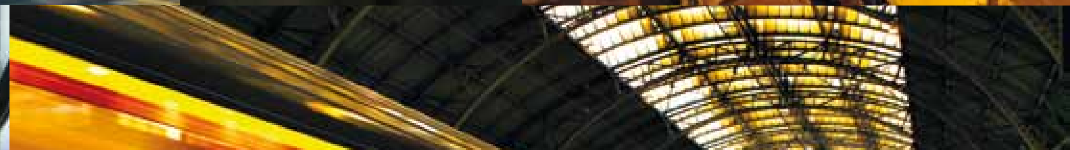

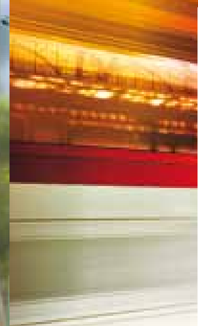

Interim Report 2011
České dráhy Group

Interim Report 2011
České dráhy Group

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1 Responsibility for the Interim Report of the ČD Group

DECLARATION
The persons responsible for preparing the Interim Report of the ČD Group, including the interim consolidated financial statements, declare that, to the best of their knowledge, this report gives a true and fair view of the financial position of České dráhy, a.s. and its subsidiaries as of 30 June 2011, and its financial performance and cash flows for the six months then ended.

In Prague on 30 August 2011

Petr Žaluda
Chairman of the Board of Directors
České dráhy, a.s.

This report was not audited.

2 Key Interim Indicators for the ČD Group

Key indicators Financial indicators under consolidated IFRS (CZK million)	Jan–Jun 2011	Jan–Jun 2010	Difference	%
ČD Group				
EBITDA	2,961	2,312	649	128
EBIT	171	(568)	799	n/a
Profit or loss for the period	(109)	(518)	409	179
Total assets	83,079	75,491	7,588	110
CAPEX	2,908	4,228	1,320	69
Depreciation and amortisation	2,790	2,880	90	103
Indebtedness (%) – liabilities/assets	50	45	5	111
Liquidity (%)	39	9	30	433
ROCE (%)	0.3	(0.9)	1.2	n/a
Average recalculated headcount	36,511	38,413	(1,902)	95
Passenger transportation (ČD, a.s.)				
Transportation performance (millions of passenger-kilometres)	3,247	3,229	18	101
Train movements (millions of train-kilometres)	61	61	0	100
Average transportation distance (km)	39	40	(1)	98
Occupancy ratio (%)	24	23	1	104
Freight transportation (ČD Cargo, a.s.)				
Transportation volume (millions of tonnes)	40	36	4	111
Transportation performance (millions of tariff tonne-kilometres)	7,016	6,510	506	108
Train movements (millions of train-kilometres)	13	13	0	100
Average transportation distance (km)	175	181	(5)	97
Operational management of train circulation (ČD, a.s.)				
Observance of train schedules (%)	94	91	3	103
Length of operated lines (km)	9,412	9,420	(8)	100
Trains monitored in the SŽDC network (thousand)	2,513	2,595	(82)	97
DPOV, a.s.				
SOP – Average actual repair period (days)	71.61	69.80	1.81	103
ODKP – Average additional repair period (days)	72.26	72.34	(0.08)	100
Weighted average calculated from (SOP) – (ODKP)	(0.65)	(2.54)	1.89	26

3 Opening Statement from the Chairman of the Board of Directors

Ladies and Gentlemen, Dear Colleagues,

We are presenting you with the interim report of the České dráhy Group. I am pleased that we managed to improve the economic results of individual entities and the Group despite the growing prices of inputs and the generally difficult economic situation. The operational result of the České dráhy Group before interest, tax, depreciation and amortization – EBITDA – amounted to CZK 2.961 billion, which is a year-on-year improvement of 28%. For the first time, we achieved a positive EBIT of CZK 171 million.

Sales from principal activities for the first half of 2011 amounted to CZK 16.740 billion, which is a year-on-year increase of 6.5%. Sales both from passenger and freight transportation improved. With respect to ČD Cargo, a.s. this increase is predominantly a result of transports of brown coal and iron commodities, machinery products and combined transport.

I am particularly glad about the improvements to ČD's passenger transportation. The transportation performance is growing and the total number of transported passengers increased by 1.4 million. This confirms the positive trend that was recorded for the first time in summer 2010. I believe that this results from the continuing improvements in our services and ongoing modernisation of the rolling stock. In addition to regional transport, where we will start receiving ordered vehicles from the manufacturers, we focus on domestic and international long-distance transportation.

The half-year results would be even better if it were not for a significant year-on-year increase in the prices of inputs. Primarily, the rise in the prices of electricity, oil, and fees for the railway route for passenger transportation requires additional hundreds of millions of crowns. Purchased consumables in the group rose by 5.3% as compared to 2010. The companies dealt with this fact by the already mentioned increased sales and savings in overhead and staff costs.

The half-year results confirm that we were not wrong in believing that ČD has both reserves and, particularly, growth potential. The growth potential should be developed as much as possible as we have substantially depleted our possibilities for generating internal savings.

4 Principal Events in the First Half of 2011

January 2011

ČD put new universal three-system 380 series locomotives into testing operation in selected long-distance trains.

February 2011

Through Resolution 100 dated 9 February 2011, the Czech government approved the transfer of the remaining activities that are included in the operations of the railway route, including the corresponding material, technological and staff capacities from ČD to the state-owned organisation SŽDC as of 1 July 2011. The government also charged the ministers of transport, finance, defence, trade and industry and regional development with securing the transfer through the representatives of their ministries in the Steering Committee of ČD and charged the minister of transport with securing funds to cover the one-off costs of the transfer without additional requirements for funding from the state budget.

Through Resolution 96 dated 9 February 2011, the government approved the proposed resolution determining the minimum values and indicators of quality and safety standards and the method by which they shall be proven in respect of the provision of public services in passenger transportation with effect from 1 April 2011. Concurrently, the minister of transport was charged with preparing the final version of this resolution.

As of 1 February, the Board of Directors of ČD Cargo approved significant changes in its Organisational Code. Most of the changes related to the direct management authority of ČD Cargo's Board of Directors.

March 2011

On 17 March, ČD signed a contract with PESA for the supply of 31 two-piece motor vehicles of almost CZK 2 billion. Seventeen vehicles are co-financed from the Regional Operational Programmes.

April 2011

On 14 April, the renovated terminal hall of the Prague Main Station was inaugurated in the presence of the Czech and Italian presidents. The cost of the renovation amounted to CZK 1.15 billion.

On 21 April, the Regional Court in Brno rejected ČD's administrative action against the resolution of the Chairman of the Anti-monopoly Office regarding the administrative proceedings with ČD owing to suspected abuse of the dominant position on the freight transportation market filed by SPEDIT-TRANS, a.s. in 2006. After completing the investigation, the Anti-monopoly Office concluded that ČD abused its dominant position and the Anti-monopoly Office imposed a fine of CZK 270 million, more precisely CZK 254 million. ČD filed a cassation complaint with the Supreme Administrative Court against the resolution of the Regional Court in Brno regarding the rejected action within the statutory period and asked the Anti-monopoly Office to defer the due date for paying the fine until the resolution on the cassation complaint takes legal effect. The request was granted.

Through Resolution 318 dated 27 April 2011, Ivo Vykydal was appointed Chairman of ČD's Steering Committee.

May 2011

The ČD Group was granted the Baa1 long-term rating by the international rating agency Moody's.

Both on the central and executive levels of ČD Cargo, supervisory external audits of the quality (ISO 9001) and environmental protection system (ISO 14001) were conducted. The team of auditors stated that both systems complied with ISO requirements and it recommended extending the relevant certificates for the subsequent period.

June 2011

ČD issued international bonds of EUR 300 million, which will mature in 2016.

Through Resolution 486 dated 22 June 2011, the Czech government changed Resolution 100 dated 9 February 2011 on the transfer of the remaining activities that are included in the operations of the railway route from ČD to the state-owned organisation SŽDC by agreeing on the transfer of these remaining activities by no later than 1 September 2011.

On 27 June, a new container train of ČD Cargo left Přerov for Moscow under the Flavia project, which is supported from the European Operational Programme "Transnational Cooperation".

The Board of Directors of ČD, which acts in the capacity of the General Meeting of its subsidiary ČD Cargo, decided to make staff changes in ČD Cargo's management in June 2011. At its meeting held on 7 June, it appointed a new member of the Board of Directors of ČD Cargo, Gustav Slamečka, who was the Director of the State Fund of Transport Infrastructure and the minister of transport between 2009 and 2010. Subsequently, Gustav Slamečka was appointed Chairman of the Board of Directors of ČD Cargo and he assumed the position on 23 June, thereby replacing Jiří Vodička.

In June 2011, ČD opened a public tender for the production and supply of 16 comfortable integrated non-traction Railjet vehicles. On 13 June 2011, ČD published the announcement of a voluntary ex ante review in respect of its intention to conclude a contract with Siemens in the public contracts information system and, subsequently, in the Official Journal of the EU. The anticipated value of the contract is CZK 5 billion.

On 20 June 2011, ČD Cargo received CZK 1 billion on its account from the completed first issue within the bond programme.

5 Organisational Structure of the ČD Group

České dráhy, a.s.

- STEERING COMMITTEE
- SUPERVISORY BOARD
- BOARD OF DIRECTORS
  - General Directorate
    - Railway Medical Service, o.z.
    - Transportation Sales Clearing (OPT)
    - Procurement Centre (ZC)
    - Rail Vehicle Depots (DKV)
    - Regional Passenger Transport Centres (KCOD)
    - Train Staff Dept. (VDOD)
    - Regional Operation Centres (RCP)
    - Regional Asset Administration (RSM)

- ČD Cargo, a.s. 100%
  - Foreign Agency in Brussels
  - Foreign Agency in Moscow
- DPOV, a.s. 100%
- Výzkumný ústav Železniční, a.s. 100%
- ČD-Telematika a.s. 59.31%
- Jídelní a lůžkové vozy, a.s. 38.79%

Konsolidovaná skupina ČD

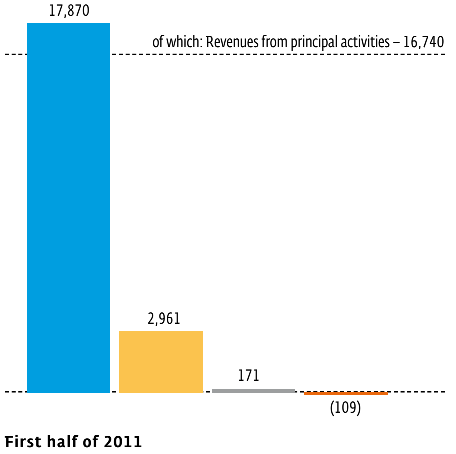
- Dopravní vzdělávací institut, a.s. 100%
- Centrum Holešovice, a.s. 51%
- Smíchov Station Development, a.s. 51%
- Žižkov Station Development, a.s. 51%
- Masaryk Station Development, a.s. 34%
- Internationale spedition Děčín, a.s. 6.25%
- Intercontainer-interfrigo 0.43%
- EUROFIMA 1%
- STROJEXPORT 0.12%
- HIT Rail BV 4%

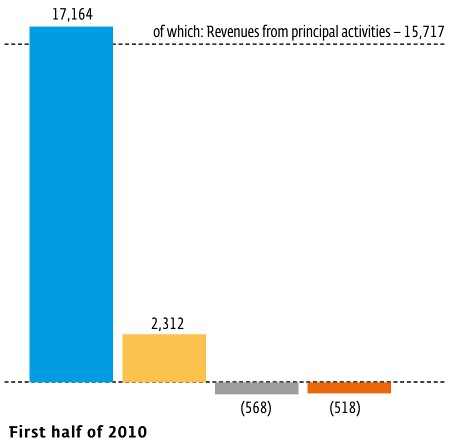
- RAILREKLAM, s.r.o. 51%
- RailReal, a.s. 66%
- ČD Reality, a.s. 51%
- ČD travel, s.r.o. 51.72%
- ČD Restaurant, a.s. 40%
- RS hotel, a.s. 34%
- CR City, a.s. 34%
- WHITEWATER a.s. 34%
- CR office, a.s. 34%
- RS Residence s.r.o. 34%
- PRaK, a.s. 14.53%

The extraordinary General Meeting of Intercontainer-Interfrigo SA held on 26 November 2010 decided to dissolve and liquidate the company. ČD's equity investment in the company amounts to 0.43%.

6 Business Results of the ČD Group

ČD Group



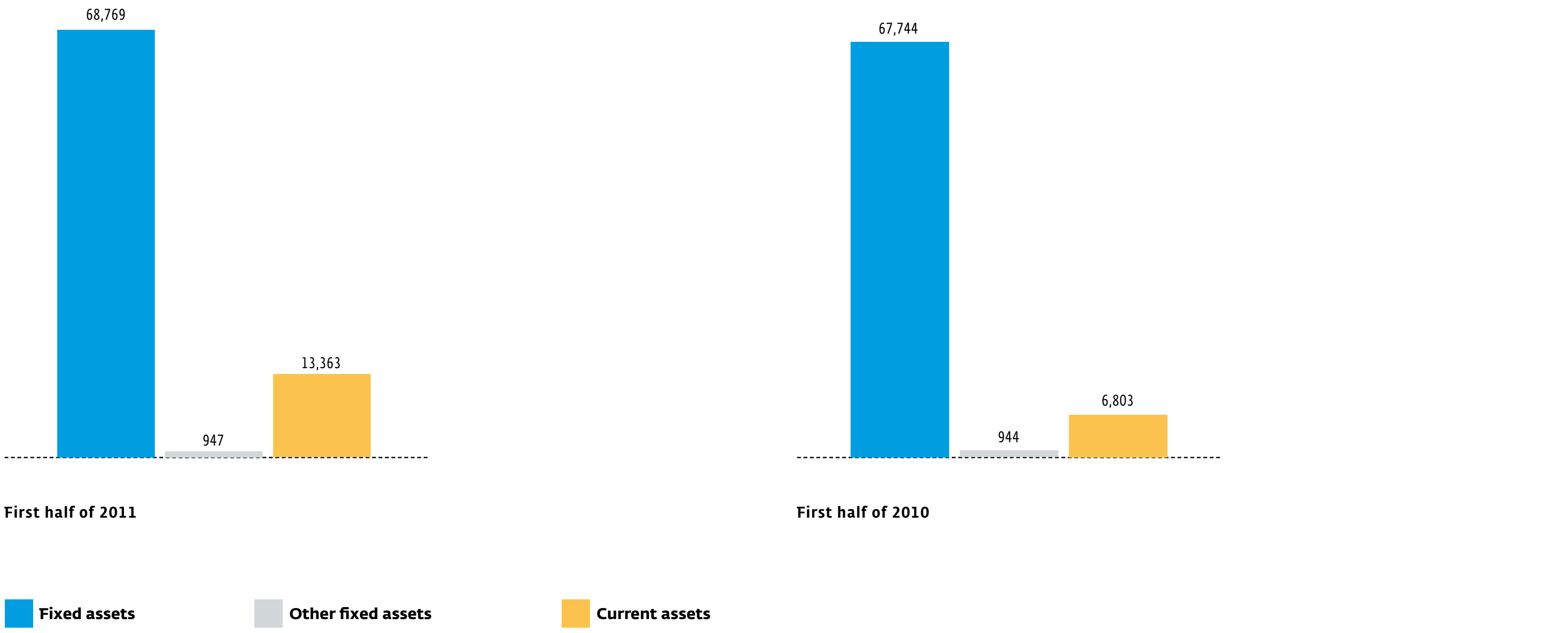


Operating income **EBITDA** **EBIT** **Profit (loss) after tax**

The ČD Group's total operating income increased by CZK 706 million year-on-year. The EBITDA indicator increased year-on-year by CZK 649 million. The loss for the consolidated group was reduced by CZK 409 million. In all segments of the group, sales of principal activities increased year-on-year predominantly owing to the increase in freight transportation, which was positively impacted mainly by brown coal and iron commodities, machinery products, and combined transportation and, additionally, as a result of the increase in the number of passengers. Passenger and particularly freight transportation have been positively affected by the gradual economic revival. The significant improvement in profitability was thanks to the significant decline in staff costs, even though operating expenses increased year-on-year owing to the increase in the prices of traction electricity and oil. The cost of using the railway route also increased year-on-year as the discount has been no longer provided for all trains, excluding region and express trains.

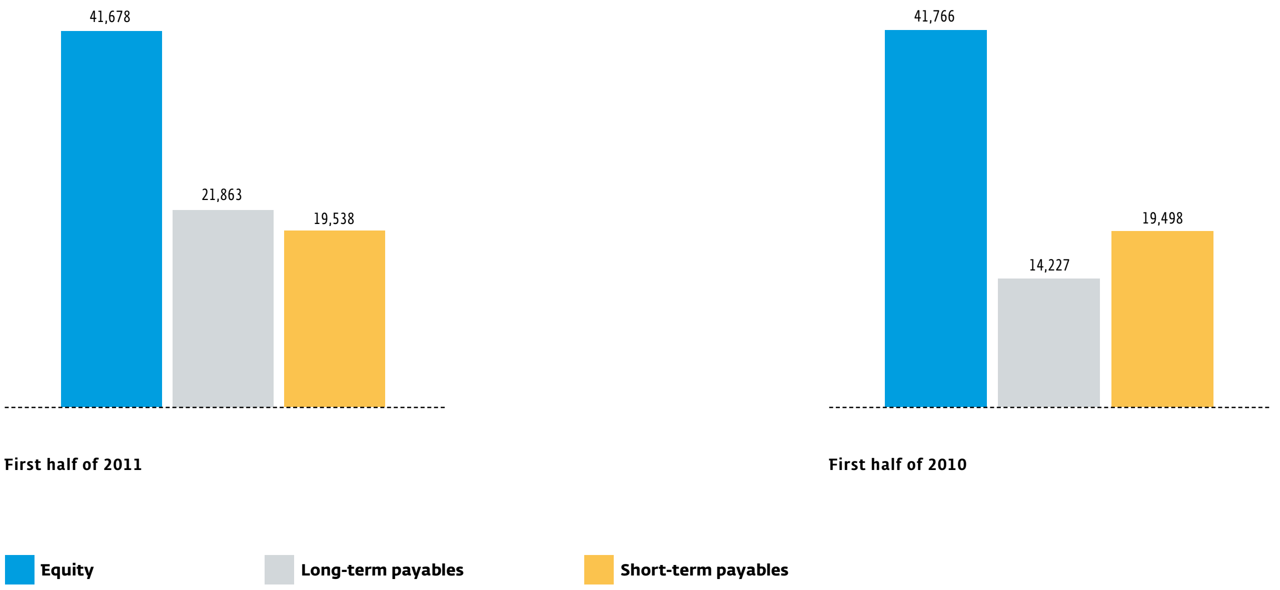
For the first time in its history, the ČD Group reports operating profit (EBIT indicator), which increased year-on-year by CZK 739 million, from an operating loss of CZK 568 million to an operating profit of CZK 171 million.

Structure of assets



Total assets increased year-on-year by CZK 7.6 billion. This increase was primarily a result of the increase in current assets – cash and cash equivalents that increased as a result of the issue of bonds in the amount of EUR 300 million (approx. CZK 7.3 billion). The issuance of bonds significantly strengthened the liquidity of the Group. These funds will be used to finance renovation the rolling stock. In addition, trade receivables in freight transportation increased, which directly relates to the increase in business activities – sales from transportation (the increase only relates to receivables before their due dates).

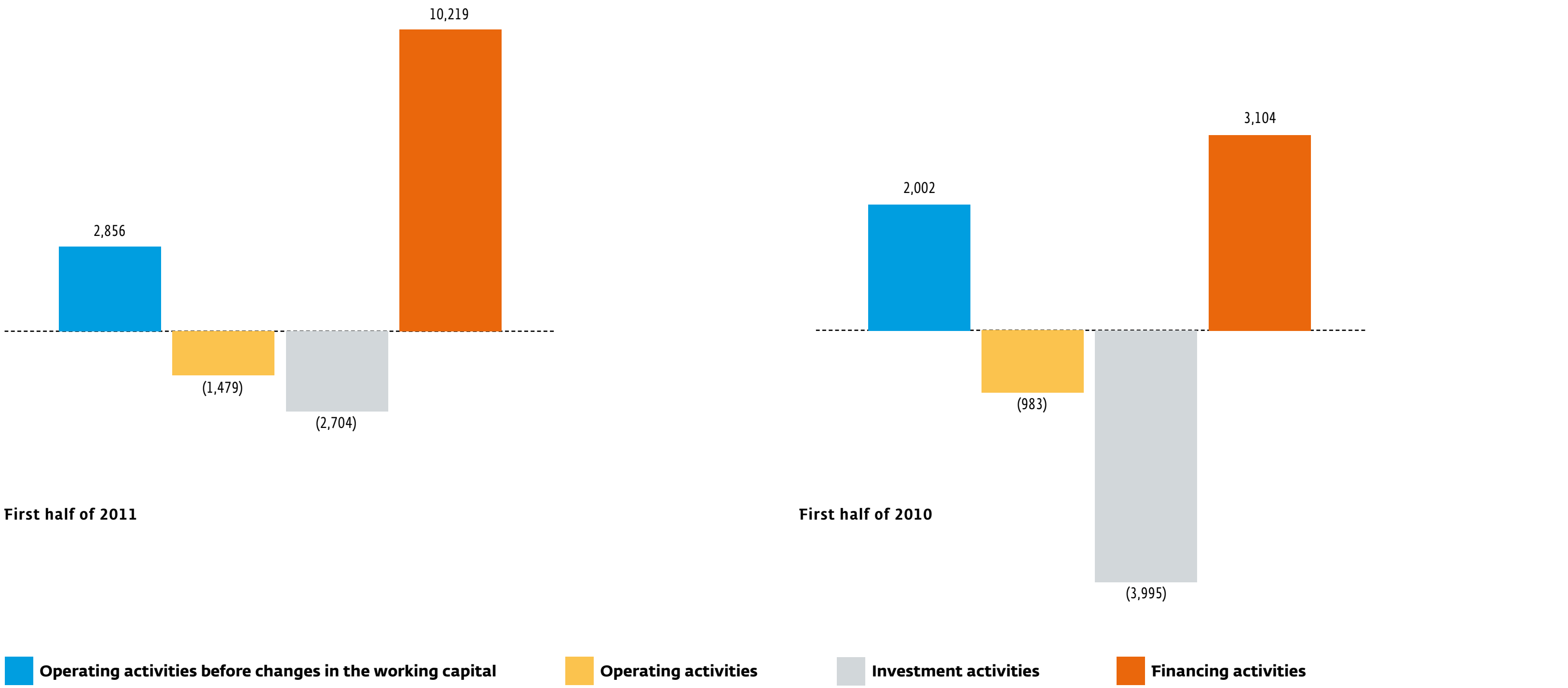
Structure of equity and liabilities



The increase in long-term payables results from the issue of bonds reflected on the liabilities side. Back-lease, which is used to modernise vehicles, slightly increased. In short-term payables, the drawing of funds from the bills-of-exchange programme increased; these funds are actively used to manage liquidity.

On the other hand, there was a decrease in trade payables, financial payables, predominantly payables from financial derivatives, other payables to employees, and payables arising from social security. In freight transportation, payables arising from supplier loans continued to be settled. The decline in trade payables primarily results from the seasonal character of activities when all payables that originate during the year are settled at the year-end, and further, partial payables were transferred to the discontinued operations relating to the transfer of ČD's business part to SŽDC.

Cash flows



ČD recorded a year-on-year increase in cash flows from operating activities before changes in working capital, which is a positive result indicating ČD's financial health. The negative result of cash flows from operating activities is largely a result of the settlement of payables.

The decrease in investment activities is attributable to the decrease in these activities in freight transportation where not as many investments were made as in the first half of 2010. Investments in passenger transportation are stable.

The increase in cash flows from financing is primarily the result of the issue of bonds of EUR 300 million.

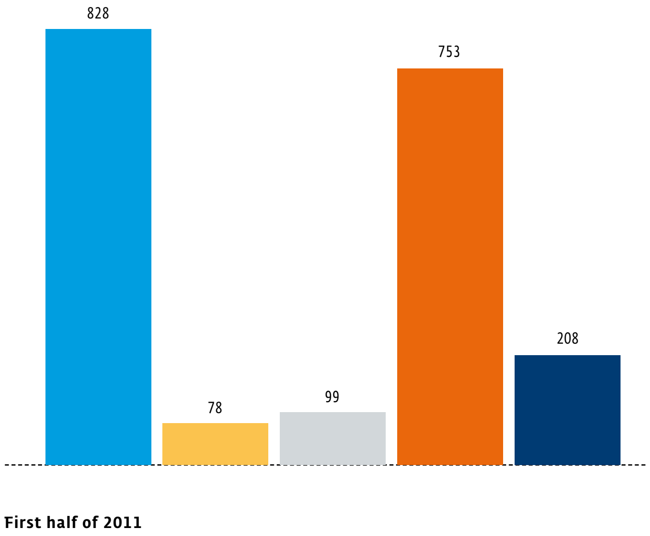
6.1 Results of Segments of Principal Activities

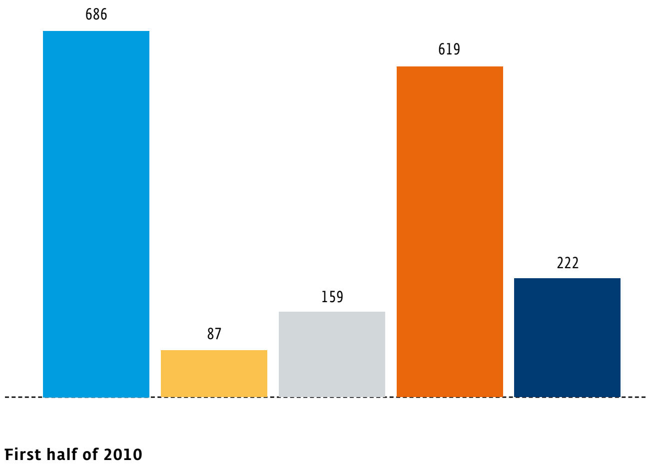
[CZK million]

		Passenger transportation	Railway Infrastructure Operation	Asset Management	Freight transportation	Other	Elimination and reconciliation	Total
Sales from principal activities	First half of 2011	9,410	2,458	0	7,325	0	(2,453)	16,740
	First half of 2010	9,273	2,632	2	6,756	6	(2,952)	15,717
Purchased consumables	First half of 2011	(5,055)	(128)	(303)	(4,260)	(1,163)	2,419	(8,490)
	First half of 2010	(4,841)	(125)	(263)	(3,981)	(1,226)	2,371	(8,065)
Staff costs	First half of 2011	(3,335)	(2,105)	(131)	(2,160)	(695)	2,112	(6,314)
	First half of 2010	(3,610)	(2,267)	(160)	(2,231)	(898)	2,550	(6,616)
EBITDA for continuing operations	First half of 2011	**828**	**78**	**99**	**753**	**208**	980	**2,946**
	First half of 2010	**686**	**87**	**159**	**619**	**222**	541	**2,314**
Depreciation and amortisation	First half of 2011	(917)	(21)	(120)	(635)	(156)	(941)	(2,790)
	First half of 2010	(841)	(17)	(110)	(542)	(218)	(1,152)	(2,880)
EBIT for continuing operations	First half of 2011	**(89)**	**57**	**(21)**	**118**	**52**	39	**156**
	First half of 2010	**(155)**	**70**	**49**	**77**	**4**	(611)	**(566)**
Profit (loss) for the period	First half of 2011	**(21)**	**64**	**(17)**	**54**	**98**	(287)	**(109)**
	First half of 2010	**(78)**	**52**	**48**	**(97)**	**65**	(508)	**(518)**

Note: The segment statement includes the unconsolidated figures prepared in accordance with Czech accounting standards as the Group's management monitors the operations of all segments on this basis. Consolidation adjustments and IFRS adjustments are stated in the elimination and reconciliation columns. These predominantly include the elimination of gains from the sales of fixed assets in the Group and IFRS adjustments in the presentation and measurement of non-current assets.

EBITDA indicator by segments





Passenger Transportation **Railway Infrastructure Operation** **Asset Management** **Freight Transportation** **Other**

6.1.1 Passenger Transportation

The results in the first half of 2011 are stable and the effectiveness of operations continues to improve as compared to the first half of 2010.

In the first half of 2011, the passenger transportation segment reported a 17% increase in EBITDA (earnings before interest, tax, depreciation and amortisation) as compared to the first half of 2010. In addition, the loss of the segment was reduced by 73% as compared to the prior year.

The income from principal operating activities increased by 1.5% year-on-year. While the compensation from the regions and the state increased only by 1.1%, the sales from the domestic passenger transportation increased by 4.4% and the increased in international transportation is 2.7%.

The increase in sales from passenger transportation is primarily owing to customers' growing use of ČD services – the number of transported passengers in the reporting period increased (by 1.4 million) and the transportation performance increased (by 18 million passenger kilometres). The dynamics of the growth in sales increases owing to the system changes in the ČD tariff, active business policy, and customers' greater use of ČD services owing to the higher prices of fuel. In international transportation, there was a slight increase in sales collected in the Czech Republic.

The impact of the year-on-year increase in the costs of traction fuel and energy (of CZK 81 million, 6%), which increased owing to higher prices of electricity (of CZK 117 for 1MWh) and oil (of CZK 3.02/litre), and an increase in the costs of using the railway route (of CZK 120 million, 17%) was offset by the decline in payroll costs (of CZK 275 million, 8%), which decreased year-on-year following the reduction in the number of employees.

Higher investments in the renovation of rolling stock resulted in higher depreciation charges year-on-year.

6.1.2 Freight Transportation

The freight transportation segment reports a significant year-on-year improvement in performance as the freight transporter was able to shift from the prior year's loss of CZK 97 million to a profit of CZK 54 million in the first half of 2011. EBITDA is 22% higher compared to the prior year. The positive result is a result of both higher sales from transportation and lower staff costs.

The first half of 2011 in freight transportation saw good results in respect of brown coal (the transportation volume of which increased by 28% year-on-year) and iron and machinery products (the transported volume of which increased by 13% year-on-year). These two commodities together account for 48% of the company's total portfolio in freight transportation. The increase in the transported volume of wood was impacted positively, primarily by the increased wood production at the end of the second quarter of 2011 and profitted from the economic revival in the Czech republic. In respect of the iron commodity and machinery products, the increased transportation of iron ore continues and the transportation of metallurgical products also increased.

Other commodities that saw a positive increase in transportation include combined transportation, with a year-on-year increase of 14%, and chemical products and liquid fuels, the volume of which increased year-on-year by 8%. Combined transportation was positively impacted by the increase in the number of trains for the Raillex operator to Hyundai Nošovice. Chemical products and liquid fuels were positively impacted by the increased transportation of fuels, although the volume of transported fertilisers declined.

Both passenger and freight transportation were negatively impacted by the increase in the prices of energy and oil.

6.1.3 Railway Infrastructure Operation

Railway Infrastructure Operation includes the provision of infrastructure services to SŽDC as the administrator of the railway infrastructure. Railway Infrastructure Operation is not a business activity; it is a service the costs of which are reported in detail to the infrastructure administrator and which are subsequently refunded based on the conditions of the Contract on Railway Infrastructure Operation. In the first half of 2011, the performance of the management of operations is balanced, despite the fact that the sales from securing operations decreased (by CZK 149 million, 5%).

The observance of train schedules – one of the principal tasks of the Railway Infrastructure Operation – was 94% in the first half of 2011, which is a year-on-year increase of 3%.

6.1.4 Asset Management

The performance of the asset management slightly worsened year-on-year. The negative result of the asset management for the first half of 2011 is primarily a result of a different development in revenues from the sale of redundant assets as compared to the original expectations. There are few potential buyers of specific railway real estate on the real estate market, which continues to be impacted by the recent financial crisis. For this reason, ČD will seek a partner/advisor for the portfolio sale of real estate. We anticipate that the first "package" of real estate will be sold at the end of 2012. The sale of individual buildings will continue until then.

In the first half of 2011, ČD finalised construction adjustments (both repairs and investments) for approximately CZK 136 million. In design preparation, ČD focused on the accelerated preparation of common projects with cities and towns for renovations of train station buildings, including improvements in areas in the front of train stations and construction of change terminals in order to obtain subsidies from Regional Operating Programmes.

6.2 Investments

6.2.1 Passenger Transport

[CZK million]				
Investments in railway vehicles	**Regional transportation**	**Long-distance transportation**	**Commercial transportation**	**Total**
New railway vehicles	1,386	54	0.5	**1,743**
Renovation of railway vehicles	221	81	0	

Investments in railway vehicles largely including the modernisation of existing vehicles and purchase of new vehicles amounted to CZK 1.74 billion in the first half of 2011. Investments are financed using own funds and external funds, specifically the issue of bonds placed in June 2011.

Regional Transport

In the first half of 2011, ČD invested CZK 1,607 million in the purchase of new vehicles and modernisation and renovation of railway vehicles for regional transportation. ČD purchased five new CityElefant trains, started to repay the supply of 31 new two-piece DMU 120 motor vehicles, received a supply of 12 new one-system and 3 new two-system three-piece EMU 240 electrical vehicles, 8 new one-system two-floor EMU 320 vehicles, and 4 new two-system two-part EMU 160 electrical vehicles. In addition, 6 three-car 814.2 series motor vehicles and 66 pieces of 053 and 054 series vehicles, which are used in long-distance transportation, were modernised.

Long-Distance Transport

ČD invested CZK 135 million in long-distance transportation in the first half of 2011. It started making payments for renovating 110 passenger vehicles and received a supply of 32 passenger railway vehicles purchased from ÖBB.

Commercial Transport

Commercial transport predominantly includes the operation of the SC, IC, EC category trains and some other activities, such as the lease of historical and special trains. In the first half of 2011, ČD did not make any significant investments in commercial transport.

Other Investments

Other investments [CZK million]	
Construction	93
Other	29
Total	**122**

6.2.2 Freight Transportation

Investments in railway vehicles [CZK million]	
New railway vehicles	0
Renovation of railway vehicles	72
Inspection repairs	346
Total	**418**

Other investments

Other investments [CZK million]	
Construction	19
Other	31
Total	**50**

In the first half of 2011, freight transporter invested CZK 468 million. The investments were mostly realised in wagon renovation and modernisation, construction and IT. A significant portion of the realised investments include component accounting for significant repairs of railway vehicles (almost 73%).

7 Changes in Equity Investments of the ČD Group

On 1 April 2011, ČD – Telematika a.s. separated its business segment, which activities are solely focused on customers from within the ČD Group. This business segment formed a new entity, ČDT – Informační Systémy, a.s., which is in 100% ownership of ČD – Telematika a.s.

8 Internal Management of the ČD Group

Rating

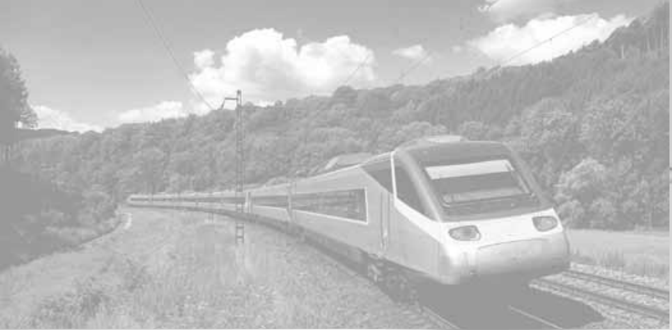
In May 2011, the rating agency Moody's granted ČD the interim Baa1 long-term rating with a negative prospect. Among other things, the rating was conditioned by the successful completion of ČD's plan for strengthening the capital structure through the long-term financing of no less than CZK 7.5 billion. Following the successful issue of international bonds, the rating was definitively confirmed. Obtaining the investment grade rating was part of ČD's strategy for entering the international capital markets and its first issue of foreign bonds.

Bonds

In June 2011, ČD successfully issued international bonds of EUR 300 million. Eurobonds are five-year bonds and carry an annual coupon of 4.5%. The proceeds of the Eurobonds are intended predominantly for modernising the rolling stock. The successful issue of bonds attests to investors' confidence in the positive development of the company's performance and the Czech economy. Out of the total amount of issued bonds, EUR 240 million is hedged against currency risk.

9 Employees

During the first half of 2011, the Company continued to implement its savings measures – it continued to reduce the number of employees in the group and thus continued the trend started in 2010. In the first half of 2011, the recalculated number of employees for the ČD Group was 36,511, which is a year-on-year decline of 5% (from 38,413). The quality of recruiting new employees, predominantly managers of the ČD Group, improved and became more transparent.



Praha
hlavní
nádraží








10 Interim Consolidated Financial Statements for the Six Months Ended 30 June 2011

INTERIM STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) AS OF 30 JUNE 2011

	30 Jun 2011 CZK thousand (unaudited)	31 Dec 2010 CZK thousand*) (audited)
Property, plant and equipment	66,065,433	65,037,154
Investment property	2,213,259	2,100,440
Intangible assets	490,634	607,538
Investments in associates	120,742	116,946
Deferred tax asset	0	5,441
Trade receivables	8,320	10,098
Other financial assets	633,100	626,571
Other assets	184,745	184,529
Total non-current assets	**69,716,233**	**68,688,717**
Inventories	1,286,072	1,330,580
Trade receivables	3,038,705	3,484,872
Tax receivables	61,110	67,789
Other financial assets	200,476	227,557
Other assets	761,983	784,591
Cash and cash equivalents	6,755,449	719,461
Assets held for sale	1,259,357	187,768
Total current assets	**13,363,152**	**6,802,618**
TOTAL ASSETS	**83,079,385**	**75,491,335**

*) Restated, refer to Note 2

INTERIM STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) AS OF 30 JUNE 2011

	30 Jun 2011	31 Dec 2010
	CZK thousand (unaudited)	CZK thousand*) (audited)
Share capital	20,000,000	20,000,000
Reserve and other funds	16,599,162	16,567,630
Retained earnings	4,233,541	4,358,201
Equity attributable to equity holders of the parent company	**40,832,703**	**40,925,831**
Non-controlling interests	844,840	840,081
Total equity	**41,677,543**	**41,765,912**
Loans and borrowings	20,375,889	12,467,085
Deferred tax liability	174,532	75,072
Provisions	469,680	537,467
Other financial liabilities	785,047	1,064,266
Other liabilities	58,456	83,333
Total non-current payables	**21,863,604**	**14,227,223**
Trade payables	6,520,279	8,133,517
Loans and borrowings	8,242,587	6,044,566
Tax payables	16,985	0
Provisions	725,633	813,862
Other financial payables	45,828	237,314
Other payables	3,309,026	4,268,941
Payables arising from assets held for sale	677,900	0
Total current payables	**19,538,238**	**19,498,200**
TOTAL LIABILITIES	**83,079,385**	**75,491,335**

*) Restated, refer to Note 2

INTERIM INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2011

	Period ended 30 Jun 2011 CZK thousand (unaudited)	Period ended 30 Jun 2010 CZK thousand (unaudited)
CONTINUING OPERATIONS		
Revenue from principal operations	16,740,317	15,717,359
Other operating income	1,129,392	1,447,184
Purchased consumables and services	(8,489,721)	(8,064,794)
Employee benefit costs	(6,314,563)	(6,615,743)
Depreciation and amortisation	(2,790,390)	(2,880,007)
Other operating losses	(119,627)	(167,810)
Profit (loss) before interest and tax	**155,408**	**(563,811)**
Financial expenses	(307,827)	(213,968)
Other gains	128,778	209,250
Share of income of associates	3,875	4,090
Loss before tax	**(19,766)**	**(564,439)**
Income tax expense	(105,079)	49,726
Loss for the period from continuing operations	**(124,845)**	**(514,713)**
DISCONTINUED OPERATIONS		
Profit (loss) from discontinued operations	15,693	(3,720)
Loss for the period	**(109,152)**	**(518,433)**
Attributable to equity holders of the parent company	(120,514)	(506,998)
Attributable to non-controlling interests	11,362	(11,435)

INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2011

	Period ended 30 Jun 2011 CZK thousand (unaudited)	Period ended 30 Jun 2010 CZK thousand (unaudited)
Loss for the year	(109,152)	(518,433)
Cash flow hedging	41,191	346,570
Relating income tax	(13,807)	1,710
Other comprehensive income for the period	**27,384**	**348,280**
Total comprehensive loss for the year	**(81,768)**	**(170,153)**
Attributable to equity holders of the parent company	(93,130)	(158,718)
Attributable to non-controlling interests	11,362	(11,435)

INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2011

	Share capital	Reserve and other funds	Retained earnings	Equity attributable to equity holders of the parent company	Non-controlling interests	Total equity
	CZK thousand	CZK thousand	CZK thousand	CZK thousand	CZK thousand	CZK thousand
Balance at 1 Jan 2010 *) (audited)	**20,000,000**	**16,008,086**	**5,346,045**	**41,354,131**	**1,294,634**	**42,648,765**
Loss for the period	0	0	(506,998)	(506,998)	(11,435)	(518,433)
Other comprehensive income for the period	0	348,280	0	348,280	0	348,280
Allocation to the reserve fund	0	5,291	(5,291)	0	0	0
Other	0	(494)	0	(494)	0	(494)
Balance at 30 June 2010 (unaudited)	**20,000,000**	**16,361,163**	**4,833,756**	**41,194,919**	**1,283,199**	**42,478,118**
Balance at 1 January 2011 (audited) *)	**20,000,000**	**16,567,630**	**4,358,201**	**40,925,831**	**840,081**	**41,765,912**
Profit (loss) for the period	0	0	(120,514)	(120,514)	11,362	(109,152)
Other comprehensive income for the period	0	27,384	0	27,384	0	27,384
Allocation to the reserve fund	0	4,146	(4,146)	0	0	0
Dividends paid	0	0	0	0	(6,603)	(6,603)
Other	0	2	0	2	0	2
Balance at 30 June 2011 (unaudited)	**20,000,000**	**16,599,162**	**4,233,541**	**40,832,703**	**844,840**	**41,677,543**

*) Restated, refer to Note 2

INTERIM CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2011

	Period ended 30 Jun 2011 CZK thousand (unaudited)	Period ended 30 Jun 2010 CZK thousand (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year before tax	(4,073)	(568,159)
Dividend income	(23,090)	(28,575)
Financial expenses	307,827	213,968
Profit from the sale and disposal of non-current assets	(136,104)	(157,265)
Depreciation and amortisation of non-current assets	2,790,390	2,880,007
Impairment of non-current assets	43,418	(8,640)
Impairment of trade receivables	24,621	7,717
Foreign exchange rate gains	(196,367)	(180,962)
Other	49,525	(155,615)
Cash flow from operating activities before changes in working capital	**2,856,147**	**2,002,476**
Decrease (increase) in trade receivables	(589,974)	(516,869)
Decrease (increase) in inventories	47,201	(13,711)
Decrease (increase) in other assets	(7,251)	(267,049)
Increase (decrease) in trade payables	(2,600,431)	(1,601,954)
Increase (decrease) in provisions	27,455	40,195
Increase (decrease) in other payables	(1,085,107)	(428,581)
Total changes in working capital	**(4,208,107)**	**(2,787,969)**
Cash flows from operating activities	**(1,351,960)**	**(785,493)**
Interest paid	(156,012)	(146,246)
Income tax paid	28,664	(51,692)
Net cash flows from operating activities	**(1,479,308)**	**(983,431)**

INTERIM CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2011

	Period ended 30 Jun 2011 CZK thousand (unaudited)	Period ended 30 Jun 2010 CZK thousand (unaudited)
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Payments for property, plant and equipment	(2,863,980)	(4,191,745)
Proceeds from disposal of property, plant and equipment	177,846	201,190
Payments for investment property	(6,878)	(4,836)
Costs of acquisition of intangible assets	(36,861)	(31,639)
Received interest	6,712	6,525
Received dividends	19,542	25,675
Net cash flows used in investment activities	**(2,703,619)**	**(3,994,830)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans and borrowings	12,073,105	4,715,801
Repayments of loans and borrowings	(1,854,190)	(1,611,841)
Net cash flow from financing activities	**10,218,915**	**3 103 960**
Net increase (decrease) in cash and cash equivalents	6,035,988	(1,874,301)
Cash and cash equivalents at the beginning of the reporting period	719,461	2,333,396
Cash and cash equivalents at the end of the reporting period	**6,755,449**	**459,095**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2011

1 GENERAL INFORMATION

1.1. General Information

The parent company České dráhy, a. s. (the "Company" or "ČD") was formed on 31 March 2002. The sole shareholder of the Company is the Czech Republic. The Company's share capital is CZK 20,000,000 thousand. The Company's registered office is located at nábř. L. Svobody 1222/12, Prague 1.

The Group has been principally engaged in operating railway transportation. The assets comprising the railway routes are in the ownership of the State, not the Group. The right of management of these assets rests with Správa železniční dopravní cesty, s.o. ("SŽDC").

1.2. Organisational Structure and Bodies of the Parent Company

Radek Šmerda resigned from the position as Chairman of the Steering Committee on 21 April 2011. Ivo Vykydal was appointed Chairman of the Steering Committee on 27 April 2011.

Radek Šmerda resigned from the position as a member of the Supervisory Board (discontinued on 28 April 2011, not yet replaced by a new member). On 4 May 2011, the term of the office of a member of the Supervisory Board, Jan Bittner, expired. Jaroslav Pejša was appointed a member of the Supervisory Board on the basis of the results of the election (the position originated on 5 May 2011).

1.3. Consolidation Group

On 1 April 2011, ČDT - Informační Systémy, a. s. was formed, with its registered office at Pernerova 2819/2a, Prague 3. Its founder and sole shareholder is ČD - Telematika a.s. The new entity provides IT services predominantly in the Group.

The comparative period ended 30 June 2010 includes transactions of Traťová strojní společnost, a.s.

2 STATEMENT OF COMPLIANCE AND PRINCIPAL ACCOUNTING POLICIES

The interim consolidated financial statements for the six months ended 30 June 2011 were prepared in accordance with IAS 34. They do not include all the information required to be disclosed in the annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2010.

These interim consolidated financial statements were not audited by independent auditors.

In preparing these interim consolidated financial statements, the Group used the same accounting policies that were used in the consolidated financial statements for the year ended 31 December 2010.

In the consolidated financial statements for the year ended 31 December 2010, the Group incorrectly presented non-current financial payables. As a result, the comparative information in the interim financial statements for the period ended 30 June 2011 was restated to reflect the discount of long-term supplier loans arising from the acquisition of fixed assets.

3 SEASONAL CHARACTER

The seasonal character of the parent company's activities is demonstrated by a slight decrease in sales during the summer. The reason relates to the lower labour frequency (vacation days) and school holidays. The opposite upwards fluctuations of sales are noted during Christmas, Easter and long weekends.

Sales of ČD Cargo, a.s. are impacted by the seasonal economic performance of its principal customers. First, these include seasonal sales of coal (impacted by, among other things, fluctuations in consumed electricity and heat, which increase in the winter) and other bulk cargo. These include transports significant in terms of performance; therefore, their seasonal impact expressed in absolute terms is significant. Other fluctuations arise owing to, for example, company holidays in car manufacturers or higher pre-Christmas imports of consumer goods from Asia through combined transport operators.

4 RELATED PARTY TRANSACTIONS

4.1 Transactions with SŽDC

Expenses and income resulting from the transactions conducted with SŽDC were as follows:

		(CZK thousand)
Period ended 30 June 2011	**Expenses**	**Income**
Servicing railway routes	0	2,450,000
Use of railway route and allocated capacity of the railway route – passenger transportation	835,555	0
Use of railway route and allocated capacity of the railway route – freight transportation	1,191,132	0
Consumed traction electricity	604,675	0
Other	114,361	267,131
Total	**2,745,723**	**2,717,131**

		(CZK thousand)
Period ended 30 June 2010	**Expenses**	**Income**
Servicing railway routes	0	2,598,603
Use of railway route and allocated capacity of the railway route – passenger transportation	716,715	0
Use of railway route and allocated capacity of the railway route – freight transportation	1,237,103	0
Consumed traction electricity	479,046	0
Other	154,858	289,651
Total	**2,587,722**	**2,888,254**

The Group’s receivables from and payables to SŽDC were as follows:

		(CZK thousand)
	30 Jun 2011	**31 Dec 2010**
Receivables (line “Trade receivables”)	1,199,018	562,057
Payables (line “Trade payables”)	1,347,946	1,530,124
Estimated payables (line “Trade payables”)	21,235	27,018
Estimated receivables (line “Trade receivables”)	3,879	11,172

5 SEGMENTS

(CZK million)

Period ended 30 Jun 2011	Passenger transportation	Management of operations	Administration of assets	Freight transportation	Other	Elimination and reconciliation *)	Total
Revenue from principal operations							
Revenue from passenger transportation	3,272	0	0	0	0	61	3,333
Revenue from securing railway routes	0	2,450	0	0	0	(2,450)	0
Payments from orderers	6,116	0	0	0	0	0	6,116
Other	22	8	0	7,325	0	(64)	7,291
	9,410	**2,458**	**0**	**7,325**	**0**	**(2,453)**	**16,740**
Purchased consumables and services							
Traction costs	(1,409)	0	0	(987)	0	70	(2,326)
Payment for the use of the railway route	(814)	0	0	(1,213)	0	(22)	(2,049)
Other purchased consumables and services	(2,832)	(128)	(303)	(2,060)	(1,163)	2,371	(4,115)
	(5,055)	**(128)**	**(303)**	**(4,260)**	**(1,163)**	**2,419**	**(8,490)**
Staff costs							
Payroll costs	(2,401)	(1,510)	(95)	(1,541)	(496)	1,566	(4,477)
Social security and health insurance	(801)	(502)	(32)	(517)	(168)	513	(1,507)
Statutory social costs	(15)	(18)	(1)	(97)	(17)	(110)	(258)
Statutory social costs - benefits arising from the collective agreement	(118)	(75)	(3)	(5)	(14)	143	(72)
	(3,335)	**(2,105)**	**(131)**	**(2,160)**	**(695)**	**2,112**	**(6,314)**
Other operating income and expenses	273	(16)	455	(152)	1,548	(1,098)	1,010
Intracompany income and expenses	(78)	(16)	104	0	(10)	0	0
Overhead costs – operating	(387)	(115)	(26)	0	528	0	0
Depreciation and amortisation	(917)	(21)	(120)	(635)	(156)	(941)	(2,790)
Other income and expenses	46	0	2	(64)	77	(342)	(281)
Overhead costs – financial and other	22	7	2	0	(31)	0	0
Profit (loss) for the period from continuing operations	**(21)**	**64**	**(17)**	**54**	**98**	**(303)**	**(125)**
Profit for the period from discontinued operations	0	0	0	0	0	16	16
Profit (loss) for the period	**(21)**	**64**	**(17)**	**54**	**98**	**(287)**	**(109)**
Profit attributable to non-controlling interests	0	0	0	0	0	11	11
Profit (loss) attributable to owners of the parent company	(21)	64	(17)	54	98	(298)	(120)

*) The 'Elimination and reconciliation' column includes eliminations of intracompany relations and differences between balances under Czech Accounting Standards and IFRS.

(CZK million)

Period ended 30 Jun 2010	Passenger transportation	Management of operations	Administration of assets	Freight transportation	Other	Elimination and reconciliation *)	Total
Revenue from principal operations							
Revenue from passenger transportation	3,141	0	0	0	0	(38)	3,103
Revenue from securing railway routes	0	2,599	0	0	0	(2,599)	0
Payments from orderers	6,045	0	0	0	0	0	6,045
Other	87	33	2	6,756	6	(315)	6,569
	9,273	**2,632**	**2**	**6,756**	**6**	**(2,952)**	**15,717**
Purchased consumables and services							
Traction costs	(1,328)	0	0	(934)	0	45	(2,217)
Payment for the use of the railway route	(694)	0	0	(1,243)	(5)	(18)	(1,960)
Other purchased consumables and services	(2,819)	(125)	(263)	(1,804)	(1,221)	2,344	(3,888)
	(4,841)	**(125)**	**(263)**	**(3,981)**	**(1,226)**	**2,371**	**(8,065)**
Staff costs							
Payroll costs	(2,632)	(1,641)	(118)	(1,597)	(650)	1,961	(4,677)
Social security and health insurance	(845)	(529)	(38)	(530)	(211)	579	(1,574)
Statutory social costs	(17)	(22)	(1)	(101)	(24)	(173)	(338)
Statutory social costs - benefits arising from the collective agreement	(116)	(75)	(3)	(3)	(13)	183	(27)
	(3,610)	**(2,267)**	**(160)**	**(2,231)**	**(898)**	**2,550**	**(6,616)**
Other operating income and expenses	413	(8)	509	75	1,718	(1,428)	1,279
Intracompany income and expenses	(75)	(9)	99	0	(15)	0	0
Overhead costs – operating	(473)	(136)	(28)	0	637	0	0
Depreciation and amortisation	(841)	(17)	(110)	(542)	(218)	(1,152)	(2,880)
Other income and expenses	126	(3)	3	(174)	(8)	107	51
Overhead costs – financial and other	(50)	(15)	(4)	0	69	0	0
Profit (loss) for the period from continuing operations	**(78)**	**52**	**48**	**(97)**	**65**	**(504)**	**(514)**
Loss for the period from discontinued operations	0	0	0	0	0	(4)	(4)
Profit (loss) for the period	**(78)**	**52**	**48**	**(97)**	**65**	**(508)**	**(518)**
Loss attributable to non-controlling interests	0	0	0	0	0	(11)	(11)
Profit (loss) attributable to owners of the parent company	(78)	52	48	(97)	65	(497)	(507)

*) The 'Elimination and reconciliation' column includes eliminations of intracompany relations and differences between balances under Czech Accounting Standards and IFRS.

6 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

6.1 Sale of the Management of Operations Business Part

In February 2011, the Czech Government decided to transfer the activities relating to the operations of the railway route to SŽDC. On 3 August 2011, representatives of the Ministry of Transportation, ČD, SŽDC and the Labour Union Head Office signed a Memorandum that will allow for the prepared transfer of 9,500 railway workers from ČD to SŽDC to take place. The process of transferring the employees and movable assets will be carried out as of 1 September 2011.

6.2 Analysis of the Profit (Loss) and Cash Flows from Discontinued Operations

The following table shows the profit (loss) from discontinued operations. The balance as of 30 June 2011 includes the result of the Management of Operations segment.

		(CZK thousand)
	Period ended 30 Jun 2011	**Period ended 30 Jun 2010 *)**
Profit		
– Income	*2,465,008*	*2,967,773*
– Expenses	*(2,449,315)*	*(2,979,282)*
– Profit (loss) before tax	*15,693*	*(11,509)*
– Relevant income tax recognised in expenses	*0*	*7,789*
Total profit (loss) from discontinued operations	**15,693**	**(3,720)**

		(CZK thousand)
	Period ended 30 Jun 2011	**Period ended 30 Jun 2010 *)**
Cash flows from operating activities	22,649	58,128
Cash flows from investment activities	(8,812)	(28,454)
– Payments for property, plant and equipment	*(8,919)*	*(28,810)*
– Proceeds from disposal of property, plant and equipment	*107*	*136*
– Received interest	*0*	*220*
Cash flows from financing activities	0	-10,001
Net cash flows from discontinued operations	**13,837**	**19,673**

*) Includes the result of Traťová strojní společnost, a.s. and the Management of Operations segment.

6.3 Assets Held for Sale

		(CZK thousand)
	30 Jun 2011	31 Dec 2010
Land	14,645	40,000
Buildings	142,775	147,768
Individual movable assets	0	0
Assets relating to the Management of Operations segment	1,101,937	0
Total	**1,259,357**	**187,768**

The following table shows the net assets of the Management of Operations segment held for sale as of 30 June 2011:

	(CZK thousand)
	30 Jun 2011
Intangible assets	44,799
Property, plant and equipment	32,371
Inventories	1,607
Trade receivables	1,003,895
Cash and cash equivalents	1,667
Other financial assets	1,851
Other assets	15,747
Total assets	**1,101,937**
Trade payables	86,977
Provisions	183,471
Other payables	407,452
Liabilities related to assets held for sale	**677,900**
Net assets	**424,037**

7 PROPERTY, PLANT AND EQUIPMENT

In the six months ended 30 June 2011, the Group acquired property, plant and equipment of CZK 2,148,078 thousand (as of 31 December 2010: CZK 7,257,601 thousand).

The most significant items of prepayments made by the parent company include prepayments made for the acquisition of EMU 240 electrical vehicles of CZK 619,155 thousand, the acquisition of EMU 320 vehicles of CZK 524,400 thousand, the acquisition of series no. 471 vehicles of CZK 360,000 thousand, the acquisition of series no. 380 locomotives of CZK 168,588 thousand, and the acquisition of EMU 320 vehicles of CZK 134,400 thousand.

Principal additions reported by the parent company include the acquisition of series no. 471 vehicles of CZK 887,942 thousand, modernisation of motor vehicles of CZK 127,400 thousand, modernisation of series no. 053 and 054 vehicles of CZK 114,210 thousand, supply of passenger cars from ÖBB of CZK 44,733 thousand and modernisation of passenger vehicles B and B RIC of CZK 27,676 thousand. Other significant additions include the renovation of the large testing area of Výzkumný Ústav Železniční , a.s. in the amount of CZK 61,442 thousand, and the inspection and technical assessment of railway vehicles in ČD Cargo, a.s. of CZK 392,840 thousand.

Property, plant and equipment with the net book value of CZK 18,462 thousand were disposed of by the Group in the six months ended 30 June 2011 (as of 31 December 2010: CZK 22,876 thousand).

The most significant impairment loss as of 30 June 2011 relates to tilting trains of series 680 (Pendolino) in the amount of CZK 1,003,642 thousand (31 December 2010: CZK 960,342 thousand).

8 INTANGIBLE ASSETS

In the six months ended 30 June 2011, the Group acquired intangible assets of CZK 38,973 thousand (31 December 2010: CZK 206,845 thousand).

Intangible assets with the net book value of CZK 263 thousand were disposed of by the Group in the six months ended 30 June 2011 (31 December 2010: CZK 1,425 thousand).

The acquisition of intangible assets by the parent company includes the development of software for train traffic control and expenses relating to SAP R/3 modules.

9 INVENTORIES

The decrease in the value of inventories to the net realisable value as of 30 June 2011 amounts to CZK 47,856 thousand (31 December 2010: CZK 52,731 thousand).

10 LOANS AND BORROWINGS

On 24 June 2011, the parent company issued international bonds with five-year maturity and a fixed coupon of 4.5% p.a. The volume of the issue amounted to EUR 300 million and the issue rate was 99.479%. These bonds are quoted on the Luxembourg stock exchange. The proceeds are intended to finance the modernisation of rolling stock.

During the reporting period, the parent company increased the commercial notes programme framework by CZK 3,000,000 thousand.

ČD Cargo, a.s. has an approved bond programme for CZK 6 billion for 10 years under which it placed the first issue of five-year bonds with the issue rate of 98.025% in the amount of CZK 1 billion in June 2011.

11 CONTRACTUAL OBLIGATIONS RELATING TO EXPENSES

As of the consolidated balance sheet date, the Group concluded contracts for the purchase of noncurrent assets of CZK 21,130,671 thousand (31 December 2010: CZK 17,542,132 thousand). A significant portion of the obligations relating to expenses include investments in railway vehicles.

12 DERIVATIVE FINANCIAL INSTRUMENTS

In respect of the newly issued bonds, the parent company concluded cross-currency interest rate swaps in June 2011 that serve to hedge currency and interest rate risks. The total hedged amount is EUR 240 million. The financial settlement of interest rates between ČD and the banks will take place annually, from 24 June 2012 to 24 June 2016, inclusive. The total fair value of these hedging instruments as of 30 June 2011 amounts to CZK (27,813) thousand.

ČD Cargo, a.s. concluded new derivatives to hedge interest rates in leases with variable interest rates so as to ensure the proportion of lease transactions with variable interest rates does not exceed 50% of the total volume of all lease transactions. The fair value from the revaluation of these derivative transactions as of 30 June 2011 amounts to CZK (10,164) thousand.

13 DIVIDENDS

ČD - Telematika a.s. decided to pay dividends from ordinary shares outside the Group in the amount of CZK 6,603 thousand in the reporting period. The dividends were not paid out at the end of June 2011.

14 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These interim consolidated financial statements were approved by the Board of Directors and authorised for issue on 30 August 2011.

11 Events Subsequent to 30 June 2011

- On 13 July 2011, ČD signed a contract with Unipetrol RPA, s.r.o. for a three-year supply of diesel oil. The company won an open tender and the bids were evaluated in an online auction.
- On 19 July 2011, the rating agency Moody's changed the provisional rating of ČD to definitive Baa1 with a negative outlook.

12 Outlook for the End of 2011

The ČD Group's performance will develop stably through the end of 2011. In passenger transportation, ČD will seek to maintain the positive trend of growing sales from passengers; however, we anticipate a possible decline at the end of the year and in 2012 owing to the potential entry of competitors. The results of the group may be significantly affected by the fluctuations in the EUR/CZK exchange rate as a significant portion of ČD's loans are denominated in Euros and sales in both passenger and freight transportation are largely received in Euros. In the second half of 2011, freight transportation may also be impacted by the anticipated risk relating to the growing pressure by customers to decrease prices subject to the influence of growing competition. Despite these factors, we expect the ČD Group to achieve better results in comparison to 2010.

On 1 September 2011, the operations of the railway route servicing will be transferred from ČD, a.s. to SŽDC. The transfer will affect approximately 9,450 employees and will have a positive financial impact on the total result owing to the income from the transferred assets in the amount of approximately CZK 250 million. The transfer will also be positively reflected in the cash flow through a decrease in operating capital and income from sale.

13 Legal Disputes

No member of the ČD Group was involved in any legal disputes that could significantly impact the operations of ČD or the ČD Group in the first half of 2011.

- In order to receive compensation for damages caused by the extraordinary event in the Studénka railway station, on 8 August 2008 ČD took legal action against companies responsible for the damage, which amounted to CZK 75,431,608.79. Pursuant to an agreement, CZK 50,929,711.33 was paid and the dispute for the remaining amount is still underway.
- Správa železniční dopravní cesty s.o. filed an action against ČD Cargo, a.s. for the payment of CZK 248,134,763.63 for alleged arrears in the purchase of traction electricity. The proceedings in this dispute are scheduled to take place on 14 October 2011.

14 Information on the ČD Group

The České dráhy Group includes the parent company ČD, a.s. and consolidated subsidiaries ČD Cargo, a.s., DPOV, a.s., ČD – Telematika, a.s., VÚŽ, a.s. and JLV, a.s. The České dráhy Group provides comprehensive services relating to the operation of railway routes, operation of passenger and freight transportation, and additional and related activities, predominantly repairs, railway research, testing, IT services, accommodation and catering services.

14.1 Identification and Contact Details

Name of the Company:	České dráhy, a.s.
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Tax ID:	CZ70994226
Register of Companies:	Prague
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