

## **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

2012

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### **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

### **II. Registered Capital, Company Owners**

Registered Capital: CZK121,780, 000  
Company Owners: TEKNIA MANUFACTURING GROUP, S.L. - 100 % business share

### **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.

The registered office has been in Rybářská street in Uherský Brod since 1997.

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 been member of the international Teknia Group since the end of 2008. The Teknia Group has three main divisions: Teknia Automotive, Teknia R&D and Teknia Energy. Teknia Automotive is the production part of the group which is subdivided into plastic, metal working, metal pressing and pipe forming divisions. The Teknia Group has 16 production plants in Europe, Africa, South America and the NAFTA region.

Teknia Uherský 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, Varroc, Valeo, Johnson Controls etc. Our main final costumers are Volkswagen, Ford, Renault, Opel, Volvo, BMW, KIA and Hyundai.

A new central storehouse of the company was opened in the industrial zone Kluka III in Nivnice at the end of 2011. Since February 2012 the production has been started with five purchased injection presses with closing force of 500 to 1000 kN. The total built-up area is 4.000 m<sup>2</sup> and the company plans to continue to build so that material flows between the plants in Uherský Brod and Nivnice could be optimized and the company could develop in future.

## **V. Company Profile**

Teknia Uherský 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:**

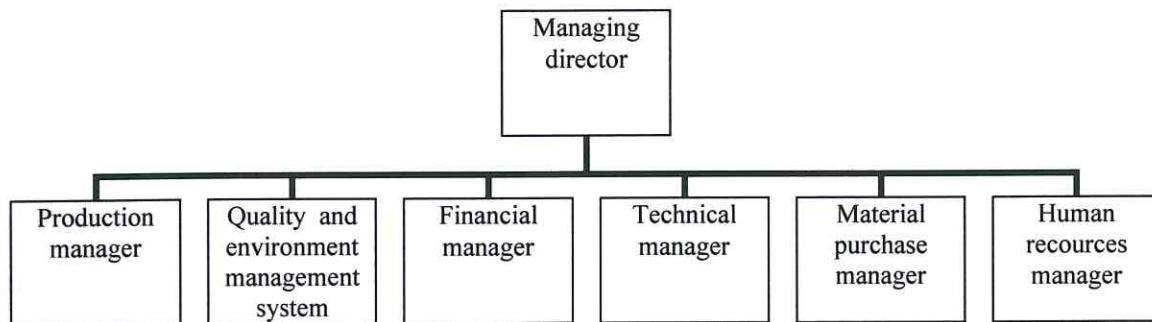
- Ing. Miroslav Frantík, born on 06/10/1955, Vizovice, Růžová 999, 763 12, Czech Republic
- Diego Martel Muñoz-Cobos, born on 23/10/1961, Cabanillas del Campo, C/Chopo 11, Spain
- Javier Lazpita Sarriugarte, born on 2/11/1960, Uribarri a Erandiondo 3, Vizcaya, Spain

### **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 2012.



|   |                     |
|---|---------------------|
| Managing director                                 | Lukáš Rajsígl       |
| Production manager                                | Václav Dostal       |
| Quality and environment 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)**

|                          | 2010    | 2011    | 2012    |
|--------------------------|---------|---------|---------|
| Equity                   | 141 537 | 177 750 | 191 680 |
| Total assets             | 263 568 | 361 598 | 413 065 |
| Total revenues           | 501 613 | 422 861 | 561 369 |
| Revenues from production | 339 502 | 344 990 | 443 010 |
| Profit/loss after tax    | 50 422  | 52 126  | 29 312  |
| Employee number          | 212     | 193     | 226     |



### **IX. 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 2012 the supervisory environmental audit was performed and the Company gained again the ISO 14001 certificate.

### **X. Labour-legal Relations**

The Company had 226 full time employees at 31.12.2012.

#### **Training of Employees:**

The Company spent CZK226,000 on training in 2012, there were 85 training activities. The training in plastics processing, in quality, working environment, OHSAS and fire prevention continued and an English course started in company rooms.

#### **Staff turn-over :**

In 2012 the staff turn-over rate was 1.10 % at direct employees, at indirect employees 1.30% and at white collar workers 0.62% (total average monthly staff turn-over rate 1.12 %).

#### **Sickness rate :**

The average sickness rate was 2.75% in 2012. There is a decrease by 0.42% compared to 2011.

### **XI. Expected Development in 2013**

Teknia Uhersky Brod, a.s. plans to maintain the revenues in 2013 at the same level as in 2012 and to stabilize and improve internal processes.

Because of the set 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.

### **XII. Subsequent Events between the Date of Financial Statement 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.

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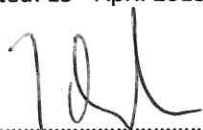
**XIII. Report of Board of Directors on Business and Assets**

The company won new engagements and project transfers with the volume of CZK125,000,000 in 2012. The most projects will be prepared for lot production in 2013, the components for safety parts in 2014 then. The revenues increased by round 30% in the last year 2012, these were from projects won in 2010 and 2011. Due to the competition, the company intends to concentrate on products defined in the long-term strategy.

In 2012 the company started the preparatory work to continue the 2. stage of the new production plant construction in the industrial zone Kluka III in Nivnice. The project documentation has been worked out so that zoning and planning decision and building permission and other permissions could be issued and granted.

Place: Uherský Brod

Dated: 15<sup>th</sup> April 2013



.....  
Javier Quesada Suescun

Member of Board of Directors

# BALANCE SHEET

as at . . . . . 31.12.2012 . . . . .

units: 1000 Kč

| Year | Month | ID number       |
|------|-------|-----------------|
| 2012 | 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<br>a | ASSETS<br>b  | line<br>number | Current accounting period |             |         | Previous account. period |
|---------------------|--|----------------|---------------------------|-------------|---------|--------------------------|
|                     |  |                | Gross                     | Adjustments | Net     | Net                      |
|                     | TOTAL ASSETS   | 001            | 638 835                   | - 225 770   | 413 065 | 361 598                  |
| B.                  | Fixed assets   | 003            | 416 942                   | - 220 894   | 196 048 | 165 277                  |
| B. I.               | Intangible assets  | 004            | 18 000                    | -16 585     | 1 415   | 67                       |
| B. I. 3.            | Software   | 007            | 12 383                    | -12 325     | 58      | 67                       |
| B. I. 4.            | Valuable rights (patents, copyrights, trademarks and brands) | 008            | 102                       | - 102       | 0       | 0                        |
| B. I. 6.            | Other intangibles  | 010            | 4 158                     | -4 158      | 0       | 0                        |
| B. I. 7.            | Intangible assets under construction                         | 011            | 1 357                     |             | 1 357   |                          |
| B. II.              | Tangible fixed assets  | 013            | 398 942                   | - 204 309   | 194 633 | 165 210                  |
| B. II. 1.           | Land   | 014            | 13 437                    |             | 13 437  | 13 437                   |
| B. II. 2.           | Buildings and structures                                     | 015            | 121 268                   | -21 944     | 99 324  | 46 338                   |
| B. II. 3.           | Machinery, equipment, vehicles, fixtures and fittings        | 016            | 247 913                   | - 180 969   | 66 944  | 29 542                   |
| B. II. 7.           | Tangible fixed assets under construction                     | 020            | 3 322                     | -1 396      | 1 926   | 63 303                   |
| B. II. 8.           | Advances for tangible fixed assets                           | 021            | 13 002                    |             | 13 002  | 12 590                   |
| C.                  | CURRENT ASSETS   | 031            | 210 549                   | -4 876      | 205 673 | 189 669                  |
| C. I.               | INVENTORIES  | 032            | 74 561                    | -3 263      | 71 298  | 64 055                   |
| C. I. 1.            | Raw material   | 033            | 26 080                    | -2 079      | 24 001  | 18 282                   |
| C. I. 2.            | Work-in-progress and semi-finished products                  | 034            | 5 143                     | - 137       | 5 006   | 3 527                    |
| C. I. 3.            | Finished products  | 035            | 14 121                    | -1 047      | 13 074  | 10 972                   |
| C. I. 5.            | Goods  | 037            | 24 111                    |             | 24 111  | 9 376                    |
| C. I. 6.            | Prepayments on inventories                                   | 038            | 5 106                     |             | 5 106   | 21 898                   |
| C. II.              | Long-term receivables  | 039            | 2 931                     |             | 2 931   | 4 377                    |
| C. II. 8.           | Deferred tax receivable                                      | 047            | 2 931                     |             | 2 931   | 4 377                    |
| C. III.             | Short-term receivables                                       | 048            | 129 333                   | -1 613      | 127 720 | 103 586                  |
| C. III. 1.          | Trade receivables  | 049            | 109 079                   | - 932       | 108 147 | 70 580                   |
| C. III. 2.          | Receivables from controlled entities                         | 050            | 14 742                    |             | 14 742  | 14 167                   |
| C. III. 6.          | Government - tax receivables                                 | 054            | 4 808                     | - 681       | 4 127   | 12 357                   |
| C. III. 7.          | Short-term advances  | 055            | 105                       |             | 105     | 103                      |
| C. III. 8.          | Estimated accrued revenues                                   | 056            | 599                       |             | 599     | 6 379                    |
| C. IV.              | Current financial assets                                     | 058            | 3 724                     |             | 3 724   | 17 651                   |
| C. IV. 1.           | Cash   | 059            | 113                       |             | 113     | 118                      |
| C. IV. 2.           | Bank accounts  | 060            | 3 611                     |             | 3 611   | 17 533                   |
| D. I.               | Prepayments and accrued income                               | 063            | 11 344                    |             | 11 344  | 6 652                    |
| D. I. 1.            | Prepaid expenses   | 064            | 11 344                    |             | 11 344  | 6 652                    |

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| Identification<br>a | LIABILITIES<br>b   | line<br>number | Current accounting period<br>5 | Previous accounting period<br>6 |
|---------------------|--|----------------|--------------------------------|---------------------------------|
|                     | TOTAL LIABILITIES AND EQUITY                             | 067            | 413 065                        | 361 598                         |
| A.                  | Equity   | 068            | 191 680                        | 177 550                         |
| 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            | 6 251                          | 3 644                           |
| A. III. 1.          | Legal reserve /Indivisible fund                          | 079            | 6 251                          | 3 644                           |
| A. IV.              | Retained earnings  | 081            | 34 337                         |                                 |
| A. IV. 1.           | Retained earnings of previous years                      | 082            | 34 337                         |                                 |
| A. V. 1.            | Profit / loss of current accounting period               | 084            | 29 312                         | 52 126                          |
| B.                  | Liabilities  | 085            | 200 883                        | 175 649                         |
| B. I.               | Provisions   | 086            | 3 309                          | 1 708                           |
| B. I. 3.            | Provision for income tax                                 | 089            | 705                            |                                 |
| B. I. 4.            | Others provisions  | 090            | 2 604                          | 1 708                           |
| B. II.              | Long-term liabilities                                    | 091            | 14 170                         |                                 |
| B. II. 9.           | Other payables   | 100            | 14 170                         |                                 |
| B. III.             | SHORT-TERM LIABILITIES                                   | 102            | 115 284                        | 114 336                         |
| B. III. 1.          | Trade payables   | 103            | 84 454                         | 83 687                          |
| B. III. 5.          | Payables to employees                                    | 107            | 4 698                          | 3 923                           |
| B. III. 6.          | Payables to social security and health insurance         | 108            | 2 518                          | 2 197                           |
| B. III. 7.          | Government - tax payables and subsidies                  | 109            | 504                            | 503                             |
| B. III. 8.          | Short-term advances received                             | 110            |                                | 2 902                           |
| B. III. 10.         | Estimated accrued items                                  | 112            | 12 592                         | 21 124                          |
| B. III. 11.         | Other payables   | 113            | 10 518                         |                                 |
| B. IV.              | Bank loans and borrowings                                | 114            | 68 120                         | 59 605                          |
| B. IV. 1.           | Long-term bank loans                                     | 115            | 44 945                         | 39 419                          |
| B. IV. 2.           | Short-term bank loans                                    | 116            | 23 175                         | 20 186                          |
| C. I.               | Accruals and deferred income                             | 118            | 20 502                         | 8 399                           |
| C. I. 2.            | Deferred income  | 120            | 20 502                         | 8 399                           |

|  |  |  |  |
|--|--|--|--|
| Date of compilation:<br><b>0 7 . 0 3 . 2 0 1 3</b> |  | Signature of statutory body/natural person<br><b>Javier Quesada Suescun</b><br> |  |
| Legal form<br><b>stock company</b>                 | Entrepreneurial activity<br><b>Production, trade and services not stated<br/>in annexes 1 - 3 of trade law</b> | Comment:   |  |

# **PROFIT AND LOSS STATEMENT** **structured by the nature of method**

**as at . . . . . 31.12.2012 . . . . .**

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

| Year | Month | ID number                     |
|------|-------|-------------------------------|
| 2012 | 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<br>number | Values in accounting period |                            |
|----------------|--|----------------|-----------------------------|----------------------------|
|                |  |                | Current accounting period   | Previous accounting period |
| a              | b  |                | 1                           | 2                          |
| I.             | Sales of goods   | 01             | 71 536                      | 43 189                     |
| A.             | Costs of goods sold  | 02             | 63 474                      | 37 016                     |
| +              | Sale margin  | 03             | 8 062                       | 6 173                      |
| II.            | Production   | 04             | 446 618                     | 348 679                    |
| II. 1.         | Product and service revenue  | 05             | 443 010                     | 344 990                    |
| II. 2.         | Increase/decrease in finished goods and in work in progress  | 06             | 3 608                       | 3 689                      |
| B.             | Consumption from production  | 08             | 316 567                     | 217 727                    |
| B. 1.          | Consumption of material and energy   | 09             | 233 844                     | 148 263                    |
| B. 2.          | Services   | 10             | 82 723                      | 69 464                     |
| +              | Value added  | 11             | 138 113                     | 137 125                    |
| C.             | Staff costs  | 12             | 84 953                      | 75 751                     |
| C. 1.          | Wages and salaries   | 13             | 62 477                      | 55 564                     |
| C. 3.          | Social security and health insurance costs   | 15             | 20 999                      | 18 765                     |
| C. 4.          | Other social costs   | 16             | 1 477                       | 1 422                      |
| D.             | Taxes and fees   | 17             | 266                         | 223                        |
| E.             | Depreciation and amortization  | 18             | 20 864                      | 13 937                     |
| III.           | Proceeds on fixed assets and material  | 19             | 24 463                      | 15 198                     |
| III. 1.        | Proceeds on sale of fixed assets   | 20             | 424                         | 20                         |
| III. 2.        | Proceeds on sale of material   | 21             | 24 039                      | 15 178                     |
| F.             | Net book value of fixed assets and material sold   | 22             | 24 238                      | 13 384                     |
| F. 2.          | Material sold  | 24             | 24 238                      | 13 384                     |
| G.             | Changes in provisions and adjustments relating to operating activities and complex deferred expenses | 25             | 687                         | 369                        |
| IV.            | Other operating income   | 26             | 4 563                       | 3 978                      |
| H.             | Other operating expenses   | 27             | 2 609                       | 1 297                      |
| *              | Profit/loss from operating activities  | 30             | 33 522                      | 51 340                     |
| X.             | Interest income  | 42             | 528                         | 629                        |
| N.             | Interest expense   | 43             | 2 720                       | 1 281                      |
| XI.            | Other financial revenues   | 44             | 13 661                      | 11 188                     |
| O.             | Other financial expenses   | 45             | 13 528                      | 14 127                     |
| *              | Profit/loss from financial activities  | 48             | -2 059                      | -3 591                     |
| Q.             | Income tax on ordinary activities  | 49             | 2 151                       | -4 377                     |
| Q. 1.          | - Due  | 50             | 705                         |                            |
| Q. 2.          | - Deferred   | 51             | 1 446                       | -4 377                     |
| **             | Profit/loss from ordinary activities   | 52             | 29 312                      | 52 126                     |
| ***            | Profit/loss for the period   | 60             | 29 312                      | 52 126                     |



| Identification                                  | PROFIT AND LOSS STATEMENT  | line<br>number   | Values in accounting period |                            |
|---|--|--|-----------------------------|----------------------------|
|   |  |  | Current accounting period   | Previous accounting period |
| a   | b  |  | 1                           | 2                          |
| ****  | Profit/loss before tax   | 61   | 31 463                      | 47 749                     |
| Date of compilation:<br><br>0 7 . 0 3 . 2 0 1 3 |  | Signature of statutory body or natural person<br><b>Javier Quesada Suescun</b>  |                             |                            |
| Legal form<br><br>stock company                 | Entrepreneurial activity<br><br><b>Production, trade and services not stated<br/>in annexes 1 - 3 of trade law</b> | Comment:   |                             |                            |

## CASH FLOW STATEMENTS

CASH FLOW

as at ..... 31.12.2012

in CZK unit 1000 Kč

| Year | Month | ID number       |
|------|-------|-----------------|
| 2012 | 1 2   | 4 9 9 7 1 0 3 4 |

Business name

Teknia Uhersky Brod,

a.s.

Registered office

Rybářská 2330

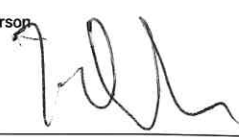
Uhersky Brod

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  | 17 651                     | 38 991                      |
| Cash flows from operating activities |  |                            |                             |
| Z.                                   | Profit/loss from ordinary activities before taxation (does not include accounts 591 to 596)  | 31 463                     | 47 749                      |
| A.1.                                 | Adjustments for non-cash transactions  | 22 643                     | 14 969                      |
| A.1.1.                               | Depreciation of fixed assets (except of net book value of fixed assets sold, depreciation of adjustment for assets acquisition (+/-).              | 20 864                     | 13 937                      |
| A.1.2.                               | Change in adjustments, provisions  | 687                        | 400                         |
| A.1.3.                               | Profit/loss on disposal of fixed assets  | - 424                      | -20                         |
| A.1.4.                               | Dividends received   |                            |                             |
| A.1.5.                               | Net interest expense (+) (except of capitalized interest) and interest income (-)  | 2 192                      | 652                         |
| A.1.6.                               | Adjustments for other non-cash movements   | - 676                      |                             |
| A.*                                  | Net cash flow from operating activities before tax, changes in working capital and extraordinary items   | 54 106                     | 62 718                      |
| A.2.                                 | Change in non-financial items of working capital   | -7 388                     | - 592                       |
| A.2.1.                               | Increase/decrease in trade and other receivables, including prepayments and accrued income (+/-)   | -28 965                    | -31 383                     |
| A.2.2.                               | Increase/decrease in trade payables, including accruals and deferred income (+/-)  | 27 897                     | 46 571                      |
| A.2.3.                               | Increase/decrease in inventories   | -6 320                     | -15 780                     |
| 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   | 46 718                     | 62 126                      |
| A.3.                                 | Interest paid, excl. capitalized interests   | -2 720                     | -1 281                      |
| A.4.                                 | Interest received (+)  | 528                        | 629                         |
| 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 (+/-). |                            |                             |
| A.7.                                 | Profit-sharing and dividends received  |                            |                             |
| A.***                                | Net cash flow from operating activities  | 44 526                     | 61 474                      |



| 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  | -51 635                           | -82 751                            |
| B.2.                                 | Proceeds on sales of fixed assets  | 424                               | 20                                 |
| B.3.                                 | Loans and credits to related persons   | - 575                             | 869                                |
| B.***                                | Net cash flow from investing activities  | -51 786                           | -81 862                            |
| 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  | 8 515                             | 15 161                             |
| 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 (+)  | -15 182                           | -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 | -15 182                           | -16 113                            |
| C.***                                | Net cash from financing activities   | -6 667                            | - 952                              |
| F.                                   | Net increase/decrease in cash and cash equivalents   | -13 927                           | -21 340                            |
| R.                                   | Cash and cash equivalents at end of period   | 3 724                             | 17 651                             |

|   |  |   |
|---|--|---|
| Date of compilation:<br>0 7 . 0 3 . 2 0 1 3 |  | Signature of statutory body/or natural person<br>Javier Quesada Suescun  |
| Legal form<br>stock company                 | Entrepreneurial activity<br>Production, trade and services not stated<br>in annexes 1 - 3 of trade law | Comment:  |

## CHANGES IN SHAREHOLDERS' EQUITY

CHANGES IN SHAREHOLDERS'  
EQUITY

as at ..... 31. 12. 2012

in thousands of CZK unit 1000 Kč

| Year | Month | ID number       |
|------|-------|-----------------|
| 2012 | 1 2   | 4 9 9 7 1 0 3 4 |

## CURRENT PERIOD

Business name

Teknia Uhersky Brod,

a.s.

Registered office

Rybářská 2330

Uherský Brod

688 01

|     |   | Opening<br>balance | Increase | Decrease | Closing<br>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            |          |          | 121 780            |
| C.2 | Treasury stock (-252)                                       |                    |          |          |                    |
| C.  | Subscribed capital (C.1 + C.2)                              | 121 780            |          |          | 121 780            |
| D.  | Share premium (412)   |                    |          |          |                    |
| E.  | Legal reserves (421)  | 3 644              | 2 607    |          | 6 251              |
| 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) | 52 126             | -2 607   | 15 182   | 34 337             |
| J.  | Accumulated loss + loss for the period(429 + debit 431)     |                    |          |          |                    |
| K.  | Profit/loss for the period after tax                        | XXX                | 29 312   |          | 29 312             |
|     | Equity in total (summation C to K)                          | 177 550            | 29 312   | 15 182   | 191 680            |

Date of compilation:

0 7 . 0 3 . 2 0 1 3

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 trade law

Comm

# Teknia Uhersky Brod, a.s.

Notes to Financial Statements (non-consolidated)



For the year ended as at 31 December 2012  
(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 Uherský 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 2012 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 Company Register as at 31 December 2012*

#### *Board of directors*

Javier Quesada Suescun

#### *Supervisory board*

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

For the year ended as at 31 December 2012  
(in thousands CZK)

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*Changes in supervisory board entered into Company Register:*

On 13<sup>th</sup> December 2011 the supervisory board membership of Mr Francisko Javier Angulo Muñoz ceased to exist. This change was entered to Company Register on 6<sup>th</sup> January 2012.

On 14<sup>th</sup> December 2011 Mr Diego Martel Muñoz-Cobos was appointed a supervisory board member. This change was entered to Company Register on 6<sup>th</sup> January 2012.

*Proxy according to the excerpt from the Company Register at 31<sup>st</sup> December 2012*

Lukáš Rajsígl

Ing. Kateřina Havlíčková

Antonio Miralles González

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

*Changes in proxy in the Company Register:*

In 2012 there were no changes in proxy made in Company Register.

*Other changes in the Company Register:*

In 2012 the registered office of the parent company TEKNIA MANUFACTURING GROUP, S.L. was changed.

The change was entered into the Company Register on 4<sup>th</sup> February 2013.

*Organizational Structure*

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

The departments are as follows:

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



For the year ended as at 31 December 2012  
(in thousands CZK)

## 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 thousand CZK to 40 thousand CZK. These low value tangible fixed assets are kept on a special analytical account 750 and are expensed in the year they were purchased. Other low value tangible assets up to 20 thousand 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               |
| Fence, water, sewer system and gas connection, cabling, material container | straight line | 15 years               |
| Machinery  | straight line | 6 or 8 years           |
| Computers, notebooks and servers, cars                                     | straight line | 4 years                |
| Software   | straight line | 6 years                |
| Patents and other intangible assets  | straight line | 5 years                |

For the year ended as at 31 December 2012  
(in thousands CZK)

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(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%-100% 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 as at 31 December 2012  
(in thousands CZK)

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The Company created 20% and 100% provision for semi - finished products that were assessed as slow – moving or not moving.

#### Provisions

Provisions are created to cover 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. The Company created especially provisions for untaken holiday, for social and health insurance connected with management remuneration. The provision for untaken holiday is created based on the analysis of untaken holiday for the accounting period as at the date of balance and average wage costs including the social and health insurance cost for the particular employees.

#### (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.



For the year ended as at 31 December 2012  
(in thousands CZK)

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

(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 date, as short-term.

### 3. Change in Accounting Methods and Principles

In 2012 the accounting principles and posting of low value tangible fixed assets with the purchase price between 20 thousand CZK and 40 thousand CZK were changed. Until 31.12.2011 the low value tangible fixed assets were posted on the account No. 022- Machinery, equipment, vehicles, furniture and fixtures and depreciated for 2 years. Since 1.1.2012 these have been posted on the analytic account No. 750 and expensed in the year they were purchased.

The accounting entity decided to shorten the period of depreciation of low value tangible fixed assets purchased until 31.12.2011 for one year.

### 4. Tangible and Intangible Fixed Assets

(a) Intangible Fixed Assets

|  | Valuable rights | Software | Other low value IFA | low value IFA under construction | Total  |
|--|-----------------|----------|---------------------|----------------------------------|--------|
| <b>Purchase price</b>                    |                 |          |                     |                                  |        |
| Balance as at 1. 1. 2012                 | 102             | 12 296   | 4 158               | --                               | 16 556 |
| Additions                                | --              | 87       | --                  | 1 357                            | 1 444  |
| Disposals                                | --              | --       | --                  | --                               | --     |
| Transfers                                | --              | --       | --                  | --                               | --     |
| Balance as at 31. 12. 2012               | 102             | 12 383   | 4 158               | 1 357                            | 18 000 |
| <b>Accumulated depreciation</b>          |                 |          |                     |                                  |        |
| Balance as at 1. 1. 2012                 | 102             | 12 229   | 4 158               | --                               | 16 489 |
| Depreciations                            | --              | 96       | --                  | --                               | 96     |
| Disposals                                | --              | --       | --                  | --                               | --     |
| Transfers                                | --              | --       | --                  | --                               | --     |
| Balance as at 31. 12. 2012               | 102             | 12 325   | 4 158               | --                               | 16 585 |
| <b>Net book value as at 1. 1. 2012</b>   | --              | 67       | 0                   | 0                                | 67     |
| <b>Net book value as at 31. 12. 2012</b> | --              | 58       | 0                   | 1 357                            | 1 415  |



For the year ended as at 31 December 2012  
(in thousands CZK)

(b) **Tangible Fixed Assets**

|  | Land          | Buildings     | Machinery and equipment | Fixed assets under construction | Payments      | Total          |
|--|---------------|---------------|-------------------------|---------------------------------|---------------|----------------|
| <b>Purchase price</b>                    |               |               |                         |                                 |               |                |
| Balance as at 1. 1. 2012                 | 13 437        | 63 784        | 199 581                 | 64 699                          | 12 590        | 354 091        |
| Additions                                | --            | 538           | 46 376                  | 1 860                           | 1 418         | 50 192         |
| Disposals                                | --            | --            | -5 341                  | --                              | --            | -5 341         |
| Transfers                                | --            | 56 946        | 7 297                   | -63 237                         | -1 006        | --             |
| Balance as at 31. 12. 2012               | 13 437        | 121 268       | 247 913                 | 3 322                           | 13 002        | 398 942        |
| <b>Accumulated amortizations</b>         |               |               |                         |                                 |               |                |
| Balance as at 1. 1. 2012                 | --            | 17 446        | 170 039                 | --                              | --            | 187 485        |
| Depreciation                             | --            | 4 498         | 16 271                  | --                              | --            | 20 769         |
| Disposals                                | --            | --            | -5 341                  | --                              | --            | -5 341         |
| Transfers                                | --            | --            | --                      | --                              | --            | --             |
| Balance as at 31. 12. 2012               | --            | 21 944        | 180 969                 | --                              | --            | 202 913        |
| <b>Adjustments</b>                       |               |               |                         |                                 |               |                |
| Balance as at 1. 1. 2012                 | --            | --            | --                      | 1 396                           | --            | 1 396          |
| Change in adjustments                    | --            | --            | --                      | --                              | --            | --             |
| Balance as at 31. 12. 2012               | --            | --            | --                      | 1 396                           | --            | 1 396          |
| <b>Net book value as at 1. 1. 2012</b>   | <b>13 437</b> | <b>46 338</b> | <b>29 542</b>           | <b>63 303</b>                   | <b>12 590</b> | <b>165 210</b> |
| <b>Net book value as at 31. 12. 2012</b> | <b>13 437</b> | <b>99 324</b> | <b>66 944</b>           | <b>1 926</b>                    | <b>13 002</b> | <b>194 633</b> |

The most significant additions in 2012 are:

- the purchase of the production area and storage hall in Nivnice with purchase price amounting to CZK 57 209 thousand
- purchase of 5 new pressing machines with tonnage 350-1000 t with the total purchase price of CZK 38 014 thousand.
- Air technology, central transport and material drying and central cooling system with the total purchase price of CZK 8 459 thousand were purchased for the new production plant.
- Camera monitoring system and EPS with the total purchase price of CZK 1 171 thousand were purchased for the new plant in Nivnice.
- Purchase of a new screw compressor with purchase price of CZK 1 029 thousand.

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

For the year ended as at 31 December 2012  
(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):

| 2012                       | Lease<br>instalments total | Paid at 31. 12.<br>2012 | To be paid<br>within 1<br>year | To be paid<br>from 1 to 5 years | To be paid in the<br>following years |
|----------------------------|----------------------------|-------------------------|--------------------------------|---------------------------------|--------------------------------------|
| Machinery and<br>equipment | --                         | --                      | --                             | --                              | --                                   |
| Buildings                  | 31 902                     | 28 370                  | 3 532                          | --                              | --                                   |
| Total                      | 31 902                     | 28 370                  | 3 532                          | --                              | --                                   |

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

### (b) Operating Leases

The Company purchased three cars in the form of operating lease for 48 months after their hand over without the duty to buy them after all instalments will be paid. The cars started to be used on 3.12.2012. The total amount of leased cars is CZK 1815 thousand without VAT.

The total annual costs concerning the lease in 2012 amounted to 36 thousand CZK (2011 – 0 thousand CZK).

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

The Company shows low value fixed assets amounting to CZK 1 276 thousand on analytical accounts. The purchase price of the subjects is from CZK 20 to 40 thousand.

# Teknia Uhersky Brod, a.s.

Notes to Financial Statements (non-consolidated)



For the year ended as at 31 December 2012  
(in thousands CZK)

## 7. Inventory

The Company created adjustments to inventory:

|                        | Balance as at 1.1.2012 | Change compared to previous year | Balance as at 31.12.2012 |
|------------------------|------------------------|----------------------------------|--------------------------|
| Material               | 2 611                  | 532                              | 2 079                    |
| Semi-finished products | 252                    | 115                              | 137                      |
| Products               | 1 054                  | 7                                | 1 047                    |
| Total                  | 3 917                  | 654                              | 3 263                    |

## 8. Trade Receivables and Trade Payables

|                        | Balance as at k 1.1.2012 | Change compared to previous year | Balance as at 31.12.2012 | Adjustments as at 31.12.2012 | Overdue as at 31.12.2012 |
|------------------------|--------------------------|----------------------------------|--------------------------|------------------------------|--------------------------|
| Short-term receivables | 70 780                   | 38 299                           | 109 079                  | 932                          | 20 008                   |
| Short-term payables    | 83 687                   | 767                              | 84 454                   | --                           | 16 674                   |
| Long-term payables     | --                       | --                               | --                       | --                           | --                       |

## 9. Adjustments

|                             | Balance as at 1.1.2012 | Additions | Disposals | Balance as at 31.12.2012 |
|-----------------------------|------------------------|-----------|-----------|--------------------------|
| Adjustments to fixed assets | 1 396                  | --        | --        | 1 396                    |
| Adjustments to inventory    | 3 917                  | --        | 654       | 3 263                    |
| Adjustments to receivables  | 899                    | 714       | --        | 1 613                    |
| Total                       | 6 212                  | 714       | 654       | 6 272                    |

For the year ended as at 31 December 2012  
(in thousands CZK)

## 10. Registered Capital

|   | Registered capital 2012 |
|---|-------------------------|
| 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. 2012                                | 121 780                 |

|   | 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 at 31. 12. 2011                                   | 121 780                 |

## 11. Changes in Equity

Changes in equity are showed in the separate statement.

Proposal for distribution of the current year's (2012) profit:

- 1) according to statutes obligatory transfer to statutory reserve fund,
- 2) payment of dividends,
- 3) the remaining amount will be kept in the Company.



For the year ended as at 31 December 2012  
(in thousands CZK)

## 12. Provisions

|                            | Provision for<br>corporate income tax | Provision for<br>untaken holiday | Provision for SHI of<br>management rewards | Total |
|----------------------------|---------------------------------------|----------------------------------|--|-------|
| Balance as at 1. 1. 2012   | --                                    | 1 191                            | 517  | 1 708 |
| Change                     | 705                                   | 996                              | -100                                       | 1601  |
| Balance as at 31. 12. 2012 | 705                                   | 2 187                            | 417  | 3 309 |

## 13. Bank Credits

| 2012                                     | Maturity     | Repaymen<br>t schedule | Interest rate        | Balance at<br>31.12.2012 | To be repaid<br>within 1 year | To be<br>repaid<br>within 1<br>to 5 years | Repaid in<br>the<br>following<br>years |
|--|--------------|------------------------|----------------------|--------------------------|-------------------------------|---|--|
| Revolving<br>credit KB                   | 31. 05. 2013 | --                     | 1M PRIBOR +<br>2.09  | 7 500                    | 7 500                         | --  | --                                     |
| Investment<br>credit KB                  | 31.05.2021   | monthly                | 1M EURIBOR<br>+ 1.65 | 51 009                   | 6 064                         | 24 255                                    | 20 690                                 |
| More purpose<br>credit UniCredit<br>Bank | 15.02. 2013  | --                     | 1M EURIBOR<br>+ 1.25 | 9 611                    | 9 611                         | --  | --                                     |
| Total                                    |              |                        |                      | 68 120                   | 23 175                        | 24 255                                    | 20 690                                 |

| 2011                    | Maturity     | Repaymen<br>t schedule | Interest rate       | Balance<br>31.12.2011 | To be repaid<br>within 1 year | To be<br>repaid<br>within 1 to<br>5 years | Repaid in<br>the<br>following<br>years |
|-------------------------|--------------|------------------------|---------------------|-----------------------|-------------------------------|---|--|
| Revolving<br>credit KB  | 31. 05. 2013 | --                     | 1M PRIBOR +<br>2.09 | 22 500                | 15 000                        | 7500                                      | --                                     |
| Investment<br>credit KB | 31.05. 2021  | --                     | 1M EURIBOR+<br>1.65 | 37 105                | 5 186                         | 24 892                                    | 7 027                                  |
| Total                   |              |                        |                     | 59 605                | 20 186                        | 32 392                                    | 7 027                                  |

These credits are secured as follows:

|                                   |                                    | Credit balance |            |
|-----------------------------------|------------------------------------|----------------|------------|
|                                   |                                    | 31.12.2012     | 31.12.2011 |
| Revolving credit KB               | Receivables + corporation security | 7 500          | 22 500     |
| Investment credit KB              | Assets + blank bill                | 51 009         | 37 105     |
| More purpose credit UnicreditBank | Receivables + blank bill           | 9 611          | --         |
| Total                             |                                    | 68 120         | 59 605     |

For the year ended as at 31 December 2012  
 (in thousands CZK)

#### 14. Other liabilities

A non-bank credit was granted for purchase of machinery on 21.12.2012.

| 2012  | Maturity     | Instalment | Interest rate        | Balance as at 31.12.2012 | To be paid within 1 year | To be paid from 1 to 5 years | To be paid in the following years |
|---|--------------|------------|----------------------|--------------------------|--------------------------|------------------------------|-----------------------------------|
| SG Equipment Financee Czech Republic s.r.o. | 15. 05. 2015 | Monthly    | SWAP 3Y 0,558 + 1,95 | 24 686                   | 10 516                   | 14 170                       | --                                |
| <b>Total</b>                                |              |            |                      | <b>24 686</b>            | <b>10 516</b>            | <b>14 170</b>                | <b>--</b>                         |

The credit is secured by the right of lien for the purchased machinery.

#### 15. Accruals

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

#### 16. Revenues

The Company produces die-castings mainly and sells services and goods. The sales were in 2012 and 2011 as follows:

|              |      | Domestic sales | Export         | Total          |
|--------------|------|----------------|----------------|----------------|
| Products     | 2012 | 122 662        | 308 316        | 430 978        |
|              | 2011 | 114 726        | 216 511        | 331 237        |
| Services     | 2012 | 2 085          | 9 947          | 12 032         |
|              | 2011 | 2 124          | 11 629         | 13 753         |
| Goods        | 2012 | 24 857         | 46 679         | 71 536         |
|              | 2011 | 5 048          | 38 141         | 43 189         |
| <b>Total</b> | 2012 | <b>149 604</b> | <b>364 942</b> | <b>514 546</b> |
|              | 2011 | <b>121 898</b> | <b>266 281</b> | <b>388 179</b> |

For the year ended as at 31 December 2012  
(in thousands CZK)

Abroad realized revenues involve third countries too, it means countries outside the European Union. Revenues – third countries made 2.91% (14 992 thousand CZK) in 2012 of total abroad sale value, in 2011 2.20% (8 553 thousand CZK).

## 17. Related Parties

### (a) Trade Receivables and Payables

The trade receivables and payables described under point 8 comprise of the following balances of accounts concerning the related parties.

|                                  | Receivables as at 31. 12. |      | Payables as at 31. 12. |      |
|----------------------------------|---------------------------|------|------------------------|------|
|                                  | 2012                      | 2011 | 2012                   | 2011 |
| TEKNIA MANUFACTURING GROUP, S.L. | --                        | --   | --                     | 190  |
| TEKNIA AZUQUECA S.L.             | 128                       | 255  | 1 432                  | --   |
| TEKNIA R&D S.L.                  | 1 006                     | --   | --                     | 259  |
| TEKNIA BRASIL Ltda               | 81                        | --   | --                     | --   |
| Total                            | 1 215                     | 255  | 1 432                  | 449  |

### (b) Receivables from group undertakings and associated companies

Receivables from group undertakings in 2012 is a credit granted to TEKNIA MANUFACTURING GROUP, S.L. in the amount of 14 742 thousand CZK.

Receivables from associated companies was in 2011 a loan granted to TEKNIA MANUFACTURING GROUP, S.L. to the amount of 14 167 thousand CZK.

### (c) Payables to group undertakings and associated companies

There are no payables to group undertakings and associated companies as at 31.12.2012.



# Teknia Uhersky Brod, a.s.

Notes to Financial Statements (non-consolidated)



For the year ended as at 31 December 2012  
(in thousands CZK)

## (d) Revenues and Purchase Transactions

|                                  | Revenues a year |       | Purchases a year |        |
|----------------------------------|-----------------|-------|------------------|--------|
|                                  | 2012            | 2011  | 2012             | 2011   |
| TEKNIA MANUFACTURING GROUP, S.L. | 14              | 198   | 8 555            | 5 024  |
| TEKNIA AZUQUECA S.L.             | 835             | 5 836 | 2 551            | 3 981  |
| TEKNIA Germany GmbH              | 6               | 9     | --               | --     |
| TEKNIA R&D, S.L.                 | --              | --    | --               | 1 666  |
| TEKNIA Martos, S.L.U.            | 6               | --    | 527              | --     |
| TEKNIA Brasil Ltda               | 80              | --    | --               | --     |
| Total                            | 941             | 6 043 | 11 633           | 10 671 |

## (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.

## 18. Employees and Senior Managers

Average number of employees and senior managers and wage costs for 2012 and 2011:

| 2012            | Number of employees | Wage costs | Social and health insurance | Social costs |
|-----------------|---------------------|------------|-----------------------------|--------------|
| Employees       | 224                 | 55 670     | 18 785                      | 1 310        |
| Senior managers | 6                   | 6 807      | 2 214                       | 167          |
| Total           | 230                 | 62 477     | 20 999                      | 1 477        |

| 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        |

For the year ended as at 31 December 2012  
(in thousands CZK)

**19. Rewards for members of Statutory body and Supervisory Board were not paid in 2012. The top managers may use cars for private purposes as well. Social Insurance and Health Insurance Payables**

|                  | Balance as at 1.1.2012 | Change compared to previous year | Balance as at 31.12.2012 |
|------------------|------------------------|----------------------------------|--------------------------|
| Social insurance | 1 537                  | 208                              | 1 745                    |
| Health insurance | 660                    | 113                              | 773                      |
| Total            | 2 197                  | 321                              | 2 518                    |

None of these payables are overdue.

**20. Due from State – Tax Payables and Subsidy**

|                                    | Balance as at 1.1.2012 | Change compared to previous year | Balance as at 31.12.2012 |
|------------------------------------|------------------------|----------------------------------|--------------------------|
| Income tax from dependant activity | 503                    | 1                                | 504                      |
| Total                              | 503                    | 1                                | 504                      |

None of these payables are overdue.

For the year ended as at 31 December 2012  
(in thousands CZK)

## 21. Income Tax

### (a) Tax Due

The Company showed profit of 31 463 thousand CZK in 2012, from which the company deducted tax accumulated losses from previous years. The company showed profit of 47 749 thousand CZK in 2011, on which the company deducted tax accumulated losses from previous years.

The Company made provision for tax due amounting to 705 thousand CZK in 2012.

### (b) Deferred Tax

Deferred tax

|  | Receivables |       | Payables |      | Difference |        |
|--|-------------|-------|----------|------|------------|--------|
|  | 2012        | 2011  | 2012     | 2011 | 2012       | 2011   |
| Tangible fixed assets  | 1 639       | 6 407 | --       | --   | - 4 768    | -2186  |
| Intangible fixed assets  | --          | --    | --       | --   | --         | --     |
| Financial assets   | --          | --    | --       | --   | --         | --     |
| Receivables  | 177         | 170   | --       | --   | 7          | 1      |
| Inventory  | 620         | 744   | --       | --   | -124       | 20     |
| Provisions   | 495         | 325   | --       | --   | 170        | -200   |
| Tax losses   | --          | 1 108 | --       | --   | - 1 108    | -4752  |
| Revaluation of assets and liabilities<br>accounted made counter equity | --          | --    | --       | --   | --         | --     |
| Other temporal differences   | --          | --    | --       | --   | --         | --     |
| Deferred tax   | 2 931       | 8 754 | --       | --   | - 5 823    | -7 117 |

In accordance with accounting policy stated under 2(f) the Company calculated the deferred tax assets of 2 931 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 deductible in future years.

## 22. Cash- Flow Statement


The Cash-flow statement was prepared by the indirect method in compliance with Czech standards of accounting in stand-alone statement.



For the year ended as at 31 December 2012  
(in thousands CZK)

### 23. Material Subsequent Event

There was no material subsequent event as at preparation date of the Notes to the financial statements.

|                            |  |
|----------------------------|--|
| Date:                      | Signature of the statutory body of the company or individual being accounting unit<br> |
| 7 <sup>th</sup> March 2013 | Javier Quesada Suescun<br>Board of directors   |

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## **Auditor's report**

on the Annual report  
as at 31<sup>st</sup> December 2012

for the shareholders  
and company's management

**Teknia Uherský 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 shareholders of company Teknia Uhersky Brod, a.s.**

On the basis of our audit, on 7 March 2013 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 2012, 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 2012, 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 2012. 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 2012 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 2012 which are included in this Annual Report. The correctness of the annual report is the responsibility of Teknia Uhersky Brod, a.s.'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 2012 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, 15 April 2013

  
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 2012)

Teknia Uhersky Brod, a.s. did not conclude whether as a controlling company or as a controlled company any agreement pursuant to section 190b Act No. 513/1991 Sb., Commercial Code (hereinafter referred to as Controlling Agreement) for the accounting period from 1<sup>st</sup> January 2012 to 31<sup>st</sup> December 2012 (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 1.1.2012 | Changes in Accounting Period |                   |   | Total capital interest at 31.12.2012 |
|------------------------------------|-------------------|------------------------------------|------------------------------|-------------------|---|--------------------------------------|
|                                    |                   |                                    | Own capital interests        | Consonant actions | Other (share right exercise agreements) |                                      |
| Teknia Manufacturing Group, S.L.U. | Elorrio, ES       | 100%                               | -                            | -                 | -                                       | 100%                                 |

Teknia Manufacturing Group, S.L.U. has 100 % votes in Teknia Uhersky Brod, a.s. as at 31<sup>st</sup> December 2012. 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 31.12.2012 |
|----------------------------------|-----------------------------------|
| 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 Marroquíes, SARL | 99%    |
| Teknia R&D, S.L.U.                         | 100%   |
| Teknia Automotive Mexico, S.A. de C.V.     | 85%    |
| Teknia Manresa, S.L.U.                     | 100%   |
| Industrial Jordi Gispert, S.A.U.           | 100%   |
| Teknia Brasil Ltda.                        | 85,10% |

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

| <u>Company name</u>      | <u>Total participation at 31.12.2012</u> |
|--------------------------|--|
| Teknia Kálish 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 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.**

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 automatic 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.

### **2.3. Agreements/Contracts Concluded between Teknia Uhersky Brod, a.s. and Teknia Martos, S.L.U.**

On 2<sup>nd</sup> January 2012 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 material management. The agreement is concluded for four years after the date of execution with the possibility of an automatic 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 2012 to 31 December 2012 all in the Accounting Period concluded or realized and at the date of preparation of the Report us known:

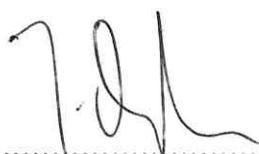
- Agreements and contracts between related companies,
- Fulfilments and considerations provided to related companies,
- other legal acts made in interest of these companies,
- all measures taken in interest or on initiative of these companies.

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: 29<sup>th</sup> March 2013



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