

2016

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How would you rate 2016 from the perspective of Metrostav Group?

The past year was another reasonably successful year for the Group, even though construction production in the Czech Republic declined by 7.6% year-on-year. I am glad that despite such unfavourable market conditions Metrostav Group was for the seventh time the largest building group in the Czech construction market. Our contract portfolio has changed; we have replaced large-scale projects for Czech public investors with smaller regional projects and with foreign contracts.

Our work and technology are still of interest not only to industry professionals, but also to the general public. As evidence we can mention our largest domestic construction project, which also testifies to business cooperation between major construction groups: the modernization of the Plzeň – Rokycany railway line section, where Metrostav bores the Ejpovice tunnel using the of TBM technology and Subterra upgrades the tracks. We have done a very good job reconstructing the D1 motorway where the investor praises our teams for professionalism and speed. For example, Subterra completed an exploration geological tunnel for the Radlice tunnel in Prague 5 and successfully reconstructed a section of the Brno – Královo Pole – Kurim railway line.

How would you sum up Metrostav Group's business in foreign markets?

Metrostav Group has earned good reputation in Iceland, Scandinavia, Poland, Germany, Serbia, Hungary and other countries. We are able to meet the set targets in the implementation of projects in progress or projects that have just been completed. Currently we generate more than a third of the Group's turnover in foreign markets. However, construction business in foreign markets is riskier than business in the domestic market. Therefore, increasing the share of foreign contracts in Metrostav's production must be proportionate to the risk level.

In November, Metrostav handed over to the investor the completed tunnel at Veitastrand in Norway, and a few days later we managed to complete the flood control system on the Neisse River in Poland. In Germany, Subterra finished the reconstruction of the Alter Kaiser Wilhelm tunnel and won two other contracts in a consortium with BeMo Tunneling. The construction of a 21-km-long section of the S7 motorway in Gdansk is the largest contract we have executed abroad to date. And after a two-year hiatus we have won a new contract in Belarus. In the coming years, we will implement interesting and challenging projects in Iceland, Norway, and in Turkey.

“Metrostav Group became the largest construction group in the Czech building market for the seventh time.”

“A company must be able to respond in a timely and effective way to the external conditions of the given market to be successful.”

What financial results would you highlight in terms of the Group's specific activities and entities?

It is important that, in spite of the unfavourable trend in the Czech construction market, the Group has been able to identify other territories where it can apply its capacities and expertise, in particular in the segments of underground and transport construction. In some foreign markets, we have implemented projects repeatedly, which may indicate the promise of winning more contracts in the future.

Furthermore, I would like to mention the segment of development business conducted not only in the Czech Republic, but also in Slovakia. This allows us to utilize, just like in the domestic market, our own building capacities in the relevant market. In 2016, we sold a record number of apartments in both countries.

In addition to building and development activities, we cannot omit the highly professional and specialized skills and services that our companies provide, for example in the field of testing and geodesy. These services should help ensure that construction projects, in addition to their high technical level, show good economic results.

What, in your opinion, is in financial terms the measure of success of companies in the building industry and related segments?

A company must be able to respond in a timely and effective way to the external conditions of the given market to be successful. The construction industry, which has not been in good shape in recent years, proves that only a well-prepared and financially robust company can overcome a difficult period and create conditions for itself to win and successfully execute contracts even under such circumstances. With regard to experience of the past years, we cannot expect that the situation in the construction market will change miraculously in the near future and the industry will perform as before the crisis. This needs to be taken into account.

How will the year 2016 be recorded in the Company's history?

As a year of increased efforts to maintain the portfolio of quality contracts. In 2016, the Czech construction industry again did not show an upturn. The domestic market lacked large-scale infrastructure projects and the same conditions are to be expected this year. As a result, in 2016 Metrostav had difficulty meeting the set targets in the Czech Republic. Conversely, we managed to meet our expectations in terms of foreign projects, even though to succeed among foreign competitors and to complete challenging projects in such different countries as Iceland, Norway or Poland is possible only with exceptionally skilled and flexible personnel. The results in foreign business prove that we have that kind of staff.

We have received many awards for our projects, e.g. in the prestigious Construction of the Year competition. We also received the Academy of Engineering Award for the Blanka Tunnel Complex and in December we took the National Award of the Czech Republic for Social Responsibility and Sustainable Development, which shows that Metrostav is excellent in its field but also helps the needy.

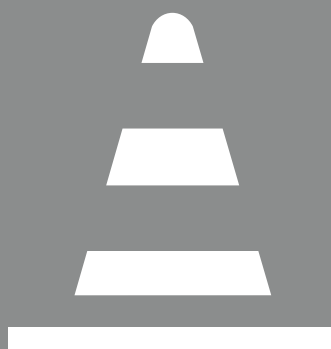
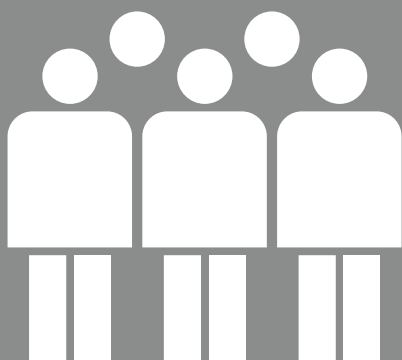
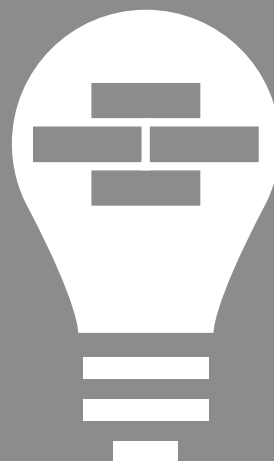
What is ahead of the Company in the near future?

Our workload for 2017 is heavier than in the previous years. Currently we are modernizing the Plzeň railway junction, in Poland we are building the S7 expressway near Gdansk, we are working on the reconstruction of the historic building of the National Museum in Prague, and in Slovakia we are finishing a car body facility for Volkswagen.

All large construction projects are implemented in difficult conditions, so there is no reason to make them even more complicated. Experience from abroad and the possibility to compare industry standards show that Czech legislation is far from perfect in this respect. Although the new Act on Public Contracts has been passed, a new Building Act and an EIA Act have yet to be finalized in 2017. I believe that improving these key laws will help investors and contracting authorities in the preparation of projects and their implementation, in immediate decision-making and processing changes, and in quick payment for the executed work.

“Foreign business results of show that our staff has extraordinary skills and flexibility.”

In its business activities, Metrostav Group is committed to the principles of sustainable development in that it firmly ties its strategic targets to adherence to social responsibility priorities. These priorities pertain to the areas in which the Group's operations have significant environmental, social and economic impacts on the relevant locations.



Metrostav Group

The largest consortium of construction companies in the Czech Republic was formed in early 2014. In 2016, the Group consisted of 40 firms, which, in addition to building activities, engage in development and services pertaining to the building industry. The Group has top quality know-how, cutting edge technology and skilled staff. These factors lead to long-term good financial performance.

Metrostav a.s.

A universal construction company, whose performance in this industry has won it the top place in the Czech Republic. Besides the whole Czech territory, the company develops its operations also in Slovakia and other foreign markets, in particular in Poland and the Scandinavian countries. In addition to key large-scale projects, the company targets the segment of smaller contracts at the regional level. It focuses primarily on civic projects, housing and industrial construction, underground, transport and water projects, Prague metro lines and other engineering structures. Through its subsidiaries, the company also carries out development activities and provides services related to the building sector.

Subterra a.s.

A construction company encompassing underground, building and transport construction. The company also provides technical facilities and equipment for buildings and technological units for large infrastructure projects. It executes contracts in other construction segments, such as water projects or environmental clean-up. It operates nationwide and abroad. Currently the company has foreign branches and subsidiaries in Hungary, Serbia, Germany, Croatia, Sweden and Slovakia.

BeMo Tunnelling GmbH

The company builds primarily tunnel structures in domestic markets in Austria and Germany. It boasts significant references and know-how facilitating its international success. The company utilizes its experience in executing contracts in the United Kingdom, Scandinavia, the United States and Canada. It also expands business in the segment of building construction and special foundations.

Metrostav Slovakia a.s.

The company engages in projects in the field of building construction in the territory of the Slovak Republic. It specializes in civic, residential and industrial construction and reconstruction of buildings. It ensures the comprehensive execution of construction contracts complete with project and infrastructure preparation. Through companies established for specific purposes, it has successfully implemented residential development projects.

PRAGIS a.s.

The company implements all types of construction projects, including modifications, maintenance or removal of structures, and also offers specialized construction jobs, such as special foundations and monolithic structures. Its portfolio includes industrial, residential and civic projects and transport and engineering construction. An important part of the production program is construction, reconstruction and repair of utility networks.

BES s.r.o

The company's business consists mainly of road construction, including infrastructure networks. It offers, for example, milling of asphalt surfaces, machine laying of asphalt mixtures, road maintenance and management, and production and sale of crushed aggregate. The company has its own production capacities comprising, besides machinery, asphalt mixing facilities, quarries and a concrete plant.

Metrostav stavebniny, s.r.o.

The company deals in trading building materials. The core product range includes both fired and unfired masonry materials, all types of binders and insulation, as well as building chemistry products and metallurgical materials. The company also operates a tire service for both passenger cars and trucks. It carries out its activities through its own retail stores and an e-shop.

SQZ, s.r.o.

The company markets qualified laboratory work and testing in all areas of the construction environment, in particular in the transport and civil engineering segments. Its laboratories are equipped with advanced devices, including press, drilling and measuring technology. The company performs tests of concretes, asphalt mixtures and aggregates, deploys equipment for monitoring and pressure testing of sewage systems, and uses geo-radar technology. In addition, it measures noise and dust in working and non-working environments.

GCE Praha, spol. s r.o.

The company ranks among leading Czech companies in the field of geodesy. It specializes in providing solutions to technologically challenging projects and work and services in the fields of engineering geodesy, digital photogrammetry and remote mapping of the Earth.

PK Doprastav, a.s.

The company specializes in the preparation and surface excavation of specific deposits, and the subsequent production and refining of minerals. It conducts business in the Slovak Republic, where it operates 9 quarries. It supplies aggregates for the production of concrete, for mortar, bituminous mixtures, unbonded and hydraulically bound materials, and underneath rail tracks.

Doprastav Asfalt, a.s.

The company engages in the production and sale of asphalt mixtures, carries out asphalt paving and other related construction work. It also executes construction, reconstruction and repair of transport structures, including motorways and roads. It provides milling of bituminous surfaces. The company is seated in Slovakia, where it operates 7 plants for bituminous mixtures.

Metrostav Development a.s.

An umbrella entity for development activities of Metrostav Group in the Czech Republic. It implements residential and commercial projects with an emphasis on exceptional architecture, utility value and environmental responsibility. It cooperates with top architects, uses high-quality materials at construction sites, and highlights the perfect execution of construction projects. This approach has earned the company a number of prestigious awards for its projects, such as Best of Realty, Construction of the Year and New Home.

Metrostav Facility s.r.o.

The company markets a comprehensive portfolio of operations in the field of operation, administration, maintenance and security of all types of buildings - administrative buildings, shopping and business centres, accommodation facilities, apartments, production facilities, logistics centres, etc. It employs staff with expertise in all areas of support services capable of delivering sophisticated solutions resulting in cost savings and optimization solutions for all activities related to property operation and management.

Joint ventures

Major joint ventures are TERRAFIN GROUP and TBG METROSTAV. Collaboration with these companies provides the entire Metrostav Group with the opportunity to develop mutual synergies and efficiencies.

The portfolio of TERRAFIN GROUP, a.s., comprises Zakládání staveb, a.s., a company with long tradition and experience in the field of special foundations for industrial, transport, housing and water construction projects. Environmental projects, including reclamation of landslide areas, are also an important part of the company's operations.

TBG Metrostav s.r.o. operates in the production and transport of concrete mixtures. It manufactures top-quality, high-strength concrete mixtures with high resistance to environmental and climatic conditions, in addition to providing professional services such as transport, pumping of concrete mixtures and testing.

Metrostav and its group of companies rank among major economic entities in the Czech Republic and take their commitment to responsible conduct seriously. The Group, as an entity influencing the market environment, is aware of its benefits and impacts and its role as an employer, being the role model in ethical issues.





ELI Beamlines Dolní
Břežany – European research
centre for the development
of the world's most efficient
laser system

1

- Handover of a 1000-metre-long flyover on the D35 Sedlice – Opatovice motorway to the Road and Motorway Directorate (ŘSD)
- Obtaining a patent for the segmental lining modification in the construction of connecting tunnel sections using TBM
- Signing of the General Partnership Agreement for the Handy Cycling Marathon 2016 project
- Launch of boring of Sättra and Skärholmen access tunnels for the Stockholm ring road by subsidiary SBT Sverige (Subterra)

2

- Handover of the Central Dispatching Office in Prague – Balabenka to investor Railway Infrastructure Administration (SŽDC)
- Signing of the contract for the construction work on the medical facility (polyclinic) and the directorate of the Children's Teaching Hospital in Košice
- Opening of a new Department of Engineering and Industrial Construction seated in Dortmund (BeMo)
- Boring of the Klaus tunnel on the A9 motorway, Austria (BeMo)

3

- Award in the Water Construction of the Year competition and PPO Koválovice – Osíčany
- Signing of a contract for the modernization of the Marsa – Żolnierska road section in Poland
- Top place of the ELI Beamlines project in Dolní Břežany in the Industrial and Logistics Real Estate category of the MIPIM Awards 2016 at the Cannes Fair
- Accreditation of geo-radar measurement of cement-concrete paving (SQZ)

4

- Metrostav won the title of the Most Attractive Employer in the Construction Industry of the Czech Republic 2016 on the basis of a survey conducted by Universum
- Occupancy permit issued for the Sacre Coeur 2 residential project overlooking the Prague Strahov tunnel
- Signing of a contract for the construction of a 2.7-km-long metro line in Helsinki, Finland
- Completion of the reconstruction of two railway sections connecting Brno with Maloměřice and Kuřim (Subterra)

5

- Putting into operation an overpass on the D1 motorway near Ostředek one month ahead of schedule
- Handover of the industrial site for Stavoklima in České Budějovice
- A few days before finished boring – excavation of 4,000 metres of the south tube of the Ejovice railway tunnel
- Start of the trial operation of the Nové Zámky asphalt mixing plant with the total annual capacity of 150 thousand tonnes (Doprastav Asfalt)

6

- The first detonation in the excavation of a 2.7-km-long metro line in Helsinki to Espoonlahti
- Winning the title Czech Transport Construction 2015 for the V.A metro line and Blanka Tunnel Complex projects
- Completion of the comprehensive reconstruction of parking areas and the courtyard of the headquarters of PRAGIS a.s. in Prague - Satalice (Pragis)
- Completed boring of the Wasserschlösschacht GKI tunnel, Austria (BeMo)

7

- Opening of a new park at the former Blanka tunnel construction site near Prašný most in Prague
- Expansion of Metrostav's portfolio of subsidiaries to include Údržba silnic s.r.o., Sedlčany
- Completion of boring the Zierenberger tunnel in Germany (BeMo)
- Signing of a contract for the modernization of the Slovak railway line Púchov – Žilina (Subterra)
- Launch of the Palmovka Open Park commercial development project in Prague (Metrostav Development)

- 2nd place in the Engineering Structures category in the European Concretes Societies Network competition for the Čelákovice Footbridge
- Metrostav awarded the status of Certified Supplier in the building industry according to British standards
- Completion of boring of a 2,035-meter-long Joberg tunnel in Norway
- Purchase of a new SOILMAC SR-45 LDP large-profile drilling rig for special foundations (Pragis)
- Signing of a contract for the realization of monolithic structures of the project "Multi-function Centre U Dubu – New Modřany Centre" for MTS Division 1 (Pragis)

8

- Signing of a contract for the construction of a drawbridge in Sobieszewie near Gdansk, Poland
- Handover of the project Reconstruction of the Neisse Water Works and construction of additional facilities, 2nd phase, in Poland
- Signing of a contract with Lužec nad Vltavou for the construction of a footbridge - use of high-strength concrete and suspended structure
- Signing of a contract for participation in the 2nd stage construction of the ring road in the Hungarian town of Várpalota (Subterra)

9

10

- Construction of the Year 2016 award for the Blanka Tunnel Complex and the reconstruction of the sports stadium in Ostrava – Vítkovice
- A millionth drilled meter of the pile foundation for the reinforcement of the subsoil in the Vistula River delta under the S7 road in Gdansk, Poland
- Putting into operation of the modernized section of the D1 motorway between Hvězdovice and Ostředek
- Two bored sections of the Bad Cannstatt tunnel (3b and 4b branches) in Stuttgart, Germany (BeMo)
- Doprastav Asfalt with production of more than 360 thousand tonnes of asphalt mixtures ranked among the three largest asphalt manufacturers in Slovakia in 2016 (Doprastav Asfalt)

11

- Signing of a contract for the reconstruction of a wastewater treatment plant in Brest, Belarus
- Metrostav received the National Award of the Czech Republic for Social Responsibility and Sustainable Development
- Signing of a contract for the construction of a ring road in Kongsberg, Norway
- Winning of the Excellent Concrete Structure award for the ELI Laser Centre in Dolní Břežany
- Completion of the reconstruction of the Klatovy - Železná Ruda railway line (Subterra)
- Accreditation of the Bratislava laboratory received from SNAS (SQZ)

12

- Poland's Bridge Project 2015 award for the reconstruction of the Grota-Roweckiego Bridge in Warsaw
- Signing of the contract for the Plzeň Junction project, 2nd stage - reconstruction of the passenger railway station, including Mikulášská Bridges
- Award of the Engineering Academy of the Czech Republic for the Blanka Tunnel Complex for the construction part of a complex of city ring road structures in the Myslbekova – Pelc – Tyrolka section in Prague
- Handover of the flood control system on the Neisse River in Poland - Putting into operation of the Veitastrondsvegen project with the Bjornabakkane tunnel on the Fv 337 road in Norway
- Acquisition of a 50% ownership interest in Obalovna Lipník s.r.o.
- A contract for the provision of know-how for the metro in Edmonton, Canada (BeMo)
- Start of construction of the monolithic skeleton of a high-rise building in the City Park Ružinov residential project in Bratislava (Metrostav Slovakia)

Metrostav

Major projects in Czech regions

- Reconstruction and completion of the IGY shopping centre in České Budějovice
- Reconstruction of the railway junction Plzeň – 2nd stage
- Construction of Hotel Rozvadov
- Reconstruction of the Sněžka department store in Pec pod Sněžkou
- Construction of BUSCH production facility in Liberec
- Reconstruction of the Rokycany – Nezvěstice rail line section
- Construction of the welding facility for the Škoda Auto Kvasiny
- D8 motorway, section 0805 Lovosice – Řehlovice (Dobkovičky and Oparno bridges, Prackovice and Radejčín tunnels)
- Modernization of the D1 motorway, section 03, Hvězdonice – Ostředek
- Construction of the ELI Laser Technology Research Facility for the Institute of Physics of the Academy of Sciences of the Czech Republic in Dolní Břežany near Prague
- Construction of the residential complex Garden Towers, Prague – Žižkov
- Reconstruction of 3 brown coal blocks at Prunéřov power plant
- Construction of section 1105 / II. ff the D11 motorway, Osičky – Hradec Králové
- Modernization of the Rokycany – Plzeň railway line and the Ejpovice railway tunnel
- Reconstruction of the National Museum, Prague 1
- Reconstruction of the children's polyclinic of Motol Teaching Hospital, Prague 5

Major foreign projects

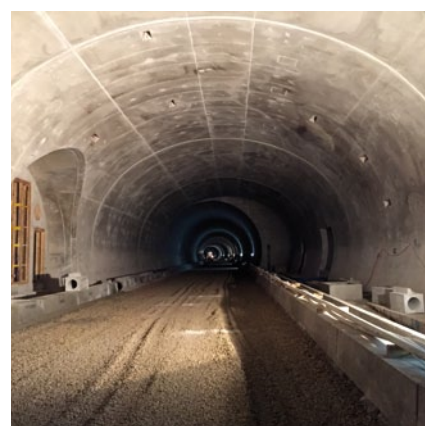
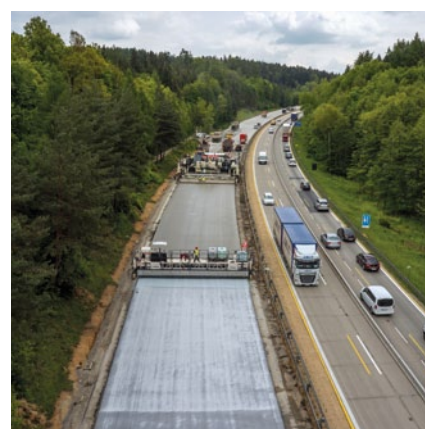
- S8 road construction, Warsaw, Poland
- S7 road construction, Koszwały – Nowy Dwór Gdanski, Poland
- Reconstruction at Żolnierska Street, Warsaw, Poland
- Construction of metro line tunnels and Espoonlahti Station, Helsinki, Finland
- Construction of the Nordfjordur tunnel, Iceland
- Construction of the Veitastond tunnel, Norway
- Construction of the Joberg tunnel, Norway
- Construction of a tunnel on the D1 motorway, Žilina, Hričovské Podhradie – Lietavská Lúčka, Slovakia
- Construction of tunnels on the D3 motorway, Polana and Svrčinovec, Slovakia

Subterra

- Reconstruction of the Brno - Maloměřice – Kuřim railway line
- Excavation of an exploration tunnel for the Radlice tunnel using a new Austrian tunnelling method (NRTM), Prague 5
- Revitalization of Klementinum – gradual repair of a complex of National Library buildings in Prague
- Technological equipment for the Prackovice and Radejčín motorway tunnels on the D8 motorway
- Modernization of the railway junction Székesfehérvár, Hungary
- Reconstruction of the Alter Kaiser – Wilhelm railway tunnel, Cochem – Ediger-Eller, Germany
- Access tunnels Sättra and Skärholmen to new sections of the Stockholm ring road (Sweden)

BES

- Construction of a new elevated intersection – Čtyřkoly
- Complete construction of utility networks and roads in a new development – Neveklov
- Reconstruction of local roads, earth recycling technology – Pyšely





Tunnel tube of the Ejpovice
tunnel on the modernized
Rokycany – Plzeň railway line

BeMo

- Construction of a light rail line in Karlsruhe, Germany
- Construction of a logistics facility in Würselen, Germany
- Construction of the BAB A 100 city ring road in Berlin, Germany
- Pummersdorfer railway tunnel, Austria
- Rehabilitation of the Alter Bebenroth tunnel, Germany
- Rehabilitation of the Hasselborn tunnel, Germany
- Excavation of the construction pit for the MDC project, Berlin, Germany
- Stuttgart 21 Project – Speed Rail Tunnel - Bad Cannstatt section, Germany
- Construction of the C510 structure of the Crossrail railway line in London – tunnels in Liverpool Street and Whitechapel stations
- Rehabilitation of the Arlberg Road tunnel in Austria



Metrostav Slovakia

- Construction of the residential building City Park Ružinov in Bratislava, Slovakia
- Construction of a leisure and sports congress centre in Šamorín, Slovakia
- Construction of a residential building in Čapajevova street in Bratislava – Petržalka
- Reconstruction of the historical riding school, Trebišov



Pragis

- Complete monolithic structures of two separate buildings of the Obytný residential project Residence Lesopark housing project, Prague – Letňany
- Reconstruction, construction modifications and installation of brand new technology in the area of the pumping station and water reservoir Ládví I – Prague 8
- Launch of the foundation work for the construction of administrative buildings Palmovka Park III, Palmovka Park IV and Hala - Prague 8
- Reconstruction of the sewage network – Stage IV, Českokobrodská Street - Prague 9
- Renovation of the water supply main and reconstruction of the sewage network, Chrástavská street and vicinity – Prague 9



SQZ

- Measurement of noise and traffic density for the city of Brno
- Reconnaissance camera tests on the D35 motorway, Šumperk – Mohelnice
- Reconnaissance and diagnostic work II/150, Prostějov, 22 km
- Diagnostic survey of the Přerov airport
- Diagnostic survey, D5 motorway – Plzeň ring road



CCE

- Geodetic work on the D1 motorway modernization, Hvězdovice – Ostředek
- Geodetic work on the D1 motorway, Ivachnová – Hubová (Slovakia)
- Chief surveyor's work on the modernization of the Rokycany – Plzeň railway line



The Garden Towers residential project in Prague's Žižkov with 700 apartments is the largest residential complex in the Czech Republic

PK Doprastav

- Supply of aggregate for the launch of the D1 motorway construction, Budimír – Bidovce section, Slovakia
- Supply of aggregate for the modernization of another railway section between Púchov and Žilina, Slovakia
- Start of production on the upgraded line, Bulhary, Slovakia

Doprastav Asfalt

- Repair of expressways under the administration of SSÚD 4 Trenčín and SSÚD 5 Považská Bystrica
- Pavement repair of roads under the administration of SSÚD 2, Bratislava, Slovakia

Metrostav Development

- Residential project Na Vackově Apartments
- Residential project Na Vackově Villas
- Palmovka Open Park commercial project

Metrostav Facility

- Ensuring operation and service activities related to technological equipment for the National Library of the Czech Republic
- Ensuring technical administration on the premises of the State Regional Archives in Prague
- Operational and technical management of specific technological equipment in the buildings of the Ministry of Culture of the Czech Republic

Zakládání staveb

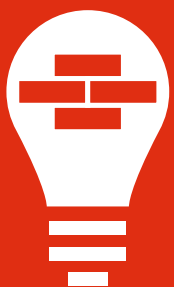
- Total reconstruction and extension of the Prague Central Wastewater Treatment Plant on Císařský Island
- Securing the construction pit for the main pumping station and the inlet facility of the Central Wastewater Treatment Plant in Prague
- Construction of an underground sealing membrane for earth dam barriers of the new Brežice hydropower plant on the River Sava, Slovenia





Laying a cement-concrete pavement on the reconstructed D1 motorway

Metrostav Group strives to make a significant contribution to a better environment in the construction industry by developing innovative products and solutions that create added value and help build quality and energy efficient structures.





Reconstruction of the
concourse of the main railway
station in Prague – renovation
of steel structures

**The success of all
Metrostav Group
companies is based on the
utilization of cutting-edge
technologies and ongoing
innovations.**

Core technologies

Metrostav

- TBM technology used for the excavation of railway tunnels near Ejpovice (the largest mechanized hybrid tunnelling shield in the Czech Republic capable of a 10-metre excavation diameter, final single-layer lining manufactured from concrete reinforced with dispersed steel wires)
- New Austrian tunnelling method – most commonly used in our geological conditions – Drill & Blast excavation technology used for construction projects in Scandinavia and Iceland
- Steel structures meeting the most demanding criteria of the current market (e.g. the construction for CITY DECO in Prague's Pankrác – a system of special pre-tensioned steel beams)
- BIM (Building Information Modelling/Management) technology – the Company is actively engaged in its development; currently two pilot projects are being implemented in the BIM environment in cooperation with Metrostav's subsidiary Metrostav Development a.s.
- Bridge structures – from incremental launch and composite structures to cantilever casting technology and suspended structures, including bridges built using sliding or rigid scaffolding
- Cement-concrete paving of motorways and expressways

Technologies and specialized activities of other Group companies

- Excavation of tunnels and galleries including the final lining
- Small-profile excavations
- Railway structures (rail and tram projects)
- Technical equipment of buildings and technological units
- Monolithic structures
- Special foundations
- Reconstruction and construction of infrastructure networks
- Rehabilitation of buildings and concrete structures
- Production and processing of aggregates
- Production and laying of asphalt mixtures
- Sewer monitoring and pressure testing
- Aerial and near photogrammetry
- 3D modelling
- Road maintenance
- Facility management
- Residential and commercial development

Metrostav Group considers care for its employees a substantial part of its sustainable development. Metrostav has demonstrated the quality of working conditions of employees by continuously meeting the requirements of the SA 8000 international standard and the Collective Agreement obligations.





Completed boring of the south tube of the Ejovice tunnel on the reconstructed Rokycany – Pilsen railway line

**Machinery and equipment
are acquired through
direct investments and
operating leases.**

Capital expenditures of Metrostav Group companies

Metrostav

Metrostav's production-related direct investments totalled CZK 85.7 million in 2016 and were distributed mainly to the following areas:

- machinery for underground construction
- cement-concrete and bituminous paving technologies
- reinforced concrete structures technologies
- formwork and scaffolding

Capital expenditures of other Group companies

Total investments in fixed assets were in excess of CZK 500 million. They were distributed mainly to the following areas:

- drilling and mining technology for tunnel construction
- drilling technology for special foundations
- jet grouting equipment
- machinery for processing and transport of asphalt mixtures
- construction of an asphalt mixing plant in Nové Zámky
- trucks
- laboratory equipment

Research and development

Research & development activities of Metrostav Group are concentrated primarily in the controlling company. In the R&D area, Metrostav cooperates with universities, specialized research institutes and non-governmental organizations at the national and international level. In addition, the Company independently engages in technological development focused on technical support for construction work and applies its results to realized construction projects.

- As a whole quarter of the Company's production comprises structural technologies, research is primarily aimed at improving the technological capabilities of reinforced concrete and prestressed structures.
- Another area of Metrostav's R&D activity is excavation of tunnels using the TBM method, i.e. boring with earth shields.
- In cooperation with the CESTI research centre (Centre for Effective and Sustainable Transport Infrastructure), Metrostav participates in research related to bridges and tunnels.
- The Company is currently actively engaged in the field of technology for reinforcing existing structures (a research project for the development of suitable reinforcement concrete and technology).

One of the Company's top priorities is to ensure conditions for safe work for everyone working at construction sites or engaged in Metrostav's operations. The Company is committed to high-quality execution of construction projects while ensuring maximum levels of occupational health and safety.





Health of our employees is
the top priority.

SQZ

**The Metrostav Group
Training Centre organized
over 1,300 events for
employees in 2016.**

Human resources

Metrostav Group with nearly five thousand employees strictly complies with applicable legislation pertaining to labour relations. It promotes the policy of equal treatment of all employees with regard to their working conditions, remuneration, professional training and opportunities for career advancement. Working teams in the companies under Metrostav's umbrella are comprised of skilled professionals with long-term experience and graduates and secondary school and university students, which allows for exchanging of experience.

The Group has long paid increased attention to maintaining and enhancing the professional knowledge and skills of all staff groups. All employees are trained in criminal law compliance. Thanks to quality language training, employees obtain higher-level certification and are therefore better prepared to work on foreign contracts. Metrostav is the only building firm in the Czech Republic to have a comprehensive system of apprenticeship education: within the scope of the Skilled Apprentices project, Metrostav has for eight years financially supported selected students during their studies and arranged practice for them at its own workplaces.

Metrostav and its employees are aware of their responsibility towards the regions where the Company operates and the people who live in them. The Company has been committed to being a good and responsible neighbour receptive to the needs of the locals. To this end, the Company has long funded a number of educational, health and other non-profit organizations and their projects.





For the twentieth time, our employees donated more than 20 litres of blood within the scope of Donate Your Blood with Metrostav project.





Metrostav's consistent endeavours demonstrate its fulfilment of all obligations stipulated by Czech environmental legislation, as well as its readiness to meet global requirements in this field.



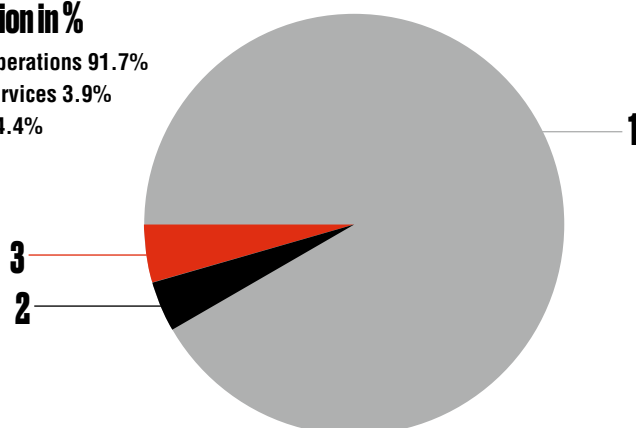


Environmental policy and
quality policy is part of our
everyday work

		2016	2015	2014	2013	2012
Operating income	CZK thousand	27,809,900	31,627,141	30,531,704	27,631,473	26,674,821
Operating expenses	CZK thousand	27,373,311	30,704,977	29,769,362	26,378,193	25,238,122
Operating profit/loss	CZK thousand	436,589	922,163	762,342	1,253,280	1,436,699
Profit/loss before taxes	CZK thousand	491,259	852,31	774,67	560,737	740,644
Net profit	CZK thousand	329,374	590,288	538,782	358,425	434,772
Balance sum	CZK thousand	24,616,438	25,945,564	26,514,587	26,370,312	23,314,292
Fixed assets	CZK thousand	6,093,809	5,946,633	7,454,341	6,692,153	6,411,918
Current assets	CZK thousand	18,522,629	19,998,931	19,060,246	19,678,159	16,902,374
Shareholders' equity	CZK thousand	9,106,070	8,936,364	8,574,242	8,179,645	8,016,619
Long-term liabilities	CZK thousand	2,998,679	2,792,318	3,389,396	2,893,456	3,047,609
Current liabilities	CZK thousand	12,511,689	14,216,882	14,550,949	15,297,211	12,250,064
Average adjusted headcount	CZK thousand	5,000	5,068	5,011	4,904	4,686

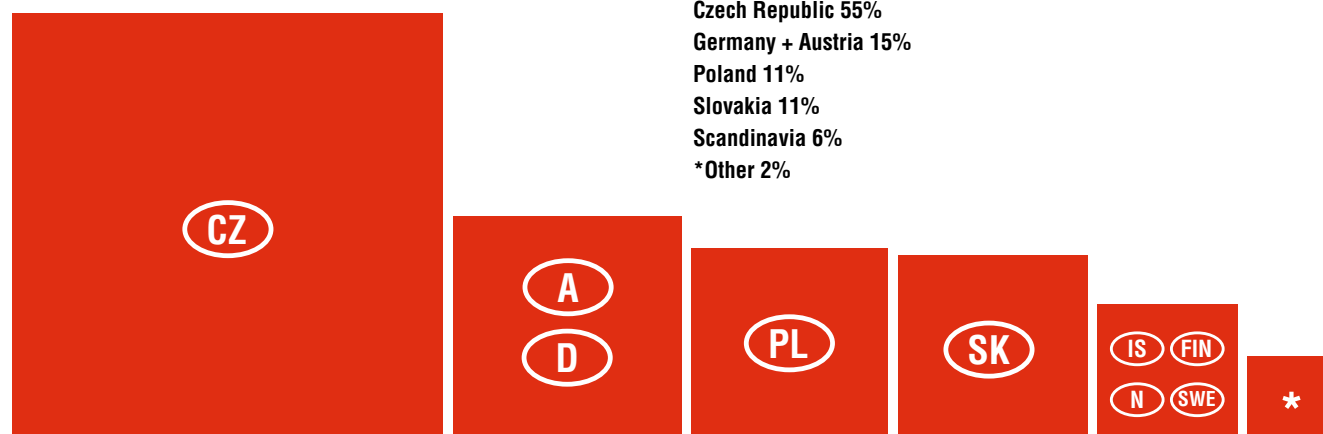
Revenues by type of operation in %

- 1 = revenues from construction operations 91.7%
 2 = revenues from provision of services 3.9%
 3 = revenues from sale of goods 4.4%



Revenues by country in %

- Czech Republic 55%
 Germany + Austria 15%
 Poland 11%
 Slovakia 11%
 Scandinavia 6%
 *Other 2%



Metrostav a.s.

Subterra a.s.	Building production
TERRAFIN GROUP, a.s.	
STAVEBNÍ OBNOVA ŽELEZNIC a.s.	
Subterra - Raab Kft.	
SBT SVERIGE AB	
Metrostav Slovakia a.s.	
PRAGIS a.s.	
Metrostav Ísland ehf.	
Metrostav Deutschland GmbH	
BES s.r.o.	
Obalovna Lipník s.r.o.	
Údržba silnic s.r.o.	
DSH - Dopravní stavby, a.s.	
BeMo Tunnelling GmbH	
BeMo Tunnelling GmbH, Deutschland	
Beton- und Monierbau USA, Inc.	
BeMo Tunnelling Canada Inc.	
Morgan Beton- and Monierbau Limited	
Metrostav Polska S.A.	
METROSTAV ANKARA İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ	
SQZ, s.r.o.	Services
Metrostav stavebniny, s.r.o.	
PRO Asfalt, s.r.o.	
TBG METROSTAV s.r.o.	
Pražské betonpumpy a doprava s.r.o.	
TBG Pražské maltý, s.r.o.	
CCE Praha, spol. s r.o.	
CCE Bratislava, spol. s r. o.	
PK Doprastav, a.s.	
Doprastav Asfalt, a.s.	
Industrial Property services, s.r.o.	
Metrostav Facility s.r.o.	
Nad Kaminkou s.r.o.	
Metrostav Development a.s.	Property development
Metrostav Rezident a.s.	
Metrostav Alfa s.r.o.	
Vilapark Klamovka s.r.o.	
Metrostav Vackov a.s.	
Metrostav Epsilon s.r.o.	
Nad Belárii s.r.o.	
Apartmány Rokytnice a.s.	
IMU, a.s.	
Na Vackově, s.r.o.	
Na Vackově 2, s.r.o.	
Palmovka 0, s.r.o.	
Palmovka 3, s.r.o.	
Palmovka 4, s.r.o.	
Bytový dom Nejedlého, s.r.o.	
PRO TP 06 s. r. o.	
Metrostav Nemovitostní, investiční fond s proměnným základním kapitálem, a.s.	Other
Pánská pasáž s.r.o.	
MVE Štětí a.s.	

Board of Directors

Ing. Jiří Bělohav	Board of Directors Chairman	Member since 11 November 2000
		Vice-Chairman since 11 May 2007
		Chairman since 1 July 2009
Ing. Zdeněk Šinovský	Board of Directors Vice-Chairman	Member since 31 December 1990
		Vice-Chairman since 1 July 2009
Ing. Ján Dudáš	Board of Directors member	Member since 11 October 2000
Ing. Daniel Knotek	Board of Directors member	Member since 11 May 2007
Ing. František Kočí	Board of Directors member	Member since 10 May 2010
Ing. Viliam Turanský	Board of Directors member	Member since 7 May 2014
Ing. Ivan Šesták	Board of Directors member	Member since 11 October 2000

Supervisory Board

Ing. Jindřich Hess	Supervisory Board Chairman	Member since 11 May 2007
		Chairman since 11 May 2007
Ing. František Klepetko	Supervisory Board Vice-Chairman	Member since 7 May 2014
		Vice-Chairman since 24 June 2014
Ing. Viktor Karel	Supervisory Board member	Member since 11 October 2000
Ing. Jiří Karnet	Supervisory Board member	Member since 23 July 2010
		Head of Accounting of Metrostav a.s.
Pavel Meyer	Supervisory Board member	Member since 20 July 1993
		Chairman of the Stavba trade union organization of Metrostav a.s.
Ing. František Potisk	Supervisory Board member	Chairman until 30 September 2016
		Member since 11 May 2007

Presidium

Jiří Bělohav	President
Ing. František Kočí	Vice-President

Chief Executive Officer

Ing. Pavel Pilát	Chief Executive Officer
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Chief Officers

Ing. Milan Veselský	Chief Sales Officer
Ing. Ivan Hrdina	Chief Production and Technology Officer
Ing. Miroslav Pánek	Chief Finance Officer
Mgr. Tomáš Zámečník	Chief Human Resources Officer

Division Directors

Ing. Jaroslav Heran	Director, Division 1	
Ing. Martin Plch	Director, Division 3	
Ing. Josef Neuwirth	Director, Division 4	as of 1 January 2017 Ing. Radim Čáp
Ing. Roman Fuksa	Director, Division 5	
Ing. Jan Cuc	Director, Division 6	
Ing. Ivo Vrbka	Director, Division 8	
Ing. Petr Záborský	Director, Division 9	
Ing. Zdeněk Ševčík	Director, Division 11	

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This report is not published as an Annual Report pursuant to applicable legislation.

**The Company's financial statements for 2016 and consolidated financial statements for 2016 were audited by PricewaterhouseCoopers Audit, s.r.o., which expressed its unreserved opinion.
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Advisory and production ENTRE s.r.o.

