system in locomotive depot in Poprad	13 795	13 795
60	Rolling stock – passenger coaches	54 455	329 490
70	Inventory – facilities: Klub Železničarska	24 373	25 613
90	Real estate - Železničarska and Žabotová	287 780	434 267
	Total	2 721 393	4 170 458

5.1.3 Pledged Assets

ZSSK as a member of European Company for the Financing of Railroad Rolling Stock (Eurofima) was offered financial contribution for purposes of rolling stock modernisation as part of a long term financial assistance focused on promotion of rail transportation. The financial assistance was granted in form of individual contracts in 2001-2009 (for details see point 6.1.3).

The EUROFIMA resources were used for modernisation of the 1st and 2nd class passenger coaches, modernisation of restaurant cars and diesel units in accordance with the European Standard for Passenger Transport. The financial assistance was secured by pledging 231 modernized vehicles in behalf of the EUROFIMA Company.

5.2 IAS 38 Intangible Assets

The most significant item under IAS 38 Intangible Assets with a limited lifespan is the iKCV software in the amount of 6 867 506 EUR which ensures ticket sale and reservation for passengers. SAP EIS of Železničná spoločnosť Slovensko, a.s. in the gross carrying amount of 649 382 EUR is an important item of valuable rights with a limited lifespan.

The logo of Železničná spoločnosť Slovensko, a.s is reported as an intangible asset with a limited period of use in the amount of 22 142 EUR, which was tested for impairment at the end of the accounting period, without any resulting change to the value.

Technical valuation of passenger transport operation management software in the amount of 85 095 EUR and gas service pipe easement in locomotive depot Košice in the amount of 7 114 EUR were reported into costs as these items do not fulfill the criteria of intangible assets definition.

Technical documentation for traction units reconstruction in the amount of 137 390 EUR and Aris software in the amount of 24 000 EUR were reported into intangible assets procurement in the amount of 161 390 EUR as of 31 December 2010.

5.3 IFRS 5 Non-Current Assets Held for Sale

On the basis of ZSSK's request No. 886/2010-SeFM of 17 May 2010, the Ministry of Transport, Construction and Regional Development of the Slovak Republic agreed to sell assets of Železničná spoločnosť Slovensko, a.s. as part of the prepared project of technical and sanitary maintenance by document No. 24/RA- 201 from 4 June 2010. Considering the current negotiations, it is assumed that the sale will be carried out in 2011.

As far as the transport vehicles are concerned, on the basis of a Resolution of the ZSSK's Board of Directors of 31 December 2010, traction units in the amount of 1 458 EUR are reported as assets held for sale.

The assets held for sale are no longer depreciated. These assets are evaluated in the carrying amount or the fair value, reduced by costs related to the sale.

In EUR

Class	Title	As on 31 December 2010	As on 31 December 2009
10	Buildings	415 866	0
20	Constructions	233	0
60	Transport vehicles	1 458	1 458
90	Real estate/lands	86 122	0
Total		503 679	1 458

Following assets reported according to IFRS 5 Non-Current Assets held for Sale continue to be leased:

In EUR

Reported according to IAS/IFRS in year		Description of the Leased Assets	Value of the Leased Assets	
2010	2009		As on 31 December 2010	As on 31 December 2009
IFRS 5	IAS 17	Parcel of Land in Zvolen 5394/1	25 273	25 273
IFRS 5	IAS 17	Administrative Building -tech.oper. BA No. 10362	86 105	87 141
Total			111 378	112 414

5.4 IAS 40 Investment Property

The real estates located in Podkolibská Street no. 1 in Bratislava, including lands, are leased for a long-term period and they are reported pursuant to IAS 40 Investment Property.

In EUR

Leased assets	As on 31 December 2010
Devín Valčík Club, Bratislava	162 844
Unirest Bratislava, Podkolibská St.	165 766
Lands at Vinohrady, Bratislava	350 051
Total	678 661

On the basis of a Resolution of the ZSSK's Board of Directors No. 7/2010 certain land areas were sold to owners of garages that are located on the above mentioned parcel of land in 2010.

Following costs related to property reported pursuant to IAS 40 Investment Property were incurred as of December 31, 2010:

In EUR

Cost item	Object	Amount
Real Estates/Lands and Construction tax	Podkolibská, Bratislava - rental	3 132
Total		3 132

Water consumption costs are fully borne by the lessee.

5.5 IAS 17 Leases

Assets reported under IAS 17:

In EUR

Title	IAS 17	
	Opening Balance as on 1 January 2010	Closing Balance as on 31.12.2010
Buildings	1 126 412	1 252 072
Constructions	214 943	208 555
Total Buildings and Constructions	1 341 355	1 460 627
Devices	667 936	0
Total Machinery and Devices	667 936	0
Transport Vehicles	12 296	18 319
Total Transport Vehicles	12 296	18 319
Real Estates/Lands	443 429	383 922
Total Lands	443 429	383 922
TOTAL	2 465 016	1 862 868

5.5.1 Financial Lease

Company as a Lessee

ZSSK does not record any liabilities related to financial lease as on 31 December 2010.

In October 2010 ZSSK terminated hardware and software lease (reported as a financial lease pursuant to IFRS) with Železničná spoločnosť Cargo Slovakia, a.s. by paying the last installment and the purchase price of 100 EUR. The hardware and software procured by a financial lease was fully depreciated after termination of the lease.

Financial cost (interest) on hardware and software in 2010 amounted to 15 296 EUR and was reported in the business results of 2010.

Company as the Lessor

Since 2009 ZSSK has leased an electric multiple-unit 420 953-2 to ŽSR – Railway Research and Development Institute for 10 years. A gross investment into the leasing (total payments) amounts to 10 000 EUR. Non-realized financial gain (interest) amounted to 1 001 EUR at the beginning of the leasing, while the net investment into leasing (principal) totals 8 999 EUR. The lease contract includes an option for purchase of the subject of the lease by the lessee for 1 EUR, VAT excluded.

In EUR

	Net investment into leasing as of 31 December 2010 (principal)	Non-realized financial gain as of 31 December 2010 (interest)
Payable up to 1 year	856	144
Payable after 1 year	6 482	519

5.5.2 Operating Lease

Company as a Lessee

Assets related to operating lease, where ZSSK acts as a lessee amounts to 53 833 043 EUR as of 31 December 2010.

ZSSK leased following assets as operating lease for the purposes of operation, administration and accommodation of train crews:

In EUR

Leased assets	Leased assets	
	As on 31 December 2010	As on 31 December 2009
Assets rented from ŽSR - buildings	8 269 419	8 085 653
Assets rented from ZSSK CARGO - buildings	11 301 351	9 094 900
Assets rented from ZSSK CARGO - tracks	28 459 261	28 453 909
Apartments for the members of the statutory bodies	0	9 166
Land estate of the vehicle-ramp in Petržalka, Bratislava	40 165	40 165
Non-residential premises ZC - BA Staré Mesto	6 475	6 373
Office premises, Bratislava, Rožňavská 1	4 104 837	5 215 702
Apartment for the representative at the UIC, Paris	167 052	34 230
Office premises, Trnava	39 996	39 996
Komárno – accommodation for train crews	151 364	151 364
Real estate for AVK - Lučenec	7 161	7 161
Kraľovany - accommodation for train crews	39 600	0
Non-residential premises – Passenger cash desk in Humenné	33 204	32 680
Sleeping cars – CONVEY and WAGONSERVICE travel	1 213 158	1 213 158
TOTAL	53 833 043	52 384 457

The Company reports the following future leasing instalments with lease contracts for limited period:

In EUR

Rental	Amount
Payable in the 1 st year	791 062
Payable in the 2 nd to 5 th year (including)	3 520 477
Payable after 5 years	75
Total	4 311 614

The major part of the future leasing instalments comprises rental for the office premises in Rožňavská Street, Bratislava.

In 2010 rental for operating lease was paid in the amount of 413 471 EUR to ŽSR, 2 145 131 EUR to Železničná spoločnosť Cargo Slovakia, a.s., 2 008 EUR for the land of the car ramp in Bratislava, 31 519 EUR for the apartment for the representative at the UIC in Paris, 746 334 EUR for office premises in Rožňavská Street, Bratislava, 6 475 EUR to Dopravný podnik Bratislava, a.s., 600 186 EUR for sleeping cars to CONVEY and WAGONSERVICE travel and 24 795 EUR for other office premises.

Operating leases on office premises and premises at railway stations paid to ŽSR, as well as office premises and a substantial part of yards paid to ZSSK CARGO, were concluded for an unlimited period of time.

Company as the Lessor

Assets of ZSSK in the total amount of 1 862 868 EUR was leased as operating lease as on 31 December 2010.

In 2010, ZSSK partially leased following objects reported pursuant to IAS 17 Leases. The list of leased assets reported pursuant to IAS 40 Investment Property is provided under point 5.4.

In EUR

Reported under IAS/IFRS in		Rented assets	Rented assets	
2010	2009		as on 31 December 2010	as on 31 December 2009
IAS 17	IAS 17	Locomotive Hangar - Tatranská Štrba No. 1514	204 931	210 925
IAS 17	IAS 17	Social Facility, Košice, No. 2673 (bathroom, dressing rooms)	84 222	86 689
IAS 17	IAS 17	Administrative Building in Košice No.2656	92 003	51 811
IAS 17	IAS 17	Locomotive hangar – Rotunda Košice, No. 2654	527 095	542 509
IFRS 5	IAS 17	Administrative building - Bratislava BA, No.10362	0	87 141
IAS 17	IAS 17	Electric locomotive hangar - Tr. Teplá, No. 274	138 380	142 443
IAS 17	IAS 16	Tack Motor Car hangar No. 3205	200 688	0
IFRS 5	IAS 17	Land Parcel 5394/1, Zvolen	0	25 273
IAS 17	IAS 17	Water Treatment Plant, Poprad	4 753	4 893
IAS 17	IAS 17	Yard in Poprad – Water Treatment Plant, Poprad	208 555	214 943
IAS 17	IAS 17	Cadastre Territory of Poprad, land parcel 2460/14, Water Treatment Plant, Poprad	327 428	327 428
IAS 17	IAS 17	Cadastre Territory of Štrba, land parcel 2555/2, Locomotive Hangar	231	231
IAS 17	IAS 17	Cadastre Territory of Tr. Teplá, land parcel 6565/2, Electric Locomotive Hangar	5 797	5 797
IAS 17	IAS 17	Cadastre Territory of Košice-South, land parcel 3541/97 and 3541/102, Rotunda	3 449	3 449
IAS 17	IAS 17	Cadastre Territory of Košice-South, land parcel 3526, Administrative Building	13 205	13 205
IAS 17	IAS 17	Cadastre Territory of Košice-South, land parcel 3541/112, Social Facility	19 201	19 201
IFRS 5	IAS 17	Cadastre Territory of Vinohrady, land parcel 21270/2, Administrative Building BA	0	48 846
IAS 17	IAS 16	Cadastre territory of Štrba, land parcel 2553/9	8 324	0
IAS 17	IAS 16	Cadastre territory of Štrba, land parcel 2555/5	6 287	0
IAS 17	IAS 16	Special Coach – Parlor Car 89800842	18 319	0
Total IAS 17			1 862 868	1 784 784

Besides the assets reported in the Statement of Financial Position, ZSSK rents also assets that have not been settled after the split-up of ŽSR, but are used by ZSSK, with an annual rental in the amount of:

In EUR

Assets	As on 31 December 2009	As on 31 December 2008
Košice, switching station, locomotive depot, Poprad	18	18
Total	18	18

The Company has the following future leasing instalments in the agreed currency pursuant to lease contracts and contracts on the right to pass through a real estate, concluded for limited period:

In EUR

Rent	in EUR
Payable in the 1 st year	10 082
Payable in the 2 nd to 5 th year (including)	22 930
Payable after 5 years	22 930
Total	55 942

In 2010, the rental for leased assets to ŽSR amounted to 7 903 EUR, the rental to Železničná spoločnosť Cargo Slovakia, a.s. amounted to 13 799 EUR and the rental to other entities amounted to 19 446 EUR.

The Company has concluded lease contracts for unlimited period in the total amount of 24 218 EUR.

6 FINANCIAL INSTRUMENTS

6.1 Loans

ZSSK reports loans (divided into long-term and short-term) and long-term financial aid in the following currencies:

in thousand EUR, in thousand CHF

Currency	Loans as on 31 December 2010		Loans as on 31 December 2009	
	Foreign currency	EUR	Foreign currency	EUR
CHF	9 719	7 773	18 103	12 202
EUR	-	330 208	-	244 312
Total		337 981	-	256 515

6.1.1 Long-Term Bank Loans

In thousand EUR, in thousand CHF

As on 31 December 2010

Long-Term Loans - Bank Loans	Currency	Value of the Loan	Value of the Loan in EUR	Maturity	Hedging
UBS AG 6	CHF	2 822	2 257	31 August 2012	SERG
Dexia banka Slovensko, a.s.	EUR	12 213	12 213	23 August 2012	No Hedging
	CHF	2 822	2 257		
	EUR	12 213	12 213		
Total Long Term Loans	EUR	-	14 470		

In thousand EUR, in thousand CHF

As on 1 January 2010

Long-Term Loans - Bank Loans	Currency	Value of the Loan	Value of the Loan in EUR	Maturity	Hedging
UBS AG 14	CHF	4 075	2 747	27 October 2011	SERG
UBS AG 6	CHF	5 643	3 804	31 August 2012	SERG
Dexia banka Slovensko, a.s.	EUR	16 213	16 213	23 August 2012	No Hedging
	CHF	9 718	6 551		
	EUR	16 213	16 213		
Total	EUR	-	22 764		

6.1.2 Short-Term Bank Loans

In thousand EUR

As on 31 December 2010

Short-Term Loans - Bank Loans	Currency	Value of the Loan	Value of the Loan in EUR	Maturity	Hedging
UBS AG6	CHF	2 822	2 257	31 August 2011	SERG
UBS AG 14	CHF	4 075	3 259	27 October 2011	SERG
ČSOB	EUR	24 925	24 925	29 June 2011	No Hedging
Dexia Banka Slovensko, a.s.	EUR	4 000	4 000	23 August 2011	No Hedging
Dexia Banka Slovensko, a.s.	EUR	9 928	9 928	24 June 2011	No Hedging
KLUB bank	EUR	0	0	31 December 2010	Bill of Exchange
Slovenská sporiteľňa, a.s.	EUR	2 709	2 709	30 September 2011	No Hedging
Tatra banka, a.s.	EUR	9 987	9 987	30 September 2011	No Hedging
UniCredit Bank, a.s.	EUR	1 568	1 568	No Maturity	No Hedging
UniCredit Bank, a.s.	EUR	27 975	27 975	8 July 2011	No Hedging
UniCredit Bank, a.s.	EUR	22 000	22 000	8 July 2011	No Hedging
Volksbank, a.s.	EUR	29	29	30 November 2011	No Hedging
VÚB, a.s.	EUR	4 925	4 924	30 June 2011	No Hedging
VÚB, a.s.	EUR	20 000	20 000	30 June 2011	No Hedging
VÚB, a.s.	EUR	50 000	50 000	15 June 2011	No Hedging
	CHF	6 897	5 516		
	EUR	178 046	178 045		
Total			183 561		

Bank overdrafts payable within 1 year amounting to 82 045 thousands EUR and a short-term part of long-term loans payable in 2010 amounting to 9 516 thousands EUR are included in the short term loans amounting to 92 000 thousands EUR.

In thousand EUR

As on 1 January 2010

Short-Term Loans - Bank Loans	Currency	Value of the Loan	Value of the Loan in EUR	Maturity	Hedging
UBS AG6	CHF	2 822	1 902	31 August 2011	SERG
UBS AG 14	CHF	5 563	3 750	27 October 2011	SERG
Calyon Bank Slovakia, a.s.	EUR	78	78	-	No Hedging
ČSOB	EUR	13 964	13 964	30 June 2010	No Hedging
Dexia Banka Slovensko, a.s.	EUR	4 000	4 000	23 August 2011	No Hedging
Dexia Banka Slovensko, a.s.	EUR	9 976	9 976	25 June 2010	No Hedging
KLUB bank	EUR	19 196	19 196	31 December 2010	Bill of Exchange
Slovenská sporiteľňa, a.s.	EUR	2 286	2 286	30 September 2010	No Hedging
Tatra banka, a.s.	EUR	223	223	30 September 2010	No Hedging
UniCredit Bank, a.s.	EUR	9 954	9 954	31 August 2010	No Hedging
Volksbank, a.s.	EUR	6 968	6 968	30 November 2010	No Hedging
VÚB, a.s.	EUR	14 504	14 504	5 May 2010	No Hedging
VÚB, a.s.	EUR	7 000	7 000	5 May 2010	No Hedging
	CHF	8 385	5 652		
	EUR	88 149	88 149		
Total	EUR		93 801		

6.1.3 Long-Term Financial Aid

In thousand EUR

As on 31 December 2010

Long-Term Financial Aid – Short-Term Part	Currency	Value in EUR	Maturity	Hedging
Eurofima I. (Contract No. 2535)	EUR	6 500	22 August 2011	Rolling Stock
Eurofima II. (Contract No. 2551)	EUR	6 500	22 August 2011	Rolling Stock
Total: Short-Term Part	EUR	13 000		

In thousand EUR

As on 31 December 2010

Long-Term Financial Aid – Long-Term Part	Currency	Value in EUR	Maturity	Hedging
Eurofima III. (Contract No.2574)	EUR	10 000	11 February 2013	Rolling Stock
Eurofima IV. (Contract No.2593)	EUR	15 000	4 February 2014	Rolling Stock
Eurofima V. (Contract No.2616)	EUR	10 000	4 February 2014	Rolling Stock
Eurofima VI. (Contract No.2651)	EUR	30 000	6 March 2015	Rolling Stock
Eurofima VII.A (Contract No.2670)	EUR	8 000	7 April 2016	Rolling Stock
Eurofima VII.B (Contract No.2694)	EUR	8 600	3 April 2017	Rolling Stock
Eurofima VIII.A (Contract No. 2718)	EUR	14 000	3 April 2017	Rolling Stock
Eurofima VIII.B (Contract No.2731)	EUR	13 000	29 September 2020	Rolling Stock
Eurofima IX.A (Contract No. 2753)	EUR	11 106	29 September 2020	Rolling Stock
Eurofima IX.B (Contract No. 2753)	EUR	7 244	27 February 2012	Rolling Stock
Total: Short-Term Part	EUR	126 950		
Total: Long-Term Financial Aid (Short-Term + Long-Term Part)	EUR	139 950		

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Long-Term Financial Aid	Currency	Amount in EUR	Maturity	Hedging
Eurofima I (Contract No. 2535)	EUR	6 500	22 August 2011	Rolling stock
Eurofima II (Contract No. 2551)	EUR	6 500	22 August 2011	Rolling stock
Eurofima III (Contract No. 2574)	EUR	10 000	11 February 2013	Rolling stock
Eurofima IV (Contract No. 2593)	EUR	15 000	4 February 2014	Rolling stock
Eurofima V (Contract No. 2616)	EUR	10 000	4 February 2014	Rolling stock
Eurofima VI (Contract No. 2651)	EUR	30 000	6 March 2015	Rolling stock
Eurofima VII.A (Contract No. 2670)	EUR	8 000	7 April 2016	Rolling stock
Eurofima VII.B (Contract No. 2694)	EUR	8 600	3 April 2017	Rolling stock
Eurofima VIII.A (Contract No.2718)	EUR	14 000	3 April 2017	Rolling stock
Eurofima VIII.B (Contract no.2731)	EUR	13 000	29 September 2020	Rolling stock
Eurofima IX.A (Contract no. 2753)	EUR	11 106	29 September 2020	Rolling stock
Eurofima IX.B (Contract no. 2753)	EUR	7 244	27 February 2012	Rolling stock
Total	EUR	139 950		

The maturity of loans and long-term financial aid is as follows:

In thousand EUR

Maturity	As on 31 December 2010	As on 31 December 2009
Payable in the 1 st year (2010)	0	78
Payable in the 2 nd year (2011)	196 561	84 072
Payable in the 3 rd year (2012)	21 713	19 496
Payable in the 4 th year (2013)	10 000	33 163
Payable in the 5 th year (2014)	25 000	10 000
Mature after 5 years (2015)	84 707	109 706
Total	337 981	256 515

6.2 Information on Capital Management

The calculation of the ratio between the total capital and foreign resources (gearing ratio):

In EUR

		31 December 2010	31 December 2009
Total loans	loans and aid	337 981 065	256 514 625
Financial means	financial accounts	1 069 085	1 971 416
	cash	471 126	194 585
	bank accounts	597 959	1 776 831
= Net debt		336 911 980	254 543 209
Total capital = total liabilities (foreign resources + equity)		760 024 999	663 267 375
Shareholders' equity	Shareholders' equity	245 788 264	240 880 233
	Share capital	212 441 088	212 441 088
	Capital funds	49 954 144	47 239 071
	Profit Funds	0	0
	Profit/loss for the current period	4 908 030	27 150 732
	Profit/loss from previous years	-21 514 998	-45 950 658
Foreign resources	liabilities	514 236 735	422 387 142
	reserves	14 908 642	12 109 873
	long-term liabilities	86 462 472	80 552 854
	short-term liabilities	74 884 556	73 209 790
	bank loans and borrowings	337 981 065	256 514 625
Ratio of net debt and total capital		44 %	38 %

Capital management is carried out in line with the strategic objectives taking into account resources available for ZSSK. This is based on requirements on the volume and enhanced quality of passengers' services and competitiveness.

6.3 Financial Assets

ZSSK holds an ownership interest with insignificant influence in the following companies:

In EUR

Company	Number of shares (pieces)	Participation in the equities in %	Financial assets	
			as on 31 December 2010	as on 31 December 2009
Eurofima	1 300	0,50 %	4 874 376	4 108 196
BCC	1	0,68 %	744	744
Total	x	x	4 875 120	4 108 940

Long-term financial assets – shares in other companies were evaluated at the moment of their initial recognition in their fair value obtained for the asset, including acquisition costs pursuant to IAS 39 Financial Instruments: Recognition and Measurement.

6.4 Derivative Financial Instruments

Creditor	Derivate	Currency	Secured Item in the Respective Currency	Final Maturity	Type of Securing	
					Payment	Payment
					Rate	
CALYON	EUROFIMA I	EUR	6 500 000	22 August 11	3M EURIBOR	6M EURIBOR
DEXIA	EUROFIMA II	EUR	6 500 000	22 August 11	6M EURIBOR	6M CHF LIBOR
DEXIA	EUROFIMA IV	EUR	15 000 000	04 February 14	6M EURIBOR	6M EURIBOR
DEXIA	EUROFIMA V	EUR	10 000 000	04 February 14	6M EURIBOR	6M EURIBOR
CALYON	EUROFIMA VI	EUR	30 000 000	06 March 15	6M EURIBOR	6M EURIBOR
CALYON	EUROFIMA VII A	EUR	8 000 000	07 April 16	6M EURIBOR	6M EURIBOR
EUR/USD, EUR/CHF				03 April 17		
VÜB	EUROFIMA VII B	EUR	8 600 000	27 October 11	6M EURIBOR	6M EURIBOR
DEXIA	UBS 14_II	CHF	2 587 542	07 December 20	fixed	6M JPY LIBOR
NOMURA	EUROFIMA VI / IRIS	EUR	30 000 000	07.12.20	6M EURIBOR	3M EURIBOR

6.4.1 Evaluation of Financial Derivates

As on the day of book closing (i.e. 31 December), the financial derivatives are evaluated by an external company pursuant to the principle of determining the present value of all financial flows from the given instrument. Discount factors are calculated from the actual market data obtained from the Reuters information system. Expected cash flows were determined either by using calculation of forward interest rates or by stochastic simulation of market variables.

1,2504 CHF/EUR

Creditor	Derivate	Measurement as on 31 December 2010		Measurement Result	
		Receivable	Liability	Receivable	Liability
CALYON	EUROFIMA I	67 889	-117 739		-49 850
DEXIA	EUROFIMA II	83 764	-138 223		-54 459
DEXIA	EUROFIMA IV	956 293	-1 175 647		-219 354
DEXIA	EUROFIMA V	637 528	-789 330		-151 802
CALYON	EUROFIMA VI	2 695 029	-40 129 411		-37 434 382
CALYON	EUROFIMA VII A	1 000 595	-5 161 387		-4 160 792
VÚB	EUROFIMA VII B	1 385 650	17 825	1 403 475	
DEXIA	UBS 14_II	57 496	-53 947	3 549	
NOMURA	EUROFIMA VI / IRIS	45 898 000	-40 953 579	4 944 421	
TOTAL (Receivable and Liability)		52 782 244	-88 501 438	6 351 445	-42 070 639

6.4.1.1 Long-Term Financial Derivates

Creditor	Derivate	Measurement as on 31 December 2010		Measurement Result	
		Receivable	Liability	Receivable	Liability
DEXIA	EUROFIMA IV	956 293	-1 175 647		-219 354
DEXIA	EUROFIMA V	637 528	-789 330		-151 802
CALYON	EUROFIMA VI	2 695 029	-40 129 411		-37 434 382
CALYON	EUROFIMA VII A	1 000 595	-5 161 387		-4 160 792
VÚB	EUROFIMA VII B	1 385 650	17 825	1 403 475	
NOMURA	EUROFIMA VI / IRIS	45 898 000	-40 953 579	4 944 421	
TOTAL (Receivable and Liability)		52 573 095	-88 191 529	6 347 896	-41 966 330

6.4.1.2 Short-Term Financial Derivates

Creditor	Derivate	Measurement as on 31 December 2010		Measurement Result	
		Receivable	Liability	Receivable	Liability
CALYON	EUROFIMA I	67 889	-117 739		-49 850
DEXIA	EUROFIMA II	83 764	-138 223		-54 459
DEXIA	UBS 14_II	57 496	-53 947	3 549	
TOTAL (Receivable and Liability)		209 149	-309 909	3 549	-104 309

7 TRADE RECEIVABLES AND OTHER SHORT AND LONG-TERM RECEIVABLES

Trade receivables and other short and long-term receivables consist of the following items:

In EUR

Text	As on 31 December 2010	As on 31 December 2009
Advance Payments on Investments	28 142 542	27 628 045
Public Service State Subsidy Receivables	148 269 771	91 424 585
Financial Derivates Receivables	6 351 445	1 882 775
Trade Receivables	13 554 476	17 562 187
- of which: depreciation of receivables	- 176 154	- 158 684
Total Trade Receivables	13 378 322	17 403 503
Tax Receivables	8 651 555	10 217 602
Other Receivables	2 983 474	2 244 315
Total Short-Term and Long-Term Receivables	207 777 109	150 800 825

Analysis of Receivables

Most Important Items of:	Value in EUR	Purchaser	Description
Trade Receivables	6 125 612	ČD a.s. Praha	receivables for performance of passenger coaches in the territory of foreign states
	1 582 121	MÁV Start Vasúti Budapest	receivables for performance of passenger coaches in the territory of foreign states
	1 440 125	ČD a.s. Praha	receivables for performance of passenger coaches in the territory of foreign states
	390 929	ČD a.s. Praha	passenger transportation
	266 235	PKP Warszawa	receivables for performance of passenger coaches in the territory of foreign states
	248 216	MÁV Trakció Zrt. Budapest	receivables for performance of passenger coaches in the territory of foreign states
	159 902	Granvia Konstruktion s.r.o. BA	other services
	152 473	ZSSK Cargo a.s. Bratislava	sale of spare parts from repairs carried out by ZSSK Cargo, sale of metal scrap and other services
	46 069	Slov. pošta a.s. B. Bystrica	repairs of coaches
	28 441	ŽSR Bratislava	Sale of material, other services
Advance Payments on Investments	10 101 000	Škoda Vagónka a.s. Ostrava	advance payment for transport vehicles – electric multiple units
	8 439 560	Škoda Vagónka a.s. Ostrava	advance payment for transport vehicles – Push-Pull
	7 091 642	ŽOS a.s. Vrútky	advance payment for transport vehicles – diesel multiple units
Tax Receivables	8 248 074	Tax Administration Body Bratislava	excess VAT allowance for 10-12/2010
	403 481	Customs Administration Body Košice	excise duty on electricity and natural gas in 2009 and 2010
Receivables Related to Public Services	148 269 771	Ministry of Transport, Posts and Telecommunications SR Bratislava	loss compensation for 2004-2008, 2009, 2010 (see point 15.3 Subsidies)
Other Receivables	6 351 445	-	receivable towards bank from derivative operations
	1 759 259	-	receivables for removable damage

Receivables from advance payments on investments supported from structural funds are secured by bank guarantees of individual suppliers amounting to 23 196 002 EUR.

Trade Receivables According to Maturity Date

In EUR

Text	As on 31 December 2010	As on 31 December 2009
Receivables before maturity	13 326 918	16 241 123
Receivables after maturity	227 558	1 321 064
Total receivables	13 554 476	17 562 187

Out of receivables after maturity date as on 31 December 2010, receivables with maturity date over 1 year amount to 198 375 EUR. The most important receivables are receivables enforced by legal proceedings in the amount of 158 957 EUR, especially:

89 486 EUR	Travel Agency TRAIN, Bratislava
25 381 EUR	ZIPP Bratislava
14 160 EUR	ŽSR Bratislava

7.1 Long-Term Trade Receivables

In EUR

Long-Term Receivables	As on 31 December 2010	As on 31 December 2009
Advance Payments on Investments	12 624 996	23 237 553
Public Service State Subsidy Receivables	148 269 771	68 189 112
Financial Derivates Receivables	6 347 896	1 882 775
Trade Receivables – reported as other long-term receivables in the Balance Sheet	536 054	369 480
- of which: Depreciation of Receivables	-	-
Total Trade Receivables	536 054	369 480
Other Long-Term Receivables	7 338	8 178
Total Long-Term Receivables	167 786 055	93 687 098

7.2 Short-Term Trade Receivables

In EUR

Short-Term Trade Receivables	As of 31 December 2010	As of 31 December 2009
Short-Term Trade Receivables	13 018 422	17 192 707
- of which: Depreciation of Receivables	- 176 154	- 158 684
Total Short-Term Trade Receivables	12 842 267	17 034 023
Advance Payments on Investments	15 517 546	4 390 492
Other Receivables	2 976 137	2 236 137
Financial Derivates Receivables	3 549	-
Total Short-Term Trade Receivables and other Assets	31 339 499	23 660 652
Total Tax Receivables	8 651 555	33 453 075
Of which: Public Service State Subsidy Receivables	-	23 235 473
Tax Receivables (excess VAT allowance, excise duty)	8 651 555	10 217 602
Total Short-Term Trade Receivables and Tax Receivables	39 991 054	57 113 727

8 INVENTORIES

In EUR

Text	Amount	
	As on 31 December 2010	As on 31 December 2009
Stored Material	2 183 109	2 247 917
Material Sent for External Processing	815	13 792
Material in Transit	723	46
Fuels in Tanks – Traction Units and Coaches	161 868	137 555
Fuels in Tanks of Road Motor Vehicles	1 055	979
Stored Goods and Goods at Sale Points	8 615	5 643
Total Inventories	2 356 185	2 405 932

No right of lien was established regarding the procured inventories.

9 CASH AND CASH EQUIVALENTS

In EUR

Item	Amount	
	As on 31 December 2010	As on 31 December 2009
Cash Counter	208 387	191 995
Stamps	262 739	2 590
Cash on Bank Accounts	22 903	2 636
Cash in Transit	575 056	1 774 195
Total	1 069 085	1 971 416

Bank overdrafts form an indivisible part of cash flow management and are reported as short-term liabilities. Bank overdrafts reported under account 221 together with financial resources on bank accounts amount to - 82 045 thousand EUR as on 31 December 2010.

10 SHARE CAPITAL, CAPITAL FUNDS AND OTHER FUNDS

Description of the share capital, the amount of subscribed shareholders' equity:

Share Type: Ordinary Share

Form: Registered

In EUR

Text	Amount	
	2010	2009
Total Share Capital	212 441 088	212 441 088
Number of Ordinary Shares (Pieces)	64	64
Nominal Value of 1 Share	3 319 392	3 319 392
Value of Shares per Partner	-	-
- State	212 441 088	212 441 088
Value of Subscribed Shareholders' Equity	245 788 264	240 880 233
Capital Funds	49 954 144	47 239 071
Business Result of a Current Year	4 908 030	27 150 732
Amount of Paid-up Share Capital	212 441 088	212 441 088

The share capital ZSSK as on the day of its establishment consisted of a non-cash deposit of the founder. The financial amount (6 300 000 tis. SKK) 209 121 688,91 EUR in which the non-cash deposit was entered as the issuing shares that the sole founder obtained in return for the shares of the ceasing Železničná spoločnosť, a.s. became the property of the sole founder of Železničná spoločnosť Slovensko, a.s. In October 2005 the founder decided to increase the share capital of the Company by 3 319 391,89 EUR (100 000 tis. SKK).

In May 2009 a conversion of the share capital to the EUR currency was carried out, upon a decision to determine the nominal value of 1 share down to whole Euros. The value of 1 share amounts to 3 319 392 EUR; the share capital ZSSK amounts to 212 441 088 EUR.

Other capital funds as on 31 December 2010 amount to 26 326 902 EUR. The statutory reserve fund as on 31 December 2010 amounts to 23 627 242 EUR.

11 BUSINESS RESULT OF PREVIOUS YEARS

In EUR

Business Result of Previous Years	As on 31 December 2010	As on 31 December 2009
Retained Earnings of Previous Years of which:	25 172 856	25 172 856
- Asset Revaluation Difference	25 172 856	25 172 856
Unsettled Loss of Previous Years of which:	- 46 687 854	- 71 123 514
- Unsettled Loss of Previous Years	- 21 209 736	- 45 651 386
- Asset Revaluation Difference	- 25 475 123	- 25 475 123
- Adjustment of Costs of Previous Years	- 2 995	2 995
Total Business Result of Previous Years	- 21 514 998	- 45 950 658

The positive business result for the accounting period of 2009 amounting to 27 150 732 EUR was used as follows:

- Statutory Reserve Fund Allocation 2 715 073 EUR
- Settlement of Previous Years' Loss 24 435 659 EUR

12 TRADE LIABILITIES AND OTHER SHORT-TERM AND LONG-TERM LIABILITIES

Trade liabilities and other short-term and long-term liabilities contain:

In EUR

Text	As on 31 December 2010	As on 31 December 2009
Trade Liabilities	45 335 032	55 303 557
Liabilities Towards Employees	3 906 410	3 756 499
Tax Liabilities	463 461	429 497
Short-Term Liabilities	5 197 409	2 989 724
Loans, short-term part	183 561 347	93 800 873
Liabilities form Financial Lease	0	711 167
Other Short-Term Liabilities	25 179 653	13 009 070
Of which Financial Derivates	104 309	0
Of which Long-Term Financial Assistance, short term part	13 000 000	0
Liabilities Resulting from Time Differentiation of the Future Revenue from Capital Transfers	3 892 583	3 214 928
Total Short-Term Liabilities	263 643 312	170 000 387
Long-Term Financial Aid	126 950 000	139 950 000
Loans, long-term part	14 469 718	22 763 752
Long-Term Reserves	9 711 233	9 120 149
Other Long-Term Liabilities	99 462 472	80 552 854
Of which Financial Derivates	41 966 330	34 158 771
Of which Liabilities Resulting from Time Differentiation of the Future Revenue from Capital Transfers	57 446 574	46 394 027
Total Long-Term Liabilities	250 593 423	252 386 755
Total Liabilities	514 236 735	422 387 142

Amount of Liabilities Before and After Maturity

In EUR

	As on 31 December 2010	As on 31 December 2009
Liabilities Before Maturity	514 218 624	422 017 399
Liabilities After Maturity	18 111	369 743
Total Liabilities	514 236 735	422 387 142

The most important creditors with the highest liabilities are Eurofima, Železničná spoločnosť Cargo Slovakia, a. s., and ŽSR (as stated under point 17 herein).

The liabilities before and after maturity, and the liability structure pursuant to remaining maturity period, include long-term liabilities (liabilities resulting from rent and other financial aid by Eurofima).

Structure of Liabilities before Maturity According to Remaining Maturity Period

In EUR

Total Liabilities of which	Remaining Period to Maturity up to 1 Year, Including	Remaining Period to Maturity from 1 to 5 Years, Including	Remaining Period to Maturity More Than 5 Years
514 218 624	320 110 818	139 401 406	54 706 400

Structure of Liabilities after Maturity

In EUR

Total Liabilities after Maturity	Liabilities after Maturity up to 1 year, Including	Liabilities after Maturity for More than 1 year
18 111	18 018	93

The highest liabilities after maturity day up to 1 year are liabilities for unsettled complaints regarding traction unit repairs.

12.1 Liabilities Resulting from Employee Benefits

12.1.1 Short-Term Liabilities and Receivables Resulting from Employee Benefits

v EUR

Text	Amount	
	as on 31 December 2010	as on 31 December 2009
Liabilities towards Employees	3 906 410	3 756 499
Receivables regarding Employees	33 007	30 713
Liabilities towards Social and Healthcare Insurance Bodies	2 316 765	2 269 089
Of which:		
Healthcare Insurance Fund – Statutory Amount	640 290	628 882
Supplementary Pension Insurance Companies	125 706	124 206
Social Insurance Company	1 550 769	1 516 001

Liabilities towards the Social Fund

In EUR

Text	2010	2009
Social Fund as on 1 January	56	41 955
Creation	471 160	460 681
Drawing	421 648	502 580
Funds were drawn from the Social Fund for:		
- Food Allowances	68 283	66 820
- Labour Force Regeneration	112 268	223 083
- Social Aid	54 651	21 190
- Social Aid - Long-Term Diseases	50 655	51 319
- Financial Bonuses at Work Anniversaries	117 793	119 834
- Gifts at Awarding Jánskeho plaketa	13 477	11 518
- Trade Unions	4 521	8 816
Social Fund Balance as on 31 December	49 568	56

12.1.2 Long-Term Liabilities Resulting from Employee Benefits

In EUR

Text	Amount	
	as on 31 December 2010	as on 31 December 2009
Long-Term Reserve for Employee Benefits	8 007 824	7 547 493
Of which:		
Reserve for Remunerations at Anniversaries	989 402	1 234 414
Reserve for Severance Pay	5 055 918	6 069 613
Reserve for Compensatory Bonus	192 926	243 466
Statutory Social Insurance of Long-Term Reserve	1 769 578	0

13 INCOME TAX

13.1 Payable Income Tax

In terms of the Slovak Accounting Standards (SAS), Železničná spoločnosť Slovensko, a.s. reported accounting business result before taxation (loss) in the amount of -737 058 EUR as on 31 December 2010. Pursuant to Slovak Accounting Standards the business result was adjusted by items increasing the result in the amount of 13 776 474 EUR and by items reducing the result in the amount of 33 886 934 EUR. In terms of tax legislation, ZSSK reported a tax loss in the amount of 20 847 518 EUR as on 31 December 2010.

Pursuant to IFRS the business result (profit) amounts to 4 908 030 EUR.

In 2010, the tax administrator returned to ZSSK tax that was deducted in 2009 in terms of § 43, paragraph 3, letter a) - collected by deduction from bank accounts amounting to 763 EUR. In 2010 ZSSK claims return of tax collected by deduction in the amount of 232 EUR.

13.2 Deferred Income Tax

In EUR

Reason for Deferred Tax Liability and Receivable	as on 31 December 2010	as on 31 December 2009
Tax Residual Price of Non-current and Intangible Asset is Lower than the carrying amount	-686 690	-202 667
Liabilities and Income Taxable after Being Settled	13 756	-16 185
Establishment of Reserves that were not Recognised for Tax Purposes	531 636	174 418
Total – Deferred Tax Liability	-141 298	- 44 434
Redeemed Tax Loss up to the Amount of Deferred Tax Liability	141 298	44 434
TOTAL (Deferred Tax Balance)	0	0

14 RESERVES

Železničná spoločnosť Slovensko, a.s. created reserves for contingent liabilities related to a passive commercial legal dispute with a claimant claiming his receivable from Contract for Work that is not legally valid. There is an assumption that Železničná spoločnosť Slovensko, a.s. will not bear any losses in this context. Despite this, it is not possible to prejudge the final decision of the court.

In EUR

Description of the Reserves	As on 1 January 2010	Creation	Change from Long- Term into Short-Term	Impairment	Termination	As on 31 December 2010	Expected Drawing
Short-Term Reserves	2 989 725	4 566 715	16 597	2 031 385	344 243	5 197 409	
Statutory:	1 968 695	1 744 737	0	1 393 484	120 417	2 199 531	
Wages for Unused Holiday	264 976	366 360	0	229 436	35 540	366 360	2011
Withheld Contractual Wages	542 252	655 673	0	534 754	7 498	655 673	2011
Statutory Social Insurance to Wages for Unused Holiday	93 272	128 960	0	77 769	15 503	128 960	2011
Statutory Social Insurance to Withheld Contractual Wages	42 320	52 177	0	35 240	7 080	52 177	2011
Un-Billed Deliveries	577 995	266 870	0	116 997	6 204	721 664	2011
Un-Billed Services	393 150	258 747	0	344 558	48 592	258 747	2011
Other Statutory - Audit	54 730	15 950	0	54 730	0	15 950	2011
Other (Accounting):	1 021 030	2 821 978	16 597	637 901	223 826	2 997 878	
Supplementary Pension Insurance to Wages for Unused Holiday	6 624	9 159	0	2 755	3 869	9 159	2011
Supplementary Pension Insurance to Withheld Contractual Wages	66	106	0	9	57	106	2011
Unpaid Bonuses and Remuneration	341 240	327 937	0	337 927	3 313	327 937	2011
Statutory Social Insurance to Unpaid Bonuses and Remuneration	127 763	115 434	0	125 520	2 243	115 434	2011
Supplementary Pension Insurance to Unpaid Bonuses and Remuneration	8 531	8 199	0	4 364	4 167	8 199	2011
Reserves for Employees' Benefits	0	1 932 066	0	0	0	1 932 066	
Statutory Social Insurance to Employees' Benefits	0	429 077	0	0	0	429 077	2011
Other (Accounting)	271 255	0	0	61 078	210 177	0	2011
Short-Term Environmental Reserve	265 551	0	16 597	106 248	0	175 900	
Long-Term Reserves	9 120 149	2 255 876	16 597	1 214 948	433 247	9 711 233	
Statutory:	338 949	486 299	0	338 949	0	486 299	
Un-Billed Deliveries	338 949	486 299	0	338 949	0	486 299	Not Decided
Other than Statutory:	8 781 200	1 769 577	16 597	875 999	433 247	9 224 934	
Redundancy payment, severance payment	7 547 493	1 769 577	0	875 999	433 247	8 007 824	Not Decided
Lawsuit Reserve	1 217 110	0	0	0	0	1 217 110	Not Decided
Long -Term Environmental Reserve	16 597	0	16 597	0	0	0	-

15 INFORMATION ON ZSSK'S REVENUES

ZSSK uses revenues classification by their types.

In EUR

	Value	
	2010	2009
Revenues from Own Performance and Goods	96 949 111	96 737 378
Other Business Related Revenues	237 550 804	277 414 260
Of which Subsidies:	231 466 699	271 554 698
- to Cover Costs Resulting from the Public Service Contract	228 114 060	270 338 575
- for State Budget Investments	3 352 639	1 216 123
Revenues from Sales of Assets and Material	1 442 769	1 649 651
Total Revenues from Business Activities	335 942 684	375 801 289
Increase of Value Resulting from Measurement of Derivate Operation	4 981 572	3 216 625
Revenues from Derivate Operations Expect for Revenues resulting from Measurement	3 159 578	1 633 248
Other Revenues from Financial Activities	2 938 038	1 457 227
Total Revenues from Financial Activites	11 079 188	6 307 100
Total Revenues	347 021 872	382 108 389

15.1 Revenues from Own Performance and Goods

In EUR

	Total Revenues	of which		Total Revenues
		International Transport	Domestic Transport	
	as on 31 December 2010			as on 31 December 2009
Total Revenues from Own Performance and Goods	96 949 111	30 482 964	62 011 724	96 737 378
of which:				
Revenues from Service Delivery	11 602 253	7 193 932	-	13 183 746
of which: Traction Performance Abroad	7 193 932	7 193 932	-	
Revenues from Goods	46 102	-	-	50 205
Total Revenues from Transport	85 300 756	23 289 032	62 011 724	83 503 427
of which:				
Revenues from Passenger Transport	77 269 675	15 257 951	62 011 724	
Revenues from Passenger Coaches Performance	8 000 929	8 000 929	-	
Revenues from Intercourier	30 152	30 152	-	

When establishing and approving prices in domestic transport ZSSK complies with a Decree of the Railway Regulatory Authority (ÚRŽD), which stipulates maximum prices of basic, reduced (50%), student, weekly, monthly and single fare, as well as fares for citizens aged above 70 and children aged under 6 (free transport), holders of a PRM ID card, reduced fares for parents visiting their children with physical, mental or sensory impairment or children with a chronic illness hospitalized in health institution on the territory of the Slovak Republic. The extent

and level of social discounts are limited by the Decree of the Railway Regulatory Authority. Fares for Tatra Electric Railway, Cog Railway, and TREŽ (Electric Railway Trenčianska Teplá - Trenčianske Teplice), fares for SC, EC and IC trains and other commercial discounts (types, extent and level) are adopted by the ZSSK's Board of Directors. Pursuant to the valid Public Service Contract (PSC) a carrier may transport passengers for prices lower than stipulated by the Decree of the Railway Regulatory Authority. However, the Ministry of Transport, Construction and Regional Development of the Slovak Republic must be informed and such decision must be justified with expected benefits.

Pricing methods and their approval for international transport are subject to multilateral and bilateral agreements with foreign railway undertakings.

ZSSK's revenues are formed mainly by revenues from international and domestic passenger transport, i.e.:

- regular passenger transportation
- special passenger transportation
- traction performance abroad and passenger coaches performance abroad

15.2 Significant Items of Revenues from Business Activities

In EUR

Revenue Item	Amount	
	as on 31 December 2010	as on 31 December 2009
Revenues from Sales of Long-Term Tangible and Intangible Assets	4 892	21 380
Revenues from Sales of Material	1 437 877	1 628 271
Revenues from Sales of Assets and Material	1 442 769	1 649 651
State Budget Subsidy to Cover Loss Resulting from Provision of Public Services	228 114 060	270 338 575
State Budget Subsidy for Investments (Reversing)	3 352 639	1 216 123
Total Subsidies	231 466 699	271 554 698
Contractual Fines, Penalties and Interests on Overdue Payment	222 978	219 930
Other Fines, Penalties and Interests on Overdue Payment	323 221	287 464
Income from Written-off Receivables	143	0
Reimbursement Right for Removable Damages	4 548 737	4 014 895
Other Income from Business Activities	989 026	1 337 273
Total Other Income from Business Activities	6 084 105	5 859 562
Total	238 993 573	279 063 911

The revenues from sale of long-term tangible and intangible assets consist of sale real estate/land in the amount of 2 862 EUR and sale of road passenger cars in the amount of 2 030 EUR.

Sales of spare parts from repairs of rolling stock form an important part of revenues from sales of material. The majority of these spare parts were sold to ZSSK CARGO in terms of an effective contract.

Insurance of Long-Term Assets

In EUR

Insured Assets and Insurance Company	Total sum Insured during the Insurance Period	Validity of the Contract, from - to	Premium paid in 2010
Insurance Policy on Assets – Fuelling Stations no.:8-863-000468, QBE, Annex No. 1	6 879	20 January 2010 – 31 December 2010	6 879
Supplement no. 1 to the Insurance Policy on Motive Power Units No.:6552737745/80 8009199, Kooperatíva – Insurance of Motive Power Units for Consequences of Failures and Damages of the Wholes or Damages of the MPUs – Machinery Breakdown Insurance	12 928 362	Premium Paid for the 1st Period 01 March 2009 – 28 February 2013	2 995 862

15.3 Subsidies

15.3.1 Subsidies for Business Activities

Železničná spoločnosť Slovensko, a.s has concluded a Public Service Contract with the Slovak Republic represented by the Ministry of Transport, Construction and Regional Development, which is the basis for providing rail passenger services. Subsidies amounting to 216 888 504 € were granted for this purpose in 2010. Out of this amount, 149 372 635 € were transferred to ZSSK. Pursuant to point C.13 of the Government Decree No. 188/2011, ZSSK was granted an additional subsidy amounting to 67 515 869 EUR to cover the unsettled loss for 2010 as recognized in the Protocol of Public Service Contract Performance Evaluation.

Pursuant to Resolution of Ministry of Transport, Posts and Telecommunications from 30 September 2009, ZSSK was granted a subsidy amounting to 71 933 048 EUR to cover the loss for years 2004 – 2008. Pursuant to Resolution of Ministry of Transport, Construction and Regional Development from 21 March 2011, ZSSK was granted a subsidy amounting to 17 042 000 EUR to cover the loss for 2009.

As the State subsidies are payable in the period exceeding 1 year, they are considered as long term receivable with amount adjusted by the method of effective interest rate to the present value (see table below) pursuant to IAS 39 Financial Instruments: Recognition and Measurement.

In EUR

Text	Granted Subsidy	Maturity	Discounted Value of the Subsidy	Discount Interest of 31 December 2010	Present Value of the Subsidy as of 31 December 2010
Public Service Contract Subsidy – Long-Term for 2004-2008	71 933 048	30.9.2012	67 855 939	1 672 407	69 528 346
Public Service Contract Subsidy – Long-Term for 2009	17 042 000	31.12.2013	15 869 740	0	15 869 740
Public Service Contract Subsidy – Long-Term for 2010	67 515 869	31.12.2013	62 871 685	0	62 871 685
Subsidies for Business Activities:	156 490 917		146 597 364	1 672 407	148 269 771

15.3.2 Subsidies on Investments

State Budget Subsidy

In 2010 ZSSK was granted a state subsidy on investments amounting to 11 617 520 EUR on the basis of Capital Transfers Contract concluded between the Ministry of Transport, Construction and Regional Development of the SR and Železničná spoločnosť Slovensko, a.s. The subsidy was intended and used for reconstruction of motor coaches 810+010 and diesel units 813+913, for upgrade of Bdt to Bdgteer and for traction units type 362 a 363.

An unfinished construction amounting to 226 777 EUR was reported from subsidies on investments in the amount of 33 193 919 EUR granted in 2009.

The investment subsidy complies with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance and it is reported into revenues as future revenue, which is reported on a systematic and rational basis revenues during the useful life of the assets.

In EUR

State Subsidy Granted in Year	Amount of Subsidy	rok 2009		rok 2010			
		State Subsidy Release as on 31 Dec 2009 (depreciation)	Future Revenues as of 31 Dec 2009	State Subsidy Release into Revenues as on 31 Dec 2010 (depreciation)	Future Revenues as of 31 Dec 2010	Future Revenues as of 31 Dec 2010 Long Term Part	Future Revenues as of 31 Dec 2010 Short Term Part
2009	33 193 915	-1 216 123	31 977 792	-2 670 177	29 307 615	26 620 058	2 687 557
2010	11 617 520	0	0	-682 462	10 935 058	9 952 488	982 570
	44 811 435	-1 216 123	31 977 792	-3 352 639	40 242 673	36 572 546	3 670 127

State Budget Subsidy in Combination with a Subsidy from EU Structural Funds

In 2009 ZSSK started to draw a non-repayable financial contribution (NFC) within the Operational Program Transport (OPT) Project of Renewal of ZSSK Rolling Stock for Suburban and Interregional Public Railway Passenger Transport in the SR. Pursuant to the Contract on NFC the OPT's justifiable costs amount to 186 338 036 EUR and the maximal amount of the non-refundable financial contribution amount to 177 021 134 EUR. The non-refundable financial contribution is granted by the State Budget of the Slovak Republic (50%) and by the European Fund of Regional Development (50%).

In EUR

Text	Subsidy Received in 2009	Subsidy Received in 2010	Total Future Revenues as of 31 Dec 2010	Future Revenues as of 31 Dec 2010 Long Term Part	Future Revenues as of 31 Dec 2010 Short Term Part
EU Structural Funds Subsidies	8 815 581	1 732 660	10 548 241	10 437 013	111 228
Stated Budget Subsidies Combined with the EU Subsidies	8 815 582	1 732 660	10 548 242	10 437 014	111 228
Investment Subsidies:	17 631 163	3 465 320	21 096 483	20 874 027	222 456

First double-deck electric multiple unit procured within the Operational Program Transport was launched into operation in December 2010. Non-refundable financial contribution subsidy release will start since January 2011.

15.4 Significant Items of Financial Revenues and Total Exchange Rate Profit

In EUR

Revenue Item	Amount	
	as on 31 December 2010	as on 31 December 2009
Bank Interests	1 343 472	339 268
Exchange Rate Profit	818 200	325 906
Exchange Rate Profit from Revaluation of Assets and Liabilities in Foreign Currency	772 464	664 752
Revenue from Long-Term Financial Assets	0	68 152
Revenue from Derivative Operations expect Revaluation of Derivates	3 159 578	1 633 248
Other Financial Revenues	3 902	59 149
Total Financial Revenues and Total Exchange Rate Profit	6 097 616	3 090 475
Increase of Value related to Revaluation of Derivates	4 981 572	3 216 625
Total	11 079 188	6 307 100

Revenues from derivative operations resulted from interest financial derivatives.

16 INFORMATION ON COMPANY COSTS

ZSSK uses cost classification by types.

In EUR

Item	Value	
	2010	2009
Consumed Purchases and Services	190 135 898	196 744 878
Personnel Costs	73 398 555	69 622 055
Depreciation (Amortization) - Carrying Amount of Tangible and Intangible Assets	48 847 578	42 676 509
Financial Costs - Interests	4 201 952	4 979 250
- Exchange Rate Losses	2 505 151	886 249
- Derivate Operations Costs Except Revaluation	9 199 917	3 958 506
- Impairment related to Revaluation of Derivate Operations	8 424 770	29 107 679
Costs on Sale of Assets and Material	1 009 748	1 206 889
Other Costs	4 390 273	5 775 642
Total Costs	342 113 842	354 957 657

16.1 Consumed Material and Services

Consumed material and services include following items:

In EUR

Cost Item	Amount	
	as on 31 December 2010	as on 31 December 2009
Sold goods	36 440	42 229
Material Consumption	16 354 150	14 112 110
Energy Consumption	28 618 288	32 011 717
Consumed Purchases:	44 972 438	46 123 827
Repairs and Maintenance	37 539 311	44 046 920
Travelling Costs	2 128 109	2 119 674
Representation Costs	84 833	67 701
Other Services	105 374 767	104 344 527
of which:		-
Track Access Charges	58 246 732	58 495 559
Rolling stock Cleaning	4 432 852	4 480 465
Shunting Services Provided by Železničná spoločnosť Cargo Slovakia, a.s. for Železničná spoločnosť Slovensko, a.s.	6 140 875	6 140 875
Services of Wagon Slovakia	3 861 343	3 951 590
Rental/Lease	3 989 700	4 220 612
Operators' Services	1 133 520	1 142 125
Purchase of IT Services	3 272 653	3 185 562
Performance of Passenger Coaches	8 098 911	8 142 653
Performance of Traction Units	8 034 479	8 175 500
Other Services	8 163 702	6 409 586
Consumed Services:	145 127 020	150 578 822
Total Consumed Purchases and Services:	190 099 458	196 702 649
Total Consumed Purchases, Services and Goods:	190 135 898	196 744 878

In 2010 significant items within the category of consumed purchases and services were material consumption, in particular costs of own repairs, gas-oil consumption, energy consumption, costs of contracted rolling stock repairs and maintenance services and costs of other services.

Consumed traction energy forms substantial part of the consumed energy. Costs of repairs involve mostly rolling stock repairs. ZSSK subcontracts Železničná spoločnosť Cargo Slovakia, a.s. to provide these services. To a smaller extent ZSSK has expenses on repairs of ticket selling devices and also expenses on IT equipment or other administrative technology repairs as well as expenses on repair related to facility management .

Charges for the use of ŽSR's rail infrastructure form the largest share of other services costs. Significant services include also services related to shunting of rolling stock in railway stations and depots carried out by Železničná spoločnosť Cargo Slovakia, a.s.

Other services include performances of passenger coaches and traction units related to financial settlement with foreign railways (i.e. cross-border journeys of traction units and passenger coaches, and related work of locomotive and train crews).

The major item within the rental paid to legal entities is rental to Železničná spoločnosť Cargo Slovakia, a.s. Another important rental is paid to ŽSR, which rents non-residential areas at individual railway stations and administrative premises. For detailed costs break-down of the rental, please refer to the table below:

In EUR

Rental Costs	Amount	
	As on 31 December 2010	As on 31 December 2009
Paid Rental - Natural Entities	7 907	7 568
Paid Rental - Legal Entities	806 948	772 964
Paid Rental to Legal Entities - Land	0	0
Paid Rental - Rent of Foreign Coaches	743 545	1 065 683
Rental to Železničná spoločnosť Cargo Slovakia, a.s.	2 017 758	1 978 314
Paid Rental to Legal Entities - ŽSR	413 542	396 083
Total	3 989 700	4 220 612

16.2 Personnel Costs

Personnel costs consist of the following items:

In EUR

Cost Item	Amount	
	as on 31 December 2010	as on 31 December 2009
Labour Costs	49 718 652	50 200 081
of which:		-
Bonuses at Anniversaries	*0	284 994

Extraordinary Remunerations	70 962	57 511
Remuneration from the Onboard Ticket Sale	432 640	423 140
Social Security Costs	23 679 903	19 421 974
of which:		-
1. Social Security	20 050 563	17 536 170
of which:		-
1.1. Statutory Social Insurance	16 804 644	16 499 001
1.2. Supplementary Pension Insurance	918 674	903 754
2. Social Costs	3 629 340	1 885 804
of which:		-
2.1. Severance Payment	*0	77 191
2.2. Redundancy Payment	*0	105 525
2.3. Regeneration Costs	167 276	79 112
2.4. Obligatory and Increased Contributions to the Social Fund	471 161	460 681
Total Personnel Costs:	73 398 555	69 622 055

* Drawing in 2010 was carried out from reserves created in 2009 in the total amount of 875 999 EUR.

Wages and remunerations of statutory, controlling and other company bodies paid in 2010 are as follows:

In EUR

Item	Amount	
	2010	2009
Wages	571 218	549 973
Remunerations	87 005	60 000
Total:	658 223	609 973

Železničná spoločnosť Slovensko, a.s. grants financial remuneration for positions in the Supervisory Board and in the Board of Directors.

In EUR

Income of Body Members	Amount	
	as on 31 December 2010	as on 31 December 2009
Current Body Members:		
of which:		
- Statutory	15 750	45 600
- Supervisory	7 131	14 400
Previous Body Members:		
of which:		
- Statutory	50 300	-
- Supervisory	13 824	-
Total Remunerations:	87 005	60 000

These amounts are subject to tax and levy obligations in terms of effective legal regulations. Non-financial remuneration (accommodation) amounted to 11 967 EUR in 2010.

The average number of employees in 2010 is stated in the following table:

Indicator	Total Number of Employees	Of Which Managing Employees
Average number	4 995,20	-
Number as on 31 December 2010	5 014	180

After organisational changes that are in force since 1 March 2010, team-leaders are included in the category of Managing Employees.

16.3 Operation Costs

Operation costs include:

In EUR

Cost Item	Amount	
	as on 31 December 2010	as on 31 December 2009
Depreciation and Amortization of Long-Term Tangible and Intangible Assets	48 847 578	42 676 509
Adjusting Entries for Assets	0	0
Depreciation and Amortisation	48 847 578	42 676 509
Residual Value of Sold Long-Term Tangible Assets	12 650	18 164
Sold Material	997 098	1 188 725
Costs on Sale of Assets and Material	1 009 748	1 206 889
Motor Vehicle Tax	3 460	3 350
Real Estates/Lands and Construction Tax	19 677	22 256
Other Taxes and Fees	59 277	47 197
Total Taxes and Fees	82 414	72 803
Contractual Fines and Penalties	19 852	15 399
Other Fines and Penalties	1 342	10 362
Write-off of Irrecoverable Receivables	6 470	45 337
Costs Related of Impairment of Receivables (IAS 36)	18 023	-290 604
Other Operation Costs	359 390	394 043
of which: Change of the Status of Material, Long-Term Tangible Assets – Own Activation	-18 961	-39 799
Total Other Operation Costs	405 077	174 537
Deficits and Damages	434	6 529
Total Other Operation Costs, Taxes and Fees, Deficits and Damages	487 925	253 869
Total Operation Costs	50 345 251	44 137 267

16.4 Other Financial Costs

Other financial costs include following items:

In EUR

Cost Item	Amount	
	as on 31 December 2010	as on 31 December 2009
Interests, of which:	4 201 952	4 979 250
Interests Payable to Banks -Domestic	1 258 982	609 826
Interests Payable to Banks - Foreign	376 805	566 293
Interests on Loans from Other than Bank Institutions	1 418 871	2 709 264
Interests on Leasing	15 296	55 194
Interests from EU Funds	1 272	167 150
Other Interests	13	101
Exchange Rate Losses	2 505 151	886 249
Costs on Derivative Operations except Costs on Revaluation of Derivates	9 199 917	3 958 506
Bank Expenses	3 901 807	5 519 146
Deficits and Damage on Financial Assets	541	2 626
Total Financial Costs	19 809 368	15 345 777
Impairment Related to Revaluation of Derivates	8 424 770	29 107 679
Total Financial Costs Including Impairment Related to Revaluation of Derivates	28 234 138	44 453 456

Other costs amounting to 20 297 293 EUR in the Statement of Comprehensive Income consist of other operation costs, tax costs, deficits and damages amounting to 487 925 EUR (point 16.3) and other financial costs amounting to 19 809 368 EUR.

17 RELATED PARTIES

Following entities are related to Železničná spoločnosť Slovensko, a.s.:

Related Party	Registered Office
Železnice Slovenskej republiky, Bratislava	Klemensova 8, 813 61 Bratislava
Železničná spoločnosť Cargo Slovakia, a. s.	Drieňová 24, 820 09 Bratislava
EUROFIMA	Rittergasse 20, CH - 4001 Basel

There is an organisational and economic connection between ZSSK and Železnice Slovenskej republiky and Železničná spoločnosť Cargo Slovakia, a.s. ZSSK has property connection to the foreign company, Eurofima.

17.1 Liabilities to Related Parties

In EUR

Company	Turnover		Balance	
	2010	2009	2010	2009
Železnice Slovenskej republiky	107 572 632	109 645 079	2 484 141	1 635 439
Železničná spoločnosť Cargo Slovakia, a.s.	85 342 510	87 612 903	5 520 576	16 067 032
EUROFIMA	0	18 350 000	139 950 000	139 950 000

Detailed structure of liabilities towards EUROFIMA financial company is stated in point 6.1.3 Long-Term Financial Assistance.

17.2 Receivables from Related Parties

In EUR

Company	Turnover		Balance	
	2010	2009	2010	2009
Železnice Slovenskej republiky	831 745	957 206	178 058	159 239
Železničná spoločnosť Cargo Slovakia, a.s.	2 097 157	2 657 055	267 107	652 260

17.3 Capital Participation

Capital participation of ZSSK in the equities of other foreign entities with insignificant influence as on 31 December 2010 was as follows:

Company	Number of shares (pieces)	Participation in the equities in %	As on 31 December 2010	Currency	Nominal value of a share	Total nominal value	Gross Carrying Amount in Currency of the Share
Eurofima	1 300	0,50%	4 874 376	CHF	10 000	13 000 000	6 094 920
BCC	1	0,68%	744	EUR	750	750	744
Total	x	x	4 875 120				

18 IMPORTANT SUPPLIERS AND CUSTOMERS

The most important suppliers of ZSSK (apart from the related parties) in the year ended on 31 December 2010:
In EUR

Supplier	Total Liability Turnover Towards Supplier in 2010
ŽOS Vrútky, a.s.	33 518 300
ŽOS Trnava, a.s.	29 332 848
Železničné opravovne a strojárne Zvolen, a.s.	14 455 672
ŠKODA VAGONKA, a.s.	9 620 000
České dráhy, a.s.	6 403 188
Euroclean, s.r.o.	5 275 094
WAGON SLOVAKIA Košice, a.s.	4 702 619
SLOVNAFT, a.s.	2 511 651
ÖBB Personenverkehr Wien AG	1 963 007
DOXX – stravné lístky, s.r.o.	1 890 049
Thales Rail Signalling Solutio	1 656 388
TORY CONSULTING, a.s.	935 376
EUROTARGET, s.r.o.	903 446
TAGUS, s.r.o.	887 701
PROSOFT, s.r.o.	757 906
Hewlet-Packard Slovakia, s.r.o.	728 023

The most important customers of ZSSK (apart from the related parties) in the year ended on 31 December 2010:
In EUR

Customer	Total Receivable Turnover in 2010
České dráhy, a.s.	7 847 073
MÁV – TRAKCIÓ Zrt. Budapest	1 056 929
Slovenská pošta a.s. Banská Bystrica	531 232
ÖBB Personenverkehr Wien AG	356 648
Granvia Construction, s.r.o.	315 042
Bratislavský samosprávny kraj	278 333
EURAIL GROUP GIE	207 681
WAGON SLOVAKIA Košice, a.s.	204 738
ŽOS Vrútky, a.s.	142 709
WAGON SERVICE TRAVEL s.r.o. Bratislava	137 757
EBA, s.r.o.	211 536
MÁV START Vasúti	147 897
UIC	111 000

As far as the amount of receivables and liabilities is concerned, ZSSK considers the ceiling of 600 000 EUR when selecting important suppliers and 100 000 EUR when selecting important customers, as adequate ceiling to prove the importance of suppliers and customers.

19 IMPORTANT INFORMATION NOT REPORTED IN THE FINANCIAL STATEMENTS

As on 31 December 20010 ZSSK records off balance sheet following important assets, receivables and liabilities:

In EUR

Title	Title	Amount
Rented Assets		53 833 043
	Assets rented from ŽSR - buildings	3 894 919
	Assets rented from ZSSK CARGO - buildings	3 901 805
	Assets rented Kralovany	39 600
	Land estate of the vehicle-ramp in Petržalka, Bratislava	40 165
	Office premises, Bratislava, Rožňavská 1	4 104 837
	Apartment for the representative at the UIC, Paris	167 052
	Office premises, Trnava	39 996
	Accommodation facility, Komárno	151 364
	Dopravný podnik Bratislava, a.s. - administrative buildings	6 475
	Lesy SR, š.p. - AVK Lučenec – administrative building	7 161
	Assets rented from Prenam s.r.o. HE	33 204
	Assets rented from ŽSR – Košice region	2 252 806
	Assets rented from ŽSR – Zvolen region	874 733
	Assets rented from ŽSR – Žilina region	1 246 961
	Assets rented from ZSSK CARGO – Košice region	3 680 422
	Assets rented from ZSSK CARGO – Zvolen region	774 175
	Assets rented from ZSSK CARGO – Žilina region	2 944 949
	Assets rented from ZSSK CARGO – tracks, Bratislava region	10 560 713
	Assets rented from ZSSK CARGO – tracks, Zvolen region	4 988 353
	Assets rented from ZSSK CARGO – tracks, Žilina region	4 623 478
	Assets rented from ZSSK CARGO – tracks, Košice region	8 286 717
	Air-conditioned sleeping car - CONVEY	609 769
	Air-conditioned sleeping car – WAGONSERVICE travel	603 389
Leased Assets		583 910
	Administrative building Bratislava	27 884
	UNIREST Podkolibská	173 515
	Recreation facility Devin Valčík, Bratislava	171 449
	Social facility, Košice	12 113
	Rotunda Košice	19 362
	Administrative building – Košice	4 191
	Administrative building Bratislava	846
	Locomotive hangar, Tatranská Štrba	7 814
	Electric locomotive hangar - Tr. Teplá	22 888
	Warehouse – locomotive depot, Košice	8 086
	Cadastre territory of Vinohrady, land parcel 7199	16 802
	Cadastre territory of Bratislava – Staré mesto, land parcel 7302	996
	Cadastre territory of Zvolen, land parcel 5394	1 482
	Cadastre territory of Poprad, land parcel 2460	5 981
	Switching station RD Poprad	6 410
	Administrative building, Rožňavská 1, Bratislava	30 281
	Cadastre territory Štrba, land parcel 2555/5, 2553/9	6 632
	Track Motor Car Hangar	67 052
	Special Coach – Parlor Car	126

Rented Assets - Leasing	10 001
Electric multiple unit	10 001
Assets Lent for the Use of ZSSK	69 873
POS Terminals	57 750
PC HP Compaq with accessories	12 123
Record-Keeping of the Obligations from Optional Travel Tickets	245
Provided as a prize in competition	220
Complaints for low-quality service	25
Material in the Consignment Warehouse of ZSSK	65 380
Consignment stock	65 380
Bank Guarantee of the Supplier for Provided Investment Advance Payments	23 196 002
Bank guarantee – Komerčná banka	9 620 000
Bank guarantee – Slovenská sporiteľňa	5 297 212
Bank guarantee - Calyon banka	8 278 790
Written-off Trade Receivables	134 061
ŽSR	53 067
Wagon Service travel, s.r.o. Bratislava	5 166
Kooperatíva poisťovňa, a.s. Bratislava	1 098
Kooperatíva poisťovňa, a.s. Nitra	1 980
Česká poisťovňa Slovensko, a.s. Bratislava	1 523
V.T.I., s.r.o. Lietava	6 128
K.B.K., s.r.o. Čadca	4 902
Fagus I. – Slovakia, s.r.o. Ubľa	3 198
Roľnícke družstvo podielnikov Chocholná - Velčice	11 698
ALBA KR, s.r.o. Bratislava	11 852
Branter, s.r.o. Nové Zámky	5 539
BULLY, T.Lomnica	2 267
Krpeľan Ľ. Filákov	3 095
Trgiňová M. Ráztočno	1 219
Šťastná L. Kutná Hora	1 168
Mitrenga R. Čierne pri Čadci	875
Other written off receivables of legal entities	10 572
Other written off receivables of natural entities	8 714

In EUR

Title	Title	Amount	Date of entry
Trademarks not Reported as Intangible Assets		1 165	
	Trademark – abbreviation of „ZSSK“	53	10 March 2003
	Trademarks – blue logo	130	9 February 2006
	Trademarks – black adcut	129	9 February 2006
	Trademarks – orange adcut	130	9 February 2006
	Trademarks – orange adcut	129	9 February 2006
	Trademarks – orange logo	130	9 February 2006
	Trademarks – JUNIOR RAILPLUS	116	17 Sept 2007
	Trademarks – KLASIK RAILPLUS	116	17 Sept 2007
	Trademarks – SENIOR RAILPLUS	116	17 Sept 2007
	Trademarks – MAXI RAILPLUS	116	17 Sept 2007

The table below shows unsettled assets resulting from unsettled ownership relations between Železničná spoločnosť Slovensko, a.s. and ŽSR, originating in the period of the establishment of the legal predecessor of ZSSK – Železničná spoločnosť a.s. It concerns the assets specified in Annex no. 10 of the Project of Split-up of Železničná spoločnosť, a.s. as adopted by the shareholder on 13 December 2004 and published in the Commercial Register.

As on 31 December 2010 unsettled assets described in Annex no. 10B of the Split-up Project remained a property of ŽSR.

Železničná spoločnosť Slovensko, a.s. reports the assets out of the balance sheet.

In EUR

Title	Title	Amount
Assets in Use (Unsettled Assets with ŽSR)		1 267 247
	Repair shop and oil storage	944 794
	Transformer station	6 929
	Switching station	33 006
	Oxygen storage	2 151
	Locomotive hangar for spare locomotives	267 189
	Garages TE	10 025
	Locomotive hangar - Čermeľ	3 153

20 SIGNIFICANT EVENTS AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION

Železničná spoločnosť Slovensko, a.s. does not record any significant events after the date of the Financial Position.

21 ADOPTION OF THE FINANCIAL STATEMENTS FOR PUBLICATION PURPOSES

The Individual Financial Statements of Železničná spoločnosť Slovensko a.s. prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, as on 31 December 2010, pages 1 - 71, were adopted by the ZSSK's Board of Directors for publication purposes.

Signature of the person responsible for:

In charge of Accounting:



.....
Ing. Magdaléna Pongóová

Preparation of the Financial Statement:



.....
Ing. Zdenka Stojkovičová

