



Annual Report

Teknia Uherský Brod, a.s.

Rybářská 2330
688 01 Uherský Brod

2013

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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: 27th 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 machine with closing force of 2,300 kN was moved to the Company from the affiliated company in Spain in 2013 especially because of the strategic situation of Teknia Uherský Brod, a.s. and to be able to offer deliveries of big plastic parts.

Teknia Uherský Brod, a.s. opened the competitive tendering for the completion of the construction of the plant in Nivnice in 2013 to increase the capacity and enlarge technologies. The Company plans to realize the completion of the construction in two stages and to build production plant of 2,000 m² and operating-administrative building as well.

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 fluoridisation,
- 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

Proxy:

- Lukáš Rajsígl, personal identification No. 800409/4318, Babí Louka 2505, Uherský Brod
- Ing. Miroslava Slovákova, personal identification No. 725805/4628, Dědina 494, Ostrožská Nová Ves
- Antonio Miralles Gonzáles, born on 28/2/1977, c/Serrano 28.2 D, Madrid, Spain

VII. Organisation Chart

The Accounting Unit had no foreign branch in 2013.



Managing director

Production manager

Quality and environment management system manager

Financial manager

Technical manager

Material purchase manager

Human resources manager

Lukáš Rajsigl

Vlastislav Bartoš

Jaroslav Vojtek

Miroslava Slováková

Radim Dubec

none

Radka Hladišová

VIII. Economic Information

Basic Economic Information – Development (in thousand CZK)

	2011	2012	2013
Equity	177 750	191 680	191 142
Total assets	361 598	413 065	380 449
Total revenues	422 861	561 369	548 028
Sales	344 990	443 010	467 286
Profit/loss after tax	52 126	29 312	29 610
Employee number	193	226	240

IX. Conservation

The whole waste system was enlarged by the production plant in Nivnice. In both plants the waste is sorted and so the number of industrial waste has been reduced. The dangerous waste is safely stored before it is handed over to specialised companies. All kinds of waste are continuously recorded. The supervisory environmental audit was performed and the Company gained again the ISO 14001 certificate. Furthermore, there were ADR inspections carried out and according to the annual report we do meet all ADR requirements for dangerous waste transport.

X. Labour-legal Relations

The Company had 240 full time employees at 31.12.2013.

Training of Employees:

The Company spent CZK 386,000 on training in 2013, there were 86 training activities. The training in plastics processing, in quality, working environment, OHSAS and fire prevention continued. There were soft skills trainings as well and the English course in several levels. There were some training activities in connection with the new Civil Code coming into force.

Staff turn-over :

In 2013 the staff turn-over rate was 0.26 % at direct employees, at indirect employees 0.71% and at white collar workers 0.00% (total average monthly staff turn-over rate 0.40 %).

Sickness rate :

The average sickness rate was 3.14% in 2013. At direct employees it was 4.43 % and at indirect employees 1.63% and at white collar workers 2.17%.

XI. Expected Development in 2014

Teknia Uherský Brod, a.s. plans to increase the revenues in 2014 by about 5% compared to 2013 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 personal preparation in all departments of the company so it would be able to support the expansion strategy of the whole Teknia Group.

XII. Subsequent Events in 2014 after the balance sheet date

Between the balance sheet date and the date of the Annual Report preparation there were no material subsequent events.

XIII. Report of Board of Directors on Business and Assets

The company won new engagements and project transfers with the volume of CZK120,000,000 in 2013. The most projects will be prepared for lot production in 2014. Due to the competition, the company intends to concentrate on products defined in the long-term strategy.

In 2013 the company gained a territorial and building permit for the continuation of the 2nd stage of the new production plant construction in the industrial zone Kluka III in Nivnice.

In April 2014 the 2nd stage of the production plant was started.

Place: Uherský Brod
Dated: 14th May 2014

Javier Quesada Suescun
Member of Board of Directors

**REPORT ON RELATIONS BETWEEN RELATED COMPANIES
OF
Teknia Uhersky Brod, a.s.
(For the Year Ended at 31st December 2013)**

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 1st January 2013 to 31st December 2013 (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 1.1.2013	Changes in Accounting Period			Total capital interest at 31.12. 2013
			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 31st December 2013. 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 31.12.2013
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, S.A.	91.41%
Teknia USA Inc.	100%

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

<u>Company name</u>	<u>Total participation at 31.12.2013</u>
Teknia Kálish Sp. Z O. O	100%
Teknia Rzeszów S.A.	100%

2. Agreements/Contracts Concluded among 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 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.

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 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.

The companies concluded the Agreement on ERP System Preparation and Implementation within the Teknia Group. The Agreement has maturity until the ERP system is implemented and put into operation in each company of the Teknia Group the Agreement is relevant to.

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.

There was a supplement to the Agreement concluded during the Accounting Period.

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

On 2nd 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.

There was a supplement to the Agreement concluded during the Accounting Period.

2.4. *Agreements/Contracts Concluded between Teknia Uhersky Brod, a.s. and Teknia R&D, S.L.U.*

The Companies concluded the Agreement on energy consultancy and energy audit. The agreement is concluded for three years after the date of execution with the possibility of an automatic extension by other next three years unless any of the contracting parties notices the agreement in writing 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, goods and property 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 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. Dividends for the previous accounting period were distributed to the controlling company during the reported Accounting Period.

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 2013 to 31 December 2013 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 subsection1 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.

Teknia Uhersky Brod, a.s.
Report on Relations between Related Parties
For the Year Ended at 31st December 2013

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: 31st March 2014



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

BALANCE SHEET

as at... 3 1 . 1 2 . 2 0 1 3

From 1.1.2013 To 31.12.2013

in thousands CZK

ID no. 4 9 9 7 1 0 3 4

Business name

Teknia Uherský Brod,

a.s.

Registered office

Rybářská 2330

Uherský Brod


688 01

Seal

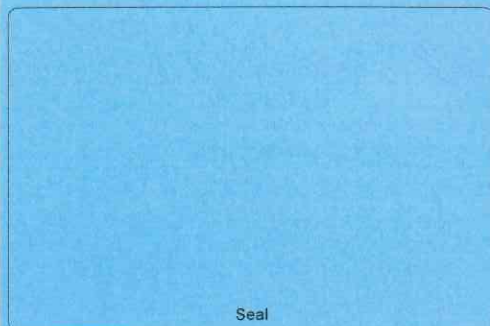
Ident.	ASSETS	line	Current accounting period			Previous account. period
			Gross	Adjustments	Net	Netto (Year 2012)
	TOTAL ASSETS	001	621 529	-241 080	380 449	413 065
B.	Fixed assets	003	434 597	-236 124	198 473	196 048
B.I.	Intangible assets	004	12 866	-11 051	1 815	1 415
B.I.3.	Software	007	10 651	-10 598	53	58
B.I.4.	Valuable rights (patents, copyrights, trademarks and brands)	008	81	-81	0	0
B.I.6.	Other intangibles	010	372	-372	0	0
B.I.7.	Intangible assets under construction	011	1 762		1 762	1 357
B.II.	Tangible fixed assets	013	421 731	-225 073	196 658	194 633
B.II.1.	Land	014	14 382	0	14 382	13 437
B.II.2.	Buildings and structures	015	136 068	-26 543	109 525	99 324
B.II.3.	Machinery, equipment, vehicles, fixtures and fittings	016	267 631	-197 134	70 497	66 944
B.II.7.	Tangible fixed assets under construction	020	3 650	-1 396	2 254	1 926
B.II.8.	Advances for tangible fixed assets	021				13 002
C.	CURRENT ASSETS	031	178 275	-4 956	173 319	205 673
C.I.	INVENTORIES	032	68 255	-3 530	64 725	71 298
C.I.1.	Raw material	033	21 092	-1 754	19 338	24 001
C.I.2.	Work-in-progress and semi-finished products	034	5 512	-504	5 008	5 006
C.I.3.	Finished products	035	13 798	-1 272	12 526	13 074
C.I.5.	Goods	037	18 384		18 384	24 111
C.I.6.	Prepayments on inventories	038	9 469		9 469	5 106
C.II.	Long-term receivables	039				2 931
C.II.8.	Deferred tax receivable	047				2 931
C.III.	Short-term receivables	048	106 243	-1 426	104 817	127 720
C.III.1.	Trade receivables	049	104 060	-683	103 377	108 147
C.III.2.	Receivables from controlling entities	050				14 742
C.III.6.	Government - tax receivables	054	1 864	-743	1 121	4 127
C.III.7.	Short-term advances	055	113		113	105
C.III.8.	Estimated accrued revenues	056	206		206	599
C.IV.	Current financial assets	058	3 777		3 777	3 724
C.IV.1.	Cash	059	57		57	113
C.IV.2.	Bank accounts	060	3 720		3 720	3 611
D.I.	Prepayments and accrued income	063	8 657		8 657	11 344
D.I.1.	Prepaid expenses	064	8 657		8 657	11 344

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

Ident.	LIABILITIES	line	Current accounting period	Last account. period
			Net	Netto (Year 2012)
	TOTAL LIABILITIES AND EQUITY	001	380 449	413 065
A.	Equity	002	191 142	191 680
A.I.	Subscribed capital	003	121 780	121 780
A.I.1.	Subscribed capital	004	121 780	121 780
A.III.	Reserves, indivisible reserve and other revenue reserves	014	7 716	6 251
A.III.1.	Legal reserve /Indivisible fund	015	7 716	6 251
A.IV.	Retained earnings	017	32 036	34 337
A.IV.1.	Retained earnings of previous years	018	32 036	34 337
A.V.	Profit / loss of current accounting period	021	29 610	29 312
B.	Liabilities	022	166 645	200 883
B.I.	Provisions	023	4 884	3 309
B.I.3.	Provision for income tax	026	2 834	705
B.I.4.	Others provisions	027	2 050	2 604
B.II.	Long-term liabilities	028	5 573	14 170
B.II.9.	Other payables	037	4 614	14 170
B.II.10.	Deferred tax liabilities	038	959	
B.III.	SHORT-TERM LIABILITIES	039	99 817	115 284
B.III.1.	Trade payables	040	68 577	84 454
B.III.5.	Payables to employees	044	4 501	4 698
B.III.6.	Payables to social security and health insurance	045	2 506	2 518
B.III.7.	Government - tax payables and subsidies	046	533	504
B.III.10.	Estimated accrued items	049	12 856	12 592
B.III.11.	Other payables	050	10 844	10 518
B.IV.	Bank loans and borrowings	051	56 371	68 120
B.IV.1.	Long-term bank loans	052	42 416	44 945
B.IV.2.	Short-term bank loans	053	13 955	23 175
C.I.	Accruals and deferred income	055	22 662	20 502
C.I.2.	Deferred income	057	22 662	20 502

Date of compila: 7.3.2014	Signature of statutory body/or natural person
Legal form: stock company	Javier Quesada Suescun
Entrepreneurial activity Production, trade and services not stated in annexes 1 - 3 of trade law	
Comment:	

PROFIT AND LOSS STATEMENT



as at 3 1 . 1 2 . 2 0 1 3

From 1.1.2013 To 31.12.2013

in thousands CZK

ID no. 4 9 9 7 1 0 3 4

Business name

Teknia Uherský Brod,

a.s.

Registered office

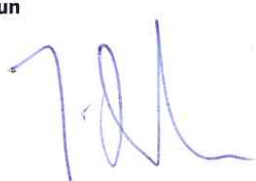
Rybářská 2330

Uherský Brod

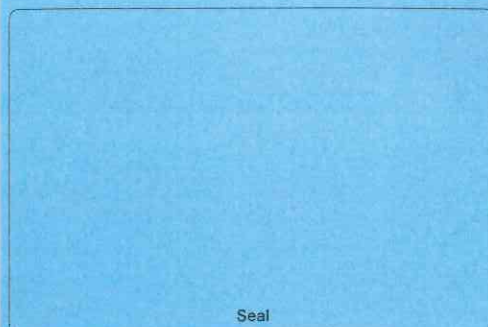
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Ident.	PROFIT AND LOSS STATEMENT	line	Values in accounting period	
			Current accounting period	Previous account. period
I.	Sales of goods	001	31 978	71 536
A.	Costs of goods sold	002	27 226	63 474
+	Sale margin	003	4 752	8 062
II.	Production	004	467 412	446 618
II.1.	Product and service revenue	005	467 286	443 010
II.2.	Increase/decrease in finished goods and in work in progress	006	79	3 608
II.3.	Own work capitalized	007	47	
B.	Consumption from production	008	319 144	316 567
B.1.	Consumption of material and energy	009	247 943	233 844
B.2.	Services	010	71 201	82 723
+	Value added	011	153 020	138 113
C.	Staff costs	012	89 498	84 953
C.1.	Wages and salaries	013	65 726	62 477
C.3.	Social security and health insurance costs	015	22 222	20 999
C.4.	Other social costs	016	1 550	1 477
D.	Taxes and fees	017	211	266
E.	Depreciation and amortization	018	22 925	20 864
III.	Proceeds on fixed assets and material	019	32 488	24 463
III.1.	Proceeds on sale of fixed assets	020	37	424
III.2.	Proceeds on sale of material	021	32 451	24 039
F.	Net book value of fixed assets and material sold	022	30 000	24 238
F.2.	Material sold	024	30 000	24 238
G.	Changes in provisions and adjustments relating to operating activities and complex deferred expenses	025	50	687
IV.	Other operating income	026	3 025	4 563
H.	Other operating expenses	027	1 561	2 609
*	Profit/loss from operating activities	030	44 288	33 522
X.	Interest income	042	195	528
N.	Interest expense	043	1 619	2 720
XI.	Other financial revenues	044	12 928	13 661
O.	Other financial expenses	045	18 870	13 528
*	Profit/loss from financial activities	048	-7 366	-2 059
Q.	Income tax on ordinary activities	049	7 312	2 151
Q.1.	- Due	050	3 422	705
Q.2.	- Deferred	051	3 890	1 446
**	Profit/loss from ordinary activities	052	29 610	29 312

Ident.	PROFIT AND LOSS STATEMENT	line	Values in accounting period	
			Current accounting period	Previous account. period
***	Profit/loss for the period	060	29 610	29 312
****	Profit/loss before tax	061	36 922	31 463

Date of compila: 7.3.2014	Signature of statutory bodylor natural person
Legal form stock company	Javier Quesada Suescun 
Entrepreneurial activity Production, trade and services not stated in annexes 1 - 3 of trade law	
Comment:	

CASH FLOW STATEMENTS



as at 31.12.2013

From 1.1.2013 To 31.12.2013

in thousands CZK

ID no. 4 9 9 7 1 0 3 4

Business name

Teknia Uherský Brod

a.s.

Registered office


Rybářská 2330

Uherský Brod

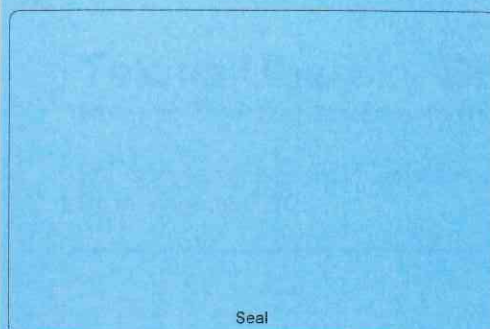
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Ident.	CASH FLOW STATEMENTS	line	Values in accounting period	
			Current accounting period	Previous account. period
P.	Cash and cash equivalents at beginning of accounting period	001	3 724	17 651
Cash flow from ordinary activities				
Z.	Profit/loss from ordinary activities before taxation (does not include accounts 591 to 596)	002	36 922	31 463
A.1.	Adjustments for non-cash transactions	003	24 362	22 643
A.1.1.	Depreciation of fixed assets (except of net book value of fixed assets sold, depreciation of adjustment for assets acquisition (+/-)).	004	22 925	20 864
A.1.2.	Change in adjustments, provisions	005	50	687
A.1.3.	Profit/loss on disposal of fixed assets	006	-37	-424
A.1.5.	Net interest expense (+) (except of capitalized interest) and interest income (-)	008	1 424	2 192
A.1.6.	Adjustments for other non-cash movements	009	0	-676
A*	Net cash flow from operating activities before tax, changes in working capital and extraordinary items	010	61 284	54 106
A.2.	Change in non-financial items of working capital	011	-6 046	-7 388
A.2.1.	Increase/decrease in trade and other receivables, including prepayments and accrued income (+/-)	012	11 035	-28 965
A.2.2.	Increase/decrease in trade payables, including accruals and deferred income (+/-)	013	-22 863	27 897
A.2.3.	Increase/decrease in inventories	014	5 782	-6 320
A**	Net cash flow from operating activities before taxes and extraordinary items	016	55 238	46 718
A.3.	Interest paid, excl. capitalized interests	017	-1 619	-2 720
A.4.	Interest received (+)	018	195	528
A.5.	Income tax on ordinary activities paid and additional assessments for past periods (including deposits and refunds) (-)	019	-1 293	
A***	Net cash flow from operating activities	022	52 521	44 526
Cash flow from investment activities				
B.1.	Costs associated with acquisition of fixed assets	023	-25 350	-51 635
B.2.	Proceeds on sales of fixed assets	024	37	424
B.3.	Loans and credits to related persons	025	0	-575

Ident.	CASH FLOW STATEMENTS	line	Values in accounting period	
			Current accounting period	Previous account. period
B***	Net cash flow from investing activities	026	-25 313	-51 786
Cash flow from financial 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	027	-11 749	8 515
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 (+)	028	-15 406	-15 182
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	034	-15 406	-15 182
C***	Net cash from financing activities	035	-27 155	-6 667
F.	Net increase/decrease in cash and cash equivalents	036	53	-13 927
R.	Cash and cash equivalents at end of period	037	3 777	3 724

Date of compila: 7.3.2014	Signature of statutory body/or natural person
Legal form stock company	Javier Quesada Suescun 
Entrepreneurial activity Production, trade and services not stated in annexes	
1 - 3 of trade law	
Comment:	

CHANGES IN SHAREHOLDERS' EQUITY



as at... 3 1 . 1 2 . 2 0 1 3

From 1.1.2013 To 31.12.2013

in thousands CZK

ID no. 4 9 9 7 1 0 3 4

Business name

Teknia Uhersky Brod,

a.s.

Registered office

Rybářská 2330

Uherský Brod

688 01

Ident.	CHANGES IN SHAREHOLDERS' EQUITY	line	Values in accounting period	
			Current accounting period	Previous account. period
A. Subscribed capital in Companies register entered (411)				
A.1.	Opening balance	001	121 780	121 780
A.4.	Closing balance	004	121 780	121 780
C. Subscribed capital (A. +/- B).with account (-)252				
C.1.	Opening balance (-252)	009	121 780	121 780
C.6.	Closing balance A. +/- B. incl. (252)	014	121 780	121 780
E. Legal reserves (421)				
E.1.	Opening balance	019	6 251	3 644
E.2.	Increase	020	1 465	2 607
E.4.	Closing balance	022	7 716	6 251
I. Credit from account periods (428 + credit 431)				
I.1.	Opening balance	035	34 337	52 126
I.2.	Increase	036	7 432	-2 607
I.3.	Decrease	037	9 733	15 182
I.4.	Closing balance	038	32 036	34 337
K. Profit/loss for the period after tax				
K.1	Opening balance	047	29 312	
K.2	Increase	048	29 610	29 312
K.3	Decrease	049	29 312	
K.4	Closing balance	050	29 610	29 312
Equity in total (summation C to K)				
X.1	Opening balance	051	191 680	177 550
X.2	Increase	052	38 507	29 312
X.3	Decrease	053	39 045	15 182
X.4	Closing balance	054	191 142	191 680

Date of compila 7.3.2014	Signature of statutory body/or natural person
Legal form stock company	Javier Quesada Suescun
Entrepreneurial activity Production, trade and services not stated in annexes 1 - 3 of trade law	
Comment:	

Teknia Uhersky Brod, a.s.

Notes to Financial Statements (non-consolidated)



For the year ended at 31 December 2013
(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 attachments 1 - 3 to the Trade Law

Owners of the Company

The sole shareholder of the Company as at 31 December 2013 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 2013

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 2013
(in thousands CZK)

Changes in supervisory board entered into Company Register:

In 2013, there were no changes in the Supervisory Board.

Proxy according to the excerpt from the Company Register at 31st December 2013

Lukáš Rajsígl

Ing. Miroslava Slovákova

Antonio Miralles Gonzáles

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

Changes in proxy in the Company Register:

Ing. Kateřina Havlíčková was removed from the proxy position by the board of directors on 12th April 2013. The change was entered into the Company Register on 13th May 2013.

Ing. Miroslava Slovákova was appointed proxy by the board of directors on 12th April 2013. The change was entered into the Company Register on 13th May 2013.

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 4th February 2013.

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
- business and technical department
- logistics and purchase

For the year ended at 31 December 2013
(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 20,000 CZK to 40,000 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 20,000 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	20 or 30 years
Fence, water, sewer system and gas connection, cabling, material container	straight line	15 years
Machinery	straight line	5, 6 or 8 years
Computers and computer units, 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 at 31 December 2013
(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%-100% accounting provisions are created for unpaid receivables overdue 1 - 180 days with respect 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 2013
(in thousands CZK)

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 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. The Company created especially provisions for complaints, severance payments, 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 balance sheet date 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 at 31 December 2013
 (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 sheet date, as short-term.

3. Change in Accounting Methods and Principles

In 2013 there were no changes in accounting methods and principles.

4. Tangible and Intangible Fixed Assets

(a) Intangible Fixed Assets

	Valuable rights	Software	Other IFA	IFA under construction	Total
Purchase price					
Balance as at 1. 1. 2013	102	12 383	4 158	1 357	18 000
Additions	--	56	--	405	461
Disposals	-21	-1 788	-3 786	--	-5 595
Transfers	--	--	--	--	--
Balance as at 31. 12. 2013	81	10 651	372	1 762	12 866
Accumulated depreciation					
Balance as at 1. 1. 2013	102	12 325	4 158	--	16 585
Depreciations	--	61	--	--	61
Disposals	-21	-1 788	-3 786	--	-5 595
Transfers	--	--	--	--	--
Balance as at 31. 12. 2013	81	10 598	372	--	11 051
Net book value as at 1. 1. 2013	--	58	0	1 357	1 415
Net book value as at 31. 12. 2013	--	53	0	1 762	1 815

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



For the year ended at 31 December 2013
(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. 2013	13 437	121 268	247 913	3 322	13 002	398 942
Additions	945	1 046	21 523	1 375	--	24 889
Disposals	--	--	-2 100	--	--	-2 100
Transfers	--	13 754	295	-1 047	-13 002	--
Balance as at 31. 12. 2013	14 382	136 068	267 631	3 650	--	421 731
Accumulated amortizations						
Balance as at 1. 1. 2013	--	21 944	180 969	--	--	202 913
Depreciation	--	4 599	18 242	--	--	22 841
Disposals	--	--	-2 077	--	--	-2 077
Transfers	--	--	--	--	--	--
Balance as at 31. 12. 2013	--	26 543	197 134	--	--	223 677
Adjustments						
Balance as at 1. 1. 2013	--	--	--	1 396	--	1 396
Change in adjustments	--	--	--	--	--	--
Balance as at 31. 12. 2013	--	--	--	1 396	--	1 396
Net book value as at 1. 1. 2013	13 437	99 324	66 944	1 926	13 002	194 633
Net book value as at 31. 12. 2013	14 382	109 525	70 497	2 254	--	196 658

The most significant additions in 2013 are:

- Purchase of 3 pressing machines with tonnage 300-2300 t with the total purchase price of 19 736 thousand CZK.
- Purchase of land and the painting building after the lease termination with the total purchase price of 14 599 thousand CZK.

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

For the year ended at 31 December 2013
(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):

2013	Lease instalments total	Paid at 31. 12. 2013	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	31 902	--	--	--
Total	31 902	31 902	--	--	--

2012	Lease instalments total	Paid 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
Machinery and equipment	--	--	--	--	--
Buildings	31 902	28 370	3 532	--	--
Total	31 902	28 370	3 532	--	--

(b) Operating Leases

The Company purchased a copying machine with a printer in 2011 and 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 copying machine with the printer started to be used on 3rd October 2011. The cars started to be used on 3rd December 2012.

The total amount of leased copier, printer and cars is 2 251 thousand CZK without VAT.

The total annual costs concerning the lease in 2013 amounted to 563 thousand CZK (2012 – 36 thousand CZK).

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

The Company shows low value fixed assets amounting to 1 730 thousand CZK on analytical accounts as at 31st December 2013. The purchase price of the subjects is from 20 to 40 thousand CZK.

Teknia Uhersky Brod, a.s.

Notes to Financial Statements (non-consolidated)



For the year ended at 31 December 2013
(in thousands CZK)

7. Inventory

The Company created adjustments to inventory:

	Balance as at 1.1.2013	Change compared to previous year	Balance as at 31.12.2013
Material	2 079	-325	1 754
Semi-finished products	137	367	504
Products	1 047	225	1 272
Total	3 263	267	3 530

8. Trade Receivables and Trade Payables

	Balance as at 1.1.2013	Change compared to previous year	Balance as at 31.12.2013	Adjustments as at 31.12.2013	Overdue as at 31.12.2013
Short-term receivables	109 079	-5 019	104 060	683	22 953
Long-term receivables	--	--	--	--	--
Short-term payables	84 454	-15 877	68 577	--	13 450
Long-term payables	--	--	--	--	--

9. Adjustments

	Balance as at 1.1.2013	Additions	Disposals	Balance as at 31.12.2013
Adjustments to fixed assets	1 396	--	--	1 396
Adjustments to inventory	3 263	592	325	3 530
Adjustments to receivables	1 613	--	187	1 426
Total	6 272	592	512	6 352

For the year ended at 31 December 2013
(in thousands CZK)

10. Registered Capital

	Registered capital 2013
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. 2013	121 780
	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 at 31. 12. 2012	121 780

11. Changes in Equity

Changes in equity are shown in the separate statement.

Proposal for distribution of the current year's (2013) profit:

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

12. Provisions

	Provision for corporate income tax	Provision for untaken holiday	Provision for SHI of management rewards	Provision for severance payments and complaints	Total
Balance as at 1. 1. 2013	705	2 187	417	--	3 309
Change	2 129	-934	-56	436	1 575
Balance as at 31. 12. 2013	2 834	1 253	361	436	4 884

Teknia Uhersky Brod, a.s.

Notes to Financial Statements (non-consolidated)



For the year ended at 31 December 2013
(in thousands CZK)

13. Bank Credits

2013	Maturity	Repayment schedule	Interest rate	Balance at 31.12.2013	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	--	--	--	--
Investment credit KB	31. 05. 2021	monthly	1M EURIBOR + 1.65	49 031	6 615	26 459	15 957
Multi purpose credit UniCredit Bank	15. 02. 2014	--	1M EURIBOR + 1.55	7 340	7 340	--	--
Multi purpose credit UniCredit Bank	31. 08. 2016	monthly	3M EURIBOR + 1.4	--	--	--	--
Total				56 371	13 955	26 459	15 957

2012	Maturity	Repayment schedule	Interest rate	Balance at 31.12.2012	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	7 500	7 500	--	--
Investment credit KB	31. 05. 2021	monthly	1M EURIBOR + 1.65	51 009	6 064	24 255	20 690
Multi purpose credit UniCredit Bank	15. 02. 2013	--	1M EURIBOR + 1.25	9 611	9 611	--	--
Total				68 120	23 175	24 255	20 690

These credits are secured as follows:

		Credit balance	
		31.12.2013	31.12.2012
Revolving credit KB	Receivables + corporation security	--	7 500
Investment credit KB	Assets + blank bill	49 031	51 009
More purpose credit UnicreditBank	Receivables + blank bill	7 340	9 611
More purpose credit UnicreditBank	Receivables + blank bill	--	--
Total		56 371	68 120

Teknia Uhersky Brod, a.s.

Notes to Financial Statements (non-consolidated)



For the year ended at 31 December 2013
(in thousands CZK)

14. Other liabilities

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

2013	Maturity	Instalment	Interest rate	Balance as at 31.12.2013	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	15 458	10 844	4 614	--
Total				15 458	10 844	4 614	--

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	--
Total				24 686	10 516	14 170	--

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.

For the year ended at 31 December 2013
(in thousands CZK)

16. Revenues

The Company produces die-castings mainly and sells services and goods. The sales were in 2013 and 2012 as follows:

		Domestic sales	Export	Total
Products	2013	118 645	343 609	462 254
	2012	122 662	308 316	430 978
Services	2013	464	4 568	5 032
	2012	2 085	9 947	12 032
Goods	2013	1 156	30 822	31 978
	2012	24 857	46 679	71 536
Total	2013	120 265	378 999	499 264
	2012	149 604	364 942	514 546

Abroad realized revenues involve third countries too, it means countries outside the European Union. Revenues – third countries made 4.11% (15 573 thousand CZK) in 2013 of total abroad sale value, in 2012 2.91% (14 992 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.	
	2013	2012	2013	2012
TEKNIA MANUFACTURING GROUP, S.L.U.	--	--	2 090	--
TEKNIA AZUQUECA S.L.U.	--	128	104	1 432
TEKNIA R&D S.L.U.	--	1 006	--	--
TEKNIA BRASIL Ltda	--	81	--	--
TEKNIA MARTOS S.L.U.	--	--	47	--
Total	--	1 215	2 241	1 432

Teknia Uhersky Brod, a.s.

Notes to Financial Statements (non-consolidated)



For the year ended at 31 December 2013
(in thousands CZK)

(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 the credit granted were fully settled in 2013.

(c) Payables to group undertakings and associated companies

There are no payables to group undertakings and associated companies as at 31.12.2013.

(d) Revenues and Purchase Transactions

	Revenues for		Purchases for	
	2013	2012	2013	2012
TEKNIA MANUFACTURING GROUP, S.L.U.	192	14	10 027	8 555
TEKNIA AZUQUECA S.L.U.	821	835	2 348	2 551
TEKNIA Germany GmbH	--	6	--	--
TEKNIA R&D, S.L.U.	1	--	1 209	--
TEKNIA Martos, S.L.U.	3	6	520	527
TEKNIA Brasil Ltda	--	80	--	--
TEKNIA Estampación Epila, S.L.U.	--	--	10 675	--
Total	1 017	941	24 799	11 633

(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 2013
(in thousands CZK)

18. Employees and Senior Managers

Average number of employees and senior managers and wage costs for 2013 and 2012:

2013	Number of employees	Wage costs	Social and health insurance	Social costs
Employees	234	59 341	20 063	1 396
Senior managers	6	6 385	2 159	154
Total	240	65 726	22 222	1 550

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

Rewards for members of Statutory body and Supervisory Board were not paid in 2013. The top managers may use cars for private purposes as well.

19. Social Insurance and Health Insurance Payables

	Balance as at 1.1.2013	Change compared to previous year	Balance as at 31.12.2013
Social insurance	1 745	-3	1 742
Health insurance	773	-9	764
Total	2 518	-12	2 506

None of these payables are overdue.

20. Due from State – Tax Payables and Subsidy

	Balance as at 1.1.2013	Change compared to previous year	Balance as at 31.12.2013
Income tax from dependant activity	504	29	533
Total	504	29	533

None of these payables are overdue.

For the year ended at 31 December 2013
(in thousands CZK)

21. Income Tax

(a) Tax Due

The Company showed profit before tax of 36 922 thousand CZK in 2013.

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

The Company made provision for tax due amounting to 3 265 thousand CZK in 2013. The provision was reduced due to tax deposits amounting to 431 thousand CZK paid in the course of 2013.

(b) Deferred Tax

Deferred tax

	Receivables		Payables		Difference	
	2013	2012	2013	2012	2013	2012
Tangible fixed assets	--	1 639	2 149	--	- 3 788	-4 768
Intangible fixed assets	--	--	--	--	--	--
Financial assets	--	--	--	--	--	--
Receivables	130	177	--	--	-47	7
Inventory	670	620	--	--	50	-124
Provisions	390	495	--	--	-105	170
Tax losses	--	--	--	--	--	-1 108
Revaluation of assets and liabilities accounted made counter equity	--	--	--	--	--	--
Other temporal differences	--	--	--	--	--	--
Deferred tax	1 190	2 931	2 149	--	- 3 890	-5 823

In accordance with accounting policy stated under 2(f) the Company calculated the deferred tax payable of 959 thousand CZK. For the calculation of the deferred tax the tax rate of 19% was applied. The Company calculated the deferred tax receivable of 2 931 thousand CZK in 2012. For the calculation of the deferred tax the tax rate of 19% was applied.

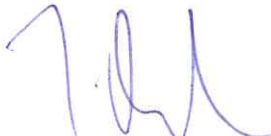
22. Cash- Flow Statement

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

For the year ended at 31 December 2013
(in thousands CZK)

23. Material Subsequent Event

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

Date:	Signature of the statutory body of the company or individual being accounting unit
7 th March 2014	 Javier Quesada Suescun Board of directors

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

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F +420 255 708 312

www.moorestephens.cz

Independent auditor's report

on the Annual report
as at 31st December 2013

for the sole 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.

Independent auditor's report to the sole shareholder of Teknia Uhersky Brod, a.s.

On the basis of our audit, on 7.3.2014 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 Company Teknia Uhersky Brod, a.s., which comprise the balance sheet as of 31 December 2013, 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 Company 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 Company 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 Company Teknia Uhersky Brod, a.s. as of 31 December 2013, 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 2013 prepared in accordance with the provisions of §66 of the act No. 513/1991, Commercial Code. 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 issue 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 2013 prepared in accordance with the provisions of §66 of the act No. 513/1991, Commercial Code, 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 2013 which are included in this Annual. 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 2013 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, 14.5.2014


Ing. Miroslav Janděčka
Partner


Ing. Jiří Liberda
Auditor, licence No.: 2010