



2013







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## Company Profile

The largest Czech construction company Metrostav signed more than 100 contracts for major projects in 2013, marking the 43rd year of its existence. Traditionally, transport engineering accounted for the largest share by financial volume (almost one-third of projects), followed by civil engineering, industrial construction and projects corresponding to the original focus of the company – subterranean bored structures and the metro. Together with the projects already under construction, the new projects contributed to increasing Metrostav's share of the Czech construction market to more than 5%.

Taking into account the contraction of the Czech construction industry for the fifth consecutive year, this result is very positive. It reflects increased marketing activities not only in Prague and the Central Bohemian region, but also in other domestic regions, and last but not least, in Slovakia and other foreign countries. A negative factor is, however, that the value of specific contracts continues to decrease.

Major new contracts include a welding facility in ŠKODA AUTO Kvasiny, an ultimate heat sink at the Dukovany nuclear power plant, the ELI laser technology research facility in Dolní Břežany, reconstruction of the Český Těšín railway station, D1 motorway tunnels Ovčarsko and Žilina in Slovakia, the Nordfjordur road tunnel in Iceland, a residential complex in Hloubětín and apartment buildings Hornoměřolská in Prague, reconstruction and completion of the Vincentinum physical therapy facility in Prague, and production and storage facilities in Chodov.

In the past year, work continued on the two largest transport projects in Prague – the Blanka tunnel complex and extension of the Metro V.A line section. It needs to be noted that problems arose from the interpretation of the Act on Public Contracts and the term extra work, which ultimately resulted in taking an extreme measure,

specifically halting all work on the Blanka project. Another important event was also the dissolution of ownership links between the Metrostav Group and the Doprastav Group.

After numerous delays, work commenced on the modernization of the railway corridor Rokycany-Plzeň, including the most complex section, Ejovice tunnels. The boring process scheduled to start in late 2014 was preceded by an archaeological survey of the site and, in particular, by manufacture of a third TBM shield by the German manufacturer Herrenknecht. In addition, work continued on projects under construction, comprising the Quadrio multi-function complex in Prague, Repair plant Škoda Plzeň, the D3 motorway section Tábor – Veselí nad Lužnicí, a small hydro power plant in Štětí, a shopping gallery in Teplice, rehabilitation of the Jordán pond, and others.

In 2013 Metrostav completed the construction of the Šantovka Galerie shopping centre in Olomouc, desulphurization of the Ledvice power plant, construction of the highest residential building in Prague, Eliška, Dobrovského tunnel in Brno, LEGO manufacturing plant in Kladno, sewerage system in Havířov, Palmovka Park II and a number of other projects.

The Company's operations abroad also developed favourably. Iceland again saw the work of Czech specialists in boring of the local longest road tunnel. Metrostav's staff was also involved in the construction of the metro in Helsinki, Finland. Projects in Poland comprised a city ringroad in Warsaw and a flood protection system on the river Neisse. Other foreign contracts included construction of a logistics centre in Schitomirichi, Belarus, and several projects in Slovakia.

For the majority of the foregoing projects, Metrostav deployed the full capacity of its core technologies, including technologies for the construction of underground

structures (TBM, NATM and Drill & Blast), technology for structural engineering, reinforced concrete structures and steel structures and bridge construction technology. To maintain its competitiveness, the Company has invested millions of crowns to purchase the latest machines and equipment. In addition to the aforementioned TBM tunnelling shield, it acquired a sawing and drilling centre in Horní Počernice and machinery for aboveground work. Additional funds were earmarked for research and development related to these technologies, with the aim to increase the resistance of load-bearing reinforced concrete structures against aggressive agents, fire resistance and waterproofing. As professionally educated people are an integral part of utilizing the technology, the Company has participated in training of the new generation by implementing the Skilled Apprentices project and maintaining close cooperation with technical and economics secondary schools and universities.

Some three thousand employees of the Company can rely on comprehensive social security. Besides an extra vacation week and meal vouchers, employee benefits include preventive health care, contributions to professional and language training, financial assistance in difficult situations, financial aid for recuperation and temporary accommodation. The employer's contribution to pension schemes also helps stabilize the work teams.

Metrostav is an integral part of life in the regions where its construction divisions operate. They contribute to the development of civil society in many communities by providing financial aid used by local athletes and cultural facilities. They also provide technology when needed during natural disasters. In addition, non-profit organizations and socially disadvantaged groups receive free materials, such as no longer used temporary workers' housing, cars and computer technology.

2013 was the fifth year of the ongoing contraction of the Czech construction market. During this time, construction production fell by more than 25 percent and there is no indication of a significant upturn in 2014.

Although the construction market in the Czech Republic declined for the fifth consecutive year, Metrostav's share in the domestic building industry grew to approximately seven percent. The Company's production and operating profit figures were about the same as the previous year, but the profit for the year was affected by the sale of shares of Doprastav, in which Metrostav held a 49.5% stake.

Due to lack of public contracts and the continued reluctance of private investors to launch new projects, however, the volume of acquired contracts decreased and the Company had to impose unpopular restrictive measures, including lay-offs of employees who had been trained at a significant cost and who sought to fulfil their life goals in Metrostav. The reduction in the number of employees accounted for about five percent, but it did not limit the Company's technical capabilities and available project capacity.

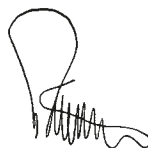
Over the past year, Metrostav made up for the lack of contracts in the Czech market by implementing projects abroad, where it focused primarily on deploying its core in-house technologies. Metrostav's tunnelling experts continued to work on the metro in Helsinki, they began to bore another tunnel in Iceland, while the construction of the logistics centre in Belarus was successfully completed. In 2013, we also launched a major project for the reconstruction of a section of the Warsaw ringroad and a bridge across the river Vistula in Poland, which ranked among highly coveted contracts.

The development of foreign business was also boosted by the acquisition of the Austrian tunnelling company Beton-und Monierbau Tunnelling GmbH (BeMo Tunnelling). The company is an integral part of the Western European market that employs professional staff and is well equipped with modern technology.

In 2013, Metrostav carried on work on the two largest domestic projects – construction of the Blanka tunnel and extension of the metro line A to Motol, both in the capital city. The Blanka tunnel project, in particular, demonstrated the current legislative vagueness that has affected all major projects in the country. The Act on Public Contracts and its broad interpretation hinders the implementation of long-term, large-scale projects because it virtually eliminates any possibility of changes to the projects that logically occur in such extensive investments. In order to be able to complete this project, in late 2013 Metrostav resorted to a step never taken before - an attempt to solve the issue through the courts. This is an extraordinary solution and I hope the announced amendment to relevant legislation will remove similar obstacles to the building process that have caused problems to both the construction industry and public investors.

Moving of all Metrostav staff in a single building at Prague's Palmovka is certain to improve the working environment and save an array of operating costs. Metrostav vacated a number of decentralized offices and concentrated the employees in a new, state-of-the-art facility, Palmovka Park II.

Despite the recession in the construction market and a variety of legislative barriers that hamper growth in the industry, I believe that Metrostav is well prepared for the future, is fully competitive, and employs technically advanced and confident teams that can implement even the most complex projects in respect of both technology and organization. I wish all staff members every success in their personal and professional life and on behalf of the Company I would like to extend my sincere thank you to them for their relentless work.



**Jiří Bělohav**

Chairman of the Board of Directors  
and President of Metrostav Group

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## Introduction

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**Key Figures of Metrostav a.s.  
for 2009-2013**

		2013	2012	2011	2010	2009
Production	CZK thousand	21,595,901	20,826,075	21,674,888	21,135,621	22,240,937
Sales revenues	CZK thousand	20,545,227	20,656,063	21,491,000	21,238,855	22,169,089
Added value	CZK thousand	3,869,634	3,683,643	3,921,534	3,949,018	3,617,853
Operating profit / loss	CZK thousand	776,914	908,483	856,674	955,150	938,848
After-tax profit/loss for the year	CZK thousand	286,666	288,578	704,454	714,210	718,603

<b>Total assets</b>	<b>CZK thousand</b>	<b>20,134,085</b>	<b>19,198,328</b>	<b>19,250,827</b>	<b>19,243,078</b>	<b>16,112,520</b>
– fixed assets	CZK thousand	3,964,711	4,237,125	4,386,859	4,318,598	4,111,652
– current assets	CZK thousand	15,874,467	14,701,309	14,684,990	14,721,792	11,797,000
Shareholders' equity	CZK thousand	6,054,393	6,282,068	6,202,444	5,640,195	5,145,682
Registered capital	CZK thousand	790,667	790,667	790,667	790,667	790,667
Liabilities	CZK thousand	13,344,214	12,130,814	12,287,568	13,088,507	10,405,147

Average adjusted headcount	number	3,063	3,147	3,106	3,071	3,199
Monthly nominal earnings	CZK	43,381	45,122	43,937	40,955	39,547
Added value per employee	CZK thousand	1,263	1,171	1,263	1,286	1,131
Profit per employee	CZK thousand	94	92	227	233	225
Dividend paid	CZK thousand	169,993	169,993	169,993	169,993	169,993

**Construction production,  
of which:**

1 - community projects	CZK thousand	6,011,186	5,575,226	5,250,420	4,994,477	5,401,174
2 - residential projects	CZK thousand	801,126	858,341	1,392,310	1,196,915	1,382,629
3 - industrial projects	CZK thousand	4,419,461	3,644,571	3,394,452	2,065,856	2,921,038
4 - transport projects, incl. Metro	CZK thousand	4,615,409	4,774,339	4,805,447	3,982,996	4,846,565
5 - underground projects	CZK thousand	3,641,132	3,991,576	5,000,804	6,692,872	6,148,894
6 - other projects	CZK thousand	1,612,405	1,209,375	1,098,873	1,531,703	1,135,455
Total construction production	CZK thousand	21,100,719	20,053,428	20,942,306	20,464,819	21,835,755



**What do you consider the biggest success of the Company in the past year?**

Naturally, we cannot omit the tangible positive results of our operations - work continued on the Blanka tunnel complex and the extension of the Metro V.A line. Also in the capital of Prague, Metrostav was engaged in the construction of the Quadrio multi-function complex and residential complexes Park Hloubětín and Hornoměřolupská. In addition, we completed the highest residential building in Prague - Eliška, a giant Šantovka

**Have you succeeded in obtaining foreign contracts to make up for the slump in the Czech market?**

### Has the recent change of ownership structure helped gain access to contracts in Slovakia?

**Have you noticed any positive shift in the debate on amendments to the Public Contracts Act?**

**The government formed after the parliamentary elections in 2013 has promised to earmark more funding for infrastructure. When can we see any positive impact of the funding on the construction industry?**

From my perspective, the biggest problem is not lack of money, but lack of opportunities to use the funding for development of infrastructure projects. The development of infrastructure is hindered by the aforementioned Act on Public Contracts and the lack of preparedness of specific projects. To remove these obstacles will take at least one year.

## Pavel Pilát

### Development of the Czech construction market in 2013

The Czech construction industry did not recover from the protracted slump in 2013. Conversely, the trend of the proclaimed “necessary” savings across society continued, which also affected the sector. As a result, all companies in the construction market came under pressure from a lack of demand and the need to reduce capacity, while they were required to meet the provisions of the Act on Public Contracts, which has a major impact on the conditions prevailing in the industry. A technical amendment to the Act adopted in 2013 failed to produce a single real improvement. The overall outcome of this situation is unreasonably low prices and shifting the bulk of tenders to the “pitch” of the Anti-Monopoly Office.

### Company Performance in 2013

The construction market contracted by 8.3% in 2013. This trend was nothing new as the decline continued for the fifth consecutive year. In absolute figures, the industry volume fell from CZK 431 billion CZK in 2012 to CZK 391 billion in 2013.

Unlike many neighbouring countries, the Czech Republic does not sufficiently promote public investments in construction and underestimates their high multiplier effects. The emphasis on cost-saving has expanded from projects under construction to include also design and pre-implementation segments.

At present, what appears to hamper the development of the construction industry is not investment costs and lack of funding, but rather the overall failure to pay sufficient attention to drafting legislation pertaining to new construction.

### Company performance in 2011-2013 and its position on the Czech construction market

Metrostav's business results for 2013 confirmed its leading market position and highly versatile capability to operate in all segments of the construction industry, regardless of the size of the contract and its specifications. This is made possible primarily by the technology capacity of the Company and quality management at all levels.

The focus on the development of marketing and sales regarding smaller-size projects proved to be a permanent trend requiring that the entire organizational structure of the Company be adapted to it. We can expect the current stagnation to continue along with a limited volume of major construction projects. For these reasons, to maintain total production volumes will require stepping up of efforts, ranging from marketing to project implementation.

Despite the decline in the construction market, Metrostav has generated relatively balanced consolidated revenues, which demonstrate that the Company has set out the right targets and priorities regarding the construction market. Below is the comparison of Metrostav's results with construction market figures:

Year	Construction market volume (in CZK billion)	Consolidated revenues of Metrostav a.s. (in CZK billion)
2011	445	25.7
2012	431	25.2
2013	391	27.0

The strengthening of Metrostav's market position is documented by a growing share of the turnover:

Year	External turnover (CZK billion)	Market volume (CZK billion)	Metrostav's share (%)
2011	21.67	445	4.9
2012	20.83	431	4.8
2013	21.60	391	5.5

The favourable figures represent a large number of specific building projects; the Company completed a total of 123 in 2013. For example, it finished its new administrative headquarters Palmovka Park II and boring of the tunnel for the V.A Metro line in the amount of over CZK 3 billion. In 2013 Metrostav launched 115 construction projects.

## Business strategy in Czech regions and abroad

The Company continues to focus its business policy on large-scale infrastructure projects, where in-house core technologies can be fully utilized. Such projects comprise primarily tunnels and other underground projects, construction of road and railway structures including bridges, steel and reinforced concrete structures of all types. Marketing and business activities encompass all construction opportunities in the country, although the largest volume of business was achieved in Prague and Central Bohemia.

The most important construction projects completed in the regions in 2013 included the Šantovka shopping gallery in Olomouc in the amount of CZK 1.7 billion, and construction of the I/56 road in Ostrava in the amount of CZK 845 million.

The outcome of consistent marketing activities was the acquisition and launch of a number of new development projects. In 2013 Metrostav commenced construction of a new Internal Medicine wing of the Teaching Hospital in Opava in the amount of CZK 170 million and a welding facility for ŠKODA AUTO in Kvasiny in the amount of CZK 220 million. One of the most important new projects is undoubtedly the launch of the modernization of the Rokycany – Plzeň railway line in the amount of more than CZK 2 billion.

Due to a shortage of large-scale investment projects in the Czech Republic, Metrostav has paid increased attention to boosting of foreign business, through its subsidiaries and also outside the scope of their activities. In addition, each division has enhanced its marketing activities in designated territories and complemented its production programme, mainly with regard to the utilization of in-house core technology. The key factor in assessing foreign contracts is the trustworthiness of partners (customers, investors, designers, contractors, etc.) as well as availability and demonstrability of funding. Projects funded by the

EU and contracts securing export funding continue to be Metrostav's priority.

The proximity of the markets in Slovakia and Poland, including only small differences within the EU, the low language barrier and comparable legislative conditions are good prerequisites for the future increased deployment of Metrostav's capacity in this territory.

In 2013 Metrostav acquired a 100% ownership interest in BeMo Tunneling GmbH, resulting in significant expansion of Metrostav's activities on the Austrian and German markets.

In addition to projects in progress in foreign countries, newly concluded major reconstruction of the Warsaw ringroad and a bridge across the river Vistula in Poland, in the amount of CZK 4,278 million, reconstruction of the Neisse water works in Poland in the amount of CZK 328 million, and construction of the Nordfjordur tunnel in Iceland, in the amount of CZK 844 million.

Completed foreign contracts include the Logistics terminal in Minsk, Belarus, in the amount of CZK 783 million, construction of the LU6E metro section in Helsinki, Finland, in the amount of CZK 270 million, CZK 270 million and other projects.

Total external turnover of Metrostav outside the Czech Republic in 2013 amounted to CZK 1.3 billion, of which Slovakia accounted for CZK 0.3 billion.

Metrostav's primary objective is to further strengthen its top position on the Czech market. Foreign business will be developed with regard for the level of exposure while accepting reasonable risks.

## Production management

Development plans and building contracts continue to constitute Metrostav's key components of production management in relation to the customer.

Paying attention to the development of professional, personal and moral qualities of the staff working on individual contracts is a continuous process that ranks high among the Company's priorities.

The execution of construction contracts is managed by eight production divisions. Their scope of operations varies both professionally and regionally within the country. Metrostav has traditionally prioritized use of its own resources in terms of both human resources and technology. The Company's extensive production and technical capacities help achieve its goal to improve and develop its own production potential and execute its acquired contracts with maximum added value. The workforce manning the Company's core in-house technology comprises nearly a thousand skilled and well-tested employees – including blue-collar workers, technicians and engineers.

The implementation of major projects, in particular in infrastructure, usually represents concurrent building of roads, bridges and tunnels, as well as special construction or redevelopment technologies for above-ground construction. Such large-scale projects requiring completion within standard, i.e. very short delivery terms, generate new needs and requirements for the application of management methods and quality. These types of contracts facilitate achieving the maximum effect of managing the Company's engineering, manufacturing, installation and service capabilities.

## Company Performance in 2013

## Major projects in 2013

### Projects in progress and launched:

- New 660 MWe power source, Ledvice power plant
- Steam-gas power plant, Počeradý
- Sustainable Energy Research Centre, Řež
- D3 motorway Tábor - Veselí nad Lužnicí
- R7 express road Vysočany - Droužkovice
- R48 road Rychaltice - Frýdek-Místek
- Modernization of railway line Rokycany - Plzeň
- Reconstruction of city ringroad and bridge across river Vistula, Warsaw, Poland
- Multi-function complex Quadrio, Prague
- Service zone Kozlovichi, Belarus
- Extension of metro line V.A, Prague
- Repair plant Škoda Plzeň
- City ringroad Domažlická - Křimická, Plzeň
- Reconstruction of sewerage system, Brno
- Reclamation of ČSA quarry north-west slope, Litvínov
- Reconstruction of military archive building, Prague - Ruzyně
- Kajetánka residential complex - 3rd stage, Prague
- Multi-function complex Trinity, Bratislava
- City tunnel complex Blanka, Prague
- D8 motorway section - bridges Dobkovičky, Opatovice and tunnels Prackovice and Radejčín
- Optimization of railway line Holešovice - Bubeneč, Prague
- Northeast section of bypass road, Mladá Boleslav
- SAT 2B tunnel for road traffic, Malovanka, Prague
- Trojský bridge, Prague
- Construction of Teaching Hospital emergency department, Košice
- Reconstruction of Pruněřov II power plant
- Small hydropower plant, Štětí
- Residential buildings, Prague - Kamýk
- Rehabilitation of Jordán pond, Tábor
- Shopping centre Galerie, Teplice
- Multi-function complex Medox, Prague 5
- Residential apartments, Medvědin
- Research institute UCEEB, Kladno
- Welding facility ŠKODA AUTO, Kvasiny
- Internal medicine pavilion, Silesian Hospital, Opava
- Reconstruction of VUT building envelope, Brno
- Reconstruction of water treatment plant, Plzeň
- Centre for testing ŠKODA AUTO engines, Mladá Boleslav
- Research centre ELI, Dolní Břežany
- Completion of R35 express road Sedlice - Opatovice
- Nordfjodur Tunnel, Iceland
- Residential complex Park Hloubětín, Prague
- Wastewater treatment plant, Pelhřimov
- Residential buildings Hornoměřolská, Prague
- Flood protection system on Glatze Neisse river, Poland
- Construction of OAC Millenium Crystal, Prague
- Construction of production and storage facility Lincoln, Prague - Chodov
- Repaving of selected D1 and D2 motorway sections
- Residential building Eliška, Prague
- Reconstruction of tram line Evropská, Prague

## Company Performance in 2013

**Completed projects:**

- Shopping centre Galerie Šantovka, Olomouc
- Sports and recreation centre Moravia Thermal, Pasohlávky
- Logistics complex Schitomirichi, Belarus
- Desulphurization of Ledvice power plant
- Construction of Krkonoše centre for environmental education, Vrchlabí
- Dobrovského tunnel - outer city ringroad, Brno
- Sewerage system, Havířov - Dolní and Prostřední Suchá, Dolní Datyně, Bludovice
- Teaching Hospital Motol, paediatric clinic, 2nd stage, Prague
- Flood protection system, Jablonec nad Nisou
- Karhusaari tunnels, Helsinki, Finland
- Reconstruction of Vítkovice stadium
- Wastewater treatment plant, Cheb
- Clean Berounka - upgrade of wastewater treatment plant, Plzeň
- Sewerage system, Kutná Hora region - Čáslav region, completion of sewerage system and upgrade of wastewater treatment plant
- Wastewater treatment plant, Pardubice
- Reconstruction of mono-bloc of gynaecology-obstetrics ward, Kladno District Hospital
- Reconstruction of ice rink, Jihlava
- LEGO manufacturing facility, Kladno
- Fire station, Prague - Modřany
- Kajetánka residential complex, Prague (1st and 2nd stage)
- Malešice housing development centre, Prague
- Reconstruction and extension of building, Třída míru 60, Pardubice
- Biotechnology pavilions M and X, Brno
- Hotel in Soukenická, Prague
- Reconstruction and modernization of Faculty of Civil Engineering, Technical University, Brno
- Bridge on I/11 road, Mokré Lazce
- I/56 road Ostrava - Prodloužená Místecká, 2nd stage
- Prague outer ring - section 512
- Kolín ringroad - I/38 road
- Administrative complex Palmovka Park II, Prague

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**Company Performance in 2013**

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## Company Performance in 2013

### Key technologies and innovations

As in previous years, key in-house core technologies accounted for a significant share in Metrostav's overall performance in 2013. The best opportunities and the highest volume of work were again carried out in transport construction projects in Prague and the Czech Republic, as well as abroad. The bridge construction segment in particular can boast significant technology innovations in the long run.

Successfully completed projects comprised finished components of the unique Trojský bridge spanning the river Vltava and construction of a steel-concrete bridge deck for the newly built bridge on the ringroad in Plzeň.

An exceptional design of the suspension pedestrian bridge over the river Labe in Čelákovice has attracted considerable professional attention. The uniqueness of this project lies in use of ultra-high performance concrete (UHPC) developed by the teams of Metrostav and its subsidiary TBG Metrostav. The use and treatment of this specific high-endurance material for manufacture of pre-stressed bridge deck segments also reflect technological knowledge and skills of the staff.

The underground development segment in 2013 comprised the gradual launch of the project Modernization of the Rokycany - Plzeň railway line. Its key segment is a tunnel in Ejovice. Metrostav will build the tunnel using a full-profile boring machine (i.e. TBM method deployed also for the extension of the Metro V.A line in Prague). This will facilitate achieving Metrostav's objective: to execute the contract in the most favourable ratio of price/time/safety criteria.

Following the experience gained during the construction of Olafsfjörður and Siglufjörður road tunnels in Iceland in 2006-2010, in 2013 work commenced on another major project - the Nordfjörður tunnel. The almost 8 km-long tunnel will become the longest tunnel in the country. Subterranean construction in this part of the world has been

an important source of valuable experience in the use of Drill & Blast tunnelling technologies, as well as waterproofing technologies including frost protection and technologies used for the control of high flows of groundwater.

Since 2007 Metrostav has participated in the reconstruction of domestic thermal power plants. After building a new power source in the Ledvice power plant and construction of the steam-gas power plant in Počeradý, the replacement of three boilers (weighing about 4,000 tonnes) in the Prunéřov II power plant using hydraulic presses demonstrated the pinnacle of Metrostav's technical skills. The uniqueness of this technology has led to an application for the recognition of an industrial design and to a patent application. In practice, this method resulted in time and cost savings and, at the same time, streamlining of the spatial coordination of the project.

### Investment policy and investments

In 2013, Metrostav focused on acquiring machinery needed for sustaining the necessary production capacities of the Company's core technology.

Major investments comprised capital assets for reinforced concrete structural engineering in the amount of CZK 10 million, the renewal of machinery for above-ground construction technology in the amount of CZK 7 million, and also machinery for underground projects worth CZK 4.3 million. In an effort to modernize steel construction production, the Company put into operation a new sawing and drilling centre in its Horní Počernice production facility, the acquisition cost of which was CZK 11.7 million. Total investments in 2013 amounted to CZK 88.8 million.

### Research and development

Research and development continued in close cooperation with universities as in previous years. Jointly tackled development tasks focused primarily on the improvement of technical properties of load-bearing reinforced concrete structures, with an emphasis on increasing their resistance against

aggressive influences, fire and water. In cooperation with the Faculty of Civil Engineering of Czech Technical University Prague (ČVUT) the Science and Research (VaV) project continued for the fourth year. The programme focusing on increasing the durability of concrete structures exposed to extreme load is co-funded by the Ministry of Industry and Trade. The cost of the five-year project totalled CZK 16.9 million. It specializes in the development of high performance concretes and construction technologies for resistant and massive structures.

In cooperation with the three largest civil engineering faculties in the Czech Republic, the Company has also participated in the projects of the CESTI research centre (Centre for Effective and Sustainable Transport Infrastructure), which associates a number of other major companies. The centre was launched in 2013 and Metrostav has been involved in research related to bridges and tunnels. The bridge development focuses primarily on the application of advanced materials and technologies. The field of tunnel construction research and development is devoted to progressive designs of tunnel lining - especially waterproof concrete lining and use of fibre-reinforced concrete for precast linings. An important part of the project is the identification of risks in the construction of underground structures and the development of models to mitigate or eliminate the risks. Metrostav spends approximately CZK 2.2 million annually on the CESTI research centre. The centre's activities are planned until 2019. The results of the research projects have been directly applied in specific construction projects.

Aside from cooperation with universities, selected Metrostav employees carried out independent research in the area of technical support of construction work. Most significant examples include technology of the assembly of steel arch bridges applied in the construction of the Trojský bridge and the development of the TBM tunnelling technology, used e.g. in the construction of bridges in the V.A section of the Prague Metro and the



planned railway bridge near Ejovice. The total expenditure of the Company on research and development in 2013 amounted to CZK 5.5 million.

### Quality management – certification

All core technologies used by Metrostav have been certified, including tunnelling with boring machines. The certificates for individual technologies are included in the quality management certificate for general contracting that fully complies with the ČSN EN ISO 9001 standard awarded in 1998 that has been regularly recertified. Compliance with the SA 8000 standard ensures the Company's care for its employees.

### Occupational safety

In the implementation of construction projects Metrostav puts great emphasis on the prevention of risks and improvement of the occupational health and safety management system. Since 1998 Metrostav has held the prestigious “SAFE COMPANY” (Bezpečný podnik) title; it was awarded to the Company by the State Labour Inspection Office for the fifth time.

In August 2013, an external recertification audit was performed, confirming that the Company had implemented and duly applied the OHS management system in compliance with the Czech National Standard ČSN OHSAS 18001:2008. The Company has also been certified for execution of structural and civil engineering.

The implemented occupational health and safety system has contributed to a continuous reduction in the occupational accident rate. Although construction operations involve a broad range of hazardous activities, such as blasting, working at heights and above open areas, handling of large loads, employing of mining methods, etc., the Company has succeeded in keeping the rate of work-related injuries to a much lower level than the statistical average in the Czech building industry.

The implementation of new technology, in particular the deployment of full-profile tunnelling shields for boring Metro line tunnels of the V.A section has also contributed to reducing the risk arising from mining-technology activity.

### Environmental policy and its implementation

Metrostav's environmental policy is based primarily on the professional knowledge and managerial skills of top managers as well as a responsible approach to the performance of work tasks by all employees.

Reduction of adverse environmental impacts is part of the Company's environmental policy pursuant to the ISO 14 001 standard. In August 2013, a recertification audit was carried out resulting in the extension of the environmental management system certificate for execution of structural and civil engineering in compliance with the ČSN EN ISO 14 001 standard until 2016.

In the same year, Metrostav issued an updated Environmental Report complying with the more stringent requirements of EMAS No. 1221/2009, thus demonstrating its continuous readiness to meet global environmental protection requirements.

### Evaluation of 2013 business results

Production in 2013 totalled CZK 21,596 million, representing a moderate increase compared to the prior year. The projected objectives for the year were met. The operating profit amounted to CZK 777 million and profit before taxes amounted to CZK 465 million.

The overall result was significantly impacted by a financial loss stemming from the restructuring of Company operations in the Slovak market.

The balance sum totalled CZK 20,134 million, accounting for a 4.9% year-on-year increase primarily due to the trend in current assets and liabilities.

### Subsequent events that are material for the purpose of the Annual Report

At a meeting held on 4 February 2014, the Board of Directors, acting on behalf of Metrostav a.s., with its registered office at Koželužská 2450/4, Libeň, Prague 8, Business Registration No. (IČ) 00014915, as its statutory body, stated the existence of a group pursuant to the provision of Section 79 of Act No. 90/2012 Coll., on Business Corporations. The name of the group is “**Metrostav Group**”.

### Main resolutions of the regular General Meeting in 2013

The Company's regular General Meeting held in May 2013 approved annual and consolidated financial statements for the year ended 31 December 2012, the distribution of profits generated in 2012, and decided to pay out dividends for 2012 in the amount of CZK 21.50 per share. The General Meeting also re-elected some members of the Board of Directors and the Audit Committee for another term.

The General Meeting approved the decision to change the Company's registered office in the Articles of Association to a brief entry “Prague” and the decision to acquire treasury shares on behalf of the Company where it can acquire shares for consideration from CZK 600 to CZK 1,000. In addition, the General Meeting approved the project for a cross-border merger of Metrostav a.s., as the successor company, and the Slovak entity Metrostav SK, a.s. as the wound-up company, pursuant to the entry in the Collection of Documents based on which Metrostav SK will be wound up and its assets will be transferred to the successor company Metrostav. The General Meeting also approved a joint decision of Metrostav and Metrostav SK that, following the registration of the cross-border merger in the Commercial Register, employees of the successor corporation, Metrostav a.s. will be entitled to exercise an employee participation right pursuant to Act. No. 125/2008 Coll., on Transformations of Commercial Companies and Co-operatives, as amended.

### Company Performance in 2013

## Teamwork

### Information about compliance with regulations governing labour relations

Metrostav is a responsible employer abiding by all legal regulations governing labour relations. The obligations of the employer and employees arising from these regulations and their changes, if any, are always incorporated in the respective corporate rules and regulations without delay. The employees are immediately informed about any such changes and all necessary measures are taken by the employer to ensure their observance.

### Trends in employment

In the course of 2013 the Company's headcount was substantially reduced by 6% year-on-year. The recorded number of employees fell from 3,201 at the end of 2012 to 3,006 as at 31 December 2013. The number of technical and administrative staff declined year-on-year by 55 employees, while the number of blue-collar workers decreased by 140.

The Company took advantage of the labour market situation to actively seek and hire skilled personnel, focusing particularly on recruitment of secondary school and university graduates. In 2013, 64 university graduates and 40 secondary school graduates were hired, which reflected positively in the education and age structure of both administrative and technical staff and manual workers, with the aim to optimize it.

The Company continued in the systematic training of contract apprentices for future blue-collar jobs. A total of 126 contract apprentices were trained for Metrostav in selected secondary and apprentice schools as bricklayers, carpenters, machinists, locksmiths and electricians to be added to work teams using core in-house technologies. Of this number 36 graduates joined Metrostav after completing the third grade of the secondary school and began to work in individual divisions. In late 2013 recruitment of some 80 first-grade students commenced in contracted secondary schools with the aim to sign a contract with about 50 of them in 2014.

### Employee training

Similarly to previous years, in 2014 Metrostav paid increased attention to ongoing employee training and growth of employees in all employee categories. The training system has been improved in the long run. Educational activities have been consistently adjusted to the Company's specific conditions and newly arising requirements of workplaces and professional employee groups. Events related to training programmes are prepared and updated by the Training department in cooperation with heads of divisions. The key focus is on quality and occupational safety, knowledge of management principles, methods and procedures under organization and control rules and regulations. An important role is played by close cooperation with partnering universities. The average training time per employee in 2013 represented 3.6 days for technical and administrative staff and 2.2 days for blue-collar employees.

The approach and experience of in-house instructors from departments and divisions are integral parts of the successful qualification and growth of employees. A total of 69 instructors participated in events organized for employees in 2013.

The volume of intensive Russian and German courses within the foreign language education system increased in the past year to better prepare members of teams assigned to construction projects abroad. The number of employees certified under European standards continued to rise, in particular in respect to English and German languages.

Special attention within the scope of employee training was paid to the preparation of so-called personnel reserves for key management positions.

### Employee health care

In the course of 2013, the contracted medical care provider ensured mandatory physicals for all employees pursuant to applicable legislation. In addition, the provider monitored conditions at workplaces and their impact on the health of employees. In collaboration with the occupational safety and health

department, workplaces were subject to inspections and first-aid courses were organized.

### Wages

With regard to the ongoing downturn in the building industry and the ensuing need to reduce personnel costs in particular, the average monthly earnings per employee in 2013 totalled CZK 43,381, representing a decrease of CZK 3.86% compared to 2012.

### Collective agreement

The obligations of the employer and the trade union organization ensuing from Metrostav's Collective Agreement for 2013 were fully met. In December 2013, an updated General Collective Agreement was entered into between Metrostav Group bodies and the Coordination Union Committee of the Metrostav Group, including its annexes Model Collective Agreement for 2014 and Model Internal Regulation for 2014, drafted for companies with no trade union organizations. Within the framework of the Model Collective Agreement, a collective agreement for Metrostav a.s. for 2014 was concluded. Regular monthly meetings between representatives of Company management and the trade union were held in a constructive manner with the maximum effort of both parties to maintain social stability and to prevent any potential disputes.

Employees facing an extremely difficult situation received financial aid from the Company's Social Assistance Fund. In the past year, this aid was provided to 171 employees.



## Corporate social responsibility

Metrostav has maintained long-term partnerships not just with its business partners, but also with organizations and individuals supported within the scope of the Company's social activities. However, justified and understandable exceptions to this rule apply; e.g. during the June floods in the Czech Republic Metrostav workers contributed by deploying special technology for free to assist in the most afflicted regions, or they helped the inhabitants of the region devastated by the Haiyan typhoon. Metrostav employees spontaneously got engaged in fundraising for SOS Philippines organized by the People in Need non-profit organization and contributed nearly 157,000 crowns. To boost social engagement of employees, management doubled the collected funds to a total of CZK 314,000.

Nonetheless, the main direction in socially beneficial activities and sponsorships has been selected proven long-term projects. For the second time, Metrostav received an award in the "Seniors-Friendly Firm" category of the Business for Society competition in appreciation of its long-standing support for deserving workers associated in its Senior Club. Cooperation with vocational schools in the education of new professionals – implemented through the Skilled Apprentices project – won an award in the "Firm and School" category of the same competition. The Company's regular drive "Donate Your Blood with Metrostav" continued; several dozen employees donated, often repeatedly, this life-saving fluid to meet the needs of the Central Military Hospital in Prague – Střešovice. The Company also went on to donate used but serviceable vehicles to social care institutions taking care of immobile patients.

Although Metrostav is based in Prague, its operations are spread across the country, and its social responsibility activities are not confined to the capital. Individual divisions are involved in the cultural and social life in regions and often contribute to it in a major way.

The corporate activities are compounded by private initiatives of a significant number of employees. Payroll departments maintain records of a series of one-time and standing payment orders for grants to SOS Children's Villages, the UNICEF Children's Fund, the BARRIERS Account, the Clown Doctor, the Firefly event of the Czech Radio Foundation Fund and other charitable projects.

## Charity

Metrostav has supported a broad range of organizations, in particular various foundations, civic associations and public benefit organizations providing an array of services to tortured, abused and neglected children, socially disadvantaged people, people excluded from society, drug addicts, etc. The supported organizations include, among others, the Charter 77 Foundation, the Czech Helsinki Committee, the Children's Crisis Centre, Our Child Foundation, People in Need and SANANIM.

In addition, Metrostav provides funding for other social care providers, such as the Ostrov Regional Charity, Strakonice Seniors Home, Akord day-care centre also providing outreach services, Pecka Prague Family Centre, The Czech Union of the Deaf and People with Impaired Hearing, Sluneční domov sheltered housing facility, Tyfloservis, assisting people with impaired sight, Fokus Mladá Boleslav, assisting mentally disturbed people, etc.

The Company has collaborated with a number of major medical facilities, such as Central Military Hospital in Prague, Motol Teaching Hospital, Teaching Hospital in Plzeň, Psychiatric Hospital Bohnice and Physical Therapy Institute in Kladruba.

Metrostav and its employees help fund the operation of a variety of organizations using animals to educate and care for people with disabilities, e.g. Helping Paws, o.s., Bunny Riding and several animal shelters.

## Culture

In 2013 Metrostav continued cooperation with Prague's leading theatres, such as Na zábradlí and Dejvické theatres. The Company also provided significant support for cultural and social events in regions, as evidenced by contributions to funding of the Golden Salt Trail Festival in Prachatice, the International Music Festival in Kutná Hora, the Historical Weekend in Plzeň, European Jazz days in Hranice and the Karlovy Vary Music Evening.

## Sport

In 2013 Metrostav continued to support a wide range of athletes from individuals to teams and from amateurs to top professionals. The best known names among the Metrostav-sponsored athletes were speed skater Martina Sáblíková, badminton player Petr Koukal, acrobatic skier Tereza Vaculíková and beach volleyball national team players Kristýna Kolocová and Markéta Sluková.

The Company also helped fund clubs, such as the volleyball team of Dukla Liberec, the handball team of Dukla Prague and the basketball team of USK Prague. Company divisions sponsored football and hockey teams in places of regional representations, among them Viktora Plzeň, Baumiť Jablonec nad Nisou, Kometa Brno and BK Mladá Boleslav. Furthermore, Metrostav co-funded the organization of the Historic Vltava Rallye and Rallye Šumava Klatovy, as well as a number of local sporting events.

Finally, Metrostav provided contributions to sporting activities of youth with disabilities and financial aid to the floorball team of the Sports Club Handicap Meteor Plzeň, assisting wheel-chair bound people.

## Corporate Social Responsibility

Board of Directors		
<b>Jiří Bělohav</b>	<b>Chairman of the Board of Directors</b>	Member since 11 October 2000
	* 1950	Vice-Chairman since 11 May 2007
	Czech Technical University, Prague – Faculty of Civil Engineering	Chairman since 1 July 2009
	President, Metrostav a.s.	
<b>Zdeněk Šinovský</b>	<b>Vice-Chairman of the Board of Directors</b>	Member since 31 December 1990
	* 1947	Vice-Chairman since 1 July 2009
	University of Economics, Prague – Faculty of Economics	
<b>Ján Dudáš</b>	<b>Member of the Board of Directors</b>	Member since 11 October 2000
	* 1943	
	Slovak University of Technology, Bratislava – Faculty of Engineering Structures and Transport Construction	
<b>Daniel Knotek</b>	<b>Member of the Board of Directors</b>	Member since 11 May 2007
	* 1946	
	University of Economics, Bratislava – Faculty of Mechanization and Management Automation	
<b>František Kočí</b>	<b>Member of the Board of Directors</b>	Member since 10 May 2010
	* 1960	
	University of Economics, Prague – Faculty of Production and Economics, MBA	
	viceprezident Metrostav a.s.	
<b>Dušan Mráz</b>	<b>Member of the Board of Directors</b>	Member since 11 October 2000
	* 1954	
	Slovak University of Technology, Bratislava – Faculty of Civil Engineering	
<b>Pavel Pilát</b>	<b>Member of the Board of Directors</b>	Member since 11 May 2007
	* 1959	
	Czech Technical University, Prague – Faculty of Civil Engineering	
<b>Ivan Šesták</b>	<b>Member of the Board of Directors</b>	Member since 11 October 2000
	* 1943	
	Slovak University of Technology, Bratislava – Faculty of Civil Engineering	

## Company Bodies

Supervisory Board		
<b>Jindřich Hess</b>	<b>Chairman of the Supervisory Board</b>	Member since 11 May 2007
	* 1940	Chairman since 11 May 2007
	Czech Technical University, Prague – Faculty of Civil Engineering	
<b>Viliam Turanský</b>	<b>Vice-Chairman of the Supervisory Board</b>	Member since 5 May 2006
	* 1941	Vice-Chairman since 11 May 2007
	Slovak University of Technology, Bratislava – Faculty of Civil Engineering	
<b>Viktor Karel</b>	<b>Member of the Supervisory Board</b>	Member since 11 October 2000
	* 1942	
	Slovak University of Technology, Bratislava – Faculty of Civil Engineering	
<b>Jiří Karnet</b>	<b>Member of the Supervisory Board</b>	Member since 23 July 2010
	* 1968	
	University of Economics, Prague – Faculty of Production and Economics	
<b>Pavel Meyer</b>	<b>Member of the Supervisory Board</b>	Member since 20 July 1993
	* 1949	
	Secondary Technical School of Mining	
<b>František Potisk</b>	<b>Member of the Supervisory Board</b>	Member since 11 May 2007
	* 1944	
	Slovak University of Technology, Bratislava – Faculty of Civil Engineering	

## Company Bodies

		<b>Audit Committee</b>
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<b>Miroslav Pánek</b>	<b>Chairman</b>	Member since 10 May 2010
	* 1973	Chairman since 10 May 2010
	University of Economics, Prague – Faculty of Business Administration	
	Chief Economic Officer, Metrostav a.s.	

<b>Tomáš Brumovský</b>	<b>Member</b>	Member since 29 September 2009
	* 1948	
	University of Economics, Prague – Faculty of Business Administration	
	Auditor	

<b>Company Bodies</b>
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<b>Jiří Karnet</b>	<b>Member</b>	Member since 29 September 2009
	* 1968	
	University of Economics, Prague – Faculty of Production and Economics	
	Head of Accounting, Metrostav a.s.	

**Presidium**

Jiří Bělohav	President
František Kočí	Vice-President

**Chief Executive Officer**

Pavel Pilát	Chief Executive Officer
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**Proxy holders**

Jiří Bělohav	
Zdeněk Šinovský	

**Top Management****Chief officers**

Ivan Hrdina	Chief Production and Technology Officer
Miroslav Pánek	Chief Economic Officer
Milan Veselský	Chief Sales Officer
Tomáš Zámečník	Chief Personnel Director

**Division directors**

Jaroslav Heran	Director, Division 1
Miloslav Hadrava	Director, Division 2
Martin Plch	Director, Division 3
Josef Neuwirth	Director, Division 4
Roman Fuksa	Director, Division 5
Jan Cuc	Director, Division 6
Ivo Vrbka	Director, Division 8
Petr Záborský	Director, Division 9
Ivan Škripeň	Director, Division 10 – organizational unit Bratislava
Zdeněk Ševčík	Director, Division 11

As at 31 December 2013

## Consolidated Income Statement

(in CZK thousand)

	Note	2013	2012
Sales	1	27,025,162	26,165,750
Other operating income	2	430,965	509,071
Gain on business combinations	26	175,346	0
<b>Total operating income</b>		<b>27,631,473</b>	<b>26,674,821</b>
Change in inventory of finished goods and work in progress		-390,796	-132,507
Raw materials and consumables used		21,979,539	20,777,775
Staff costs	3	3,326,614	3,212,809
Depreciation, amortization and impairment charges	7, 8, 9	341,246	588,750
Other operating expenses	2	1,121,590	791,295
<b>Total operating expenses</b>		<b>26,378,193</b>	<b>25,238,122</b>
<b>PROFIT FROM OPERATIONS</b>		<b>1,253,280</b>	<b>1,436,699</b>
Finance income	4	140,973	130,025
Finance costs	4	205,477	161,722
Finance income - netto		-64,504	-31,697
Share of results of associates and joint ventures using the equity method	10	5,492	-664,358
Loss on the sale of associates	10	-633,531	0
<b>PROFIT BEFORE TAX</b>		<b>560,737</b>	<b>740,644</b>
Income tax payable	5	202,312	305,872
<b>NET PROFIT FOR THE YEAR</b>		<b>358,425</b>	<b>434,772</b>
Attributable to:			
Equity holders of the Company		355,445	431,626
Minority interest		2,980	3,146
<b>Net profit</b>		<b>358,425</b>	<b>434,772</b>

Consolidated Financial  
Statements in Compliance  
with IFRS

## Consolidated Statement of Comprehensive Income

(in CZK thousand)

	2013	2012
After-tax profit	358,425	434,772
<b>Other comprehensive income*):</b>		
Exchange rate differences	-30,328	-38,974
<b>Comprehensive income for the year</b>	<b>328,097</b>	<b>395,798</b>
Attributable to:		
– Equity holders of the Company	325,117	392,652
– Minority interest	2,980	3,146

\*) Other comprehensive income only includes those items that can be subsequently reclassified to profit or loss.

**Consolidated Financial  
Statements in Compliance  
with IFRS**

## Consolidated Balance Sheet

(in CZK thousand)

ASSETS	Note	At 31 December 2013	At 31 December 2012
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	2,768,207	2,168,518
Investment property	8	284,108	307,551
Intangible assets	7	247,944	155,491
Goodwill	11	35,534	35,534
Investments in associates and joint ventures – recognized using the equity method	10	1,331,747	2,163,175
Deferred tax asset	21	343,865	336,778
Receivables	12	1,680,748	1,244,871
<b>Total non-current assets</b>		<b>6,692,153</b>	<b>6,411,918</b>
<b>CURRENT ASSETS</b>			
Inventories	15	2,140,458	1,531,350
Receivables and other current assets	14	9,957,935	9,106,097
Income tax receivable	14	46,438	93,264
Amounts due from customers	16	1,728,423	593,830
Cash and cash equivalents	13	5,804,905	5,577,833
<b>Total current assets</b>		<b>19,678,159</b>	<b>16,902,374</b>
<b>TOTAL ASSETS</b>		<b>26,370,312</b>	<b>23,314,292</b>

EQUITY AND LIABILITIES	Note	At 31 December 2013	At 31 December 2012
<b>CAPITAL AND FUNDS ATTRIBUTABLE TO PARENT COMPANY OWNERS</b>			
Share capital	22	790,667	790,667
Statutory reserve fund		159,481	159,481
Currency translation differences and other funds		113,329	143,657
Retained earnings		6,658,220	6,378,101
Net profit for the year		355,445	431,626
<b>Total equity attributable to parent company owners</b>		<b>8,077,142</b>	<b>7,903,532</b>
<b>Minority interest</b>		<b>102,503</b>	<b>113,087</b>
<b>Total equity</b>		<b>8,179,645</b>	<b>8,016,619</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	18	350,103	73,545
Other liabilities	20	2,092,936	2,576,869
Provisions	19	450,417	397,195
<b>Total non-current liabilities</b>		<b>2,893,456</b>	<b>3,047,609</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	17	11,852,702	9,324,732
Borrowings	18	471,900	746,261
Amounts due to customers	16	2,433,307	1,789,475
Provisions	19	445,221	389,596
Income tax liability	17	94,081	0
<b>Total current liabilities</b>		<b>15,297,211</b>	<b>12,250,064</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>26,370,312</b>	<b>23,314,292</b>



## Consolidated Statement of Changes in Equity

(in CZK thousand)

### Equity attributable to parent company owners

	Share capital	Statutory reserve fund	Currency translation differences and other funds	Retained earnings / loss	Total	Minority interest	Total equity
<b>Balance as at 1 January 2012</b>	<b>790,667</b>	<b>159,481</b>	<b>182,631</b>	<b>6,544,746</b>	<b>7,677,525</b>	<b>108,721</b>	<b>7,786,246</b>
Net profit for the year	0	0	0	431,626	431,626	3,146	434,772
Other comprehensive income	0	0	0	0	0	0	0
Exchange rate differences	0	0	-38,974	0	-38,974	0	-38,974
<b>Total recognized income for 2012</b>	<b>0</b>	<b>0</b>	<b>-38,974</b>	<b>431,626</b>	<b>392,652</b>	<b>3,146</b>	<b>395,798</b>
Other movements*	0	0	0	3,348	3,348	1,220	4,568
Dividend for 2011	0	0	0	-169,993	-169,993	0	-169,993
<b>Balance at 31 December 2012</b>	<b>790,667</b>	<b>159,481</b>	<b>143,657</b>	<b>6,809,727</b>	<b>7,903,532</b>	<b>113,087</b>	<b>8,016,619</b>
Net profit for the year	0	0	0	355,445	355,445	2,980	358,425
Other comprehensive income	0	0	0	0	0	0	0
Exchange rate differences	0	0	-30,328	0	-30,328	0	-30,328
<b>Total recognized income for 2013</b>	<b>0</b>	<b>0</b>	<b>-30,328</b>	<b>355,445</b>	<b>325,117</b>	<b>2,980</b>	<b>328,097</b>
Other movements*	0	0	0	3,348	3,348	1,220	4,568
Dividend for 2012	0	0	0	-169,993	-169,993	0	-169,993
<b>Balance at 31 December 2013</b>	<b>790,667</b>	<b>159,481</b>	<b>113,329</b>	<b>7,013,665</b>	<b>8,077,142</b>	<b>102,503</b>	<b>8,179,645</b>

\*) Other movements include mainly statute-barred dividend and minority interest transaction.

**Consolidated Financial  
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Balance Sheet for the Year Ended 31 December 2013 (in CZK thousand)

		At 31 December 2013		At 31 December 2012	
Ref.	ASSETS	Gross	Provision	Net	Net
	<b>TOTAL ASSETS</b>	<b>23,552,307</b>	<b>-3,418,222</b>	<b>20,134,085</b>	<b>19,198,328</b>
<b>B.</b>	<b>Fixed assets</b>	<b>6,052,722</b>	<b>-2,088,011</b>	<b>3,964,711</b>	<b>4,237,125</b>
<b>B. I.</b>	<b>Intangible fixed assets</b>	<b>154,771</b>	<b>-142,886</b>	<b>11,885</b>	<b>10,681</b>
	1. Software	143,606	-134,417	9,189	9,861
	2. Other intangible fixed assets	8,884	-8,469	415	558
	3. Intangible fixed assets in the course of construction	2,281	0	2,281	262
<b>B. II.</b>	<b>Tangible fixed assets</b>	<b>2,142,456</b>	<b>-1 873,408</b>	<b>269,048</b>	<b>297,724</b>
B. II. 1.	Land	299	0	299	299
	2. Construction	44,847	-36,861	7,986	8,342
	3. Equipment	1,770,314	-1,578,917	191,397	225,606
	4. Other tangible fixed assets	300,914	-257,630	43,284	56,249
	5. Tangible fixed assets in the course of construction	26,082	0	26,082	7,228
<b>B. III.</b>	<b>Long-term investments</b>	<b>3,755,495</b>	<b>-71,717</b>	<b>3,683,778</b>	<b>3,928,720</b>
B. III. 1.	Investments in controlled entities / subsidiaries	3,452,373	-71,717	3,380,656	3,086,843
	2. Investments in associates	300,115	0	300,115	838,926
	3. Other long-term investments in securities	2,950	0	2,950	2,950
	4. Long-term investments in progress	57	0	57	1
<b>C.</b>	<b>Current assets</b>	<b>17,204,678</b>	<b>-1,330,211</b>	<b>15,874,467</b>	<b>14,701,309</b>
<b>C. I.</b>	<b>Inventories</b>	<b>1,542,488</b>	<b>-261,363</b>	<b>1,281,125</b>	<b>324,222</b>
C. I. 1.	Raw materials	180,342	0	180,342	36,006
	2. Work in progress and semi-finished products	1,351,270	-255,929	1,095,341	275,656
	3. Goods	10,203	-5,434	4,769	11,255
	4. Advances paid for inventories	673	0	673	1,305
<b>C. II.</b>	<b>Long-term receivables</b>	<b>2,116,694</b>	<b>0</b>	<b>2,116,694</b>	<b>1,533,446</b>
C. II. 1.	Trade receivables	1,172,337	0	1,172,337	1,055,826
	2. Receivables – controlled or controlling entity	504,656	0	504,656	16,535
	3. Receivables from shareholders/owners	5,778	0	5,778	17,237
	4. Long-term advances paid	0	0	0	182
	5. Deferred tax receivables	433,923	0	433,923	443,666

Financial Statements of  
Metrostav a.s.

		At 31 December 2013		At 31 December 2012	
Ref.	ASSETS	Gross	Provision	Net	Net
<b>C. III.</b>	<b>Short-term receivables</b>	<b>9,277,058</b>	<b>-1,068,848</b>	<b>8,208,210</b>	<b>7,813,500</b>
C. III. 1.	Trade receivables	7,701,891	-986,651	6,715,240	6,262,643
	2. Intragroup receivables	610,467	0	610,467	837,612
	3. Receivables from shareholders/owners	169,197	0	169,197	144,230
	4. Taxes and state subsidies receivable	133,519	0	133,519	181,613
	5. Short-term advances paid	492,370	-46,425	445,945	292,766
	6. Estimated receivables	133,842	0	133,842	76,897
	7. Other receivables	35,772	-35,772	0	17,739
<b>C. IV.</b>	<b>Short-term financial assets</b>	<b>4,268,438</b>	<b>0</b>	<b>4,268,438</b>	<b>5,030,141</b>
C. IV. 1.	Cash in hand	1,261	0	1,261	835
	2. Cash at bank	3,689,926	0	3,689,926	4,299,505
	3. Short-term investments	577,251	0	577,251	729,801
<b>D. I.</b>	<b>Accruals and deferrals</b>	<b>294,907</b>	<b>0</b>	<b>294,907</b>	<b>259,894</b>
D. I. 1.	Prepaid expenses	273,935	0	273,935	227,018
	2. Accrued revenues	20,972	0	20,972	32,876

**Financial Statements of**  
**Metrostav a.s.**

## Total liabilities and equity

Ref.	LIABILITIES	At 31 December 2013	At 31 December 2012
	<b>Total liabilities and equity</b>	<b>20,134,085</b>	<b>19,198,328</b>
<b>A.</b>	<b>Equity</b>	<b>6,054,393</b>	<b>6,282,068</b>
<b>A. I.</b>	<b>Share capital</b>	<b>790,667</b>	<b>790,667</b>
A. I. 1.	Share capital	790,667	790,667
<b>A. II.</b>	<b>Capital contributions</b>	<b>77,770</b>	<b>138,024</b>
1.	Other capital contributions	250	250
2.	Assets and liabilities revaluation	77,520	137,774
<b>A. III.</b>	<b>Reserve funds, non-distributable reserves and other reserves</b>	<b>159,481</b>	<b>159,481</b>
A. III. 1.	Statutory reserve fund	159,481	159,481
<b>A. IV.</b>	<b>Retained earnings</b>	<b>4,739,809</b>	<b>4,905,318</b>
A. IV. 1.	Retained profits	4,739,809	4,905,318
<b>A. V.</b>	<b>Profit (loss) for the current period</b>	<b>286,666</b>	<b>288,578</b>
<b>B.</b>	<b>Liabilities</b>	<b>13,344,214</b>	<b>12,130,814</b>
<b>B. I.</b>	<b>Provisions</b>	<b>1,958,769</b>	<b>1,932,827</b>
B. I. 1.	Tax-deductible provisions	333,181	350,897
2.	Other provisions	1,625,588	1,581,930
<b>B. II.</b>	<b>Long-term liabilities</b>	<b>2,302,023</b>	<b>2,570,212</b>
B. II. 1.	Trade payables	2,290,901	2,191,090
2.	Liabilities to partners and group members	11,122	29,780
3.	Long-term advances received	0	347,936
4.	Other payables	0	1,406
<b>B. III.</b>	<b>Short-term liabilities</b>	<b>9,083,422</b>	<b>7,627,775</b>
B. III. 1.	Trade payables	6,248,441	5,568,657
2.	Liabilities to shareholders/owners	321,986	197,007
3.	Liabilities to employees	111,438	165,551
4.	Liabilities for social security and health insurance	62,614	69,467
5.	Taxes and state subsidies payable	19,291	29,563
6.	Short-term advances received	390,510	241,446
7.	Estimated liabilities	1,913,186	1,353,268
8.	Other liabilities	15,956	2,816
<b>C. I.</b>	<b>Accruals and deferrals</b>	<b>735,478</b>	<b>785,446</b>
C. I. 1.	Accruals	425,183	313,221
2.	Deferred revenue	310,295	472,225

Income Statement for the Year ended 31 December 2013 (in CZK thousand)

Ref.	TEXT	2013	2012
I.	Sales of goods	29,500	65
A.	Cost of goods sold	33,699	62
+	Profit margin	-4,199	3
II.	Sales of production	21,595,901	20,826,075
II.	1. Sales of own products and services	20,545,227	20,656,063
	2. Change in inventory of finished goods and work in progress	1,042,227	149,634
	3. Own work capitalized	8,447	20,378
B.	Cost of sales (production consumption)	17,722,068	17,142,435
B.	1. Raw materials and consumables	15,165,218	14,791,375
	2. Services	2,556,850	2,351,060
+	<b>Added value</b>	<b>3,869,634</b>	<b>3,683,643</b>
C.	Staff costs	2,199,134	2,310,297
C.	1. Wages and salaries	1,594,545	1,703,976
	2. Emoluments of board members	9,120	9,120
	3. Social security and health insurance costs	514,504	513,510
	4. Other social costs	80,965	83,691
D.	Taxes and charges	42,859	21,809
E.	Depreciation of intangible and tangible fixed assets	116,713	438,868
III.	Sale of fixed assets and raw materials	123,578	168,649
III.	1. Sale of fixed assets	6,813	9,195
	2. Sale of raw materials	116,765	159,454
F.	Net book amount of fixed assets and raw materials sold	104,711	144,873
F.	1. Net book amount of fixed assets sold	284	4
	2. Raw materials sold	104,427	144,869
G.	Increase (+)/decrease (-) in operating provisions and complex prepaid expenses	644,855	-43,230
IV.	Other operating income	384,079	196,294
H.	Other operating costs	492,105	267,486
*	<b>Operating profit/loss</b>	<b>776,914</b>	<b>908,483</b>
VI.	Income from sales of securities and shares	67,648	1,447
J.	Securities and shares sold	956,886	1,075
VII.	Income from long-term investments	71,740	90,440
VII.	1. Income from investments in controlled entities / subsidiaries and associates	71,740	90,440
L.	Costs of securities and derivatives revaluation	676	760
M.	Increase (+) / decrease (-) in financial provisions and complex prepaid expenses	-506,969	533,208
X.	Interest income	24,734	43,717
N.	Interest expense	4,857	2
XI.	Other financial revenues	42,414	24,209
O.	Other financial expenses	63,043	72,773
*	<b>Financial profit / loss</b>	<b>-311,957</b>	<b>-448,005</b>
Q.	Income tax on ordinary activities	178,291	171,900
Q.	1. – due	168,548	179,467
	2. – deferred	9,743	-7,567
**	<b>Profit / loss on ordinary activities</b>	<b>286,666</b>	<b>288,578</b>
***	<b>Profit / loss for the year</b>	<b>286,666</b>	<b>288,578</b>
****	<b>Profit / loss before tax</b>	<b>464,957</b>	<b>460,478</b>

Financial Statements of  
Metrostav a.s.

	<b>Metrostav a.s.</b>	
	<b>Subterra a.s.</b>	Building production
	TERRAFIN GROUP, a.s.	
	STAVEBNÍ OBNOVA ŽELEZNIC a.s.	
	Metrostav Slovakia a.s.	
	PRAGIS a.s.	
	Metrostav – Háfell ehf	
	Metrostav Deutschland GmbH	
	MVE Štětí a.s.	
	B E S s.r.o.	
	DSH – Dopravní stavby, a.s.	
	BeMo Tunnelling GmbH	
	BeMo Tunnelling GmbH, Deutschland	
	Beton- und Monierbau USA, Inc.	
	ALPINE BeMo Tunnelling Canada Inc.	
	Morgan Beton- and Monierbau Limited	
<b>Metrostav Group Structure</b>		
	<b>SQZ, s.r.o.</b>	Services
	Metrostav stavebniny, s.r.o.	
	TBG METROSTAV s.r.o.	
	Pražské betonpumpy a doprava s.r.o.	
	TBG Pražské malty, s.r.o.	
	TBG Doprastav, a.s.	
	CCE Praha, spol. s r.o.	
	CCE Bratislava, spol. s r. o.	
	PK Doprastav, a.s.	
	Doprastav Asfalt, a.s.	
	Metrostav Facility s.r.o.	
	<b>Metrostav Development a.s.</b>	Property development
	Metrostav Rezident a.s.	
	METROSTAV-PROMINECON A.S.	
	Metrostav Alfa s.r.o.	
	Metrostav Delta s.r.o.	
	Metrostav Vackov a.s.	
	Metrostav Epsilon s.r.o.	
	Metrostav Invest Ostrava s.r.o.	
	Apartmány Rokytice a.s.	
	IMU, a.s.	
	Na Vackově s.r.o.	
	Bytový dom Nejedlého, s.r.o.	
	Bytový dom Košická, s.r.o.	
	PRO TP 06 s. r. o.	
	Metrostav Nemovitostní, uzavřený investiční fond, a.s.	Other
	<b>Skupina Metrostav</b>	
	Controlled companies	
	Other companies in which Metrostav a.s. holds direct or indirect interests.	

<b>Metrostav a.s.</b>	Koželužská 2450/4, 180 00 Prague 8
<b>S u b t e r r a a.s.</b>	Koželužská 2246/5, 180 00 Prague 8
<b>STAVEBNÍ OBNOVA ŽELEZNIC a.s.</b>	Libušina 554/103, 772 00 Olomouc
<b>TERRAFIN GROUP, a.s.</b>	U Rakovky 849, 148 00 Prague 4
<b>Metrostav Slovakia a.s.</b>	Mlynské Nivy 68, 824 77 Bratislava, SR
<b>PRAGIS a.s.</b>	Budovatelská 286, 190 15 Prague 9 – Satalice
<b>Metrostav – Háfell ehf</b>	Skeifunni 11, Reykjavík 108, Island
<b>Metrostav Deutschland GmbH</b>	Falkensturmstrasse 14, 803 31 Mnichov, Germany
<b>MVE Štětí</b>	Koželužská 2246/5, 180 00 Prague 8
<b>B E S s.r.o.</b>	Sukova 625, 256 01 Benešov
<b>DSH - Dopravní stavby, a.s.</b>	Vídeňská 264/120b, 619 00 Brno
<b>BeMo Tunnelling GmbH.</b>	Bernard-Höfel-Str. 11, Innsbruck, A-6020, Austria
<b>Metrostav stavebniny, s.r.o.</b>	Bystrá 2243, 193 00 Prague 9
<b>SQZ, s.r.o.</b>	U místní dráhy 939/05, 779 00 Olomouc
<b>GCE Prague, spol. s r.o.</b>	Koželužská 2246, 180 00 Prague 8
<b>GCE Bratislava, spol. s r.o.</b>	Mlynské Nivy 70, 821 05 Bratislava, SR
<b>TBG METROSTAV s.r.o.</b>	Koželužská 2246/5, 180 00 Prague 8
<b>TBG Pražské malty, s.r.o.</b>	Koželužská 2246/5, 180 00 Prague 8
<b>Pražské betonpumpy a doprava s.r.o.</b>	Koželužská 2246/5, 180 00 Prague 8
<b>PK Doprastav, a.s.</b>	Kragujevská 11, 010 01 Žilina, SR
<b>Doprastav Asfalt, a.s.</b>	Hronská 1, 960 93 Zvolen, SR
<b>Metrostav Development a.s.</b>	Zenklova 2245/29, 180 00 Prague 8
<b>Metrostav Facility s.r.o.</b>	Zenklova 2245/29, 180 00 Prague 8
<b>Metrostav Vackov a.s.</b>	Zenklova 2245/29, 180 00 Prague 8
<b>Metrostav Delta s.r.o.</b>	Zenklova 2245/29, 180 00 Prague 8
<b>IMU, a.s.</b>	Zenklova 2245/29, 180 00 Prague 8
<b>Metrostav Invest Ostrava s.r.o.</b>	Zenklova 2245/29, 180 00 Prague 8
<b>Na Vackově s.r.o.</b>	Zenklova 2245/29, 180 00 Prague 8
<b>Metrostav Rezident a.s.</b>	Zenklova 2245/29, 180 00 Prague 8
<b>Metrostav Alfa s.r.o.</b>	Zenklova 2245/29, 180 00 Prague 8
<b>Metrostav Epsilon s.r.o.</b>	Zenklova 2245/29, 180 00 Prague 8
<b>METROSTAV-PROMINECON a.s.</b>	Zenklova 2245/29, 180 00 Prague 8
<b>Apartmány Rokytnice a.s.</b>	Zenklova 2245/29, 180 00 Prague 8
<b>Metrostav Nemovitostní, uzavřený investiční fond, a.s.</b>	Koželužská 2246/5, 180 00 Prague 8

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Valid at 31 January 2014

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