

**LET
ST
S
S**

Contents

4	Company profile
6	Introduction of the Chairman of the Board of Directors
8	2015 in figures and pictures
10	Highlights of 2015
12	Strategic targets of the Company
18	Business development of Metrostav Group
24	Social responsibility priorities
30	Corporate governance
32	Metrostav Group chart
33	Key consolidated figures of Metrostav Group in 2011–2015
34	Contact information

Metrostav, the leading company of the Metrostav Group, in 2015 reaffirmed its position of number one on the Czech construction market and maintained the second place in this field among the countries of Central and Eastern Europe. The Company bores tunnels, builds the metro, bridges, motorways and roads, as well as residential houses and industrial buildings, power plants and wastewater treatment plants. In addition, it renovates historical structures. Its activities

account for almost half of domestic underground construction; Metrostav is one of the few companies in the Czech Republic that employ highly specialized, traditional mining methods of construction. Metrostav is well aware that evidence of genuine stability and sustainable business of each company is not just financial results, but also corporate conduct demonstrating their social responsibility.

Introduction of the Chairman of the Board of Directors

2015 was another successful year for the Metrostav Group. The Group's external turnover and profit again moderately increased year-on-year. I am pleased that we continue to embody our shared values for our shareholders and partners, notably professionalism, credibility and stability. Also, last year was key for us on two counts: Our two largest contracts for the domestic public sector were completed and Metrostav Group's production abroad exceeded 30 percent of total performance.

After six years of construction, the extended A metro line from Dejvická to Motol was put into operation in April. Metrostav's paramount project, the Blanka tunnel complex, was put into operation on 19 September after a number of setbacks and obstacles. A day later, we handed over to Poland's public investor the modernized S8 ringroad in Warsaw, which was a great success, and on 25 September we celebrated the end of boring the Norðfjörður tunnel in Iceland. We continued to work on international projects in Norway, Germany, Serbia, Hungary and other countries. Even though we began to bore a railway tunnel in Ejpvovice near Plzeň at the beginning of the year, our project portfolio has been changing as large-scale projects for public investors in the Czech Republic are being replaced with smaller regional projects and foreign contracts.

Construction of the Prague Metro has always been a matter of prestige for the Company and a flagship project valued by both industry professionals and the general public. I am glad that we have completed the construction of the V.A metro line in excellent quality and to the satisfaction of all parties. Thanks to Metrostav's Division 5 team we were able to demonstrate the effectiveness of the TBM method and incorporate it in our core technologies. This technology is currently deployed for boring

railway tunnels in Ejpvovice and we would like to use it abroad as well.

Construction of the Blanka tunnel was difficult for us because the tunnel complex became a battleground for politicians and a target for criticism by the media and the public. However, the criticism turned out to be unfounded and unjustified. I appreciate that Blanka has proved to be a useful, solid and well executed project. It has eased traffic in some parts of Prague, as we expected. On the other hand, it has also confirmed what we had repeatedly pointed out: the tunnel complex lacks connections to the traffic system. To substantially improve the traffic situation in the capital, Prague has to complete the outer and inner ringroads. Blanka has always been and will be an extraordinary reference project for Metrostav and I am pleased that the Troja Bridge, which is part of the Blanka complex, has won several prestigious awards.

I highly value the work of our teams abroad. The shortage of large projects on the domestic market prompted the Metrostav Group to move some of its production capacity to foreign markets. In the Czech Republic, the Metrostav Group boasted the largest construction production volume for the fourth year, but in foreign countries we still rank among smaller companies that must compete with local and often stronger competitors. I deeply respect our partners who are capable of winning foreign contracts and then timely execute them in good quality despite the harsh climatic conditions, especially in the Scandinavian countries. We have also been successful in Poland, where a month before the contracted deadline we handed over the renovated city expressway S8 and subsequently we signed a contract for construction of the S7 motorway in Gdansk.

To succeed in foreign markets also means to get to know and comply with local building legislation and regulations governing the construction industry. We have been getting better and better at that. Conversely, the situation in Czech legislation is still unsatisfactory. This year we expect amendments to key laws that badly need fixing. I previously described the Public Contracts Act as flawed and at the moment it doesn't look like it might be turned into a quality product.


The Environmental Impact Assessment (EIA) Act may bury not only new projects under preparation, but also the project that are ready for tenders. The construction sector in the Czech Republic lacks a transparent concept, rules and regulations, which makes it difficult for investors to contract projects and for building companies like ours to compete in tenders and implement the projects.

Over the past twenty years, seventeen ministers took office at the Ministry of Transport. And I have long considered it a gross mistake to have no construction ministry at all.

Compared to other sectors, our industry has long operated on low margins that often do not outweigh the risks entailed in this field. Yet many people are convinced that the building industry has great potential for corruption. The Czech Republic has endorsed the law on criminal liability of legal entities, under which companies are responsible for the conduct of their employees. The Metrostav Group has implemented zero tolerance for any breach of ethical norms and unfair practices. At the beginning of 2015, we updated the corporate Code of Ethics that must be observed by all our employees and business partners. In September, we also approved the Group's criminal prevention standard incorporating in our organizational and management documentation a program to protect the Group companies against liability risks pursuant to the law on criminal liability of legal entities.

I look forward to celebrating this year 45 years since founding Metrostav. I am convinced that we can build upon our past achievements both in the Czech Republic and abroad and overcome all setbacks facing the Company now or in the future, as we have always managed before.

I wish all shareholders, colleagues and partners good luck and professional success.



Jiří Bělohav
Chairman of the Board of Directors



2015 in figures and pictures

Metrostav a.s.



Production **19.2** CZK bill.



Operating profit **409** CZK mill.



Employees **2,934**



Operating in **7** countries

Metrostav Group



Operating income

31.6

CZK bill.



Operating profit

922

CZK mill.



Employees

5,068



Operating in

17

countries

Highlights of 2015

Inauguration of the tunnelling shield S-799 Viktorie for boring the Ejovice tunnels, diameter 10 m, length 114 m and weight 1,800 tonnes.

Handover of the service zone at the Kozlovichi border terminal in Belarus to investor Beltamožservis.

Opening of the InnoCrystal Innovation Centre in Zlatníky-Hodkovice near Prague.

Acquisition of the Vögele Super 2100-3i finisher allowing to pave the width of 13 metres with the output of 13,000 m²/day for the Asphalt Paving Centre.

Handover of the small hydroelectric power plant in Štětí on the Elbe to the non-profit organization Energeia.

Handover of the Meteor administrative building in Prague 8 to investor CPI Property Group.

Approval of the updated Code of Ethics of the Metrostav Group by the Metrostav Board of Directors.

Completion ceremony for the reconstruction of the Central Military Archives in Prague-Ruzyně.

Laying the foundation stone of a production facility for manufacture of Busch vacuum pumps in Liberec.

Launch of the operation of a six-kilometre section of the V.A metro line from Dejvice to Motol.

Incorporation of Metrostav Polska Spolka Akcyjna based in Warsaw in the Polish commercial register.

Signing of the contract for the reconstruction of the National Museum Historical Building in Prague.

Signing of the contract for the modernization of a 5-kilometre section of the D1 motorway between Hvězdovice and Ostředek.

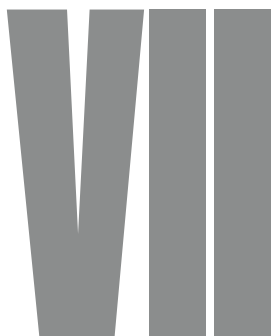
Adoption of the Criminal Compliance comprehensive programme and its implementation by all Metrostav Group companies.

Obtaining the Safe Company certification (sixth) awarded by the State Labour Inspection Office.

Signing of the contract for the construction of the Decathlon shopping centre in Košice for investor White ouse s.r.o.

Handover of the expanded wastewater treatment plant in Pelhřimov for use.

Winning the title Czech Transport Construction 2014 and two other professional awards for the “Pedestrian bridge across the Elbe” in Čelákovice.



Signing of the contract for the reconstruction of rooms housing the irradiator at the Vinohrady Teaching Hospital in Prague.

Winning the tender for the construction of the Jobergtunnelen tunnel in Norway (in association with Bertelsen & Garpestad).

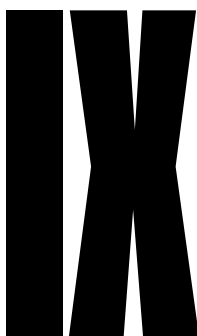
Opening of the “N” pavilion of internal medicine at the Silesian Hospital in Opava six months in advance.



Completion of boring an 860-metre-long Polana tunnel, which is part of the Slovak D3 motorway near the border with the Czech Republic.

Signing of the contract for the construction of the Jobergtunnelen tunnel in Norway.

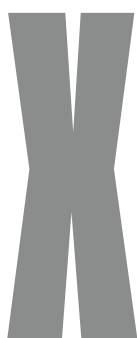
Incorporation of Metrostav Ankara inşaat taahhüt sanayi ve ticaret anonim şirketi in the Turkish commercial register.



Signing of the contract for the construction of the Bošilec-Ševětín section of the D3 motorway.

Opening of the Blanka tunnel complex.

Opening of the modernized section of the S8 expressway in Warsaw, including the General Stefan Grot-Rowecki Bridge.



Signing of the contract for the construction of a 20-kilometre section of the S7 expressway in Gdansk (Poland) worth CZK 9 billion.

Opening ceremony for the ELI Beamlines laser centre in Dolní Břežany.

Obtaining a patent for the method of handling heavy technology equipment operating in enclosed spaces at the Pruněřov power plant.



Opening of the Seniors Home in Chválkovice near Olomouc after reconstruction.

Obtaining an occupancy permit and handover of the ELI Beamlines laser centre in Dolní Břežany to investor, the Academy of Sciences of the Czech Republic.

Signing of the Collective Agreement of Metrostav a.s. and other model documents of the Metrostav Group by representatives of the Group companies and the trade union organizations, effective for two years.



Signing of a Memorandum of Cooperation with J&K Petersen (Faroe Islands) regarding an offer to build two undersea tunnels.

Handover of the Northeast bypass road in Mladá Boleslav for use.

Handover of the optimized railway line between Bubeneč and Holešovice in Prague to investor Railway Infrastructure Administration (SŽDC).

The 2015 results demonstrated highly versatile skills of Metrostav and its active business policy in all market segments and readiness to expand to neighbouring markets. In order to utilize all capacities and fulfil the production programme, Metrostav's employees worked on large and smaller-scale important projects across the Czech Republic. The Company also used opportunities to deploy its specialized and long-developed teams abroad.

Strengthen the position on the Czech market

Metrostav maintained its market share on the highly competitive domestic market. The Company does not primarily focus on extensive expansion and growth in volumes, but on selecting efficient construction projects with an acceptable risk level and adequate economic results. The objective is to sustain external turnover in the range of 4–5% of the construction market in the Czech Republic.

Major projects in Prague

The bulk of construction production was again executed in Prague in 2015.

Since its inception in 1971, Metrostav has been the general contractor of the metro construction in the Czech capital and to date has orchestrated building 61 metro stations and three underground lines. Last Easter, another six kilometres of the **V.A line from Dejvice to Motol** opened for passengers, extending the metro network to a total of 65.5 kilometres. Boring the tunnels with two tunnelling shields named Tonda and Adéla helped prove the effectiveness of deploying the TBM (tunnel boring machine) technology, which Metrostav intends to use also

for construction of the planned D metro line to Písnice.

The second most important transport project in Prague, completed in 2015, is the **Blanka tunnel complex** with a total length of 6,382 metres. Together with the Strahov, Mrázovka and Zlíchov tunnels it makes up the longest city tunnel in Europe measuring about nine kilometres. The project includes the **Troja Bridge** spanning the Vltava River in an elegant and bold arch that has only a minimum impact on the city's skyline. The bridge has received a number of prestigious international awards, both in Europe and worldwide.

At the beginning of last year, we began to bore the longest **rail tunnel in the Czech Republic on the Rokycany-Pízeň railway line** by placing the statuette of St. Barbara, the patron saint of miners, in the portal of the started tunnel and inaugurating a more than 110-metre-long special tunnelling shield TBM S-799. The machine named Viktorie is equipped with the cutter head with a diameter of almost 10 metres and weighs approximately 1,800 tonnes. The length of each of the two tunnel tubes under the Homolka and Chlum hills exceeds four kilometres.

On 20 April 2015, Metrostav experts took over the **Historical Building of the National Museum** in the capital city and now are restoring it to its former beauty within the scope of the M-P-I Association. The much needed and anticipated renovation of this

unique national cultural monument is scheduled to take 42 months and will also connect the neo-renaissance Historical Building with the New Building of the National Museum.

Major regional projects in the Czech Republic

A great emphasis is placed on the development of activities in other regions of the Czech Republic where Metrostav has boosted its regional offices. Consistent marketing and sales activities, good knowledge of local conditions and active engagement of Metrostav's local employees have resulted in winning and launching a number of construction contracts.

Key projects launched in regions in 2015 include:

- Construction of the D3 motorway in the Bošilec–Ševětín section.
- Construction of the regional centre for waste recycling near Vintřov.
- Construction of the BUSCH production facility in Liberec.
- Reconstruction of the Rokycany–Nezvěstice rail line section.

Key projects completed in regions in 2015 include:

- Construction of the R35 expressway in the Sedlice–Opatovice section.
- Construction of a small hydroelectric power plant in Štětí.
- Reconstruction of a swimming pool in Ústí nad Labem.
- Reconstruction of the A1 building of the VUT campus in Brně.

Develop foreign projects

Metrostav continued to diversify its activities and distribute business risks in multiple territories. When choosing foreign contracts and participation in tenders, the Company paid increased attention to the credibility of the investor and its ability to secure sufficient funding. Metrostav preferred projects funded by the European Union, especially those allowing to deploy in-house technologies.

Slovakia and Poland offer the greatest potential as they have the most similar legislation and there is no significant language barrier. Another important and promising territory is northern Europe, including Iceland where we have already gained ample experience and could use in-house technology, notably in tunnelling.

With regard to the priority goal of maintaining the leading position on the Czech construction market, it goes without saying that foreign activities have been developed with caution and with acceptable risk. In many cases, cooperation with local partners and utilization of synergies between

Metrostav Group members help gain experience on foreign markets.

Major foreign projects

In September 2015, builders Metrostav completed a 26-month ambitious project worth CZK 5 billion, consisting of the modernization of a section of the **S8 ringroad** and of General Stefan Grot-Rowecki Bridge across the Vistula River in Warsaw. Since this was not the only construction project executed in the country of our northern neighbours (Metrostav had previously built, inter alia, a bridge in Chelmek, currently is finishing a flood control system in Eastern Neisse, and has won the tender for the modernization of the Marsa - Żołnierska regional road in the amount of roughly one billion crowns), the Company has founded a subsidiary, Metrostav Polska Spolka Akcyjna, which will represent the parent company's interests in Poland.

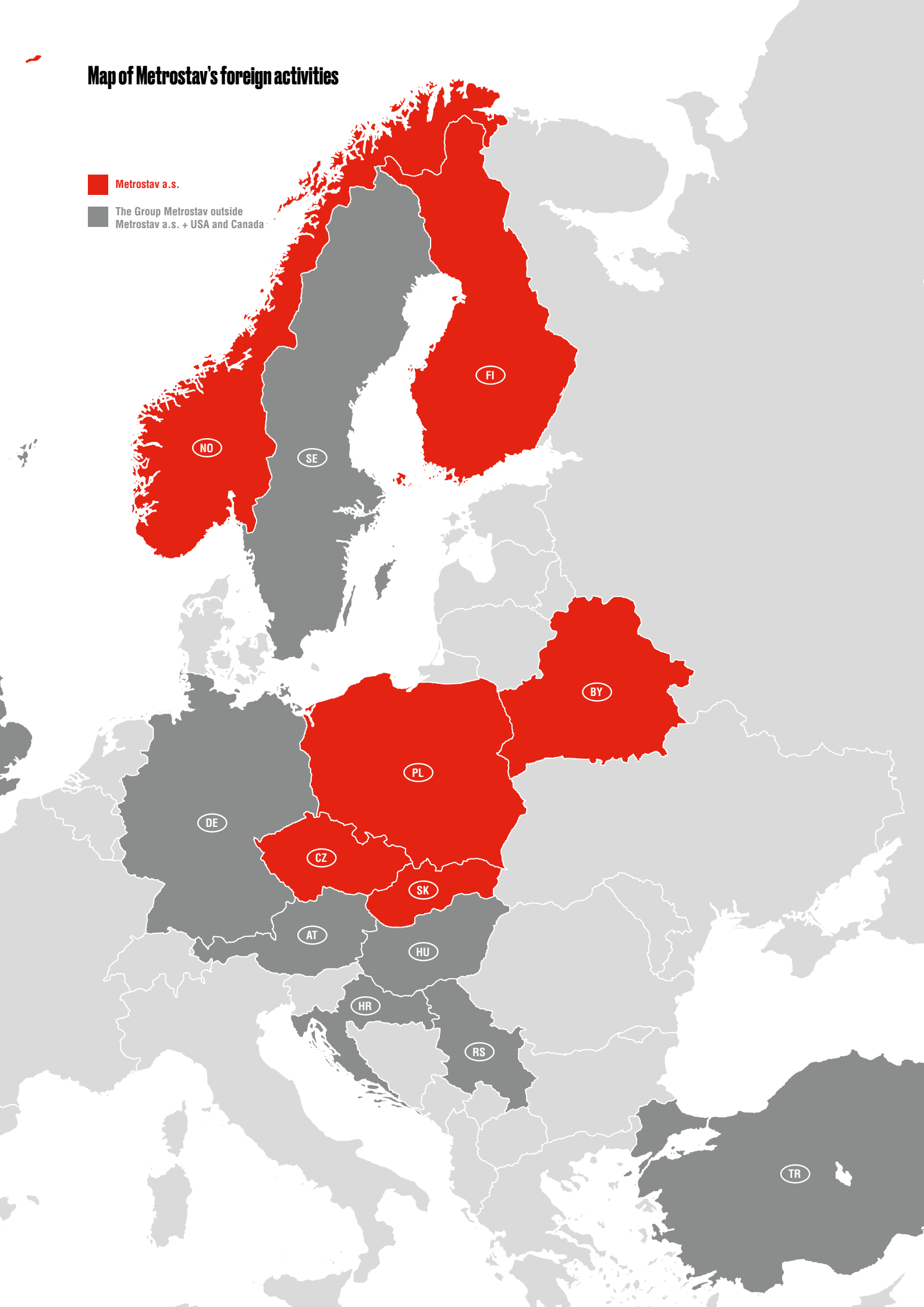
Last year Metrostav also worked on two **motorway tunnels in Poľana and Žilina in Slovakia**, and on the longest road tunnel **Norðfjörður** in Iceland. In addition, boring of two underground projects was underway in Bjørnebakkane and Joberg in Norway.

The latest result of the Company's expansion to foreign countries is establishing of **Metrostav Ankara inşaat taahhüt sanayi ve ticaret anonim şirketi**, which is the full name of a joint venture founded by Metrostav in Turkey with the local company Ankara Insaat.



Map of Metrostav's foreign activities

- Metrostav a.s.
- The Group Metrostav outside Metrostav a.s. + USA and Canada



Improve construction skills

Metrostav is a high-tech company that systematically develops in-house core technologies and strives for continuous improvement of skills in the field of construction production. At the same time, it has repeatedly demonstrated that construction projects executed by Metrostav rank among the most praised both in the Czech Republic and abroad.

Top awards 2015

- Troja Bridge was declared the best European steel bridge construction of the year and received an Award of Excellence from the European Convention for Constructional Steelwork in the European Steel Design Awards 2015.
- Optimization of the Bubeneč – Holešovice railway line, performed jointly by Metrostav and Subterra, received the State Transport Infrastructure Fund Award.

- In addition to the top prize in the Excellence Awards 2015 competition in the Infrastructure category, the pedestrian bridge over the Elbe River in Čelákovice also received a prestigious award of the American Concrete Institute (ACI).

The awards received by Metrostav reflect its capabilities to efficiently manage large and complex projects. The actual execution of construction contracts is managed by seven production divisions. Their scope of operations varies both professionally and regionally.

Metrostav deploys in-house core technologies for the bulk of projects, comprising technology for the construction of underground structures (TBM, NATM and Drill & Blast), earth-moving technology, reinforced concrete structures, steel structures and bridge construction technology. To stay competitive, the Company has invested millions of crowns into purchases of modern machinery and equipment.

Similarly to previous years, deployment of in-house core technologies accounted for about one-quarter of Metrostav's overall production in 2015.

In the underground construction segment, the Company traditionally deployed mainly the **Drill & Blast excavation technology** used on

building sites in Scandinavia and Iceland, and the **TBM technology** used for boring railway tunnels at Ejpvovice. The implementation of the latter project managed by Division 5 is noteworthy due to the deployment of the largest mechanized hybrid tunnelling shield capable of a 10-metre excavation diameter. In 2015 the shield bored the total length of nearly 2,600 metres. Another innovative feature of this project is that the final single-layer lining is assembled from pre-cast segments that are for the first time manufactured in the Czech Republic from concrete reinforced with dispersed steel wires. [2]

A new, dynamically developing technology used by the Company is **cement-concrete paving of motorways and expressways** managed by Division 4. Since the introduction of this core technology in 2013, more than 31 km of layered road pavement was completed until the end of 2015. [3]

The **steel structures operation** of Division 3 is also a rapidly developing segment. An important test of this production segment in 2015 was the supply and installation of a high-performance steel structure (1,700 tonnes of steel), which doubly traverses the tube of the Strahov automobile tunnel in Prague 5, designed to create a solid



1

foundation for the construction of six-storey luxury residential buildings Sacre Couer 2. [4]

The proven quality and capabilities of the **reinforced concrete structures technology** operation of Division 6 were in 2015 demonstrated in several projects for the construction of large-scale and complex residential compounds. This type of construction is extremely demanding in terms of the speed of building, which places ever greater demands on the professionalism of all Division employees. [1]

The focus of Division 8 on the implementation of complex projects with a predominance of technological part over the building part has scored successes in the fields of chemistry, petro chemistry and energy. An example of such project executed in 2015 is the **construction of tanks for the storage and handling of sulphuric acid** and nitric acid in the fully operational Lovochemia compound in Lovosice. [5]



2



3



4



5

Business development of Metrostav Group

Metrostav a.s. is the leader of the Metrostav Group, consisting of a total of 35 entities operating primarily in construction, trade and development. The Group's key members include a consortium of firms led by Subterra a.s., which besides the Czech market operates on the Swedish, Hungarian and German markets, and Austria's BeMo Tunnelling GmbH with a portfolio of entities operating in Germany, Sweden and the United Kingdom.

**Other Group members comprise
Metrostav Development, Pragis,
BES, Metrostav Slovakia,
PK Doprastav, Doprastav Asfalt
and other specialized
companies working on
construction sites in all regions
of the country and abroad.**

Continuous strengthening of capacities and expansion of activities of Metrostav Group

The Metrostav Group invests in the development of the Group's capacities in the whole chain of construction activities. In the past year, the Group upgraded equipment mainly in the segment of construction of asphalt and cement-concrete surfaces and acquired new testing equipment. The implementation of a large-scale residential development project commenced in Slovakia, and conditions were created for launching major commercial development projects in the Czech Republic. In addition, a new structural engineering division was set up in Germany.

Metrostav Group capacities are represented across the board in selected construction segments and supporting activities:

Technology and machinery

- Tunnel boring using TBM and NRTM technology.
- Collector boring.
- Steel and reinforced concrete structures.
- Foundation engineering.
- Bridge construction.
- Asphalt and concrete pavements.
- Railways.

Building materials

- Asphalt suppliers (incl. new technologies of silent asphalt production).
- Quarries.
- Concrete plants.
- Sales of construction materials.

Specialized activities

- Testing (incl. state-of-the-art equipment for camera and pressure testing, exploratory and diagnostic projects).
- Surveying (incl. new technologies of close-range photogrammetry and laser interferometry).
- Development.
- Property management.



Some of a number of major construction projects implemented in 2015 by Metrostav Group's companies include:

- Reconstruction of the Alter Kaiser-Wilhelm railway tunnel by Subterra a.s.
- Construction of the double-track railway tunnel for light rail line in Karlsruhe by BeMo Tunneling GmbH.
- Implementation of the CityPark Ružinov residential housing project in Bratislava by Metrostav Slovakia a.s.
- Rehabilitation of flood damage at Pankrácká štola, Prague 4 by Pragis a.s.
- Modernization of the weir and construction of the Hněvkovice lock by Zakládání staveb a.s.
- Implementation of the Na Vackově residential housing project in Prague by Metrostav Development a.s.



Business development of Metrostav Group

A total of **4,600** metres of tunnels were bored using the TBM method.

So far laid **152** km of railway superstructure.

Production capacity of new BES asphalt plant: **200** tonnes of bituminous mixtures per hour.

Produced in 2015: **1,612,000** tonnes of aggregate.

600,000 tonnes of asphalt.

261,000 m³ of ready-mix concrete.

Construction projects offering a total of
and commercial premises. **1,067** residential apartments

545,555 m²
of managed properties.

Social responsibility priorities

In its business operations the Company has been committed to the principles of sustainable development in that it ties meeting its strategic targets to adherence to social responsibility priorities. Metrostav has formulated six key social responsibility priorities. These priorities pertain to the areas in which the Company's operations have significant environmental, social and economic impacts on the relevant locations.



Transparent business

Metrostav ranks among the leading businesses in the Czech Republic and is committed to responsible conduct. The Company is aware of the benefits and impacts of its operations as an entity affecting the market environment, as well as its importance as an employer that instils behavioural patterns and the code of ethics in its staff.

Criminal compliance programme

The Company has declared zero tolerance for any unethical behaviour. In June 2015 the Company's bodies adopted a comprehensive criminal compliance programme concerning rules of ethical and legal conduct of the Company. It defines clear rules of dealing with employees, business partners and third parties. The corporate governance bodies have paid increased attention to the fulfilment of the criminal compliance programme.

Code of Ethics and Ethics Hotline

The Metrostav Group has published an updated Code of Ethics stipulating rules of behaviour and conduct for Group companies, their employees, members of company bodies and collaborating third parties. At the same time, an Ethics Hotline was launched for reporting suspected unethical conduct by employees, members of the Company bodies and collaborating third parties.

Quality Management System Certificate ISO 9001

The Company is committed to improving the quality of risk management, development of process-oriented company management



and continuous improvement of quality and labour efficiency. Metrostav's key certified technologies are covered by the quality management certificate for general contracting that fully complies with the ČSN EN ISO 9001 standard.

Innovations in the construction industry

The Company strives to make a significant contribution to a better environment in the construction industry by developing innovative products and solutions that create added value and help build quality and energy efficient structures.

Cooperation with universities

Research and development in the field of new building technologies and materials is carried on in cooperation with universities and major subcontractors. In June 2015, a five-year Science and Research project was completed with a successful peer review. The project, aimed at increasing the durability of concrete structures exposed to extreme load, was co-funded by the Ministry of Industry and Trade and was implemented in cooperation with the Faculty of Civil Engineering of Czech Technical University Prague (ČVUT). The Company's staff engaged in core technologies also participated in the programme, as well as other experts specializing in concrete structures within the Metrostav Group. The total cost of the five-year project amounted to CZK 16.9 million, of which Metrostav contributed about CZK 1.3 million in 2015.

In cooperation with the three largest civil engineering faculties in the Czech Republic, Metrostav has also participated in the CESTI research projects (Centre for Effective and Sustainable Transport Infrastructure). The Company has been involved in research related to bridges and tunnels. The bridge development focuses primarily on the application of advanced materials and technologies. Research and development in the segment of tunnel construction is focused on progressive designs of tunnel lining - especially waterproof concrete lining and use of fibre-reinforced concrete for pre-cast lining. In 2015, Metrostav spent approximately CZK 2.4 million on developing solutions for CESTI. The centre's activities are scheduled until 2019.

In 2015 we spent more than CZK 3.7 million on research and development.

Expert activities of employees

Metrostav encourages the development of expert activities; the Company's employees have carried out independent research for the purpose of advancing construction technology. Most significant examples include expertise in the field of building physics and building diagnostics, expertise in the development and testing of new building materials and technologies, and expertise in the development

Priority společenské odpovědnosti



of technologies pertaining to waterproof reinforced concrete structures – “white tubs”. In 2015, Metrostav worked on dozens of projects to which this expertise could be applied.

The benefits of the research and development activities are evidenced by **10 registered utility models and 6 patents** of the Company covering a broad range of construction segments, such as bridge construction, industrial buildings, tunnels and installation of technology equipment.

Most important examples for 2015 include two patent-protected technical solutions, one applied in the construction of segmental lining for the TBM method, and the other in handling heavy technology equipment in enclosed spaces.

Metrostav also supports progressive technology in design - BIM (Building Information Modeling/Management). It is a modern and in many ways revolutionary approach to the implementation of projects in the field of construction production. It facilitates the ability to control the project documentation in order to detect and eliminate errors at an early stage. An integral part of BIM is the relationship between construction and the environment and the pursuit of sustainable development construction. In the event clients are interested in obtaining higher-level international environmental certificates LEED and BREEAM, the relevant projects must be prepared in high quality using the BIM system.

Our employees

Support for employees

Metrostav considers care for its employees a substantial part of its sustainable development. The Company has demonstrated the quality of working conditions of employees by continuously meeting the requirements of the SA 8000 international standard and the Collective Agreement obligations. In December 2015, the Model Collective Agreement for 2016 and 2017 was entered into between Metrostav Group bodies and the Coordination Trade Union Committee of the Metrostav Group, and Model Internal Regulations for 2016 and 2017 were drafted for companies with no trade union organizations. Within the framework of the Model Collective Agreement, the Collective Agreement for Metrostav, a.s. for 2016 and 2017 was concluded.

Metrostav Social Fund

Employees who faced difficult life situations in 2015 could turn for help to Metrostav's Social Fund established in 1994. Emergency assistance was provided to 156 employees in 2015, amounting to CZK 1.8 million.

The Social Fund helps nearly 160 Metrostav employees a year.

Metrostav Senior Club

Metrostav's Senior Club continued its activities in 2015. The club has been helping retired former employees for thirteen years. The Senior Club is a unique project of its kind in the Czech Republic and represents an important pillar of Metrostav. Currently it has 300 members who participate in regular events organized by the club, such as discussions and excursions.

In 2015 the Training Centre ensured 574 professional courses for 6,170 trainees.

Metrostav Group Training Centre

Metrostav has continuously paid increased attention to employee training and improving knowledge and skills of all employee groups. Training programmes attended by nearly 6,000 employees annually are prepared by Metrostav Group's Training Centre.

In 2015, a training system for a technical staff group through professional technical seminars was developed with the goal to improve their preparedness to respond effectively to the current conditions of the construction market in the Czech Republic and new trends in construction materials and technological processes. These training events



were accredited by ČKAIT (Czech Chamber of Certified Engineers and Technicians Active in Construction) for life-long training of certified technicians and engineers.

Similarly to previous years, Metrostav also invested in training of future employees by supporting technical secondary schools and universities. The Company organizes lectures after classes delivered by its employees, as well as field trips, practice and internships, and also helps with writing theses. Another form of support is sponsorship; for example, in the past year the Company provided partnering secondary schools with materials needed for practical training (cement, gravel, steel mesh) and supported a photo competition titled Through Your Eyes, organized by Czech Technical University in Prague. Metrostav hired a total of 59 university graduates and 32 graduates of secondary schools in 2015.

50–60 university graduates join Metrostav teams each year. Our company ranks among the most sought-after employers in the Czech Republic.

Skilled Apprentices project

Cooperation with secondary technical schools has been further expanded in the Skilled Apprentices project. The goal of the project, implemented for eight years already, is to increase primary school children's interest in construction industries and transfer of know-how to young craftsmen.

The project collaborates with schools in Prague, Brno and Ustí nad Labem. In 2015, the Company selected new schools for cooperation and added five regional technical secondary schools to the previous three contracted schools. Metrostav financially supports the students during their studies and arranges practice for them at its workplaces.

Approximately 9,000 hours of professional training is organized at the Company's workplaces each year and annual costs of supporting students amount roughly to CZK 3 million. Last year, a total of 82 contracted students were trained for the jobs of bricklayer, carpenter, mechanic, locksmith and electrician. 26 apprentices started employment with the Company.

The Skilled Apprentices project has supported 330 students since 2008.

We are committed to a comprehensive apprenticeship system

Metrostav is the only construction company in the Czech Republic that maintains a comprehensive system of training apprentices. The Company actively participates in drafting specific proposals related to innovation of the school education programme for construction fields. Metrostav employees take part in student examinations, discuss the quality of apprenticeships at the Ministry of Education, Youth and Physical Training of the Czech Republic, and are co-authors of the Draft Systemic Measures for the Improvement of the Quality of Secondary Technical Education. A pilot model of a different structure of theory and practice is to be launched in the 2016/2017 school year.

Teaching activities and employee engagement

Many employees are engaged outside Metrostav. They are, due to their professional expertise, respected educators, members of specialized associations and authors of scientific publications. Teaching fields in which Company employees actively participate include e.g. geotechnics, underground structures and thermal insulation of buildings. In addition, Company employees are active members of fifteen Czech and international professional associations.

Professional conferences also received Metrostav's support in 2015. The Company was a partner to a round table discussion on FIDIC Standards in the Czech Republic, organized by the Association for Infrastructure Development, as well as the celebration of World Water Day 2015, the conference "Small nuclear reactors for the power sector and their

Priority společenské odpovědnosti



potential use in the Czech Republic” and the Žofín Forums. It also sponsored the Czech Construction Academy of the ABF Foundation and supported the Watercourses 2015 conference.

Construction site safety

One of the Company's top priorities is to ensure conditions for safe work for everyone working at construction sites or engaged in Metrostav's operations. The Company is committed to high-quality execution of construction projects while ensuring maximum levels of occupational health and safety.

Occupational health and safety management system

As part of the Integrated Management System, Metrostav has implemented and certified

the occupational health and safety (OHS) management system in compliance with the ČSN OHSAS 18001:2008 national standard. Under the OHS system, OHS specialists oversee the construction process and documentation control and they also monitor the processes performed by subcontractors with an emphasis on compliance with all occupational health and safety regulations.

Safe Workplace programme

The Company annually organizes an internal motivational programme **Safe Workplace** aimed at motivating teams working at building sites and other workplaces to engage in occupational safety issues. The programme also rewards the teams that excel in professional occupational safety and record zero accidents.

Over the six years of the motivational programme, a total of 69 teams have received

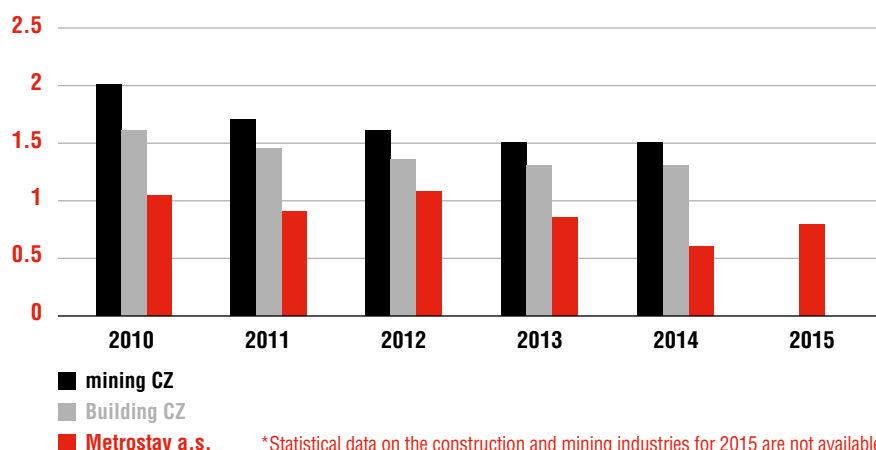
awards. In addition, the programme is regularly used for more thorough training of employees and for stepped-up inspections and feedback in the OHS area.

Safe Company title

The proof of quality of OHS management is winning the sixth Safe Company title sponsored by the State Labour Inspection Office. The award demonstrates that the Company consistently meets the implemented safety policy and uses it to promote its approaches and intentions related to occupational health and safety issues.

The Company has managed to keep the occupational accident rate at considerably lower levels than is the statistical average in the mining and construction industries in the Czech Republic. The implementation of new technology, such as the deployment of full-profile tunnelling shields for boring railway tunnels in Ejovice, has contributed to reducing work and health risks.

Chart of occupational accident rates per 100 Metrostav employees*



Environmental protection

Part of Metrostav management is a responsible approach to environmental protection and its implementation through the environmental management system EMAS No. 1221/2009.

It is a tool allowing the Company to actively monitor, manage and assess its operations in relation to the environment. The environmental management system has been significantly enhanced by its certification within the scope



of the requirements of the EN ISO 14001 standard awarded to the Company in 2001. The Company strictly meets all regulations and conditions of the published decisions in all areas of environmental protection and creation. Maintaining data records (emissions, waste, fees, etc.) is conducted to the extent required by Czech legislation and summary year reports are submitted to the public administration authorities of the Czech Republic within statutory timeframes.

Metrostav's consistent endeavours demonstrate that the Company has fulfilled all obligations stipulated by Czech environmental legislation, as well as its readiness to meet global requirements in this field.

We recycle 75% of our waste

Metrostav has determined that waste is the most significant environmental aspect of construction production, in particular hazardous waste. In 2015, we succeeded in reusing 75% of the waste produced by Metrostav divisions.

Sustainable construction

Environmental sustainability of the completed projects is important for Metrostav. For this reason, the Company's goal is to increase the proportion of green buildings. In total, the Company has completed six buildings that were awarded LEED, BREEAM and SBToolCZ international environmental certification, and three additionally certified construction projects according to the BREEAM and DGNB guidelines.

An example of success in this field is a new production plant built for SKF Lubricon in Chodov near Karlovy Vary. The project required

the second (silver) certification level, but due to the excellent work of Metrostav engineers the building was awarded the highest LEED Platinum certification as the first production plant in Central and Eastern Europe.

Corporate citizenship

Metrostav and its employees are aware of their responsibility towards the regions where the Company operates and the people who live in them. The Company has been committed to being a good and responsible neighbor receptive to the needs of the locals. To this end, the Company has long funded a number of educational, health and other non-profit organizations and their projects.

Donate Your Blood with Metrostav project

Metrostav's employees donate blood within the scope of the regular drive "Donate Your Blood with Metrostav". More than 100 employees donated nearly 40 litres of blood to the Central Military Hospital in Prague in 2015. Over the decade of the project's existence, the Company's employees donated in excess of 500 litres of blood.

**Metrostav employees
have donated over
500 litres of blood
since 2005.**

Volunteerism

Under the umbrella of corporate volunteerism, a volunteer day for students and graduates was organized in 2015 as part of an adaptation course aimed at inter-connecting new young employees. Students helped non-profit organizations with building modifications, e.g. in a nursery school.

Increased attention was also paid to health education. For example, an educational project for prevention of cancer of the colon and rectum took place directly in the lobby of Palmovka Park II under the name Střevo Tour (Intestine Tour). The event was organized by the civic association OnkoMaják.

Employees themselves join in corporate charitable activities, as evidenced by a great number of single and standing payment orders for contributions to SOS Children's Villages, the UNICEF Children's Fund, the BARRIERS Account, the Clown Doctor, the Firefly event of the Czech Radio Foundation Fund and other charitable projects.

Metrostav is proud of the completed project for the construction of a small hydroelectric power plant in Štětí on the river Elbe, which was put into full operation in early 2015. Metrostav built the plant jointly with Zakládání staveb, a.s. as a turnkey project for the non-profit organization Energeia and also secured its funding. The Štětí plant's operation will provide a constant source of revenue for Energeia's non-profit activities (primarily hospice care for children) pursued in partnership with the Klíček Foundation Fund.

Bodies of the Company as at 31/12/2015

Board of Directors

Ing. Jiří Bělohav	Chairman of the Board of Directors	Member since 11 October 2000
		Vice-Chairman since 11 May 2007
		Chairman since 1 July 2009
Ing. Zdeněk Šinovský	Vice-Chairman of the Board of Directors	Member since 31 December 1990
		Vice-Chairman since 1 July 2009
Ing. Ján Dudáš	Member of the Board of Directors	Member since 11 October 2000
Ing. Daniel Knotek	Member of the Board of Directors	Member since 11 May 2007
Ing. František Kočí	Member of the Board of Directors	Member since 10 May 2010
Ing. Viliam Turanský	Member of the Board of Directors	Member since 7 May 2014
Ing. Ivan Šesták	Member of the Board of Directors	Member since 11 October 2000

Supervisory Board

Ing. Jindřich Hess	Chairman of the Supervisory Board	Member since 11 May 2007
		Chairman since 11 May 2007
Ing. František Klepetko	Vice-Chairman of the Supervisory	Board Member since 7 May 2014
		Vice-Chairman since 24 June 2014
Ing. Viktor Karel	Member of the Supervisory Board	Member since 11 October 2000
Ing. Jiří Karnet	Member of the Supervisory Board	Member since 23 July 2010
	Head of Accounting of Metrostav a.s.	
Pavel Meyer	Member of the Supervisory Board	Member since 20 July 1993
	Chairman of the Stavba trade union organization of Metrostav a. s.	
Ing. František Potisk	Member of the Supervisory Board	Member since 11 May 2007

Audit Committee

Ing. Tomáš Brumovský	Chairman	Member since 29 September 2009
	Auditor	
Ing. Jiří Karnet	Member	Member since 29 September 2009
	Head of Accounting of Metrostav a.s.	
Ing. Lukáš Kvapil	Member	Member since 7 May 2015
	Auditor	

Top Management as at 31/12/2015

Presidium

Ing. Jiří Bělohlav	President
Ing. František Kočí	Vice-President

Chief Executive Officer

Ing. Pavel Pilát	Chief Executive Officer
------------------	-------------------------

Chief Officers

Ing. Ivan Hrdina	Chief Production and Technology Officer
Ing. Miroslav Pánek	Chief Financial Officer
Ing. Milan Veselský	Chief Sales Officer
Mgr. Tomáš Zámečník	Chief Human Resources Officer

Division Directors

Ing. Jaroslav Heran	Director, Division 1
Ing. Martin Plch	Director, Division 3
Ing. Josef Neuwirth	Director, Division 4
Ing. Roman Fuksa	Director, Division 5
Ing. Jan Cuc	Director, Division 6
Ing. Ivo Vrbka	Director, Division 8
Ing. Petr Záborský	Director, Division 9
Ing. Zdeněk Ševčík	Director, Division 11

Metrostav Group Structure

Metrostav a.s.

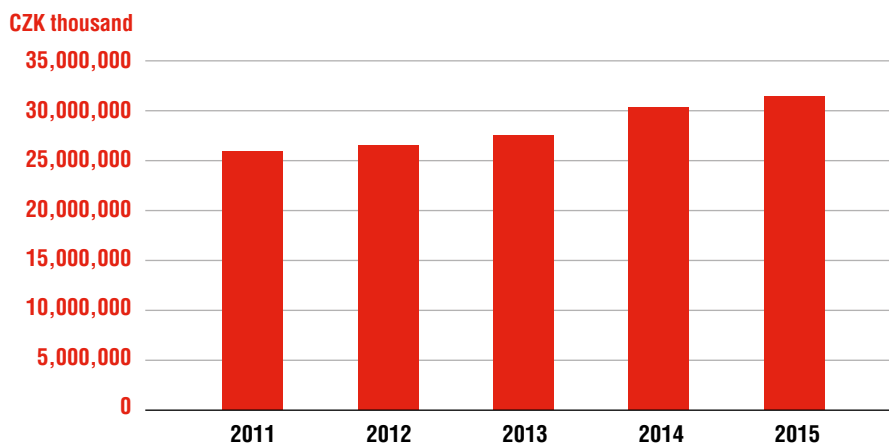
Subterra a.s.	Building production
TERRAFIN GROUP, a.s.	
STAVEBNÍ OBNOVA ŽELEZNIC a.s.	
Subterra - Raab Kft.	
SBT SVERIGE AB	
Metrostav Slovakia a.s.	
PRAGIS a.s.	
Metrostav Ísland ehf.	
Metrostav Deutschland GmbH	
BES s.r.o.	
DSH - Dopravní stavby, a.s.	
BeMo Tunnelling GmbH	
BeMo Tunnelling GmbH, Deutschland	
Beton- und Monierbau USA, Inc.	
ALPINE BeMo Tunnelling Canada Inc.	
Morgan Beton- and Monierbau Limited	
Metrostav Polska S.A.	
METROSTAV ANKARA İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ	
SQZ, s.r.o.	Services
Metrostav stavebniny, s.r.o.	
PRO Asfalt, s.r.o.	
TBG METROSTAV s.r.o.	
Pražské betonpumpy a doprava s.r.o.	
TBG Pražské malty, s.r.o.	
CCE Praha, spol. s r.o.	
CCE Bratislava, spol. s r. o.	
PK Doprastav, a.s.	
Doprastav Asfalt, a.s.	
Industrial Property services, s.r.o.	
Metrostav Facility s.r.o.	
Metrostav Development a.s.	Property development
Metrostav Rezident a.s.	
Metrostav Alfa s.r.o.	
Vilapark Klamovka s.r.o.	
Metrostav Vackov a.s.	
Metrostav Epsilon s.r.o.	
Nad Belárii s.r.o.	
Apartmány Rokytnice a.s.	
IMU, a.s.	
Na Vackově, s.r.o.	
Bytový dom Nejedlého, s.r.o.	
PRO TP 06 s. r. o.	
Metrostav Nemovitostní, investiční fond s proměnným základním kapitálem, a.s.	Other
MVE Štětí a.s.	

Metrostav Group Other Metrostav Group companies in which Metrostav a.s. holds direct or indirect interests

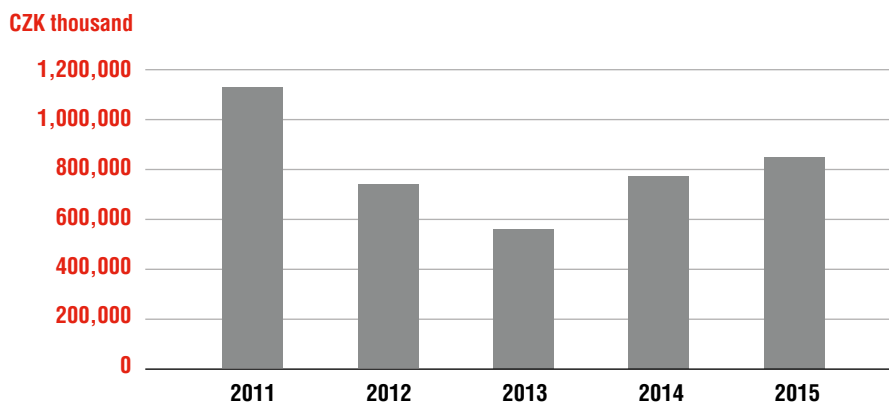
Key consolidated figures of Metrostav Group in 2011–2015

		2011	2012	2013	2014	2015
operating income	CZK thousand	26,113,858	26,674,821	27,631,473	30,531,704	31,627,141
operating expenses	CZK thousand	25,082,790	25,238,122	26,378,193	29,769,362	30,704,977
profit from operations	CZK thousand	1,031,068	1,436,699	1,253,280	762,342	922,163
profit before tax	CZK thousand	1,130,361	740,644	560,737	774,670	852,310
net profit	CZK thousand	867,394	434,772	358,425	538,782	590,288
total assets	CZK thousand	23,642,219	23,314,292	26,370,312	26,514,587	25,945,561
total non-current assets	CZK thousand	6,506,395	6,411,918	6,692,153	7,454,341	5,946,634
total current assets	CZK thousand	17,135,824	16,902,374	19,678,159	19,060,246	19,998,927
total equity	CZK thousand	7,786,246	8,016,619	8,179,645	8,574,242	8,936,364
total non-current liabilities	CZK thousand	2,233,102	3,047,609	2,893,456	3,389,396	2,792,317
total current liabilities	CZK thousand	13,622,871	12,250,064	15,297,211	14,550,949	14,216,880
FTE employees	people	4,428	4,686	4,904	5,011	5,068

Operating income



Profit before taxes



Contact information

Head office
Koželužská 2450/4
180 00 Prague 8 – Libeň
tel. +420 266 019 000,
+420 266 018 000
www.metrostav.cz

Division 1

Koželužská 2450/4, 180 00 Prague 8
tel. +420 266 018 102

- Regional office for the Plzeň region
Domažlická 172, 318 00 Plzeň
tel. +420 377 306 011
- Regional office for the South Moravia region
Václavská 121, 619 00 Brno
tel. +420 530 506 480
- Regional office for the North Moravia region
Záměstní 1238/39, 710 00 Ostrava
tel. +420 595 620 964

Division 3

Koželužská 2450/4, 180 00 Prague 8
tel. +420 266 018 302

- Regional office for the Košice and Prešov regions
Levočská 2, Prešov, 081 89 Slovakia
tel. +421 512 861 495
- Представительство АО «Metrostav a.s.»
в Республике Беларусь
220002 Республика Беларусь, г. Минск
Ул. Киселева 55
Тел./факс +375 445 959 543

Division 4

Koželužská 2450/4, 180 00 Prague 8
tel. +420 266 018 411

- Metrostav S.A., oddział w Polsce
ul. Strażacka 81,
43-382 Bielsko-Biała, Poland
tel. +48 338 196 321

Division 5

Koželužská 2450/4, 180 00 Prague 8
tel. +420 266 018 511

- Metrostav a.s., sivuliike Suomessa
Pormestarinrinne 8B,
00160 Helsinki, Finland
tel. +358 456 524 960
- Metrostav a.s. útíbu á Íslandi
Ármúli 24,108 Reykjavík, Iceland
tel. +354 840 13 12
- Metrostav a.s., filial Norge
tel. +420 606 705 473

Division 6

Koželužská 2450/4, 180 00 Prague 8
tel. +420 266 018 612

- Regional office for the South Bohemia region
Kněžská 20, 370 26 České Budějovice
tel. +420 386 351 774
- Regional office for the Vysočina region
Fibichova 939/4, 586 01 Jihlava
tel. +420 567 589 120
- Metrostav a.s., podružnica Zagreb
Tuškanac 79,10000 Zagreb, Croatia
tel. +385 914 814 584

Division 8

Koželužská 2450/4, 180 00 Prague 8
tel. +420 266 018 811

- Regional office for the Liberec region
Třída Generála Svobody 45/27,
460 01, Liberec 13
tel. +420 485 111 002

- Regional office
for the Ústí nad Labem region
Dělnická 7, 400 04 Trmice
tel. +420 475 620 099
- Представительство Компании
«Metrostav a.s.»
Улица Ю. Фучика, 17/19, 115127 г. Москва
Российская Федерация

Division 9

Koželužská 2450/4, 180 00 Prague 8
tel. +420 266 018 913

- Regional office for the East Bohemia region – Hradec Králové
Eliščino nábřeží 304,
500 03 Hradec Králové
tel. +420 602 156 299
- Regional office for the East Bohemia region – Pardubice
K Vinici 1605,
530 02 Pardubice
tel. +420 464 601 843
- Regional office for the Karlovy Vary
Závodní 278,
360 01 Karlovy Vary
tel. +420 353 564 062

Division 11

Bystrá 2243,
193 00 Prague 9 – Horní Počernice
tel. +420 266 011 163

