

COMPANY REPORT 2010



Turning Vision into Value.



Contents



- 02 Chairman of the Executive Board
and CEO's Opening Statement

Presentation Part

- 05 Report of the Executive Board
of HOCHTIEF CZ a. s.
06 Entrepreneurial Environment of 2010
12 Quality Management System
14 Relation to the Environment
16 Financial Management
18 Shareholder structure of HOCHTIEF CZ a. s.
18 Corporate Bodies
20 Human Resources
21 Organizational structure of HOCHTIEF CZ a. s.

Financial Part

- 23 Report on Related Parties
26 Financial Statements
27 Balance Sheet
29 Profit and Loss Account
30 Statement of Changes in Equity
31 Cash Flow Statement
32 Basic Company Data

Chairman of the Executive Board and CEO's Opening Statement

Dear business partners,

the year 2010 was the third year in a row, in which the joint-stock company HOCHTIEF CZ battled the economic crisis, especially the crisis in construction business, which was still falling in 2010. Adverse business environment and the measures brought about by the government – focused only on savings without a pro-growth strategy, made the situation in the construction business extremely difficult.

All this time we worked hard, not only to survive the crisis, but mainly to prepare the company for the period, which – as we all hope – will come after the crisis, the period of moderate economic growth.

The market has changed and at least in midterm outlook it will not reach the pre-crisis level. In such context logically our company has to change too – to be prepared for the new conditions.

The preparation steps for the reorganization took place mainly in mid last year, so the company could start functioning under the new set up as of 1 January 2011. This brought about major changes within our company, perhaps comparable to the entry of the sole shareholder into our company twelve years ago.

An inevitable part of the changes, sadly, were layoffs. We postponed this measure until the very last moment, however, in the light of circumstances, we had to proceed.

On the other hand, the crisis yielded some positive moments. This was the first time that most of us found ourselves in such situation. It has been a lesson to us, as well as a test of our ability to handle the new situation. HOCHTIEF CZ proved that even in a difficult situation it is able to carry out its job in the quality you are used to. We have become convinced that our employees are not indifferent to the situation of the company. We managed to unite and respond quickly and successfully. We know that HOCHTIEF CZ is a strong and stable company you chose for its qualities and to which you keep returning.

Dear friends,

in conclusion, let me thank you for cooperation in 2010 and allow me to express my belief that HOCHTIEF CZ shall remain your important business partner.



A handwritten signature in blue ink, appearing to read 'Tomáš Bílek', with a stylized flourish at the end.

Tomáš Bílek
Chairman of the Executive
Board and CEO

Presentation Part



Report of the Supervisory Board of HOCHTIEF CZ a. s.

In 2010 the Supervisory Board supervised the activities of the Executive Board of the company and the fulfilment of its business plan.

In accordance with Sec. 198 of Act No. 513/1991 Coll., the Commercial Code, and the Articles of Association, the Supervisory Board of HOCHTIEF CZ a. s. reviewed the company's regular financial statement for 2010 and acknowledged its verification by auditors.

The Supervisory Board recommends the Sole Shareholder of the company to approve the regular financial statement of HOCHTIEF CZ a. s. for 2010.

The Supervisory Board recommends the Sole Shareholder of the company to approve the Executive Board's proposal for the distribution of the economic result of the company for 2010.

The Supervisory Board was provided with the Executive Board's report on the relations between HOCHTIEF AG and HOCHTIEF CZ a. s. as the controlling entity and the controlled entity and on the relations between HOCHTIEF CZ a. s. and the entities controlled by HOCHTIEF AG.

The Supervisory Board reviewed the Executive Board's report according to Sec. 66a, par. 10 of Act No. 513/1991 Coll., the Commercial Code, and has no comments or reservations thereon.

The Supervisory Board appreciates the cooperation with the Executive Board of the company, which informs the Supervisory Board regularly of its activities and of important facts relating to the company.



Eimert Los

Chairman of the Supervisory Board
of HOCHTIEF CZ a. s.

Entrepreneurial Environment of 2010

In 2010 the economy of the Czech Republic registered slight growth. Gross domestic product (GDP) reached 2,2% in comparison to the preceding year when it had a negative value of -1%. The slight increase is caused mainly by the revival in engineering industry and export. However, the forecast of the GDP for 2011 indicates a further decrease to 1,8%. The unemployment rate increased in comparison to 2009 (8,5%) to 9,8%. During 2011 further growth of unemployment is expected, up to the level exceeding 11%. The inflation reached 1,5%. The country's economy fell down to 36th place in the world. In the evaluation of development of country's infrastructure – motorway, road and railway network – the Czech Republic takes 39th place in the world. Such data confirm the persistence of the economic crisis.

In the interannual comparison, the year 2010 has brought to the Czech building industry a decrease in turnover in constant prices by 18%. In the segment of the building construction the volume of public contracts decreased by 20,9%, while in the segment of civil engineering it was even by 51,7%. The pace of price growth of the building production was 0,5%, while the prices of raw material increased. The most significant decrease (over 20%) in the building production was registered in the Central Bohemia Region and in Prague.

Productivity of labour fell by 6%, while the average salaries were up by 2,5%.

The current European and world economic crisis causes a fall in the interest of private investors to start new constructions. The national and municipal investment budgets are curtailed with the result of falling order backlog mainly for the large construction companies by more than 30%. The financial support of EU investment via the structural funds does not reach the required scope, especially due to the fact that the projects are unprepared and due to shortage of own – national financial resources for co-financing. In 2011 the fall in construction production is to be expected by further 10%. 62 thousand employees left the construction industry in 2010 and further 42 thousand are expected to do so in 2011.

Most of the large construction companies in the Czech Republic are a part of strong supranational construction corporations. The competition is growing fierce and many a minor building company has already withdrawn from the market. Those companies that are technologically strong, well provided with capital and have modern management, do survive. Universality of these companies and their participation in all fields of the construction market are a way to hold the position on the Czech market.



Hluboká
nad Vltavou,
Wellness centre

Throughout the economic crisis, the economic development of the country and its position within the European Union have become unstable. The residential construction has nearly ceased. The investment budgets of the regions that draw the resources from the Regional operational programmes are reconsidered and reduced. Drawing

upon financial resources from individual operational programs EU also stagnates. No new tenders for roads and motorways are announced. Many projects under construction are cut short.

The new government, based on a fragile coalition, applies so far only restrictive measures to resolve indebtedness of the country. The applied reforms are not accompanied by any pro-growth measures. The government appears unstable, discordant within. Entrepreneurial environment, specifically in the area of construction production, is extremely adverse. The construction companies are in a situation when they have to help themselves, which cannot be managed without redundancies.

“It is not our greatest pride that we never fall down, but that we always get up again.”

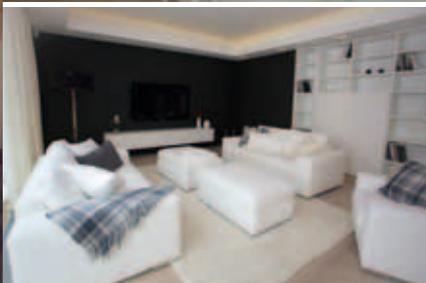
Hal Urban





Black...

The colour black – specific to and associated with the industrial history of Ostrava – has reappeared in the contemporary architecture of the Silesian metropolis. HOCHTIEF CZ built for the investor a modern residential house called Ostravská brána – The Gate to Ostrava. The unique project rose at the fringe of the historic heart of the city, at the location of one of the former city gates. The building cannot be overlooked – it captures the attention at first sight with its black glass-cement façade that mirrors the glowing red loggias. Another impressive contrast is represented in the shape of the house – sharp edges balanced with the curve of the South-West face. The building has two parts that form a remarkable unity. It is a dividing point between the busy street and the tranquil Kostelní náměstí. The five-storey building houses both residential and commercial premises and also a nice café. Division Moravia, which executed the project Ostravská brána, thus reminded the joint-stock company HOCHTIEF CZ that its specialists have mastered work with the most advanced materials to create architecturally unique buildings.



... and white

White facade of the luxury residential building 12 LOFTS – combination of light architectural concrete, aluminium and glass is in perfect harmony with the former residences of bankers, artists and diplomats from the era of the First Republic. The development project of the joint-stock company HOCHTIEF CZ designed by a renowned architect John Eisler does not in any way disturb the quiet ambiance of the Prague district Bubeneč. High demands of the owners of spacious loft apartments are satisfied, among others, by living in the vicinity of the U.S. Ambassador's residence and with historic landmarks such as the Royal Game Park or the Prague Castle nearby. 12 LOFTS are three modern buildings, each of them houses four loft-like apartments. They are interconnected by a large ground level podium; roof of the podium is designed as a large green terrace with water features. On the first three floors of each building, there always is one apartment per floor and the two top floors always create one duplex penthouse. The topmost floor is a setback structure forming a dwelling unit surrounded by terraces. All apartments are accessible directly from an elevator or from a common staircase. Even in the world of today that is full of compromises it is possible to combine generosity of space, luxury and variability and to set the construction into a haven of peace in the heart of a metropolis.



Quality Management System

Excellence and quality are building blocks of enterprise. Excellence and quality are not singular achievements. They are values we attain repeatedly, through our competent and qualified employees. The quality management system became a mission in HOCHTIEF CZ – a mission with the aim to carry out each job always in the highest quality.

The integrated quality management system became a matter of habit in HOCHTIEF CZ. The elements of the Integrated Management System in the area of quality (ISO 9001), safety (OHSAS 18001) and environmental protection (ISO 14001) are well established procedures accompanying all aspects of our business.

We repeatedly prove that our quality management system is functional and meets the given requirements. We do not rest on our laurels. In the last year, we extended our portfolio of certified activities by reclamation of contaminated sites and waste dumps. It has also been confirmed that, in

connection to ČSN EN ISO 3834-2:2006, the quality management system is successfully maintained in both production and installation of steel structures, in installation of piping systems and in welding of the reinforcement steel.

We were also successful in a client audit by ČEZ, a. s. in the quality management system in execution and securing of activities, connected to use of nuclear power and radiation. We have proven also here that excellence and quality are to HOCHTIEF CZ a second nature. On the basis of the satisfactory result of the audit, the validity of certificate on qualification to comprehensive deliveries of industrial, power engineering, civil engineering, hydraulic engineering and environmental constructions for ČEZ, a. s. was extended until 31 March 2012.

Our mission is set and develops further in the global strategy of LEAD 5!, that was implemented in all the units of the HOCHTIEF Group in 2010. This strategy, focusing mainly on development of cooperation between the units, flexibility and speed of response to the ever changing market conditions and consolidation of all the qualities, competences and skills of the employees, together with reorganization of the company, will ensure consistent quality of our company and all its activities.

“Excellence is not an act,
but a habit.”

Aristotle



Reconstruction at a good address...

Number 9 Wenceslas Square, built between 1913 and 1914 from the design of architect Matěj Blecha, is given a new splendour, thanks to the reconstruction by the company HOCHTIEF CZ. It was requested by the preservation department that the frontage and certain parts of the building's structural floors and walls remain, but all other parts were completely demolished. First of all, the foundation pit and neighbouring houses had to be braced, then the foundations of the new building were laid. This was followed by monolithic and precast structures, restoration of the roof structure, keeping the original truss. The reconstruction continued with restoration of facade, repairs of windows and doors and reassembly of stone stairs fixed in the precast structures. On one hand, the reconstruction on the busy Wenceslas Square is a great presentation of the company; on the other hand, it brings some hurdles – the transport was restrained and space extremely restricted. The HOCHTIEF CZ staff smoothly overcame the problems and the reconstruction is nearing the successful finish.

Relation to the Environment

The construction industry and environmental protection are closely connected. The construction industry directly influences and shapes the environment. Through its activities, HOCHTIEF CZ makes efforts to contribute to revitalization of the proverbial well. We respect the values that surround us. Together with you, we want to participate in their creation. That is the statement of our vision. It is not just a vision, it is reality. Our company is involved in remedying the negative environmental impacts, reclamation of damaged land or preparation of flood measures. Environmental protection is part of the Integrated Management System in HOCHTIEF CZ.

We constantly prove that our commitments to the environment are not just empty words. In 2010, an EMS (Environmental Management

System) supervisory audit was conducted in accordance with the revised ČSN ISO 14001:2005 standard. It proved once again that the system is implemented and maintained effectively.

Employees of the company are led to assess the impact of their work on the environment during all their activities. The company puts emphasis on preventive measures; these are especially training of the personnel, acquainting the suppliers with the principles of optimization of technological methods or responsible choice of plant and machinery. HOCHTIEF CZ makes use of the ideas gained from its employees for further improvement in the environmental protection. This approach of HOCHTIEF CZ brings about reduction in the cost of raw materials and power and effective waste management control, which leads, in particular, to reduction of the share of hazardous waste and to minimisation of the risk of accidents, injuries to health and damage to the environment. Our consistent approach made it possible to decrease the volume of produced waste by more than 30 % in comparison to 2009.

Olomouc,
Palacký University





Bridge...

A new section of the Prague Ring Road, in the construction of which the joint-stock company HOCHTIEF CZ participated, was opened in September of this year. The unique structure – of appeal both to the experts and to the general public forever – means for Division Traffic Infrastructure new experience gained in the field of traffic engineering. Probably the most challenging part of it was the bridge over the Lochkov Valley – 461 m in length. Its inclined pillars are not common in the Czech Republic and they were a difficult part of the construction. Thanks to the deck rising to the height of 65 m over the valley, the structure has become the highest steel-concrete bridge in Prague. Also the other parameters are interesting: weight of the construction is approximately twenty thousand tons, 4,700 tons of steel were used for the steel framework and 5,700 cubic meters of concrete for the deck.

Financial Management

While in 2009 the economic result after taxes reached 2,480 MCZK, in the fiscal period of 2010 the company returned 6,271 MCZK. The company showed higher operative earnings in all construction segments. Under the influence of the economic crisis and in accordance with the group's conservative approach, HOCHTIEF CZ increased in 2010 its provisions for overdue receivables. The increase of provisions reflected mainly the current problems of private developers. Due to slower sales rates and additional marketing expenses for property development activities, a better overall profit was impossible.

To adjust the company organization to the deficient market volume, extensive reorganizational

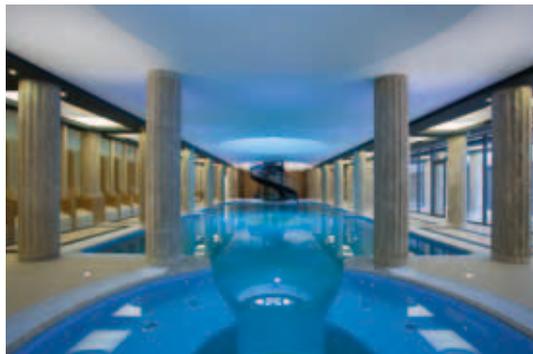
measures were implemented. The new organizational structure was enforced and all the connected expenses were realized in 2010.

The shares in Interma, akciová společnost and Interma BYTY, akciová společnost were sold as at 30 December 2010. The sale of the capital interest in Interma, akciová společnost (and the later formed Interma BYTY, akciová společnost) was planned already in 2009.

Balance sheet

Total equity as at 31 December 2010 came to 965 MCZK. Cash and cash equivalent increased by 39% to 414 MCZK. Due to the write-offs of the rights to development projects and the sale of capital interest in the companies Interma, akciová společnost and Interma BYTY, akciová společnost, there is a decline in non-current financial assets of 33%. There were no further significant changes in the structure of the balance sheet.

Luhačovice,
SPA & Wellness
hotel Alexandria



Risk Management

The risk management system introduced in 2009 and further improved in 2010 led to an improved balance of chances and risks. The vast majority of all business activities delivered the planned or even better results.

Independent management teams permanently evaluate project and business related risks, which is one of the usual construction and development activities. There are no financial risks from foreign currency exchange or financial securities.

Outlook

The cuts in public investments in infrastructure projects will further hinder the construction industry. Due to the increase of industrial production we see new demand in production and consequent logistic facilities. Property development stabilizes but is still too low, compared to the market situation of 2008. Overall, the construction market in 2011 will remain challenging; no general production growth can be expected before 2012.

Main economic indicators for 2010 (MCZK)

Workdone	5,015
Profit before taxation	18
Net profit	6
Total Assets	4,282
Equity capital	965
Employees – recalculated average	1,369

Main economic indicators for 2009 (MCZK)

Workdone	6,128
Profit before taxation	19
Net profit	2
Total Assets	4,143
Equity capital	960
Employees – recalculated average	1,583

Main economic indicators for 2008 (MCZK)

Workdone	7,839
Profit before taxation	165
Net profit	118
Total Assets	5,693
Equity capital	1,017
Employees – recalculated average	1,663

Shareholder structure of HOCHTIEF CZ a. s.

as at 31 December 2010

As of 15 April 2006 HOCHTIEF CZ a. s. has a sole shareholder – the supranational construction holding HOCHTIEF Aktiengesellschaft.

Corporate Bodies

In 2010 the joint-stock company HOCHTIEF CZ was managed by a four-member Executive Board:

Executive Board HOCHTIEF CZ a. s.:

Tomáš Bílek

Chairman of the Executive Board
and CEO

Ivan Havel

Member of the Executive Board
and Commercial Director

Peter Maronna

Member of the Executive Board
and Economic Director

František Kubát

Member of the Executive Board and Production
Director until 30 June 2010, Operations Director
since 1 July 2010

Supervisory Board of HOCHTIEF CZ a. s. consists of three members:

Eimert Los

Chairman of the Supervisory Board

Petr Janoušek

Member of the Supervisory Board until 1 May 2010

Roberto Simoni

Member of the Supervisory Board

Martin Beneš

Member of the Supervisory Board since 2 May 2010



...and water

The joint-stock company HOCHTIEF CZ is proud of its roots – its origin is connected with water-management works. The company draws on its experience and further develops it by execution of projects of that kind. An example of this can be participation in the project “Completion of the Vltava waterway in the section České Budějovice – Hluboká nad Vltavou” for the investor Directorate of Waterways of the Czech Republic, in 85% funded by the Operational Programme Transport from the European Regional Development Fund. During execution of the project, engineers of the joint-stock company HOCHTIEF CZ built the harbour České Vrbné, the turning basin below the weir Jiráskův jez and the wharf Lannova loděnice, the key part of which is a 60-metre long pier. It facilitates boat access to the very centre of České Budějovice. This will most certainly boost the tourism industry not only in the city but also in the entire region of South Bohemia where a new waterway section – 8,9 km long – was constructed for ships that are up to 44 m in length and 5,5 m in width.

Human Resources

Skilled and experienced employees are the source of our strength. It is our employees who help us to realize the commitments of our vision and mission. Continuous care for our employees is an important part of HOCHTIEF CZ. We appreciate hard work of our employees and we try to support them in their efforts and to reward them accordingly. HOCHTIEF CZ wants to deserve good employees. Therefore, we take care of them through our HR strategy. We invest into the quality development of our employees. Constant work with the promising employees was supported by the implementation of assessment centres and consequently by incorporating the outcomes of these into the development plans of our promising employees. Education system is applied throughout the whole company. Workshops and both single and repetitive trainings enable the employees to advance their skills and then to put them into practice.

We evaluate our employees. The evaluation system in HOCHTIEF CZ is focused on assessment of the fulfilment of assignments and competences; it endorses open communication at the workplace and helps to improve the human resources management of the managerial staff.

Every year, we announce and reward the best employees. This recognition of professional qualities is an important element in motivation of the employees to excellent results. In cooperation

with the company union we organize summer camps for the children of our employees. From the resources of our welfare fund we attend to the welfare needs of the staff, providing them spa treatments, support various social, cultural and educational and sports activities. In case of need, the employees can use interest-free loans from the fund.

Recession in the construction industry directly affected the number of employees in the company. We respect our employees and we do not like losing them. For that reason, reduction in the number of employees in the company was the very last of the measures that the company had to implement to face the impacts of the economic crisis. Still, HOCHTIEF CZ tried to reduce the staff to the absolutely necessary extent only. This was appreciated also by the Trade Unions. The relations and discussions with the Trade Unions were mutually fair and open. As a result of it, Attachment No. 3 to the Collective Agreement was concluded.

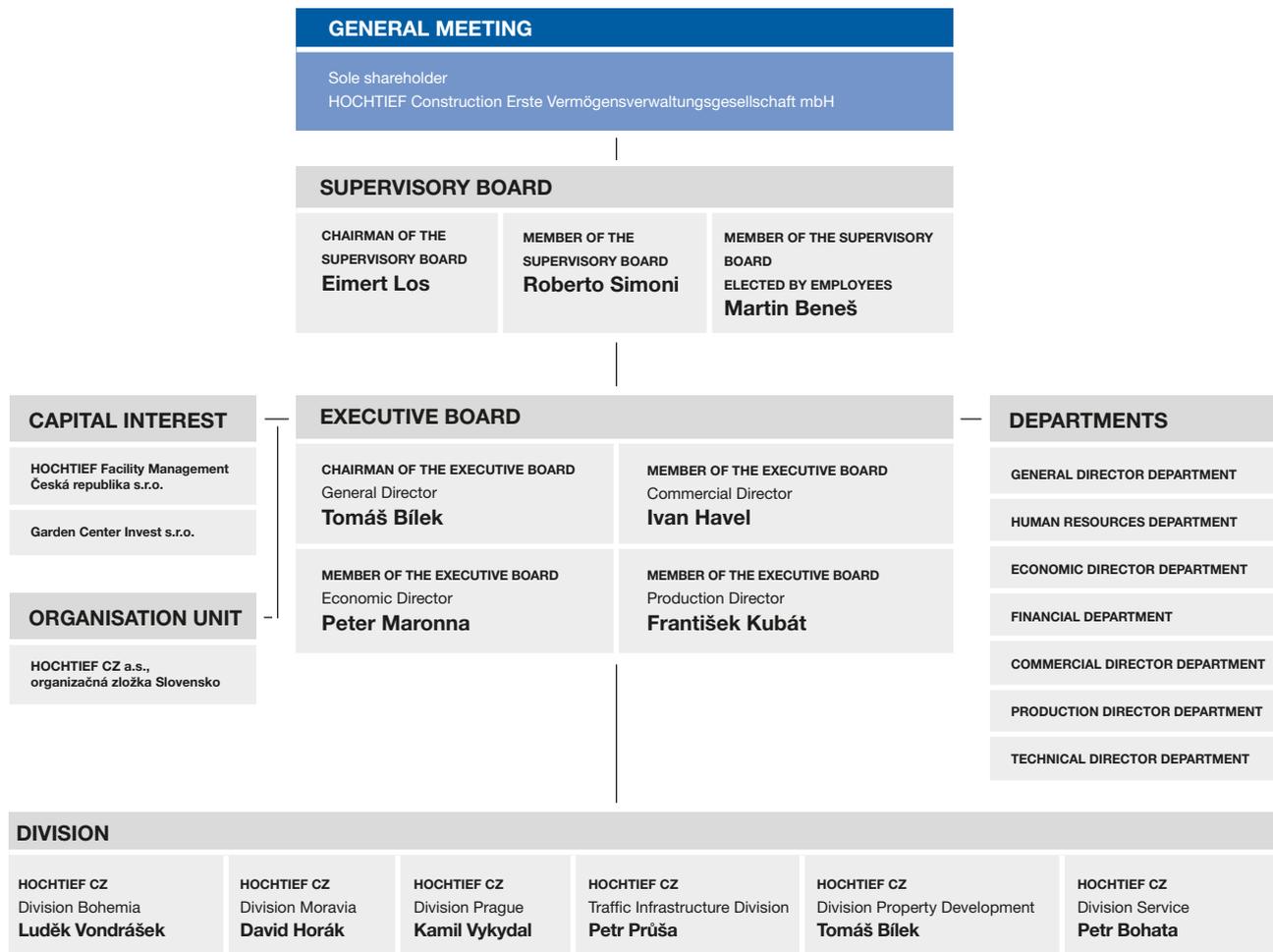
As at 31 December 2010, the joint-stock company HOCHTIEF CZ had 1,251 employees.

“The employer generally gets the employees he deserves.”

Walter Raleigh

Organizational structure of HOCHTIEF CZ a. s.

as at 31 December 2010



Financial Part



Report on Related Parties

in accordance with the provisions of Section 66a (9) of Act No. 513/1991 Coll., the Commercial Code, as amended for the reporting period from 1 January 2010 to 31 December 2010

In accordance with Section 66a (9) of Act No. 513/1991 Coll., the Commercial Code, the Executive Board has issued the report on relations of HOCHTIEF CZ a. s. with its registered office at Plzeňská 16/3217, 150 00 Prague, Czech Republic, as the controlled entity and HOCHTIEF Aktiengesellschaft with its registered office at Opernplatz 2, Essen, Germany, as the controlling entity and other entities controlled by the same controlling entity for the reporting period from 1 January 2010 to 31 December 2010.

I. Controlled Entity

HOCHTIEF CZ a. s. with its registered office at Plzeňská 16/3217, Prague, Czech Republic, corporate ID: 46678468, registered on 1 May 1992 in the Register of Companies maintained by the Regional Court in Prague, File B, Insert 6229.

II. Controlling Entity (hereinafter also the "Related Party")

HOCHTIEF Construction Erste Vermögensverwaltungsgesellschaft mbH with its registered office at Opernplatz 2, 45128 Essen, Germany, recorded in the Register of Companies under no. 20456 (directly controlling entity), controlled by HOCHTIEF Construction AG (with its registered office at Opernplatz 2, Essen, Germany; recorded in the Register of Companies under no. 14772) which is controlled by HOCHTIEF Aktiengesellschaft (with its registered office at Opernplatz 2, Essen, Germany; recorded in the Register of Companies under no. HRB 279).

III. Other Entities Controlled by the Same Controlling Entity (hereinafter "Related Parties")

In accordance with Section 66a (9) of the Commercial Code, the following entities are related entities (related entities involved in any transactions are listed below): HOCHTIEF Development Czech Republic s.r.o. with its registered office at Karla Engliše 3201/6, 150 00 Prague 5, Czech Republic, corporate ID: 25139169

IV. List of Contracts Concluded with Related Entities in the Reporting Period and Description of Performances

During the reporting period, the controlled and the controlling entity and the controlled entity and other entities controlled by the same controlling entity concluded the following contracts and agreed with the following performance:

Entity	Contract type	Performance
HOCHTIEF Construction AG	Loan contract	Cash Pooling Contract
	Contract for the lease of employees	Metro Motol Project
	Contract for technical advisory	Metro Motol Project
	Contract for the assignment of receivables	Assignment of receivables
HOCHTIEF Construction AG, organizační složka (organisation unit)	Contract for work	SOKP 514 Lahovice-Slivenec
HOCHTIEF Construction Slovakia s.r.o.	Contract for the lease of employees	Metro Motol Project
HOCHTIEF Development Czech Republic s.r.o.	Contract for work	Construction work – AB Trianon

The controlled entity suffered no detriment from the contracts listed above.

V. Paid Dividends

In 2010, the Company paid no dividends from the profit to the parent company, HOCHTIEF Construction Erste Vermögensverwaltungsgesellschaft mbH, for the year ended 31 December 2009.

VI. Income with Related Parties

(in CZK thousand)				
Entity	Relation to the Company	Products	Services	Total
HOCHTIEF Development Czech Republic s.r.o.	Fellow subsidiary	0	21	21
HOCHTIEF Construction AG, organizační složka (organisation unit)	Fellow subsidiary	145,691	3,760	149,451
HOCHTIEF PPP Solutions	Fellow subsidiary	0	22	22
Total		145,691	3,803	149,494

In the year ended 31 December 2010, receivables totalling CZK 139 million were assigned pursuant to the

above contract with the parent company. The controlled entity incurred no detriment as a result of the transaction.

VII. Purchases from Related Parties

(in CZK thousand)					
Entity	Relation to the Company	Products	Services	Financial expenses	Total
HOCHTIEF Construction AG, organizační složka (organisation unit)	Fellow subsidiary	289	5,422	0	5,711
HOCHTIEF Construction AG	Parent company	1,004	20,610	3,714	25,328
HOCHTIEF Construction Slovakia s.r.o.	Fellow subsidiary	0	15,437	0	15,437
HOCHTIEF Construction Austria	Fellow subsidiary	259	0	0	259
HOCHTIEF Development Czech Republic s.r.o.	Fellow subsidiary	5	0	0	5
Total		1,557	41,469	3,714	46,740

VIII. Other Legal Acts Made in Favour of Related Parties

During the reporting period, no legal acts were made in the interest of the controlling entity or the controlled entity or other entities controlled by the same controlling entity or if legal acts were made in relation to the entities referred to above, those were general legal procedures made on the basis of conditions for legal acts by the controlled entity in relation to the controlling entity arising from its position of the shareholder of the controlled entity.

IX. Other Measures Made in Favour or at the Initiative of Related Parties

During the reporting period, no measures, except for general measures adopted by the controlled entity in relation to the controlling entity arising from its position of the shareholder of the controlled entity, were adopted in favour or at the initiative of the controlling entity or entities controlled by the same controlling entity.

X. Performance Provided to and Detriment Incurred by the Controlled Entity and the Method of their Settlement

The controlled entity incurred no detriment from performances, contracts, other legal acts, other measures or other received or provided performances referred to above.

XI. Final Statement

The report was prepared by the Executive Board of the controlled entity HOCHTIEF CZ a. s. on 31 March 2011 and was presented to the Supervisory Board and the auditor who conducts the financial statements audit. Given its obligations resulting from the legislation, the controlled entity will issue an annual report which will include the report on related parties as its integral part.

The Annual Report will be filed in the Collection of Deeds held at the Register of Companies maintained by the Municipal Court in Prague.

In Prague on 31 March 2011

Representatives of the Executive Board of the controlled entity:



Tomáš Bílek
Chairman of the Executive Board



Peter Maronna
Member of the Executive Board

Financial Statements as at 31 December 2010

Name of company: **HOCHTIEF CZ a. s.**

Registered office: **Plzeňská 16/3217, 150 00 Prague 5**

Legal form: **joint stock company**

Reg. No.: **46678468**

Financial statements
include: Balance Sheet
Profit and Loss Account
Statement of Changes in Equity
Cash Flow Statement

Financial Statements were compiled on 4 April 2011.



Tomáš Bílek
Chairman of the Executive Board



Peter Maronna
Member of the Executive Board

Balance Sheet Full Version

HOCHTIEF CZ a. s., IČ 46678468, as of 31.12. 2010 (in CZK thousand), Plzeňská 16/3217, Prague 5, PSČ 150 00

		31.12.2010			31.12.2009
		Gross	Adjustment	Net	Net
	TOTAL ASSETS	5,140,826	858,657	4,282,169	4,142,874
B.	Fixed assets	1,040,519	670,619	369,900	553,997
B.I.	Intangible fixed assets	145,265	36,347	108,918	184,468
B.I.3.	Software	24,597	21,149	3,448	2,970
B.I.4.	Valuable rights	280	173	107	163
B.I.6.	Other intangible fixed assets	99	25	74	91
B.I.7.	Intangible fixed assets under construction	120,289	15,000	105,289	181,244
B.II.	Tangible fixed assets	777,702	575,934	201,768	248,966
B.II.1.	Land	11,449	2,566	8,883	8,890
B.II.2.	Structures	217,424	122,459	94,965	100,452
B.II.3.	Individual movable assets and sets of movable assets	525,771	437,149	88,622	133,748
B.II.6.	Other tangible fixed assets	13,983	9,404	4,579	3,995
B.II.7.	Tangible fixed assets under construction	3,169	0	3,169	331
B.II.8.	Prepayments for tangible fixed assets	5,906	4,356	1,550	1,550
B.III.	Non-current financial assets	117,552	58,338	59,214	120,563
B.III.1.	Equity investments in subsidiaries	115,552	58,338	57,214	118,563
B.III.3.	Other securities and investments	2,000	0	2,000	2,000
C.	Current assets	4,073,777	188,038	3,885,739	3,568,032
C.I.	Inventories	343,319	1,937	341,382	384,021
C.I.1.	Material	34,034	1,937	32,097	57,580
C.I.2.	Work in progress and semifinished goods	227,158	0	227,158	224,975
C.I.3.	Products	8,228	0	8,228	8,285
C.I.5.	Goods	73,899	0	73,899	71,681
C.I.6.	Prepayments for inventory	0	0	0	21,500
C.II.	Long-term receivables	510,542	0	510,542	423,935
C.II.1.	Trade receivables	442,308	0	442,308	384,483
C.II.8.	Deferred tax asset	68,234	0	68,234	39,452
C.III.	Short-term receivables	2,806,067	186,101	2,619,966	2,462,646
C.III.1.	Trade receivables	2,437,596	140,873	2,296,723	2,022,248
C.III.2.	Receivables - controlling entity	177,092	0	177,092	134,468
C.III.4.	Receivables from partners and association members	3,070	0	3,070	62,341
C.III.6.	State - tax receivables	0	0	0	63,137
C.III.7.	Short-term prepayments made	12,252	6,714	5,538	54,150
C.III.8.	Estimated receivables	43,755	0	43,755	29,990
C.III.9.	Other receivables	132,302	38,514	93,788	96,312
C.IV.	Current financial assets	413,849	0	413,849	297,430
C.IV.1.	Cash on hand	1,063	0	1,063	1,290
C.IV.2.	Cash at bank	412,786	0	412,786	296,140
D. I.	Other assets	26,530	0	26,530	20,845
D.I.1.	Deferred expenses	21,068	0	21,068	15,841
D.I.3.	Accrued income	5,462	0	5,462	5,004

		31.12.2010	31.12.2009
	TOTAL LIABILITIES & EQUITY	4,282,169	4,142,874
A.	Equity	965,459	960,280
A.I.	Share capital	350,736	350,736
A.I.1.	Share capital	350,736	350,736
A.II.	Capital funds	585	585
A.II.2.	Other capital funds	585	585
A.III.	Statutory funds	91,640	93,105
A.III.1.	Statutory reserve fund / Indivisible fund	75,792	75,792
A.III.2.	Statutory and other funds	15,848	17,313
A.IV.	Retained earnings	516,227	513,374
A.IV.1.	Accumulated profits brought forward	516,227	513,374
A.V.	Profit or loss for the current period (+/-)	6,271	2,480
B.	Liabilities	3,311,480	3,161,103
B.I.	Reserves	129,102	110,973
B.I.4.	Other reserves	129,102	110,973
B.II.	Long-term liabilities	309,069	304,317
B.II.1.	Trade payables	290,299	292,947
B.II.4.	Payables to partners and association members	18,770	11,370
B.III.	Short-term liabilities	2,316,701	2,164,297
B.III.1.	Trade payables	1,029,814	1,175,469
B.III.2.	Payables - controlling entity	28,973	8,039
B.III.4.	Payables to partners and association members	280,625	384,176
B.III.5.	Payables to employees	38,291	54,518
B.III.6.	Social security and health insurance payables	19,561	22,842
B.III.7.	State - tax payables and subsidies	75,251	9,644
B.III.8.	Short-term prepayments received	3,812	34,251
B.III.10.	Estimated payables	834,025	459,123
B.III.11.	Other payables	6,349	16,235
B.IV.	Bank loans and borrowings	556,608	581,516
B.IV.2.	Short-term bank loans	556,608	581,516
C. I.	Other liabilities	5,230	21,491
C.I.1.	Accrued expenses	2,594	5,417
C.I.2.	Deferred income	2,636	16,074

Profit and Loss Account structured by the nature of expense method

HOCHTIEF CZ a. s., IČ 46678468, year ended 31.12. 2010 (in CZK thousand), Plzeňská 16/3217, Prague 5, PSČ 150 00

		Period to 31.12.2010	Period to 31.12.2009
I.	Sales of goods	9,397	13,674
A.	Costs of goods sold	5,908	6,418
+	Gross margin	3,489	7,256
II.	Production	5,015,048	6,128,236
II.1.	Sales of own products and services	5,039,546	7,154,264
II.2.	Change in internally produced inventory	(30,193)	(1,031,914)
II.3.	Own work capitalised	5,695	5,886
B.	Purchased consumables and services	3,965,300	4,989,758
B.1.	Consumed material and energy	3,387,363	4,391,150
B.2.	Services	577,937	598,608
+	Added value	1,053,237	1,145,734
C.	Staff costs	805,814	856,823
C.1.	Payroll costs	599,231	620,365
C.2.	Remuneration to members of statutory bodies	13,283	17,192
C.3.	Social security and health insurance costs	177,938	202,928
C.4.	Social costs	15,362	16,338
D.	Taxes and charges	9,603	12,280
E.	Depreciation of intangible and tangible fixed assets	55,816	65,107
III.	Sales of fixed assets and material	24,330	41,943
III.1.	Sales of fixed assets	7,082	3,945
III.2.	Sales of material	17,248	37,998
F.	Net book value of fixed assets and material sold	18,050	36,373
F.1.	Net book value of sold fixed assets	1,845	342
F.2.	Book value of sold material	16,205	36,031
G.	Change in reserves and provisions relating to operating activities and complex deferred expenses	24,501	113,874
IV.	Other operating income	229,554	88,275
H.	Other operating expenses	317,215	132,969
*	Operating profit/(loss)	76,122	58,526
VI.	Proceeds from the sale of securities and investments	30,350	0
J.	Cost of securities and investments sold	61,349	0
M.	Change in reserves and provisions relating to financial activities	(30,190)	(5,007)
X.	Interest income	4,551	2,406
N.	Interest expenses	21,983	26,798
XI.	Other financial income	9,057	12,213
O.	Other financial expenses	48,604	32,414
*	Financial profit/(loss)	(57,788)	(39,586)
Q.	Income tax on ordinary activities	12,063	16,460
Q 1.	- due	40,845	29,438
Q 2.	- deferred	(28,782)	(12,978)
**	Profit/(loss) from ordinary activities	6,271	2,480
***	Profit/(loss) for the current period	6,271	2,480
****	Profit/(loss) before tax	18,334	18,940

Statement of Changes in Equity

HOCHTIEF CZ a. s., IČ 46678468, year ended 31.12. 2010 (in CZK thousand), Plzeňská 16/3217, Prague 5, PSČ 150 00

	Share capital	Capital funds	Statutory funds	Accumulated profits brought forward	Accumulated losses brought forward	Profit or loss for the current period	TOTAL EQUITY
Balance at 31 December 2008	350,736	2,026	90,608	455,791	0	117,525	1,016,686
Distribution of profit or loss			3,150	114,375		(117,525)	0
Other				135			135
Dividends paid				(56,927)			(56,927)
Gains or losses on the revaluation of assets and liabilities		(1,441)					(1,441)
Payments from the social fund			(653)				(653)
Profit or loss for the current period						2,480	2,480
Balance at 31 December 2009	350,736	585	93,105	513,374	0	2,480	960,280
Distribution of profit or loss				2,480		(2,480)	0
Other				373			373
Payments from the social fund			(1,465)				(1,465)
Profit or loss for the current period						6,271	6,271
Balance at 31 December 2010	350,736	585	91,640	516,227	0	6,271	965,459

Cash Flow Statement

HOCHTIEF CZ a. s., IČ 46678468, year ended 31.12. 2010 (in CZK thousand), Plzeňská 16/3217, Prague 5, PSČ 150 00

		Period to 31.12.2010	Period to 31.12.2009
P.	Opening balance of cash and cash equivalents	297,430	584,784
	<i>Cash flows from ordinary activities</i>		
Z.	Profit or loss from ordinary activities before tax	18,334	18,940
A.1.	Adjustments for non-cash transactions	183,167	287,063
A.1.1.	Depreciation of fixed assets	55,816	65,107
A.1.2.	Change in provisions and reserves	(7,183)	108,867
A.1.3.	Profit/(loss) on the sale of fixed assets	25,762	(3,603)
A.1.5.	Interest expense and interest income	17,432	24,392
A.1.6.	Adjustments for other non-cash transactions	91,340	92,300
A.*	Net operating cash flow before changes in working capital	201,501	306,003
A.2.	Change in working capital	(27,238)	(228,698)
A.2.1.	Change in operating receivables and other assets	(183,969)	121,500
A.2.2.	Change in operating payables and other liabilities	111,983	(1,383,959)
A.2.3.	Change in inventories	44,748	1,033,761
A.**	Net cash flow from operations before tax and extraordinary items	174,263	77,305
A.3.	Interest paid	(21,983)	(26,798)
A.4.	Interest received	4,551	2,406
A.5.	Income tax paid from ordinary operations	(19,889)	(31,597)
A.***	Net operating cash flows	136,942	21,316
	<i>Cash flows from investing activities</i>		
B.1.	Fixed assets expenditures	(9,892)	(4,196)
B.2.	Proceeds from fixed assets sold	37,432	3,945
B.3.	Loans provided to related parties	(42,624)	(124,458)
B.***	Net investment cash flows	(15,084)	(124,709)
	<i>Cash flow from financial activities</i>		
C.1.	Change in payables from financing	(3,974)	(126,381)
C.2.	Impact of changes in equity	(1,465)	(57,580)
C.2.5.	Payments from capital funds	(1,465)	(653)
C.2.6.	Dividends paid	0	(56,927)
C.***	Net financial cash flows	(5,439)	(183,961)
F.	Net increase or decrease in cash and cash equivalents	116,419	(287,354)
R.	Closing balance of cash and cash equivalents	413,849	297,430

Basic Company Data for the year 2010

HOCHTIEF CZ a. s.

Plzeňská 16/3217, 150 00 Praha 5
ID no.: 46678468, Tax ID no.: CZ46678468
Registration with the Municipal Court Prague, section B,
insert no. 6229
Tel.: +420 257 406 000
Fax: +420 257 406 008
E-mail: info@hochtief.cz
www.hochtief.cz

HOCHTIEF CZ a. s., Division Bohemia, branch plant

Address: Okružní 544, 370 04 České Budějovice
Tel.: +420 387 729 111
Fax: +420 387 319 129
E-mail: cechy@hochtief.cz

HOCHTIEF CZ a. s., Division Morava

Address: Sokolská třída 2800/99, 702 00
Moravská Ostrava
Tel.: +420 597 310 202
Fax: +420 596 134 035
E-mail: morava@hochtief.cz

HOCHTIEF CZ a. s., Division Prague, branch plant

Address: Plzeňská 16/3217, 150 00 Praha 5
Tel.: +420 257 406 201
Fax: +420 257 406 007
E-mail: praha@hochtief.cz

HOCHTIEF CZ a. s., Division Traffic Infrastructure

Address: Plzeňská 16/3217, 150 00 Praha 5
Tel.: +420 257 406 301
Fax: +420 257 406 006
E-mail: dopravni.stavby@hochtief.cz

HOCHTIEF CZ a. s., Division Property Development

Address: Plzeňská 16/3217, 150 00 Praha 5
Tel.: +420 257 406 401
Fax: +420 257 406 005
E-mail: property@hochtief.cz

HOCHTIEF CZ a. s., Division Service

Address: Okružní 544, 370 04 České Budějovice
Tel.: +420 387 729 111
Fax: +420 387 729 920
E-mail: servis@hochtief.cz

INTERMA, akciová společnost

Adresa: Masarykova 12, 460 01 Liberec
Tel.: +420 485 221 219
Fax: +420 485 221 222
E-mail: interma@interma.cz
www.interma.cz

HOCHTIEF CZ a. s., organizační zložka Slovensko

(Organization Unit Slovakia)
Adresa: Karadžičova 8, 821 09 Bratislava,
Slovenská republika
Tel.: +421 232 553 000 (office),
+420 257 406 000 (head office)
Fax: +421 232 553 001
E-mail: slovensko@hochtief.cz

HOCHTIEF worldwide

HOCHTIEF Asia Pacific
HOCHTIEF Americas
HOCHTIEF Concessions



HOCHTIEF Europe

HOCHTIEF Solutions (Austria, Bulgaria, Chile, Czech Republic, Germany, India, Luxembourg, Peru, Poland, Qatar, Romania, Russia, South Africa, Sweden, UK, Ukraine)
HOCHTIEF Global Trade (Germany)
HOCHTIEF Procurement Asia (Hong Kong)

HOCHTIEF VCon (Germany, Qatar)
Streif Baugistik (Austria, Bulgaria, Denmark, Germany, Poland, Qatar, Romania, Russia, Ukraine)
HOCHTIEF Projektentwicklung (Austria, Czech Republic, Germany, Hungary, Poland,

Romania, Russia, Switzerland)
HOCHTIEF Property Management (Germany)
Durst-Bau (Austria)
aurelis Real Estate (Germany)

HOCHTIEF Facility Management (Bahrain, Czech Republic, Denmark, Germany, Greece, Hungary, Ireland, Poland, Switzerland, UK)
HOCHTIEF Energy Management (Germany)
www.hochtief.de

www.hochtief.cz