

## Presentation on financial results of České dráhy Group in 2012



Prague, 29 April 2013



# Key Indicators of ČD Group

| Key Indicators – IFRS financial indicators in CZK mil.           | 2012   | 2011   | Difference | Index |
|------------------------------------------------------------------|--------|--------|------------|-------|
| <b>ČD Group</b>                                                  |        |        |            |       |
| EBITDA adjusted *                                                | 6,097  | 6,782  | -685       | 90%   |
| EBITDA                                                           | 5,562  | 6,672  | -1,110     | 83%   |
| EBIT adjusted *                                                  | -2     | 1,108  | -1,110     | n/a   |
| EBIT                                                             | -537   | 998    | -1,535     | n/a   |
| Profit/loss for the period adjusted*                             | -1,059 | 601    | -1,660     | n/a   |
| Profit/loss for the period                                       | -1,594 | 491    | -2,085     | n/a   |
| Total assets                                                     | 84,525 | 82,612 | 1,913      | 102%  |
| CAPEX                                                            | 10,268 | 8,603  | 1,665      | 119%  |
| Amortisation and depreciation                                    | 6,099  | 5,673  | 426        | 108%  |
| Leverage (%) – external funding/assets                           | 52.3   | 48.8   | 3.5        | 107%  |
| Current liquidity (%) – short-term assets/short-term liabilities | 45.7   | 48.4   | -2.7       | 94%   |
| ROCE (%) - EBIT/(total assets – short-term liabilities)          | -0.8   | 1.6    | -2.4       | n/a   |
| Number of employees in average FTE                               | 26,443 | 33,566 | -7,123     | 79%   |
| <b>Passenger transport (ČD, a.s.)**</b>                          |        |        |            |       |
| Number of passengers (mil.)                                      | 169    | 166    | 3          | 102%  |
| Traffic performance (mil. person-kilometres)                     | 6,907  | 6,635  | 272        | 104%  |
| Transport performance (mil. train-kilometres)                    | 121.7  | 121.3  | 0.4        | 100%  |
| Average traffic distance (km)                                    | 41     | 40     | 1          | 103%  |
| Occupancy ratio (%)                                              | 25     | 24     | 1          | 104%  |
| <b>Freight transport (ČD Cargo, a.s.)</b>                        |        |        |            |       |
| Traffic volume (mil. tonnes)                                     | 73.35  | 78.74  | -5.39      | 93%   |
| Traffic performance (mil. tarrif tonne-kilometres)               | 13,044 | 13,872 | -828       | 94%   |
| Transport performance (mil. train-kilometres)                    | 25.0   | 26.2   | -1.2       | 95%   |
| Average traffic distance (km)                                    | 178    | 176    | 2          | 101%  |

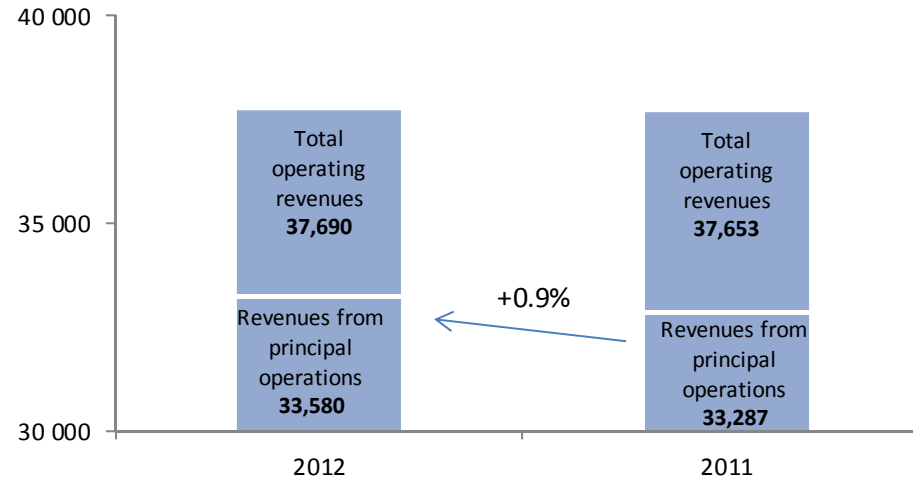
\* Adjusted indicator is netted of a provision created on the side of ČD Cargo, a.s. for restructuring of the company at the amount of CZK 535 mil. in 2012 and CZK 110 mil. in 2011.

\*\* The information on the passenger transport of ČD, a.s. does not include free-of-charge and flat transportation services.



# ČD Group Revenues in 2012

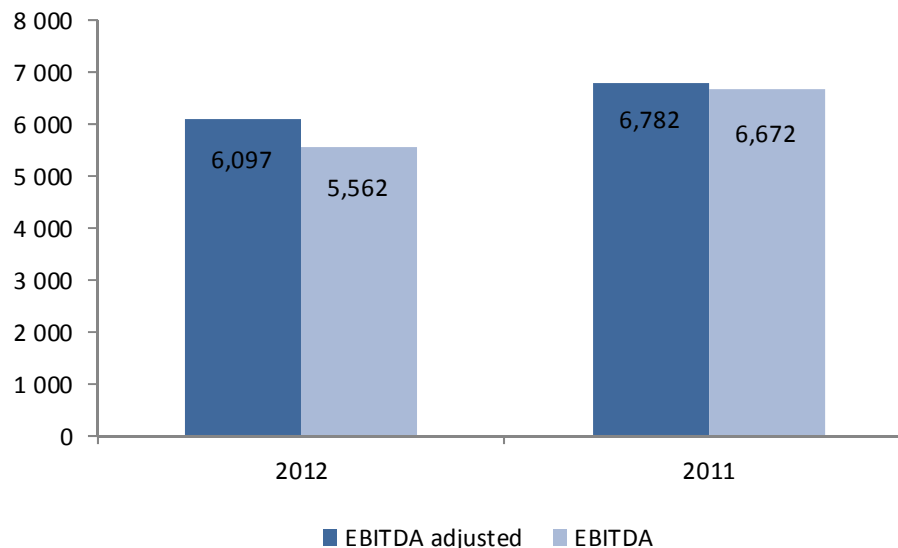
[CZK mn]



- **The year-on-year revenues remained stable at the amount of CZK 37.7 bn**
- **The revenues from principal operations increased by almost CZK 300 mn (+0.9%) primarily thanks to the passenger transport segment where the revenues from passenger transport increased by CZK 280 mn (+4%)**
  - **The year-on-year revenues increased both in domestic and international transport**
    - **In 2012 the passenger transport carried by 3 million passenger more than in 2011**
    - **In domestic transport the revenues were further supported by the implementation of new products in the long-distance transport – ČD Bus line and D1 Express**
    - **Moreover the number of In-karta holders was continuously increasing throughout the whole year**
    - **There was a significant increase in revenues collected in the Czech Republic and from the transport realized outside of the Czech Republic, which was primarily caused by the higher number of tourists travelling to the Czech Republic by trains**

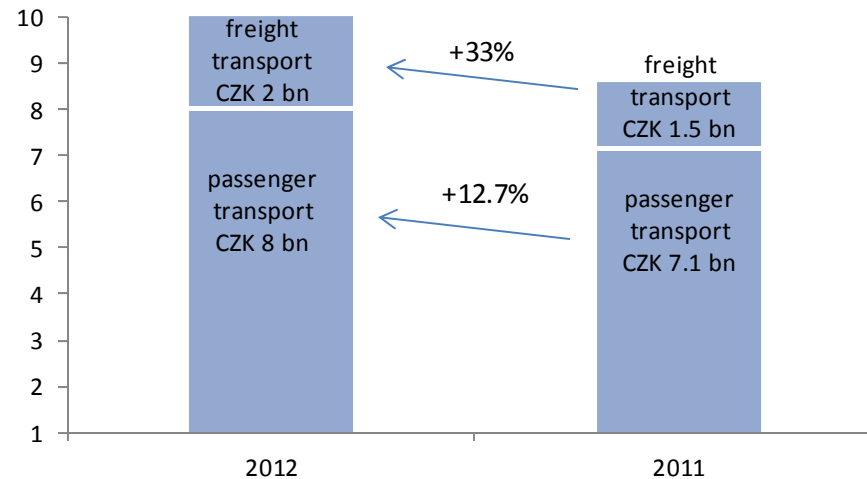
# EBITDA of ČD Group in 2012

[CZK mn]



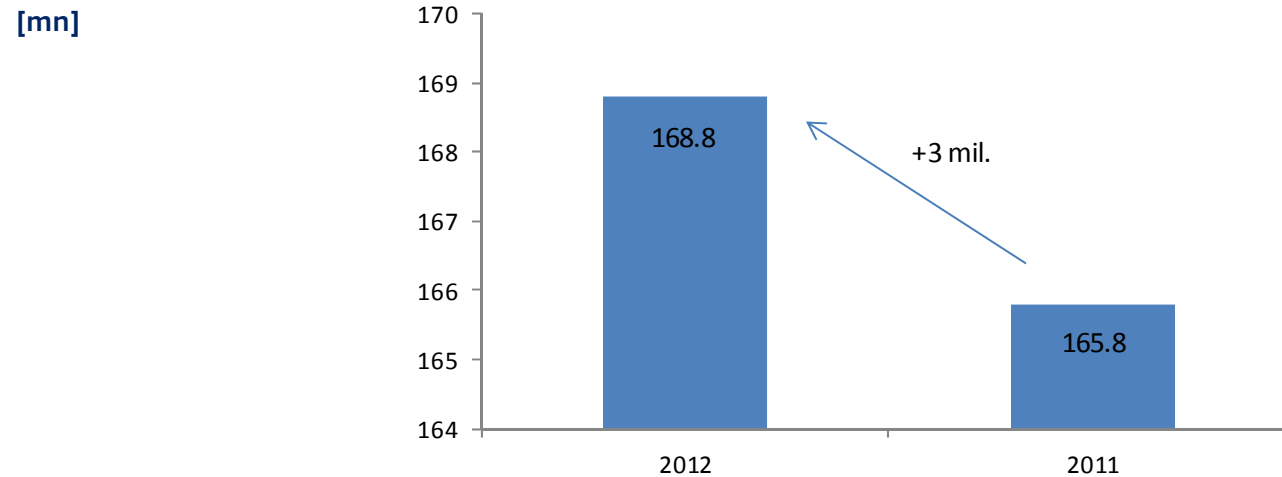
- The adjusted EBITDA, netter of a provision created on the side of ČD Cargo, a.s. for restructuring purposes, decreased on year-on-year basis by CZK 700 mn (-10%)
- The decrease was primarily caused by:
  - The increase in costs for traction electricity by CZK 200 mn (+8.6%)
  - The increase of operating costs related to the purchased performance in freight transport by CZK 547 mn (+40%)
  - The decrease in sale of non-core assets due the continuous crisis on the real-estate market
- The provision created on the side of ČD Cargo, a.s. for restructuring of the company was at the amount of CZK 535 mil. in 2012 and CZK 110 mil. in 2011
- Unadjusted EBITDA for 2012 was CZK 5 562 mn

# CAPEX of ČD Group



- In the 2012 the passenger segment 's capital expenditures were approx. CZK 8 bn, which is CZK 900 mn (+12.7%) more in comparison with the year 2011
  - CZK 7 mn were invested into the purchase of new trains and modernization of the current ones
    - In 2012 the last modernized diesel unit Regionova was delivered and the supplies of new diesel units RegioSpider and diesel and electric units RegioShark and Regiopanter continued in 2012
    - In 2012 the contract for the supply of 7 Viaggio Comfort train units came into the effect
  - Other CZK 1 bn were invested into the modernization of railway buildings, IT and constructions
- The year-on-year increase in capital expenditure in freight transport was by CZK 500 mn (+33%) – the capital expenditure in freight transport is primarily directed on the modernization of the current fleet of freight wagons

# Number of transported passengers in passenger transport



- **Despite the increasing competition in passenger transport, the passenger segment of ČD transported 3 million passengers more in 2012 compared to the year 2011**
- **The revenues from the passenger transport increased both in domestic and international transport**
- **The increase in passengers is primarily attributable to the increasing quality of offered services, continuously improving rolling stock and furthermore to the offered promotions, which attract more passengers to travel by trains**
- **The traffic performance of passenger transport also increased on year-on-year basis by 272 mn person-kilometres**

# Principal segments financial results for 2012

[CZK mn] **Passenger transport**

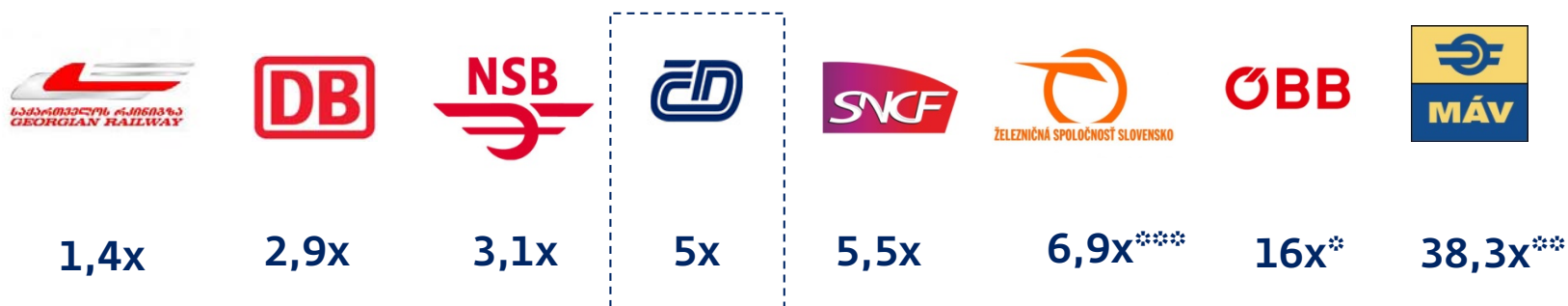
|                                    | 2012   | 2011   | Difference | Index |
|------------------------------------|--------|--------|------------|-------|
| Revenues from principal operations | 19,499 | 19,180 | 319        | 102%  |
| Purchased consumables and services | 10,390 | 10,268 | 122        | 101%  |
| Staff costs                        | 6,785  | 6,863  | -78        | 99%   |
| EBITDA                             | 1,862  | 1,734  | 128        | 107%  |
| Depreciation/amortization          | 2,022  | 1,854  | 168        | 109%  |
| EBIT                               | -160   | -120   | -40        | n/a   |
| Profit/loss for the period         | -517   | -583   | 66         | n/a   |

## Freight transport

|                                    | 2012   | 2011   | Difference | Index |
|------------------------------------|--------|--------|------------|-------|
| Revenues from principal operations | 15,337 | 15,290 | 47         | 100%  |
| Purchased consumables and services | 10,445 | 9,625  | 820        | 109%  |
| Staff costs                        | 4,494  | 4,497  | -3         | 100%  |
| EBITDA                             | 711    | 1,375  | -664       | 52%   |
| Depreciation/amortization          | 2,587  | 1,220  | 1,367      | 212%  |
| EBIT                               | -1,876 | 155    | -2,031     | n/a   |
| Profit/loss for the period         | -1,911 | -34    | -1,877     | n/a   |

# Indebtedness of the ČD Group in comparison with other railway companies

## Indicator for indebtedness - Net debt/EBITDA



- Mid-term financial strategy defines the long-term sustainable level of indebtedness at the maximum threshold of 5x Debt/EBITDA (according to IFRS standards)
- At the same time the indebtedness is continuously monitored by Moody's rating agency. In case the threshold of 5.5x is exceeded (based on consolidated IFRS), there is a threat of lowering the rating of ČD Group at least by one notch
- The indebtedness of the Group (based on consolidated IFRS) is continuously kept under the internally defined long-term sustainable level of indebtedness

Indicators are measured on consolidated financial statements according to IFRS for 2012.

\* The indicator is measured based on data from 2011. Data for 2012 are not publicly available.

\*\* The indicator is measured based on the accounting standards of the respective country, since the company does not prepare its financials based on IFRS.

\*\*\* The indicator is measured on unconsolidated bases. Consolidated data of the company is not available.



