

# HOCHTIEF

COMPANY 20  
REPORT 09



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# Introductory word

*Dear Business Partners,  
I am pleased to present you the HOCHTIEF Annual Report for 2009.*

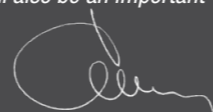
*Last year was a very challenging year for the joint-stock company HOCHTIEF CZ. The continuing economic crisis had a negative impact on all segments of the building industry and affected our company, as well. Owing to the conservative policy undertaken by banks, most private projects were halted, which manifested itself negatively on the backlog for 2009. Moreover, we also faced the impacts of several loss projects from the past that also had negative influence on both our economic result and cash flow.*

*In the inter-annual comparison our turnover decreased by 22%, which caused considerable problems in respect of covering the company overheads.*

*Along with the deepening crisis, the company management implemented a series of measures to minimise the adverse impacts. These measures were painful but necessary. We decided to seek extensive savings within the non-personnel costs, which were reduced on average by 14% in total. The economic measures, however, had to affect the personnel costs too – inter-annual decrease in the number of employees was by approximately 11 %.*

*Despite the unfavourable situation, we were successful in many areas. Owing to the expansion of the traffic infrastructure segment Division Traffic Infrastructure exceeded the planned turnover and profit. Division Moravia recorded steady work done all year round. Thanks to heightened efforts in the sphere of our business activities, in the second half of the last year we managed to secure a backlog for the following year, which is a good prerequisite for reaching the planned parameters. The backlog was significantly influenced by our success in the public tender for the construction of a new metro line that was concluded by signing the contract with the investor just by the end of 2009. We also successfully completed many construction projects: the reconstruction of the National Memorial on Vítkov Hill is especially worth mentioning – the team of Division Prague completed the work in excellent quality and with an extraordinary economic result.*

*In conclusion, thank you for your cooperation in 2009. I am hopeful and confident that HOCHTIEF CZ will continue to offer services of superior quality, a correct approach to partnership, and high competence, and that we shall also be an important business partner for you in the future.*

  
**Tomáš Bílek**  
Chairman of the Executive Board and CEO





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



In 2009 the Supervisory Board supervised the activities of the Executive Board of the company and the fulfilment of its business plan.

In accordance with Section 198 of Act No. 513/1991 Coll., the Commercial Code, and the company's Articles of Association, the Supervisory Board of HOCHTIEF CZ a. s. reviewed the company's regular financial statements for 2009 and acknowledged their verification by auditors.

The Supervisory Board recommends the Sole Shareholder of the company to approve the regular financial statements of HOCHTIEF CZ a. s. for 2009.

The Supervisory Board recommends the Sole Shareholder of the company to approve the Executive Board's proposal for the distribution of the company economic result for 2009.

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 and controlled entities 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 Section 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 about its activities and about important facts relating to the company.

**Eimert Los**  
Chairman of the Supervisory Board  
HOCHTIEF CZ a. s.

# Vision and Mission



## Vision HOCHTIEF CZ

We are creating space for life. We wish you to feel comfortable and at home within it, and thus we conduct our business in compliance with the principles of permanently sustainable development – of a balanced world from which one not only takes, but also gives to. Our aim is to always be a trustworthy and reliable partner for you. A partner with whom you can consult your construction goals. We respect the values that surround us and on whose creation we wish to cooperate with you.



## Mission HOCHTIEF CZ

- Our approach to resolving your assignments is creative. We are able to fulfill all your wishes.
- Our work is always of the highest quality. We have competent and qualified employees.
- Within every project we take over responsibility for the living space.

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This is the reason  
why you **choose us.**  
This is the reason  
why you **return to us.**

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# Entrepreneurial Environment of 2009

As for the quality and speed of construction, the Czech building construction is still maintaining a leading position among the EU countries.



In 2009 the Czech economy registered another significant slowdown. The gross national product (GNP) decreased by 4.3% in comparison to the preceding year, resulting in a negative growth rate of -1%. The further decline or stagnation of this negative trend can also be expected in 2010 and 2011. The unemployment rate increased to 9.2% (2008: 6.5%). Throughout 2010, additional unemployment is expected—up to a level exceeding 10%. These data are proof that the economic crisis is worsening. In the inter-annual comparison, 2009 brought a 1.0% decrease in constant prices to the Czech building industry, and a decrease of 7% in the branch of the building construction. On the other hand, civil engineering noted a 14.3% increase. The pace of price growth in building production was minimal (0.3% only); however, the prices of consumed materials and products saw a 3.6% decline. The highest decrease of building production was registered in Central Bohemia and in Prague, where it exceeded 30%. In spite of the decrease in labour productivity, average wages increased by 11% in 4Q. As for the quality and speed of construction, the Czech building construction has succeeded in maintaining a leading position among the EU countries.

The present European and worldwide economic crisis is the cause of waning interest from private investors to initiate new construction projects. The investment budgets, both state and municipal, are also being reduced. As a result, there is a substantial decrease in the order backlog mainly in large construction companies. This decrease in the backlog has exceeded 20%. The EU financial investment support within EU Structural Funds has not reached the planned scope, especially since the projects are unprepared and there is a shortage of own/national financial resources for co-financing.

Most major construction companies in the Czech Republic are parts of strong supranational building corporations. As competition continues to intensify, many minor building companies have already withdrawn from the market. Those companies that are technologically strong, well provided with capital, and have modern management are able to survive. The universality of these companies and their participation in all fields of the building market are a way to hold their position on the Czech market. Throughout the economic crisis, the economic development of the Czech Republic and its position within the European Union have become unstable. The government endeavours to maintain its focus on the need to complete construction projects in the area of infrastructure. Still, the execution of new traffic infrastructure projects has not commenced. Many of these projects that are under construction have been suspended. In addition, housing development has been stopped to a great extent. The investment budgets of the regions that draw resources from the Regional operational programmes are being reconsidered and reduced.

# Quality Management System



We expanded the scope of certified activities by welding of reinforcement steel in accordance with norm ČSN EN ISO 17660.

The quality management System was reviewed in 2009 by a certification body.

In HOCHTIEF CZ, the Quality Management System is a part of the Integrated Management System that covers quality (ISO 9001), safety (OHSAS 18001), and environment protection (ISO 14001). In its vision, mission and management principles, HOCHTIEF CZ proclaims its long-term value-based orientation towards the future. The Executive Board, in accord with HOCHTIEF CZ's Integrated Management System policy, has determined the company's goals, whose fulfilment is monitored and evaluated at the regular annual review of the management system.

At the beginning of 2009, a loss project analysis was completed and proposals for remedy measures for improving the project management system were made. The fundamental step was the decision to revise the supervisory documentation—its aim was to attain more transparent and comprehensible project management principles and subsequent compulsory training, including written knowledge testing in the selected management staff groups.

As a reaction to the new business conditions resulting from the financial crisis, HOCHTIEF CZ implemented important measures in the management system so as to achieve cost savings.

The Quality Management System also responded to "Lead5!", a new programme for implementing the strategy and developing leadership culture in HOCHTIEF Construction.

Before the end of 2009, HOCHTIEF CZ's Executive Board resolved to take measures against the progress of the crisis at HOCHTIEF CZ, a. s. to make the management system more effective. Introductions of these steps in the company management standards will be one of the main targets of the Quality Management System in 2010.

The Quality Management System was reviewed in 2009 by a certification body during a re-certification audit in accordance with norm ČSN EN ISO 9001:2001 and it was proven that the system is functional and fulfils the given requirements. During the audit, the scope of certified activities was expanded to include welding of reinforcement steel in accordance with norm ČSN EN ISO 17660.



# Relation to the Environment

In comparison to the  
year **2008**, we reduced  
the volume of other  
waste by about  
**180,000** tons.



We are aware that attaining our business vision and fulfilling our strategic goals depends on reliable, competitive, and safe technologies that are environmentally friendly. Environmental protection is a part of the Integrated Management System in HOCHTIEF CZ a. s. In 2009, an EMS (Environmental Management System) supervisory audit was conducted in accordance with the revised ČSN ISO 14001:2005 standard. It proved that the system is implemented and effectively maintained.

The company strives to conduct all its operations with a focus on energy saving and minimal environmental damage. Impacts on the environment are assessed by the employees in the course of their activities. The company puts emphasis on preventive measures, above all personnel training, acquainting suppliers with the principles of optimising technological methods, and the proper choice of machinery and mechanisation. This approach enables HOCHTIEF CZ a. s. to reduce the costs of raw materials and energy and to control waste management effectively—this year in particular, we reduced the total volume of waste and also the share of hazardous waste. All this leads to minimising the risk of accidents, injuries to health and damage to the environment.

Another success of 2009 was defending the EMAS Programme (system for company management and an audit covering environment protection) in accordance with Directive No. 761/2001 by the European Parliament and the European Community Council. The audit primarily verified activities relating to environmental control and environmental account maintenance (known as “green accounts”).

Communication is an important instrument that allows the company to receive suggestions for further development in the field of environment protection. As a result, the joint-stock company HOCHTIEF CZ is able to continuously improve its environmental profile.



# Technical and Investment Development



The total inter-annual decrease of construction market led the company to curtail investments in development.

Technical and investment development stemmed from the medium-term aims of the company, especially in the sphere of building and infrastructure projects, including traffic infrastructure projects.

The total inter-annual decrease in the volume of construction market led the company, as well as other construction firms, to curtail investments in development and to cover asset renewal requirements mainly via operational leasing.

Changes in the construction market were reflected in the production programme structure, and were characterized by a decreased share of building projects and increased share of infrastructure projects, which constitute nearly half the volume of the company's construction revenues. These trends have resulted in the focus of the technical development, as well as asset renewal and development.

Continual long-term development in the branch of Information Technologies included, in particular, the implementation of an e-Accounting system, the application of an upgraded version of SAP, the advancement of the IT security system, including data encryption, and the implementation of new software applications for project management.

Progress related to technical informatics was focused on the continuing harmonisation of Czech technical standards, the development of occupational safety and environment protection, technical problems and risks of projects under execution, and new construction technologies. These issues were also part of the training programmes for all production technicians.

The main objective is to support and ensure high technical standards, long-term quality, and customer satisfaction in all projects executed by HOCHTIEF CZ a. s.

The main objective is to support and ensure **high technical standards**, long-term quality, and customer **satisfaction**.

# Human Resources

HOCHTIEF CZ employed  
**1,482** people  
as at 31<sup>st</sup> December 2009.



HOCHTIEF CZ employed 1,482 people as at 31<sup>st</sup> December 2009.

During 2009, the company continued to improve the qualification levels of its personnel. Constant work with the promising employees was supported by the execution of development plans. An education system was applied throughout the whole company and was focused on internal issues in particular. This system supports the continuous development of all employees, as well as the advancement of their knowledge and skills. The new employee evaluation system, which is aimed at assessing the fulfilment of assignments and competences, endorses open communication at the workplace and helps to improve staff proficiency.

Comprehensive employee care in 2009 also included events from the employee programme, which were ensured by the company in close cooperation with the company's unions. The support of the Former Employees Club is an integral part of the company's activities.

The relationships and discussions with the company's trade unions were mutually fair and open. As a result of such discussions, Attachment No. 2 to the Collective Agreement was concluded.



# Financial management



The company's overall equity as at 31<sup>st</sup> December 2009 totalled CZK 960 million.

## Result of 2009

In 2009, the joint-stock company HOCHTIEF CZ reached a turnover of CZK 6.1 billion, which is a 22% decrease in comparison to 2008. The main reason for the decrease was the considerable drop in construction opportunities. The EBT, reaching CZK 19 million, was affected by the drop in turnover. The necessary adjustment of the organization to lower turnover was finalised before the end of 2009 and will bring significant savings in 2010 and subsequent years. Furthermore, provisions to overdue receivables in respect of bad clients further affected the result.

## Balance sheet

The company's overall equity as at 31<sup>st</sup> December 2009 totalled CZK 960 million. Unfinished production was lowered to CZK 225 million owing to the completion of several projects of significant volume. The overall value of Assets and Liabilities increased by 27%.



## Risk management

The risk management system, serving in the past as a supporting instrument for identifying possible risks, has become—in view of the situation on the financial as well as construction markets—a necessary means of eliminating risks. HOCHTIEF CZ successfully continues to apply group directives on risk management, which provides security in preparing bids for delivering construction works and in the execution itself. As a result, the number of successful projects, as well as the average profitability of all projects, increased significantly.

## Outlook

The financial outlook for the company is optimistic. Owing to the very conservative approach in creating provisions and reserves, we do not carry forward potential financial problems. We envisage increasing work executed in traffic infrastructure. We believe that developer activities will see an upturn in 2010.

At the beginning 2010, our 100% subsidiary HOCHTIEF Facility Management Česká republika s.r.o. entered the Czech market, which will merge the already existing soft services with integrated facility management activities for local and international clients.

## Main economic indicators for 2009 (CZK '000)

Workdone	6128
Profit before taxation	19
Net profit	2
Total Assets	4143
Equity capital	960
Employees – recalculated average	1583

## Main economic indicators for 2008 (CZK '000)

Workdone	7839
Profit before taxation	165
Net profit	118
Total Assets	5693
Equity capital	1017
Employees – recalculated average	1663

## Main economic indicators for 2007 (CZK '000)

Workdone	8292
Profit before taxation	144
Net profit	109
Total Assets	6090
Equity capital	967
Employees – recalculated average	1609

# Shareholder structure HOCHTIEF CZ a. s. as at 31<sup>st</sup> December 2009



## Shareholder structure HOCHTIEF CZ a. s. as at 31<sup>st</sup> December 2009

As of 15<sup>th</sup> April 2006 HOCHTIEF CZ a. s. has a sole shareholder – the supranational construction holding HOCHTIEF AG.

### Corporate Bodies

In 2009 the joint-stock company HOCHTIEF CZ was managed by a four-member Executive Board:

#### Ing. Tomáš Bílek

Chairman of the Executive Board and CEO

#### Dipl.-Wirtsch.-Ing. Peter Maronna

Member of the Executive Board and Economic Director

#### Ivan Havel

Member of the Executive Board and Commercial Director

#### Ing. František Kubát

Member of the Executive Board and Production Director

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

#### Eimert Los

Chairman of the Supervisory Board

#### Roberto Simoni

Member of the Supervisory Board

#### Petr Janoušek

Member of the Supervisory Board



# Basic company data

## 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  
 Phone: +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  
 Phone: +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  
 Phone: +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  
 Phone: +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  
 Phone: +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  
 Phone: +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  
 Phone: +420 387 729 903  
 Fax: +420 387 729 920  
 E-mail: servis@hochtief.cz

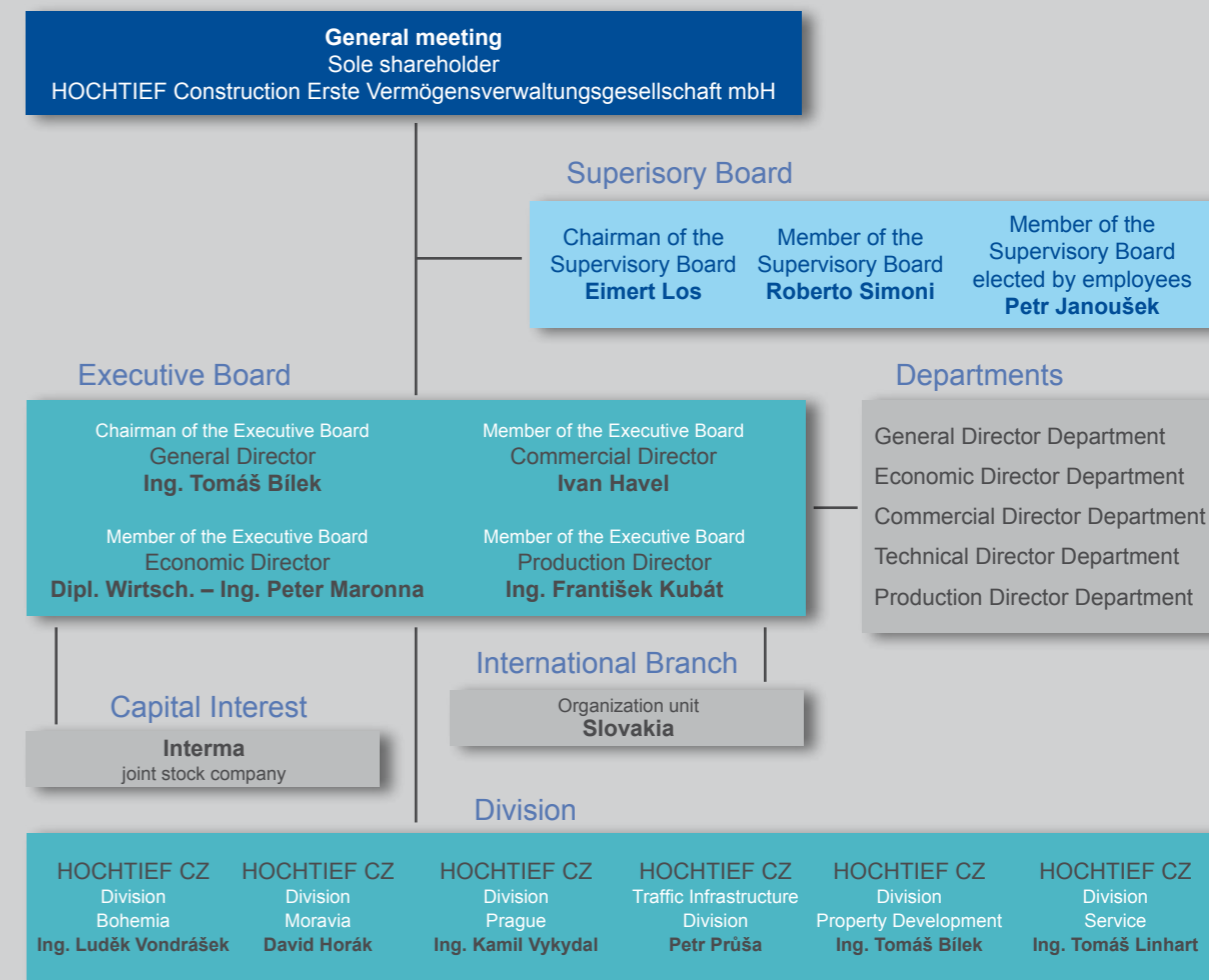
## INTERMA a. s.

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

## HOCHTIEF CZ a. s., Organization Unit Slovakia

Address: Miletičova 23, 821 09 Bratislava, Slovensko  
 Phone, fax: +421 250 244 281  
 E-mail: office@hochtief-as.sk

# Organizational structure



# 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 2009 to 31 December 2009

In accordance with Section 66a (9) of Act No. 513/1991 Coll., the Commercial Code, the Board of Directors 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 2009 to 31 December 2009.

## 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 (entities involved in any transactions are listed below):

**HOCHTIEF Development Czech Republic s. r. o.** with its registered office at Karla Engliš 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: The controlled entity suffered no detriment from the contracts listed above.

Entity	Contract type	Performance
HOCHTIEF Construction AG	Forward transactions contracts Loan contract	Hedging of the currency exchange rate (CZK/EUR) Cash pooling contract
HOCHTIEF Construction AG	Contract for work	SOKP 514 Lahovice-Slivenec
HOCHTIEF Development Czech Republic s.r.o.	Contract for work	Construction work – Kavčí Hory project Construction work – AB Trianon

## V. Paid Dividends

In 2009, the Company paid dividends from the profit to the parent company HOCHTIEF Construction Erste Vermögensverwaltungsgesellschaft mbH for the year ended 31 December 2008 in the amount of CZK 56,927 thousand.

## VI. Income with Related Parties

Entity	Relation to the Company	Products	Services	Total
HOCHTIEF Development Czech Republic s.r.o.	Fellow subsidiary	836 475	0	836 475
Hochtief Construction, branch (CR)	Fellow subsidiary	535 803	4 426	540 229
Hochtief Construction	Parent company	0	0	0
<b>Celkem</b>		<b>1 372 278</b>	<b>4 426</b>	<b>1 376 704</b>

## VII. Purchases from Related Parties

Entity	Relation to the Company	Products	Services	Fin. expenses	Total
Hochtief Construction, branch (CR)	Fellow subsidiary	31 549	31 010	0	62 559
Hochtief Construction AG	Parent company	0	7 564	5 693	13 257
<b>Celkem</b>		<b>31 549</b>	<b>38 574</b>	<b>5 693</b>	<b>75 816</b>

## 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 controlling 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 Board of Directors of the controlled entity HOCHTIEF CZ a.s. on 31 March 2010 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<sup>st</sup> March 2010  
Representatives of the Board of Directors of the controlled entity:



**Ing. Tomáš Bílek**  
Chairman of the Executive Board



**Dipl.-Wirtsch.-Ing. Peter Maronna**  
Member of the Executive Board



# Financial statements

## as at 31<sup>st</sup> December, 2009

Company name: **HOCHTIEF CZ a. s.**

Address: **Plzeňská 16/3217, 150 00 Prague 5**

Legal status: **joint stock company**

ID Number: **46678468**

Parts of financial statement:

- Balance Sheet
- Profit and Loss Account
- Statement of Changes in Equity
- Cash Flow Statement
- Annex

Financial statement was compiled on 31<sup>st</sup> March 2010.



**Ing. Tomáš Bílek**  
Chairman of the Executive Board



**Dipl.-Wirtsch.-Ing. Peter Maronna**  
Member of the Executive Board

### BALANCE SHEET FULL VERSION

HOCHTIEF CZ a. s., IČ 46678468, as of 31.12. 2009 (in CZK thousand), Plzeňská 16/3217, Prague 5, PSČ 150 00

		31.12.2009			31.12.2008
		Gross	Adjustment	Net	Net
	<b>TOTAL ASSETS</b>	<b>5 014 752</b>	<b>871 878</b>	<b>4 142 874</b>	<b>5 692 772</b>
B.	Fixed assets	1 227 737	673 740	553 997	610 222
B.I.	Intangible fixed assets	203 992	19 524	184 468	183 226
B.I.3.	Software	22 369	19 399	2 970	2 634
B.I.4.	Valuable rights	280	117	163	219
B.I.6.	Other intangible fixed assets	99	8	91	
B.I.7.	Intangible fixed assets under construction	181 244		181 244	180 373
B.II.	Tangible fixed assets	814 654	565 688	248 966	311 440
B.II.1.	Land	11 456	2 566	8 890	11 179
B.II.2.	Structures	216 603	116 151	100 452	106 587
B.II.3.	Individual movable assets and sets of movable assets	567 356	433 608	133 748	185 920
B.II.6.	Other tangible fixed assets	13 002	9 007	3 995	100
B.II.7.	Tangible fixed assets under construction	331		331	6 095
B.II.8.	Prepayments for tangible fixed assets	5 906	4 356	1 550	1 559
B.III.	Non-current financial assets	209 091	88 528	120 563	115 556
B.III.1.	Equity investments in subsidiaries	207 091	88 528	118 563	113 556
B.III.3.	Other securities and investments	2 000		2 000	2 000
C.	Current assets	3 766 170	198 138	3 568 032	5 054 529
C.I.	Inventories	388 066	4 045	384 021	1 419 325
C.I.1.	Material	59 363	1 783	57 580	71 315
C.I.2.	Work in progress and semifinished goods	227 237	2 262	224 975	1 262 645
C.I.3.	Products	8 285		8 285	3 905
C.I.5.	Goods	71 681		71 681	67 136
C.I.6.	Prepayments for inventory	21 500		21 500	14 324
C.II.	Long-term receivables	423 935		423 935	310 253
C.II.1.	Trade receivables	384 483		384 483	284 140
C.II.8.	Deferred tax asset	39 452		39 452	26 113
C.III.	Short-term receivables	2 656 739	194 093	2 462 646	2 740 167
C.III.1.	Trade receivables	2 168 437	146 189	2 022 248	2 512 504
C.III.2.	Receivables - controlling entity	134 468		134 468	10 010
C.III.4.	Receivables from partners and association members	62 341		62 341	51 800
C.III.6.	State - tax receivables	63 137		63 137	10 028
C.III.7.	Short-term prepayments made	63 540	9 390	54 150	55 237
C.III.8.	Estimated receivables	29 990		29 990	8 010
C.III.9.	Other receivables	134 826	38 514	96 312	92 578
C.IV.	Current financial assets	297 430		297 430	584 784
C.IV.1.	Cash on hand	1 290		1 290	1 115
C.IV.2.	Cash at bank	296 140		296 140	583 669
D. I.	Other assets	20 845		20 845	28 021
D.I.1.	Deferred expenses	15 841		15 841	22 337
D.I.3.	Accrued income	5 004		5 004	5 684

		31. 12. 2009	31. 12. 2008
	<b>TOTAL LIABILITIES &amp; EQUITY</b>	4 142 874	5 692 772
A.	Equity	960 280	1 016 686
A.I.	Share capital	350 736	350 736
A.I.1.	Share capital	350 736	350 736
A.II.	Capital funds	585	2 026
A.II.2.	Other capital funds	585	585
A.II.3.	Gains or losses from the revaluation of assets and liabilities		1 441
A.III.	Statutory funds	93 105	90 608
A.III.1.	Statutory reserve fund / Indivisible fund	75 792	75 792
A.III.2.	Statutory and other funds	17 313	14 816
A.IV.	Retained earnings	513 374	455 791
A.IV.1.	Accumulated profits brought forward	513 374	455 791
A.V.	Profit or loss for the current period (+ -)	2 480	117 525
B.	Liabilities	3 161 103	4 663 574
B.I.	Reserves	110 973	93 285
B.I.4.	Other reserves	110 973	93 285
B.II.	Long-term liabilities	304 317	281 804
B.II.1.	Trade payables	292 947	275 876
B.II.4.	Payables to partners and association members	11 370	5 928
B.III.	Short-term liabilities	2 164 297	3 689 657
B.III.1.	Trade payables	1 175 469	1 253 641
B.III.2.	Payables - controlling entity	8 039	117 107
B.III.4.	Payables to partners and association members	384 176	407 513
B.III.5.	Payables to employees	54 518	41 565
B.III.6.	Social security and health insurance payables	22 842	20 491
B.III.7.	State - tax payables and subsidies	9 644	46 677
B.III.8.	Short-term prepayments received	34 251	667 223
B.III.10.	Estimated payables	459 123	1 124 320
B.III.11.	Other payables	16 235	11 120
B.IV.	Bank loans and borrowings	581 516	598 828
B.IV.2.	Short-term bank loans	581 516	598 828
C. I.	Other liabilities	21 491	12 512
C.I.1.	Accrued expenses	5 417	9 963
C.I.2.	Deferred income	16 074	2 549

## PROFIT AND LOSS ACCOUNT structured by the nature of expense method

HOCHTIEF CZ a. s., IČ 46678468, as of 31.12. 2009 (in CZK thousand), Plzeňská 16/3217, Prague 5, PSČ 150 00

		Year ended 31.12.2009	Year ended 31.12.2008
I.	Sales of goods	13 674	2 866
A.	Costs of goods sold	6 418	2 546
+	Gross margin	7 256	320
II.	Production	6 128 236	7 839 350
II.1.	Sales of own products and services	7 154 264	8 477 951
II.2.	Change in internally produced inventory	-1 031 914	-662 750
II.3.	Own work capitalised	5 886	24 149
B.	Purchased consumables and services	4 989 758	6 863 349
B.1.	Consumed material and energy	4 391 150	6 231 629
B.2.	Services	598 608	631 720
+	Added value	1 145 734	976 321
C.	Staff costs	856 823	869 659
C.1.	Payroll costs	620 365	627 282
C.2.	Remuneration to members of statutory bodies	17 192	16 972
C.3.	Social security and health insurance costs	202 928	212 741
C.4.	Social costs	16 338	12 664
D.	Taxes and charges	12 280	9 101
E.	Depreciation of intangible and tangible fixed assets	65 107	66 481
III.	Sales of fixed assets and material	41 943	73 235
III.1.	Sales of fixed assets	3 945	29 558
III.2.	Sales of material	37 998	43 677
F.	Net book value of fixed assets and material sold	36 373	49 506
F.1.	Net book value of sold fixed assets	342	10 537
F.2.	Book value of sold material	36 031	38 969
G.	Change in reserves and provisions relating to operating activities and complex deferred expenses	113 874	-28 438
IV.	Other operating income	88 275	62 121
H.	Other operating expenses	132 969	111 965
*	Operating profit or loss	58 526	33 403
M.	Change in reserves and provisions relating to financial activities	-5 007	-71 263
X.	Interest income	2 406	7 233
N.	Interest expenses	26 798	30 966
XI.	Other financial income	12 213	304 026
O.	Other financial expenses	32 414	220 322
*	Financial profit or loss	-39 586	131 234
Q.	Income tax on ordinary activities	16 460	47 112
Q 1.	- due	29 438	34 401
Q 2.	- deferred	-12 978	12 711
**	Profit or loss from ordinary activities	2 480	117 525
***	Profit or loss for the current period (+/-)	2 480	117 525
****	Profit or loss before tax	18 940	164 637



## STATEMENT OF CHANGES IN EQUITY

HOCHTIEF CZ a. s., IČ 46678468, as of 31.12. 2009 (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
<b>Balance at 31 December 2007</b>	<b>350 736</b>	<b>35 049</b>	<b>87 253</b>	<b>385 213</b>		<b>108 660</b>	<b>966 911</b>
Distribution of profit or loss			5 300	103 360		-108 660	
Other				-406			-406
Dividends paid				-32 376			-32 376
Revaluation gains or losses on assets and liabilities		-33 023					
Payments from capital funds			-1 945				-1 945
Profit or loss for the current period						117 525	117 525
<b>Balance at 31 December 2008</b>	<b>350 736</b>	<b>2 026</b>	<b>90 608</b>	<b>455 791</b>		<b>117 525</b>	<b>1 016 686</b>
Distribution of profit or loss			3 150	114 375		-117 525	
Other				135			135
Dividends paid				-56 927			-56 927
Revaluation gains or losses on assets and liabilities		-1 441					-1 441
Payments from capital funds			-653				-653
Profit or loss for the current period						2 480	2 480
<b>Balance at 31 December 2009</b>	<b>350 736</b>	<b>585</b>	<b>93 105</b>	<b>513 374</b>		<b>2 480</b>	<b>960 280</b>

## CASH FLOW STATEMENT

HOCHTIEF CZ a. s., IČ 46678468, as of 31.12. 2009 (in CZK thousand), Plzeňská 16/3217, Prague 5, PSČ 150 00

	Year ended 31. 12. 2009	Year ended 31. 12. 2008
<b>P. Opening balance of cash and cash equivalents</b>	<b>584 784</b>	<b>352 057</b>
<i>Cash flows from ordinary activities</i>		
Z. Profit or loss from ordinary activities before tax	18 940	164 637
A.1. Adjustments for non-cash transactions	287 063	-49 184
A.1.1. Depreciation of fixed assets	65 107	66 481
A.1.2. Change in provisions and reserves	108 867	-99 701
A.1.3. Profit/(loss) on the sale of fixed assets	-3 603	-19 021
A.1.5. Interest expense and interest income	24 392	23 733
A.1.6. Adjustments for other non-cash transactions	92 300	-20 676
<b>A.* Net operating cash flow before changes in working capital</b>	<b>306 003</b>	<b>115 453</b>
A.2. Change in working capital	-228 698	-85 401
A.2.1. Change in operating receivables and other assets	121 500	354 883
A.2.2. Change in operating payables and other liabilities	-1 383 959	-1 010 361
A.2.3. Change in inventories	1 033 761	570 077
<b>A.** Net cash flow from operations before tax and extraordinary items</b>	<b>77 305</b>	<b>30 052</b>
A.3. Interest paid	-26 798	-30 966
A.4. Interest received	2 406	7 233
A.5. Income tax paid from ordinary operations	-31 597	-60 350
<b>A.*** Net operating cash flows</b>	<b>21 316</b>	<b>-54 031</b>
<i>Cash flows from investing activities</i>		
B.1. Fixed assets expenditures	-4 196	-233 953
B.2. Proceeds from fixed assets sold	3 945	29 558
B.3. Loans provided to related parties	-124 458	32 490
<b>B.*** Net investment cash flows</b>	<b>-124 709</b>	<b>-171 905</b>
<i>Cash flow from financial activities</i>		
C.1. Change in payables from financing	-126 381	492 984
C.2. Impact of changes in equity	-57 580	-34 321
C.2.5. Payments from capital funds	-653	-1 945
C.2.6. Dividends paid	-56 927	-32 376
<b>C.*** Net financial cash flows</b>	<b>-183 961</b>	<b>458 663</b>
<b>F. Net increase or decrease in cash and cash equivalents</b>	<b>-287 354</b>	<b>232 727</b>
<b>R. Closing balance of cash and cash equivalents</b>	<b>297 430</b>	<b>584 784</b>







The joint-stock company HOCHTIEF CZ provides you with the following services:

- **Building constructions**
- **Development projects**
- **Traffic infrastructure projects**

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