

## FINANCIAL STATEMENTS

### BALANCE SHEET

as at 31 December 2001 (in CZK 000)

Denot.	ASSETS	Row	Current accounting period			2000	1999
			Gross	Corection	Net	Net	Net
	Total assets	001	7,149,492	1,431,729	5,717,763	4,043,263	3,573,239
<b>A.</b>	<b>Receivables for subscriptions</b>	<b>002</b>	–	–	–	–	–
<b>B.</b>	<b>Fixed assets</b>	<b>003</b>	<b>2,987,728</b>	<b>1,315,032</b>	<b>1,672,696</b>	<b>1,426,432</b>	<b>1,124,276</b>
B.I.	Long-term intangible fixed assets	004	84,001	45,591	38,410	34,434	32,745
B.I.1.	Incorporation expenses	005	–	–	–	–	–
B.I.2.	Research and development	006	–	–	–	–	–
B.I.3.	Software	007	64,483	36,030	28,453	31,404	2,651
B.I.4.	Valuable rights	008	1,461	1,461	–	–	–
B.I.5.	Other long-term intangible fixed assets	009	14,530	8,100	6,430	2,966	4,393
B.I.6.	Long-term intangible fixed assets under construction	010	3,327	–	3,327	–	21,129
B.I.7.	Advance payments for intangible fixed assets	011	200	–	200	64	4,572
B.II.	Long-term tangible fixed assets	012	2,705,069	1,269,441	1,435,628	1,218,176	1,024,698
B.II.1.	Land	013	124,122	–	124,122	117,017	86,323
B.II.2.	Buildings, halls and structures	014	1,117,565	447,657	669,908	688,341	418,061
B.II.3.	Movable fixed assets	015	1,187,799	673,874	513,925	349,275	316,802
B.II.4.	Perennial crops	016	–	–	–	–	–
B.II.5.	Breeding and draught animals	017	–	–	–	–	–
B.II.6.	Other long-term tangible fixed assets	018	168,312	147,910	20,402	17,205	23,097
B.II.7.	Long-term tangible fixed assets under construction	019	15,352	–	15,352	23,955	174,604
B.II.8.	Advance payments for long-term tangible fixed assets	020	91,919	–	91,919	22,383	5,811
B.II.9.	Adjustments to acquired assets	021	–	–	–	–	–
B.III.	Financial investments	022	198,658	–	198,658	173,822	66,833
B.III.1.	Shares and ownership interests with controlling influence	023	165,998	–	165,998	142,762	39,803
B.III.2.	Shares and ownership interests with substantial influence	024	27,160	–	27,160	25,560	27,030
B.III.3.	Other securities and ownership interests	025	5,500	–	5,500	5,500	–
B.III.4.	Intercompany loans	026	–	–	–	–	–
B.III.5.	Other long-term financial investments	027	–	–	–	–	–

## FINANCIAL STATEMENTS

Denot.	ASSETS	Row	Current accounting period			2000	1999
			Gross	Corection	Net	Net	Net
<b>C.</b>	<b>Current assets</b>	<b>028</b>	<b>4,089,284</b>	<b>116 697</b>	<b>3,972,587</b>	<b>2,556,276</b>	<b>2,386,789</b>
C.I.	Inventory	029	1,307,965	1 173	1,306,792	319,546	917,128
C.I.1.	Materials	030	79,197	1 173	78,024	80,233	67,608
C.I.2.	Work-in-progress and semi-finished products	031	1,222,797	–	1,222,797	232,978	845,043
C.I.3.	Finished products	032	–	–	–	–	–
C.I.4.	Animals	033	–	–	–	–	–
C.I.5.	Goods	034	–	–	–	–	–
C.I.6.	Advance payments for inventory	035	5,971	–	5,971	6,335	4,477
C.II.	Long-term receivables	036	294,185	–	294,185	177,259	5,434
C.II.1.	Trade receivables	037	288,485	–	288,485	161,059	2,434
C.II.2.	Receivables from partners and associates	038	–	–	–	–	–
C.II.3.	Receivables from companies with controlling influence	039	5,100	–	5,100	6,600	–
C.II.4.	Receivables from companies with substantial influence	040	–	–	–	–	–
C.II.5.	Other receivables	041	600	–	600	9,600	3,000
C.III.	Short-term receivables	042	1,483,621	115 524	1,368,097	1,303,883	1,145,613
C.III.1.	Receivables from trade	043	1,302,584	106 941	1,195,643	1,233,244	1,093,916
C.III.2.	Receivables from partners and participants in association	044	–	–	–	–	–
C.III.3.	Social security	045	–	–	–	–	–
C.III.4.	Due from state – tax receivables	046	83,763	–	83,763	45,707	19,310
C.III.5.	Due from state – deferred taxes	047	–	–	–	–	–
C.III.6.	Receivables from companies with controlling influence	048	72,174	–	72,174	6,982	4,198
C.III.7.	Receivables from companies with substantial influence	049	–	–	–	–	–
C.III.8.	Other receivables	050	25,100	8 583	16,517	17,950	28,189
C.IV.	Financial assets	051	1,003,513	–	1,003,513	755,588	318,614
C.IV.1.	Cash	052	1,735	–	1,735	787	756
C.IV.2.	Bank accounts	053	95,300	–	95,300	227,201	10,158
C.IV.3.	Short-term financial assets	054	906,478	–	906,478	527,600	307,700
<b>D.</b>	<b>Other assets – temporary accounts of assets</b>	<b>055</b>	<b>72,480</b>	<b>–</b>	<b>72,480</b>	<b>60,555</b>	<b>62,174</b>
D.I.	Accruals	056	65,435	–	65,435	49,266	62,149
D.I.1.	Deferred expenses	057	28,960	–	28,960	19,955	10,106
D.I.2.	Accrued revenue	058	15,401	–	15,401	28,381	51,738
D.I.3.	Foreign currency exchange losses	059	21,074	–	21,074	930	305
D.II.	Estimated receivables	060	7,045	–	7,045	11,289	25

## FINANCIAL STATEMENTS

Denot.	LIABILITIES	Row	2001	2000	1999
	<b>Total liabilities</b>	<b>061</b>	<b>5,717,763</b>	<b>4,043,263</b>	<b>3,573,239</b>
<b>A.</b>	<b>Equity</b>	<b>062</b>	<b>1,352,772</b>	<b>1,339,077</b>	<b>1,240,980</b>
A.I.	Registered capital	063	672,565	790,667	781,585
A.I.1.	Registered capital	064	790,667	790,667	790,667
A.I.2.	Own shares and ownership interests	065	-118,102	-	-9,082
A.II.	Capital funds	066	-	-	-
A.II.1.	Share premium	067	-	-	-
A.II.2.	Other capital funds	068	-	-	-
A.II.3.	Gains or losses from valuation of assets	069	-	-	-
A.III.	Funds created from net profit	071	211,083	85,451	79,423
A.III.1.	Legal reserve fund	072	211,083	85,451	79,423
A.III.2.	Indivisible fund	073	-	-	-
A.III.3.	Statutory and other funds	074	-	-	-
A.IV.	Profit (loss) of previous years	075	266,165	312,351	259,432
A.IV.1.	Retained earnings from previous years	076	266,165	312,351	259,432
A.IV.2.	Uncompensated losses from previous years	077	-	-	-
A.V.	Profit (loss) of current accounting period	078	202,959	150,608	120,540
<b>B.</b>	<b>External liabilities</b>	<b>079</b>	<b>3,769,522</b>	<b>2 168 726</b>	<b>1,925,907</b>
B.I.	Reserves	080	237,922	162,730	130,286
B.I.1.	Legal reserves	081	33,718	22,397	29,816
B.I.2.	Reserve for foreign exchange losses	082	21,074	908	-
B.I.3.	Other reserves	083	183,130	139,425	100,470
B.II.	Long-term payables	084	278,339	141,233	-
B.II.1.	Payables to companies with controlling influence	085	-	-	-
B.II.2.	Payables to companies with substantial influence	086	-	-	-
B.II.3.	Long-term advances received	087	-	-	-
B.II.4.	Bonds issued	088	-	-	-
B.II.5.	Long-term bills of exchange to be paid	089	-	-	-
B.II.6.	Other long-term payables	090	278,339	141,233	-

## FINANCIAL STATEMENTS

Denot.	LIABILITIES	Row	2001	2000	1999
B.III.	Short-term payables	091	3,253,261	1,864,763	1,795,602
B.III.1.	Payables from trade	092	3,031,181	1,594,986	1,598,062
B.III.2.	Payables to partners and participants in association	093	45,123	137,346	82,516
B.III.3.	Payables to employees	094	50,256	45,891	41,736
B.III.4.	Payables to social security	095	29,986	27,270	25,542
B.III.5.	Due to state - taxes and subsidies	096	36,327	9,488	8,409
B.III.6.	Due to state - deferred taxes	097	47,761	48,185	39,005
B.III.7.	Payables to companies with controlling influence	098	-	-	-
B.III.8.	Payables to companies with substantial influence	099	-	-	-
B.III.9.	Other payables	100	12,627	1,597	332
B.IV.	Bank loans and assistance	101	-	-	19
B.IV.1.	Long-term bank loans	102	-	-	-
B.IV.2.	Current bank loans	103	-	-	19
B.IV.3.	Short-term financial assistance	104	-	-	-
<b>C.</b>	<b>Other liabilities - temporary accounts of liabilities</b>	<b>105</b>	<b>595,469</b>	<b>535,460</b>	<b>406,352</b>
C.I.	Accruals	106	113,647	85,895	89,297
C.I.1.	Accrued expenses	107	60,131	59,817	43,959
C.I.2.	Deferred revenues	108	41,951	25,551	45,313
C.I.3.	Foreign currency exchange gains	109	11,565	527	25
C.II.	Estimated payables	110	481,822	449,565	317,055

## FINANCIAL STATEMENTS

### PROFIT AND LOSS ACCOUNT

full format, for the year ended 31 December (in CZK 000)

Denot.	Item	Row	2001	2000	1999
I.	Revenues from merchandise	01	728	4,014	527
A.	Cost of goods sold	02	685	3,905	466
<b>x</b>	<b>Sale margin</b>	<b>03</b>	<b>43</b>	<b>109</b>	<b>61</b>
II.	Production	04	10,525,303	7,470,157	7,113,490
II.1.	Revenues from own products or services	05	9,464,295	7,917,348	6,906,758
II.2.	Change in inventory of own production	06	989,819	-612,065	28,654
II.3.	Capitalisation	07	71,189	164,874	178,078
B.	Production consumption	08	8,918,176	6,070,393	5,948,636
B.1.	Materials and energy consumption	09	7,891,271	5,318,621	5,315,341
B.2.	Services	10	1,026,905	751,772	633,295
<b>x</b>	<b>Added value</b>	<b>11</b>	<b>1,607,170</b>	<b>1,399,873</b>	<b>1,164,915</b>
C.	Personnel expenses	12	1,036,806	952,947	894,152
C.1.	Wages and salaries	13	742,787	687,001	644,459
C.2.	Remuneration of board members	14	6,600	4,860	4,470
C.3.	Social security expenses	15	259,147	239,919	223,986
C.4.	Social expenses	16	28,272	21,167	21,237
D.	Taxes and fees	17	21,351	27,294	40,366
E.	Depreciation of long-term intangible and tangible fixed assets	18	184,243	138,905	119,547
III.	Revenues from sale of fixed assets and material	19	161,250	88,835	518,644
F.	Net book value of fixed assets and material sold	20	96,695	67,116	347,534
IV.	Accounting for reserves and accruals to operating revenues	21	31,105	42,894	50,745
G.	Additions to reserves and accruals to operating expenses	22	86,131	74,430	80,304
V.	Accounting for adjustments to operating revenues	23	80,584	24,641	43,033
H.	Accounting for adjustments to operating expenses	24	36,761	56,412	25,614
VI.	Other operating revenues	25	22,912	43,404	20,469
I.	Other operating expenses	26	126,904	81,885	63,873
VII.	Transfer of operating revenues	27	–	–	–
J.	Transfer of operating expenses	28	–	–	–
<b>#</b>	<b>Operating profit (loss)</b>	<b>29</b>	<b>314,130</b>	<b>200,658</b>	<b>226,416</b>
VIII.	Revenues from sale of securities	30	77	74,345	2,842
K.	Securities and ownership interests sold	31	71	66,994	7,725
IX.	Revenues from long-term financial investments	32	–	–	–
IX.1.	Revenues from intercompany securities and ownership interests	33	–	–	–
IX.2.	Revenues from other long-term securities and investments	34	–	–	–
IX.3.	Revenues from other long-term financial assets	35	–	–	–
X.	Revenues from short-term financial assets	36	–	–	–

## FINANCIAL STATEMENTS

Denot.	Item	Row	2001	2000	1999
XI.	Accounting for reserves to financial revenues	37	908	–	34
L.	Additions to reserves	38	21,074	908	–
XII.	Accounting for adjustments to financial revenues	39	–	34,900	6,522
M.	Accounting for adjustments to financial expenses	40	–	–	9,900
XIII.	Interests received	41	12,087	5,254	5,583
N.	Interests paid	42	143	6,296	14,229
XIV.	Other financial revenues	43	14,782	5,300	20,161
O.	Other financial expenses	44	25,510	29,580	28,237
XV.	Transfer of financial revenues	45	–	–	–
P.	Transfer of financial expenses	46	–	–	–
<b>#</b>	<b>Profit (loss) from financial operations</b>	<b>47</b>	<b>-18,944</b>	<b>16,021</b>	<b>-24,949</b>
R.	Income tax on ordinary income	48	96,801	76,442	84,398
R.1.	Due	49	97,225	67,262	70,542
R.2.	Deferred	50	-424	9,180	13,856
		51	–	–	–
<b>##</b>	<b>Ordinary income</b>	<b>52</b>	<b>198,385</b>	<b>140,237</b>	<b>117,069</b>
XVI.	Extraordinary revenues	53	9,493	15,254	7,636
S.	Extraordinary expenses	54	2,471	476	1,903
T.	Income tax on extraordinary income	55	2,448	4,407	2,262
T.1.	Due	56	2,448	4,407	2,365
T.2.	Deferred	57	–	–	-103
<b>#</b>	<b>Extraordinary income</b>	<b>58</b>	<b>4,574</b>	<b>10,371</b>	<b>3,471</b>
U.	Transfer of profit or loss to partners	59	–	–	–
<b>###</b>	<b>Profit (loss) of current accounting period</b>	<b>60</b>	<b>202,959</b>	<b>150,608</b>	<b>120,540</b>
	Profit (loss) before tax	61	302,208	231,457	207,200

**CASH FLOW STATEMENT AS AT 31 DECEMBER 2001**

(in CZK 000)

	2001	2000
<b>P. Cash and cash equivalents<sup>1)</sup> at beginning of accounting period</b>	<b>755,588</b>	<b>327,696</b>
<b>Cash flows from operating activities</b>		
<b>Z. Accounting profit (loss) from ordinary activities before taxes</b>	<b>295,186</b>	<b>216,679</b>
A.1 Non-cash transactions	252,421	280,734
A.1.1 Depreciation of fixed assets (+), excl. book value of fixed assets sold, write-off of receivables (+) and redemption of adjustment for acquired assets (+/-)	247,013	142,925
A.1.2 Change in adjustments, reserves and balances on temporary assets and liabilities accounts (+/-)	79,418	160,023
A.1.3 Profit (loss) on sale of fixed assets (-/+), incl. gains or losses from valuation of capital holdings	-62,066	-23,256
A.1.4 Dividends and shares in profit (-)	-	-
A.1.5 Interest paid (+), excl. capitalized interest, and interest received (-)	-11,944	1,042
<b>A* Net cash flow from operating activity before taxes changes in working capital and extraordinary items</b>	<b>547,607</b>	<b>497,413</b>
A.2 Change in working capital	339,264	433,391
A.2.1 Change in operating receivables (+/-)	-203,660	-360,090
A.2.2 Change in operating payables (+/-)	1,526,028	201,214
A.2.2.1 Change in operating short-term payables	1,388,922	59,981
A.2.2.2 Change in long-term, or short-term payables	137,106	141,233
A.2.3 Change in inventory (+/-)	-983,104	592,267
<b>A** Net cash flow from operating activity before taxes and extraordinary items</b>	<b>886,871</b>	<b>930,804</b>
A.3 Interest paid, excl. capitalized interest (-)	-143	-6,296
A.4 Interest received (+)	12,087	5,254
A.5 Income tax paid on ordinary income and additional taxation of prior periods (-)	-97,225	-67,262
A.6 Revenues and expenses from extraordinary accounting transactions, including extraordinary income tax paid	4,574	10,371
<b>A*** Net cash flow from operating activity</b>	<b>806,164</b>	<b>872,871</b>
<b>Cash flows from investment activity</b>		
B.1 Acquisition of fixed assets	-488,867	-507,479
B.2 Proceeds from sale of fixed assets	119,892	124,114
B.3 Loans and credits to related persons		
<b>B*** Net cash flow from investment activity</b>	<b>-368,975</b>	<b>-383,365</b>

## FINANCIAL STATEMENTS

### Cash flows from financial activity

C.1	Change in long-term, or short-term liabilities	–	-19
C.2	Impact of change in equity on cash	-71,162	-61,595
C.2.1	Increase in cash and cash equivalents, related to an increase in registered capital, or in reserve fund, including advances paid (+)	–	–
C.2.2	Shares in shareholders' equity paid to partners (-)	–	–
C.2.3	Donations and subsidies to shareholders' equity and other financial deposits of partners and shareholders (+)	–	–
C.2.4	Compensation of losses by partners (+)	–	–
C.2.5	Direct payments debited to funds (-)	–	–
C.2.6	Dividends and profit shares paid, incl. withholding tax (-)	-71,162	-61,595
C.3	Dividends and profit shares received (+)	–	–
<b>C***</b>	<b>Net cash flow from financial activity</b>	<b>-71,162</b>	<b>-61,614</b>
<b>F</b>	<b>Net increase or decrease in cash</b>	<b>366,027</b>	<b>427,892</b>
<b>R</b>	<b>Cash and cash equivalents<sup>1)</sup> end of accounting period</b>	<b>1,121,615</b>	<b>755,588</b>

<sup>1)</sup> Cash equivalents consist of own shares and short-term financial assets.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR 2001

### GENERAL INFORMATION

#### FOUNDATION AND DESCRIPTION OF THE COMPANY

- foundation of the Company – see chapter Basic Information about the Company
- registered capital – see chapter Registered Capital, Shares and Shareholders
- shareholders – see chapter Registered Capital, Shares and Shareholders
- principal activities – see chapter Basic Information about the Company

#### AMENDMENTS TO THE ENTRY IN THE COMMERCIAL REGISTER DURING THE PAST ACCOUNTING PERIOD

New members were elected to the Supervisory Board on 9 January 2001 – Mr. František Kočí and Mr. Pavel Meyer.

#### THE COMPANY'S ORGANISATIONAL STRUCTURE

- see chapter Organisational Structure
- members of the statutory and supervisory bodies – see chapter Company Bodies
- managers appointed by the statutory body – see chapter Senior Management

#### COMPANIES IN WHICH METROSTAV HAS A HIGHER THAN 20% HOLDING (in CZK 000, unless stated otherwise)

Name of company	Registered capital	Holding	Holding (in %)	Shareholders' equity	2001 profit/loss
METROS, s.r.o.	Praha 9, Bystrá 2243	14,000	100	7,590	4,058
METROSTAV Slovakia a.s.	Bratislava, Košická 52	Sk 151,000	100	Sk 150,152*	Sk 705*
SQZ, s.r.o.	Praha 8, Rohanský ostrov	3,803	100	5,158	869
M – D recyklace, a.s.	Praha 8, Rohanský ostrov	1,000	100	878	108
GAMA – METROSTAV a.s.	Praha 5, Seydlerova 2451	1,000	100	29,983	1,502
PRIORES a.s.	Praha 3, Táboritská 1000/23	1,000	100	872*	-128*
METROSTAV INTERTRADE, a.s.	Praha 5, Seydlerova 2451	510	51	-24,823	-4,844
Metrostav-Navatyp a.s.	Praha 5, Seydlerova 2451	1,600	50	3,106*	-94*
TBG METROSTAV s.r.o.	Praha 8, Rohanský ostrov	35,000	50	91,296*	11,048*
Společnost Západního města, akciová společnost	Praha 13, Lýskova 1593	352	35.09	1,423*	396*
ČKD – MTS a.s. **	Moscow, Vavilova 81	Rbl 6,970	34	***	***
ĚKOTUNEL Praha, s.r.o.	Praha 7, Dělnická 12	40	28.57	114	-8

\*\*\* the results were not known as at the date of issue of the Auditor's Report

\*\* the Company does not currently engage in any business activities

\* preliminary results; unaudited as at the date of issue of the Auditor's Report

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR 2001

### EMPLOYEES, THE MANAGEMENT AND STATUTORY BODIES

Average number of employees, the management and personnel costs for 2001 and 2000, were as follows:

<b>2001</b>	<b>Number of staff</b>	<b>Wage costs (in CZK 000)</b>	<b>Social security and health insurance (in CZK 000)</b>	<b>Other costs (in CZK 000)</b>	<b>Total personnel costs (in CZK 000)</b>
Employees	2,906	707,971	246,961	28,272	983,204
Senior managers	17	34,816	12,186		47,002
<b>Total</b>	<b>2,923</b>	<b>742,787</b>	<b>259,147</b>	<b>28,272</b>	<b>1,030,206</b>

<b>2000</b>	<b>Number of staff</b>	<b>Wage costs (in CZK 000)</b>	<b>Social security and health insurance (in CZK 000)</b>	<b>Other costs (in CZK 000)</b>	<b>Total personnel costs (in CZK 000)</b>
Employees	2,886	656,545	229,564	21,167	907,276
Senior managers	16	30,456	10,355		40,811
<b>Total</b>	<b>2,902</b>	<b>687,001</b>	<b>239,919</b>	<b>21,167</b>	<b>948,087</b>

The number of employees is the average number employed. Management includes senior managers and divisional directors. Information on all income in money, kind and emoluments received by the statutory bodies and their members and by members of the Supervisory Board from the Company and controlled companies in 2001 is given on page 47 of the annual report.

### ACCOUNTING METHODS AND GENERAL ACCOUNTING POLICIES

The Company has kept its accounts and prepared these financial statements in compliance with Act No. 563/1991 Coll. on Accounting, the Ministry of Finance Measure stipulating the chart of accounts and accounting procedures for entrepreneurs, and the Ministry of Finance Measure stipulating the contents of financial statements for entrepreneurs.

The accounting respects general accounting principles, in particular the method of valuing assets at historic prices, accounting based on a material and accrual concept, the principle of prudence and the assumption that the Company is able to continue in its activities.

### VALUATION METHODS AND DEPRECIATION

#### Long-term tangible and intangible fixed assets

Long-term tangible and/or intangible fixed assets are understood as assets whose acquisition cost is higher than CZK 40,000, or CZK 60,000, in each individual case and whose useful economic life is longer than one year.

Purchased tangible and intangible fixed assets are valued at acquisition cost.

Valuation of tangible and intangible fixed assets created by own activities includes direct cost, indirect cost incurred in connection with the creation of assets, or indirect costs of administrative nature if the period of creating the assets exceeds one year.

Donated tangible and intangible fixed assets, internally produced intangible assets whose replacement cost is lower than own costs, tangible fixed assets obtained free-of-charge on the basis of a Contract for the Purchase of a Leased Thing (accounted for in the relevant "Accumulated cost" account), assets newly recorded in the accounting (accounted for in the relevant "Accumulated cost" account) and investments of tangible and intangible fixed assets are valued at replacement cost.

Tangible fixed assets with a useful economic life of more than one year valued at an acquisition cost of CZK 40,000 or lower and more than CZK 5,000, and intangible assets with a useful economic life of more than one year valued at an acquisition cost of CZK 60,000 or lower and more than CZK 10,000, except for software, are treated as low-value tangible and intangible fixed assets and depreciated as non-recurring charges.

If technical appreciation of a single tangible, or intangible, asset exceeded a total of CZK 40,000 (or CZK 60,000) in the tax period, then the acquisition cost of the asset is increased.

### Depreciation of long-term assets

Long-term fixed assets are depreciated using the straight-line method and the period of depreciation is based on the useful economic life of the asset in question – see the chart below.

Asset category	Period of depreciation in years
Permanent structures	30–50
Temporary structures (building site equipment)	according to the duration of construction
Plant and equipment	3–12
Vehicles	4–10
Furniture and fixtures	2–8
Other long-term assets	1–6

### Financial investment

Shareholdings and ownership interests are valued at the purchase price. If sold or disposed of in any other way, they are valued on a "first-in, first-out" basis (FIFO).

If the market value of publicly tradeable securities is lower than their purchase price at the date of the financial statements, they are valued at the market price and the difference is recorded as a provision.

Securities denominated in a foreign currency are valued at the Czech National Bank exchange rate valid on the date the accounts were closed and the exchange rate balance is accounted for under "Exchange rate gains" or "Exchange rate losses".

### **Inventories**

Inventories purchased were valued at acquisition cost. The acquisition cost includes the purchase price and related costs (customs duties, freight and fees for storage during transport).

Internally produced stocks are valued at own costs, which include direct costs incurred in production, or other indirect costs related to their production.

Ex-warehouse inventories are accounted for at prices calculated on the basis of a weighted arithmetic average.

The costs of property development are recorded during construction as part of work-in-progress.

### **Loans**

Loans are recorded at nominal value. The part of long-term loans which is payable within one year from the date of the financial statements is also treated as a short-term loan.

### **Provisions for assets and reserves**

Provisions are created on the basis of stocktaking if it is found that the valuation of assets does not correspond to the actual state. Reserves are created for risks and future losses known as at the date of financial statements.

### **Provisions**

- Tangible and intangible fixed assets: no provisions for tangible and intangible fixed assets were created in 2001.
- Receivables: the Company creates provisions for receivables on the basis of an individual assessment of each receivable and the age structure of the receivables as a whole.
- Inventories: provisions for inventories are created on the basis of individual assessment.
- Long-term financial investment: the Company creates provisions for securities as at the date of the balance sheet compilation according to the last price in the RM-System or on the Prague Stock Exchange if this price is lower than the purchase price. Provisions for untradeable securities and ownership interests are created by comparing their purchase price with their estimated market price.

In calculating provisions for short-term financial assets, actual prices valid as at the date of financial statements compilation were taken into account.

### **Reserves**

In 2001, the Company created tax deductible reserves for repair of fixed tangible assets. It also created reserves for closing down construction site facilities, for warranty repairs and for risk.

### **Conversion of entries in foreign currency to Czech currency**

Accounting operations carried out during the year in foreign currencies are converted at the Czech National Bank exchange rates. Assets and liabilities denominated in foreign currencies are converted to Czech currency at the exchange rate valid as at the day of entry in the accounts.

Receivables, liabilities, loans, financial assistance and investment denominated in foreign currencies are converted according to the exchange rate published by the Czech National Bank as at the date of closure of the financial statements. The exchange rate balance is accounted for as exchange rate gains or losses. After consideration of the risk involved, provisions are created for exchange rate losses.

### **Financial lease with subsequent purchase of the leased thing**

The total value of financial leases with subsequent purchase of the leased thing is accounted for on the accrual basis and expensed over the entire period of lease.

### **Taxes**

- Tax depreciation of fixed assets: the straight-line-method was used to calculate tax depreciation for assets recorded in the accounts up to the end of 1992, while the accelerated method has been used for assets recorded since 1992.
- Deferred tax: in 2001, deferred tax was calculated, unlike in previous periods, from all the temporary differences stemming from varying accounting and tax values. The balance sheet method and the income tax rate for the following year was used in the calculation.

### **Accounting for property development**

The Company has recorded entries concerning property development in current assets - under Work-in-progress during construction and after its completion under Finished products. Land which is part of development activities, are part of fixed assets. The results of property development sold are accounted for as revenues from the sale of own products, except for land which is accounted for as sale of fixed assets.

**Changes in valuation, depreciation methods and accounting procedures against the previous period**

There were no changes in the above in the previous period with the exception of accounting for deferred tax.

**Other**

The Company secures itself against the following risks:

- monetary – financial derivatives (as at 31 December 2001 the Company has had none)
- insolvency of business partners: – letters of credit
  - bank guarantees

**ADDITIONAL INFORMATION ON THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT**

**FIXED ASSETS**

**INTANGIBLE FIXED ASSETS (in CZK 000)**

Acquisition cost	As at 31/12/99	Turnover in the period	As at 31/12/00	Turnover in the period	As at 31/12/01
Software	24,883	34,330	59,213	5,270	64,483
Valuable rights	1,461		1,461		1,461
Other intangible assets	8,570	218	8,788	5,742	14,530
Purchase of intangible assets	21,129	-21,129		3,327	3,327
Advances for intangible assets	4,572	-4,508	64	136	200
<b>Total</b>	<b>60,615</b>	<b>8,911</b>	<b>69,526</b>	<b>14,475</b>	<b>84,001</b>

Accumulated depreciation	As at 31/12/99	Turnover in the period	As at 31/12/00	Turnover in the period	As at 31/12/01
Software	22,232	5,577	27,809	8,221	36,030
Valuable rights	1,461		1,461		1,461
Other intangible assets	4,177	1,645	5,822	2,278	8,100
<b>Total</b>	<b>27,870</b>	<b>7,222</b>	<b>35,092</b>	<b>10,499</b>	<b>45,591</b>

Net book value	As at 31/12/99	As at 31/12/00	As at 31/12/01
Software	2,651	31,404	28,453
Valuable rights			
Other intangible assets	4,393	2,966	6,430
Purchase of intangible assets	21,129		3,327
Advances for intangible assets	4,572	64	200
<b>Total</b>	<b>32,745</b>	<b>34,434</b>	<b>38,410</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR 2001

### Depreciation of intangible fixed assets accounted for as expenses

	As at 31/12/01	As at 31/12/00
Depreciation of intangible fixed assets	10,629	7,030

### TANGIBLE FIXED ASSETS (in CZK 000)

Acquisition cost	As at 31/12/99	Turnover in the period	As at 31/12/00	Turnover in the period	As at 31/12/01
Land	86,323	30,694	117,017	7,105	124,122
– Permanent structures	546,289	284,762	831,051	102,156	933,207
– Provisional structures	344,395	-37,645	306,750	-122,392	184,358
Buildings	890,684	247,117	1,137,801	-20,236	1,117,565
– Plant and equipment	482,222	51,969	534,191	180,800	714,991
– Vehicles	264,989	5,125	270,114	54,660	324,774
Furniture and fixtures	129,755	9,821	139,576	8,458	148,034
– Individual movables	876,966	66,915	943,881	243,918	1,187,799
– Low value tangible assets	63,429	3,258	66,687	10,936	77,623
– The other tangible assets	81,874	3,483	85,357	5,332	90,689
Other tangible assets	145,303	6,741	152,044	16,268	168,312
Purchase of tangible assets	174,604	-150,649	23,955	-8,603	15,352
Advances for tangible assets	5,811	16,572	22,383	69,536	91,919
<b>Total</b>	<b>2,179,691</b>	<b>217,390</b>	<b>2,397,081</b>	<b>307,988</b>	<b>2,705,069</b>

Accumulated depreciation	As at 31/12/99	Turnover in the period	As at 31/12/00	Turnover in the period	As at 31/12/01
– Permanent structures	160,572	11,145	171,717	116,750	288,467
– Provisional structures	312,051	-34,308	277,743	-118,553	159,190
Buildings	472,623	-23,163	449,460	-1,803	447,657
– Plant and equipment	257,008	44,183	301,191	65,662	366,853
– Vehicles	201,644	-15,458	186,186	21,865	208,051
– Furniture and fixtures	101,512	5,717	107,229	-8,259	98,970
Individual movables	560,164	34,442	594,606	79,268	673,874
– Low value tangible assets	63,402	3,279	66,681	10,937	77,618
The other tangible assets	58,804	9,354	68,158	2,134	70,292
Other tangible assets	122,206	12,633	134,839	13,071	147,910
<b>Total</b>	<b>1,154,993</b>	<b>23,912</b>	<b>1,178,905</b>	<b>90,536</b>	<b>1,269,441</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR 2001

Net book value	As at 31/12/99	As at 31/12/00	As at 31/12/01
Land	86,323	117,017	124,122
– Permanent structures	385,717	659,334	644,740
– Provisional structures	32,342	29,007	25,168
Buildings	418,061	688,341	669,908
– Plant and equipment	225,214	233,000	348,138
– Vehicles	63,345	83,928	116,723
– Furniture and fixtures	28,243	32,347	49,064
Individual movables assets	316,802	349,275	513,925
– Low value tangible assets	27	6	5
– The other tangible assets	23,070	17,199	20,397
Other tangible assets	23,097	17,205	20,402
Purchase of tangible assets	174,604	23,955	15,352
Advances for tangible assets	5,811	22,383	91,919
<b>Total</b>	<b>1,024,698</b>	<b>1,218,176</b>	<b>1,435,628</b>

Machines and lorries account for a large part of additions to tangible assets. Sale of buildings and land at Florenc (Prague) and buildings “Branka A, B, C” represent reductions in tangible fixed assets.

### Amortisation of intangible fixed assets recorded under costs

	As at 31/12/01	As at 31/12/00
Amortisation of intangible assets	172,210	130,409

### LEASED ASSETS (in CZK 000)

#### 2001

Description of objects leased	Beginning of lease	Time of lease in months	Total lease value	Lease payments paid as at 31/12/00	Lease payments paid in 2001	Due in 2002	Due in future years
Financial leases with subsequent purchase of the leased thing							
– Lorries and cars	1999	9–36	4,970	3,160	1,442	368	0
– Machines	1999	36	3,287	2,091	953	243	0
<b>Total</b>			<b>8,257</b>	<b>5,251</b>	<b>2,395</b>	<b>611</b>	<b>0</b>

The above given data are stated without VAT if it can be deducted at the entry. The Company acquired all assets leased in the form of financial leasing by ceding of lease contracts in 1999. For this reason, the period of lease disagrees with the breakdown of individual instalments.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR 2001

### PLEDGED ASSETS

The Company has no assets pledged.

### FINANCIAL INVESTMENT (in CZK 000)

Purchase price	As at 31/12/99	Additions	Reductions	As at 31/12/00	Additions	Reductions	As at 31/12/01
Controlling shareholdings and ownership interests	74,703	119,524	51,465	142,762	23,236	–	165,998
Substantial shareholdings and ownership interests	27,030	5,000	6,470	25,560	1,600	–	27,160
Other securities and participating interests	–	5,500	–	5,500	–	–	5,500
<b>Total</b>	<b>101,733</b>	<b>130,024</b>	<b>57,935</b>	<b>173,822</b>	<b>24,836</b>	<b>–</b>	<b>198,658</b>

### CONTROLLING SHAREHOLDINGS AND OWNERSHIP INTERESTS (in CZK 000)

#### 2001

Name of Company	Accounting value	Nominal value	Number of shares	Percentage (%)	Provision
METROS, s.r.o.	17,000			100	
METROSTAV Slovakia a.s.	112,957	10	15,100	100	
METROSTAV INTERTRADE, a.s.	510	10	51	51	
GAMA – METROSTAV a.s.	3,762	10	100	100	
SQZ, s.r.o.	3,821			100	
M – D recyklace, a.s.	1,000	10	100	100	
PRIORES a.s.	26,948	100	10	100	
<b>Total</b>	<b>165,998</b>				

#### 2000

Name of Company	Accounting value	Nominal value	Number of shares	Percentage (%)	Provision
METROS, s.r.o.	17,000			100	
METROSTAV Slovakia a.s.	120,351	10	15,100	100	
METROSTAV INTERTRADE, a.s.	510	10	51	51	
GAMA – METROSTAV a.s.	510	10	51	51	
SQZ, s.r.o.	3,821			100	
M – D recyklace, a.s.	570	10	57	57	
<b>Total</b>	<b>142,762</b>				

**SUBSTANTIAL SHAREHOLDINGS AND OWNERSHIP INTERESTS (in CZK 000)**

**2001**

<b>Name of Company</b>	<b>Accounting value</b>	<b>Nominal value</b>	<b>Number of shares</b>	<b>Percentage (%)</b>
TBG METROSTAV s.r.o.	20,000			50
Společnost Západního města, akciová společnost	5,520	1	352	35.09
EKOTUNEL Praha, s.r.o.	40			28.57
Metrostav-Navatyp a.s.	1,600	100	16	50
<b>Total</b>	<b>27,160</b>			

**2000**

<b>Name of Company</b>	<b>Accounting value</b>	<b>Nominal value</b>	<b>Number of shares</b>	<b>Percentage (%)</b>
TBG METROSTAV s.r.o.	20,000			50
Společnost Západního města, akciová společnost	5,520	1	352	35.09
EKOTUNEL Praha, s.r.o.	40			28.57
<b>Total</b>	<b>25,560</b>			

**OTHER SHARES AND OWNERSHIP INTERESTS (in CZK 000)**

**2001**

<b>Name of Company</b>	<b>Accounting value</b>	<b>Nominal value</b>	<b>Number of shares</b>	<b>Percentage (%)</b>
TBG PRAŽSKÉ BETONPUMPY s.r.o.	5,500			16.64
<b>Total</b>	<b>5,500</b>			

**2000**

<b>Name of Company</b>	<b>Accounting value</b>	<b>Nominal value</b>	<b>Number of shares</b>	<b>Percentage (%)</b>
TBG PRAŽSKÉ BETONPUMPY s.r.o.	5,500			16.64
<b>Total</b>	<b>5,500</b>			

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR 2001

### SHORT-TERM FINANCIAL ASSETS (in CZK 000)

2001

Name of Company	Financial product	Nominal value	Date of issue	Due date
Komerční banka a.s.	deposit bills of exchange – CZK	600,000	27/12/01	7/1/02
Komerční banka a.s.	deposit bills of exchange – CZK	100,000	28/12/01	7/1/02
Komerční banka a.s.	deposit bills of exchange – CZK	146,000	31/12/01	2/1/02
Societe Generale a.s.	deposit bills of exchange – CZK	19,500	27/12/01	2/1/02
Credit Lyonnais Bank Praha	deposit bills of exchange – EUR	39,379	18/12/01	2/1/02
Credit Lyonnais Bank Praha	deposit bills of exchange – EUR	1,599	31/12/01	8/1/02
<b>Total</b>		<b>906,478</b>		

### RECEIVABLES (in CZK 000)

Trade receivables	As at 31/12/01	As at 31/12/00
Long-term		
– customers	288,485	161,059
– bills for collection		
– operating advances paid		
– other receivables		
Total long-term	288,485	161,059
Short-term		
– customers	1,099,188	1,089,442
– bills for collection		
– operating advances paid	196,343	241,767
– other receivables	7,053	27,735
Total short-term	1,302,584	1,358,944
<b>Total receivables</b>	<b>1,591,069</b>	<b>1,520,003</b>

The seller's lien accounted for major part of long-term receivables.

### Trade receivables age structure

Year	Category	Before maturity	Overdue for (days)				Total
			0–30 days	31–90 days	91–365 days	365 days and more	
2000	Long-term	161,059					161,059
	Provisions						
	Short-term	771,948	235,669	83,787	114,165	153,375	1,358,944
	Provisions						125,700
2001	Long-term	288,485					288,485
	Provisions						
	Short-term	886,058	184,726	36,279	75,748	119,773	1,302,584
	Provisions						106,941

Standard maturity of receivables is 21 days.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR 2001

### INTERCOMPANY RECEIVABLES (in CZK 000)

Name of Company	As at 31/12/01	As at 31/12/00
Short-term receivables		
METROS, s.r.o.	1,728	2,875
METROSTAV Slovakia a.s.	11,688	24,902
METROSTAV INTERTRADE, a.s.	61,982	1,989
GAMA – METROSTAV a.s.	857	93
SQZ, s.r.o.	89	
M – D recyklace, a.s.		297
PRIORES a.s.	17	
TBG METROSTAV s.r.o.	1,217	981
Společnost Západního města, akciová společnost EKOTUNEL Praha, s.r.o.		
Metrostav-Navatyp a.s.	14,035	
<b>Total</b>	<b>91,613</b>	<b>31,137</b>

### INTERCOMPANY LOANS

METROSTAV INTERTRADE, a.s. received a loan of CZK 15,750,000 due on 31 December 2001. SQZ, s.r.o. received a loan of CZK 5,100,000 due on 16 November 2006, GAMA – METROSTAV a.s. received a loan of CZK 44,924,000 due on 30 June 2002, METROS s.r.o. received a loan of CZK 10,000,000 due on 31 March 2002 and PRIORES a.s. received a loan of CZK 1,500,000 due on 31 December 2002.

### SHAREHOLDERS' EQUITY (in CZK 000)

Movements in equity	Registered capital	Legal reserve fund	Special reserve fund	Retained earnings	Profit/loss of current period	Own shares	Shareholders' equity
Balance as at 31/12/99	790,667	79,423		259,432	120,540	9,082	1,240,980
Reductions						9,082	
Additions		6,028		52,919			
Balance as at 31/12/00	790,667	85,451		312,351	150,608		1,339,077
Reductions				118,102		71	
Additions		7,530	118,102	71,916		118,173	
Balance as at 31/12/01	790,667	92,981	118,102	266,165	202,959	118,102	1,352,772

The special reserve fund in the amount of the purchase price of own shares was created in line with the Commercial Code.

**DISTRIBUTION OF PROFIT FOR THE PREVIOUS ACCOUNTING PERIOD (in CZK 000)**

**Distribution of 2000 profit**

1.	Transfer to Retained earnings account	71,916
2.	Payment of dividends	71,162
3.	Allocation to Legal reserve fund	7,530
4.	Payment of emoluments	–
	<b>Total for distribution</b>	<b>150,608</b>

**REGISTERED CAPITAL**

— registered capital – see Chapter Registered Capital, Shares and Shareholders

— own shares held – see Report of the Board of Directors on the Company' Activities and Assets

**LIABILITIES (in CZK 000)**

<b>Trade receivables</b>	<b>As at 31/12/01</b>	<b>As at 31/12/00</b>
Long-term		
– suppliers	276,989	138,983
Total long-term	276,989	138,983
Short-term		
– suppliers	1,469,691	874,200
– bills to be paid		
– advances received	1,553,463	721,654
– other liabilities	8,027	-868
Total short-term	3,031,181	1,594,986
<b>Total liabilities</b>	<b>3,308,170</b>	<b>1,733,969</b>

The sellers's lien accounts for major part of long/term liabilities.

**Trade receivables age structure**

<b>Year</b>	<b>Category</b>	<b>Before maturity</b>	<b>Overdue for (days)</b>				<b>Total</b>
			<b>0–30 days</b>	<b>31–90 days</b>	<b>91–365 days</b>	<b>365 days and more</b>	
2000	Long-term	138,983					138,983
	Short-term	1,594,986					1,594,986
2001	Long-term	276,989					276,989
	Short-term	3,031,181					3,031,181

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR 2001

### Intercompany liabilities

Name of Company	As at 31/12/01	As at 31/12/00
Short-term liabilities		
METROS, s.r.o.	32,186	29,802
METROSTAV Slovakia a.s.	58	408
METROSTAV INTERTRADE, a.s.		
GAMA – METROSTAV a.s.	15	
SQZ, s.r.o.	738	123
M – D recyklace, a.s.	424	161
PRIORES a.s.		
TBG METROSTAV s.r.o.	17,603	27,919
Společnost Západního města, akciová společnost	510	
EKOTUNEL Praha, s.r.o.		
Metrostav-Navatyp a.s.		
<b>Total liabilities</b>	<b>51,534</b>	<b>58,413</b>

### ESTIMATED PAYABLES

Estimated payables comprise mainly of work carried out by subcontractors but not invoiced.

RESERVES (in CZK 000)	Legal reserves	Reserves for exchange rate losses	Other reserves	Total reserves
<b>Balance as at 31/12/99</b>	<b>29,816</b>		<b>100,470</b>	<b>130,286</b>
Additions to reserves	11,833	908	62,597	75,338
Drawing of reserves	19,252		23,642	42,894
<b>Balance as at 31/12/00</b>	<b>22,397</b>	<b>908</b>	<b>139,425</b>	<b>162,730</b>
Additions to reserves	18,942	21,074	67,188	107,204
Drawing of reserves	7,621	908	23,483	32,012
<b>Balance as at 31/12/01</b>	<b>33,718</b>	<b>21,074</b>	<b>183,130</b>	<b>237,922</b>

Reserves for repair of tangible fixed assets (tax deductible) were created for repair of immovable assets and key mechanisms. Other reserves were created for closing down of construction site facilities, warranty repairs and other risks.

### BREAKDOWN OF REVENUES FROM CURRENT MAIN ACTIVITIES (in CZK 000)

	As at 31/12/01	As at 31/12/00
Construction work	10,032,604	7,018,982
Sale of concrete and reinforcements	33,216	48,160
Transportation	40,717	44,985
Own development projects	30,087	146,174
Other production	388,679	211,856
<b>Total output</b>	<b>10,525,303</b>	<b>7,470,157</b>

**STRUCTURE OF REVENUES BY TERRITORY (in %)**

	2001	2000
Revenues in the Czech Republic	99.3	98.1
Revenues – abroad	0.7	1.9

**COMMITMENTS NOT RECORDED IN THE BOOKS**

**GUARANTEES PROVIDED BY METROSTAV AS AT 31 DECEMBER 2001 (in CZK 000)**

Guaranteed for	Value	Period from	Form of guarantee	Creditor
Dopravní stavby Olomouc, a.s. – v likvidaci	39,000	8/4/98	guarantor's declaration	Konsolidační banka Praha s.p.ú.
<b>Total</b>	<b>39,000</b>			

Note: On 30 November 1999, the guarantor's declaration was ceded from Česká spořitelna to Konsolidační banka.

A reserve of CZK 32,000,000 was created for the guarantor's declaration for Dopravní stavby Olomouc a.s. – v likvidaci.

**BANK GUARANTEES PROVIDED FOR METROSTAV AS AT 31 DECEMBER 2001 (in CZK 000)**

Bank guarantees	Value
for presentation at competitions	158,170
for work properly carried out during guarantee period	1,062,112
for customs	375,247
for advance payments	3,740
other bank guarantees	18,334
<b>Total bank guarantees</b>	<b>1,617,603</b>

**BANK GUARANTEES PROMISED TO METROSTAV AS AT 31 DECEMBER 2000 (in CZK 000)**

Type of bank guarantee promised	Value
Bank guarantees for work properly carried out	62,000
Bank guarantees during warranty period	6,000
<b>Total bank guarantees promised</b>	<b>68,000</b>

**BANK GUARANTEES RECEIVED BY METROSTAV (AS BENEFICIARY) AS AT 31 DECEMBER 2001 (in CZK 000)**

Type of bank guarantee promised	Value
Bank guarantees for work properly carried out	184,895
Bank guarantees during guarantee period	61,397
<b>Total bank guarantees received</b>	<b>246,292</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR 2001

### LETTERS OF CREDIT AS AT 31 DECEMBER 2001 (in CZK 000 unless stated otherwise)

Beneficiary	Value	Due date	Note
Marie Tyllichová	62,500	30 September 2002	purchase of land

Orderer	Value	Due date	Note
Amanullah Weiss	300,000 USD	31 December 2001	

### BILLS OF EXCHANGE DRAWN AS AT 31 DECEMBER 2001 (in CZK 000 unless stated otherwise)

Bank	Value	Drawn on	Due
ČSOB a.s.	133,250	29/11/01	13/12/02
ČSOB a.s.	216,000	20/8/01	20/2/02
ČSOB a.s.	20,700	29/11/01	13/12/02
HVB Bank Czech Republic a.s.	425,000	x	sight bill, until 15/2/05
Živnostenská banka a.s.	125,000	26/6/01	x
Raiffeisenbank a.s.	blank	25/1/01	x
ING Bank N.V., organizační složka	blank	31/7/01	x
Dresdner Bank CZ a.s.	blank	16/1/01	x
Dresdner Bank CZ a.s.	33,091	x	x
Dresdner Bank CZ a.s.	1,686,000 EUR	x	x

The above listed bills of exchange were drawn by Metrostav a.s. for the purpose of securing the loans taken from financial houses.

### BILLS OF EXCHANGE ACCEPTED TO SECURE METROSTAV A.S. AS CREDITOR - AS AT 31 DECEMBER 2001

(in CZK 000)	Value	Drawn on	Due date	Co-accepted by	Note
ELTODO a.s.	520	27/8/99	20/11/02	member of Board of Directors	securing bill
Serge Borenstein	8,000	9/10/01	15/12/02		securing bill
Serge Borenstein	12,000	9/10/01	15/12/03		securing bill
<b>Total bills of exchange accepted</b>	<b>20,520</b>				

### LITIGATIONS

see chapter Additional information in compliance with the Act on Securities.

### OBLIGATIONS TO THE ENVIRONMENT

As at 31 December 2001, the Company's ecological audit was not carried out. The Company's management is not aware of any significant obligations related to damage caused by previous activities.

### **MATERIAL EVENTS AFTER THE CLOSING OF THE ACCOUNTS**

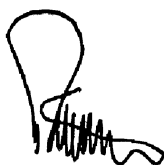
No material events took place after the closing of the accounts.

### **CASH FLOW STATEMENT**

See pages 59-60 of the Annual Report.

The persons responsible for the annual report honestly declare that the information contained in this Annual Report is true and real and that no material circumstances that could influence an exact and correct evaluation of the issuer, were omitted.

#### **Statutory body**



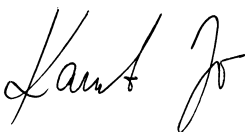
JIŘÍ BĚLOHLAV  
member of the Board of Directors  
and General Director  
Prague 5, K Brance 1011/17  
birth certificate No. 500226/114

#### **Statutory body**



ZDENĚK ŠINOVSÝ  
member of the Board of Directors  
and Financial Director  
Prague 9, Na Krocínce 447/45  
birth certificate No. 471010/032

#### **Person responsible for accounting**



JIŘÍ KARNET  
Head of the Main Accounting Section  
Prague 8, Frýdlantská 1319  
birth certificate No. 680719/0467

#### **Person responsible for consolidated financial statements**



JANA KRÁLÍKOVÁ  
Head of Bookkeeping Unit  
Prague 4, Botevova 3098  
birth certificate No. 485118/094

25 February 2002

## AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

### AUDITOR'S REPORT FOR THE SHAREHOLDERS OF METROSTAV A.S.

**Deloitte  
& Touche**

Based on our audit we have issued the following Report on the consolidated financial statements on 11 March 2002:

"We have audited the attached consolidated financial statements of Metrostav a.s. as at 31 December 2001. The company's Board of Directors is responsible for compiling the consolidated financial statements. Our responsibility is to express an opinion on these consolidated financial statements, 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 consolidated financial statements are free of material misstatements. The audit includes examining, on a test basis, whether the amounts and information in the consolidated financial statements are complete and supportable. It also includes evaluation of the overall consolidated financial statements presentation. We believe that our audit provides a reasonable basis for our opinion on the consolidated financial statements.

In our opinion, the company's financial statements present fairly, in all material respects, the assets, liabilities, shareholders' equity and financial position of Metrostav a.s. Group as at 31 December 2001 and its results for 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 consolidated 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 consolidated financial statements for 1999 which were also audited by us and on which we issued a report containing an unreserved opinion on 28 April 2000.

Prague, 10 April 2002



AUDITING FIRM:

DELOITTE & TOUCHE SPOL. S R.O.

LICENCE NO. 79



AUDITOR RESPONSIBLE:

STANISLAV STANĚK

CERTIF. NO. 1674

## CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATED BALANCE SHEET

as at 31 December

Assets (in CZK 000)		2001	2000	1999
<b>Total assets</b>	<b>001</b>	<b>5,817,312</b>	<b>4,210,120</b>	<b>3,841,784</b>
<b>Receivables for subscriptions</b>	<b>002</b>	–	–	–
<b>Fixed assets</b>	<b>003</b>	<b>1,717,523</b>	<b>1,388,047</b>	<b>1,251,072</b>
Intangible fixed assets	004	38,467	34,573	32,976
Tangible fixed assets	005	1,510,731	1,297,351	1,136,570
Financial investments	006	126,779	16,020	11,959
Active consolidated balance	007	8,559	–	–
Securities by means of the equity method	008	32,988	40,103	69,567
<b>Current assets</b>	<b>009</b>	<b>4,031,535</b>	<b>2,741,532</b>	<b>2,494,361</b>
Inventory	010	1,356,428	367,391	985,034
Long-term receivables	011	294,768	178,495	8,698
Short-term receivables	012	1,372,390	1,381,898	1,169,428
Financial assets	013	1,007,949	813,748	331,201
<b>Other assets</b>	<b>014</b>	<b>68,254</b>	<b>80,541</b>	<b>96,351</b>
<b>Liabilities (in CZK 000)</b>				
		<b>2001</b>	<b>2000</b>	<b>1999</b>
<b>Total shareholders' equity &amp; liabilities</b>	<b>015</b>	<b>5,817,312</b>	<b>4,210,120</b>	<b>3,841,784</b>
<b>Shareholders' equity</b>	<b>016</b>	<b>1,389,955</b>	<b>1,370,604</b>	<b>1,302,716</b>
Registered capital	017	672,565	790,667	781,585
Capital funds	018	–	–	–
Funds created from net profit	019	211,083	56,395	58,909
Profit/loss of previous years	020	280,536	399,764	310,026
Profit/loss of current accounting period (excl. minority interests)	021	212,084	119,447	121,606
Profit/loss of current accounting period	022	209,030	118,676	123,644
Share in profit/loss by means of the equity method	023	3,054	771	-2,038
Passive consolidated balance	024	8,563	–	–
Consolidated reserve fund	025	5,124	4,331	30,590
<b>External liabilities</b>	<b>026</b>	<b>3,832,250</b>	<b>2,265,203</b>	<b>2,081,363</b>
Reserves	027	239,017	162,730	130,286
Long-term payables	028	278,339	141,233	–
Short-term payables	029	3,278,024	1,915,056	1,899,709
Bank loans and assistance	030	36,870	46,184	51,368
<b>Other liabilities</b>	<b>031</b>	<b>595,107</b>	<b>547,471</b>	<b>421,918</b>
<b>Minority equity</b>	<b>032</b>	–	<b>26,842</b>	<b>35,787</b>
Minority registered capital	033	–	490	13,576
Minority capital funds	034	–	–	–
Minority funds created from profit incl. undistributed retained earnings	035	–	26,369	19,180
Minority profit/loss of the accounting period	036	–	-44	3,031

## CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATED PROFIT AND LOSS ACCOUNT (in CZK 000)

for the year ended 31 December

		2001	2000	1999
Revenues from merchandise	001	146,121	137,105	80,596
Cost of goods sold	002	135,753	127,252	74,189
<b>Sale margin</b>	<b>003</b>	<b>10,368</b>	<b>9,853</b>	<b>6,407</b>
Production	004	10,552,047	7,485,876	7,217,109
Production consumption	005	8,931,833	6,069,561	6,002,685
<b>Added value</b>	<b>006</b>	<b>1,630,582</b>	<b>1,426,168</b>	<b>1,220,831</b>
Personnel expenses	007	1,052,809	970,127	949,104
Taxes and fees	008	21,682	27,583	43,307
Depreciation of intangible and tangible fixed assets	009	185,119	139,927	127,121
Accounting for reserves, provisions and accruals to operating revenues	010	116,574	73,263	99,341
Additions to reserves, provisions and accruals to operating expenses	011	129,544	138,572	118,565
Other operating revenues	012	208,152	145,783	1,085,469
Other operating expenses	013	239,795	164,418	920,329
<b>* Consolidated operating profit/loss</b>	<b>014</b>	<b>326,359</b>	<b>204,587</b>	<b>247,215</b>
Financial revenues	015	25,717	119,990	35,883
Financial expenses	016	49,317	138,399	68,544
<b>* Consolidated profit/loss from financial operations</b>	<b>017</b>	<b>-23,600</b>	<b>-18,409</b>	<b>-32,661</b>
Income tax on ordinary income – due	018	98,955	67,803	82,518
Income tax on ordinary income – deferred	019	-414	9,194	13,863
<b>** Consolidated ordinary income</b>	<b>020</b>	<b>204,218</b>	<b>109,181</b>	<b>118,173</b>
Extraordinary revenues	021	10,333	17,393	8,741
Extraordinary expenses	022	3,046	3,535	4,375
Accounting for passive consolidated balance	023	2,141	–	6,398
Accounting for active consolidated balance	024	2,140	–	–
Extraordinary income tax – due	025	2,474	4,407	2,262
<b>** Extraordinary profit/loss (consolidated)</b>	<b>027</b>	<b>4,814</b>	<b>9,451</b>	<b>8,502</b>
<b>*** Consolidated profit/loss for the period excl. share derived by means of equity method</b>	<b>028</b>	<b>209,030</b>	<b>118,632</b>	<b>126,675</b>
of this:				
profit/loss of current accounting period without minority interests	029	209,030	118,676	123,644
minority profit/loss of current accounting period	030	–	-44	3,031
share in the profit/loss derived by means of the equity method	031	3,054	771	-2,038
<b>**** Consolidated profit/loss for the accounting period</b>	<b>032</b>	<b>212,084</b>	<b>119,403</b>	<b>124,637</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Notes to consolidated financial statements of the Metrostav Group for the year 2001 were compiled in accordance with the Ministry of Finance Measure which stipulates the method and procedure for consolidation of financial statements (ref. no. 281/73 570/93).

### ACCOUNTING PRINCIPLES AND GENERAL ACCOUNTING POLICIES

Consolidated financial statements are governed by general accounting principles, especially by the historical cost convention, the accrual basis of accounting, the principle of prudence and going concern principle.

The accounting procedures of companies included in the consolidation entity were unified for the purpose of compilation of the Metrostav's Group consolidated financial statements. Significant accounting policies used by individual companies are described below.

### RESEARCH AND DEVELOPMENT

No costs related to research and development were incurred by the Group.

### CONSOLIDATION DIFFERENCE

The passive and active consolidation differences are written off over a period of five years. The consolidation difference is calculated as a difference between the accounting value of financial investment and the respective share in equity of a subsidiary or an associated company as at 1st January in the year of acquisition.

### TANGIBLE AND INTANGIBLE FIXED ASSETS

Tangible, or intangible fixed assets are understood as assets valued at more than CZK 40,000, or CZK 60,000 in each individual case, and whose useful life is longer than one year.

Tangible and intangible fixed assets purchased are valued at acquisition cost.

Internally produced tangible and intangible fixed assets include direct costs, indirect costs closely related to the process of internal production, or eventually indirect costs of administrative nature, if the period of production exceeds one year.

Donated tangible and intangible fixed assets, internally produced intangible assets whose replacement cost is lower than own costs, tangible fixed assets obtained free-of-charge on the basis of a Contract for the Purchase of a Leased Thing, assets newly recorded in the accounts and investment of intangible and tangible fixed assets (except for cases when the investment is valued differently in accordance with the Articles of Association, or the Founder's Deed) are valued at replacement cost.

Fixed assets are depreciated using the straight-line method and the period of depreciation is based on the useful life of the asset in question.

### **FINANCIAL INVESTMENT**

Securities and capital holdings are valued at the purchase price. If sold or disposed of in any other way, they are valued on a "first-in, first-out basis" (FIFO).

If the market value of publicly tradeable securities is lower than their purchase price as at the date of the financial statements they are valued at the market price and the difference is recorded as a provision.

Securities denominated in a foreign currency are valued at the Czech National Bank exchange rate valid on the date of financial statements and the exchange rate difference is accounted for under "Exchange rate gains" or "Exchange rate losses".

### **INVENTORIES**

Inventories purchased are valued at the acquisition cost. It includes the purchase price and related costs - customs duties, freight and fees for storage during transport.

Internally produced inventories are valued at own costs, which include direct costs incurred in production or other activities, or eventually part of indirect costs related to their production or other activities.

Ex-warehouse inventories are accounted for at prices calculated on the basis of a weighted arithmetic average.

The costs of property development are recorded during construction as part of work-in-progress.

### **PROVISIONS**

Provisions are created on the basis of inventory-taking if it is found that the valuation of assets does not correspond to the actual state. Reserves are created for risks and future losses known as at the date of financial statements compilation.

### **Tangible and intangible fixed assets**

No provisions were created for tangible or intangible fixed assets in 2001.

### **Receivables**

In 2001, provisions were created for receivables on the basis of individual assessment of a receivable and the age structure of provisions as a whole.

### **Inventories**

In 2001, provisions for inventories were created on the basis of individual assessment.

### **Financial investment**

Provisions for tradeable securities were created as at the date of the balance sheet compilation according to the last price in the RM-System or on the Prague Stock Exchange if this price was lower than the purchase price. Provisions for

untradeable securities were created by comparing their purchase price with their estimated market price.

In calculating provisions for short-term financial assets, actual prices valid as at the date of financial statements compilation were taken into account.

### **LOANS**

Loans are recorded at nominal value. The part of long-term loans which is payable within one year from the date of the financial statements is treated as a short-term loan.

### **RESERVES**

In 2001, the companies included in the consolidation entity created tax-deductible reserves for repair of tangible fixed assets. The companies also created reserves for the closing down of construction site facilities and for warranty repairs, and reserves for risks.

### **CONVERSION OF ENTRIES IN FOREIGN CURRENCY TO CZECH CURRENCY**

Receivables, liabilities, loans, financial assistance and financial investment in foreign currency are converted at the Czech National Bank exchange rate valid on the date of financial statements. The exchange rate balance is accounted for as exchange rate gains or losses. After consideration of the risk involved, provisions are created for exchange rate losses.

Financial assets denominated in foreign currency are converted at the Czech National Bank exchange rate valid on the date of financial statements and the exchange rate balance is recorded as financial cost or revenue.

### **TAXES**

#### **Tax depreciation of fixed assets**

The straight-line method was used to calculate tax depreciation for assets recorded in the accounts up to the end of 1992, while the accelerated method has been used for assets recorded since 1992.

#### **Deferred tax**

Unlike in previous periods, in 2001 the deferred tax was calculated from all the temporary differences arisen from the varying accounting and tax values. The balance-sheet method and the tax rate for the following year was used in the calculation.

### **CHANGES IN ACCOUNTING METHODS**

There were no changes in the accounting methods compared with the previous period, except for accounting for deferred tax.

### **ACCOUNTING FOR PROPERTY DEVELOPMENT**

The Company has recorded entries concerning development activities in current assets under Work in progress during construction and under Finished products after its completion. Land which is part of development activities, are part of fixed assets. The sale of property development results is accounted for as revenues from the sale of own products, except for land which is accounted for as sale of fixed assets.

### **OTHER**

The Company uses letters of credit and bank guarantees to secure itself against the risks of a business partner's insolvency.

### **CHANGES IN CONSOLIDATION ENTITY**

In 2001, the holding of the parent company in its subsidiary, GAMA – METROSTAV a.s., increased to 100%.

A new associate, METROSTAV INTERTRADE, a.s., was included in the consolidation entity.

The date of financial statements of companies included in the consolidation entity is 31 December 2001.

### **THE SCOPE OF CONSOLIDATION**

The Metrostav Group comprises the parent company – Metrostav a.s. and its subsidiaries and associated companies. Definition of a subsidiary and an associated company is given below.

### **SUBSIDIARIES**

For the purpose of consolidation, a subsidiary is understood as a company in which the parent company has a controlling influence through

- holding of more than 50% of shares/participating interests in its registered capital unless the controlling influence is restricted by an agreement, or
- a contract concluded or stipulation included in its Statutes or Founding Contract. The full consolidation method was applied in case of subsidiaries.

### **ASSOCIATED COMPANIES**

For the purpose of consolidation, an associated company is understood as a company in which the parent company has a substantial influence, i. e. it holds more than 20% of shares/participating interests in its registered capital, and does not simultaneously exercise a controlling influence.

The equity consolidation method was applied in case of affiliated companies.

### CONSOLIDATION OF FOREIGN SUBSIDIARIES AND ASSOCIATED COMPANIES

The balance sheet and profit / loss account of METROSTAV Slovakia, a.s. was recalculated to Czech crowns at the Czech National Bank exchange rate valid on the last day of the accounting period, i.e. on 31 December 2001.

### DEFINITION OF THE CONSOLIDATION ENTITY

Name of company	Registered office	Percentage held in the registered capital	Degree of Metrostav's influence	Consolidation method
Metrostav a.s.	Koželužská 2246, 180 00 Praha 8	n/a	n/a	n/a
METROSTAV Slovakia a.s.	Košická 52, 821 08 Bratislava, SR	100	controlling	full
METROS, s.r.o.	Bystrá 2243, 193 00 Praha 9 – Horní Počernice	100	controlling	full
GAMA – METROSTAV a.s.	Seydlerova ul. 2451, 150 00 Praha 5	100	controlling	full
METROSTAV INTERTRADE, a.s.	Dělnická 12, 170 04 Praha 7	51	substantial	equity
TBG METROSTAV s.r.o.	Rohanské nábř. 68, 186 00 Praha 8	50	substantial	equity

METROSTAV INTERTRADE, a.s. is consolidated by the equity method because its Statutes stipulate that both existing shareholders have the same influence regardless of percentage of shares they own.

### THE FOLLOWING COMPANIES WERE NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Name of company	Registered office	Percentage held in the registered capital	Reason for exclusion
SQZ, s.r.o.	Rohanský ostrov 1, 180 00 Praha 8	100	insignificance
PRIORES, a.s.	Táboritská 100/23, 130 87 Praha 3	100	insignificance
M – D recyklace, a.s.	Rohanský ostrov, 186 00 Praha 8	100	insignificance
Metrostav-Navatyp a.s.	Seydlerova ul. 2451, 150 00 Praha 5	50	insignificance
Společnost Západního města, akciová společnost	Lýskova 1593, 155 00 Praha 13	35.1	insignificance
ČKD-MTS, a.s.	Vavilova 81, 1170335 Moskva, Ruská federace	34	insignificance
EKOTUNEL Praha, s.r.o.	Dělnická 12, 170 04 Praha 7	28.6	insignificance
TBG PRAŽSKÉ BETONPUMPY s.r.o.	Rohanský ostrov, 186 00 Praha 8	16.7	insignificance
TBG Pražské malty s.r.o.	Rohanské nábřeží 68, 186 00 Praha 8	grand-daughter	insignificance
DORG-trubní systémy, spol. s r.o.	U Zahradnictví 123, 790 81 Česká Ves	grand-daughter	insignificance
Doprastav a. s.	Drieňová 27, 821 00 Bratislava, SR	grand-daughter	insignificance
METROSTAV-INTERTRADE, KRUTEC spol. s r.o.	Naskové 1, 150 00 Praha 5	grand-daughter	insignificance

Financial statements of all companies, whether they were included in the consolidation entity or not, are filed and can be examined in Metrostav's registered office: Koželužská 2246, 180 00 Praha 8.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### ADDITIONAL INFORMATION TO THE CONSOLIDATED BALANCE SHEET

(all data in tables on pages 86-90 are stated in CZK 000)

#### INTANGIBLE FIXED ASSETS

<b>Acquisition cost</b>	<b>2001</b>	<b>2000</b>
As at 1 January	67,958	61,708
Turnover in the period	14,417	6,250
As at 31 December	82,375	67,958
<b>Accumulated depreciation</b>	<b>2001</b>	<b>2000</b>
As at 1 January	33,385	28,732
Turnover in the period	10,523	4,653
As at 31 December	43,908	33,385
<b>Net book value</b>	<b>2001</b>	<b>2000</b>
As at 31 December	38,467	34,573

#### TANGIBLE FIXED ASSETS

<b>Acquisition cost</b>	<b>Buildings and structures</b>	<b>Plant and equipment</b>	<b>Vehicles</b>	<b>Furniture and fixtures and the other</b>	<b>2001</b>	<b>2000</b>
As at 1 January	1,331,618	536,904	272,460	340,550	2,481,532	2,344,475
Turnover	-17,183	180,546	54,876	85,775	304,014	137,057
As at 31 December	1,314,435	717,450	327,336	426,325	2,785,546	2,481,532
<b>Accumulated depreciation</b>						
As at 1 January	449,716	303,407	187,306	243,752	1,184,181	1,207,905
Additions	-1,708	65,528	21,841	4,973	90,634	-23,724
As at 31 December	448,008	368,935	209,147	248,725	1,274,815	1,184,181
<b>Net book value</b>						
As at 31 December	866,427	348,515	118,189	177,600	1,510,731	1,297,351

#### SECURITIES BY MEANS OF THE EQUITY METHOD (ONLY IN CONSOLIDATION)

<b>Investment as at 31/12/01</b>	<b>Holding in %</b>		<b>Equity</b>		<b>Value of the share in equity</b>		<b>Share in profit/loss under the equity method</b>	
	<b>2001</b>	<b>2000</b>	<b>2001</b>	<b>2000</b>	<b>2001</b>	<b>2000</b>	<b>2001</b>	<b>2000</b>
	TBG METROSTAV s.r.o.	50	50	91,296	80,206	45,648	40,103	5,524
METROSTAV INTERTRADE, a.s.	51	51	-24,823	x	-12,660	x	-2,470	x
<b>Total</b>	x	x	66,473	80,206	32,988	40,103	3,054	771

METROSTAV INTERTRADE, a.s. was newly included in the consolidation entity.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### INVENTORIES

	2001	2000
Material	78,030	80,216
Work-in-progress	1,246,046	252,125
Products	0	–
Goods	25,363	26,670
Advances paid for inventories	6,989	8,380
<b>Total</b>	<b>1,356,428</b>	<b>367,391</b>

### LONG-TERM RECEIVABLES

Receivables with maturity longer than 5 years totalled CZK 28,960,000 in 2001.

	2001	2000
Due within 2 years	122,517	35,810
Due within 5 years	143,291	101,050
Due after more than 5 years	28,960	41,635
<b>Total</b>	<b>294,768</b>	<b>178,495</b>

### SHORT-TERM RECEIVABLES

	2001	2000
Trade receivables	1,234,128	1,283,708
Other	138,262	98,190
<b>Total</b>	<b>1,372,390</b>	<b>1,381,898</b>

Receivables are shown net.

### FINANCIAL ASSETS

	2001	2000
Cash at bank and in hand	101,471	286,148
Short-term financial assets, including:	906,478	527,600
Shares	0	0
Debentures	906,478	527,600
<b>Total</b>	<b>1,007,949</b>	<b>813,748</b>

### OTHER ASSETS

	2001	2000
Prepaid expenses	28,983	20,013
Deferred income	15,401	28,390
Exchange rate gains	21,074	930
Estimated receivables	2,796	31,208
<b>Total</b>	<b>68,254</b>	<b>80,541</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### SHAREHOLDERS' EQUITY – MOVEMENTS IN EQUITY

	As at 31/12/00	As at 31/12/01
Registered capital	790,667	790,667
Own shares	0	-118,102
Funds created from profit	56,395	211,083
Retained earnings	399,764	280,536
Profit / loss of current accounting period	118,676	209,030
Share in profit / loss by means of the equity method	771	3,054
Passive consolidation difference	0	8,563
Consolidation reserve fund	4,331	5,124
Total equity	1,370,604	1,389,955

### REGISTERED CAPITAL

As at 31 December 2001, registered capital of the parent company totalled 7,906,668 shares with a nominal value of CZK 100 per share, the same as 31 December 2000.

In the balance sheet item Registered capital includes also own shares.

Profit for the year 2000 in the amount of CZK 118,676,000 was distributed as follows:

Transfer to Retained earnings account	39,978
Payment of dividends	71,162
Allocation to Legal Reserve Fund	7,536
Payment of emoluments	0
<b>Total for distribution</b>	<b>118,676</b>

### RESERVES

	Reserves for repair of tangible assets (tax deductible)	Reserves for exchange rate losses	Other reserves	Total reserves
<b>As at 1 January 2000</b>	<b>29,816</b>	<b>0</b>	<b>100,470</b>	<b>130,286</b>
Additions to reserves	11,833	908	62,597	75,338
Drawing of reserves	19,252	0	23,642	42,894
<b>As at 1 January 2001</b>	<b>22,397</b>	<b>908</b>	<b>139,425</b>	<b>162,730</b>
Additions to reserves	18,942	21,074	68,283	108,299
Drawing of reserves	7,621	908	23,483	32,012
<b>As at 31 December 2001</b>	<b>33,718</b>	<b>21,074</b>	<b>184,225</b>	<b>239,017</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### LONG-TERM PAYABLES

Long-term payables as at 31 December 2001 totalled CZK 278,339,000, including payables of CZK 68,932,000 due in more than 5 years. Seller's lien accounted for the prevailing part of this amount.

In 2000, long-term payables totalled CZK 141,233,000.

### SHORT-TERM PAYABLES

	2001	2000
Trade payables	3,053,136	1,642,067
Other	224,888	272,989
<b>Total</b>	<b>3,278,024</b>	1,915,056

### LOANS

	2001	2000
Due in one year	30,000	40,000
Due after one year	6,870	6,184
<b>Total</b>	<b>36,870</b>	46,184

### OTHER LIABILITIES

	2001	2000
Accrued expense	60,131	60,131
Deferred revenue	41,951	25,551
Exchange rate losses	11,571	527
Estimated payables	481,454	461,262
<b>Total</b>	<b>595,107</b>	547,471

### LIABILITIES NOT LISTED IN THE ACCOUNTING BOOKS

#### GUARANTEES OF THE METROSTAV GROUP AS AT 31 DECEMBER 2001

see Notes to the financial statements of the parent company

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### LITIGATIONS

The Companies were not involved in any significant legal actions.

### OBLIGATIONS TO ENVIRONMENT

As at 31 December 2001, the group's ecological audit was not carried out and it is therefore impossible to assess any future obligations related to harms caused by previous activities or to the prevention of contingent harms. However, there is no evidence which would substantiate such assumption. Environment-related obligations are unlikely because none of the companies in the consolidation entity is a source of dangerous waste or other harmful substances.

### ADDITIONAL INFORMATION TO THE PROFIT AND LOSS ACCOUNT

#### Breakdown of revenues from main activities

Activity	2001	2000
Construction	10,048,255	7,034,701
Sale of concrete and reinforcements	33,216	48,160
Transportation	40,717	44,985
Own development projects	30,087	146,174
Other production	399,772	211,856
<b>Total output</b>	<b>10,552,047</b>	<b>7,485,876</b>

Metrostav Group operates mainly on the territory of the Czech Republic.

### PERSONNEL COSTS

	Number of employees in the consolidation entity		Personnel costs	
	2001	2000	2001	2000
Management	21	20	49,369	46,148
Employees	2,944	2,937	1,003,440	923,979
<b>Total</b>	<b>2,965</b>	<b>2,957</b>	<b>1,052,809</b>	<b>970,127</b>

\* Remuneration to members of statutory bodies is included in "Employees".

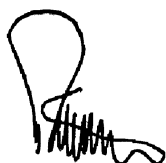
### EVENTS AFTER THE DATE OF FINANCIAL STATEMENTS

No significant events occurred after the date of financial statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The persons signed below affirm that the information given in the Notes to Consolidated Financial Statements reflects the reality and that no material circumstances which could affect precise and correct assessment of the issuer, were omitted.

### Statutory body



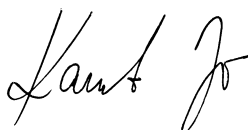
JIŘÍ BĚLOHLAV  
member of the Board of Directors  
and General Director of the Company  
Prague 5, K Brance 1011/17  
birth certificate No. 500226/114

### Statutory body



ZDENĚK ŠINOVSÝ  
member of the Board of Directors  
and Financial Director of the Company  
Prague 9, Na Krocínce 447/45  
birth certificate No. 471010/032

### Person responsible for accounting



JIŘÍ KARNET  
Head of the Main Accounting Section  
Prague 8, Frýdlantská 1319  
birth certificate No. 680719/0467

### Person responsible for consolidated financial statements



VĚRA HOUŠKOVÁ  
Head of Accounting Methodology  
and Internal Audit  
Prague 6, Volavkova 1742/3  
birth certificate No. 645427/1296

## AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS ACCORDING TO THE IAS

### AUDITOR'S REPORT TO THE SHAREHOLDERS OF METROSTAV A.S.

**Deloitte  
& Touche**

We have audited consolidated balance sheets of Metrostav a.s. and its subsidiaries ("the Group") as at 31 December 2001 and 2000 and the related profit and loss accounts, cash flows and changes in equity for 2001 and 2000 ("financial statements"). We conducted our audit in accordance with International Accounting Standards.

Balance sheets and profit and loss accounts presented in this annual report on the following three pages were prepared on the basis of financial statements audited by us on which we have issued an unreserved opinion on 26 March 2002. In our opinion these balance sheets and profit and loss accounts conform in all material aspects with the financial statements.

To fully understand financial position and results of the Group shown in accordance with International Accounting Standards and the scope of our audit, it is therefore necessary to assess these balance sheets and profit and loss accounts in connection with the financial statements in full format and with Auditor's Report on these financial statements

Prague, 10 April 2002

*Deloitte & Touche*

AUDITING FIRM:

DELOITTE & TOUCHE SPOL. S R.O.

LICENCE NO. 79

*S. Staněk*

AUDITOR RESPONSIBLE:

STANISLAV STANĚK

CERTIF. NO. 1674

## FINANCIAL STATEMENTS ACCORDING TO THE IAS

### BALANCE SHEET (in CZK 000)

as at 31 December prepared in accordance with IAS

	31 December 2001	31 December 2000
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	1,007,949	813,748
Accounts receivable and other current assets	1,419,570	1,461,509
Inventories	264,786	215,372
Amount due from customers	379,458	148,128
<b>Total current assets</b>	<b>3,071,763</b>	<b>2,638,757</b>
<b>FIXED ASSETS</b>		
Intangible assets	38,467	34,573
Tangible assetsek	1,440,678	1,245,532
Investments in associates	45,648	40,103
Deferred tax receivable	–	41,778
Goodwill	–	–
Negative goodwill	-8,563	–
Other financial investment	126,779	16,020
Long-term receivables	294,768	178,495
<b>Total fixed assets</b>	<b>1,937,777</b>	<b>1,556,501</b>
<b>TOTAL ASSETS</b>	<b>5,009,540</b>	<b>4,195,258</b>

## FINANCIAL STATEMENTS ACCORDING TO THE IAS

**31 December 2001      31 December 2000**

### **EQUITY AND LIABILITIES**

#### **CURRENT LIABILITIES**

Payables and other liabilities	2,423,543	1,669,137
Short-term loans	36,870	46,184
Amount due to customers	549,920	846,055
Reserves	191,225	146,425
<b>Total current liabilities</b>	<b>3,201,558</b>	<b>2,707,801</b>

#### **LONG-TERM LIABILITIES**

Long-term borrowings	–	–
Other long-term payables	278,339	141,233
Deferred tax due	10,540	–
<b>Total long-term liabilities</b>	<b>288,879</b>	<b>141,233</b>

<b>Minority interest</b>	<b>–</b>	<b>26,842</b>
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#### **EQUITY**

Share capital	672,565	790,667
Statutory reserve fund	211,083	56,396
Funds from profit	5,124	4,331
Retained earnings	227,904	242,733
Profit of current period	402,427	225,255
<b>Total equity</b>	<b>1,519,103</b>	<b>1,319,382</b>

<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,009,540</b>	<b>4,195,258</b>
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## FINANCIAL STATEMENTS ACCORDING TO THE IAS

### PROFIT AND LOSS ACCOUNT (in CZK 000)

as at 31 December prepared in accordance with IAS

	31 December 2001	31 December 2000
Revenues	10,762,280	7,489,583
Change in internally produced inventories	-35,238	-36,538
Consumption of material and subcontracts	9,067,586	6,196,813
Staff costs	1,052,809	970,127
Depreciation and amortization	185,119	139,927
Other operating expenses (income)	-70,277	-95,063
<b>Total operating expenses</b>	<b>10,199,999</b>	<b>7,175,266</b>
<b>OPERATING PROFIT/(LOSS)</b>	<b>562,281</b>	<b>314,317</b>
Financial expenses (revenues)	11,121	17,904
Outside shareholders share of profit for the year	5,014	771
<b>PROFIT/(LOSS) BEFORE TAXATION</b>	<b>556,174</b>	<b>297,184</b>
Income tax	153,747	71,973
Profit/(loss) after taxation	402,427	225,211
Minority share in profit / (loss)	-	44
<b>Net profit/(loss)</b>	<b>402,427</b>	<b>225,255</b>
Profit per share (CZK)	50.30	28.40

## PERSONS RESPONSIBLE FOR THE ANNUAL REPORT

### PERSONS RESPONSIBLE FOR THE ANNUAL REPORT

We honestly declare that the information contained in the annual report is true and real and that no material circumstances, that could influence an exact and correct evaluation of the issuer, were omitted. Financial statements for the past three accounting periods were audited.



ZDENĚK ŠINOVSÝ  
member of the Board of Directors  
and the Company's Financial Director  
Prague 9, Na Krocínce 447/45  
birth certificate No. 471010/032



JINDŘICH HESS  
Chairman of the Board of Directors  
Prague 4, Dunovského 526/26  
birth certificate No. 400513/050

### PERSON RESPONSIBLE FOR THE AUDIT OF THE ANNUAL REPORT

	1999	2000	2001
Name	Stanislav Staněk	Stanislav Staněk	Stanislav Staněk
Birth certificate No.	680608/1227	680608/1227	680608/1227
Residence	Osiková 280, Měšice	Osiková 280, Měšice	Osiková 280, Měšice
Name of company	Deloitte & Touche spol. s r.o.	Deloitte & Touche spol. s r.o.	Deloitte & Touche spol. s r.o.
Registered office	Praha 1, Týn 641/4	Praha 1, Týn 641/4	Praha 1, Týn 641/4
Identification No.	64935957	64935957	64935957
Certificate No.	1674	1674	1674

## BASIC INFORMATION ABOUT THE COMPANY

Business name	Metrostav a.s.
Registered office	Koželužská 2246, Praha 8
Legal form	joint-stock company
Postal code	180 00
Identification No. (IČ)	00014915
Tax identification No. (DIČ)	008-00014915
Incorporated in	the Commercial Register of the Prague Municipal Court, Part B, File 758
Founded	on 31 December 1990 for indefinite period of time on the basis of the Ministry of Construction and Building Industries Founding Plan of 21 December 1990 in accordance with the Czech legislation, Act No. 104/1990 Coll. on Joint-Stock Companies. On 23 May 1991 it was incorporated in the Commercial Register of the Prague 1 District Court.

## PRINCIPLE ACTIVITIES ACCORDING TO THE COMPANY'S STATUTES

The principal activities included in Article 4 of the Company's Statutes are as follows:

1. construction of buildings, including alterations, maintenance and their removal
2. design and planning work
3. activities carried out by mining techniques
4. mining
5. engineering in capital construction
6. consulting services in capital construction
7. main mining measurer activity
8. licensed surveying
9. geodetic surveying
10. design, realization and evaluation of geological work
11. geological work
12. blasting and fireworks
13. dangerous waste disposal
14. manufacture and assembly of steel structures
15. inert material storage
16. assembly, repair, maintenance and inspection of specified electrical appliances
17. manufacture of low-voltage control panels, batteries, cables and conductors
18. production, installation and repair of electrical machinery and appliances
19. assembly, repair, inspection and testing of specified gas appliances, filling gas to pressure tanks
20. assembly and repair of specified lifting equipment
21. manufacture, assembly, repair, rebuilding, revision and testing of specified pressure equipment
22. manufacture, installation and repair of ventilating equipment
23. plumbing, heating systems
24. insulation work
25. installation and repair of electronic equipment
26. road passenger transport
27. road haulage
28. repair of machinery and gears

## BASIC INFORMATION ABOUT THE COMPANY

29.	repair of motor vehicles
30.	bodywork repair
31.	repair of other vehicles
32.	purchase of goods for re-sale and sale
33.	lease of industrial goods
34.	real estate services
35.	accommodation
36.	catering services
37.	road cleaning
38.	operation of watched car park
39.	lease of motor vehicles
40.	lease of building machinery
41.	waste disposal, except for dangerous waste
42.	lease of residential and non-residential premises, including provision of other than basic services
43.	property development
44.	administration of buildings
45.	services of business, financial, organisational or economic consultants
46.	publishing
47.	design, drafting and sketching work
48.	promotional activities and marketing
49.	preparation of construction sites
50.	specialized building jobs
51.	services of technical consultants for civil engineering
52.	provision of SW, and HW&SW consulting services
53.	data processing, databank service, computer network administration
54.	preparation of technical proposals
55.	mediation of services
56.	mediation of trade
57.	operation of gas, oil and grease filling stations

## IDENTIFICATION INFORMATION AND DIRECTORY

### Board of Directors

Chairman of the Board of Directors	telephone: 00420-2-667 09 172
Secretary of the Board of Directors	telephone: 00420-2-667 09 459

### Head Office

Telephone:	management: 00420-2-667 09 179
	sales: 00420-2-667 09 340
	spokesman: 00420-2-667 09 294
Fax:	management: 00420-2-667 09 183
	sales: 00420-2-667 09 187
E-mail:	management: belohlav@metrostav.cz
	sales: cuc@metrostav.cz
Internet:	www.metrostav.cz

### DIVISIONS

#### Name of Division

#### Registered office

Division 1	Radlická 3, 150 00 Praha 5 – Smíchov tel.: 00420-2-573 18 226, fax: 00420-2-573 20 575
Division 3	Jablonského 2, 170 00 Praha 7 – Holešovice tel.: 00420-2-840 02 103, fax: 00420-2-208 75 773
Division 4	U Elektry 650, 180 00 Praha 9 – Hloubětín tel.: 00420-2-667 08 111
Division 5	Na Zatlance 1350/13, 150 00 Praha 5 tel.: 00420-2-510 15 516, fax: 00420-2-510 15 519
Division 6	Na Florenci 35, 110 00 Praha 1 tel.: 00420-2-232 35 09, fax: 00420-2-232 37 71
Division 7	Rohanský ostrov, 186 02 Praha 8 – Karlín tel.: 00420-2-663 11 434, fax: 00420-2-848 10 466
Division 8	Povltavská 7, 170 00 Praha 7 – Troja tel.: 00420-2-860 02 221, fax: 00420-2-838 52 420
Division 9	Jablonského 2, 170 00 Praha 7 – Holešovice tel.: 00420-2-840 02 403, fax: 00420-2-667 10 777
Division 11	Bystrá 2243, 193 04 Praha 9 – Horní Počernice tel.: 00420-2-819 22 550, fax: 00420-2-819 20 618
Property Development Division	Seydlerova 2451, 158 00 Praha 5 tel.: 00420-2-652 12 12, fax: 00420-2-652 08 07

**METROSTAV GROUP DIRECTORY**

<b>Name of company</b>	<b>Registered office</b>
METROS, s.r.o.	Bystrá 2243, 193 00 Praha 9 - Horní Počernice tel.: 00420-2-819 23 789, fax: 00420-2-819 23 790
METROSTAV Slovakia a.s.	Košická 52, 821 08 Bratislava, Slovenská republika tel.: 00421-2-502 30 247, fax: 00421-2-559 68 735
SQZ, s.r.o.	Rohanský ostrov 1, 180 00 Praha 8 tel.: 00420-2-248 12 153, fax: 00420-2-248 12 153
M – D recyklace, a.s.	Rohanský ostrov, 186 00 Praha 8 - Karlín tel.: 00420-2-248 12 943, fax: 00420-2-248 12 943
GAMA – METROSTAV a.s. (Metrostav Invest, a.s.)	Seydlerova 2451, 150 00 Praha 5 tel.: 00420-2-652 12 12, fax: 00420-2-652 08 07
METROSTAV INTERTRADE, a.s.	Seydlerova 2451, 150 00 Praha 5 Contact address: Naskové 1, 150 00 Praha 5 tel.: 00420-2-572 10 732, fax: 00420-2-572 14 568
TBG METROSTAV s.r.o.	Rohanský ostrov, Rohanské nábřeží 68, 186 00 Praha 8 - Karlín tel.: 00420-2-248 12 191, fax: 00420-2-248 15 892
TBG PRAŽSKÉ BETONPUMPY s.r.o.	Rohanský ostrov, 186 00 Praha 8 - Karlín tel.: 00420-2-222 41 395, fax: 00420-2-222 41 396
Společnost Západního města, akciová společnost	Lýskova 1593, 155 00 Praha 5 tel.: 00420-2-651 53 39, fax: 00420-2-652 32 11
EKOTUNEL Praha, s.r.o.	Dělnická 12, 170 04 Praha 7 - Holešovice Contact address: Koželužská 2264 Praha 8 tel.: 00420-2-667 09 294, fax: 00420-2-667 09 184
PRIORES a.s.	Táboritská 1000/23, 130 87 Praha 3 Contact address: Seydlerova 2451, 150 00 Praha 5 tel.: 00420-2-652 12 12, fax: 00420-2-652 08 07
Metrostav-Navatyp a.s.	Seydlerova 2451, 150 00 Praha 5 tel.: 00420-2-652 12 12, fax: 00420-2-652 08 07

Note: The firm in brackets will be a registered firm after it is entered in the Commercial Register.

All documents and materials stated in the Annual Reports can be inspected at the Company's Head Office.

Shareholders' information contact is the Company Secretary's Office at the following address:

Metrostav a.s.

Koželužská 2246, 180 00 Praha 8

Vladimír Veverka – Company Secretary

telephone: 00420-2-667 09 459, fax: 00420-2-667 09 175, e-mail: [veverka@metrostav.cz](mailto:veverka@metrostav.cz)