



*Ferona*

2014 CORPORATE ANNUAL REPORT

INTRODUCTORY WORD BY THE CHAIRMAN OF THE SUPERVISORY BOARD

FOREWORD BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

ANNUAL REPORT OF THE BOARD OF DIRECTORS ABOUT BUSINESS ACTIVITIES AND THE STATE OF THE COMPANY'S ASSETS FOR 2014

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CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

# INTRODUCTORY WORD BY THE CHAIRMAN OF THE SUPERVISORY BOARD



Dear Ladies, Gentlemen and Business Partners,

Yet another year is upon us when the steel industry's expectations of improvement have not been fulfilled and Feron was required to battle against these trends.

While the automobile sector has maintained their steel demand during 2014, surging steel imports and falling oil prices caused major disruption for the industry. Moreover, the steel industry's perennial concern -- overcapacity -- added fuel to the fire.

Economic slowdown in China, the largest steel consumer and accounting for almost half of global steel consumption, has dealt a massive blow to the global steel industry.

Infrastructure bottlenecks of Central Europe are curtailing investment activities, which in turn has a negative impact on steel demand. Unfortunately CIS geopolitical tensions have too constrained demand.

Apart from this, the European economy appears to be on a long road to recovery, as evident from very slight growth. Germany and France, two of its' largest economies, have avoided recession by a whisker. These adverse economic factors are affecting companies like ArcelorMittal and US Steel amongst our many other suppliers.

Steel demand in Central Europe is expected to grow slowly on the back of an improving economy, increased momentum in the automotive markets and a turnaround in the construction sector. The steel industry will certainly grow, albeit at a muted pace. We believe recovery in steel pricing will be driven by a reviving economy over the next 2-4 years, and a rebound in construction activity in central Europe would be a welcome boost in the same period of time .

It is however my pleasure to state that, in spite of those adverse and sluggish conditions, Feron a.s. commandeered very skillfully by its Board of Directors in co-operation with its whole workforce, be it sales, administration or the warehousing staff, have extended their efforts to push Feron further up the steps of improving stability. The new management system they introduced is beginning to bear fruit and the whole company has adopted it as an essential tool for future growth and direction of the company itself.

Our Sales forecasts look cautiously optimistic and the green shoots of positive growth are also starting to reappear.

Let's ensure that with joint efforts we can grasp the opportunity as it presents itself within the progressing time of 2015 so that by the time we come to take stock of our activities by the end of the year, that again we can say Feron a.s., well done.

In this context , I would like to use this opportunity not only to thank the Company Board for its efforts but also my most sincere thank you to all of you who have, and are, participating with their efforts to continue to build a company with long and strong traditions of serving our customers and the whole steel distribution sector.

Equally, I wish to all the Members of Feron a.s. as well as to all our Industrial partners good health and an enjoyable and prosperous 2015.

Robert KAY  
Chairman  
The Supervisory Board



Ladies and Gentlemen, Dear Business Partners,

In 2014, the market generally calmed down and the decrease of the demand for material finally stopped. The continuing good performance of the machinery and metalworking sectors, benefiting largely from the underlying export business, and a moderate pick-up of the activity in the construction sector were the main stabilizing factors. Also, the trade policy of the producers followed a rather conservative course, contributing significantly towards reduction of the nervousity in the market. The first months of 2015 suggest that a cautious optimism is justified, it is, nevertheless, not possible to over-estimate the current post-crisis phase of market development.

The price trends have been and continue to be uncertain and are best characterized by a predominant decreasing tendency, interrupted by short-lived periods of demand increase and price firming. The exchange rate intervention policy of Czech National Bank did not help in this respect, increasing the price uncertainty further by introducing another unpredictable factor into the pricing mechanism of the commodity.

On the background of these developments, the board continued its policy of consistent management of all main risks inherent to our business. It is encouraging to note that the measures implemented to increase the efficiency of the business and of the logistics, and to better manage the risks have brought tangible results in the improved financial results for the two subsequent years. This is even more valuable considering the fact that the market share of the company did not decrease and the respectable volume of sales amounting to 750 thousand tons/ year was achieved. Feronia Group in total then sold more than 1 million tons, mainly in the markets of Czech Republic, Slovakia and Poland.

In 2014, the unified policy of Feronia Group in the business and risk management areas was further strengthened by full implementation of the proven concepts in the subsidiaries.

Feronia a.s. achieved its improved business results mainly thanks to the efforts of the staff and to the excellent team-work of the management at all levels. In this respect, I would like to thank my colleagues in the name of the company and in my own for their efforts.

Finally, I wish all staff and our business partners good health and personal as well as business success in 2015.

Ing. František Kopřiva  
Chairman of the Board of Directors



# ANNUAL REPORT OF THE BOARD OF DIRECTORS ABOUT BUSINESS ACTIVITIES AND THE STATE OF THE COMPANY'S ASSETS FOR 2014



## 1. COMPANY'S IDENTIFICATION

Business name: **Feron, a.s.**  
Identification number: **26 44 01 81**  
Registered office: **Havlíčková čp. 1043/11 111 82 Praha 1**  
The Company is registered in the Commercial Register maintained by the Municipal Court in Prague, Part B, Entry 7143.  
Date of establishment: **21. 3. 2001**  
Website: **www.ferona.cz**

Originally, the Company was established as Reklus, a.s., by a group of majority shareholders of the then Feron, a.s. (Company ID 25 79 20 75), acting in concert.

As at the relevant date, 1 April 2001, the Company, acting in the capacity of the main shareholder pursuant to Section 220p of the Commercial Code, took over Feron, a.s. (Company ID no. 25 79 20 75), under a take-over agreement approved by the General Meetings of both companies on 27 June 2001. The registration of the take-over into the Commercial Register entered into legal force and effect on 29 August 2001. Under the Merger Agreement, the Company, being the successor company, assumed the capital of STEEL INVESTMENTS GROUP, a.s., the ceasing parent company, as at the relevant date, 1 January 2005.

Registered capital: **3 000 000 000 Kč**

## 2. THE COMPANY'S BASIC CHARACTERISTICS

Currently, Feron builds upon the activities of its legal predecessors involved in distribution of metallurgical products, within the temporal context of the history of the then Czechoslovakia after 1945 under various names and in various organisational forms. It is, therefore, building upon entrepreneurship tradition stretching back to 1829 on the territory of the Czech Republic.

As a joint-stock company, Feron was formed in 1992 upon transformation of the state-owned enterprise of the same name. Within the privatisation process, from 1992 to 1994, its ownership passed from the hands of the state fully into private hands. In 2001, the majority shareholder took over the capital of Feron a.s.; it continued in its business activities. In 2004, STEEL INVESTMENTS GROUP, a.s., became the owner of the Company; it ceased to exist on the relevant date, 1 January 2005, upon merger with Feron, a.s. and IRG Steel Limited, London, owner of STEEL INVESTMENTS GROUP, a.s., the ceasing company, became the entity controlling Feron, a.s.

The core **object of the Company's business** is warehouse wholesale, specialised in purchasing, storing, modification and sale of metallurgical products, metallurgical derived products, nonferrous metals and associated iron and steel product portfolio. Feron's business activities focus mainly on the domestic market. The group of customers includes, predominantly, thousands of chiefly medium and small industrial, construction, agricultural and commercial companies and traders for which it is not efficient to purchase directly from producers. In its sales units – wholesale warehouses as well as retail outlets – Feron is able to attend to the widest spectrum of customers, ranging from large industrial companies to small clients.

**Organisational structure** of Feron, a.s., the joint-stock company, includes nine territorial branches, Steel service centres for longitudinal and cross cutting of cold and hot rolled steel rolls and production of welded pipes and sections and the Company's headquarters.

Customers are invited to contact any of the above locations with their queries or purchase orders.

### 3. COMPANY'S BOARD OF DIRECTORS, SUPERVISORY BOARD AND DIRECTORS

The Company's Board of Directors, Supervisory Board and directors are indicated as applicable as at 31 December 2014.

#### BOARD OF DIRECTORS

**Ing. František Kopřiva**, Chairman of the Board of Directors, graduated from the University of Economics, born in 1951, member of the statutory body since 23 November 2010

**Ing. Miroslav Vaniček**, Vice-Chairman of the Board of Directors, born in 1961, graduated from the University of Economics, member of the statutory body since 1 January 2005

**Ing. Milan Rada**, born in 1963, graduated from the University of Economics, member of the statutory body since 1 January 2005

**Ing. Jan Moravec**, born in 1974, graduated from the Czech Technical University, member of the statutory body since 1 February 2012

**Mgr. Tomáš Balko**, born in 1976, graduated from the Faculty of Arts at a university, member of the statutory body since 1 January 2013

#### SUPERVISORY BOARD

**Robert Kay**, Chairman of the Supervisory Board, born in 1949, Member of the Supervisory Board since 1 January 2005

**Ing. Jiří Hypš**, Vice-Chairman of the Supervisory Board, born in 1943, graduated from the University of Agriculture – Operations and Management Faculty, Member of the Supervisory Board since 1 January 2005

**Roman Cypro**, born in 1963, graduated from a professional secondary school, employed with the Company since 1987, elected on behalf of the Company's employees, Member of the Supervisory Board since 22 March 2007

#### COMPANY'S DIRECTORS

**Ing. František Kopřiva**, CEO, born in 1951, graduated from the University of Economics, employed with the Company since 2012

**Mgr. Tomáš Balko**, Commercial Director, born in 1976, graduated from the Faculty of Arts at a university, member of the statutory body since 1 January 2013, in Feronia Slovakia since 2005

**Ing. Pavel Horák**, Logistics Director, born in 1962, graduated from the Czech Technical University, employed with the Company since 1986

**Ing. Tomáš Krejčí**, Purchasing Director, born in 1968, graduated from the University of Economics, employed with the Company since 2007

**Ing. Milan Rada**, IT and HR Director, born in 1963, graduated from the University of Economics, employed with the Company since 1992

**Ing. Miroslav Vaniček**, Financial Director, born in 1961, graduated from the University of Economics, employed with the Company since 1985

**Ing. Petr Vlach**, Purchasing Director, born in 1965, graduated from the Mechanical Engineering Faculty of the Brno Technical University, employed with the Company since 1989

**Doc. Ing. Ivo Jurička, CSc.**, SSC Director, born in 1963, graduated from the Faculty of Metallurgy and Material Engineering of the Mining University, employed with the Company since 2003

### 4. ZKEY INDICATORS FOR THE PAST THREE YEARS

The Company follows fully upon the activities of its legal predecessor that was established as a joint-stock company in 1992.

Year	2012	2013	2014
Tangible products sold (in thousands of tonnes)	679	715	750
Revenues from products sold (in CZK million)	14,014	13,424	13,823
Profit and/or loss (in CZK million)	-100	87	153
Inventories (in CZK million)	2,803	2,838	2,963
Short-term receivables (in CZK million)	2,901	2,853	2,581
Short-term payables (in CZK million)	1,807	1,712	1,725
Bank loans (in CZK million)	3,699	3,498	3,094
Number of employees (individuals)	1,064	953	993

## 5. COMMENTS TO THE PROFIT AND LOSS STATEMENT

The business margin in 2014 amounted to CZK 1,216,872,000, CZK 81,776,000 more than in 2013 and CZK 136,408,000 more than in 2012. In 2014, the trend of increasing business margin, commenced in the preceding year, continued. Revenues from services, comprising division and modification of materials such as, for example, burning of thick sheets to the customer's requirements and services provided by subsidiaries, amounted to CZK 155,283,000 and dropped, compared to 2013, by CZK 24,817,000 as a result of a change in their structure (the drop of purchased services for modification of merchandise, reduction of leases due to sale of assets), in reality; i.e. their real increase was 0.8%, and, as compared to 2012, they increased in reality by 6.3%.

The costs of purchased consumables and energies accounted for CZK 2,942,023,000, of which consumption of material for production in the Steel Service Centres reached CZK 2,805,429,000, corresponding to 95%. In purchased services, the largest amount comprised the costs of contractual transport fees (44% from the purchased services), repairs and maintenance (14% from the purchased services), advisory services (3.5% from the purchased services) and security guard (6.7% from the purchased services). The Company continued in adjusting the drawing of costs of production consumption to the revenues reached; hence, on a year-on-year comparison, production consumption decreased by CZK 808,000 although as a result of the Merger, the consumption of material for production increased by CZK 1,666,841,000, for packaging by CZK 8,471,000 and consumption of energy by CZK 1,712,000.

Added value in 2014 amounted to CZK 1,059,139,000 and experienced year-on-year growth as compared to 2013 by CZK 133,452,000 and, as compared to 2012, the growth reached CZK 245,918,000. Total personnel costs reached CZK 565,874,000, 15.4% more than in 2013, predominantly as a result of the Merger. Depreciation of long-term intangible and tangible assets of CZK 185,494,000 dropped by 3.2% year-on-year, inter alia, also in light of low volume of investments into long-term assets.

**Operating profit and/or loss** ended with profit of CZK 256,119,000; this is growth compared to previous year of CZK 100,534,000 and, as opposed to 2012, it is an increase by CZK 214,761,000. The Company created provisions the impact of which into the profit and/or loss from receivables amounted to CZK 23,032,000 and from inventories to CZK 16,210,000. Profit-generating sale of long-term assets of CZK 42,170,000 also contributed to increase in operating profit and/or loss.

Interest paid on operating loans that reached CZK 92,083,000, have not almost changed year-on-year; yet, they still remain the highest cost item in ordinary profit and/or loss from financial activities. Interest received consists, mainly, in interest received within the group. Other financial costs, such as bank fees and exchange rate loss, accounted for CZK 82,271,000. Other financial income, consisting mainly in exchange rate profit, amounted to CZK 45,465,000. Lower amounts for other financial costs and revenues as compared to the previous year, have been brought about by higher stability of exchange rate in 2014 as opposed to 2013 (see weakening of the CZK to EUR in November 2013).

In 2014, the Company has not posted any transaction affecting the **extraordinary profit and/or loss**. Profit for 2014 **before tax** amounted to CZK 142,405,000.

**Profit and/or loss for the accounting period** is profit of CZK 153,337,000 as a result of a significant increase in business margin and profit-generating sale of long-term assets.

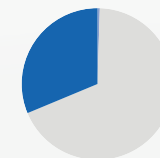
## 6. COMMENTS TO THE BALANCE SHEET

In the preceding period, the situation as at 1 January 2014 instead of 31 December 2013 has been reported because the relevant date for the Merger was 1 January 2014, on which the opening balance sheet was compiled.

The Company's **total assets** as at 31 December 2014, as opposed to the preceding period, dropped and accounted for the book value of CZK 9,002,719,000. This development was caused predominantly by continuing low investment activity in long-term assets and dramatic drop in overdue trade receivables.

**Long-term assets**, accounting for 35.7% from the value of the assets, reached CZK 3,214,171,000. Its structure was as follows (value in thousands of CZK and % share from long-term assets):

	thousands of CZK	%
Long-term intangible assets	2,558	0.1
Long-term tangible assets	2,203,322	68.5
Long-term financial assets	1,008,291	31.4



From **long-term tangible assets**, the largest portion consists of buildings in the value of CZK 1,214,071,000 (55.1% from total value of long-term tangible assets), movable items of CZK 445,526,000 in value (20.2% from the total) and land of CZK 504,054,000 in value (22.9% from the total).

The value of **long-term financial assets** of CZK 1,008,291,000 incorporates the owned shares of Feronia, a.s., in equity of subsidiaries. For foreign financial investment, equities were converted according to the CNB exchange rate of CZK to each currency in force as at 31 December 2014 as at the balance sheet date. The decrease of the value of long-term financial assets has been caused mainly by creating of a provision for receivables in Feronia Slovakia.

The **current assets** account for 64.1% from total assets and, in the course of the year, they dropped by CZK 181,605,000 to CZK 5,773,955,000, due to a significant drop in trade receivables.

The largest item of the total inventory comprises **inventories of commercial merchandise** which, as opposed to the opening balance of the year, have not almost changed and reached CZK 2,320,991,000. Immediate turnaround of inventories of merchandise, counted from the value of merchandise sold at the acquisition price, reached 67 days at the end of the year, which corresponds to a 2-day drop, compared to the previous year. Decrease of inventories in material by CZK 68,503,000, compared to the beginning of the period, has been caused by their more efficient use and by faster response of the production of service centres to the needs of wholesale following the Merger.

The Company has **long-term receivables** on account of advance payments in particular for security deposits for leases and mobile telephone activation.

From short-term receivables, the largest portion consists of **trade receivables** that dropped by CZK 244,944,000 in the course of the year and reached CZK 1,918,739,000 net. All receivables overdue for more than 1 year have been treated by creating provisions. Provisions for other receivables are created pursuant to the assessment of their risk upon the balance sheet date. Immediate turnaround of short-term trade receivables reached 50 days at the end of the year; this means a 9-day year-on-year reduction. Estimated assets comprise mainly bonuses for purchase of merchandise paid that had not been invoiced upon the balance sheet date.

At the end of the year, **short-term financial assets** amounted to CZK 226,122,000, corresponding to an increase by more than CZK 97.8 million compared to the beginning of the year, as a result of large payments of receivables being credited to bank accounts in the course of the collective holiday at the end of the year.

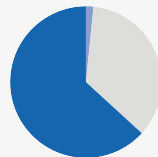
**Accruals** are valued at CZK 14,593,000, representing a bit less than 0.2% from total assets.

**Registered capital** is valued at CZK 3,000,000,000 and is divided into 300 shares, having the nominal value of CZK 10,000,000 each. Shares are share certificates and are not registered for public trading. Changes are described in the footnotes to the financial statements.

**The Company's equity** reached CZK 4,086,958,000 as at 31 December 2014, covering 45.4% of the total book value of liabilities.

At the end of 2014, **borrowings** represented CZK 4,896,686,000 and had the following structure:

	thousands of CZK	%
Provisions	1,740	0.0
Long-term payables	76,271	1.6
Short-term payables	1,724,554	35.2
Bank loans and assistance	3,094,121	63.2



From **long-term payables**, the largest value is represented by a deferred tax liability of CZK 73,746,000 whose year-on-year change has been caused by the posting of the deferred tax receivable on account of tax loss, and only partial suspension of tax depreciation for long-term tangible assets.

Among short-term payables, **trade payables** have the most prominent position; at the year-end, they amounted to CZK 1,189,390,000 and, except for invoices retained due to complaints and payables ready for set-off, they were within their maturity period. Year-on-year decrease of CZK 67,757,000 has been caused, in particular, by payment of liabilities assumed as a result of the Merger. As a result of collective holiday, it was impossible to post all incoming invoices into the balance accounts and, as a result, like in the past year, these transactions had been posted to estimated liabilities. The Company has not delayed in the payment of its liabilities in 2014 either.

At the year-end, **bank accounts** without factoring amounted to CZK 3,079,958,000. The Company drew a short-term operating loan to finance its current assets and discounted loans. The significant year-on-year drop has been caused by a dramatic decrease of the need for operating assets. Liabilities from regression factoring amounted to CZK 14,163,000.

**Accruals** amounted to CZK 19,075,000 at year-end; accruals in respect of interest from a shareholder's loan and interest from bank loans accounted for the largest value.

## 7. COMPANY'S FINANCIAL STANDING

The results shown in the financial statements imply that the Company's financial standing is stabilised. At the end of 2014, the overall amount of short-term receivables was larger than the amount of short-term liabilities/payables by CZK 856,229,000 and the Company was not insolvent.

The overall indebtedness of the Company is maintained at acceptable level and the Company is not in delay with the payment of any of its liabilities. In 2014, the Company did not lose its credit with the banking institutions and, along with its subsidiary, Ferona Slovakia, a.s., renewed its financing without any problems for the next period. The share of borrowings and other liabilities in covering the overall assets of the Company as at 31 December 2014 accounted for 54.6%.

At the end of 2014, the proportion of bank loans and assistance and overall revenues dropped to 22.1%.



## 8. INCORPORATING THE COMPANY INTO THE CONSOLIDATION GROUP

Feron a.s. is the parent company within a group comprising, as at 31 December 2014, the following controlled parties and accounting units under significant influence and parties controlled by them:

### FERONA Slovakia, a.s.

a) Registered office and company ID	Bytčická 12, Žilina, Slovakia	Company ID 36401137
b) Other establishments	Nitra, Košice	
c) Activity	Metallurgical product wholesale	
d) Equity		EUR 13,164,000
e) 2014 profit and/or loss – profit		EUR 2,988,000
f) Share of Feron, a.s., in registered capital		100%
g) Book value of the share of Feron, a.s. (net)		EUR 364,958,000

### Feron – Servis Centrum Slovakia, a.s.

a) Registered office and company ID	Pristavná 12, Bratislava, Slovakia	Company ID 44066716
b) Other establishments	None	
c) Activity	Cutting steel strips	
d) Equity		EUR 7,985,000
e) 2014 profit and/or loss – profit		EUR 5,000
f) Share of Feron, a.s., in registered capital		100%
g) Book value of the share of Feron, a.s. (net)		EUR 221,380,000

### FERONA POLSKA, S.A..

a) Registered office and company ID	Mikolowska 31, Myslowice, Poland	Company ID 240569429
b) Other establishments	Wroclaw, Kielce, Poznań	
c) Activity	Metallurgical product wholesale	
d) Equity		PLN 3,615,000
e) 2014 profit and/or loss – profit		PLNG 226,000
f) Share of Feron, a.s., in registered capital		100%
g) Book value of the share of Feron, a.s. (net)		CZK 23,468,000

### FERONA THYSSEN PLASTICS, s.r.o.

a) Registered office and company ID	ul. ČSA 730, Velká Bystřice	Company ID 25354418
b) Other establishments	FTP Slovakia, s.r.o., Bratislava, Slovakia *)	
c) Activity	Technical plastics wholesale	
d) Equity		CZK 78,980,000
e) 2014 profit and/or loss – profit		CZK 337,000
f) Share of Feron, a.s., in registered capital		50%
g) Book value of the share of Feron, a.s. (net)		CZK 39,490,000

#### \*) FTP Slovakia, s.r.o., Bratislava

a) Registered office and company ID	Púchovská 14, Bratislava, Slovakia	Company ID 35861134
b) Other establishments	None	
c) Activity	Technical plastics wholesale	
d) Equity		EUR 385,000
e) 2014 profit and/or loss – profit		EUR 7,000
f) Share of FERONA THYSSEN PLASTICS, in registered capital		100%
g) Book value of the share of FERONA THYSSEN PLASTICS		CZK 3,681,000

### PRAGMET, a.s.

a) Registered office and company ID	Havličkova 1043/11, Prague 1	Company ID 25789449
b) Other establishments	Benátky nad Jizerou	
c) Activity	Cutting of flat products for automotive	
d) Equity		CZK 193,830,000
e) 2014 profit and/or loss – profit		CZK 37,212,000
f) Share of Feron, a.s., in registered capital		70%
g) Book value of the share of Feron, a.s. (net)		CZK 135,681,000

### Feron Holešovice, a. s.

a) Registered office and company ID	Havličkova 1043/11, Prague 1	Company ID 29134722
b) Other establishments	U Pergamenky 11, Prague 7	
c) Activity	Facility management	
d) Equity		CZK 223,314,000
e) 2014 profit and/or loss – profit		CZK 622,000
f) Share of Feron, a.s., in registered capital		100%
g) Book value of the share of Feron, a.s. (net)		CZK 223,314,000

## 9. RESULTS OF THE CONSOLIDATION GROUP

For 2014, group companies reached revenues from the goods sold of CZK 17,305,434,000, 2.9% less than in the previous year. Added value, however, amounted to CZK 1,393,785,000 and, compared to the preceding year, it increased by 9.3%. Consolidated operating profit as at 31 December 2014 represented profit of CZK 273,371,000.

**Consolidated profit and/or loss** (excl. minority share profit and/or loss and including share in profit and/or of equivalent companies) was profit of CZK 101,640,000.

The value of **assets** of the consolidation group at the end of 2014 amounted to CZK 10,804,710,000 and the value of **equity** reached CZK 3,974,633,000.

### DEFINITION OF CONSOLIDATION GROUP

Companies group as at 31. 12. 2014

			
METALLURGICAL MATERIAL WHOLESALE	Prague Liberec Hradec Králové Chomutov Plzeň České Budějovice Olomouc Ostrava Brno Jihlava Staré město	Žilina Košice Nitra Bratislava	Mysłowice Wrocław Kielce Poznań
SERVICE CENTRES	 Hradec Králové  Ostrava  Benátky nad Jizerou	 Bratislava	
FACILITY MANAGEMENT	 Holešovice		
PLASTICS WHOLESALE	 Králův Dvůr  Brno  Olomouc	 Bratislava	

## 10. EVENTS OCCURRING FOLLOWING THE BALANCE SHEET DATE AND OUTLOOK FOR 2015

Following the balance sheet date, no dramatic events occurred in the Company which might have impact on the results as published.

The Company's core objective is to maintain and, if possible, to strengthen its position on domestic market of metallurgical products, derived products and nonferrous metal where it wishes to remain the leading inventory trader with these products in the Czech Republic, focusing on provision of high-quality follow-up services. The following objectives have been defined in quality policy according to the ISO 9001 standard:

- To stabilise the market share reached on metallurgical material market and to use new opportunities for its expansion.
- To focus on optimising the product portfolio on sale supplemented with development of follow-up services increasing the added value.
- To develop provision of SSC services.
- To increase efficiency of business activities (for example, to improve advantages from purchasing commercial merchandise, to evaluate credit risks, etc., on a continuous basis).
- To develop the Company's financial strength.
- To develop the Company's internal potential.

In the following period, the aim is to continue in strengthening the Company's economic and financial stability on the basis of measures adopted in previous periods; to stabilise new implemented procedures and to continue improving the same with the aim of increasing their efficiency and to apply experience with these new procedures across Ferona group companies; efforts at further growth of share of tangible products sale on domestic market and neighbouring markets through subsidiaries in the environment of prevalence of production over consumption of products sold.

The plan for 2015 in Ferona, a.s., anticipates reaching revenues from the goods sold of CZK 13.861 million and the target profit before taxes is at CZK 112.2 million.

The target investment expenditures in Ferona, a.s., in 2015 are at CZK 135 million and the investments will be predominantly of preservation character applied to mere renovation of cranes, transport machinery and renovation of buildings.

## 11. DOKUMENTY

- zpráva nezávislého auditora o ověření nekonsolidované účetní závěrky společnosti
- nekonsolidovaná účetní závěrka k 31. 12. 2014
- zpráva o vztazích za rok 2014
- zpráva nezávislého auditora o ověření konsolidované účetní závěrky společnosti
- konsolidovaná účetní závěrka k 31. 12. 2014

Feronia is among the leading companies in inventory sale of metallurgical products, derived products, nonferrous metals and associated ironmongers' product portfolio in the Czech Republic. Its market shares vary by individual products but, on average, they range, in the long run, around 15 to 20% of deliveries for domestic consumption. The results of the Company's trade in 2014 can also be assessed as continued strengthening of the market position.

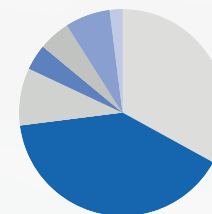
The Company sold 749,732 tonnes of merchandise to its customers, an increase of 34,850 tonnes compared to 2013, i.e. 4.9%, and compared to 2012, this represents 70,648 tonnes more, i.e. a 10.4% increase.

The revenues from the goods sold reached CZK 13,822,601,000, representing an increase of CZK 398,782,000, compared to 2013. Compared to 2012, the revenues are CZK 191,800,000 lower, i.e. 1.4%. Changes in the values have been caused by certain instability of price levels of the goods sold, see the growth of tangible sales above and changes in the structure of commodities sold.

2014 was relatively stable in terms of commerce, with the exception of price oscillations in the course of Q2. This relative stability was reflected in total annual results although, towards the end of the year, the pressure for price reduction by customers when contracting project orders for the next year, reappeared. On the one hand, the warehouses full of comprehensive product portfolio satisfied the needs of customers and, on the other hand, they enabled the Company to improve their payment morale; this led to a dramatic drop in overdue receivables.

Structure of sales by product groups was the following in 2014:

Long products	■	33 %
Flat products	■	40 %
Pipes and tubes	■	9 %
Special steel	■	4 %
Metallurgical derived products	■	5 %
Nonferrous metals	■	7 %
Retail	■	2 %



The Company buys products it sells on a stable basis both from domestic producers – the leading suppliers being ArcelorMittal Ostrava, Moravia Steel, Evraz Vítkovice Steel – and from foreign companies, predominantly in Slovakia (U.S. Steel Košice, Železářny Podbrezová) and in Poland (Mittal Poland, CMC Zawiercie, Celsa), Germany (Ekostahl, Salzgitter, etc.) as well as in other countries (Marcegaglia, etc.). There is constant adjustment of the spectrum of suppliers to specific market conditions. Adjustment of commercial policy to Feronia group's interests plays a major role in changing these conditions.

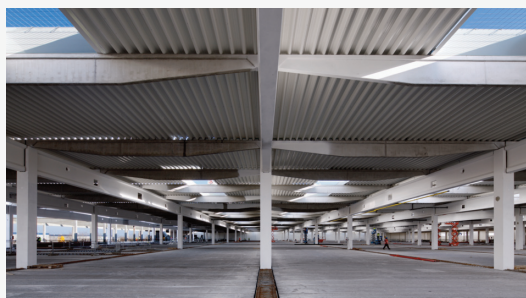




Construction of Amazon hall – H.A.N.S. stavby a.s.



Construction of freezing warehouses for Galliker in Switzerland.



Deliveries of concrete steel and tensioning cables to H.A.N.S. stavby a.s. for the project of Amazon logistics centre in Dobroviz near Prague.



SSI Schäfer s.r.o.- construction of food warehouse for Edeka - Laenau - Germany



Product from Hopax s.r.o. – chassis for Goldhofer (Germany) SSI Schäfer s.r.o.



## INVESTMENT ACTIVITIES



Investment activities in the area of tangible and intangible assets focused on necessary renovation investments in 2014.

**Long-term tangible and intangible assets** of CZK 85,757,000 were acquired. From that, CZK 30,159,000 accounted for investments into machinery and equipment, predominantly into cranes and other handling machinery. CZK 27,211,000 was spent on renovation of transport machinery; investments into buildings amounted to CZK 20,165,000, mainly renovation of roof in Olomouc.

CZK 1,489,000 was spent to purchase intangible assets.



# QUALITY MANAGEMENT SYSTEM

## QMS according to the requirements of EN ISO 9001:2008

# Ferona

In order to ensure that the delivered commercial goods and the provided services are of premium quality, Ferona, a.s. has implemented and certified a quality management system according to the EN ISO 9001:2008 standard. This system is defined for the following activities: Across the company for purchases, storage, modification, sale and transport of metallurgical material, derived products, nonferrous metals and associated iron and steel product portfolio.



The quality management system in Steel Service Centre Ostrava is defined for longitudinal and cross cutting of steel rolls and production of welded hollow round, square and rectangular cross sections from structural, non-alloy steels. The certificate was issued by ČLPR. In 2015, implementation into a single system will be carried out in the Steel Service Centre in Ostrava and, subsequently, an extension audit with TÜV NORD as part of control audit in SSC Hradec Králové will be carried out.



# QUALITY MANAGEMENT SYSTEM

QMS according to the requirements of EN ISO 9001:2008 and ISO/TS 16949:2009 in SSC Hradec Králové.

# Ferona

In Steel Service Centre Hradec Králové, the quality management system according to the EN ISO 9001 standard is defined for longitudinal and cross cutting of steel rolls, mechanical property testing and chemical composition of metal material.

Since 2007, Ferona, a.s., Steel Service Centre Hradec Králové, has also implemented and certified a quality management system for automotive industry according to ISO/TS 16949 for longitudinal and cross cutting of steel rolls.

**CERTIFIKÁT** 

pro systém managementu dle  
**EN ISO 9001 : 2008**

V souladu s TÜV NORD CERT postupy je tímto potvrzeno, že



**Ferona, a.s.**  
**Steel Servis Centrum**  
Provozovna: Vážní 847, 501 12 Hradec Králové  
Sídlo: Havlíčkova č.p. 1043/11  
111 82 Praha 1  
Česká republika

má zaveden systém managementu v souladu s výše uvedenou normou pro následující obor platnosti

**Podélné a příčné dělení ocelových svitků.  
Zkoušení vlastností kovových materiálů.**

Registrační číslo certifikátu 44 100 095014  
Audit, zpráva číslo 700 055/030

Platný do 2016-05-18  
Počáteční certifikace 2007-08-22

  
Certifikační místo  
TÜV NORD CERT GmbH

Praha, 2013-05-19

Tato certifikace byla provedena v souladu s TÜV NORD CERT certifikačními postupy a je podnětem k provádění pravidelných kontrolních auditů.

TÜV NORD CERT GmbH    Langemarckstrasse 20    45141 Essen    www.tuev-nord-cert.com

  
TGA-2M-07-06-05

**CERTIFIKÁT** 

pro systém managementu jakosti dle  
**ISO/TS 16949:2009**  
(3. Vydání, 2009-06-15)

V souladu s postupy je tímto potvrzeno, že

**Ferona, a.s.**  
**Steel Servis Centrum**  
Vážní 847  
501 12 Hradec Králové  
Česká republika  
s podpůrnými funkcemi dle přílohy

má zaveden systém jakosti v souladu s výše uvedenou normou pro následující obor platnosti

**Podélné a příčné dělení ocelových svitků  
bez zodpovědnosti za vývoj výrobku (dle oddílu 7.3)**

IATF-registrační číslo 0163074  
Registrační číslo certifikátu 44 111 071281  
Audit, zpráva číslo 3513 7333

Datum vystavení: 2013-05-19  
Datum platnosti: 2016-05-18  
Cyklus auditů: 12 měsíců od 2013-04-26

  
Certifikační místo  
TÜV NORD CERT GmbH

Essen, 2014-06-05

Tato certifikace byla provedena v souladu s IATF certifikačními postupy a je podnětem k provádění pravidelných kontrolních auditů.

TÜV NORD CERT GmbH    Langemarckstrasse 20    45141 Essen    www.tuev-nord-cert.com



A13F200    Strana 1/2    rev. 01/02.14



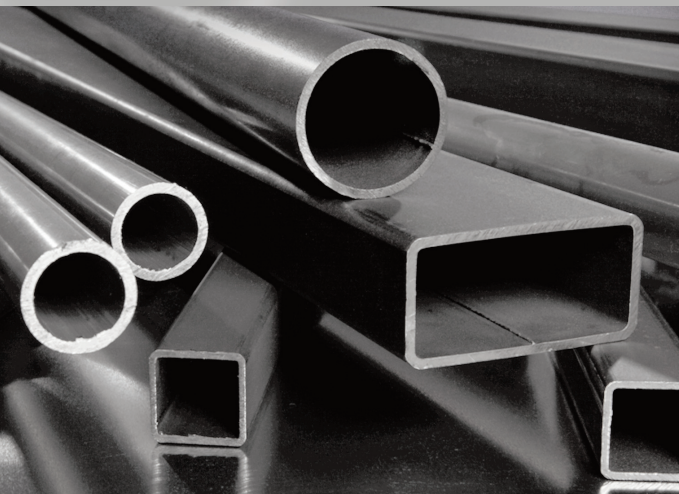
## IN 2014, 993 EMPLOYEES WORKED IN THE COMPANY,

of that:

- technical economic staff 521 employees
- workers 422 employees
- POP 3 employees
- OPP 47 employees

In 2014, personnel expenses reached CZK 411.7 million and, thus, were by 17.3% higher than in 2013. This fact has been affected by growth in the number of employees mainly in the workers' category and ongoing payments of bonuses in line with applicable rules of personal material involvement. These bonuses were paid on the basis of compliance with individual indicators of personal material involvement in the course of 2014.

As for social costs, a total of CZK 10,642,000 was drawn. Like in previous years, the priority remained contributions to catering, money to organise summer sports activities and financial remuneration for work and life anniversaries.







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Fax: +420 241 046 221  
www.bdo.cz

BDO Audit s. r. o.  
Olbrachtova 1980/5  
Praha 4  
140 00

## INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Feronia, a.s.

We have audited the accompanying consolidated financial statements of Feronia, a.s., based at Havlíčková čp. 1043/11, Praha 1, PSČ 111 82, identification number 26 44 01 81, which comprise the balance sheet as of 31. 12. 2014, and the income statement for the period from 1.1. 2014 to 31.12. 2014 and a summary of significant accounting policies and other explanatory notes.

### Statutory Body's Responsibility for the Financial Statements

The Statutory Body of Feronia, a.s. is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Czech accounting regulations and for such internal control as statutory body determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those laws and regulations require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

BDO Audit s. r. o. - česká společnost s ručním zajištěním IČ 45 31 41 81, registrovaná u Registerového soudu Praha, oddíl A 1028 a C 7179, evidenční číslo 018, je členem BDO internacionální sítě odborníků s ručním zajištěním ve více zemích a je evropským zúčtovatelem IČO 0024 registrovaných členských firem BDO.



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## Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Feronia, a.s. as of 31. 12. 2014 and of its financial performance for the period from 1.1. 2014 to 31. 12. 2014 in accordance with Czech accounting regulations.

### Report on Review of the Related Party Transactions Report

We have reviewed the factual accuracy of the information included in the related party transactions report of Feronia, a.s. for the period from 1. 1. 2014 to 31. 12. 2014. This related party transactions report and the selection of the specific law to be used as the basis for the preparation of the report is the responsibility of Feronia, a.s.'s statutory body. Our responsibility is to express a conclusion on the related party transactions report based on our review.

Following the criteria of Act No. 90/2012 Coll., on Commercial Companies and Cooperatives (Business Corporation Act), we conducted our review in accordance with Auditing Standard No. 56 of the Chamber of Auditors of the Czech Republic. This standard requires that we plan and perform the review to obtain limited assurance as to whether the related party transactions report is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures and examination, on a test basis, of the factual accuracy of information, and thus provides less assurance than an audit. We have not performed an audit of the related party transactions report and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the information contained in the related party transactions report of Feronia, a.s. for the period ended 31. 12. 2014 contains material factual misstatements.

### Report on the Audit of the Annual Report

We have audited the Annual Report of Feronia, a.s. for consistency with the consolidated financial statements which are included in this Annual Report and the unconsolidated financial statements for the period ended 31.12.2014, on which we issued our opinion on 12. 3. 2015 as set out in Note 14 of the Annual Report. The correctness of the Annual Report is the responsibility of Feronia, a.s.'s statutory body. Our responsibility is to express an opinion on the consistency of the Annual Report and the consolidated financial statements and the unconsolidated financial statements based on our audit.

BDO Audit s. r. o. - česká společnost s ručním zajištěním IČ 45 31 41 81, registrovaná u Registerového soudu Praha, oddíl A 1028 a C 7179, evidenční číslo 018, je členem BDO internacionální sítě odborníků s ručním zajištěním ve více zemích a je evropským zúčtovatelem IČO 0024 registrovaných členských firem BDO.



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We conducted our audit in accordance with International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that the auditor plan and perform the audit to obtain reasonable assurance about whether the information included in the Annual Report describing matters that are also presented in the financial statements is, in all material respects, consistent with the relevant financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the information included in the Annual Report of Ferona, a.s. for the period ended 31. 12. 2014 is consistent, in all material respects, with the consolidated financial statements and the unconsolidated financial statements referred to above.

Praque, April 24, 2015

BDO Audit s. r. o., Certificate No. 018

Represented by partners:

  
Eva Knyplová  
Certificate No. 1521

  
Petr Slaviček  
Certificate No. 2076

# FULL SCOPE OF BALANCE SHEET (in whole thousands of CZK)



Ident.	ASSETS	Line No.	Current accounting period			Past accounting period
			Gross 1	Adjustment 2	Net 3	1. 1. 2014 Net 4
a	b	c				
	ASSETS TOTAL (line 02 + 03 + 31 + 63) = line 67	01	12,325,410	-3,322,691	9,002,719	9,360,312
B.	Fixed assets (line 04 + 13 + 23)	03	5,869,386	-2,655,215	3,214,171	3,389,655
B.I.	Intangible fixed assets (lines 05 to 12)	04	91,113	-88,555	2,558	3,487
	3. Software	07	89,410	-88,341	1,069	3,950
	4. Royalties	08	214	-214	0	-463
	7. Intangible fixed assets – work-in-progress	11	400	0	400	0
	8. Advances for intangible fixed assets paid	12	1,089	0	1,089	0
B. II.	Tangible fixed assets (lines 14 to 22)	13	4,769,982	-2,566,660	2,203,322	2,327,114
B. II. 1.	Land	14	504,054	0	504,054	514,051
	2. Structures	15	2,487,744	-1,273,673	1,214,071	1,312,478
	3. Separate movable items and sets of movable items	16	1,738,513	-1,292,987	445,526	484,604
	6. Other tangible fixed assets	19	314	0	314	314
	7. Tangible fixed assets – work-in-progress	20	30,320	0	30,320	13,363
	8. Advances for tangible fixed assets paid	21	9,037	0	9,037	2,304
B. III.	Long-term financial assets (lines 24 to 30)	23	1,008,291	0	1,008,291	1,059,054
B. III. 1.	Ownership interests in controlled and managed parties	24	968,801	0	968,801	1,016,317
	2. Ownership interests in accounting units under significant influence	25	39,490	0	39,490	39,302
	6. Acquired long-term financial assets	29	0	0	0	3,435
C.	Current assets (line 32 + 39 + 47 + 57)	31	6,441,431	-667,476	5,773,955	5,955,560
C. I.	Inventory (lines 33 to 38)	32	2,979,493	-16,210	2,963,283	3,028,830
C. I. 1.	Material	33	558,147	-2,803	555,344	623,847
	2. Production-in-progress and semi-finished products	34	4,285	0	4,285	3,357
	5. Merchandise	37	2,334,398	-13,407	2,320,991	2,314,078
	6. Advances for inventory paid	38	82,663	0	82,663	87,548
C. II.	Long-term receivables (lines 40 to 47)	39	3,767	0	3,767	3,863
	5. Advances for inventories paid	44	3,767	0	3,767	3,863
C. III.	Short-term receivables (lines 49 to 57)	48	3,232,049	-651,266	2,580,783	2,794,578

Ident.	ASSETS	Line No.	Current accounting period			Past accounting period
			Gross 1	Adjustment 2	Net 3	1. 1. 2014 Net 4
a	b	c				
C. III. 1.	Receivables from trade	49	2,569,921	-651,182	1,918,739	2,163,683
	2. Receivables from controlled and managed parties	50	459,026	0	459,026	404,284
	6. State – tax receivables	54	0	0	0	7,125
	7. Short-term advances paid	55	7,232	0	7,232	7,802
	8. Estimated receivables	56	193,580	0	193,580	209,556
	9. Other receivables	57	2,290	-84	2,206	2,128
C. IV.	Short-term financial assets (lines 59 to 62)	58	226,122	0	226,122	128,289
C. IV. 1.	Cash	59	2,497	0	2,497	2,145
	2. Bank accounts	60	223,625	0	223,625	126,144
D. I.	Accruals (lines 64 to 66)	63	14,593	0	14,593	15,097
	1. Complex accrued expenses	64	11,508	0	11,508	12,142
	3. Accrued revenues	66	3,085	0	3,085	2,955

# FULL SCOPE OF BALANCE SHEET (in whole thousands of CZK)



Ident.	LIABILITIES	Line No.	Balance in current accounting period	Balance in past accounting period 1. 1. 2014
a	b	c	5	6
	LIABILITIES TOTAL (line 68 + 89 + 122) = line 01	67	9,002,719	9,360,312
A.	Equity (line 69 + 73 + 80 + 83 + 87 + 88 + 89)	68	4,086,958	3,980,948
A. I.	Registered capital (line 70 to 72)	69	3,000,000	3,000,000
A. I. 1.	Registered capital	70	3,000,000	3,000,000
A. II.	Capital funds (line 74 to 79)	73	330,348	377,675
	2. Other capital funds	75	230,550	230,550
	3. Gains or losses from revaluation of assets and liabilities	76	99,798	147,125
A. III.	Funds created from profit (line 81 to 82)	80	237,177	232,837
A. III. 1.	Reserve fund	81	237,177	232,837
A. IV.	Profit and/or loss from previous years (line 84 to 86)	83	366,096	370,436
A. IV. 1.	Retained earnings from previous years	84	296,905	301,245
	3. Other profit and/or loss from previous years	86	69,191	69,191
A. V. 1.	Profit and/or loss of current period line 01 – (69 + 73 + 80 + 83 + 89 + 122) = line 60	87	153,337	
B.	Borrowings (line 90 + 95 + 106 + 118)	89	4,896,686	5,346,931
B. I.	Provisions (lines 91 to 94)	90	1,740	0
B. I. 4.	Other provisions	94	1,740	
B. II.	Long-term payables (lines 96 to 105)	95	76,271	89,024
	5. Long-term advances received	100	161	161
	9. Other payables	104	2,364	2,140
	10. Deferred tax liability	105	73,746	86,723
B. III.	Short-term payables (lines 107 to 117)	106	1,724,554	1,759,958
B. III. 1.	Payables from trade	107	1,189,390	1,257,147
	2. Payables to controlled or managed parties	108	221,801	219,478
	5. Payables to employees	111	145	1,630
	6. Payables to social security and health insurance	112	12,309	11,957
	7. Due to state – taxes and subsidies	113	33,004	18,901
	8. Short-term advances received	114	6,042	2,565
	10. Estimated payables	116	237,294	226,388
	11. Other payables	117	24,569	21,892

Ident.	LIABILITIES	Line No.	Balance in current accounting period	Balance in past accounting period 1. 1. 2014
a	b	c	5	6
B. IV.	Bank loans and assistance (lines 119 to 121)	118	3,094,121	3,497,949
	2. Short-term bank loans	120	3,079,958	3,475,034
	3. Short-term financial assistance	121	14,163	22,915
C. I.	Accruals (lines 123 + 124)	122	19,075	32,433
C. I. 1.	Accrued expenses	123	19,025	32,127
	2. Deferred revenues	124	50	306



# FULL SCOPE OF PROFIT AND LOSS STATEMENT (in whole thousands of CZK)



Identification a	TEXT b	Line No. c	Reality in accounting period	
			Current 1	Past 2
I.	Revenues from the goods sold	01	13,822,601	13,423,819
A.	Cost of goods sold 02	02	12,605,729	12,288,723
+	Business margin (line 01 – 02)	03	1,216,872	1,135,096
II.	Production (line 05 + 06 + 07)	04	3,073,320	1,360,679
II. 1.	Revenues from sale of own products and services	05	155,283	180,100
3.	Capitalization	07	2,918,037	1,180,579
B.	Production consumption (line 09 + 10)	08	3,231,053	1,570,088
B.1.	Purchased consumables and materials	09	2,942,023	1,260,497
2.	Services	10	289,030	309,591
+	Added value (line 03 + 04 – 08)	11	1,059,139	925,687
C.	Personnel expenses (lines 13 to 16)	12	565,874	490,354
C.1.	Wages and salaries	13	411,770	351,110
2.	Remuneration to the members of the bodies of the company and co-operative	14	11,010	10,200
3.	Social security and health insurance expenses	15	132,452	118,370
4.	Social expenses	16	10,642	10,674
D.	Taxes and fees	17	20,388	17,856
E.	Depreciation of tangible and intangible fixed assets	18	185,494	191,530
III.	Revenues from sale of fixed assets and materials	19	92,765	47,770
III. 1.	Revenues from sale of fixed assets	20	66,450	7,900
2.	Revenues from sale of materials	21	26,315	39,870
F.	Net book value of fixed assets and materials sold	22	53,860	46,315
F.1.	Net book value of fixed assets sold	23	24,280	2,541
2.	Materials sold	24	29,580	43,774
G.	Additions to operating provisions and adjustments and accrued complex expenses	25	39,242	48,918
IV.	Other operating revenues	26	2,199,591	2,042,913
H.	Other operating expenses	27	2,230,518	2,065,812
*	Operating profit and/or loss [line 11 – 12 – 17 – 18 + 19 – 22 – 25 + 26 – 27 + (–28) – (–29)]	30	256,119	155,585

Identification a	TEXT b	Line No. c	Reality in accounting period	
			Current 1	Past 2
VI.	Revenues from sale of securities and ownership interests	31	0	0
J.	Securities and ownership interests sold	32	0	0
X.	Interest received	42	15,175	14,370
N.	Interest paid	43	92,083	92,376
XI.	Other financial revenues	44	45,465	135,803
O.	Other financial expenses	45	82,271	155,806
*	Financial profit and/or loss (line 32 + 33 + 37 – 38 + 39 – 40 (+/– 41) + 42 – 43 + 44 – 45 + (–46) – (–47))	48	–113,714	–98,009
Q.	Income tax on ordinary income (line 50 + 51)	49	–10,932	–29,154
Q.1.	– due	50	2,045	
2.	– deferred	51	–12,977	–29,154
**	Profit and/or loss from ordinary activities (line 30 + 48 – 49)	52	153,337	86,730
***	Profit and/or loss of accounting period (+/–) (line 52 + 58 – 59)	60	153,337	86,730
****	Profit and/or loss before tax	61	142,405	57,576

# BALANCE SHEET

Minimum required scope of a consolidated report (in thousands of CZK)

Ident.	TEXT	Current period as of 31/12/2014 1	Last period as of 31/12/2013 1	Two years period as of 31/12/2012 1
	TOTAL ASSETS	10,804,710	11,315,547	11,126,376
A.	Receivables from subscriptions			
B.	Fixed assets	3,377,057	3,528,828	3,625,614
B.I.	Intangible fixed assets	7,166	6,927	12,282
B.II.	Tangible fixed assets	3,326,994	3,475,622	3,534,173
B.III.	Long-term investments	0	3,435	27,966
B.IV.	Consolidation difference – positive "+", negative "–"	0	0	6,667
B.V.	Securities in equivalence	42,897	42,844	44,526
C.	Current assets	7,398,529	7,755,407	7,488,371
C.I.	Inventories	3,921,616	3,949,976	3,890,795
C.II.	Long-term receivables	4,553	6,612	7,972
C.III.	Short-term receivables	3,119,442	3,573,983	3,312,884
C.IV.	Financial assets	352,918	224,836	276,720
D.	Temporary assets	29,124	31,312	12,391

Ident.	Text	Current period as of 31/12/2014 1	Last period as of 31/12/2013 1	Two years period as of 31/12/2012 1
	TOTAL LIABILITIES	10,804,710	11,315,547	11,126,376
A.	Equity	3,974,633	3,860,421	3,748,967
A.I.	Registered capital	3,000,000	3,000,000	3,000,000
A.II.	Capital funds	408,519	397,611	296,420
A.III.	Funds created from profit	255,298	246,316	242,255
A.IV.	Retained earnings or loss from previous years	181,639	129,466	316,600
A.V.	Profit (loss) of current year excluding minority shares	101,640	57,425	–141,782
1.	Profit (loss) of operations of current year (+/–)	101,662	59,566	–135,452
2.	Contribution to the profit in equivalence (+/–)	–22	–2,141	–6,330
A.VI.	Consolidation reserve fund	27,537	29,603	35,474
B.	Liabilities	6,750,653	7,365,683	7,300,184
B.I.	Provisions	20,451	11,926	9,681
B.II.	Long-term payables	80,827	101,548	159,372
B.III.	Short-term payables	2,442,452	2,683,375	2,436,440
B.IV.	Bank loans and assistance	4,206,923	4,568,834	4,694,691
C.	Temporary liabilities	21,276	42,457	43,974
D.	Minority equity	58,149	46,986	33,251
D.I.	Minority registered capital	900	900	900
D.II.	Minority capital funds	0	0	0
D.III.	Minority profit funds including undivided profit from previous years	46,085	32,350	24,128
D.IV.	Minority profit/loss from current period	11,164	13,736	8,223

# FULL SCOPE OF PROFIT AND LOSS STATEMENT

## Minimum required scope of a consolidated report



Identification	TEXT	Accounting period		
		current as of 31. 12. 2014 1	last as of k 31. 12. 2013 1	two years period 31. 12. 2012 1
I.	Revenue from the goods sold	17,305,434	17,824,757	16,931,624
A.	Cost of goods sold	15,780,895	16,388,734	15,436,000
+	Commercial margin	1,524,539	1,436,023	1,495,624
II.	Production consumption	4,874,898	2,533,253	2,324,982
B.	Purchased consumables and services	5,005,652	2,694,680	2,697,322
+	Value added	1,393,785	1,274,596	1,123,284
C.	Personnel expenses	701,556	669,001	694,520
E.	Depreciation/amortization of tangible and intangible fixed assets	237,031	253,081	257,029
	Depreciation of consolidation difference (+/-)	0	6,667	6,667
	Consolidation difference settlement	0	0	0
G. + H.	Change in reserves, adjust. And deferrals and accruals relating to operat. expenses	154,221	90,011	87,541
III. + VI. – VII.	Other operating income	2,943,975	2,638,735	2,619,902
D. + F. + I. – J.	Other operating expenses	2,971,581	2,710,157	2,628,514
*	Consolidated operating profit (loss)	273,371	184,414	68,915
VIII + IX + X + XI + XII + XIII + XIV – XV	Financial income	61,743	164,031	139,044
K+L+M+N+O+R–P	Financial expenses	220,485	299,603	331,094
*	Consolidated financial profit (loss)	–158,742	–135,572	–192,050
R.1.	Income tax due from ordinary activities	13,705	11,053	6,089
R.2.	Deferred income tax on ordinary activities	–11,902	–35,513	–1,995
**	Consolidated profit (loss) from ordinary activities	112,826	73,302	–127,229

Identification	TEXT	Accounting period		
		current as of 31. 12. 2014 1	last as of k 31. 12. 2013 1	two years period 31. 12. 2012 1
XVI.	Extraordinary income	0	0	0
S.+T.1.	Extraordinary expenses	0	0	0
T.2.	Deferred income tax on extraordinary activities	0	0	0
*	Consolidated extraordinary profit (loss)			
***	Consolidated profit (loss) of current year exclusive of equivalence	112,826	73,302	–127,229
	of that			
	– Profit (loss) of operations of current year of minority shares	101,662	59,566	–135,452
	– Minority profit (loss) of operations of current year	11,164	13,736	8,223
	Contribution to the result in equivalence	–22	–2,141	–6,330
****	Consolidated profit (loss) of operations of current year	101,640	57,425	–141,782