



## Comments on Financial Results

In 2005, Metrostav proved that it belonged among the financially sound and stable building firms in the Czech Republic and has all qualifications to maintain this trend also in the future period.

The Company increased its capital holdings in Subterra a.s. and Doprastav, a.s. At the end of the year, it owned a 100% holding in Subterra and 49.95% in Slovak Doprastav. In the same year, a holding was also purchased in PROSEK, spol. s r.o.

Holdings in other companies neither changed, nor were the companies sold.

Most of the investments were spent on the purchase of machines and equipment in support of the Company's key technologies. The biggest addition was the purchase of a movable scaffolding system.

Towards the end of 2005, the extension of the construction park in Horní Počernice was completed and permitted the concentration of key technologies in one, modern complex.

## Financial Statements

### Balance sheet as at 31 December 2005 (in CZK thousands)

Assets		31. 12. 2005		31. 12. 2004	
		Brutto	Korekce	Netto	Netto
<b>Total assets</b>		<b>12,886,538</b>	<b>-1,539,622</b>	<b>11,346,916</b>	<b>10,061,501</b>
<b>B.</b>	<b>Fixed assets</b>	<b>4,971,041</b>	<b>-1,414,846</b>	<b>3,556,195</b>	<b>2,639,154</b>
<b>B. I.</b>	<b>Intangible fixed assets</b>	<b>113,387</b>	<b>-99,414</b>	<b>13,973</b>	<b>14,905</b>
B. I. 1.	Software	95,955	-84,624	11,331	5,516
B. I. 2.	Royalties	1,461	-1,461	–	–
B. I. 3.	Other intangible fixed assets	14,001	-13,329	672	1,277
B. I. 4.	Intangible fixed assets in the course of construction	1,970	–	1,970	8,112
<b>B. II.</b>	<b>Tangible fixed assets</b>	<b>2,863,023</b>	<b>-1,310,432</b>	<b>1,552,591</b>	<b>1,344,559</b>
B. II. 1.	Land	91,545	–	91,545	88,304
B. II. 2.	Construction	1,218,754	-465,859	752,895	681,654
B. II. 3.	Separate tangible items and sets of tangibles	1,187,089	-757,572	429,517	463,362
B. II. 4.	Other tangible fixed assets	189,632	-87,001	102,631	59,152
B. II. 5.	Tangible assets in the course of construction	124,013	–	124,013	36,229
B. II. 6.	Advances paid for tangible fixed assets	51,990	–	51,990	15,858
<b>B. III.</b>	<b>Long-term investments</b>	<b>1,994,631</b>	<b>-5,000</b>	<b>1,989,631</b>	<b>1,279,690</b>
B. III. 1.	Investments in controlled entities / subsidiaries	952,594	–	952,594	903,567
B. III. 2.	Investments in associates	1,036,061	-5,000	1,031,061	41,640
B. III. 3.	Other long-term investments in securities	5,500	–	5,500	332,483
B. III. 4.	Long-term investments acquired	476	–	476	–
B. III. 5.	Advances paid for long-term investments	–	–	–	2,000
<b>C.</b>	<b>Current assets</b>	<b>7,853,558</b>	<b>-124,776</b>	<b>7,728,782</b>	<b>7,332,355</b>
<b>C. I.</b>	<b>Inventories</b>	<b>483,561</b>	<b>–</b>	<b>483,561</b>	<b>464,217</b>
C. I. 1.	Raw materials	261,509	–	261,509	108,757
C. I. 2.	Work in progress and semi-finished products	220,732	–	220,732	354,853
C. I. 3.	Prepayments for inventory	1,320	–	1,320	607
<b>C. II.</b>	<b>Long-term receivables</b>	<b>892,192</b>	<b>–</b>	<b>892,192</b>	<b>560,283</b>
C. II. 1.	Trade receivables	737,422	–	737,422	402,987
C. II. 2.	Receivables – controlled entities / subsidiaries	1,550	–	1,550	2,150
C. II. 3.	Other receivables	12,308	–	12,308	24,423
C. II. 4.	Deferred tax asset	140,912	–	140,912	130,723

<b>Assets</b>		<b>31. 12. 2005</b>		<b>31. 12. 2004</b>	
		<b>Brutto</b>	<b>Korekce</b>	<b>Netto</b>	<b>Netto</b>
<b>C. III.</b>	<b>Short-term receivable</b>	<b>5,030,988</b>	<b>-124,776</b>	<b>4,906,212</b>	<b>3,853,758</b>
C. III. 1.	Trade receivables	3,685,869	-113,876	3,571,993	3,324,681
C. III. 2.	Receivables – controlled entities / subsidiaries	191,686	–	191,686	158,500
C. III. 3.	Receivables – associates	–	–	–	2,100
C. III. 4.	Receivables from shareholders / owners	113,917	–	113,917	18,483
C. III. 5.	Taxes and state subsidies receivable	259,784	–	259,784	61,554
C. III. 6.	Short-term advances paid	134,753	-5,645	129,108	213,730
C. III. 7.	Anticipated assets	20,113	–	20,113	1,443
C. III. 8.	Other receivables	624,866	-5,255	619,611	73,267
<b>C. IV.</b>	<b>Financial assets</b>	<b>1,446,817</b>	<b>–</b>	<b>1,446,817</b>	<b>2,454,097</b>
C. IV. 1.	Cash in hand	1,207	–	1,207	530
C. IV. 2.	Cash at bank	85,116	–	85,116	311,503
C. IV. 3.	Short-term investments	1,360,494	–	1,360,494	2,142,064
<b>D. I.</b>	<b>Accruals and deferrals</b>	<b>61,939</b>	<b>–</b>	<b>61,939</b>	<b>89,992</b>
D. I. 1.	Prepaid expenses	37,703	–	37,703	55,738
D. I. 2.	Accrued revenue	24,236	–	24,236	34,254

<b>Liabilities</b>		<b>31. 12. 2005</b>	<b>31. 12. 2004</b>
<b>Total liabilities and equity</b>		<b>11,346,916</b>	<b>10,061,501</b>
<b>A.</b>	<b>Equity</b>	<b>2,833,587</b>	<b>2,346,223</b>
<b>A. I.</b>	<b>Share capital</b>	<b>790,667</b>	<b>790,667</b>
A. I. 1.	Share capital	790,667	790,667
<b>A. II.</b>	<b>Capital contributions</b>	<b>31,446</b>	<b>39,605</b>
A. II. 3.	Assets and liabilities revaluation	31,446	39,605
<b>A. III.</b>	<b>Reserve funds, non-distributable reserves and other reserves</b>	<b>159,481</b>	<b>136,744</b>
A. III. 1.	Statutory reserve fund	159,481	136,744
A. IV.	Retained earnings	1,148,404	924,477
A. IV. 1.	Retained profits	1,148,404	924,477
<b>A. V.</b>	<b>Profit (loss) for the current period</b>	<b>703,589</b>	<b>454,730</b>
<b>B.</b>	<b>Liabilities</b>	<b>8,143,989</b>	<b>7,551,197</b>
<b>B. I.</b>	<b>Provisions</b>	<b>943,684</b>	<b>827,658</b>
B. I. 1.	Tax-deductible provisions	95,569	177,013
B. I. 3.	Provision for income tax	33,898	–
B. I. 4.	Other provisions	814,217	650,645
<b>B. II.</b>	<b>Long-term liabilities</b>	<b>1,094,904</b>	<b>760,144</b>
B. II. 1.	Trade payables	1,094,904	759,694
B. II. 2.	Other liabilities	–	450
<b>B. III.</b>	<b>Short-term payables</b>	<b>5,925,401</b>	<b>5,723,395</b>
B. III. 1.	Trade payables	4,626,533	3,784,210
B. III. 2.	Liabilities to shareholders / owners	162,883	22,974
B. III. 3.	Liabilities to employees	80,679	75,694
B. III. 4.	Liabilities for social security and health insurance	49,768	46,955
B. III. 5.	Taxes and state subsidies payable	18,051	164,687
B. III. 6.	Short-term advances received	321,961	823,747
B. III. 7.	Anticipated liabilities	656,397	801,485
B. III. 8.	Other liabilities	9,129	3,643
<b>B. IV.</b>	<b>Bank loans and assistance</b>	<b>180,000</b>	<b>240,000</b>
B. IV. 1.	Long-term bank loans	120,000	180,000
B. IV. 2.	Short-term bank loans	60,000	60,000
<b>C. I.</b>	<b>Accruals and deferrals</b>	<b>369,340</b>	<b>164,081</b>
C. I. 1.	Accruals	162,981	117,093
C. I. 2.	Deferred revenue	206,359	46,988

## Income statement as at 31 December 2005 (in CZK thousands)

		Accounting period	
		2005	2004
I.	Sales of goods	552	704
A.	Cost of goods sold	499	688
+	Gross profit	53	16
II.	Sales of production	20,893,704	17,096,141
II. 1.	Sale of own products and services	20,786,110	18,106,286
II. 2.	Change in inventory of finished goods and work in progress	-133,784	-1,107,770
II. 3.	Own work capitalized	241,378	97,625
B.	Cost of sales	17,740,605	14,178,572
B. 1.	Raw materials and consumables	15,138,274	12,106,877
B. 2.	Services	2,602,331	2,071,695
+	<b>Value added</b>	<b>3,153,152</b>	<b>2,917,585</b>
C.	Staff costs	1,887,170	1,629,188
C. 1.	Wages and salaries	1,357,956	1,176,205
C. 2.	Emoluments to board members	8,160	8,160
C. 3.	Social security and health insurance costs	474,775	410,546
C. 4.	Other social costs	46,279	34,277
D.	Taxes and charges	16,401	13,810
E.	Depreciation of fixed assets	178,355	167,230
III.	Sale of long-term assets and raw materials	269,300	143,349
III. 1.	Sale of long-term assets	35,590	55,946
III. 2.	Sale of raw materials	233,710	87,403
F.	Net book amount of long-term assets and raw materials sold	247,486	111,093
F. 1.	Net book amount of long-term assets sold	26,316	47,018
F. 2.	Raw materials sold	221,170	64,075

G.	Decrease in operating provisions and complex prepaid expenses	74,161	457,686
IV.	Other operating income	119,424	84,145
H.	Other operating charges	201,428	164,453
*	<b>Operating result</b>	<b>936,875</b>	<b>601,619</b>
VI.	Income from sales of securities and shares	–	108,306
J.	Securities and shares sold	–	100,062
VII.	Income from long-term investments	26,643	43,200
VII. 1.	Income from investments in controlled entities / subsidiaries and associates	26,643	43,200
IX.	Income from revaluation of securities	13,251	–
X.	Interest income	32,677	30,101
N.	Interest expense	6,673	4,625
XI.	Other financial income	39,496	29,506
O.	Other financial expense	60,010	37,905
*	<b>Financial results</b>	<b>45,384</b>	<b>68,521</b>
Q.	Tax on profit or loss on ordinary activities	278,670	215,410
Q. 1.	Current	288,859	303,647
Q. 2.	Deferred	-10,189	-88,237
**	<b>Profit or loss on ordinary activities after taxation</b>	<b>703,589</b>	<b>454,730</b>
***	<b>Net profit (loss) for the financial period (+/-)</b>	<b>703,589</b>	<b>454,730</b>
****	<b>Profit (loss) before taxation</b>	<b>982,259</b>	<b>670,140</b>

## Consolidated Financial Statements for 2005 in Compliance with the IFRS

### Consolidated balance sheet (in CZK'000)

Assets	Note	31 December 2005	31 December 2004
<b>Non-current assets</b>			
Property, plant and equipment	9	1,839,399	1,696,788
Investment property	8	189,016	264,557
Intangible assets	7	57,352	148,885
Goodwill	11	37,525	21,882
Investments in associates and joint ventures	10	1,350,766	85,489
Deferred tax asset	22	1,925	7,014
Available-for-sale financial assets	12	82,049	416,379
Receivables	13	603,684	438,969
<b>Total non-current assets</b>		<b>4,161,716</b>	<b>3 079,963</b>
<b>Current assets</b>			
Inventories	16	726,793	244,335
Work in progress	16	467,517	992,892
Receivables and other current assets	15	6,640,519	4,462,267
Amounts due from customers	17	442,458	302,902
Cash and cash equivalents	14	2,533,285	2,943,443
<b>Total current assets</b>		<b>10,810,572</b>	<b>8,945,839</b>
<b>Total assets</b>		<b>14,972,288</b>	<b>12,025,802</b>

**Consolidated balance sheet (in CZK'000)**

<b>Equity</b>	<b>Note</b>	<b>31 December 2005</b>	<b>31 December 2004</b>
<b>Capital and reserves attributable to the Company's equity holders</b>			
Share capital	23	790,667	790,667
Statutory reserve fund		167,380	140,687
Currency translation differences and other funds		638	618
Retained earnings		1,810,234	1,173,827
Net profit for the year		1,083,041	804,878
		<b>3,851,960</b>	<b>2,910,677</b>
<b>Minority interest</b>		–	<b>18,163</b>
<b>Total equity</b>		<b>3,851,960</b>	<b>2,928,840</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	19	178,298	278,171
Other liabilities	21	2,294,610	1,569,230
Provisions	20	196,848	217,761
<b>Total non-current liabilities</b>		<b>2,669,756</b>	<b>2,065,162</b>
<b>Current liabilities</b>			
Trade and other payables	18	6,802,504	5,717,270
Current income tax liabilities	18	129,294	199,991
Borrowings	19	285,102	231,088
Amounts due to customers	17	906,664	738,875
Provisions	20	327,008	144,576
<b>Total current liabilities</b>		<b>8,450,572</b>	<b>7,031,800</b>
<b>Total equity and liabilities</b>		<b>14,972,288</b>	<b>12,025,802</b>

**Consolidated income statement (in CZK'000)**

	Note	31 December	
		2005	2004
Sales	1	24,129,889	19,280,304
Other operating income	2	405,442	298,196
<b>Total operating income</b>		<b>24,535,331</b>	<b>19,578,500</b>
Change in inventory of finished goods and work in progress		-383,628	101,642
Raw materials and consumables used		20,455,017	15,682,909
Staff costs	3	2,422,070	1,857,832
Depreciation, amortisation and impairment charges		399,018	341,012
Other operating expenses	2	453,631	492,182
<b>Total operating expenses</b>		<b>23,346,108</b>	<b>18,475,577</b>
<b>Profit from operations</b>		<b>1,189,223</b>	<b>1,102,923</b>
Finance income	4	111,625	106,849
Finance costs	4	111,366	56,968
Share of results of associates and joint ventures using the equity method	10	316,924	25,255
<b>Profit before tax</b>		<b>1,506,406</b>	<b>1,178,059</b>
Income tax expense	5	423,365	373,273
<b>Net profit for the year</b>		<b>1,083,041</b>	<b>804,878</b>
Attributable to:			
Equity holders of the Company		1,083,041	804,786
Minority interest		-	92
<b>Net profit</b>		<b>1,083,041</b>	<b>804,878</b>

**Consolidated statement of changes in shareholders' equity (in CZK'000)**

	Share capital	Statutory reserve	Currency translation differ. and other funds	Retained earnings	Total
Balance as at 1 January 2004	790,667	119,006	-1,611	1,320,349	2,228,411
Net profit for the year	-	-	-	804,878	804,878
Other movements	-	-	2,229	-	2,229
<b>Total recognised income for 2004</b>	-	-	<b>2,229</b>	<b>804,878</b>	<b>807,107</b>
Contribution to the statutory reserve fund	-	21,681	-	-21,681	-
Dividend relating to 2003	-	-	-	-124,841	-124,841
<b>Balance as at 31 December 2004</b>	<b>790,667</b>	<b>140,687</b>	<b>618</b>	<b>1,978,705</b>	<b>2,910,677</b>
<b>Balance as at 1 January 2005</b>	<b>790,667</b>	<b>140,687</b>	<b>618</b>	<b>1,978,705</b>	<b>2,910,677</b>
Net profit for the year	-	-	-	1,083,041	1,083,041
Share of results of associates – see Note 10	-	-	-	49,701	49,701
Other movements	-	-	20	944	964
Settlement of the negative Goodwill – see Note 11	-	-	-	15,643	15,643
<b>Total recognised income for 2005</b>	-	-	<b>20</b>	<b>1,149,329</b>	<b>1,149,349</b>
Contribution to the statutory reserve fund	-	26,693	-	-26,693	-
Dividend relating to 2004	-	-	-	-208,066	-208,066
<b>Balance as at 31 December 2005</b>	<b>790,667</b>	<b>167,380</b>	<b>638</b>	<b>2,893,275</b>	<b>3,851,960</b>

## Contact Information

as at 31 March 2006

<b>Name of Company:</b>	Metrostav a.s.
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<b>Registered Office:</b>	Koželužská 2246, Prague 8
<b>Legal Form:</b>	joint-stock company
<b>Postal Code:</b>	180 00
<b>ID No.:</b>	00014915
<b>Tax ID No.:</b>	CZ-00014915
<b>Entered in the Commercial Register:</b>	at the Municipal Court in Prague, Part B, File 758 on 23 May 1991
<b>Founded:</b>	on 31 December 1990 for unlimited period of time under the Czech Republic's law, namely Act No. 104/1990 Coll. on joint-stock companies

### Board of Directors

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<b>Chairman of the Board of Directors tel.:</b>	+420 266 709 172
<b>Board of Directors Secretary tel.:</b>	+420 266 709 459

### Head Office

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Spokesperson	+420 266 709 294
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Sales	+420 266 709 187
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Division 9

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Division 10 – Branch Bratislava

Mlynské Nivy 68, 821 05 Bratislava, Slovak Republik, tel.: +421 285 257, fax: +421 287 419

Division 11 – Leasing

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Division 12 – Developer Activities Division

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## Companies in which Metrostav has a Holding

**Subterra a.s.**

Bezová 1658, 147 14 Prague 4, tel.: 244 061 111, fax: 244 466 179

**STAVEBNÍ OBNOVA ŽELEZNIC, a.s.**

Libušina 554/103, 772 00 Olomouc, tel.: 224 462 298, fax: 224 462 660

**Metrostav SK a.s.**

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**Doprastav, a.s.**

Drieňová 27, 826 56 Bratislava, Slovak Republik,  
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**METROS, s.r.o.**

Bystrá 2243, 193 04 Prague 9-Horní Počernice, tel.: 266 011 202, fax: 266 011 267

**DORG trubní systémy, spol. s r.o.**

U Zahradnictví 123, 790 81 Česká Ves, tel.: 584 402 492, fax: 584 402 406

**SQZ, s.r.o.**

Rohanský ostrov 1, 186 00 Prague 8, tel.: 224 812 153, fax: 224 812 153

**TBG METROSTAV s.r.o.**

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tel.: 224 812 191, fax: 224 815 892

**TBG Pražské malty, s.r.o.**

Rohanský ostrov, 186 00 Prague 8-Karlín, tel.: 222 325 716, fax: 222 324 492

**Pražské betonpumpy a doprava s.r.o.**

Rohanský ostrov, 186 00 Prague 8-Karlín, tel.: 222 325 716, fax: 222 241 396

**CCE Praha, spol. s r.o.**

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**Metrostav Beta s.r.o.**

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**Metrostav Delta s.r.o.**

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**Metrostav Krutec s.r.o.**

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**METROSTAV INTERTRADE, a.s.**

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**Společnost Západního města, akciová společnost**

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This publication is not published as the Company's annual report in compliance with the actual Czech legislation.

On 14 April 2006, the Company's 2005 financial statements and 2005 consolidated financial statements were audited by PricewaterhouseCoopers Audit, s.r.o. who issued an unqualified opinion.

## Notes



