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Joint breakthrough in November 2012 to Dejvická Station on the currently built Prague metro line V.A by Tonda and Adéla, the two boring machines, was a culmination of the successful employment of the TBM technology. Our boring teams quickly mastered work with modern tunnelling shields; it was evidenced by record daily and monthly output. Our people and technology are now prepared to be assigned to other projects at home and abroad.

Last year, we completed tunnelling of the metro – but it was not the only success of the year. We carried on work on the tunnel complex Blanka and related projects, such as Trojský bridge so that they could be finished and handed over to investors according to schedule in 2014. Execution of hundreds of other smaller projects throughout the Czech Republic and abroad also contributed to our achievement of results comparable to previous years in the construction activity in 2012. At the same time, we managed to sign more contracts in terms of volume than in the past, and at least partially eliminate the slump of previous years. Everyone who contributed to our good results deserves thanks. When I compare Metrostav's and Metrostav Group's results with the competition, I am proud to say that we have so far handled the crisis in the construction industry very well. Our production does not grow as much as we were used to in the pre-crisis period, but it does not dramatically decline either. While the construction market as a whole dropped by more than 20 per cent from the beginning of the recession, our production decreased by less than one tenth.

I positively evaluate the direction we decided to pursue. We did not join the dumping prices wave that is storming through the Czech Republic, and copies development in certain neighbouring countries, responding to the state administration's emphasis on one sole criterion in tenders – namely the price – because it will have a very negative impact on the quality of projects and will show subsequently in high repair costs in the future. The lack of large projects forced us to participate in tenders disregarding

their size, to search for gaps on the market and to continue in our intensive activity in regions. Simultaneously, we continued in the trend of searching job opportunities abroad. We successfully presented ourselves by tunnelling work on the metro in Helsinki, Finland, and we also won contracts in Poland and Belarus.

In 2012, we had several problems with the quality of work handed over to investors. It necessitated the reinforcement of control mechanisms in the organizational structure. I cannot be fully satisfied with the efficiency of work on a number of projects, too. We must not be satisfied with ourselves. And we cannot conceal that one hundred per cent commitment of every one of us will be needed if we want to manage in the critical years 2014 and 2015, as well as full concentration on the fulfilment of projected indicators.

All construction firms are operating in the same economic environment. Whether we will manage the difficult future situation rests with every individual in our Company. The Company's top management believes that we will be able to overcome this period. We master high quality technologies, we employ professional staff, we have a well-functioning management system and decent operational climate, and therefore there is no reason to give way to lethargy or defeatism that we sometimes witness countrywide. I am looking forward to cooperate with people who will perform at 100%. With them I am not worried about our future. Let me use this opportunity to thank once again all people who contributed to the satisfactory results achieved in 2012, and wish them and their kin the strength necessary for the fulfilment of exacting tasks.

Jiří Bělohav
Chairman of the Board of Directors

		2012	2011	2010	2009	2008
Production	CZK thousand	20,826,075	21,674,888	21,135,621	22,240,937	22,667,232
Sales revenues	CZK thousand	20,656,063	21,491,000	21,238,855	22,169,089	22,777,798
Added value	CZK thousand	3,683,643	3,921,534	3,949,018	3,617,853	3,423,141
Operating profit / loss	CZK thousand	908,483	856,674	955,150	938,848	833,661
After-tax profit/loss for the year	CZK thousand	288,578	704,454	714,210	718,603	811,871
Total assets	CZK thousand	19,198,328	19,250,827	19,243,078	16,112,520	15,535,776
– fixed assets	CZK thousand	4,237,125	4,386,859	4,318,598	4,111,652	3,929,694
– current assets	CZK thousand	14,701,309	14,684,990	14,721,792	11,797,000	11,467,443
Shareholders' equity	CZK thousand	6,282,068	6,202,444	5,640,195	5,145,682	4,660,460
Registered capital	CZK thousand	790,667	790,667	790,667	790,667	790,667
Liabilities	CZK thousand	12,130,814	12,287,568	13,088,507	10,405,147	10,381,320
Average adjusted headcount	number	3,147	3,106	3,071	3,199	3,548
Monthly nominal earnings	CZK	45,122	43,937	40,955	39,547	40,973
Added value per employee	CZK thousand	1,171	1,263	1,286	1,131	965
Profit per employee	CZK thousand	92	227	233	225	229
Dividend paid	CZK thousand	169,993	169,993	169,993	169,993	169,993
Construction production, of which:						
community projects	CZK thousand	5,575,226	5,250,420	4,994,477	5,401,174	8,951,494
residential projects	CZK thousand	858,341	1,392,310	1,196,915	1,382,629	2,605,061
industrial projects	CZK thousand	3,644,571	3,394,452	2,065,856	2,921,038	649,347
transport projects, incl. Metro	CZK thousand	4,774,339	4,805,447	3,982,996	4,846,565	4,366,246
underground projects	CZK thousand	3,991,576	5,000,804	6,692,872	6,148,894	4,432,099
other projects	CZK thousand	1,209,375	1,098,873	1,531,703	1,135,455	1,050,309
Total construction production	CZK thousand	20,053,428	20,942,306	20,464,819	21,835,755	22,054,556

Metrostav entered the fifth decade of its existence by defending its position of the largest construction firm in the Czech Republic it holds from 2011. At the same time it earned "The Most Admired Construction Firm" title awarded by the CZECH TOP 100 association, organizer of the TOP 100 Most Admired Firms in the CR competition. With the production of circa 21 billion Czech crowns the Company ranked 191st among 500 firms from 18 central and east European countries ranked by revenues and in the construction industry category it placed fifth.

Metrostav originated in 1971 as a highly specialized firm founded for the purpose of construction of the Prague metro. It was gradually transformed into a versatile building company ranking among the largest and most respected businesses in the Czech Republic. The Company is currently the leading member of the Metrostav Group which includes for example Subterra, Metrostav SK, Pragis, Metrostav Deutschland, Metros, Metrostav Development and other specialized firms working on construction projects in all regions of the country as well as abroad.

Last year, Metrostav's specialists paid great attention to mastering the TBM technology employed in the extension of the Prague metro. After a brief training, teams manning both tunnelling shields Tonda and Adéla achieved record daily and monthly output, and as a result the tunnelling was successfully completed by a joint breakthrough to the Dejvická station in November 2012. The shields were then dismantled by the service teams and relocated to the firm's plant in Horní Počernice where they are repaired and waiting for another project in Prague or abroad.

Another major construction in the past year closely monitored by Metrostav and the general public was the inner Prague ringroad – Blanka tunnel and related projects, in particular the Trojský bridge. The construction of the bridge was highly

demanding for steel structures technology workers. A distinguishing feature of this project is a very flat bridge deck which is held by 200 steel cables. People interested in the progress of the project could follow it on Metrostav's website and during the Open Door Day they could walk on the bridge under construction from Troja to Holešovice, where trams are expected to be running in autumn 2013.

Metrostav's share of the Czech construction market rose to almost five per cent. Projects realized in the capital as well as in regions and abroad contributed to this result. Our experts worked for example on ČEPRO storage facility in Loukov, Šantovka shopping gallery in Olomouc, power plants in Počeradý and Ledvice and several hospitals in Středočeský, Plzeňský and Karlovarský regions. Major projects in which our Company was also involved also included building of the road infrastructure, for example part of D3 motorway between Tábor and Veselí nad Lužnicí, part of D8 motorway between Lovosice and Řehlovice, and R7speedway section Vysočany–Droužkovice.

As we mentioned above, the share of foreign projects in Metrostav's production is rising. Last year, our specialists worked on the metro in Helsinki, Finland; Teaching Hospital in Košice, Slovakia; road bridge in Chelmek, Poland; and Logistics complex in Minsk, Belarus. We participated in several tenders for contracts in the neighbouring countries and are still waiting for the results. We have, however, learned in the past that our neighbours strongly protect their construction market.

In 2012, Metrostav continued in the training of skilled workers in cooperation with selected secondary schools. The Company's state-of-the-art production methods, so-called in-house core technologies, would mean nothing without highly qualified workforce. Most important of them include in particular technologies for underground construction (TBM, NRTM and Drill and Blast), along with excavation technology, reinforced concrete and steel structures, and

bridge construction technology. Metrostav closely cooperates with a number of higher learning technical and economic institutions and picks its employees among their best graduates. Most of them get familiar with the work on our construction sites and with the Company's corporate culture already during their studies.

Very good social security is guaranteed for Metrostav's employees. In addition to an extra week of paid vacation and meal vouchers the Company also provides them with preventive medical care on site and financial aid in difficult life situations. The staff also receives bonuses for regeneration and subsidies for temporary accommodation. To help stabilize work teams, the Company contributes to their supplementary pension insurance and organizes meetings with former employees who can also spend their leisure time in the Senior Club supported by Metrostav. This support was awarded by Business for the Society platform and Metrostav won the third place in the Firm Helping to Seniors category. The evaluation was carried out under the auspices of the Czech Republic's Ministry of Labour and Social Affairs on the occasion of the European Year of Active Ageing and Solidarity between Generations 2012.

Neither does Metrostav forget to support the socially excluded and the handicapped. The Company spent more than 6.5 million crowns as part of long-term programmes aiming at the help to the needy. Thanks to this, the Company ranked 11th in the category of leading corporate donors for the highest amount provided to help solve social problems and support the non-governmental sector in the TOP Socially Responsible Firm 2012.

Well prepared supply of contracts largely contributed to Metrostav's good results in 2012 despite the ongoing reduction of construction in the Czech Republic. While the total value of the construction market decreased year-on-year by about seven per cent, Metrostav recorded only a two per cent decline. The Company thus confirmed its leading position in the Czech construction sector; thanks to its long-term systematic marketing and commercial activity its market share rose from 4.6 per cent in 2011 to 4.8 per cent in 2012. Expressed in figures, the Company's external turnover totalled CZK 20.8 billion crowns and consolidated revenues CZK 26.2 billion.

How would you evaluate the past twelve-month period?

Results of our construction activities are satisfactory and, most importantly, comparable with previous years. I was especially pleased by the work progress on the extension of the V.A Prague metro line. Thanks among other things also to professional skills of our teams working on this project, who learned to operate the modern tunnelling shields in a very short time. It was confirmed above all by record daily and monthly advance rate of both machines, the unique logistics system designed by our specialists, TBM starts from tunnelled stations and installation of the lining segments after the completion of the tunnelling work; all this contributed to quick progress of work.

Despite small difficulties work on the Blanka tunnel complex also continued according to schedule. Especially the construction of the linked Trojský bridge also proved the workmanship of our workforce. Construction of a bridge structure with 200 meters wide span of the main bay and 20m rise is absolutely unique. The 1:10 proportion means that the bridge has one of the flattest spans among similar structures worldwide. The project required us to tackle a great deal of specific tasks and teams in charge of the operation of steel structures, surveyors and tens of specialists in other professions from several Metrostav's divisions managed them with admirable accuracy in timeframes set. So that the operation of the entire Blanka tunnel complex could begin in May 2014.

Work on hundreds of projects in separate regions of the Czech Republic also progressed well. Altogether, contracts completed in regions accounted for

circa 40 per cent of our total turnover. The most significant projects included for example storage facilities for Čepro in Loukov, small hydro power plant Litoměřice, wastewater treatment plants in Plzeň, Pardubice and Cheb, reconstruction of the sewer systems in Brno and in Kutná Hora region, Galerie Šantovka shopping mall in Olomouc – currently one of the largest ground projects in the Czech Republic, sport and relaxation centre Moravia Thermal Pasohlávky, small hydro power plant Štětí and many others. We have developed business in regions for more than ten years. We want to be good partners to businesses in these areas; we employ local experts and collaborate with regional building firms. At the same time we participate in out-of-work activities, and support local culture and sports.

What in turn made you feel bad about 2012?

Metrostav is part of the Czech building industry and all its difficulties and problems naturally mirror in our operation and business as well. Since the second half of 2008, the entire industry has been in recession. In 41 of the preceding 60 months the building construction dropped in year-on-year comparison, last year the results were worse in all months compared with the same periods in 2011. It is partially caused by the economic crisis, but also by the inability of the state administration to efficiently draw subsidies from the EU, to formulate longer-term prospects for the industry and prepare new projects. Very complex legal climate also adds to the stagnation, where for example the law on public procurement has extended and made prohibitive the entire procedure – from the plan up to the realization. However, our good reputation helps us win contracts from private investors, as well as the diversification of activities, and therefore our production decreased less than throughout the sector. This was proven by the fact that we have succeeded signing a larger value of contracts than before and to partially eliminate the fall of previous years. Everyone who contributed to our good results deserves a big thank you.

Lack of projects at home forces builders to search for opportunities abroad. Where was Metrostav heading in 2012?

Although the core of our business remains in the Czech Republic, we would like to complement our production programme with contracts won abroad. Last year we worked in Slovakia, but we do not consider it a foreign country, in Finland,

where we bored tunnels for the Helsinki metro, in Belarus where we are building a logistics centre and customs' storage facility, and in Poland where we are building a bridge and won a contract for flood protection system. We are currently mapping the situation in other countries where we would like to penetrate the market, or to return to it. They include for example Germany, Russia, Ukraine, Norway and other northern states and also Serbia and Croatia where we participate in tenders.

Do you expect improvement in the construction industry in the near future?

In 2013 and 2014 I do not expect any improvement. Pro-growth measures at central level could halt the unfavourable trend, such as for example the launch of projects that were already approved, beginning of preparations especially for infrastructure projects, reduction of red-tape hindrances in the approval of constructions and also unambiguous legal environment, including technical amendment to the law on public procurement.

Despite recession we are not opposed to acquisitions. We assess acquisition opportunities in the Czech Republic and abroad that could foster our position in existing segments like road and railway construction, and also in regions. As a result we acquired B E S, DSH - Dopravní stavby, PK Doprastav and Doprastav Asfalt last year. We will neither avoid advantageous mergers with companies that could open the possibility of further development in related areas.

Present difficult situation requires from every one of us reliable and flawless work and cost savings wherever possible. The common seat for Metrostav's HQs and all divisions which is being built in the Prague Palmovka district and is to be completed in autumn 2013 should also save us overhead costs. It will centralize all our support activities contributing to their acceleration and higher efficiency.

I believe we will attain all our objectives in cooperation with other members of the Metrostav Group. Those who will take up future challenges with full dedication need not worry about their job in the Company or their career prospects. I would like to thank them once again for their work in the previous year and wish them and their families plenty of energy in tackling of future exacting tasks.

Development of the construction market in the Czech Republic in 2008–2012

2008 is generally considered as the year of the highest boom on the construction market in the Czech Republic. In 2011, the year-on-year decrease amounted to five per cent and in 2012 it even dropped to seven per cent. In absolute figures, the market of 464 billion crowns in 2011 decreased to estimated 431 billion in 2012. Compared with 2011, the number of public construction contracts rose by approximately 20%, but their total value declined by six per cent. Compared with the boom in 2008 the total value of advertised contracts was lower by more than 46 per cent.

The distinct decline by more than 20% over the past four years resulted in excess capacity on the construction market, fiercer competition and also in lower prices which are often below the level of actual costs. This situation showed in all segments of the construction market and is not limited to the public sector where the Czech Republic – contrary to the neighbouring states – is cutting public investment in the construction segment.

The amendment to the law on public procurement which entered into effect on 1 April 2012 did not help the overall situation. In an effort to facilitate access to tenders to all competitors the amendment radically limited the possibility for qualified applicants to use technical, economic and other parameters. In practice this measure resulted in the lowest price becoming the decisive criterion in tenders.

This measure did not however result in higher transparency and simplification of tenders. On the contrary, it increased the customers' uncertainty whether the tender was correctly formulated and advertised. Their apprehension was justified and showed up in a more than 100% year-on-year increase of appeals of unsuccessful applicants submitted to the Office for the Protection of Competition (604 appeals were submitted in 2011 compared with 1,279 in 2012).

Neither this legal situation nor the austerity measures in public budgets are likely to change in the two upcoming years, and it is therefore necessary to search for new ways to ensure sufficient production programme. With respect to more expected savings and very limited preparations for new construction projects, the focus on smaller-scale contracts seems to be the right way, although this will require higher effort to sustain the overall production – from marketing up to realization.

Development of the Company in 2010–2012 and its position on the construction market

In previous years, Metrostav had a steady supply of contracts, and therefore consolidated revenues achieved in 2010–2012 were much better compared with the decline of the construction market.

Year	Construction market (in bn CZK)	Consolidated revenues, Metrostav (in bn CZK)
2010	488	26.2
2011	464	25.7
2012	431	26.2

While the construction market decreased year-on-year by five and seven per cent, Metrostav recorded year-on-year twice two per cent decline in revenues. Compared with other big construction companies it is a very good result.

In 2012, Metrostav clearly reasserted its leading position on the domestic construction market. Measured by its performance the Company reaffirmed its high versatility and the capability to engage in all construction segments and to operate in all regions throughout the Czech Republic. Long-term systematic marketing and commercial activities allowed the Company to persistently monitor market opportunities and to participate in selected tenders. The following figures document the Company's growing share of the construction market:

Year	Metrostav's external turnover (in bn CZK)	Construction market (in bn CZK)	Metrostav's share of the construction market in %
2010	21.14	488	4.3
2011	21.67	464	4.6
2012	20.83	431	4.8

Business in regions

The revenue generated in separate regions of the Czech Republic accounted for a substantial share of the Company's total production. Metrostav strengthened its representation offices in regions where major construction projects were under way, such as for example LEGO manufacturing complex in Kladno worth CZK 660 million, Galerie Šantovka shopping mall in Olomouc for CZK 640 million, Počeradý steam-gas power plant for CZK 365 million, new source for the Ledvice power plant and its desulphurization for CZK 250 million, Klatovy Hospital worth CZK 313 million and many other small-scale but significant projects. Road construction also ranked among major projects in regions, for example D3 motorway section between Tábor and Veselí, D8 motorway section Lovosice–Řehlovice and part of R7 speedway between Vysočany and Droužkovice. Just the above listed contracts brought one and three quarters billion crowns to the Company.

Metrostav's consistent marketing activity ensures better knowledge of the environment and higher involvement of its own staff. It helps broaden cooperation in regions with all local partners (investors, subcontractors, designers etc.), as well as with the municipal administration bodies and citizen's initiatives. Metrostav's ambition is to foster employment in regions and assist in the creation of construction activities in their initial stages because it may provide many specialized experts in all segments of the construction market.

Business abroad

The unfavourable situation in the Czech building industry has necessitated wider territorial diversification and search for placement of the Company's building potential on foreign markets. Metrostav continued monitoring the situation in the neighbouring countries, especially within Europe, and identifying potential opportunities. In addition to its subsidiaries active in Slovakia and Germany,

organizational units and offices worked in Belarus, Finland, Croatia, Poland, Serbia, Iceland and Ukraine. The Company sees greatest opportunities for increasing its presence on foreign markets especially in Slovakia and Poland – thanks to its good knowledge of the environment and similar legislation.

Metrostav's engagement and market share in Slovakia are still small. The Slovak construction market represents circa CZK 115 billion, of which Metrostav, including its subsidiary, accounts for less than one per cent. In Poland, the situation is markedly different, as the Company's market share here has continually grown for four years and in 2012 totalled CZK 1,200 billion. There is undoubtedly a large space for business, primarily in border areas. Closeness of both these differing markets, negligible language barrier and comparable legal terms are a good prerequisite for our engagement.

Major contracts realized abroad in 2012 included Teaching Hospital Košice in Slovakia, road bridge Chelmek in Poland, Logistics complex Minsk in Belarus and metro tunnels in Helsinki, Finland. Metrostav's total turnover generated outside the Czech Republic in 2012 totalled CZK 1.2 billion, including CZK 0.5 billion in Slovakia. Metrostav SK subsidiary's turnover in Slovakia amounted to another circa half a billion CZK.

Metrostav's priority is to further strengthen its top position on the Czech market. The business abroad will be developed cautiously and with prudence, primarily with respect to exposure to adequate risks only. The trustworthiness of partners will be a major decisive factor as well as provision and demonstrability of funds for the monitored project. The Company will also pay attention to legal aspects in the given country, including balance of contractual terms of the specific customer.

Potential contracts will be evaluated particularly with respect to potential deployment of the Company's core in-house technology.

Production management

Development plans and building contracts are Metrostav's traditional key components of production management in relation to the customer. The care for the development of professional, personal and moral qualities of the staff working on individual contracts is a continual process ranking high among the Company's priorities.

Metrostav has traditionally prioritized use of its own resources, whether related to personnel or technology, in order to perform contracts with maximum added value. The workforce manning the Company's core in-house technology comprises over one thousand qualified and well-tested employees – including blue collar workers as well as technical and administrative staff.

Realization of large-scale projects, in particular in infrastructure, usually represents concurrent construction of roads, bridges or tunnels, as well as special construction or redevelopment technologies. Such extensive contracts, moreover with short delivery terms, result in new needs and requirements for management methods and quality. And especially on this type of contracts the management of our engineering, production, assembly and servicing capacities is applied with maximum effect.

Major projects of the year 2012

Completed projects:

Small hydro power plant, Litoměřice

Flood protection system, Lovosice

Construction of storage complex, Loukov

Neutralization facility Diamo, Ralsko

Reconstruction of technical tunnels in the National Theatre, Prague

National Library depository, Prague

Kolín Hospital

Emergency pavilion and central entryway, Karlovy Vary Hospital

Rebuilding of senior home, Kladno

Technical University Liberec – construction of “L” building

Reconstruction of swimming stadium, Pardubice

Construction of physical therapy centre, swimming pool, Karlovy Vary

Stadium Štruncovy sady, Plzeň

Residential apartment buildings Nová Kavalírka, Prague

Administrative and residential buildings Pankrác, Prague

Apartment house, Čelákovice

Revitalization of town centre, Čelákovice

Reconstruction of building on Čs. Legií square, Pardubice

Residential complex Vackov, Prague

Reconstruction of bridge on II/610 road – Brandýs nad Labem

Reconstruction of Department Store Prior, Olomouc

Construction of manufacturing plant, Česká Lípa

R6 road Nové Sedlo – Sokolov

Access tunnels Kalasatama, Helsinki – Finland

Line gas pipes complex, Třanovice

Art residence Střížkovská, Prague

Kaufland Podbaba, Prague

Projects in progress and launched:

Repair plant Škoda Plzeň
Ringroad, Plzeň
Reconstruction of sewer system, Brno
Reconstruction of stadium, Vítkovice
New power source 660 MWe, IIIrd construction stage – Ledvice power plant
Ledvice power plant – desulphurization
Steam-gas power plant, Počeradý
Research centre, Řež
Wastewater treatment plant, Cheb
Clean Berounka – upgrade of wastewater treatment plant, Plzeň
Sewer system, Kutná Hora region
Wastewater treatment plant, Pardubice
Reclamation of ČSA north-west mine slope near Litvínov
Sewer system, Havířov
District hospital Kladno – reconstruction of monobloc (gynaecology-obstetrics ward.)
Reconstruction of the winter stadium, Jihlava
LEGO manufacturing facility, Kladno
Reconstruction of military archive building, Prague – Ruzyně
Fire station, Prague – Modřany
Kajetánka residential complex, Prague
Malešice housing estate centre, Prague
Residential building Eliška, Prague
Reconstruction and extension, boulevard Míru 60, Pardubice
Multi-function complex Trinity, Bratislava
Biotechnology pavilion M and X, Brno
Non-residential building Soukenická, Prague
Construction of Krkonoše centre for environmental education, Vrchlabí
Faculty of Civil Engineering, Technical University Brno
Bridge on I/11 road, Mokré Lazce
R7 express road Vysočany – Droužkovice
R 48 road Rychaltice – Frýdek Místek
D3 motorway Tábor – Veselí nad Lužnicí
Prague ringroad – Blanka
I/56 road Ostrava – Prodloužená Místecká – IIInd stage
Prague outer ring 512 – finishing work
Motorway section 0805 – bridges Dobkovičky, Oparno and Prackovice and Radejčín tunnels
Dobrovského tunnels – outer ringroad, Brno
Kolín ringroad

Optimalization of railway line Holešovice–Bubeneč, Prague

North-east section of Mladá Boleslav bypass road

SAT 2B tunnel for road traffic Malovanka, Prague

Trojský bridge, Prague

Karhusaari tunnels, Finland

Flood protection system, Jablonec

Sports and recreation centre Moravia Thermal, Pasohlávky

Šantovka shopping gallery, Olomouc

Copa Centrum, Prague

Construction of emergency unit, Teaching Hospital, Košice

Service zone Kozloviči, Belarus

Logistics complex Sčitomiriči, Belarus

Reconstruction of three brown-coal units – Prunéřov power plant

Administrative complex Palmovka Park II, Prague

Small hydro power plant, Štětí

Residential buildings, Prague – Kamýk

Renovation of pond Jordán, Tábor

Extension of metro line V.A, Prague

Shopping gallery Teplice

Multi-purpose complex Medox, Prague

Apartments, Medvědíň

Research institute UCEEB, Kladno

Teaching Hospital in Motol, pediatric ward, IIInd stage, Prague

Key technologies and their innovation

As in previous years, key in-house core technologies accounted for a significant share in Metrostav's overall performance in 2012. The best opportunities and the highest volume of work were carried out again in transport construction projects in Prague and the Czech Republic, as well as abroad.

Many in-house core technologies were deployed at the construction sites of the Prague ringroad – the Blanka tunnel complex, where the laying of the waterproofing system was fully in progress and, subsequently, the concreting of the final construction of diaphragm walls and other inner structures was finished. Our key task was to ensure timely handover of the construction to the supplier of technological components.

A specific part of this line construction project is a bridge spanning the Vltava River in Troja that will serve both automobiles and trams. In 2012, an extremely subtle steel-concrete pre-stressed bridge deck was construed here, and separate steel segments for the future bridge span were manufactured and transported to the construction site.

On this project, members of the realization team managed to push forward the existing capabilities in the area of handling and exact mounting of precast bridge span weldments weighing up to 700 tonnes. Our in-house manufacture of separate segments and their pre-assembly into elements determined for vertical manipulation were the best evidence of our long-standing workmanship and know-how in the field of steel structure erection.

Extension of the A line of the Prague metro from Dejvická station to Motol is the Company's another key project in progress. In November 2012, boring of the tunnels with two full-profile boring machines (TBM) was successfully completed. In addition to fast daily and monthly advance rates, this extremely efficient technology also guarantees maximum safety for the buildings located above the tunnels bored.

As far as foreign contracts are concerned – tunnelling work successfully continued on the extension of the new metro line in Helsinki. 1,635 m of rail tunnels were bored here using the "Drill and blast" method applying full-scale blasting in the tunnelling process.

Metrostav continued to closely cooperate with the Prague City Hall in the organization of Open Door Days at selected construction projects in order to present new and well-tested technologies to the public. The events documenting the progress of construction were quite popular and regularly largely attended.

Investment policy and investments made

In 2012, Metrostav focused on acquiring machinery needed for sustaining the necessary production capacities of the Company's core technology. Investments went to the renewal of machinery of technology for reinforced concrete structures of aboveground buildings and also to the development of technology of bridge structures and modernization of transportation vehicles. Total investments in 2012 amounted to CZK 81 million.

Research and development

Similarly to previous years, research and development continued in close cooperation with universities. Jointly tackled development tasks focused primarily on the improvement of technical properties of load-bearing steel-concrete structures, especially with emphasis on increasing their resistance against aggressive influences, fire and water.

In cooperation with the Faculty of Civil Engineering of the Czech Technical University Prague (ČVUT) the Science and Research (VaV) project continued for the second year. The programme focusing on increasing the durability of concrete structures exposed to extreme load is co-sponsored by the Ministry of Industry and Trade. The cost of the five-year project total CZK 16.9 million.

In connection with the expansion of new technologies for underground construction

the Company works on the development of hydro-insulation systems and construction of final load-bearing structures for tunnels. A proposal of segment steel-concrete lining for tunnel boring technology (TBM) with application of steel-fibre reinforced concrete is another example of successful cooperation with higher learning institutions.

Aside from cooperation with colleges and universities, selected 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 and the development of the TBM tunnelling technology mentioned above.

Total expenditure of the Company on research and development in 2012 amounted to CZK 3.9 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, fully complying with the ČSN EN ISO 9001 standard – held by the Company and regularly maintained since 1998. The Company's quality management system meets in all respects the European Union requirements for public projects. In 2012, ŠKODA PRAHA Invest carried out customer audit in Metrostav; the purpose of the certification was to be included in the short-list of approved suppliers for the energy sector. The award of the SA 8000 certificate proves the Company's care for its employees.

Occupational safety

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 Work Inspection Office for the fifth time.

In October 2012, an external recertification audit took place and confirmed 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 building and engineering construction. The implemented occupational health and safety has contributed to the continuous reduction of the occupational accident rate. Although construction operations involve a large share of hazardous activities, such as blasting and mining, the Company has succeeded in keeping the rate of work injuries at a much lower level than the statistical average in the Czech building industry.

Environmental policy and its implementation

Metrostav's environmental policy is based especially on the specialized knowledge and managerial skills of its top managers as well as on responsible approach to the performance of working tasks by all employees. Reduction of adverse environmental impact is part of the Company's environmental policy pursuant to the ISO 14 001 standard. In October 2012, a recertification audit was carried out resulting in the extension of the environmental management system certificate for execution of building and engineering construction in compliance with the ČSN EN ISO 14 001 standard.

In the same year, Metrostav also issued the Environmental Report conforming to the more stringent requirements of EMAS č. 1221/2009, thus demonstrating its continuous readiness to meet global environment protection requirements.

Evaluation of 2012 business results

The Company's business results for 2012 reflect positive as well as negative impact of substantial events which occurred during this period. They correspond to a large extent to acquisitions made in order to expand the portfolio of activities and to win new market segments.

Production in 2012 totalled CZK 20,826 million and the year can be considered successful. Despite a slight decline compared with the previous year, the objectives planned were met and Metrostav's position on the Czech construction market was further reinforced.

The operating result amounted to CZK 908 million and confirmed the Company's stable operating performance. In the financial results the Company recorded a loss which was caused by provisions made for the risks related to business on the Slovak construction market.

The balance sum totalled CZK 19,198 million. Against the previous period, changes were made in the internal structure of assets and liabilities which correspond to investment objectives as well as to the funding of projects in progress.

Main resolutions of the regular General Meeting in 2012

The Company's regular General Meeting held on 4 May 2012 approved annual and consolidated financial statements for the year ended 31 December 2011, the distribution of profits generated in 2011 and decided to pay out dividends for 2011 in the amount of CZK 21.50 per share. In addition, the General Meeting also approved a corporate regulation concerning reimbursement of members of Company bodies which stipulates entitlements of all members of the Board of Directors and the Supervisory Board stemming from their membership in the respective body and, possibly, in the work contract if they are simultaneously employed by the Company.

The General Meeting also approved amendment of the Articles of Association – namely addition of new items to the Company's scope of business – research, development, manufacture, destruction, disposal, processing, purchase and sale of explosives; restoration of works of art which are not cultural heritage or their parts, but are deposited in museum collections and

galleries, or if the works of art represent works of cultural value; and it further approved the amendment of the recording of the list of shareholders.

The General Meeting re-elected some members of the Board of Directors and the Supervisory Board for another term.

Information of the fulfilment of legal regulations governing labour-relations

Metrostav is a responsible employer abiding by all legal regulations governing the sphere of labour relations. The obligations of the employer and the employee 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 familiarized with them, and all necessary measures are taken by the employer to ensure their observance.

Trends in employment

In the course of 2012, the Company's headcount did not substantially change; it grew by mere one per cent against the previous year. The recorded number of employees rose from 3,166 at the end of 2011 to 3,201 as at 31 December 2012. The technical and administrative staff increased year-on-year by 37 employees, while the number of manual workers decreased by two.

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 2012, 65 university graduates and 42 secondary school graduates were hired and it reflected positively in the education and age structure of both administrative and technical staff and manual workers.

The Company continued in the systematic training of contract apprentices for future blue-collar jobs. A total of 130 contract apprentices were trained for Metrostav in selected secondary schools as bricklayers, carpenters, machinists and locksmiths to be added to work teams using core in-house technologies. Of this number 36 graduates joined Metrostav and began to work in individual divisions after completing their studies.

Improvement of employee skills

Metrostav pays great attention to the ongoing training of all employee categories.

The training programmes and courses provided to selected groups of employees and individuals are aimed in particular at gaining and deepening the knowledge of management principles, working methods and application of organizational and management documentation. Education and training events are prepared on the basis of Company needs stemming from the corporate strategy, annual evaluation of staff, and in close cooperation with the Company management and heads of divisions. The average training time per employee in 2012 represented 3.61 days in case of technical and administrative staff and, in case of manual workers, 1.84 day.

Systematic collaboration with partnering universities and selected secondary schools has very positively influenced the quality of employee training.

The system of foreign language course is aimed at preparing employees for the implementation of the Company's contracts abroad. In the previous period the number of employees certified under European standards increased to 506. Intensive language training was launched for selected working teams prior to their assignment abroad.

Special attention within the scope of employee training was paid to the preparation of so-called personnel reserves for key management positions. In 2012, about 80 posts were filled by the newly trained managers.

Employee healthcare

In the course of 2012, all employees subject to mandatory physicals were examined at the medical facility. The medical care provider monitored conditions at workplaces and their impact on the health of employees, ensured inspections at workplaces and organized first-aid courses.

Wages

Despite the ongoing downturn in the building industry and the related pressure on the reduction of personnel costs in particular, the

average monthly earnings per employee in 2012 totalled CZK 45,122, i.e. against 2011 they increased by 2.7 per cent.

Collective Agreement

The obligations of the employer and trade union organization ensuing from Metrostav's Collective Agreement for 2012 were fully met. In December 2012, a Model Collective Agreement for 2013 was concluded. Within the Framework of the Model Agreement, the Company's Board of Directors and Metrostav trade union representatives signed the Collective Agreement for 2013. Regular monthly meetings of the Company and trade union representatives were held in a constructive manner, with the maximum effort on both sides to maintain social stability and prevent any potential disputes.

Employees facing an extremely difficult situation during the year received contributions from the Company's Social Assistance Fund. In 2012, financial aid was provided to 169 employees.

The country's economic development did not take a turn for the better in 2012. Among other things, it mirrored in the lowering of funds given by Metrostav to charity, sponsoring and the support of non-profit organizations.

Despite this situation, our Company spent more than 6.5 million crowns on its long-term programmes of aid to the needy. As a result, Metrostav occupied the 11th place in the category of Leading Corporate Donors providing the highest funds for the solution of social problems and the support of societies beneficial for the public in the TOP Responsible Firm 2012 competition. And in the Firm Friendly to Seniors category which was included under the auspices of the Czech Republic's Ministry of Labour and Social Affairs on the occasion of the European Year of Active Ageing and solidarity between generations, Metrostav placed third for its support provided to the Metrostav's Senior Club.

The Company's regular event "Donate your blood with Metrostav is another evidence of solidarity. In 2012, Metrostav's employees donated blood for the 13th and 14th time. Over the seven-year existence of this event, more than 300 litres of this life-saving fluid was donated under the supervision of doctors and nurses in the Central Military Hospital in Prague. And what's more, several colleagues agreed to be entered in the register of marrow donors. Quite a few of the Company employees also regularly contribute to the Barriers Account (Konto bariéry) or support various charitable projects in the developing countries.

Charity

Metrostav has supported for a long time various organizations including day-care centres for the handicapped, the SANANIM civic association which provides services in the area of prevention, care and treatment of addiction to non-alcoholic drugs, as well as the Children's Crisis Centre civic association providing comprehensive psychological and social care for tortured, abused and neglected children. Metrostav

also helps many other organizations that help the youngest children. To name a few, it is for example the foundation Our Child that protects and helps children in difficult and crisis situations, the Borůvka, Borovany civic association which focuses on assistance to families with severely physically handicapped children, seniors and the handicapped. Another recipient of Metrostav's support is the DMO Pobyty Mladá Boleslav society which teaches the handicapped affected by polio how to become independent and live an active life. Metrostav pays attention to specialized schools and cooperates for example with DUHA Praha, a kindergarten with special classes. The Company also donated used cars to several non-profit societies that take care of immobile clients.

Other partners of the Company include St. John of Nepomuk hospice in Prachaticce and Hospice of Agnes of Bohemia in Červený Kostelec, non-governmental health facility Centrin CZ in Zruč nad Sázavou which operates a senior home, Foundation Charta 77, Mental Clinic Bohnice and Teaching Hospital in Motol. Rehabilitation facility Kladruby, o.s. Life without Barriers Nová Paka, protected housing Sluneční domov Praha and Foundation for the support of employment of the handicapped could also count on Metrostav's help last year.

Training

Metrostav has for a long time wrestled with lack of skilled workers. Therefore, as one of the first among large companies, it established a long-term collaboration with the Secondary Technical and Vocational School in Prague 4 – Zelený pruh, the Secondary Technical and Building School in Ústí nad Labem and with Secondary Vocational Building School in Brno – Bosonohy and supports students of building specializations. Each year it grants scholarships to several tens of selected students, provides the opportunity of practical training on its construction sites and, afterwards, the certainty of employment.

The Company actively cooperates with specialized secondary learning institutions

High School Gočárova and High School Dušní in Prague. The firm has also traditionally partnered with the faculties of Civil Engineering, Architecture and Mechanical Engineering of the Czech Technical University (ČVUT), Civil Engineering faculty of the Technical University (VUT) Brno and the Mining University (VŠB) Ostrava and the Faculty of Business Administration of the University of Economics Prague. The cooperation with the Czech University of Agriculture in Prague – Suchbátka has recently developed quite favourably, too. During long-term training sessions Metrostav provides an opportunity to students to get acquainted with corporate processes and projects management, and to get to know the corporate culture – to facilitate their adaptation after the commencement of employment.

With the aim to cultivate the industry and inform professionals Metrostav participated as a partner or co-organizer in a number of scientific conferences, exhibitions, seminars and symposia. It also partnered the event Week of Science and Technology which is regularly held by the Czech Republic's Academy of Sciences.

Culture

Metrostav financially supports an array of national and regional cultural events. The most significant of them in 2012 comprised the Letná in Summer project, the Between the Fences Festival of Theatre and Music, the retrospective exhibition of works of sculptor and painter Karel Nepřas and the international festival against totalitarianism Mene Tekel.

Outside Prague, the Company traditionally supported events such as Historical Weekend in Plzeň, Celebrations of the Golden Salt Train in Prachaticce, Meetings in Tábor Festival, Slovak Folklore Festival in Rožnov pod Radhoštěm Jánošík's ducat, 12th Symposium of Contemporary Art in Kutná Hora, Christmas Fair in Cheb, 10th Wine Growing Litoměřice exhibition and Rock for Žatec.

As in previous years, Metrostav supported leading theatres including for example Na zábradlí Theatre and Dejvické Theatre, as well as many promising young artists.

Sports

In 2012 Metrostav continued cooperating with “its” stars – javelin thrower Barbora Špotáková, badminton player Petr Koukal, beach volleyball players Kristýna Kolocová and Markéta Sluková, and speed skater Martina Sáblíková. Metrostav’s “stable” also includes young acrobatic skier Tereza Vaculíková and promising downhill skiers Kryštof Krýzl and Filip Trejbal.

The Company also sponsored a number of teams of collective sports in various categories in regions where its construction divisions operate. The recipients of sponsorship were for example basketball clubs BK Klatovy, Lokomotiva Karlovy Vary and Slovan Ústí nad Labem, football clubs FC Dosta Bystrc-Kníničky and FK Baumiť Jablonec, handball teams Lokomotiva Plzeň and Lokomotiva Liberec, Table Tennis Club Karviná, hockey teams HC Kometa Brno, HC Vítkovice, HC ČSOB Pojišťovna Pardubice and HC Tábor, tennis SK Motorlet Jinonice, Pošumavský AMK Klatovy, Ski Foinia Plzeň, Cykloteam Ostrov, TJ Sokol Postupice and volleyball TJ Hradec Králové. And handicapped sportsmen, for example members of SC Jedličkova ústavu, were not forgotten.

Board of Directors

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

Supervisory Board

Jindřich Hess	Chairman of the Supervisory Board	Member since 11 May 2007
	* 1940	Chairman since 11 May 2007
	Czech Technical University, Prague – Faculty of Civil Engineering	
	Vice-President, DDM Group Presidium	
Viliam Turanský	Vice-Chairman of the Supervisory Board	Member since 5 May 2006
	* 1941	Vice-Chairman since 11 May 2007
	Slovak University of Technology, Bratislava – Faculty of Civil Engineering	
	Vice-President, DDM Group Presidium	
Viktor Karel	Member of the Supervisory Board	Member since 11 October 2000
	* 1942	
	Slovak University of Technology, Bratislava – Faculty of Civil Engineering	
	Officer, Administrative Board, DDM Group	
Jiří Karnet	Member of the Supervisory Board	Member since 23 July 2010
	* 1968	
	University of Economics, Prague – Faculty of Production and Economics	
	Head of Accounting, Metrostav a.s.	
Pavel Meyer	Member of the Supervisory Board	Member since 20 July 1993
	* 1949	
	Secondary Technical School of Mining	
	Chairman of Basic Organization of the Construction Union in Metrostav a.s.	
František Potisk	Member of the Supervisory Board	Member since 11 May 2007
	* 1944	
	Slovak University of Technology, Bratislava – Faculty of Civil Engineering	
	Director, Property and Development Projects DOAS CZ, a.s.	

As at 31 December 2012

Audit Committee

Miroslav Pánek	Chairman	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.	
Tomáš Brumovský	member	Member since 29 September 2009
	* 1948	
	University of Economics, Prague – Faculty of Business Administration	
	Auditor	
Jiří Karnet	Member	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****Proxy holders****Jiří Bělohav****Zdeněk Šinovský****Chief officers****Ivan Hrdina****Chief Production and Technology Officer****Miroslav Pánek****Chief Economic Officer****Milan Veselský****Chief Sales Officer****Josef Škorpil****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****Václav Soukup****Director, Division 5****Jan Čuc****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**

Consolidated Income Statement (in CZK thousand)

	Note	2012	2011
Sales	1	26,165,750	25,719,468
Other operating income	2	509,071	394,390
Total operating income		26,674,821	26,113,858
Change in inventory of finished goods and work in progress		-132,507	-96,247
Raw materials and consumables used		20,777,775	20,907,054
Staff costs	3	3,212,809	3,222,484
Depreciation, amortization and impairment charges	7, 8, 9	588,750	414,810
Other operating expenses	2	791,295	634,689
Total operating expenses		25,238,122	25,082,790
PROFIT FROM OPERATIONS		1,436,699	1,031,068
Finance income	4	130,025	316,275
Finance costs	4	161,722	96,882
Share of results of associates and joint ventures using the equity method	10	-664,358	-120,100
PROFIT BEFORE TAX		740,644	1,130,361
Income tax payable	5	305,872	262,967
NET PROFIT FOR THE YEAR		434,772	867,394
Attributable to:			
Equity holders of the Company		431,626	862,999
Minority interest		3,146	4,395
Net profit		434,772	867,394

Consolidated Statement of Comprehensive Income

	2012	2011
After-tax profit	434,772	867,394
Exchange rate differences	38,974	23,960
Comprehensive income for the year	395,798	891,354
Attributable to:		
– Equity holders of the Company	392,652	886,959
– Minority interest	3,146	4,395

Consolidated Balance Sheet (in CZK thousand)

ASSETS	Note	At 31 December 2012	At 31 December 2011
NON-CURRENT ASSETS			
Property, plant and equipment	9	2,168,518	1,853,448
Investment property	8	307,551	281,581
Intangible assets	7	155,491	36,905
Goodwill	11	35,534	35,534
Investments in associates and joint ventures	10	2,163,175	2,610,188
Deferred tax asset	21	336,778	457,505
Receivables	12	1,244,871	1,231,234
Total non-current assets		6,411,918	6,506,395
CURRENT ASSETS			
Inventories	15	1,531,350	1,598,800
Receivables and other current assets	14	9,106,097	8,509,445
Income tax receivable	14	93,264	66,183
Amounts due from customers	16	593,830	330,941
Cash and cash equivalents	13	5,577,833	6,630,455
Total current assets		16,902,374	17,135,824
TOTAL ASSETS		23,314,292	23,642,219

EQUITY AND LIABILITIES	Note	At 31 December 2012	At 31 December 2011
CAPITAL AND FUNDS ATTRIBUTABLE TO PARENT COMPANY OWNERS			
Share capital	22	790,667	790,667
Statutory reserve fund		159,481	159,481
Currency translation differences and other funds		143,657	182,631
Retained earnings		6,378,101	5,681,747
Net profit for the year		431,626	862,999
Total equity attributable to parent company owners		7,903,532	7,677,525
Minority interest		113,087	108,721
Total equity		8,016,619	7,786,246
NON-CURRENT LIABILITIES			
Borrowings	18	73,545	1,998
Other liabilities	20	2,576,869	1,956,613
Provisions	19	397,195	274,491
Total non-current liabilities		3,047,609	2,233,102
CURRENT LIABILITIES			
Trade and other payables	17	9,324,732	9,942,199
Borrowings	18	746,261	667,421
Amounts due to customers	16	1,789,475	2,517,456
Provisions	19	389,596	495,795
Total current liabilities		12,250,064	13,622,871
TOTAL EQUITY AND LIABILITIES		23,314,292	23,642,219

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
Balance as at 1 January 2011	790,667	159,481	158,671	5,840,692	6,949,511	116,497	7,066,008
Net profit for the year	0	0	0	862,999	862,999	4,395	867,394
Other comprehensive income:							
Exchange rate differences	0	0	23,960	0	23,960	0	23,960
Total recognized income for 2011	0	0	23,960	862,999	886,959	4,395	891,354
Other movements*	0	0	0	11,048	11,048	-12,171	-1,123
Dividend for 2010	0	0	0	-169,993	-169,993	0	-169,993
Balance at 31 December 2011	790,667	159,481	182,631	6,544,746	7,677,525	108,721	7,786,246
Net profit for the year	0	0	0	431,626	431,626	3,146	434,772
Other comprehensive income:							
Exchange rate differences	0	0	-38,974	0	-38,974	0	-38,974
Total recognized income for 2012	0	0	-38,974	431,626	392,652	3,146	395,798
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
Balance at 31 December 2012	790,667	159,481	143,657	6,809,727	7,903,532	113,087	8,016,619

* Other movements include mainly statute-barred dividend and in 2012 als a minority interest transaction.

Balance Sheet for the Year Ended 31 December 2012 (in CZK thousand)

Ref.	ASSETS	At 31 December 2012		At 31 December 2011	
		Gross	Provision	Net	Net
	TOTAL ASSETS	22,642,792	-3,444,464	19,198,328	19,250,827
B.	Fixed assets	6,995,563	-2,758,438	4,237,125	4,386,859
B. I.	Intangible fixed assets	146,937	-136,256	10,681	11,690
B. I.	1. Software	137,829	-127,968	9,861	10,024
	2. Other intangible fixed assets	8,846	-8,288	558	700
	3. Intangible fixed assets in the course of construction	262	0	262	966
B. II.	Tangible fixed assets	2,132,597	-1,834,873	297,724	685,410
B. II.	1. Land	299	0	299	299
	2. Construction	48,805	-40,463	8,342	8,698
	3. Equipment	1,781,869	-1,556,263	225,606	564,471
	4. Other tangible fixed assets	294,396	-238,147	56,249	92,758
	5. Tangible fixed assets in the course of construction	7,228	0	7,228	15,184
	6. Advances paid for tangible fixed assets	0	0	0	4,000
B. III.	Long-term investments	4,716,029	-787,309	3,928,720	3,689,759
B. III.	1. Investments in controlled entities / subsidiaries	3,335,467	-248,624	3,086,843	2,558,897
	2. Investments in associates	1,377,611	-538,685	838,926	1,125,780
	3. Other long-term investments in securities	2,950	0	2,950	2,950
	4. Long-term investments in progress	1	0	1	2,132
C.	Current assets	15,387,335	-686,026	14,701,309	14,684,990
C. I.	Inventories	337,673	-13,451	324,222	194,630
C. I.	1. Raw materials	36,703	-697	36,006	40,432
	2. Work in progress and semi-finished products	276,886	-1,230	275,656	142,906
	3. Goods	22,779	-11,524	11,255	11,255
	4. Advances paid for inventories	1,305	0	1,305	37
C. II.	Long-term receivables	1,533,446	0	1,533,446	1,321,569
C. II.	1. Trade receivables	1,055,826	0	1,055,826	738,096
	2. Receivables – controlled or controlling entity	16,535	0	16,535	125,000
	3. Receivables from shareholders/owners	17,237	0	17,237	21,472
	4. Long-term advances paid	182	0	182	208
	5. Deferred tax receivables	443,666	0	443,666	436,793

Ref.	ASSETS	At 31 December 2012		At 31 December 2011	
		Gross	Provision	Net	Net
C. III.	Short-term receivables	8,486,075	-672,575	7,813,500	7,244,348
C. III. 1.	Trade receivables	6,887,315	-624,672	6,262,643	5,874,770
	2. Intragroup receivables	837,612	0	837,612	604,081
	3. Receivables from associates	0	0	0	1,933
	4. Receivables from shareholders/owners	144,230	0	144,230	103,069
	5. Taxes and state subsidies receivable	181,613	0	181,613	459,138
	6. Short-term advances paid	335,766	-43,000	292,766	60,452
	7. Estimated receivables	76,897	0	76,897	115,170
	8. Other receivables	22,642	-4,903	17,739	25,735
C. IV.	Short-term financial assets	5,030,141	0	5,030,141	5,924,443
C. IV. 1.	Cash in hand	835	0	835	1,094
	2. Cash at bank	4,299,505	0	4,299,505	4,729,542
	3. Short-term investments	729,801	0	729,801	1,193,807
D. I.	Accruals and deferrals	259,894	0	259,894	178,978
D. I. 1.	Prepaid expenses	227,018	0	227,018	164,571
	2. Accrued revenues	32,876	0	32,876	14,407

Ref.	LIABILITIES	At 31 December 2012	At 31 December 2011
	TOTAL LIABILITIES AND EQUITY	19,198,328	19,250,827
A.	Equity	6,282,068	6,202,444
A. I.	Share capital	790,667	790,667
A. I. 1.	Share capital	790,667	790,667
A. II.	Capital contributions	138,024	164,455
A. II. 1.	Other capital contributions	250	0
	2. Assets and liabilities revaluation	137,774	164,455
A. III.	Reserve funds, non-distributable reserves and other reserves	159,481	159,481
A. III. 1.	Statutory reserve fund	159,481	159,481
A. IV.	Retained earnings	4,905,318	4,383,387
A. IV. 1.	Retained profits	4,905,318	4,383,387
A. V.	Profit (loss) for the current period	288,578	704,454
B.	Liabilities	12,130,814	12,287,568
B. I.	Provisions	1,932,827	2,162,101
B. I. 1.	Tax-deductible provisions	350,897	242,900
	2. Other provisions	1,581,930	1,919,201
B. II.	Long-term liabilities	2,570,212	1,768,147
B. II. 1.	Trade payables	2,191,090	1,733,703
	2. Liabilities to partners and group members	29,780	10,430
	3. Long-term advances received	347,936	23,461
	4. Other payables	1,406	553
B. III.	Short-term liabilities	7,627,775	8,357,320
B. III. 1.	Trade payables	5,568,657	6,943,585
	2. Liabilities to shareholders/owners	197,007	175,862
	3. Liabilities to employees	165,551	107,900
	4. Liabilities for social security and health insurance	69,467	56,837
	5. Taxes and state subsidies payable	29,563	18,790
	6. Short-term advances received	241,446	289,848
	7. Estimated liabilities	1,353,268	749,477
	8. Other liabilities	2,816	15,021
C. I.	Accruals and deferrals	785,446	760,815
C. I. 1.	Accruals	313,221	216,018
	2. Deferred revenue	472,225	544,797

Income Statement for the Year ended 31 December 2012 (in CZK thousand)

Ref.	TEXT	Year	
		2012	2011
I.	Sales of goods	65	0
A.	Cost of goods sold	62	0
+	Profit margin	3	0
II.	Sales of production	20,826,075	21,674,888
II.	1. Sales of own products and services	20,656,063	21,491,000
	2. Change in inventory of finished goods and work in progress	149,634	104,992
	3. Own work capitalized	20,378	78,896
B.	Cost of sales (production consumption)	17,142,435	17,753,354
B.	1. Raw materials and consumables	14,791,375	15,217,541
	2. Services	2,351,060	2,535,813
+	Added value	3,683,643	3,921,534
C.	Staff costs	2,310,297	2,271,797
C.	1. Wages and salaries	1,703,976	1,654,328
	2. Emoluments of board members	9,120	9,120
	3. Social security and health insurance costs	513,510	521,605
	4. Other social costs	83,691	86,744
D.	Taxes and charges	21,809	16,321
E.	Depreciation of intangible and tangible fixed assets	438,868	277,092
III.	Sale of fixed assets and raw materials	168,649	96,847
III.	1. Sale of fixed assets	9,195	45,125
	2. Sale of raw materials	159,454	51,722
F.	Net book amount of fixed assets and raw materials sold	144,873	88,344
F.	1. Net book amount of fixed assets sold	4	39,322
	2. Raw materials sold	144,869	49,022
G.	Increase (+)/decrease (-) in operating provisions and complex prepaid expenses	-43,230	384,447
IV.	Other operating income	196,294	137,527
H.	Other operating costs	267,486	261,233
*	Operating profit/loss	908,483	856,674
VI.	Income from sales of securities and shares	1,447	0
J.	Securities and shares sold	1,075	0
VII.	Income from long-term investments	90,440	84,440
VII.	1. Income from investments in controlled entities / subsidiaries and associates	90,440	84,440
L.	Costs of securities and derivatives revaluation	760	7,598

Ref.	TEXT	Year	
		2012	2011
M.	Increase (+) / decrease (-) in fi nancial provisions and complex prepaid expenses	533,208	46,141
X.	Interest income	43,717	43,464
N.	Interest expense	2	1,333
XI.	Other financial revenues	44,388	39,576
O.	Other financial expenses	92,952	112,055
*	Financial profit / loss	-448,005	353
Q.	Income tax on ordinary activities	171,900	152,573
Q.	1. - due	179,467	261,585
	2. - deferred	-7,567	-109,012
**	Profit / loss on ordinary activities	288,578	704,454
***	Profit / loss for the year	288,578	704,454
****	Profit / loss before tax	460,478	857,027

Metrostav a.s.	
Subterra a.s.	Building production
STAVEBNÍ OBNOVA ŽELEZNIC a.s.	
TERRAFIN GROUP, a.s., group of companies	
Metrostav SK a.s.	
Bytový dom Nejedlého, s.r.o.	
PRAGIS a.s.	
Doprastav, a.s. group of companies	
Metrostav Háfell ehf	
Metrostav Deutschland GmbH	
MVE Štětí a.s.	
B E S s.r.o.	
DSH - Dopravní stavby, a.s.	
METROS, s.r.o.	Services
SQZ, s.r.o.	
CCE Praha, spol. s r.o.	
CCE Bratislava, spol. s r.o.	
TBG METROSTAV s.r.o.	
TBG Pražské malty, s.r.o.	
TBG Doprastav, a.s.	
Pražské betonpumpy a doprava s.r.o.	
PK Doprastav, a.s.	
Doprastav Asphalt, a.s.	
Metrostav Development a.s.	Property development
Metrostav Facility s.r.o.	
Metrostav Vackov a.s.	
Metrostav Delta s.r.o.	
Metrostav Kappa s.r.o.	
IMU, a.s.	
Metrostav Invest Ostrava s.r.o.	
Nová Michle a.s.	
Metrostav Rezydent a.s.	
Metrostav Alfa s.r.o.	
Metrostav Epsilon s.r.o.	
METROSTAV-PROMINECON a.s.	
Apartmány Rokytnice a.s.	
Prague Military Hospital Concession HoldCo, a.s.	
Prague Military Hospital Concession, a.s.	
Prague Military Hospital Concession HotelCo s.r.o.	
Metrostav Nemovitostní, uzavřený investiční fond, a.s.	Other
Metrostav Group	
Controlled companies	
Other companies in which Metrostav a.s. holds direct or indirect interests	

S u b t e r r a a.s.	Bezová 1658, 147 14 Prague 4
STAVEBNÍ OBNOVA ŽELEZNIC a.s.	Libušina 554/103, 772 00 Olomouc
TERRAFIN GROUP, a.s.	U Rakovky 849, 148 00 Prague 4
Metrostav SK a.s.	Mlynské Nivy 68, 824 77 Bratislava, SR
PRAGIS a.s.	Budovatelská 286, 190 15 Prague 9 – Satalice
Doprastav, a.s.	Drieňová 27, 826 56 Bratislava, SR
Metrostav – Háfell ehf	Skeifunni 11, Reykjavík 108, Iceland
Metrostav Deutschland GmbH	Falkensturmstrasse 14, 803 31 Munich, Germany
B E S s.r.o.	Sukova 625, 256 01 Benešov
DSH - Dopravní stavby, a.s.	Vídeňská 264/120b, 619 00 Brno
METROS, s.r.o.	Bystrá 2243, 193 00 Prague 9
SQZ, s.r.o.	Rohanský ostrov 1, 186 00 Prague 8
CCE Praha, spol. s r.o.	Koželužská 2246, 180 00 Prague 8
CCE Bratislava, spol. s r.o.	Mlynské Nivy 70, 821 05 Bratislava, SR
TBG METROSTAV s.r.o.	Rohanské nábřeží 68, 186 00 Prague 8
TBG Pražské malty, s.r.o.	Rohanské nábřeží 68, 186 00 Prague 8
TBG Doprastav, a.s.	Košická 52, 821 08 Bratislava, SR
Pražské betonpumpy a doprava s.r.o.	Rohanský ostrov, 186 00 Prague 8
PK Doprastav, a.s.	Kragujevská 11, 010 01 Žilina, SR
Doprastav Asfalt, a.s.	Hronská 1, 960 93 Zvolen, SR
Metrostav Development a.s.	Zenklova 2245/29, 180 00 Prague 8
Metrostav Facility s.r.o.	Zenklova 2245/29, 180 00 Prague 8
Metrostav Vackov a.s.	Zenklova 2245/29, 180 00 Prague 8
Metrostav Delta s.r.o.	Zenklova 2245/29, 180 00 Prague 8
Metrostav Kappa s.r.o.	Zenklova 2245/29, 180 00 Prague 8
IMU, a.s.	Zenklova 2245/29, 180 00 Prague 8
Metrostav Invest Ostrava s.r.o.	Zenklova 2245/29, 180 00 Prague 8
Nová Michle a.s.	Zenklova 2245/29, 180 00 Prague 8
Metrostav Rezident a.s.	Zenklova 2245/29, 180 00 Prague 8
Metrostav Alfa s.r.o.	Zenklova 2245/29, 180 00 Prague 8
Metrostav Epsilon s.r.o.	Zenklova 2245/29, 180 00 Prague 8
METROSTAV-PROMINECON a.s.	Zenklova 2245/29, 180 00 Prague 8
Apartmány Rokytnice a.s.	Zenklova 2245/29, 180 00 Prague 8
Prague Military Hospital Concession HoldCo, a.s.	Jugoslávská 620/29, 120 00 Prague 2
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This publication is not published as an Annual Report complying with applicable legislation.

The Company's financial statements for 2012 and consolidated financial statements for 2012 were audited by PricewaterhouseCoopers Audit, s.r.o., which expressed its unreserved opinion.

The illustration on title page refers to Metrostav 2013 wall calendar awarded in the Calendar of the year 2013 competition.