

THE COMPANY'S STANDING ON THE CONSTRUCTION MARKET

The Czech Republic's construction market recorded significant growth in 2001, with output rising by 9.6%. The main reason for this was the recovery in public orders and construction resulting from foreign direct investment. Metrostav succeeded in surpassing this rate of growth by increasing its production year-on-year by 41%. The Company held its own in a competitive environment made up of Czech construction companies boosted by capital injections from top European construction companies and achieved higher growth than any of its competitors. With output worth CZK 10.5 billion, it accounted last year for around 4% of the Czech construction market which, according to the Czech Statistical Office, totalled overall CZK 264 billion. In terms of output Metrostav is the third biggest construction company in the Czech Republic. This success was also made possible by the agreement between the Company and the Slovak companies DOAS a.s. and Doprastav a.s. on coordination of their activities. 2001 saw the emergence of a group of companies called the DDM Group which, because of its ability to cover all segments of the construction market and also the technical level and quality of its human and its technical capacities, can hold its own in increasingly more difficult market conditions in both republics.

MAIN AREAS OF ACTIVITY

Metrostav is a universal construction company specialising in work requiring the use of mining methods, underground construction, reinforced concrete skeletons and reconstruction, including the difficult work of restoring historic buildings and protected memorials and monuments. It operates in all segments of the construction market and has enjoyed a very good reputation for many years for its work on community, transport, industrial and water management projects.

The Company's main product is construction projects, in which Metrostav is usually employed as a general contractor and for which it has been awarded an international certificate.

Metrostav is also developing its activities as a property developer either directly or through its subsidiaries.

ACHIEVING ITS BUSINESS GOALS

Its business goals for 2001 were achieved, and the Company is also gradually succeeding in achieving the following strategic long-term aims:

- consolidating its position on the construction market,
- consolidating its position on the transport construction market,
- penetrating the Slovak construction market.

During 2001 the Company adopted important measures which enabled it to increase its volume of orders.

Metrostav successfully completed a great many major construction projects in 2001, several of which are referred to in this

Annual Report. Many of these have been so successful that they have attracted the attention of both the lay and specialist public. For example, our conversion of a former factory complex into the modern CORSO administrative centre at Karlín won the "Building of the Year 2001" award, and our OK System administrative building was nominated for the same award. The Company also received the award "Prague Investor of 2000" for its Palmovka Park administrative centre development project.

Since last year Metrostav has also been the holder of a National Security Council classified information protection certificate.

REGIONAL BUSINESS

In 2001 Metrostav made significant progress in consolidating and extending its activities in the regions. The Company is fully established in Plzeň, where it has been working on various projects for over five years. It has seen a dynamic increase in its activities in all segments of the construction market in the Ústí nad Labem, Pardubice and South Moravian regions. Among the most important of its regional projects are:

Plzeň region – TESCO hypermarket, Plzeň, the Valík trial gallery on the D5 motorway, bridging of the main railway station in Plzeň

Ústí region – decontamination of the chemical waste storage site at Chabařovice, relaying of track and the Chomutov–Březno railway tunnel, the Roudnice nad Labem navigation chamber

Pardubice region – reconstruction of the winter stadium at Pardubice

South Moravian region – Dobrovsky's trial galleries in Brno

The results achieved show that Metrostav's business strategy in the Czech Republic's regions is a success. Its further extension and perfection, together with the need to systematically form quality and highly-skilled work teams, has been incorporated into the firm's operational system.

BUSINESS ABROAD

Another key element in the Company's expansion is its business activities abroad. Special attention has therefore been devoted to the construction market in the Slovak Republic, where the firm can draw on the experience of Doprastav a.s. In 2001, work continued in Slovakia on a trial gallery and escape-way adit for the motorway tunnel at Višňové, and the joint Metrostav–Doprastav project for construction of a TESCO supermarket in Žilina was completed.

All of Metrostav's marketing and sales activities are being co-ordinated by the DDM Group in order to make them more efficient.

During 2001, a bid was made for a contract to line the Euerwang tunnel in the Federal Republic of Germany. Metrostav is one of the companies which have been building the tunnel since 1999. Metrostav has also bid for NATO construction tenders.

ATTITUDE TO CUSTOMERS

In all of its activities Metrostav stresses the importance of upholding the principles of correct conduct. It knows that in the strongly competitive environment of the Czech construction market only the contractor who honours the delivery dates, quality, prices and other requirements of the investor can succeed. The basic attitude to all partners is summed up in our credo: "We keep our word!" Very special care is devoted to preparing and fulfilling contracts. Metrostav is also prepared to act on the quite specific requirements of investors and to offer new approaches and original technology for realization of their plans.

NEW TECHNOLOGY

The Company uses progressive construction technology which allows it to work to the highest user parameters or cut costs. Its innovative approach to concrete construction work is shown by its use of new kinds of concrete, its adaptations of steel braces, its more efficient approach to construction and its suggestion of alternative technical solutions, both during construction and/or at its final stage.

An example from the structures completed in 2001 is the arch bridge on the Prague ring road (Structure 517). The construction proposed in the order was completely redesigned and a system suggested by Metrostav was included in the project plans. Apart from making its construction easier and improving its static operation and overall appearance, non-traditional laminate formwork elements were used and the concrete was of a higher grade than that proposed in the original design. This structure was very much in tune with today's concern for sustainable development, lower consumption of materials and increased durability, and hence reduced demand for energy.

A second example is the tunnels constructed under the River Vltava for line IVC1 of the Prague Metro. Even though the final construction of the tunnels corresponds to the original plan, a change in the construction equipment suggested by Metrostav significantly shortened the period of construction, reduced interference with the bed and banks of the river and also reduced the cost. The risk of serious consequences in the event of a flood or natural disaster was diminished, and boat traffic on the river was subject to only minimal disruption. The quality of the tunnel tubing is higher thanks to the use of hydro-construction concrete, which meant that there was no need to use relatively expensive hydro-insulation. Dry-dock construction of the tunnel tubing was also appropriate from the point of view of transporting the material and organising the work at the site. Moving the tubes ourselves, which was one of the riskiest operations, took only nine hours. Successful completion of the first slip-in tunnel required especially careful preparation of the whole structure. The latest computer resources based on the final element method, probability procedures and risk analysis were used to design the relocation

equipment. A condition of the work being done was application of the latest research on concrete technology and concreting and use of modern hydraulic equipment, measuring devices and the very best-quality geodetic methods and instruments.

The technique used is protected in the Czech Republic as part of Metrostav's intellectual property by Utility Model No. 9509 ("Equipment for making of concrete construction objects on river beds"). The process of registration of this Utility Model at the patents office has still not been completed.

QUALITY CONTROL

Metrostav has established a highly developed quality control system which is laid down in its Order Processing Manual. This aspect of the Company's work is constantly monitored at all of its construction sites, as investor confidence and the fact that investors place further orders demonstrate. The quality control system is fully comparable with the systems used on the international construction market, as has often been confirmed during the Company's co-operation with experienced foreign partners – for example, on buildings for international retail chains and business administration centres. All of the Company's key technology is certificated. Individual certification is covered by the quality control certificate for general construction contracting awarded to the Company by the highly-respected London-based transnational company BUREAU VERITAS QUALITY INTERNATIONAL (BVQI), which is part of the transnational holding company BUREAU VERITAS. This certificate expired in March 2001 and successful re-certification took place in the first days of February 2001 with the result that the certificate's validity was extended until December 2003. In the area of production and assembly of steel constructions, our Major Competence Certificate for Czech Railways was extended and a European welding system to CSN EN 729 standards introduced. At the end of 2001, after the successful completion of EMS certification procedures according to ISO 14001 in November and December, the Company was awarded a 3-year certificate for co-ordinating and managing production, property management and property development.

PROPERTY DEVELOPMENT

Property development is a continuing feature of Metrostav's business activities. A special division for this work has been set up and in 2001, as part of METROSTAV INTERTRADE a.s., it completed the "Bydlení Cibulka" project and, under the direction of the Board of Directors, continued to prepare for a number of other projects. These include work on the already-started Villa Park project at Strahov and on the Galerie Nad Vltavou and Tichá Šárka housing projects, which have already been prepared.

In line with Metrostav's adopted strategy, these development projects are carried out by subsidiary companies, which allows optimal financial and business transparency. Their realization corresponds to the property development strategy for the period up to 2005.

The Company's property development results confirm its good reputation as a developer and viable and respected partner.

Year	Underground work, excluding metro	Metro and related structures	Community and residential buildings
1996	536673	1287992	532334
1997	599296	1406867	1474376
1998	450068	1432655	1286486
1999	799408	408313	2586697
2000	1527006	704584	1300973
2001	2029557	1270655	2572564

UNDERGROUND WORK,
EXCLUDING METRO

METRO AND RELATED
STRUCTURES

COMMUNITY AND
RESIDENTIAL BUILDINGS

CONSTRUCTION WORK (CZK 000)

1687965

1407554

1056816

820705

696062

1177448

931999

1896754

1174763

2310656

1053222

3106606

INDUSTRIAL AND
STRUCTURAL ENGINEERING

RECONSTRUCTION

INVESTMENT POLICY

The Company carries out an active investment policy and invests in the key areas of its production. In 2001, for example, its biggest investments were in high-performance equipment for boring and timbering tunnels. This followed earlier major investments in the information system and construction of a new head office.

Details of the main investments in the past four years can be found on page 45-46.

RESULTS

The Company's results in 2001 were outstandingly good. A year-on-year comparison of the basic indicators shows a highly positive trend of increased output of nearly 41%. This was matched by an increase in both operating profit and profit for the accounting period. Against all expectations there was also a higher rate of return on capital. Per capita added value also rose, despite a modest fall in the ratio of added value to output. Labour productivity increased significantly, substantially overtaking the rise in average earnings. As in previous years and in 2001, the Company applies strict criteria in the area of reserve policy.

The positive trend in the Company's key indicators contributed significantly to consolidation of the Company's positions and stability.

SELECTED FINANCIAL INDICATORS

Profitability ratios

	indicator	1998	1999	2000	2001
Return on assets	%	8.06	6.16	6.08	6.19
Return on output	%	4.56	2.91	3.10	2.87
Share of added value in output	%	23.83	16.38	18.74	15.27
Output growth		0.96	1.27	1.05	1.41
Output per employee	CZK	1,725,720	2,372,745	2,574,141	3,600,856
Added value per employee	CZK	411,248	388,564	482,382	549,836
Wages to added value coefficient		0.48	0.55	0.49	0.46

Structure of assets

	indicator	1998	1999	2000	2001
Fixed assets	%	33.97	34.51	33.52	31.77
Turnover of assets		1.77	2.11	1.96	2.16
Stock turnover rate	days	64	46	30	28
Receivables turnover rate	days	37	32	46	38

Liquidity ratios

	indicator	1998	1999	2000	2001
Indebtedness	%	55.52	53.73	53.76	60.84
Payables turnover rate	days	54	32	38	40
Short-term liquidity		0.46	0.61	0.98	1.17
Assets cover		1.06	1.05	1.01	0.87

OWN SHARE ACQUISITIONS

In 2001 the Board of Directors bought 790,500 of the Company's own shares. This was based on a resolution adopted by the Extraordinary General Meeting on 11 October 2000 allowing the Company to acquire up to 790,666 of its own shares within a price range of CZK 10 to CZK 190 per share. These conditions were met by the Board of Directors. The shares were purchased on the Prague Stock Exchange public market during the period from 23 February 2001 to 2 March 2001 through the brokerage house of J. T. Securities s.r.o.

The Company created a special reserve fund for the purchase in accordance with section 161d) (2) of the Commercial Code.

	as at 1 January 2001	as at 2 March 2001	as at 31 December 2001
No. of shares (units)	0	790,500	790,500
Nominal value (CZK)	–	100	100
Total purchase price (CZK)	–	118,101,982.23	118,101,982.23
Highest price (CZK)	–	150	150
Lowest price (CZK)	–	128	128
%age of registered capital	0	10.0	10.0

COMPANIES IN WHICH METROSTAV HAS A CAPITAL INTEREST

There were changes during 2001 in Metrostav's investment portfolio reflecting its strategic aim of supporting activities which would lead to maximisation of its synergic effects. On the one hand, Metrostav stabilised its portfolio and, on the other, it extended it. Consolidation of its influence in the companies GAMA – METROSTAV a.s. and M – D recyclace, a.s. can be mentioned as a stabilising move. Metrostav bought shares in both of these companies from the other shareholders and so became the sole shareholder. As far as extending its portfolio was concerned, this gravitated around new investment in the property development segment. The portfolio was extended by capital investment in companies specialising in property development projects. The Company acquired a 100% interest in GAMA – METROSTAV a.s. and it has a 50% holding in the newly-founded company Metrostav-Navatyp a.s. Apart from this, it bought 100% of the shares of PRIORES a.s., which will work on the completion of other prepared housing projects.

All of the production and commercial companies recorded good trading results in 2001. In measurable parameters like turnover and profit, they all showed significant year-on-year growth. Apart from objective factors, these favourable results were influenced by the Company's long-term investment policy in the companies engaged in the production, transportation and pumping of concrete, which are TBG METROSTAV s.r.o. and TBG PRAŽSKÉ BETONPUMPY s.r.o. The new commercial policy and rationalisation changes in the building materials trading company METROS, s.r.o. also brought a good result. SQZ, s.r.o., which provides technical laboratory services, also had a quite reasonable result. Increased construction work abroad was reflected in the results of METROSTAV Slovakia a.s. The only company whose operations were deliberately scaled down was M – D recyklace, a.s. This company's business, recycling construction waste, was transferred to Metrostav's Division 7, whose production programme is to supply comprehensive construction waste-handling services. The Company's property development results reflect the results of the projects which the companies were set up to carry out. GAMA – METROSTAV a.s., which was responsible for all aspects of the successful “Bydlení u Kříže” project and is a 100% owned Metrostav subsidiary, began work at the end of 2001 on the pre-realisation phase of the new “Galerie nad Vltavou” housing project. Metrostav began construction of the Villa Park housing estate at Strahov for Metrostav-Navatyp, a.s. In 2001 METROSTAV INTERTRADE, a.s. continued work on the “Bydlení Cibulka” project. The locality where the project is situated brought the Company commercial success, but the trading results will not be known until 2002. In the meantime, the other development companies, PRIORES a.s. and Společnost Západního města, a.s., have been concentrating on designs for new property developments.

ORGANISATION AND MANAGEMENT

Metrostav a.s. has a carefully-designed integrated system of management and organisation. Its head office directs the work of eight construction divisions, a property development division, a leasing division and the Company's Bratislava-based organisational unit. Its management system is based on common principles of authority and responsibility and vertically-structured centralised and decentralised decision-making by the head office–division–project (or specialist centre).

There were major changes in Metrostav's organisation during 2001:

- Division 4 was established to increase the firm's market share in the transport construction segment.
- The administration division was closed down as part of a cost-cutting programme. Its work was transferred to appropriate sections at head office.
- The post of Executive Director of the General Director's Section was abolished. The section is now run directly by the General Director.
- Human resources management was transferred from the section headed by the Director of Production Economics and Personnel Affairs to the newly-established Personnel Director's section.
- A section was established for the General Director's Representative for Development and External Affairs.

HUMAN RESOURCES

The Company's recorded workforce rose at the end of 2001 by almost 7% to 3,050 and this was accompanied by a significant increase in output for the year. The increase is mainly explained by a rise in the number of technical and administrative staff. 82 new school-leavers, including 46 university graduates, joined the Company in 2001, which had positive effects on the workforce's educational and age structure. Staff turnover continues to fall.

The Company devoted systematic attention to developing its employees' skills. During 2001, members of the technical and administrative staff spent an average of 4.7 days taking part in training courses and manual workers 3.1 days. The Company's average per capita spending on employee training was CZK 4,123.

Metrostav's Health Care Programme provides regular health care for its employees. The Company regards health care and protection as one of the main activities which to a large extent determines the efficiency and results of the work of individuals and the Company as a whole. A safe and optimal working environment has a similar influence, and so the Company spends an appropriate sum on creating and maintaining such an environment.

Average earnings and labour productivity as a proportion of gross turnover rose in 2001 against 2000. Average earnings increased by 8.49% and labour productivity as a proportion of gross turnover grew by 40%.

One of the basic factors making for a stable workforce is meeting the social needs of employees. A system of collective and individual personnel standards and employee benefits appropriate to the conditions of a joint-stock company has been created. The Metrostav Social Assistance Fund provides employees facing difficult social problems with financial help.

COLLECTIVE AGREEMENT

The scope and quality of the collective agreement for 2001 and 2002 offers employees excellent benefits and helps to reinforce an environment which makes great demands on the Company's staff. At the same time, it stabilises the workforce and provides them with a high level of job security and social certainties. In 2001, all of the terms and commitments in the collective agreement were honoured by both of the contracting parties and, on the one hand, created an atmosphere of social calm in the Company and, on the other, a basis for success in fulfilling the Company's strategic aims and tasks.

ENVIRONMENTAL PROTECTION

At the end of 2001, Metrostav was awarded an Environmental Management System certificate which met the requirements of the CSN EN 14001:1997 environmental standard. The certifying company was the Above-Ground Construction Research Institute and it awarded the certificate, which is valid until 31 December 2004, for "co-ordination and management activities in the area of production and property management and development at head office and in the divisions." Metrostav thus demonstrated that in its relationship with the environment it works at the same level as the foremost European firms.

By the end of 2001 there had been an introductory environmental review, a pre-certification and certification audit and review of the head office's environmental work and EMÚ-related management activities from head office to the divisions in accordance with CSN EN ISO 14001:1997. To encourage the extension and greater effectiveness of the EMS, Metrostav has to undergo two control audits during the period of the certificate's validity, when it must demonstrate that the conditions for which the certificate was awarded are being maintained. In addition to this, Division 7 has been implementing a CSN EN ISO 14004 – standard EMS and the system's certification in the scope required by the CSN EN ISO 14001 will take place in 2002.

SOCIAL ACTIVITIES AND SPONSORING

From the wide spectrum of professional, social, cultural and sporting life Metrostav tries to identify moments, personalities and projects which can be very important to the future of Czech society and its good name. Among those who have consistently benefited from the Company's sponsorship are Kateřina Neumannová, who won medals at the Nagano and Salt Lake City Olympics, and Dukla Liberec, a top team from volleyball's first league.

Metrostav also appreciates the performances given by the Virtuosi di Praga ensemble on concert platforms in the Czech Republic and throughout the world, and shows its admiration for them not only by inviting them to appear at the firm's concerts but also by the financial support which it gives to this musical body. The firm's philosophy is guided above all by an attempt to donate money usefully and generously to institutions and individuals who are determined to make their mark in their field and deserve such support. For this reason Metrostav values its partnership with Dagmar and Václav Havel's VIZE 97 Foundation and the World Press Photo Foundation, which in our country organises a prestigious international competition under the same name for photo-journalists from all over the world.

The Company has also supported events organised by the 1st Prague Sports Club for the Deaf and, either as a sponsor or partner, traditionally appears at cultural and social events organised by the Prague Castle Management, the Municipal House, the Prague City Council and Prague's urban district councils.

Metrostav's sponsorship activities, especially in the cultural and sporting field, are also increasingly more apparent in many of the Czech Republic's regions. It gave financial support, for example, to the event known as Children's Strážnice 2001 and the Brno International Festival of Theatrical Schools (Encounter 2001). A lot of major automobile and motor cycle races have been held under the firm's auspices at the Most Autodrome.

In terms of its willingness to communicate, Metrostav is an open firm, and especially when it is working on public sector orders it has a tradition of trying to acquaint the general public with the results of its work. There was great interest in the open days held at the Nostic Palace and in the gallery which gives access from Prašný Most (Powder Bridge) to Prague Castle.

ADDED VALUE PER EMPLOYEE (CZK 000)

1996 **318**

1997 **365**

1998 **411**

1999 **389**

2000 **482**

2001 **550**

SIGNIFICANT PROJECTS REALISED IN 2001

Metrostav a.s. is one of leading Czech construction companies. It is a versatile building company specialised in underground work, carried out by mining method, and reconstructions, including historical buildings.

SIGNIFICANT PROJECTS FINISHED IN 2001

Projects worth up to CZK 100 million

Administrative building for OK Systém

Small hydro power plant Klecany

Small apartments at Radotín

Projects worth from CZK 100 million up to 500 million

Multifunctional house CORSO in Prague 8 (Karlín)

HOP II – Jažlovice

TESCO Department Store Plzeň phase I + II

Reconstruction of the Chinese Embassy

Reconstruction of winter sports center at Pardubice

Housing at Cibulka

Residential and administrative centre Zvonařka

Projects worth from CZK 500 million up to 1,000 million

Logistics complex at Rudná

Projects worth over CZK 1,000 million

Section No. 517 of the Prague ring road (Řepy–Ruzyně)

SIGNIFICANT PROJECTS UNDER CONSTRUCTION IN 2001

Projects worth from 100 million up to CZK 500 million

Reconstruction of Nostic Palace in Prague

Bridging of Lobežská Street – ČD Main Station Plzeň

Astra Praha Palace

Gallery – Višňové tunnel – Slovakia

Chamber at Roudnice nad Labem (on the River Labe)

Reconstruction and completion of the ČSÚ complex – Prague, Invalidovna

Reconstruction and completion of the building at Národní Avenue No. 37, Prague 1 for Pražská plynárenská a.s.

SIGNIFICANT PROJECTS REALISED IN 2001

Projects worth from CZK 500 million to CZK 1,000 million

Kralupy nad Vltavou–Vraňany 1st railway corridor

Charles Square Centre in Prague

Redevelopment of the waste disposal site at Chabařovice

Part of the Prague ring road Zlíchov–Radlická

Relaying of the Chomutov–Březno railway line

Projects worth over CZK 1,000 million

Phase IV. of the Prague Metro – operational part of line C extension (Holešovice–Ládví)

Radlická–Strahov tunnel – Mrázovka tunnels

Extension of the central oil fuelling centre at Nelahozeves

SIGNIFICANT PROJECTS BEGUN IN 2001

Projects worth up to CZK 100 million

Riverside Hotel

Waste water treatment plant at Turnov

Gallery – tunnel Panenská on the D8 motorway at Ústí nad Labem

Reconstruction of the building Měšťanská beseda in Plzeň

Gallery – Dobrovsky's tunnel, Brno

Projects from CZK 100 million up to CZK 500 million

1st corridor of Czech Railways – Optimisation of the Praha Bubeneč–Kralupy nad Vltavou railway line

Czech Railways – Bridges at Seifertova St., modernisation

Reconstruction of a road bridge spanning the Berounka River in Lahovice

Argentine Star Praha

Villa Park Strahov

Projects from CZK 500 million up to CZK 1,000 million

Flora Palace – multifunctional centre

Completion of cardiocentre IKEM

Projects worth over CZK 1,000 million

TESCO department store at Praha–Letňany, phase II

FUTURE DEVELOPMENT AND STRATEGIC AIMS

TRENDS IN THE COMPANY'S DEVELOPMENT

The Company will continue to be fully governed in all its activities by strategic aims set by its Board of Directors.

OUTLOOK FOR THE FUTURE

Information on anticipated business opportunities is given on page 37.

STRATEGIC AIMS

- The Company's main strategic aim for the future is to further intensify use of all available internal and external resources, including synergic effects of concurrence with Doprastav a.s. and to fully adapt its management system to standards applicable in the EU countries.
- The firm will continue to operate throughout the Czech Republic in all major segments of the construction market, maintaining its traditional focus on Prague. It will continue to dominate the country's underground construction market thanks to its outstanding position in this segment. Factors decisive for progressive growth of the firm's position in the rail and road construction sector will be supported by changes in organisational structure. Thanks to its achievements in the areas of industrial construction and reconstruction of historical building, the Company's name is also becoming a symbol of quality in these market segments.
- The Company will extend its activities abroad, particularly in Slovakia and in Central Europe, mainly in the underground construction and steel-concrete structures sector.
- In the competition for contracts, Metrostav will concentrate on winning new contracts through a policy of solid pricing and accommodating customer requirements. This will be based on fully guaranteed quality, delivery dates and other special features facilitated by the high level of its technology, and the Company's reputation and long-term financial stability.
- The Company will fully support comprehensive development of its workforce to become the most prestigious employer in the construction sector and to enable the highest possible quality of constructions completed.

CAPITAL HOLDINGS

METROSTAV'S CAPITAL HOLDINGS

COMPANIES IN WHOSE REGISTERED CAPITAL METROSTAV HAS A HOLDING, DIRECTLY OR INDIRECTLY, EXCEEDING 10% IN EQUITY OR CONSOLIDATED NET PROFIT OF THE ISSUER.

	METROSTAV Slovakia a.s.	TBG Metrostav s.r.o.
Registered office	Bratislava, Košická 52, 821 08	Praha 8, Rohanský ostrov, Rohanské nábřeží 68, 186 00
Identification No.	35721278	63992990
Principal activities	Construction work, including projects using mining techniques, consulting services for major construction projects and building	Production and transportation of concrete and mortar mixtures, including storage
Registered capital	Sk 151,000,000	CZK 70,000,000
Percentage in registered capital	100	50
Reserves	0	CZK 4,847,000
Profit	Sk 705,000	CZK 11,048,000
Accounting value of issuer's interest	CZK 120,374,000	CZK 20,000,000
Return on issuer's share	0	0
Issuer's liabilities	CZK 58,000	CZK 17,603,000
Issuer's receivables	CZK 11,688,000	CZK 1,217,000

COMPANIES IN WHOSE REGISTERED CAPITAL METROSTAV HAS A DIRECT HOLDING EXCEEDING 10%

Company	Registered office	Identification No.	Registered capital	Percentage in registered capital
METROS, s.r.o.	Bystrá 2243, Praha 9, 193 00	45788430	CZK 14,000,000	100
SQZ, s.r.o.	Rohanský ostrov 1, Praha 8, 180 00	25743554	CZK 3,803,000	100
M – D recyklace, a.s.	Rohanský ostrov 1, Praha 8, 186 00	26131218	CZK 1,000,000	100
GAMA – METROSTAV a.s. (Metrostav Invest, a.s.)	Seydlerova 2451, Praha 5, 150 00	25060384	CZK 1,000,000	100
PRIORES a.s.	Táboritská 1000/23, Praha 3, 130 87	26428288	CZK 1,000,000	100
METROSTAV INTERTRADE, a.s.	Seydlerova 2451, Praha 5, 150 00	25641182	CZK 1,000,000	51
Metrostav-Navatyp a.s.	Seydlerova 2451, Praha 5, 150 00	26483581	CZK 3,200,000	50
Společnost Západního města, akciová společnost	Lýskova 1593, Praha 5, 155 00	60196793	CZK 1,003,000	35.09
ČKD – MTS a.s.	Moscow, Vavilova 81, Russian Fed.	5841.17 Russia	Rbl 20,500,000	34
EKOTUNEL Praha, s.r.o.	Dělnická 12, Praha 7, 170 04	62582470	CZK 140,000	28.57
TBG PRAŽSKÉ BETONPUMPY s.r.o.	Rohanský ostrov, Praha 8, 186 00	26205424	CZK 33,061,000	16.64

CAPITAL HOLDINGS

COMPANIES IN WHOSE REGISTERED CAPITAL METROSTAV HAS AN INDIRECT HOLDING EXCEEDING 10%

Company	Registered office	Identification No.	Registered capital	Percentage in registered capital
DORG trubní systémy, s.r.o.	U Zahradnictví 123 Česká Ves, 790 81	25838792	CZK 300,000	20
METROSTAV–INTERTRADE, KRUTEC spol. s r.o.	Naskové 1 Praha 5, 150 00	25799690	CZK 100,000	51
TBG Pražské malty s.r.o	Rohanské nábř. 68 Praha 8, 186 00	25799380	CZK 1,000,000	50
TBG PRAŽSKÉ BETONPUMPY s.r.o.	Rohanský ostrov Praha 8, 186 00	26205484	CZK 33,061,000	33.36

OUTPUT PER EMPLOYEE (CZK)

1998

1725720

1999

2372745

2000

2574141

2001

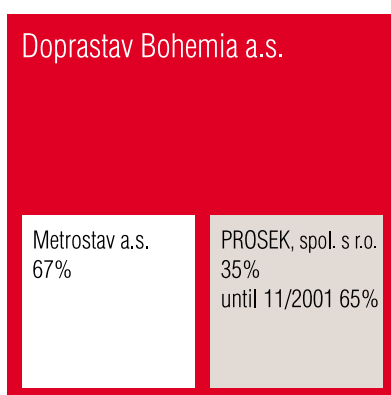
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INFORMATION ON THE GROUP

STRUCTURE OF THE GROUP

Metrostav a.s. is a “controlled person” in the meaning of section 66a of the Commercial Code and at 31 December 2001 was controlled by Doprastav Bohemia a.s., seated at Koželužská 2246, Praha 8, Id. No. 25606492, which as at this date owned shares with a total nominal value representing 67% of the registered capital of Metrostav a.s.. This constitutes a group under subsection 7 of the afore-mentioned Code. The group consists of Doprastav Bohemia a.s., Metrostav a.s. and PROSEK, spol. s r.o. (until November 2001). No controlling contract has been closed between the issuer and Doprastav Bohemia a.s., and the Board of Directors has prepared a written Report on Related Persons, i.e. on the relationship between the controlling and the controlled persons.

Scheme of the group



INFORMATION ON CONTROLLING COMPANY

as at 31 December 2001

Name of Company	Doprastav Bohemia a.s.
Registered office	Koželužská 2246, Praha 8, 180 00
Identification No.	25 60 64 92
Registered capital	CZK 408,000,000
Shareholders' equity	CZK 408,557,000
Average no. of employees	3
After-tax profit	CZK 47,032,000

Main activities according to the Statutes

- construction of buildings, including alterations, maintenance and demolition
- mediating of construction work (ground and transport constructions)
- purchase of goods for the purpose of its re-sale and sale (except for goods excluded by Licensing Act No. 455/1991 Coll. in the wording of later regulations and its annexes)

INFORMATION ON THE GROUP

— activities carried out by mining techniques

— insurance agent

Sales revenues (CZK 000)	1999	2000	2001
Construction work	18,343	35,631	172,271
Engineering	2,400	2,636	6,158
Financial revenue	0	12,975	228,163
Total revenues	20,743	51,242	406,592

The Company's dependence on patents and licences which have a vital influence on its activities

Not applicable.

Court, administrative or arbitrary proceedings in which a Company was engaged in the current and two preceding accounting periods.

The Company was not involved in any of such proceedings in 1999, 2000 and 2001.

Main investments (CZK 000)

1998	0
1999	100 – investment in PROSEK, spol. s r.o.
2000	1,102,728 – purchase of Metrostav's shares -35 – investment in PROSEK, spol. s r.o.
2001	-138,959 – purchase and sale of Metrostav's shares -30 – investment in PROSEK, spol. s r.o.

Main future investments, excluding financial

Not anticipated.

General information on trends in the Company's activities and business prospects

The Company will further develop construction work through engineering methods, to ensure marketing for the parent company Doprastav a.s. Bratislava and Metrostav a.s., mainly in the segment of rail and road projects on the Czech and Slovak market. In addition to this, it will continue to provide selected activities necessary for the production economics and management.

REPORT OF METROSTAV'S BOARD OF DIRECTORS ON RELATED PERSONS

THE GROUP IS FORMED BY:

CONTROLLED COMPANY

Metrostav a.s., with a registered office at Koželužská 2246, Prague 8, Postal code 180 00, Identification No. 00014915, entered in the Commercial Register of the Prague Municipal Court, Part B, File 758. The controlled company is engaged mainly in construction work. The company's principal activities are specified in detail in its Statutes.

CONTROLLING COMPANY

Doprastav Bohemia a.s., with a registered office at Koželužská 2246, Prague 8, Postal code 180 00, Identification No. 25606492, entered in the Commercial Register of the Prague Municipal Court, Part B, File 4935. The controlling company is engaged mainly in construction work. The company's principal activities are specified in detail in its Statutes.

INTERCONNECTED COMPANY

There was no interconnected company in the group as at 31 December 2001. PROSEK, spol. s r.o. was an interconnected company until November 2001.

RELATIONSHIP BETWEEN COMPANIES WHICH FORM THE GROUP

MEANS OF CONTROL

The controlling company, Doprastav Bohemia a.s., holds Metrostav's shares with aggregate nominal value of 67% of the controlled company's registered capital as at 31 December 2001.

INTERCONNECTED PERSONNEL

Ján Dudáš, proxy of Doprastav Bohemia, is also member of Metrostav's Board of Directors. Pavel Pilát, member of Doprastav Bohemia's Board of Directors is also member of Metrostav's Supervisory Board. Zdeněk Šinovský, member of Doprastav Bohemia's Supervisory Board is also member of Metrostav's Board of Directors. Daniel Knotek, member of Doprastav Bohemia's Supervisory Board is also member of Metrostav's Supervisory Board. Viktor Karel, member of Doprastav Bohemia's Supervisory Board is also member of Metrostav's Supervisory Board.

PERIOD UNDER REVIEW

This report was compiled for the accounting period beginning 1 January 2001 and ending 31 December 2001.

CONTRACTS AND AGREEMENTS CONCLUDED BETWEEN COMPANIES IN THE GROUP

Contracts concluded in compliance with the Commercial Code

Contract for Work No. 05000012 9905 2204 - Appendix No. 4

contractual parties	Metrostav a.s. as the ordering party – Doprastav Bohemia a.s. as the contractor
subject of the Appendix	extension of the contract for the construction of steel reinforced concrete structure SO-8032 – Tunnels Excavated north – SHÚ
contractual price	price of the work was increased by CZK 10,116,666 to CZK 89,830,866

Contract for Work No. 1053749

contractual parties	Metrostav a.s. as the ordering party – Doprastav Bohemia a.s. as the contractor
subject of the contract	part of section 06 on the construction of the Prague Metro, line IVC1
contractual price	CZK 85,351,757

Contract for Work No. MTS 01051002

contractual parties	Metrostav a.s. as the contractor – Doprastav Bohemia a.s. as the ordering party
subject of the contract	supply of material and technology for line IVC1 of the Prague Metro, quarterly and annual inspections and revision of electrical wiring and equipment in all structures on the construction site
contractual price	estimated price CZK 3,000,000 (price per unit of sectional work)

Lease Contract No. 31/2001

contractual parties	Metrostav a.s. as a lessor – Doprastav Bohemia a.s. as a lessee
subject of the contract	rental of building machines and mechanisms necessary to fulfil Contract for Work No. 1053749
contractual price	daily rent according to the Enclosure to the Lease Contract

Lease Contract No. ÚSM/433/00/17/n - Appendix No. 1

contractual parties	Metrostav a.s. as a lessor – Doprastav Bohemia a.s. as a lessee
subject of the contract	change in the name of the lessee in the contract for lease of non-residential premises in the building No. 2246 in Koželužská St., Prague 8
contractual price	was not affected

Contract for Work No. 02/2001/MTS

contractual parties	Metrostav a.s. as the ordering party – Doprastav Bohemia a.s. as the contractor
subject of the contract	installation of cornices and crash barriers on KOC Nový Smíchov
contractual price	CZK 2,146,980

Contract for Work No. 0105 2692

contractual parties	Metrostav a.s. as the ordering party – Doprastav Bohemia a.s. as the contractor
subject of the contract	KOC Nový Smíchov – final access road and exit road to the 2nd underground floor
contractual price	CZK 19,631,124

REPORT OF METROSTAV'S BOARD OF DIRECTORS ON RELATED PERSONS

Contract for Work No. 05 000 370/01 057267

contractual parties	Metrostav a.s. the ordering party – Doprastav Bohemia a.s. as the contractor
subject of the contract	barrel vault of the entranceway to the railway tunnel – Mlčechvosty
contractual price	CZK 3,897,236

Contract for Work No. 05 000 370/01 057246

contractual parties	Metrostav a.s. as the ordering party – Doprastav Bohemia a.s. as the contractor
subject of the contract	barrel vault of the entranceway to the railway tunnel – Mlčechvosty
contractual price	CZK 1,150,000

Contract for Work No. 01 053 453

contractual parties	Metrostav a.s. as the ordering party – Doprastav Bohemia a.s. as the contractor
subject of the contract	final bricklining of the lower vault of the railway tunnel – Mlčechvosty
contractual price	CZK 1,993,340

Contract for Work No. 11/2001/MTS

contractual parties	Metrostav a.s. as the ordering party – Doprastav Bohemia a.s. as the contractor
subject of the contract	raw structure of a girder on the Zlíchov – Radlická part of the radial road
contractual price	CZK 1,595,855.60

Contract for Work No. 01010356

contractual parties	Metrostav a.s. as the ordering party – Doprastav Bohemia a.s. as the contractor
subject of the contract	building alterations, cleaning and surfacing of the residential housing complex "Cibulka"
contractual price	CZK 3,000,000

Contract for Work No. 01051821

contractual parties	Metrostav a.s. as the ordering party – Doprastav Bohemia a.s. as the contractor
subject of the contract	retaining wall in the street K Bohnicím (Prague 8 – Trója district)
contractual price	CZK 889,833

Contract for Work No. 0105 2584

contractual parties	Metrostav a.s. as the ordering party – Doprastav Bohemia a.s. as the contractor
subject of the contract	bridge support A – on a bridge spanning Plzeňská St. on ring road Radlická
contractual price	CZK 1,415,343.10

Contract on Commercial Representation No. 01/2001//MTS/D

contractual parties	Metrostav a.s. as the represented party – Doprastav Bohemia a.s. as the commercial representative
subject of the contract	commercial representative's obligation to carry out activities leading to the conclusion of contracts, particularly contracts for work

REPORT OF METROSTAV'S BOARD OF DIRECTORS ON RELATED PERSONS

Contract on co-operation in the area of insurance No. 02/2001/MTS/P

contractual parties	Metrostav a.s. as a client – Doprastav Bohemia a.s. as an insurance agent
subject of the contract	providing and ensuring draft of an insurance policy according to client's instructions and requirements and creating conditions and pre-requisites for realisation of the insurance policy between client and the insurer selected

Contract No. 03/2001//MTS/P on mediation of insurance services

contractual parties	Metrostav a.s. as potential client – Doprastav Bohemia a.s. as the mediator (insurance agent)
subject of the contract	adaptation of rights and obligations of an insurance agent leading to providing and ensuring insurance and re/insurance of all kinds of insurable risks for potential clients and provision of related services

No injury was inflicted to the controlled company, Metrostav a.s., in connection with the above contracts. More information on contracts concluded is available in the Company's registered office.

Contract concluded in compliance with the Civil Code

Lease Contract No. ÚSM/464/01/37/n

contractual parties	Metrostav a.s. as a lessor – Doprastav Bohemia a.s. as a lessee
subject of the contract	lease of a flat in an apartment house in 794, Lužná Street

No injury was inflicted to the controlled company, Metrostav a.s., in connection with the above contract. More information on contract concluded is available in the Company's registered office.

Contracts on securities

No such contract was concluded in 2001.

Contracts with PROSEK, spol. s r.o.

In 2001, Metrostav a.s. and PROSEK, spol. s r.o. were not contractual parties to the same contract.

Other agreements

In 2001, no other legal acts took place between the controlled, controlling and interconnected companies.

This report was prepared by Metrostav's Board of Directors in his function of a statutory body of the controlled company and submitted for review to the Supervisory Board and to the auditor who is auditing the financial statements according to the special law. With respect to the fact that the controlled company is obliged by law to prepare an annual report, this report will be included as an integral part.

REGISTERED CAPITAL, SHARES AND SHAREHOLDERS

REGISTERED CAPITAL

Amount of subscribed registered capital: CZK 790,666,800

The registered capital is fully paid-up.

In 2001, the Company acquired and holds 790,500 own shares registered in the name of the owner

— with a total nominal value of CZK 79,050,000.00,

— with a total book value of CZK 118,101,982.23.

No person in which Metrostav a.s. has a direct or indirect holding share of more than 50% of its registered capital or voting rights owns shares in Metrostav a.s.

The conditions under which registered capital can be increased are determined by the Company's statutes and correspond to the generally-binding statutory regulations. The conditions determined by the Company's statutes for changing the amount of registered capital are not stricter than the conditions required by law.

In the period from 1999 to 2001 there were no changes in the Company's registered capital.

Under Article 6 of the statutes, which have been in force since 6 June 2001, employees of the Company can acquire the Company's ordinary shares on favourable terms. This possibility was not used in 2001.

SHARES ISSUED

A.	Kind	ordinary share
	Type	bearer share
	Form	book-entered
	No. of units	7,677,144
	Nominal value	CZK 100
	Total volume of issue	CZK 767,714,400
	ISIN	CZ 0005006502

In 2001, the shares were accepted en bloc for trading on the following public markets

— Prague Stock Exchange, a.s.

— RM-System, a.s.

The statutes impose no restrictions on the shares' transferability.

B.	Kind	ordinary share
	Type	registered share
	Form	book-entered
	No. of units	229,524
	Nominal value	CZK 100
	Total volume of issue	CZK 22,952,400
	ISIN	CZ 0005073049

REGISTERED CAPITAL, SHARES AND SHAREHOLDERS

In 2001 the shares were accepted en bloc for trading in the following public markets:

— RM-System, a.s.

As organiser of a public securities market, RM-System a.s. took a decision on 29 October 2001 (ref. no. SR 338/7/2001) to exclude this issue from trading on the public market w.e.f. 22 December 2001.

The statutes impose no restriction on the shares' transferability.

The shares were issued on the basis of the valid statutes and the generally-binding legal regulations.

The rights attached to shares in both issues are the same for all shares.

The Ordinary General Meeting of 6 June 2001 decided that the 2000 dividend would be CZK 7.50 per share. The decisive day and payment of the dividend correspond to the provisions of the Securities Act as subsequently amended.

Owners can exercise the ownership rights attached to their securities for 2001 through the Všeobecná úverová banka a.s., Celetná 31, 110 00 Prague 1.

Under Article 30 of the statutes, the claim of an entitled person to the dividend expires four years after the day it became effective. Entitlement to a dividend which is not paid within the stated period passes to the Company.

MAIN SHAREHOLDERS

as at 31 December 2001

Name	Address	Number of shareholders	Number of shares	Percentage in the registered capital
Doprastav Bohemia a.s.	Koželužská 2246, Praha 8	1	5,297,632	67.00
Metrostav a.s.	Koželužská 2246, Praha 8	1	790,500	10.00
Oost – Europa Participaties B.V.	Pelmolenweg 6 Rijssen	3	644,462	8.15
Other foreign companies		5	1,017,033	4.71
Other local companies		19	6,530,628	5.60
Other foreign individuals		118	11,650	0.15
Other local individuals		6,639	347,357	4.39

Individuals own a total of 359,007 shares worth CZK 35,900,700, or 4.54%, of the registered capital's nominal value.

In 2000, Doprastav Bohemia a.s. made a public bid to buy METROSTAV's shares for CZK 135 per share, and the purchase was to take place on three various dates in January 2001. Doprastav Bohemia a.s. thus bought 237,813 shares, or 3.01% of the nominal value of Metrostav's registered capital.

No public bid to buy Metrostav's shares was made in 2001.

ADDITIONAL INFORMATION IN ACCORDANCE WITH THE ACT ON SECURITIES

SALES REVENUES FROM SALE OF OWN PRODUCTS AND SERVICES

Sales revenues (in CZK 000)

Year	1999	2000	2001
Sales revenue	6,906,758	7,917,348	9,464,295

Structure of sales revenues by territory (in %)

Year	1999	2000	2001
Sales revenue - ČR	98.8	98.1	99.3
Sales revenue - abroad	1.2	1.9	0.7

Structure of sales revenues by type of construction work (in %)

Type of construction work	1999	2000	2001
Construction work	93.1	93.9	95.3
Other production	6.9	6.1	4.7
incl.: sale of concrete and reinforcement	0.1	0.6	0.3
transportation	0.6	0.6	0.4
other production	6.2	4.9	4.0

There is no organisational unit in the Company with less than 10% share in its total turnover.

Research and development of new products and technologies policy

The information is included in the Board of Directors' Report on the Company's Business Activities.

Description of real estate owned by the Company

Area	Buildings (in CZK 000)		Area (in thousand m ²)	Land	
	Acquisition cost	Net book value		Acquisition cost (in CZK 000)	Valuation (in CZK 000)*
Prague City	1,114,199	666,683	256,395	114,902	300,574
Other	3,366	3,225	26,002	9,220	9,220
Total	1,117,565	669,908	282,397	124,122	309,794

* Valuation carried out by A + ANALÝZA, s.r.o. in 2001

The Company has no assets pledged.

Dependency on patents, licences and agreements

Metrostav is not dependent on any patents, licences, industrial, trade or financial contracts, which are vitally important for the Company's business activities.

Information on court, administrative and arbitration proceedings

The Company's position regarding litigation has stabilised in the past two years. During this period the Company was involved on average in 130-140 court actions. The Company closely monitors court actions in which amounts of more than CZK 1 million are at stake, and in the past two years there have been on average 14 of these. More than 50% of these actions relate to the termination of employment and settlement of Company claims against employees or vice versa. The other disputes are commercial cases related to a combination of arrears of work, unpaid additional work and contractual penalties. The results of these actions have had no significant effect on the Company's financial position.

There are only two more important cases to report:

a) Ending of the case involving Dálničn  Stavby Praha, a.s.

By decision of the International Arbitration Court's International Economic Chamber in Paris on 20 January 2001, the Company had to pay Dálničn  Stavby the sum of CZK 119,404,291.89 and US\$115,000. By March 2001 the Company had paid CZK 64,350,183.48 and the remaining amount was credited. Dálničn  Stavby did not accept the credit, and the dispute was ended by an agreement under which the Company paid CZK 24,600,000.

b) Opening of proceedings against the Marina Lipno I. a II. DruŹstvo

In 2001, the Company submitted a proposal for the opening of arbitration proceedings to the Arbitration Court of the Czech Republic's Economic Chamber and the Czech Republic's Agrarian Chamber concerning the payment of CZK 24,245,599 for arrears relating to the price of work, the additional cost of work and additional work carried out. On 31 December 2001 the case was still proceeding.

MAJOR INVESTMENTS

Investment in 2001	Acquisition cost (in CZK 000)	Placed in	Financing method
Jumbo drilling car – ROCKET BOOMER L2C	21,632	Czech Republic	own resources
Tunnelling machine – Schaeff	23,061	Czech Republic	own resources

ADDITIONAL INFORMATION IN ACCORDANCE WITH THE ACT ON SECURITIES

Investment in 2000	Acquisition cost (in CZK 000)	Placed in	Financing method
Belt excavator – R932 LITRONIC-TUNNEL	12,257	Czech Republic	own resources
Administrative Centre at Koželužská – own investment	275,415	Czech Republic	own resources
One World Information System	33,397	Czech Republic	own resources

Investment in 1999	Acquisition cost (in CZK 000)	Placed in	Financing method
Belt excavator – LIEBHERR R 932 LITRONIC	11,144	Czech Republic	own resources
Tower crane – LIEBHERR 140EC-H6	12,838	Czech Republic	own resources
Tower crane – LIEBHERR 140EC-H6	13,010	Czech Republic	own resources
Rotary tower crane – LIEBHERR 140 EC-H6 LITRONIC	11,546	Czech Republic	own resources
Jumbo drilling car – ROCKET BOOMER L2C	23,936	Czech Republic	own resources

Investment in 1998	Acquisition cost (in CZK 000)	Placed in	Financing method
Jumbo drilling car – BOOMER 352-BMH 6314	15,802	Czech Republic	own resources
Jumbo drilling car – H 282-1238	12,851	Czech Republic	own resources
Administrative centre at Thámova – own investment – sold in 1999	297,643	Czech Republic	own resources

Financial investments (in CZK 000)	1998	1999	2000	2001
METROSTAV INTERTRADE, a.s.	510			
M – D recyklace, a.s.		570		
METROSTAV Slovakia a.s. – increase in registered capital			119,501	
Metrostav-Navatyp a.s.				1,600
PRIORES a.s.				26,948
GAMA – METROSTAV a.s. – increase of ownership interest				3,252
M – D recyklace, a.s. – increase of ownership interest				430

Major investments planned (in CZK million)	Planned investment	Year
Machines	228.8	2002
Other tangible fixed assets	10.0	2002
Immovable assets	4.0	2002
HW and SW	21.8	2002

Interruption of business activities

In 2001, the Company's financial situation was not significantly influenced by any interruption of business activities.

Average number of employees

Year	1999	2000	2001
Construction work	2,908	2,810	2,872
Other	102	86	67
Total	3,010	2,896	2,939

Information on the Company's statutory or supervisory bodies

Is given on pages 12-14.

During the accounting period:

- There were no changes in the Board of Directors.
- Pavel Meyer and František Kočí were elected by employees to the Supervisory Board on 9 January 2001 replacing members who resigned. Pavel Meyer was elected for the third term in office, František Kočí – Director of Production Economics – is a new member of the Supervisory Board.
- As of 31 October 2001, Jindřich Hess resigned at his own request as Metrostav's General Director because of his appointment to other posts.
- As of 1 November 2001, Jiří Bělohlav, the hitherto Production and Technology Director, was appointed to the post of General Director by the Board of Directors.
- As of 1 November 2001, the Board of Directors appointed Ivan Hrdina, Vice-Director of Production and Technology to the post of Production and Technology Director.
- As of 1 November 2001 Josef Škorpil, the hitherto Executive Director of General Director's Section was appointed by the Board of Directors as Personnel Director.

**Provisions to statutory bodies or their members, members of supervisory bodies and senior managers
(in CZK 000)**

	Cash income	Directors' fees	Income in kind
Board of Directors	14,614	0	509
Supervisory Board	7,440	0	260
Senior managers	2,386	0	153

ADDITIONAL INFORMATION IN ACCORDANCE WITH THE ACT ON SECURITIES

Provisions to statutory bodies or their members, members of supervisory bodies given by persons in the entire group in the Czech Republic, including provisions from the issuer (in CZK 000)

	Cash income	Directors' fees	Income in kind
Board of Directors	15,325	0	509
Supervisory Board	7,440	0	260

Information on Company shares owned by members of the Board of Directors, the Supervisory Board and senior managers:

As at 31 December 2001 neither members of the Board of Directors and the Supervisory Board, nor the Company's senior managers owned shares issued by Metrostav.

Total credits and loans unpaid, provided by the issuer to statutory bodies or their members and members of supervisory bodies:

In 2001, the Company did not provide any credits, loans or guaranties to members of statutory and supervisory bodies. Credits provided in previous years were duly paid before 2001.

Information on involvement of the issuer's statutory bodies and their members and members of supervisory bodies in transactions unrelated to the issuer's principal activities:

In 2001, member of the Board of Directors and Supervisory Board did not participate in any business transactions unrelated to the Company's principal activities.

Changes in equity in the previous three accounting periods (in CZK 000)

Year	1999	2000	2001
Registered capital	790,667	790,667	790,667
Own shares	9,082	0	118,102
Capital funds	0	0	0
Legal reserve fund	79,423	85,451	211,083
Statutory funds	0	0	0
Retained earnings of previous periods	259,432	312,351	266,165
Uncompensated loss of previous periods	0	0	0
Profit / loss	120,540	150,608	202,959
Total equity	1,240,980	1,339,077	1,352,772

Credits unpaid

The Company has no unpaid credits.

Loans and other commitments

The Company did not accept any loans or other commitments.

Guaranties provided by the Company

The information is given on pages 75-76 of the Notes to financial statements.

Profit / loss per share

(after tax profit in CZK)

Year	1999	2000	2001
Profit per share	+15.25	+19.05	+25.67
Consolidated profit per share	+15.76	+15.10	+26.82

Dividend for the previous three periods

Year	1999	2000	2001
Number of shares with a right to dividend	7,815,867	7,116,168	7,906,668
Dividend (CZK)	7.5	10.0	will be decided by the General Meeting on 7 May 2002

Business and financial prospects for 2002 and 2003

Year	2001	2002	2003
Revenues (CZK 000)	10,525	10,790	12,400
Costs (CZK 000)	10,223	10,442	11,970
Profit before tax (CZK 000)	302	348	430

The composition of the Supervisory Board of Metrostav a.s. did not change between the Ordinary General Meeting in 2001 and the Ordinary General Meeting of 2002 and this helped it to improve the quality of its work and to fulfil the tasks which the generally valid statutory regulations and the Company's statutes require of it.

The Supervisory Board's work was carried out in accordance with the plan of activity which it draws up for the calendar year and is based on the duties imposed by the law. It utilized the results of the Company's supervisory system and the reports which it requested from each of the Company's specialist units through the Board of Directors. It assessed these reports with their authors and, where necessary, requested further details and explanations.

The Supervisory Board declares that the level of co-operation with all members of the Board of Directors and the members of the firm's senior management was high throughout the whole period. It always received the information and documents which were necessary for its work. The Chairman and Vice-Chairmen of the Supervisory Board maintained close relations with the Board of Directors and were able to gain direct information about the statutory body's decisions because they were invited to its meetings and took part in them in the great majority of cases.

The Supervisory Board paid particular attention to reviewing:

- the preliminary results of the Company and subjects in which the Company has a capital interest and states that these results are better than those envisaged in the financial plan for the relevant period,
- the business activities of the Board of Directors and the exercise of its powers and states that both are in line with the Company's Development Policy for the period up to 2005 and that the very good trading results obtained by the Company during the year were the catalyst for an acceleration of its business activities, especially in the area of property development; the Supervisory Board therefore has no comments to make on this aspect of the Company's operations,
- the contractual securing of the production programme, especially in the medium-term, as the senior management's key task in the Company's further expansion; here too the Supervisory Board is glad to be able to state that the course of development is in line with the above-mentioned development policy.

The Supervisory Board also oversaw and appraised the selection of an auditing firm for the 2001 accounting year, income from immovable property, the state of the Company's movable assets, implementation of the collective agreement and fulfilment of the main tasks relating to the Company's strategic goals in 2001. At the Supervisory Board's request, some of these materials were supplemented or the responsible member of the management asked to answer questions put by members of the Supervisory Board directly during discussion of the topic in question.

At its meetings the Supervisory Board also reviewed the results of the internal and external audits carried out in the Company. In the case of the internal audits, the Supervisory Board in some cases requested more details and additional information in order to ensure that managerial staff took personal responsibility for rectifying the ascertained shortcomings. During discussion of the Company's personnel situation, the employee representatives on the Supervisory Board raised the question of whether there was a need for accommodation to be provided for employees living outside of Prague and how this could be arranged, accompanied by a request that the matter be referred to the Board of Directors. In conclusion, the Supervisory Board is therefore pleased to confirm that it found that, in the period between the General Meetings, Metrostav a.s. had been properly managed and that the Company had achieved very good results.

STATEMENT ON THE BOARD OF DIRECTORS' REPORT ON THE RELATED PERSONS

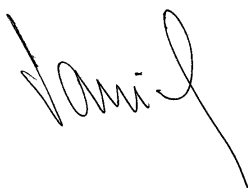
The Supervisory Board discussed the Board of Directors' Report on the Related Persons, i.e. between Metrostav a.s. and Doprastav Bohemia a.s., and had no comments to make on it.

STATEMENT ON THE COMPANY'S RESULTS

Having audited the financial statements for 2001, the Supervisory Board recommends the ordinary General Meeting to approve the financial statements for the year 2001.

STATEMENT ON THE BOARD OF DIRECTORS' PROPOSAL FOR DISTRIBUTION OF PROFIT

The Supervisory Board reviewed the Board of Directors' proposal for distribution of profit for the year 2001 and recommends the General Meeting to approve it.



DANIEL JANISCH, CHAIRMAN OF THE SUPERVISORY BOARD

AUDITOR'S REPORT FOR THE SHAREHOLDERS OF METROSTAV A.S.**Deloitte
& Touche**

Based on our audit we have issued the following Report on the financial statements on 25 February 2002:

"We have audited the attached financial statements of Metrostav a.s. as at 31 December 2001. The company's Board of Directors is responsible for compiling the financial statements. Our responsibility is to express an opinion on these financial statements as a whole, based on our audit.

Our audit was carried out in compliance with the Act on Auditors and with the auditing guidelines issued by the Chamber of Auditors. These guidelines require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatements. The audit also includes examining, on a test basis, whether the amounts and information in the financial statements are complete and supportable. It also includes assessment of the accounting principles used and significant estimates made by the company, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Company's financial statements present fairly, in all material respects, the assets, liabilities and shareholders' equity of Metrostav a.s. as at 31 December 2001 and its results for the year 2001, in accordance with the Act on Accounting and relevant accounting regulations applicable in the Czech Republic."

Figures for 2001 and 2000 stated in this annual report were drawn from the financial statements for 2001 audited by us and on which we issued the Report given above. Figures for 1999 stated in this annual report were taken over from the financial statements for 1999 which were also audited by us and on which we issued a report containing an unreserved opinion on 31 March 2000.

We have also verified the objective correctness of information given in the Report on the Related Persons on pages 38-41. The Board of Directors is responsible for the correctness and completeness of the Report on the Related Persons. No material misstatements have been found in the said Report during our audit.

We have also audited the other financial information contained in this Annual Report and its conformity with the audited consolidated financial statements. The Board of Directors is responsible that the annual report is complete and correct. In our opinion, the other financial information given in this annual report conforms in all material respects to the audited consolidated financial statements.

Prague, 10 April 2002



AUDITING FIRM:
DELOITTE & TOUCHE SPOL. S R.O.
LICENCE NO. 79



AUDITOR RESPONSIBLE:
STANISLAV STANĚK
CERTIFICATE NO. 1674