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České dráhy, a.s. (IČ 70994226)
Information obligation

České dráhy, a.s. – current economic overview of ČD Cargo, a.s., the 100% owned subsidiary of České dráhy, a.s.

České dráhy, a.s. (further „ČD“), which is an issuer of publicly traded notes and a 100% owner of ČD Cargo, a.s. (further „ČD Cargo“ or „the company“), is to inform the public and its investors, in connection to the current media publicity of ČD Cargo, about the actual economic situation at this company and put straight certain declarations that have occurred in the media recently. Based on the above, this is an extraordinary situation when ČD is releasing the information about the financial estimates of Cargo.

After a properly made specification of revenues and costs, the loss of ČD Cargo for 2012 from the ordinary activities is expected to be CZK 230 million. The estimated loss is primarily influenced by the decrease of revenues connected to the overall decrease of building and industrial production in the Czech Republic and the lower profitability of the single wagon units segment.

Further to this loss, ČD Cargo is planning to make two extraordinary accounting operations by the end of the year 2012, which, according to the current assumptions of the company, will further increase the costs; however they will not have any impact on the cash flow of the company in 2012. These extraordinary costs were neither part of the previously planned nor estimated financial result:

These costs contain the extraordinary depreciation of the valuation difference when the company decided to decrease the value of assets based on the current valuation and the age of its cargo rolling stock, and also based on the assumption that the company plans to sell redundant cargo cars. The management of the company currently expects that this operation will have a negative impact on the financial result in 2012 by CZK 1.3 billion; however this operation will decrease the value of non-current assets and in the upcoming years will generate savings in depreciation with the positive impact on the financial results of the company in the future.

In 2012 the company further plans to create reserves at the amount of CZK 0.5 million for the planned restructuring of the company. According to the current plan of the company the restructuring throughout the year 2013 should lead to the optimization of the single wagon units segment and sustainable profitability of compact trains. In connection to the restructuring the company also plans the decrease the number of employees, which will lead to the increase of work production. The aim of the restructuring is to stabilize the company without significant impact on the transportation volumes.

The realization of the planned restructuring is subject to the approval of the Supervisory Board and the Steering Committee of the company.



On regular basis the company plans and at the same time evaluates its indebtedness and liquidity. Based on the results it can confirm that currently it does not meet any of the conditions that would signal the insolvency of the company.

České dráhy, a.s, the owner of ČD Cargo, a.s. fully supports the company in its proposed measures.

This press release contains information about estimated financial results and estimated future development of the company, which is actual as of the date of this press release. The actual financial results and the future development depend on many factors and thus can significantly differ from the information stated in this press release.