



ANNUAL REPORT 2003



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FOREWORD OF THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE GENERAL DIRECTOR

**Dear shareholder, members of Supervisory board,
Business partners, dear colleagues,**

I submit you annual report of our joint stock company for the year 2003.

Dopravný podnik Bratislava, joint stock company, has passed another very difficult year in the terms needed permanent emergency management. In these conditions we achieved in the year 2003 the lost 131 008 thous. SKK, with cost 2 156 358 thous. SKK and revenues 2 025 350 thous. SKK. According to the planning lost 134 542 thous. SKK it is improvement about 3 534 thous. SKK. In compare with the plan were the costs filled on 99.0 % and the revenues achieved 99.1 % level of the plan.

The situation is still more difficult, because the cardinal factors which have influence on the undertaking economy in the branch of public transport, are changing every year. The changes are showed in the increasing of tax of added value, tax from hydrocarbon fuel, tax to the recycling fund, insurance rate and as well in permanent legislative changes. All these factors sound reflect on the costs and revenues of our company.

The exceeded costs were most markedly in the oil consumption, because of higher tax rate from hydrocarbon fuels. At the same time average oil consumption on the 100 km in the compare with the last year decreases from 42.45 l to the 42.01 l. The reason of overrun the usage of spare parts and auxiliary materials was first of all the course of prices, by busses it was the transfer part of costs from supply repairs to the repairs provided in our workshops and extraordinary costs for the repair of the tram after the accident in Dubravka.

The cost interests are exceeded because of drawing the credits from Dexia for reconstruction Mostová and for bridge loan, which were confirm only during the year 2003.

The high of total costs was affected by posting the amount 13 313 thous. SKK in the item creation of the legal rectifying items. It concerns about incidental outstandings claimed in the competitive examinations during the year 2003. The biggest volume - 13 134 thous. SKK - was claimed in the face of Hasiccka insurance company.

The energy consumption in the compare with

the plan was achieved a moderate saving, but in comparison with the last year it was massive increase, because of price increase of all energy kinds. At the same time by using economical arrangements becomes, to savings in technical units, except traction and thermic energy.

The biggest influence have total services on not drawing the costs to the planed amount. The reason in the busses division is the transfer of this part of costs to the consumption of materials and higher financing assurance for busses conversion from capital resources (investment). Another not drawing was on the railway track section, because during the year was intercepted the reconstruction on the Jesenskeho street. The savings of other financial costs created by the change of accounting methodics.



The other costs items were drawing in the planning amount.

The total revenues were not fulfilled about 17 567 thous. SKK. The biggest influence - 38 817 thous. SKK - on this not fulfilling had the change in the accounting methodics, because the initially planned reserves were not accounted to the financial revenues.

In the year 2003 we achieved the revenues from public transportation (MHD) in the amount 939 911 thous. SKK, what is the increase according to the year 2002 about 1 %. The plan was fulfilled to the 99.6 %.

In the context with the change of fare prices from 1.5.2003, the revenues plan in the year 2003 considers with the structure change of sale the tickets for one trip in favour of 30 minutes tickets. In fact, the structure this kind of tickets was hold on the level of the year 2002, only the rate of 60 minutes tickets moderate increases. Further continues the sale decrease of tickets with 10 minutes validity.

In spite of that the prices of subscription tickets increase moderately, as was average prices increase, it becomes to the decline of sold subscription tickets according to the year 2002 about 8 %. The total sale of tickets in the comparison with their number decreased about 3 % according to the year 2002.

Except this fact, there was negative influence on

the revenues development because of lower demand of the tickets in the December - the reason was the higher tax of added value from the 1.1.2004.

The development of revenues from fines in the year 2003 remarks the increase according to the year 2002 about 12 %.

The financial situation in DPB, a.s. was very tense during the whole year 2003 and to the end of the year it became worst. The negative influence on financial situation especially had:

- the unbalanced loss from last years
- the loss reached in the year 2003 in the amount 131 008 thous. SKK
- the increase of supplies about 15 915 thous. SKK
- the increase of added value tax rate from 10 to 14%

The company paid out to the employers earnings means in the volume of 704 845 thous. SKK, what presents 100 % fulfilling of the plan.

The drawings of other personal costs in the year 2003 represents the amount 30 047 thous. SKK, what means the increase about 3 578 thous. SKK in the compare with the year 2002. It was influenced first of all by the higher number of working hours in the form „working activity contract“ in the profession the driver of public transport vehicles.

The drawings of earning means was influenced by:

- a) general adjustment of tariff salaries to 01.05.2003 in the context of fulfilling the obligations from collective agreement
- b) in the business department was higher share efficiency payment for transfer control

c) in the busses and tram divisions was decrease of the overtime work.

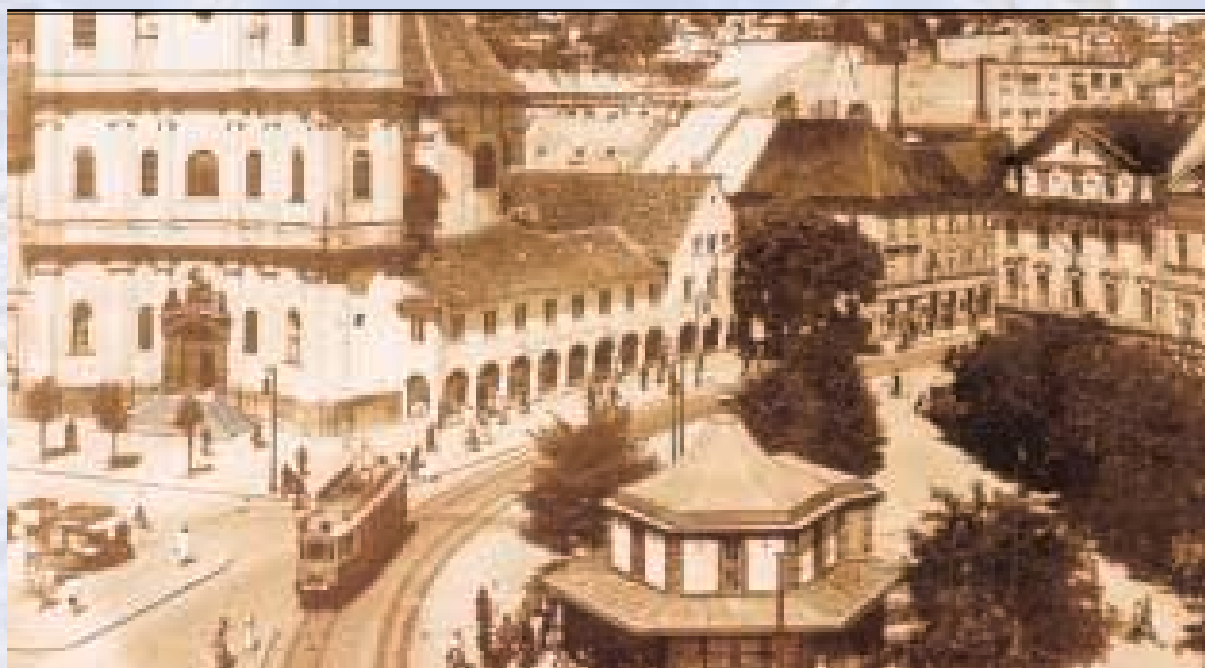
In the year 2003 was reached in DPB, a.s. the average month salary per employer 17 792 SKK. In the comparison with the last year it is increase about 4 %, it means 700 SKK monthly.

The situation in the capital construction did not change markedly in the year 2003, because the system defaults in investment process ,which depended on the state budget means, were repeated. This fact invokes the uncertainty in investment planning for longer period (2 - 3 years). In accordance with the investment plan we provided dead works for 34 items. From preparatory 34 items were 32 realized. 4 items were completed in the year 2002, 4 started items passed over to the year 2004 and the realization of 24 items was done during the year 2003.

In spite of fact, that the results of the year 2003 look like less favourable according the last year, it is the consequence of many factors and steps accepted by government. We continue in the trend of confirming labour and technology discipline, discovering the indoor spares and we succeeded not to overrun the plan net profit. For all achieved results I want to express my thanks to all employers for their work.



Ing. Ján ZACHAR
Chairman of the Board of Directors
and general director



OBJECT OF ACTIVITY OF DOPRAVNÝ PODNIK BRATISLAVA, J.S.C

Dopravný podnik Bratislava, j.s.c. was founded 23.12.1993 by charter in the form of notarial registration No. N 508/93, NZ 499/93 written by notarius JUDr. Helena Hrušovská, along with Trade law No. 513/1991 Zb., trade licence No. ŽO 1049/ So and licenced list No. ŽO 796/1991/So, bouth issued 7.4.1994 by District office Bratislava I.

Script about creation of company 20.4.1994 was performed on the District court Bratislava I. in packing No. 1181/B, compartment Sa and by ammendment in compartment Sa in packing No. 607/B.

Join stock company was founded as private company. Only founder is Capital of Slovak republic Bratislava.

Basic object of activity according of articles of association is performing of periodical public mass city transport of persons.

MEMBERS OF THE STATUTORY BODIES

BOARD OF DIRECTORS:

Ing.	<u>Ján Zachar</u>	chairman
Ing.	<u>Jozef Harvančík</u>	member
JUDr.	<u>Peter Hríb</u>	member
Ing.	<u>Karol Kolada</u>	member
Ing.	<u>Tatiana Mikušová</u>	member

AUTOHORIZED AGENT:

JUDr. Martin Jerguš

SUPERVISORY BOARD:

Ing.	<u>Peter Discantiny</u>	chairman
Mgr.	<u>Marián Dragúň</u> CSc.	member
JUDr.	<u>Milan Hagovský</u>	member
Ing.	<u>Róbert Kadnár</u>	member
Bc.	<u>Peter Kolesár</u>	member
Ing.	<u>Róbert Struhár</u>	member
	<u>Emil Galgóci</u>	member
	<u>Peter Horanský</u>	member
	<u>Jozef Tomek</u>	member

TOP MANAGMENT:

Ing.	<u>Ján Zachar</u>	General director
Ing.	<u>Viliam Majda</u>	Director of economy department
Ing.	<u>Bronislav Weigl</u>	Director of operation and technic
JUDr.	<u>Martin Jerguš</u>	Director of human sources
Ing.	<u>Jozef Šujan</u>	Director for commerce
Ing.	<u>Viktor Haluza</u>	Director of technical infrastructure
Ing.	<u>Vladimír Rafaj</u>	Director of division for electric lines
Ing.	<u>Karol Kállay</u>	Director of division for busses

ECONOMIC RESULTS OF JOINT STOCK COMPANY

Financial indicator

(thous. SKK)

Indicator	Plan 2003	reality 2003	%	reality 2002	Index 03/02	reality 2001
Cost of goods resold	20 820	17 823	85,6	19 397	0,92	21 470
Consumption of material and energy	785 576	800 061	101,8	739 729	1,08	729 526
Services	261 933	231 114	88,2	250 160	0,92	207 886
Personal (salary) costs	704 900	704 883	100,0	674 876	1,04	626 715
Social security costs	255 888	252 000	98,5	242 274	1,04	231 515
Social costs	47 072	45 533	96,7	42 447	1,07	38 893
Taxes and fees	22 657	21 422	94,5	22 483	0,95	24 374
Res. Price investment and mater.	0	15	x	26	0,58	56
Other operation costs	12 368	15 596	126,1	13 196	1,18	11 656
Law corecting items	0	13 313	x	0	x	0
Interes paid	4 650	7 494	161,2	11 567	0,65	22 654
Other financial costs	61 595	46 703	75,8	46 307	1,01	37 518
Additions to reserves financial	0	0	x	38 818	x	44 344
Icome tax on current activity	0	401	x	222	1,81	247
Extraordinary costs	0	0	x	3 906	x	4 122
Total costs	2 177 459	2 156 358	99,0	2 105 408	1,02	2 000 976
Revenues from goods for resale	21 140	18 078	85,5	19 638	0,92	22 101
Revenues from own products, servic	962 440	959 095	99,7	949 143	1,01	942 430
Activation	14 600	15 453	105,8	2 612	5,92	675
Revenues from invest. and materials	500	1 198	239,6	1 281	0,94	2 137
Other operation revenues	1 002 620	1 019 280	101,7	974 130	1,05	916 819
Reservs to financial revenues	38 817	0	x	44 344	x	54 587
Revenues interest	1 800	2 544	141,3	1 488	1,71	1 714
Other financial revenues	1 000	1 977	197,7	1 852	1,07	1 055
Extraordinary revenues	0	7 725	x	20 930	0,37	19 685
Total revenues	2 042 917	2 025 350	99,1	2 015 418	1,00	1 961 203
Net profit	-134 542	-131 008	97,4	-89 990	1,46	-39 773

ECONOMIC RESULTS OF JOINT STOCK COMPANY

Balance sheet

(SKK in thousands)

	position 31.12.2001	position 31.12.2002		*/ position 31.12.2002	position 31.12.2003
ASSETS	5 473 828	5 784 698	TOTAL PROPERTY	5 718 913	6 021 252
from it:			from it:		
B Fixed assets	5 054 575	5 413 713	B Total fixed property	5 413 713	5 765 786
B I Intangible fixed assets	401	23 367	B I Longterm intangible prop.	23 367	23 564
B II Tangible fixed assets	5 048 674	5 384 846	B II Shortterm tangible property	5 384 846	5 736 722
B III Financial investments	5 500	5 500	B III Longterm financial property	5 500	5 500
C Current assets	329 281	296 433	C Current property	297 033	252 800
C I Inventory	111 166	101 020	C I Inventories	101 020	115 906
C III Short-term receivables	138 380	138 541	C III Short-term receivables	139 141	68 431
C IV Financial assets	79 735	56 872	C IV Financial accounts	56 872	68 463
D Other assets	89 972	74 552	D Accruing	8 167	2 666
LIABILITIES	5 473 828	5 784 698	EQUITY AND PAYABLES	5 718 913	6 021 252
from it:			from it:		
A Equity	1 617 927	1 791 034	A Equity	1 791 034	1 493 600
A I Registered capital	1 000	1 000	A I Registered capital	1 000	1 000
A II Capital funds	1 901 390	2 130 943	A II Capital funds	2 131 143	1 886 461
A III Funds created from net profit	200	200	A IV Profit(loss) from previous		
A IV Profit(loss) from previous years	- 244 890	- 251 119	years	- 251 119	- 262 853
A V Profit(loss)	- 39 773	- 89 990	A V Profit(loss)	- 89 990	- 131 008
B Not own capital	3 787 551	3 921 126	B Payables	3 871 303	4 463 763
B II Long-term payables	3 149 362	3 388 262	B I Reserves	15 064	14 810
B III Short-term payables	355 032	384 199	B II Long-term payables	3 362 557	3 972 455
B IV Bank loans and advances	238 813	109 847	B III Short-term payables	383 835	363 620
B I Reserves	44 344	38 818	B IV Bank loans and advances	109 847	112 878
C Other liabilities	68 350	72 538	C Accruing	56 576	63 889

* methodics 2003

Indicators of rentability and liquidity

	year 2003	year 2002*	year 2001	Ind.03/02	Ind.02/01
Rentability of revenues	-6,47	-4,465	-2,028	1,45	2,20
Rentability of equity	-8,77	-5,024	-2,458	1,75	2,04
Current liquidity	0,328	0,509	0,454	0,64	1,12
Total liquidity	0,607	0,772	0,686	0,79	1,13
Instant liquidity	0,164	0,148	0,166	1,11	0,89

* years 2002 is re-count to methodics 2003

INVESTMENT

Capital expenses in the year 2003 were spend for solution of urgent needs, which were necessary to provide the operation of city public transport in Bratislava.

The realization of tangible and intangible fixed assets acquisition was aimed on:

- To provide needful renewal of public transport vehicles by purchase and modernization (purchase 1 piece flat floor trolleybus, modernization of K2 and T3 trams and trolleybusses, conversion of busses to CNG drive)
- Solution of urgent problems of operation - structures directly connected with securing the operation of public city transport (reconstruction of traction line Trnavka, reconstruction of tram route in the section Mostova-Jesenskeho)
- Creation of suitable social conditions for employee in the all activities, which provided DPB, j.s.c. (social character structures)
- Renewal and modernization of vehicles for providing maintenance of traffic infrastructure (reconstruction of assemble gallery)
- Renewal and development of machines and equipment for repair and maintenance.

Another part of capital expenses was spend on the repayment fund of bank and supplier credits, which were provided in the past for financing investment actions (purchase 100 pieces busses in the year 1998, providing equipment of tariff system, information system SAP R/3, reconstruction of tram route Hybesova-Detvianska).

The financing of investment actions was provided by transfer of specific grant form state budget through the budget of capital Slovak republic Bratislava, from sources of capital city, bank loans, financial contribution Bratcarl and from business activities of DPB.



Capital expenses on investments used in the years 200-2003 as follows:

	Year	Annual plan	Fact - financing from resource			Together
			State budget	City budget	Others	
Investment together	2003	474 600	220 250	157 855	70 017	448 122
	2002	505 800	220 300	270 375	9 174	499 849
	2001	349 300	203 691	144 390	3 726	351 807
From it: building	2003	177 286	40 181	40 605	69 253	150 039
	2002	108 200	70 000	37 364	0	107 364
machines	2001	70 250	69 500	836	120	70 456
technology	2003	297 314	180 069	117 250	764	298 083
	2002	397 600	150 300	233 011	9 174	392 485
	2001	279 050	134 191	143 554	3 606	281 351

CITY PUBLIC TRANSPORT

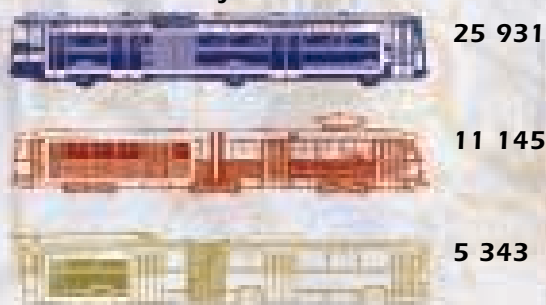
(th. vehicle km)

In the year 2003 were capacity of city public transport fulfill as follow:

Vehicle km	Annual project	Adapted plan	Reality 2003	Reality 2002	Reality 2001
Trams	11 100	11 245	11 145	10 864	11 142
Trolleybusses	5 495	5 390	5 343	5 277	5 340
Busses	25 573	26 021	25 931	26 070	26 405
Together	42 168	42 656	42 419	42 211	42 887

Traction share on vehicle kilometers - reality 2003

Vehicle kilometers in thous. vehicle km/year



Vehicle km %

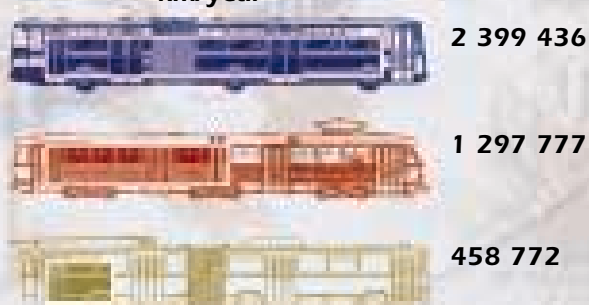


(th. place km)

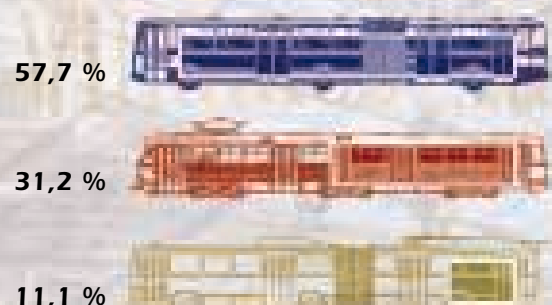
Personal km	Annual project	Adapted plan	Reality 2003	Reality 2002	Reality 2001
Trams	1 297 450	1 308 350	1 297 777	1 278 316	1 301 404
Trolleybusses	473 090	465 060	458 772	444 808	425 030
Busses	2 353 870	2 400 450	2 399 436	2 412 478	2 458 034
Together	4 124 410	4 173 860	4 155 985	4 135 602	4 184 468

Traction share on place kilometers - reality 2003

Personal kilometers in thous place km/year



Personal km v %



To DPB, j.s.c. were in the year 2003 given financial subsidy for partial costs settlement to realize capacity of transport in public interest as follow:

(thous. SKK)

	Plan 2003	Reality 2003	Reality 2002	Reality 2001
Current subsidy from state budget	694 120	694 120	677 200	627 000
Current subsidy from city budget	280 000	280 000	262 000	262 000
Current subsidy together	974 120	974 120	939 200	889 000

Capacity of city public transport was realized by tram, trolleybus and bus in the follow structure:

Type of transport	Number of Vehicles	Number of lines (including night)	Length of traffic Net (km)	Length of traffic lines (km)
Trams	170	12	36,7	243,9
Trolleybusses	* 90	12	39,0	180,0
Busses	*368	82	388,7	1 804,9
Together	*628	106	464,4	2 228,8

* vehicles for night lines are used from day lines

Revenues from city public transport

(thous. SKK)

Type of transport	Plan 2003	Reality 2003	Reality 2002	Reality 2001
Trams	295 690	291 740	284 916	282 504
Trolleybusses	105 104	103 263	98 782	91 993
Busses	542 506	544 908	546 372	536 950
Together	943 300	939 911	930 070	911 447

Traction share on revenues from city public transport - reality 2003

Revenues from city public transport transport in thous.SKK

	544 908
	291 740
	103 263

Traction share on revenues from city public transport (%)

	58 %
	31 %
	11 %

INDEPENDENT AUDITOR'S REPORT

For shareholders and management of the company
DOPRAVNÝ PODNIK BRATISLAVA, a.s., Bratislava

We have carried out the audit of the enclosed financial statements for the year 2003 for the company DOPRAVNÝ PODNIK BRATISLAVA, a.s., Olejkárska 1, 814 52 Bratislava that forms a set of data for the balance sheet for the year ending December 31, 2003 and for the related profit and loss statement for the particular fiscal year and the related comments. The management of the Company shall be fully responsible for preparing the financial statement, namely Ing. Ján Zachar, Chairman of the Board of Directors and Ing. Jozef Šitz, Head of the Financial and Accounting Department. On the basis of the carried out audit, our responsibility was to express our opinion on the financial statement as a whole.

We have carried out the audit in accordance with the Auditing Standards of the Slovak Republic. According to these standards, the Auditor is obliged to plan and carry out the audit in order to obtain reasonable assurance that the financial statements were free of any substantial material misstatement. The audit has included checking out the accounting evidence documenting amounts and other records in the financial statement on the basis of tests. The audit has also included the assessment of applied accounting principles used at drawing up the financial statement and assessment of important estimations of pricing applied by the management of the Company as well as assessment of presentation of the financial statement as a whole. The audit shall not be deemed a tax audit and has not been focused on disclosing tax evasions.

We are convinced that our audit provides an objective basis to express our opinion of the financial statements.

In our opinion the financial statement presents fairly in all substantial material respects a financial position of the Company as of December 31, 2003 and trade income for the particular fiscal year ended on the date above in compliance with Act on Accountancy of the Slovak Republic.

Bratislava, 14th April 2004

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Responsible Auditor
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