

A n n u a l R e p o r t

Teknia Uhersky Brod, a.s.
Rybářská 2330
688 01 Uherský Brod
Identification No. 499 71 034

2011

CONTENTS:

- I. Company Details
- II. Registered Capital, Company Owners
- III. Line of Business
- IV. History of the Company
- V. Company Profile
- VI. Company Body
- VII. Organisation Chart
- VIII. Economic Information
- IX. Business Activity
- X. Investment
- XI. Conservation
- XII. Legal - Labour Relations
- XIII. Activities in the Field of Research and Development
- XIV. Expected Development in 2012
- XV. Material Subsequent Events in 2012 after the Date of Balance
- XVI. Balance Sheet
- XVII. Profit and Loss Account
- XVIII. Notes to Financial Statements for the Year Ended at 31 December 2011
- XIX. Auditor's Opinion
- XX. Report of Statutory Body on Relations among Related Companies

I. Company Details

Company name: Teknia Uherský Brod, a.s.
Registered office: Rybářská 2330, 688 01 Uherský Brod

Identification No.: 49971034
Date of incorporation: 27 December 1993
incorporated: in Trade Register at Regional Court in Brno under no. B.4526
Legal form: joint stock company

In 2011 the company name of IBEROFON CZ, a.s. was changed in Teknia Uherský Brod, a.s.

The change was entered to Commercial Register on 15th July 2011.

II. Registered Capital, Company Owners

Registered Capital: CZK121,780, 000

Company Owners:

TEKNIA MANUFACTURING GROUP, S.L. 100 % business share

In 2010 the parent company was changed from the companies TEKNIA AZUQUECA S.L. (former IBEROFON PLÁSTICOS, S.L.) in TEKNIA MANUFACTURING GROUP, S.L., former the parent company of TEKNIA AZUQUECA S.L. (former IBEROFON PLÁSTICOS, S.L.).

The change was made on the basis of the notarial record in Madrid dated 29th October 2010.

These changes were incorporated on 18th May 2011.

III. Line of Business

Production, trade and services not stated in the supplements 1 to 3 of Trade Law

IV. History of the Company

The Company was founded in 1993 and produced shoemaking components and pressed pieces for the automotive industry.

In 1999 the shoemaking component production stopped in the company. The key manufacturing programme remained the pressed pieces production mainly for automotive industry.

The company has performed an extensive modernization since 1997. In 1997 the production in the big shop floor of injection press with presses with closing force of 200-800 t launched, in 2002 the production in the small shop floor of injection press with presses with closing force up to 200 t launched. In 2003 a new painting shop was built, an automatic painting line and a vacuum coat device were put into operation.

In the end of 2006 the fluoridisation device for the preliminary treatment of plastic parts before their painting was delivered.

The modernized production base enables besides the technical pressings production to increase considerably the number of final operations connected with these products, e.g. surfacing like painting, coating of some parts of plastic components, welding.

Teknia Uhersky Brod, a.s. is a significant pressing supplier for the automotive industry. Its biggest costumers are the international companies producing parts for the automotive industry such as Continental Automotive, Robert Bosch, Faurecia, Autoliv, TRW, Visteon, Valeo, Johnson Controls etc. Our main final costumers are Volkswagen, Ford, Renault, Opel, Volvo, BMW, KIA and Hyundai.

In 2011 the supervisory quality audit ISO TS 16949 and the supervisory environmental audit ISO 14001 were conducted.

Based on the management decision the construction of a new production plant of the area of 21,415 m² in the industry zone of Kluka III in the area of Nivnice has started to ensure the further development of the Company.

V. Company Profile

Teknia Uhersky Brod, a.s. develops, produces and supplies especially:

- dashboard parts,
- tank fuel pump parts,
- varnished interior parts,
- safety parts,
- head lamp parts,

It provides services especially such as:

- part and set design including calculations
- tool design
- tool production

The company has modern technologies for surfacing and follow-up operations such as :

- painting
- coating
- preliminary surface treatment by fluoridization
- ultrasonic and vibratory welding

Teknia Uherský Brod, a.s. has introduced the ISO quality management system for all its activities.

VI. Company Body

Board of Directors:

- Javier Quesada Suescun, born on 13/7/1956, Licenciado Poza 8.4, Bilbao, Spain

Supervisory Board:

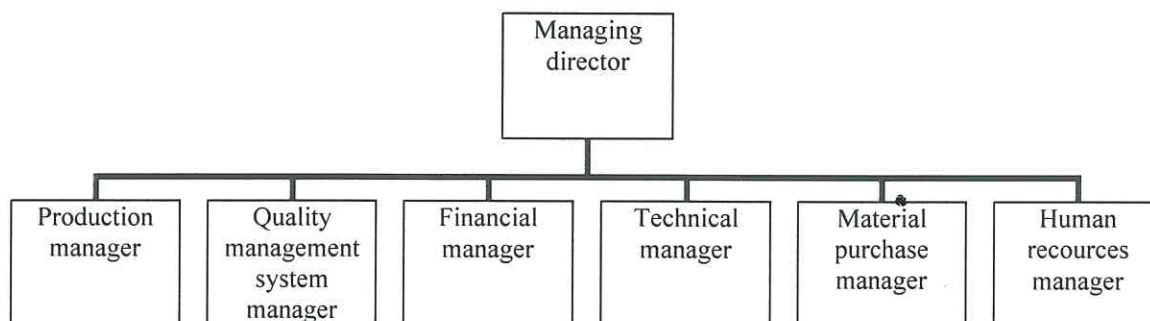
- Ing. Miroslav Frantík, born on 06/10/1955, Vizovice, Růžová 999, 763 12, Czech Republic
- Diego Martel Muñoz-Cobos, born on 23/10/1961, Cabanillas del Compo, C/Chopo 11, Spain
- Javier Lazpita Sarriugarte, born on 2/11/1960, Uribarri a Erandiondo 3, Vizcaya, Spain

Procuratory:

- Ing. Kateřina Havlíčková, personal identification No. 806221/4259, Vlázky 1587, Veselí nad Moravou
- Lukáš Rajsígl, personal identification No. 800409/4318, Babí Louka 2505, Uherský Brod
- Antonio Miralles Gonzáles, born on 28/2/1977, c/Serrano 28.2 D, Madrid, Spain

VII. Organisation Chart

The Accounting Unit had not any organisation branch abroad in 2011.



Managing director	Lukáš Rajsigl
Production manager	Václav Dostal
Quality management system manager	Tomáš Rektořík
Financial manager	Kateřina Havlíčková
Technical manager	Radim Dubec
Material purchase manager	none
Human resources manager	Radka Hladišová

VIII. Economic Information

Basic Economic Information – Development (in thousand CZK)

	2009	2010	2011
Equity	91 115	141 537	177 750
Total assets	245 679	263 568	361 598
Total revenues	545 261	501 613	422 861
Revenues from production	350 154	339 502	344 990
Profit/loss after tax	11 647	50 422	52 126
Employee number	213	212	193

IX. Business Activity

The company received new orders for CZK150,000,000 in 2011, they will be prepared for increased production according to customers' requirements in 2012 and in the beginning of 2013.

One of the main strategic targets is the concentration on projects with higher added value, especially paint, assembly and deliveries of higher supply units for existing and new customers.

X. Investment

In March 2011 the first stage of the planned construction of company plant in Nivnice started, namely the technical preparation of the construction site and the construction of two out of five planned halls – storage sheds and a hall for plastic pressing.

For the preparation of the construction site the subsidy from OPPI Real Estate project to the amount of CZK16,345,000 was used. The process of approval was finished in October 2011.

In December 2011 the construction of the both halls in Nivnice was finished, the process of approval will be finished in the first three months of 2012.

Other investment in 2011 to be mentioned is the purchase of the travelling crane for the pressing hall (purchase cost CZK2,860,000) and of stationary racks for the warehouse in Nivnice (purchase cost CZK1,055,000).

To fulfil the planned growth of revenues and to keep the technical progress of Teknia Uhersky Brod, a.s. new injection moulding machines were ordered for the plant in Nivnice with closing force from 350 to 1.000 kN from the ENGEL company.

XI. Conservation

Pursuant to current conservation requirements there was an inspection of procedures and technical parameters of the whole technology complex in the painting shop. In 2011 the supervisory environmental audit was performed and the Company gained again the ISO 14001 certificate.

XII. Labour-legal Relations

The Company had 210 full time employees at 31.12.2011.

Training of Employees:

The Company spent CZK136,000 on training in 2011, there were 103 training activities. The training in plastics processing, in quality, working environment, OHSAS and fire prevention continued. The English course continued in the form of e-learning then.

Staff turn-over :

The total staff turn-over rate in 2011 was 1.15 % (total average monthly staff turn-over rate 0.93 %).

Sickness rate :

The average sickness rate in 2011 was 3.17 %. There is a decrease by 0.34% compared to 2010.

XIII. Activities in Research and Development

The Company incurred costs for research and development in connection with production technology provided by another related company (see the Report on Relations among Related Companies).

XIV. Expected Development in 2012

Despite the unpredictable conditions on the automotive market, Teknia Uhersky Brod, a.s. plans to increase its revenues in 2012 by 25% compared to 2011. The expected increase is being supported by stabilization and improvement of internal processes in the previous year.

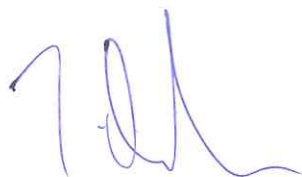
Because of the business targets of the parent company until 2020 it will be necessary to strengthen the sales-technical team, to increase the efficiency of internal processes even more and to prepare the company for further extension of capacities, innovation and new technologies.

Teknia Uhersky Brod, a.s. plans to start preparatory project for the completion of the construction of the plant in the industrial zone Kluka III in Nivnice in 2012, especially the completion of the construction of the plant and storage sheds with the total area of 6,000 m2 and to complete the operating-administration building.

XV. Subsequent Events between the Date of Financial Statements Preparation and the Date of the Annual Report Preparation

Between the date of Financial Statements preparation and the date of the Annual Report preparation there were no material subsequent events.

Place: Uherský Brod
Dated: 22nd May 2012



Javier Quesada Suescun
Member of Board

BALANCE SHEET

as at 31.12.2011.....

units: 1000 Kč

Year	Month	ID number *
2011	1 2	4 9 9 7 1 0 3 4

Business name

Teknia Uherský Brod,

a.s.

Registered office

Rybářská 2330

Uherský Brod

688 01

Identification a	ASSETS b	line number	Current accounting period			Previous account. period
			Gross	Adjustments	Net	Net
	TOTAL ASSETS	001	571 784	- 210 186	361 598	263 568
B.	Fixed assets	003	370 647	- 205 370	165 277	96 463
B. I.	Intangible assets	004	16 556	-16 489	67	52
B. I. 3.	Software	007	12 296	-12 229	67	52
B. I. 4.	Valuable rights (patents, copyrights, trademarks and brands)	008	102	- 102	0	
B. I. 6.	Other intangibles	010	4 158	-4 158	0	
B. II.	Tangible fixed assets	013	354 091	- 188 881	165 210	96 411
B. II. 1.	Land	014	13 437		13 437	14 079
B. II. 2.	Buildings and structures	015	63 784	-17 446	46 338	32 362
B. II. 3.	Machinery, equipment, vehicles, fixtures and fittings	016	199 581	- 170 039	29 542	35 672
B. II. 7.	Tangible fixed assets under construction	020	64 699	-1 396	63 303	4 132
B. II. 8.	Advances for tangible fixed assets	021	12 590		12 590	10 166
C.	CURRENT ASSETS	031	194 485	-4 816	189 669	159 335
C. I.	INVENTORIES	032	67 972	-3 917	64 055	48 383
C. I. 1.	Raw material	033	20 893	-2 611	18 282	14 310
C. I. 2.	Work-in-progress and semi-finished products	034	3 779	- 252	3 527	3 086
C. I. 3.	Finished products	035	12 026	-1 054	10 972	7 959
C. I. 5.	Goods	037	9 376		9 376	4 232
C. I. 6.	Prepayments on inventories	038	21 898		21 898	18 796
C. II.	Long-term receivables	039	4 377		4 377	
C. II. 8.	Deferred tax receivable	047	4 377		4 377	
C. III.	Short-term receivables	048	104 485	- 899	103 586	71 961
C. III. 1.	Trade receivables	049	70 780	- 200	70 580	55 519
C. III. 2.	Receivables from controlling entities	050	14 167		14 167	15 036
C. III. 6.	Government - tax receivables	054	13 056	- 699	12 357	1 211
C. III. 7.	Short-term advances	055	103		103	178
C. III. 8.	Estimated accrued revenues	056	6 379		6 379	17
C. IV.	Current financial assets	058	17 651		17 651	38 991
C. IV. 1.	Cash	059	118		118	127
C. IV. 2.	Bank accounts	060	17 533		17 533	38 864
D. I.	Prepayments and accrued income	063	6 652		6 652	7 770
D. I. 1.	Prepaid expenses	064	6 652		6 652	7 770

For identification
purposes only
Moore Stephens, s.r.o.
Audit License No. 462

Identification a	LIABILITIES b	line number	Current accounting period 5	Previous accounting period 6
	TOTAL LIABILITIES AND EQUITY	067	361 598	263 568
A.	Equity	068	177 550	141 537
A. I.	Subscribed capital	069	121 780	121 780
A. I. 1.	Subscribed capital	070	121 780	121 780
A. III.	Reserves, indivisible reserve and other revenue reserves	078	3 644	1 123
A. III. 1.	Legal reserve /Indivisible fund	079	3 644	1 123
A. IV.	Retained earnings	081		-31 788
A. IV. 2.	Accumulated losses of previous years	083		-31 788
A. V. 1.	Profit / loss of current accounting period	084	52 126	50 422
B.	Liabilities	085	175 649	105 456
B. I.	Provisions	086	1 708	1 423
B. I. 4.	Others provisions	090	1 708	1 423
B. II.	Long-term liabilities	091		2 570
B. II. 1.	Trade payables	092		2 570
B. III.	SHORT-TERM LIABILITIES	102	114 336	57 019
B. III. 1.	Trade payables	103	83 687	38 455
B. III. 5.	Payables to employees	107	3 923	3 754
B. III. 6.	Payables to social security and health insurance	108	2 197	2 111
B. III. 7.	Government - tax payables and subsidies	109	503	457
B. III. 8.	Short-term advances received	110	2 902	3 323
B. III. 10.	Estimated accrued items	112	21 124	8 919
B. IV.	Bank loans and borrowings	114	59 605	44 444
B. IV. 1.	Long-term bank loans	115	39 419	22 500
B. IV. 2.	Short-term bank loans	116	20 186	21 944
C. I.	Accruals and deferred income	118	8 399	16 575
C. I. 2.	Deferred income	120	8 399	16 575

Date of compilation: 1 5 . 0 3 . 2 0 1 2		Signature of statutory body for natural person Javier Quesada Suescun	
Legal form stock company	Entrepreneurial activity Production, trade and services not stated in annexes 1 - 3 of the trade law	Comment: 	

PROFIT AND LOSS STATEMENT structured by the nature of method

as at 31.12.2011

in thousands of CZK - unit (TCZK): 1000 Kč

Year	Month	ID number *
2011	1 2	4 9 9 7 1 0 3 4

Business name

Teknia Uherský Brod,

a.s.

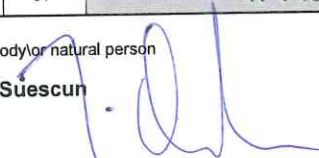
Registered office

Rybářská 2330

Uherský Brod

688 01

Identification	PROFIT AND LOSS STATEMENT	line number	Values in accounting period	
			Current accounting period	Previous accounting period
a	b		1	2
I.	Sales of goods	01	43 189	34 959
A.	Costs of goods sold	02	37 016	33 795
+	Sale margin	03	6 173	1 164
II.	Production	04	348 679	340 514
II. 1.	Product and service revenue	05	344 990	339 502
II. 2.	Increase/decrease in finished goods and in work in progress	06	3 689	1 012
B.	Consumption from production	08	217 727	207 655
B. 1.	Consumption of material and energy	09	148 263	144 812
B. 2.	Services	10	69 464	62 843
+	Value added	11	137 125	134 023
C.	Staff costs	12	75 751	74 627
C. 1.	Wages and salaries	13	55 564	54 932
C. 3.	Social security and health insurance costs	15	18 765	18 189
C. 4.	Other social costs	16	1 422	1 506
D.	Taxes and fees	17	223	648
E.	Depreciation and amortization	18	13 937	17 503
III.	Proceeds on fixed assets and material	19	15 198	15 659
III. 1.	Proceeds on sale of fixed assets	20	20	182
III. 2.	Proceeds on sale of material	21	15 178	15 477
F.	Net book value of fixed assets and material sold	22	13 384	14 670
F. 1.	Net book value of fixed assets sold	23		630
F. 2.	Material sold	24	13 384	14 040
G.	Changes in provisions and adjustments relating to operating activities and complex deferred expenses	25	369	560
IV.	Other operating income	26	3 978	75 521
H.	Other operating expenses	27	1 297	74 021
*	Profit/loss from operating activities	30	51 340	43 174
VI.	Revenues from sale of securities or direct investments	31		26 680
J.	Net book value of securities or direct investments sold	32		15 019
X.	Interest income	42	629	128
N.	Interest expense	43	1 281	2 123
XI.	Other financial revenues	44	11 188	8 133
O.	Other financial expenses	45	14 127	10 570
*	Profit/loss from financial activities	48	-3 591	7 229
Q.	Income tax on ordinary activities	49	-4 377	
Q. 2.	- Deferred	51	-4 377	

Identification	PROFIT AND LOSS STATEMENT	line number	Values in accounting period	
			Current accounting period	Previous accounting period
			1	2
a	b			
**	Profit/loss from ordinary activities	52	52 126	50 403
XIII.	Extraordinary revenues	53		19
*	Profit/loss from extraordinary activities	58		19
***	Profit/loss for the period	60	52 126	50 422
****	Profit/loss before tax	61	47 749	50 422
Date of compilation:		Signature of statutory body or natural person		
1 5 . 0 3 . 2 0 1 2		Javier Quesada Suescun 		
Legal form	Entrepreneurial activity	Comment:		
stock company	Production, trade and services not stated in annexes 1 - 3 of the trade law			

CASH FLOW STATEMENTS

CASH FLOW

as at 31.12.2011

in CZK unit 1000 Kč

Year	Month	ID number *
2011	1 2	4 9 9 7 1 0 3 4

Business name

Teknia Uherský Brod,
a.s.

Registered office

Rybářská 2330
Uherský Brod
688 01

Identif.	T E X T	In current account. period	In previous account. Period
P	Cash and cash equivalents at beginning of accounting period	38 991	13 062
Cash flows from operating activities			
Z.	Profit/loss from ordinary activities before taxation (does not include accounts 591 to 596)	47 749	50 422
A.1.	Adjustments for non-cash transactions	14 969	8 826
A.1.1.	Depreciation of fixed assets (except of net book value of fixed assets sold, depreciation of adjustment for assets acquisition (+/-).	13 937	17 503
A.1.2.	Change in adjustments, provisions	400	560
A.1.3.	Profit/loss on disposal of fixed assets	-20	-11 213
A.1.4.	Dividends received		
A.1.5.	Net interest expense (+) (except of capitalized interest) and interest income (-)	652	1 995
A.1.6.	Adjustments for other non-cash movements		-19
A.*	Net cash flow from operating activities before tax, changes in working capital and extraordinary items	62 718	59 248
A.2.	Change in non-financial items of working capital	- 592	-1 921
A.2.1.	Increase/decrease in trade and other receivables, including prepayments and accrued income (+/-)	-31 383	20 667
A.2.2.	Increase/decrease in trade payables, including accruals and deferred income (+/-)	46 571	-4 256
A.2.3.	Increase/decrease in inventories	-15 780	-18 332
A.2.4.	Increase/decrease in short-term financial assets not classified under cash and cash equivalents		
A.**	Net cash flow from operating activities before taxes and extraordinary items	62 126	57 327
A.3.	Interest paid, excl. capitalized interests	-1 281	-2 123
A.4.	Interest received (+)	629	128
A.5.	Income tax on ordinary activities paid and additional assessments for past periods (including deposits and refunds) (-)		
A.6.	Extraordinary revenues and expenses which generate extraordinary trading profit including paid income tax due from extraordinary activities (+/-).		19
A.7.	Profit-sharing and dividends received		
A.***	Net cash flow from operating activities	61 474	55 351

Identif.	TEXT	Values in current account. Period	Values in previous account. period
Cash flow from investing activities			
B.1.	Costs associated with acquisition of fixed assets	-82 751	-13 059
B.2.	Proceeds on sales of fixed assets	20	26 862
B.3.	Loans and credits to related persons	869	-14 336
B.***	Net cash flow from investing activities	-81 862	- 533
Cash flows from financing activities			
C.1.	Net effect of changes in long-term liabilities and short-term liabilities, belonging to the financial activities area, to cash and cash equivalents	15 161	-28 889
C.2.	Net effect of changes in equity on cash and cash equivalents, share profits or possibly legal reserve including advances paid for this increase (+)	-16 113	
C.2.1.	Increase in cash and cash equivalents due to increases in registered capital, share premium, and capital reserves including advances paid. (+)		
C.2.2.	Profit sharing and dividends paid to partners. (-)		
C.2.3.	Other cash contributions from partners and shareholders (+)		
C.2.4.	Loss covered by partners (+)		
C.2.5.	Direct payments debited to reserves (-)		
C.2.6.	Dividends paid and profit shares including withholding tax paid relating to these demands and including settlement with partners in partnership and general partners in limited partnerships	-16 113	
C.***	Net cash from financing activities	- 952	-28 889
F.	Net increase/decrease in cash and cash equivalents	-21 340	25 929
R.	Cash and cash equivalents at end of period	17 651	38 991

Date of compilation: 1 5 . 0 3 . 2 0 1 2		Signature of statutory body/natural person Javier Quesada Suescun	
Legal form stock company	Entrepreneurial activity Production, trade and services not stated in annexes 1 - 3 of the trade law		Comment:

CHANGES IN SHAREHOLDERS' EQUITY

CHANGES IN SHAREHOLDERS' EQUITY

TY

as at 31. 12. 2011.

in thousands of CZK unit 1000 Kč

Year	Month	ID number *
2011	1 2	4 9 9 7 1 0 3 4

Business name

Teknia Uhersky Brod,

a.s.

Registered office

Rybářská 2330
Uherský Brod

688 01

CURRENT PERIOD

		Opening balance	Increase	Decrease	Closing balance
A.	Subscribed capital in Companies register entered (411)	121 780			121 780
B.	Subscribed capital in companies register not entered (419)				
C.1	Subscribed capital (411+/-419)	121 780			
C.2	Treasury stock (-252)				
C.	Subscribed capital (C.1 + C.2)				121 780
D.	Share premium (412)				
E.	Legal reserves (421)	1 123	2 521		3 644
F.	Other profit reserves (422, 423, 427)				
G.	Capital reserves (413)				
H.	Differences from revaluation not included in profit/loss				
I.	Retained earnings + profit for the period(428 + credit 431)	50 422		50 422	0
J.	Accumulated loss + loss for the period(429 + debit 431)	-31 788	31 788		0
K.	Profit/loss for the period after tax	XXX	52 126		52 126
	Equity in total (summation C to K)	141 537	86 435	50 422	177 550

Date of compilation:

1 5 . 0 3 . 2 0 1 2

Signature of statutory body/natural person

Javier Quesada Suescun

Legal form

stock company

Entrepreneurial activity

Production, trade and services not stated in
annexes 1 - 3 of the trade law

Comm

For the year ended at 31 December 2011
(in thousands CZK)

In the Notes only information important for the assessment of the financial and property positions of the company from the view of external users is stated.

1. Company Details and Main Business Activity

Establishment and Company Details

Teknia Uhersky Brod, a.s. (Company) was incorporated on 27 December 1993.

Scope of business activity:

- Production, trade and services not stated in the attachment 1 - 3 to the Trade Licence Act

Owners of the Company

The sole shareholder of the Company as at 31 December 2011 is:

TEKNIA MANUFACTURING GROUP, S.L.	100.0%
----------------------------------	--------

Registered office

Teknia Uhersky Brod, a.s.
Rybářská 2330
Uherský Brod, post code 688 01
Czech Republic

Identification number

499 71 034

Board of directors and supervisory board members according to the excerpt from the commercial register as at 31 December 2011

Board of directors

Javier Quesada Suescun

Supervisory board

Ing. Miroslav Frantík
Diego Martel Muñoz-Cobos
Javier Lazpita Sarriugarte

For the year ended at 31 December 2011
(in thousands CZK)

Changes in supervisory board entered into Business Register:

On 30th June 2011 the supervisory board membership of Mr Ing. Jan Huleja ceased to exist. This change was entered to Business Register on 9th August 2011.

On 13th December 2011 the supervisory board membership of Mr Francisco Javier Angulo Muñoz ceased to exist. This change was entered to Business Register on 6th January 2012.

On 1st August 2011 Ing. Miroslav Frantík was appointed a supervisory board member. This change was entered to Business Register on 9th August 2011.

On 14th December 2012 Mr Diego Martel Muñoz-Cobos was appointed a supervisory board member. This change was entered to Business Register on 6th January 2012.

Procuration according to the excerpt from the Business Register at 31st December 2011

Lukáš Rajsigl

Ing. Kateřina Havlíčková

Antonio Miralles Gonzáles

The Company is represented by two proxies jointly at least (joint procuration).

Changes in procuration in the Business Register:

On 21st May 2011 Mrs Ing. Miroslava Slováková was removed from the position of proxy by the board of directors. This change was entered into the Business Register on 16th June 2011.

On 21st May 2011 Mrs Ing. Kateřina Havlíčková was appointed a new proxy by the board of directors. This change was entered into the Business Register on 16th June 2011.

Other changes in the Business Register:

In 2010 the parent company name of TEKNIA AZUQUECA S.L. (former IBEROFON PLÁSTICOS, S.L.) was changed in TEKNIA MANUFACTURING GROUP, S.L. former parent company of TEKNIA AZUQUECA S.L. (former IBEROFON PLÁSTICOS, S.L).

The company name was changed on the basis of a notary record prepared in Madrid on 29th October 2010.

These changes were entered into the Business Register on 18th May 2011.

In 2011 the company name of IBEROFON CZ, a.s. was changed in Teknia Uhersky Brod, a.s.

This change was entered into the Business Register on 15th July 2011.

For the year ended at 31 December 2011
(in thousands CZK)

Organizational Structure

The head of the company is the managing director. The company is divided in 6 departments. Each department has its head or department manager.

The departments are as follows:

- production
- human resources
- quality management
- finance department
- technical department
- logistics and purchase

2. Significant Accounting Methods Applied by the Company

The books are kept in accordance with the particular provisions of the Accounting Act No. 563/1991 Coll. as amended and regulation No. 500/2002 Coll. as amended.

The Company applies fully the general accounting principles and methods.

The Financial Statements has been prepared under the going concern assumption.

(a) Tangible and Intangible Fixed Assets

Tangible fixed assets are considered to be tangible fixed assets over 40 thousand CZK, intangible fixed assets are over 60 thousand CZK. Low value intangible assets are intangible assets up to 60 thousand CZK with useful life over 1 year. The accounting unit specified low value tangible fixed assets with the value of 20,000 CZK to 40,000 CZK (the lower limit of the low value tangible assets has been changed since 1st January 2011). These low value tangible fixed assets are kept on a special analytical account 022- machinery, equipment, vehicles, furniture and fixtures. Other low value tangible assets up to 3,000 CZK are not reported in the balance sheet and are expensed in the year they were purchased.

Depreciation methods and depreciation period according to fixed assets groups:

Fixed assets	Method	Period of depreciation
Buildings	straight line	30 years
Machinery	straight line	6 years
Computers, notebooks and servers	straight line	4 years
Software	straight line	6 years
Patents and other intangible assets	straight line	5 years
Low value fixed assets	straight line	2 years

For the year ended at 31 December 2011
(in thousands CZK)

(b) Inventory

Direct and auxiliary material is stated at standard costs. Related costs and price differences are recorded on a special analytical account and expensed proportionate to the volume of inventory decrease.

Recycled direct material is stated at standard costs as purchased material as it has in case of its processing the same value for the accounting unit.

Indirect material is stated at standard costs using the FIFO method, i.e. the first value for the inventory additions is used as the first value for the inventory usage.

Finished products and semi-finished products are stated at own production costs.

Work - in progress is stated at direct material cost and direct wages cost.

The goods are stated at purchase price using the FIFO method.

(c) Allowances to assets and Provisions

Allowance to doubtful debts

The company creates provisions for doubtful debts based on financial credibility of its customers and the aging structure of the receivables. 100% accounting provisions are created for unpaid receivables overdue more than 6 month. 50% accounting provisions are created for unpaid receivables overdue 1 - 180 days with regards to known circumstances existing at the date of the preparation of the Financial Statements. Besides the creation according to the due date the individual risks in the case of particular debtors are taken into account. In addition to that the Company creates individual provisions for unpaid receivables from taxes paid abroad.

Inventory provisions

The Company creates inventory provisions to the amount of predictable risks and possible losses which are known as at the date of preparation of the Financial Statements.

The Company creates 100% provision for recycled material, 100% provisions for the slow - moving material and further 20% - 100% provision for material which the Company cannot utilize at the moment.

The Company creates provision for finished products that were subject to claims or represented defect products as at the inventory count. Provisions are created for inventories with carrying value temporarily exceeding their net realisable value. 20% and 100% provision was created for slow- moving inventories.

For the year ended at 31 December 2011
(in thousands CZK)

The Company created 50% and 100% provision for semi - finished products that were assessed as slow – moving or not moving.

Provisions

Provisions are created to pay future risks and expenses with known purpose, which are probable to occur, nevertheless their amount is not sure or the date they will be drawn is not sure.

(d) Conversion of Foreign Currencies

The Company applies for translation of petty cash, bank accounts, receivables and payables denominated in foreign currency daily foreign exchange rate of the Czech National Bank.

Business trips abroad are booked pursuant to provisions of the Czech Labour Code.

Assets and liabilities denominated in foreign currencies as at the balance sheet date are translated using the official exchange rate of the Czech National Bank as at the balance sheet date. Unrealised foreign exchange gains and losses are recognized in the profit and loss.

(e) Leased assets

Regular lease payments are expensed on a straight line basis over the lease term. After the end of the lease term and exercise of the option to purchase the leased asset is capitalised at its purchase price.

(f) Income Tax

The income tax for the tax period consists of due tax and the change in deferred tax.

The due tax represents an estimate of income tax calculated from the tax base using the tax rate valid on the first day of the tax period and all additional tax payments and returns from previous tax periods.

Deferred tax is based on all temporary differences between the carrying and tax value of assets and liabilities, and other temporary differences (tax losses carried forward), multiplied by the tax rate expected to be valid in the future periods.

A deferred tax asset is recognized only if it is probable that it will be utilized in future accounting periods.

For the year ended at 31 December 2011
 (in thousands CZK)

(g) Classification of Payables

The Company classifies the part of the long term payables, bank and other loans with maturity period shorter than one year from the balance sheet date, as short-term.

3. Change in Accounting Methods and Principles

There were no changes in accounting methods and principles.

4. Tangible and Intangible Fixed Assets

(a) Intangible Fixed Assets

	Valuable rights	Software	Other low value IFA	Total
Purchase price				
Balance as at 1. 1. 2011	102	12 185	4 158	16 445
Additions	--	111	--	111
Disposals	--	--	--	--
Transfers	--	--	--	--
Balance as at 31. 12. 2011	102	12 296	4 158	16 556
Accumulated depreciation				
Balance as at 1. 1. 2011	102	12 133	4 158	16 393
Depreciation	--	96	--	96
Disposals	--	--	--	--
Transfers	--	--	--	--
Balance as at 31. 12. 2011	102	12 229	4 158	16 489
Net book value as at 1. 1. 2011	--	52	0	52
Net book value as at 31. 12. 2011	--	67	0	67

For the year ended at 31 December 2011
(in thousands CZK)

(b) **Tangible Fixed Assets**

	Land	Buildings	Machinery and equipment	Fixed assets under construction	Payments	Total
Purchase price						
Balance as at 1. 1. 2011	14 079	47 805	194 889	5 528	10 166	272 467
Additions	-642	14 523	5 709	60 627	3 669	83 886
Disposals	--	--	-1 017	--	-1 245	-2 262
Transfers	--	1 456	--	-1 456	--	--
Balance as at 31. 12. 2011	13 437	63 784	199 581	64 699	12 590	354 091
Accumulated amortizations						
Balance as at 1. 1. 2011	--	15 443	159 217	--	--	174 660
Depreciation	--	2 003	11 839	--	--	13 842
Disposals	--	--	-1 017	--	--	-1 017
Transfers	--	--	--	--	--	--
Balance as at 31. 12. 2011	--	17 446	170 039	--	--	187 485
Adjustments						
Balance as at 1. 1. 2011	--	--	--	1 396	--	1 396
Change in adjustments	--	--	--	--	--	--
Balance as at 31. 12. 2011	--	--	--	1 396	--	1 396
Net book value as at 1. 1. 2011	14 079	32 362	35 672	4 132	10 166	96 411
Net book value as at 31. 12. 2011	13 437	46 338	29 542	63 303	12 590	165 210

The most significant additions in 2011 was the purchase of the technical real estate in the new production area of Nivnice to the total amount of 16 345 thousand CZK, the subsidy from the OPPI Enterprise Support Program "Real Estate" was drawn to the amount of 5 782 thousand CZK. By the amount the purchase cost were reduced. A runway crane for the new shop floor to the amount of 2 860 thousand CZK and fixed shelves to the amount of 1 055 thousand CZK were purchased as well.

The value reduction of the land is a reduction of the purchase costs of the land by the amount of the granted OPPI subsidy to the amount of 642 thousand CZK.

Fixed assets pledged by right of lien are stated in point 13.

For the year ended at 31 December 2011
(in thousands CZK)

5. Leased Assets

(a) Finance Leases

The Company is committed to pay lease instalments under finance leases for vehicles, machines and buildings as follows (amounts without VAT):

2011	Lease instalments total	Paid at 31. 12. 2011	To be paid within 1 year	To be paid from 1 to 5 years	To be paid in the following years
Machinery and equipment	--	--	--	--	--
Buildings	31 902	24 132	4 238	3 532	--
Total	31 902	24 132	4 238	3 532	--

2010	Lease instalments total	Paid at 31. 12. 2010	To be paid within 1 year	To be paid from 1 to 5 years	To be paid in the following years
Machinery and equipment	--	--	--	--	--
Buildings	31 902	19 894	4 238	7 770	--
Total	31 902	19 894	4 238	7 770	--

(b) Operating Leases

The Company rented a warehouse in Kunovice for indefinite period of time with the notice of 3 months. The indefinite period was agreed on 31 August 2009 with a supplement to the non-residential room lease contract No. 5. The Company noticed the rent on 26th September 2011 and the rent was terminated duly on 31st December 2011.

The total annual costs concerning the rents amounted to 1 362 thousand CZK (2010 – 1 347 thousand CZK).

6. Tangible and Intangible Fixed Assets not Presented in the Balance Sheet

The Company presents all material tangible and intangible assets in the balance sheet.

For the year ended at 31 December 2011
(in thousands CZK)

7. Inventory

The Company created adjustments to inventories:

	Balance at 1.1.2011	Additions	Decrease	Balance at 31.12.2011
Materials	2 739	--	128	2 611
Semi-finished products	314	--	62	252
Finished products	756	298	0	1 054
Total	3 809	298	190	3 917

8. Trade Receivables and Trade Payables

	Balance at 1.1.2011	Additions	Decrease	Balance at 31.12.2011	Adjustments at 31.12.2011	Overdue at 31.12.2011
Short-term trade receivable	55 733	15 047	--	70 780	200	8 315
Short-term trade payables	38 455	45 232	--	83 687	--	5 723
Long-term payables	2 570	--	2 570	--	--	--

9. Adjustments

	Adjustment to fixed assets	Adjustment to inventory	Adjustment to receivables	Total
Balance as at 1. 1. 2011	1 396	3 809	892	6 097
Change	--	108	7	115
Balance as at 31. 12. 2011	1 396	3 917	899	6 212

For the year ended at 31 December 2011
(in thousands CZK)

10. Registered Capital

	Registered capital 2011
119 registered shares with nominal value of 1 000 000 CZK	119 000
26 registered shares with nominal value of 100 000 CZK	2 600
18 registered shares with nominal value of 10 000 CZK	180
Balance as at 31. 12. 2011	121 780

	Registered capital 2010
119 registered shares with nominal value of 1 000 000 CZK	119 000
26 registered shares with nominal value of 100 000 CZK	2 600
18 registered shares with nominal value of 10 000 CZK	180
Balance at 31. 12. 2010	121 780

11. Changes in Equity

- (a) Changes in equity are showed in the separate statement.
- (b) Proposal for distribution of the current year's (2011) profit:
 - 1) according to statutes a.s. transfer to statutory reserve fund,
 - 2) payment of dividends,
 - 3) the remaining amount will be kept in the Company.

For the year ended at 31 December 2011
(in thousands CZK)

12. Provisions

	Other provisions	Provision for untaken holiday	Provision for SHI of management rewards	Total
Balance as at 1. 1. 2011	373	595	455	1 423
Change	-373	596	62	285
Balance as at 31. 12. 2011	--	1 191	517	1 708

13. Bank Credits

2011	Maturity	Repayment schedule	Interest rate	Balance at 31.12.2011	To be repaid within 1 year	To be repaid within 1 to 5 years	Repaid in the following years
Revolving credit KB	31. 05. 2013	--	1M PRIBOR + 2.09	22 500	15 000	7 500	--
Investment credit KB	31.05.2021	Monthly	1M EURIBOR + 1.65	37 105	5 186	24 892	7 027
Specific loan HSBC	30. 6. 2011	Monthly	1M PRIBOR + 2.95	--	--	--	--
Total				59 605	20 186	32 392	7 027

2010	Maturity	Repayment schedule	Interest rate	Balance 31.12.2010	To be repaid within 1 year	To be repaid within 1 to 5 years	Repaid in the following years
Revolving credit KB	31. 05. 2013	--	1M PRIBOR + 2.09	40 000	17 500	22 500	--
Revolving credit KB	1. 6. 2010	--	1M PRIBOR + 3.4	--	--	--	--
Specific loan HSBC	30. 6. 2011	Monthly	1M PRIBOR + 2.95	4 444	4 444	--	--
Total				44 444	21 944	22 500	--

For the year ended at 31 December 2011
 (in thousands CZK)

These credits are secured as follows:

		Credit balance	
		31.12.2011	31.12.2010
Revolving credit KB	Receivables + corporation security	22 500	40 000
Investment credit KB	Assets + blank bill	37 105	--
Specific loan HSBC	Corporation security	--	4 444
Total		59 605	44 444

14. Accruals

Accruals are deferred revenues of services related to delivery of goods, which are continuously billed proportionate to the stage of completion.

15. Revenues

The Company produces die-castings mainly and sells services and goods. The sales were in 2011 and 2010 as follows:

		Domestic sales	Export	Total
Products	2011	114 726	216 511	331 237
	2010	113 249	220 031	333 280
Services	2011	2 124	11 629	13 753
	2010	1 703	4 519	6 222
Goods	2011	5 048	38 141	43 189
	2010	5 783	29 176	34 959
Total	2011	121 898	266 281	388 179
	2010	120 735	253 726	374 461

Abroad realized revenues involve third countries too, it means countries outside the European Union. Revenues – third countries made 2.20% (8 553 thousand CZK) in 2011 of total abroad sale value, in 2010 3.15% (7 987 thousand CZK).

For the year ended at 31 December 2011
(in thousands CZK)

16. Related Parties

(a) Trade Receivables and Payables

The trade receivables and payables described under point 9 comprise of the following balances of accounts concerning the related parties.

	Receivables at 31. 12.		Payables at 31. 12.	
	2011	2010	2011	2010
TEKNIA MANUFACTURING GROUP, S.L.	--	110	190	--
TEKNIA AZUQUECA S.L.	255	115	--	678
TEKNIA R&D S.L.	--	--	259	--
Total	255	225	449	678

(b) Receivables from group undertakings and associated companies

Receivables from group undertakings in 2011 is a credit granted to TEKNIA MANUFACTURING GROUP, S.L. in the amount of 14 167 thousand CZK.

Receivables from associated companies was in 2010 a loan granted to TEKNIA MANUFACTURING GROUP, S.L. to the amount of 15 036 thousand CZK which was paid off in 2011 in the form of offset claims.

(c) Payables to group undertakings and associated companies

	Short-term payables at 31.12.2011	Interest paid 2011	Long-term payables at 31.12.2010	Interest paid 2010
TEKNIA MANUFACTURING GROUP, S.L.	--	--	--	--
TEKNIA AZUQUECA S.L.	--	--	--	27
Total	--	--	--	27

Teknia Uhersky Brod, a.s.
Notes to Financial Statements (non-consolidated)



For the year ended at 31 December 2011
(in thousands CZK)

(d) Revenues and Purchase Transactions

	Revenues a year		Purchases a year	
	2011	2010	2011	2010
TEKNIA MANUFACTURING GROUP, S.L.	198	110	5 024	--
TEKNIA AZUQUCA S.L.	5 836	12 152	3 981	33 820
TEKNIA Germany GmbH	9	--	--	--
TEKNIA R&D, S.L.	--	--	1 666	--
SONOLAND CZ, s.r.o.	--	1	--	--
Total	6 043	12 263	10 671	33 820

(e) Factual Concern

Controlling agreement or profit transfer agreement were not concluded. The relations between related parties are described in the report of statutory body of the Company on relations between the related parties. The Report on mutual relations will be part of the annual report.

For the year ended at 31 December 2011
(in thousands CZK)

17. Employees and Senior Managers

Average number of employees and senior managers and wage costs for 2011 and 2010:

2011	Number of employees	Wage costs	Social and health insurance	Social costs
Employees	191	48 609	16 391	1 249
Senior managers	6	6 955	2 374	173
Total	197	55 564	18 765	1 422

2010	Number of employees	Wage costs	Social and health insurance	Social costs
Employees	210	48 071	16 206	1 329
Senior managers	6	6 861	1 983	177
Total	216	54 932	18 189	1 506

Rewards for members of Statutory body and Supervisory Board were not paid in 2011. The top managers may use cars for private purposes as well.

18. Social Insurance and Health Insurance Payables

	Balance at 1.1.2011	Additions	Decrease	Balance at 31.12.2011
Social insurance payables	1 476	61	--	1 537
Health insurance payables	635	25	--	660
Total	2 111	86	--	2 197

None of these payables are overdue.

19. Due from State – Tax Payables and Subsidy

	Balance at 1.1.2011	Additions	Decrease	Balance at 31.12.2011
Personal income tax	457	46	--	503
Total	457	46	--	503

None of these payables are overdue.

For the year ended at 31 December 2011
(in thousands CZK)

20. Income Tax

(a) Tax Due

The Company showed profit of 47 749 thousand CZK in 2011, from which the company deducted tax accumulated losses from previous years. The company showed profit of 50 422 thousand CZK in 2010, on which the company deducted tax accumulated losses from previous years.

(b) Deferred Tax

Deferred tax assets and liabilities

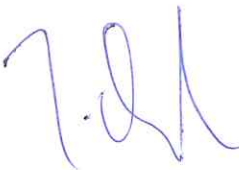
	Receivables		Liabilities		Difference	
	2011	2010	2011	2010	2011	2010
Tangible fixed assets	6 407	8 593	--	--	- 2 186	--
Intangible fixed assets	--	--	--	--	--	--
Financial assets	--	--	--	--	--	--
Receivables	170	169	--	--	1	--
Inventory	744	724	--	--	20	--
Provisions	325	525	--	--	- 200	--
Tax losses	1 108	5 860	--	--	- 4 752	--
Revaluation of assets and liabilities accounted made counter equity	--	--	--	--	--	--
Other temporal differences	--	--	--	--	--	--
Deferred tax	8 754	15 871	--	--	- 7 117	--

In accordance with accounting policy stated under 2(g) the Company calculated the deferred tax assets of 8 754 thousand CZK. For the calculation of the deferred tax the tax rate of 19% was applied. Because of the prudence principle the company decided to post 50% of the deferred tax assets which is the best estimation of the amount of the deferred tax asset deductible in future years. In 2010 the company because of prudence principle decided to not recognize the deferred tax assets.

For the year ended at 31 December 2011
(in thousands CZK)

21. Material Subsequent Event

There was no material subsequent event.

Date:	Signature of the statutory body of the company or individual being accounting unit
15 th March 2012	 Javier Quesada Suescun Board of directors

Moore Stephens s.r.o.
Bucharova 1314/8
158 00 Praha 13

T +420 255 708 311

F +420 255 708 312

www.moorestephens.cz

Auditor's report

on the Annual report
as at 31st December 2011

for the shareholder
and company's management

Teknia Uhersky Brod, a.s.

company address:
Rybářská 2330
688 01 Uherský Brod
Czech Republic
Id. Nr.: 499 71 034

Principal activity: Production, trade and services not mentioned in annexes 1 to 3 of trade law

This document is an English translation of the Czech auditor's report. Only the Czech version of the report is legally binding.

Audit report for the shareholder of company Teknia Uhersky Brod, a.s.

On the basis of our audit, on 15 March 2012 we issued an auditor's report on the Company's statutory financial statements, which are included in this annual report, and our report was as follows:

"We have audited the accompanying financial statements of Teknia Uhersky Brod, a.s., which comprise the balance sheet as of 31 December 2011, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. Information about Teknia Uhersky Brod, a.s. is presented in Note 1 to these financial statements.

Statutory Body's Responsibility for the Financial Statements

The statutory body of Teknia Uhersky Brod, a.s. is responsible for the preparation of 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Teknia Uhersky Brod, a.s. as of 31 December 2011, and of its financial performance and its cash flows for the year then ended in accordance with Czech accounting regulations."

Report on Review of the Report on Related Party Transactions

We have reviewed the factual accuracy of the information included in the report on related party transactions of Teknia Uhersky Brod, a.s. for the year ended 31 December 2011. This report on related party transactions is the responsibility of Teknia Uhersky Brod, a.s. statutory body. Our responsibility is to express a conclusion on the report on related party transactions based on our review.

We conducted our review in accordance with the 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 report on related party transactions 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 report on related party transactions 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 report on related party transactions of Teknia Uhersky Brod, a.s. for the year ended 31 December 2011 contains material factual misstatements.

Report on the Audit of the Annual report

We have audited the annual report of Teknia Uhersky Brod, a.s. for consistency with the financial statements for the year ended 31 December 2011 which are included in this Annual Report. The correctness of the annual report is the responsibility of Teknia Uhersky Brod, a.s. statutory body. Our responsibility is to express an opinion on the consistency of the annual report and the financial statements based on our audit.

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.

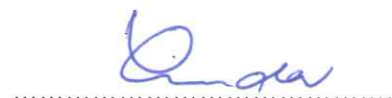
In our opinion, the information included in the annual report of Teknia Uhersky Brod, a.s. for the year ended 31 December 2011 is consistent, in all material respects, with the financial statements referred to above.

Moore Stephens s.r.o., Bucharova 1314/8, 158 00 Praha 13, licence No. 462

Prague, 22 May 2012



Ing. Miroslav Janděčka
Partner



Ing. Jiří Liberda
Auditor, licence No.: 2010

**REPORT ON RELATIONS BETWEEN RELATED
COMPANIES
OF
Teknia Uhersky Brod, a.s.**

(For the Year Ended at 31st December 2011)

Teknia Uhersky Brod, a.s. as a controlling company or as a controlled company did not conclude any agreement pursuant to section 190b Act No. 513/1991 Sb., Commercial Code (hereinafter referred to as Controlling Agreement) for the accounting period from 1st January 2011 to 31st December 2011 (hereinafter referred to as Accounting Period).

The board of directors of Teknia Uhersky Brod, a.s. prepared in accordance with section 66a subsection 9 Commercial Code the Report on Relations between Related Companies for the Accounting Period.

1. Related Companies to Teknia Uhersky Brod, a.s.

1.1. Companies Controlling Teknia Uhersky Brod, a.s.

Complete Overview of Companies Controlling Teknia Uhersky Brod, a.s.:

Company name	Registered office	Total capital interest at 1.1.2011	Changes in Accounting Period			Total capital interest at 31.12. 2011
			own capital interests	consonant actions	other (share right exercise agreements)	
Teknia Manufacturing Group, S.L.U.	Erandio – Vizcaya, ES	100%	-	-	-	100%

Teknia Manufacturing Group, S.L.U. has 100 % votes in Teknia Uhersky Brod, a.s. as at 31st December 2011. It is the controlling company pursuant to section 66a subsection 4 Commercial Code and Teknia Uhersky Brod, a.s. is a company controlled by it.

1.2. Other Companies Related to Teknia Uhersky Brod, a.s.

The controlling company of Teknia Uhersky Brod, a.s., - Teknia Manufacturing Group, S.L.U. has the following shares or business shares in other companies:

Company name	Total participation at 31.12.2011
Teknia Polska Spółka Z O.O	100%
Teknia GMBH	100%
Teknia Elorrio, S.L.U.	100%
Teknia Pedrola, S.L.U.	100%
Teknia Estampación Epila, S.L.U.	100%
Teknia Bilbao XXI, S.L.U.	100%
Teknia Barcelona, S.L.U.	100%
Teknia Montmeló, S.L.U.	100%
Segove Cataluña, S.L.U.	100%
Teknia Azuqueca, S.L.U.	100%

Teknia Martos, S.L.U.	100%
Componentes de Automoción Marroquies, SARL	99%
Teknia R&D, S.L.U.	100%
Teknia Automotive Mexico, S.A. de C.V.	85%
Teknia Manresa, S.L.U.	100%
Teknia Brasil Ltda.	79,90%

Teknia Polska Spółka Z O.O has the following shares or business shares in other companies:

<u>Company name</u>	<u>Total participation at</u> <u>31.12.2011</u>
Teknia Kálisz Sp. Z O. O	100%
Teknia Rzeszów S.A.	99,80%

2. Agreements/Contracts Concluded between Related Companies in the Accounting Period

2.1. Agreements/Contracts Concluded between Teknia Uhersky Brod, a.s. and Teknia Manufacturing Group, S.L.

On 29th June 2010 the Companies concluded a loan contract to the amount of CZK600,000 due within 31st December 2013. The loan has been paid off on 15th June 2011 to the total amount.

On 1st January 2011 the companies concluded an agreement on the keeping of a joint credit account up to EUR 2,000,000 with maturity within five years after the date of execution with the possibility of an automatical extension by one year unless any of the contracting parties notices the agreement three months before the expiration of the particular contracting period at least.

On 1st January 2011 the companies concluded an agreement on the provision with manager and financial, legal services and HR and IT assistance. The agreement is concluded for five years after the date of execution with the possibility of an automatical extension by one year unless any of the contracting parties notices the agreement three months before the expiration of the particular contracting period at least.

2.2. Agreements/Contracts Concluded between Teknia Uhersky Brod, a.s. and Teknia Azuqueca, S.L.U.

The Companies concluded a contract for services on 29 December 2006 and Contract for provision of technically and economically used knowledge with effect from 1 January 2007 to 31 December 2007 which was extended until 31 December 2008 with the automatic extension option. A supplement to the contract was concluded for 2009 and 2010. No supplement has been concluded for 2011 and therefore the contract terminated.

On 1st January 2011 the companies concluded an agreement on the provision with manager services for the division plastic production of the Teknia Group in the field of the management of technical production preparation, quality management and business activity management. The agreement is concluded for five years after the date of execution with the possibility of an automatical extension by one year unless any of the contracting parties notices the agreement three months before the expiration of the particular contracting period at least.

3. Other Legal Acts in the Interest or on Initiative of Related Companies

During the reported Accounting Period services, material and goods were purchased from related companies within the current business activity connected with the line of business of the controlled and in other way related company. The Company paid research and development costs in connection with production technology to the related company of Teknia R&D, S.L.U. The controlling influence of the controlling company had no impact on financial position of the controlled company which would exceed the current business activity run with diligent care. Deliveries realized during the reported period would realize every company acting with diligent care even if it was not a concern member. The details concerning the sort and number of deliveries result from the accounts of the controlled company.

4. Measures of Teknia Uhersky Brod, a.s. Taken in Interest or on Impulse of Related Companies

Teknia Uhersky Brod, a.s. did not take any measures in interest of the related companies.

5. Other Legal Acts taken by the Teknia Uhersky Brod, a.s. in Interest of Related Companies in the Accounting Period

There are no legal acts made between related companies or in interest or on impulse of related parties which could possibly harm the Company.

6. Final Declaration of the Board of Directors of Teknia Uhersky Brod, a.s.

We declare hereby that we stated in the Report on Relations between Related Companies of Teknia Uhersky Brod, a.s. prepared pursuant to section 66a, subsection 9, Commercial Code for the Accounting Period from 1 January 2011 to 31 December 2011 all in the Accounting Period concluded or realized and at the date of preparation of the Report us known:

Teknia Uhersky Brod, a.s.
Report on Relations between Related Parties
For the Year Ended at 31st December 2011

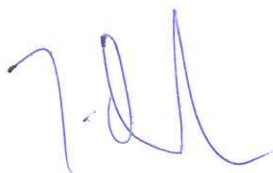
- Agreements and contracts between related companies, .
- Fulfilments and considerations provided to related companies,
- other legal acts made in interest of these companies,
- all measures taken in interest or on initiative of these companies.

We declare hereby that we are not aware of the fact that any financial or property harm would arise to the controlled company Teknia Uhersky Brod, a.s. from the agreements / contracts or measures due to relation to the controlling company.

The Report is to be filed pursuant to section 38i subsection 1 paragraph c) Commercial Code as amended in document collection at register court and is to be enclosed to the Annual Report prepared pursuant to special legal regulation.

The undersigned person countersigns that the Report was prepared properly and all data he had at disposal for the whole reported Accounting Period were taken into account.

Place: Uherský Brod
Dated: 30th March 2012



.....
Javier Quesada Suescun
Member of Board of Directors
of Teknia Uhersky Brod, a.s.