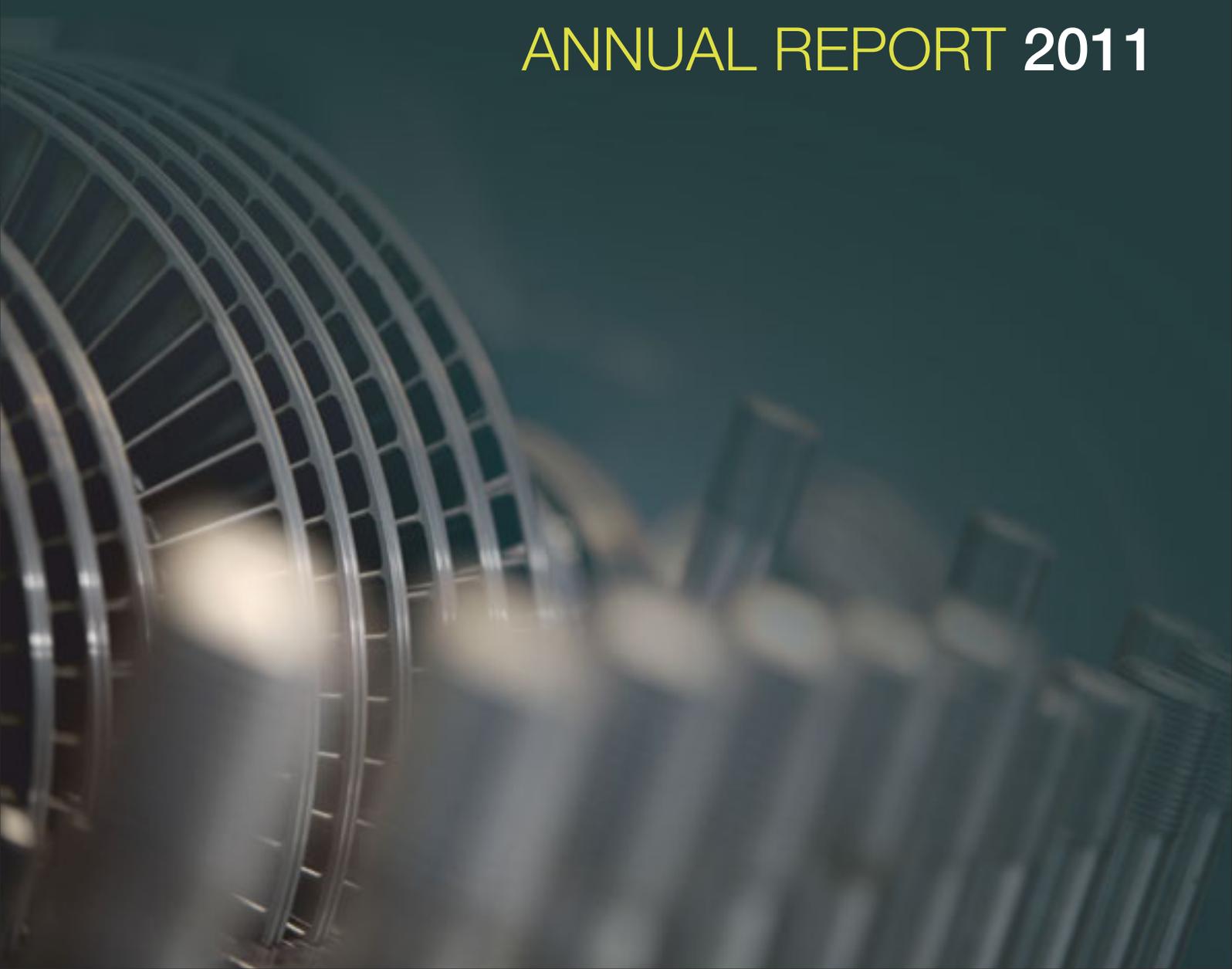




ANNUAL REPORT 2011





ANNUAL REPORT
2011

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SELECTED FINANCIAL INDICATORS

UIndex (in thousands CZK)	2011	2010	2009
PRODUCTION AND GOODS SOLD	839 870	682 083	739 807
OF WHICH: REVENUES	731 833	659 404	803 255
RAW MATERIALS AND SERVICES USED	704 213	601 474	660 544
ADDED VALUE	135 657	79 540	76 270
NET PROFIT	126 072	10 328	9 269
TOTAL ASSETS	1 045 880	981 846	816 042
CURRENT ASSETS	798 222	714 964	617 990
LIABILITIES	429 697	334 160	286 966
EQUITY CAPITAL	519 238	513 381	505 360

**DEVELOPMENT OF BASIC INDICATORS
DURING THE 20 YEARS' HISTORY
OF THE COMPANY (consolidated data)**

Index (in thousands CZK)	1996	2001	2006	2011
STAFF NUMBER	48	129	159	264
TURNOVER	218 749	737 501	877 033	829 018
PROFIT	23 044	79 837	66 424	188 730
EQUITY CAPITAL	34 827	258 536	452 115	645 748
TOTAL ASSETS	114 448	581 504	678 604	1 178 085



GENERAL MANAGER'S FOREWORD

Ladies and gentlemen,

I assess the year 2011 as successful from several standpoints. First of all, the company has stabilized its internal processes which are important for the business, especially the processes concerning offers, price formation, implementation of projects, quality assessment, etc.

It is not only a good product but also the ability to sell it which is necessary to be successful. We have, therefore, concentrated on the enhancement of our business with focus on the export. We concentrate on the Middle East, South America, Africa and, of course, Eastern Europe. The good commercial strategy was particularly successful for the following year 2012.

In the technological sphere we continuously increase the technical level of our major products – steam turbines and boilers. The main features are the efficiency of these machines and tailoring their operation to customer's needs.

The individual approach to the customers remains further on our philosophy. Each design is optimized according to the specification for several operation modes. This brings economic benefit for the customer and a competitive advantage for us.

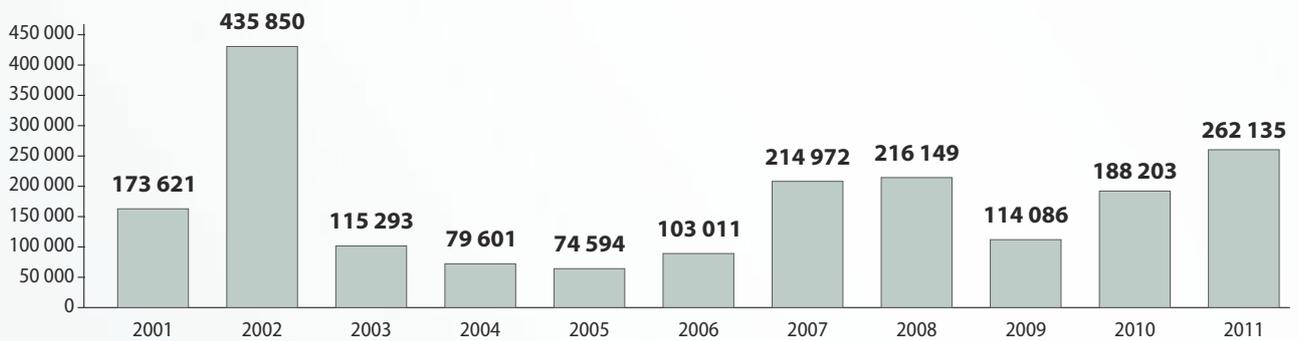
Ekol is able to design, manufacture, supply and commission turnkey power plants for different fuels. We have concentrated on bio-fuels and in 2011 we entered into a contract for the supply of a bio power plant with the nominal output of 5.8 MW – a combined power generation source. We want to continue this trend.

For further years, I wish all our partners, employees and friends great success, health and happiness.

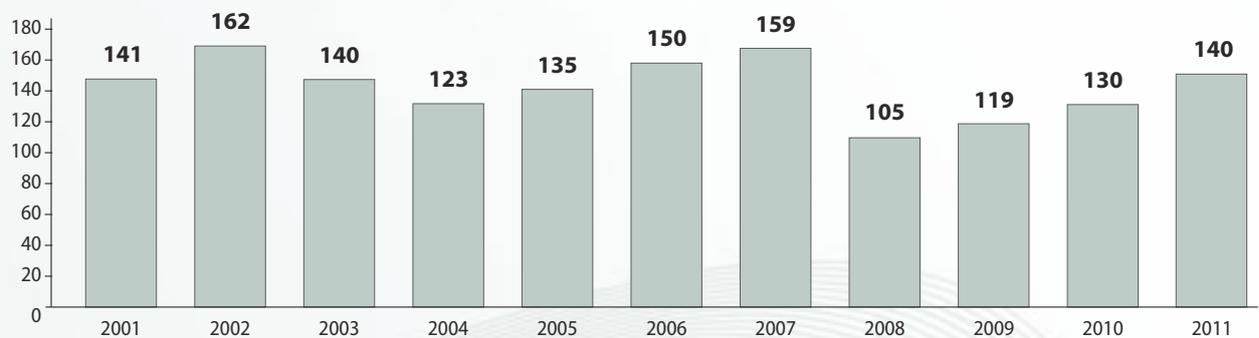
Prof. Ing. Stanislav Veselý, CSc.
General Manager

DEVELOPMENT 2001–2011

Inventory including work in progress (in thousands CZK)



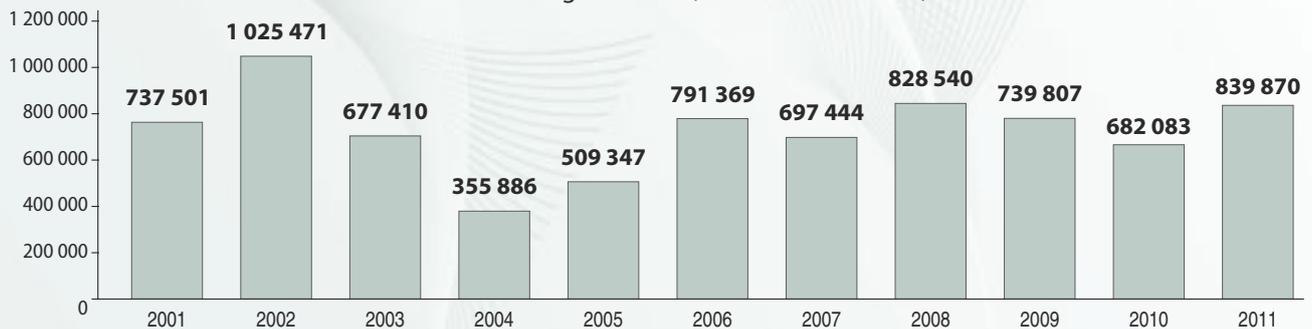
Number of employees (in persons)



Equity (in thousands of CZK)



Production and goods sold (in thousands of CZK)





FINANCE MANAGER'S COMMENTARY

Dear business partners, dear colleagues,

In the life of the accountants who have to be constantly on the alert and respond immediately to the changes brought about by the entrepreneurial environment there are seldom moments when we can say that we are content with the results achieved.

I am very pleased that the year 2011 that I am assessing now is not important only due to the fact that the company has been on the market for 20 years but also due to the economic results by which I as an accountant can be sincerely delighted.

However, when we look at the period between 2008 and 2011, there was not much reason for pleasure over the achieved economic results and optimism for the coming years. Nevertheless, these years have to be assessed as successful. The results were never negative during the period of the global crisis and the company utilized this time for its transformation: own production capacities were established and changes to organizational structure began in order that the company may supply complete plant equipment in the future.

Thus, Ekol has created conditions for becoming a much greater player on the power engineering market. Today it appears that thanks to these changes into which we have invested, the goals set at the beginning of this process are being realized. At the time when I am writing this commentary, Ekol is the supplier of three EPC biomass power plants including our own designs and technologies.

As far as the achieved economic results of 2011 are concerned, they are no accidental figures but they are the result of conscientious and formidable work of all company employees. With its results in 2011 Ekol created a springboard for further years of its activity on the market of supplies of equipment and EPC projects for power engineering.

I firmly believe that in 2012 and the years to come our company will build on the good results achieved in the past 20 years and particularly in 2011 and will remain a prospering company on the market.

Dear business partners, I would like to thank you for the good cooperation in implementing all orders in the past 20 years. I believe that Ekol in today's shape will be a good partner for the implementation of your investments and plans on the threshold of the beginning new decade.

Let me also express my thanks to all the Ekol group staff participating in the good results for their hard work.

Ing. Gustav Poslušný
Finance Manager

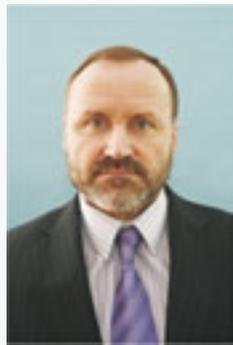
COMPANY MANAGEMENT



Ing. Vratislav Goj



Ing. Jaromír Kříž



Ing. Jan Saňka



Václav Janišťin



Ing. Bohumil Krška



Ing. Martin Fotr



Ing. Zdenko Pozorčiak

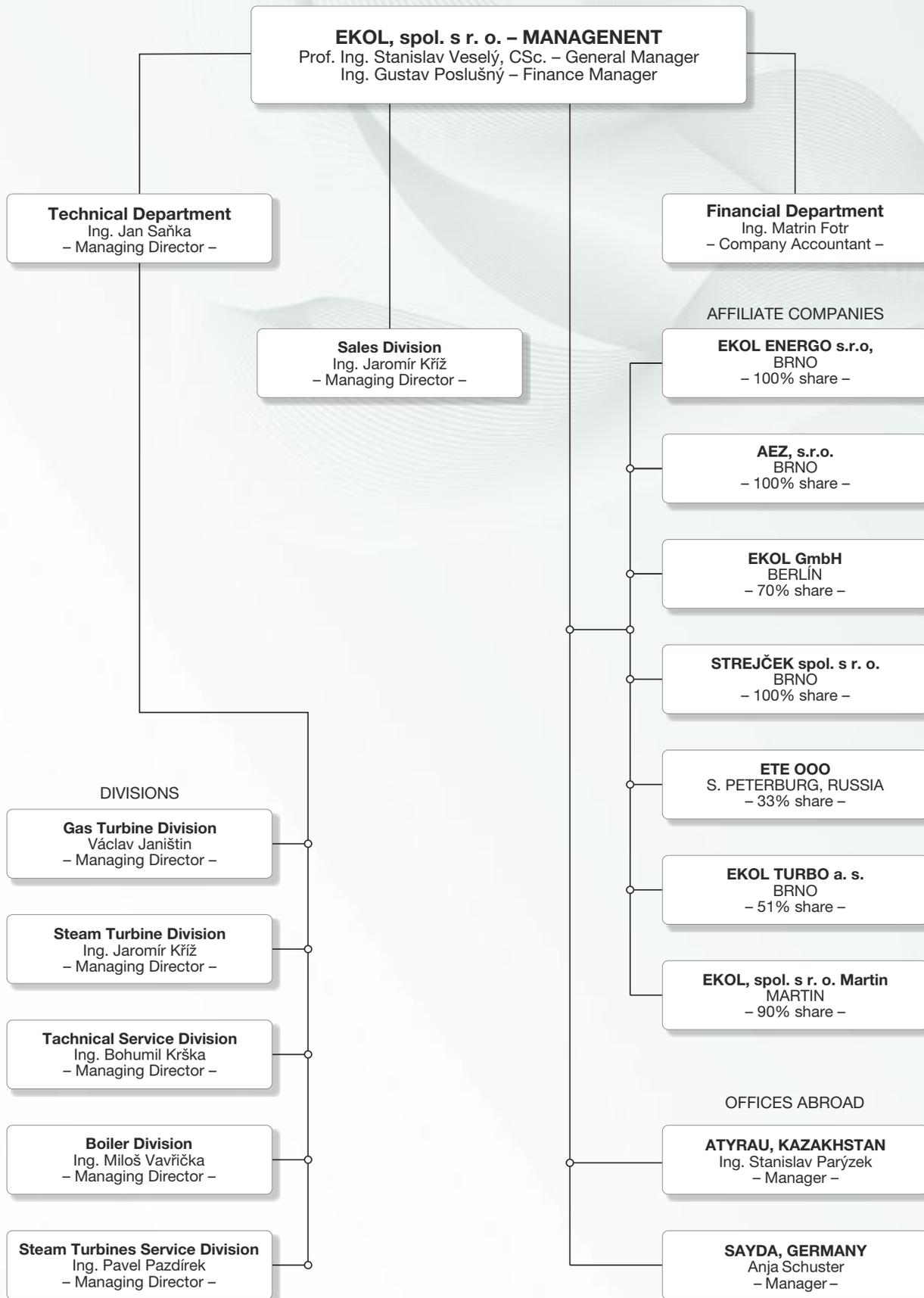


Pavel Pazdírek



Ing. Miloš Vavříčka

ORGANIZATIONAL STRUCTURE



COMPANY PROFILE



I. GAS TURBINES

EKOL purchases gas turbines for its deliveries for heat & power plant projects or individual supplies from world turbine manufacturers. The gas turbines are delivered to the customer on a skid with an acoustic hood incl. design, erection and commissioning including design, erection and commissioning.

Gas turbine accessories

The company designs, manufactures and supplies gas turbine accessories for its own deliveries as well as deliveries of other suppliers.

Spare parts

for various types of gas turbines incl. spare parts for their accessories and further related equipment including new recuperators.

Retrofitting older gas turbine types:

- to increase efficiency by installing new recuperators
- to increase power
- more comfortable operation as a result of the replacement of obsolete hydraulic systems by all-electronic systems
- to eliminate adverse effects of gas turbine operation on the environment by:
 - lowering methane emissions by replacing the expansion starting turbine with an electrical starting device
 - reducing oil vapor and aerosol escape to the outside by installing efficient separators
 - reducing NOx and CO emissions by modifying combustion chamber burners and by supplying new burners with 3rd millennium technologies
 - lowering noise emissions by installing high-quality inlet and exhaust duct noise suppressors and acoustic hoods
 - lowering power consumption by optimizing the oil cooling system and oil pumping system; in cases where the turbine is used to drive a gas compressor, by optimizing the oil supply to the gas compressor stuffing box.

II. STEAM TURBINES

Supplies of steam turbines, accessories or whole turbine halls according to customer's request. Cooperation with customers during the preparation of the design, optimization of the calculation of the turbine size and type according to the conditions at the customer's premises. Preparation of feasibility studies.

Technical support, approach to customers

Our goal is not only to elaborate the design according to the customer's requirements but also to cooperate with the customer during the preparation of offer. We endeavor to offer our customer a solution which they will appreciate especially during operation of the supplied equipment. Based on the customer's requirement we offer optimization of parameters, the turbine type, the power, operation. The optimization is carried out in association with the other technology especially the steam source (steam boiler), the demand for heat and electricity supply. In connection with the design also the project economy is assessed.

Power output up to 60 MW for generator drive

Our turbine generators are supplied with back-pressure or condensing turbines. Depending on the customer's needs, the turbine generator can be either provided with controlled or non-controlled steam extraction. The speed of turbines with lower outputs is up to 10000 rpm and a gearbox is provided. Turbines with higher outputs are directly coupled to a double-pole generator.

Power output up to 60 MW for mechanical drives

The concept of turbines for driving compressors and pumps is based on turbines for generator drive. The turbine speed is specified according to the demand of the driven machine.

The scope of supply from the turbine proper to the supply of the entire power generating center complies with customers' request.

COMPANY PROFILE

Spare parts supplies

We supply spare parts for the entire power generating centre with steam turbines. First of all, we supply steam turbine spare blades (both rotor & stator blades); radial and thrust bearings; control system parts; oil system parts, etc.

Inspections and assessment of unit condition and life

We perform complete inspections of turbine generators from disassembly of the unit, measuring, assessment of condition of the unit, inspection report, procurement of necessary spare parts, repairs resulting from the inspection report, reassembly and re-commissioning of the unit.

Repairs

We provide both scheduled and emergency repairs of steam turbines of our own design as well as steam turbines made by other manufacturers. The scope of service encompasses everything from standard repairs including for example diagnostics to general overhauls. We also perform repairs on all related turbine equipment.

Retrofits to achieve new operational parameters

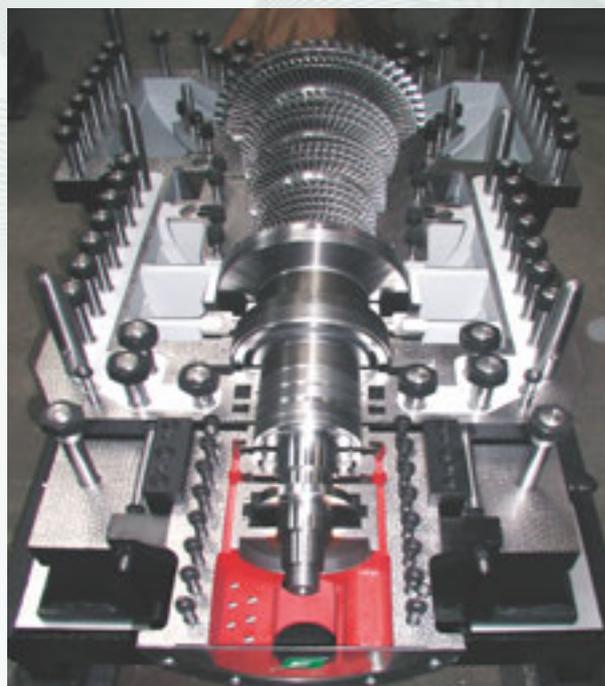
On operator's request for change of turbine operating parameters we perform the modification of the turbine encompassing the calculation, design of the new blading and modification of the new flow channel of the turbine with optimization to the newly defined parameters. The features in question are, e.g., the increase of the absorption capacity of the unit, the increase or decrease of extraction pressure, the increase or decrease of steam quantity into the extraction system, etc.

Modernization

We perform modernization of turbine generators in order to approximate them to the state-of-the-art technology (from replacement of individual components, increase of efficiency to adjustment of demands for a fully automatic operation).

Service and repairs

The main activity is focused on complete services in power engineering. The basic principle is to offer the best solution available. In power industry especially cogeneration and trigeneration technologies are being employed at present but at the same time conventional boiler technologies, heat exchanger stations are being upgraded and with the accession to the EU there is a boom in biomass technologies. We at EKOL attempt to follow all the latest trends and offer complex services in capital investment. Therefore, our division has extended its activity also to the building business – especially building of industrial halls including technological equipment.



III. POWER ENGINEERING UNITS

Conceptual decisions

Technical-economic studies and analyses of co-generation and steam gas power plants

Work preparation

All stages of the design documentation

Work implementation

Complex deliveries in form of EPC contracts or sub-deliveries

Cogeneration units

Electric output from 10 to 5000 kW, incl. all accessories

Instrumentation & control and extraction of electric output

Switchboards, cable lines, transformer stations

IV. BOILER DIVISION

Boilers and boiler houses – complete deliveries

Ekol furnishes complete steam, hot water and warm water boiler houses / boilers supplies using the following fuels as energy sources:

- Wood chips and wood waste
- Straw and biomass
- Bagasse
- Liquid and gaseous fuels
- Brown and bituminous coal
- Technological gases
- Waste heat (waste heat recovery boilers)

We offer the following range of general supplies:

- Design for building permission
- Boiler / boiler house planning and design
- Manufacture including supervision as part of the Quality Assurance System
- Equipment supplies and erection
- Commissioning
- Warranty and after-warranty service

COMPANY PROFILE



Steam boilers for power plants or heat & power plants combined with a steam turbine for combined power and heat generation are the boiler division key product.

Boiler modernization and ecologization

We offer and perform modernization and ecologization of boilers for existing heat and power sources. We furnish the design and the supplies of supplementary heat exchanging surfaces of the existing equipment to improve their efficiency or modifications initiated by the change of the fuel base of the source of heat.

Partial supplies / boiler house and boiler accessories

As part of the complete or partial supplies of boiler houses, boilers and their accessories we will design and implement the following supplies:

- I&C
- Condensate systems for steam boiler houses
- Devices for thermal liquidation of waste gases or liquids from technological processes
- Water, steam, hot water and warm water piping



- Heat-exchanger plants
- Technology of thermal feed water treatment plants
- Storage tanks and expansion tanks

As part of our complex supplies we also provide designs, deliveries and erection of following equipment supplied on cooperation basis:

- Boiler house fuel systems (both internal and external),
- Clinker removal
- Dust and soot collection
- Power circuit wirings
- I&C master systems for technological units including links to existing equipment
- Civil part of final deliveries

Spare parts supplies

We supply spare parts:

- for own boilers
- for boilers of other manufacturers according to the original or newly elaborated documentation

V. TECHNICAL SERVICES DIVISION – DESIGN DEPARTMENT, TECHNOLOGICAL CENTER

The turbine generators are designed not only to meet the customer's requirements but also to optimize the whole cycle. This helps to shorten the payback period of initial investments and optimize the total amount of the initial investment.

At present, we experience a considerable increase in requirements for shortening the times of delivery of turbine generators which can only be met with a high rate of unification. This was reason why the Technological Center (TC) was established within the Technical Services Division. Its major task is to unify and standardize the individual steam and gas turbine components. The TC activity is implemented in accordance with the Strategic general plan set up for 2008–2013.

The result of the TC activity is:

- to produce the complete design and manufacture documentation using new innovative elements and technologies for steam turbines.
- To protect the results of own activity – patents

The unified series of steam turbine equipment of own design divided according to the rated output

and type of equipment are elaborated step-by-step. The TC activity encompasses processes from the elaboration of the design standard, the creation or completion of calculation and supporting programs, the creation and completion of design and manufacture documentation to the elaboration of standardized documentation for operation and maintenance.

The result of the successfully managed project will be a compact modular system of individual compatible turbine generator components and subgroups.

Range of technical parameters of EKOL steam turbines from the point of view of the design:

Turbine types:	Back-pressure	- R	
	Condensing	- K	
	Extraction	- P, T, PP, PT, PR	
Output classes:	1, 4, 6, 10, 12, 15, 20,		
	25, 30, 40, 50, 60 MW		
Speed:	3 000 – 20 000 min ⁻¹		
Admission steam reference parameters:	- 3,5 MPa	435 °C	
	- 6,4 MPa	480 °C	
	- 9 MPa	535 °C	
	- 13MPa	535 °C	

COMPANY PROFILE

VI. MACHINERY DIAGNOSTICS

Machinery Diagnostics Division offers services in measuring vibrations of industrial machines and equipment, vibration diagnostics, field balancing and alignment of machine couplings.

- Measuring broad-band vibrations
- Frequency analyses of mechanical vibrations
- Vibration analyses depending on machine speed and examining transfer functions using various methods to determine resonance regions
- Field balancing of rigid and flexible rotors without the necessity of machine dismantling
- Coupling alignment by laser device
- Measuring the state of bearings



Periodical diagnostic measurements by means of a data collector to obtain a permanent survey of the vibration situation even in large machinery. Long-term data archiving on a PC, creating trends, monitoring changes of state after completed repairs, etc.

Parallel "on-line" monitoring up to 16 measuring channels for a detailed analysis of more sophisticated units, especially steam and gas turbines.

Based on the results of the measurements we offer the following services:

- Assessment of the state of the machine in conformity with valid standards
- Identification of the reason for the deteriorated or unsatisfactory vibration condition of the machine. The following reasons are usually ascertained:
 - Unbalance of rotating parts
 - Incorrect alignment of coupling
 - Faulty mounting of machine (e.g. loose or damaged bedplate, loosened joints, etc.)
 - Damaged bearings
 - Worn gears
 - Incorrect design (e.g. operation in resonance regions, insufficient rigidity of mounting, etc.)
- Recommendation of corrective measures according to specific situation
- Necessary on-the-spot intervention in cooperation with the operator and subsequent check of the influence of the measure taken.

If more complex measures are required, repeated measurements are to be made to ascertain the condition after the implementation of such measures.

IMPORTANT CONTRACTS IN 2011

STEAM TURBINES

České Budějovice – G-Team a.s., Czech Republic

Termination of a turbine hall construction with a 12 MW condensing turbine including cooling circuit and civil part. Designed for stabilization of boiler operation for the municipal heat & power plant.

Bučina Zvolen, Slovakia

Supply of a turbine hall with a controlled extraction condensing steam turbine. A complete supply including air condensing system. The turbine is installed after a biomass boiler.

TENZA, a.s. Czech Republic

Supply of a 3 MW controlled extraction condensing steam turbine. The turbine is installed in the Mydlovary heat & power plant, which supplies heat to a town district. The turbine is installed after a biomass boiler.

Synthos Dwory, Poland

Supply of a 29MW controlled extraction back-pressure steam turbine. The supply includes the turbine hall, electrical installations and the civil part.

EC Elblag, Poland

Initiation of supply of a 20 MW condensing steam turbine. The turbine will work together with a straw boiler.

ENERGOPROM, Kazakhstan

Initiation of supply of 2 condensing steam turbines for feed pump drive for a power plant.

Domoradice, Czech Republic

Initiation of supply of an 8.8 MW controlled extraction condensing steam turbine. Supply including construction, turbine hall, cooling system and electrical installation.

KIRLOSKAR EBARA, India

Termination of supply of the first 12 MW controlled extraction condensing steam turbine manufactured according to license documentation prepared by EKOL India.

Energo Future, Czech Republic

Supply of a complete wood chips biomass power plant, with 5.6 MW electric outputs and 16 MW heat output. The power plant will partly replace the existing heating by the coal boiler.



GAS TURBINES AND HEAT&POWER PLANTS

NET 4 GAS, s.r.o., Czech Republic

Repairs and reconstructions of GT 750-6 gas turbine parts
Installation of el. starting devices

UKRTRANSGAZ, Ukraine

Supply of GT 750-6 gas turbine spare parts

Lovochemie, a.s., Czech Republic

Repair of ST 1CH gas turbine parts

Synthesia, a.s., Czech Republic

Repair of an ST 1CH turbo compressor

ZKMK, Kazakhstan

Supply of GT 750-6 gas turbine spare parts

Hnojivá Duslo, spol. s r. o., Slovakia

Repair of ST CH1 gas turbine parts

Belaruskalij Soligorsk, Belarus

Erection and commissioning of a 7.1 MW cogeneration unit

NEFTGAZDEPOZIT, Uzbekistan

Supply of spare parts for a GT 750 – 6 gas turbine



BOILER DIVISION

E.S.I.I.C., Egypt

ALPHA boiler burners

E.S.I.I.C., Egypt

fuel piping for 50 burners

S.C.ELSACO Electronic S.R.L., Romania

Supply of a 14 MW boiler, Bacau

ENERGOMONTAJ S.A., Romania

Supply of 58MW and 116 MW boilers, Timisoara

RUP PO Belaruskalij, Belarus

Supply of a RU2 waste-heat boiler

Bioenergo-Komplex, s.r.o. Kolín

Supply of a 26 t/h steam boiler

Ecologization of Central Heat Source of the town of Frýdek Místek

Supply of a fuel storage and transport system, 28 t/h boiler

S.C.ELSACO Electronic S.R.L., Romania

Supply of boilers 2x52 MW, Botosani

IMPORTANT CONTRACTS IN 2012

STEAM TURBINES

S.C.ELSACO Electronic S.R.L., Romania

Supply of a 3.6 MW back-pressure steam turbine with generator and accessories for a combined gas steam cycle designed for district heating.

A6 Impex , Romania

Supply and erection of a 10 MW controlled extraction condensing steam turbine incl. condensing system. A biomass burning project in an industrial company.

Bioenergo SK , Slovakia

Termination of supply of a 12 MW condensing steam turbine for a biomass power plant.

Kazanj, Russia

Supply of a 4 MW condensing steam turbine for compressor drive for chemical industry.

Energo Future , Czech Republic

Supply of a complete wood chips biomass power plant, 5.6 MW electric output and 16 MW thermal output.

The power plant will partially replace the existing heating of the town by a coal boiler.

ČKD Kompresory, Czech Republic

Delivery of a 14 MW condensing steam turbine for compressor drive

TEMEX, Mexico

Supply of a 4.5 MW back-pressure turbine for generator drive – designed for the combined gas steam cycle.

Bioenergo , Czech Republic

Supply of a turbine hall with an extraction condensing steam turbines with a complete cooling circuit – designed for burning biomass industrial waste.

GAS TURBINES AND HEAT&POWER PLANTS

NET 4 GAS, s.r.o., Czech Republic

Repairs and reconstruction of GT 750-6 gas turbine parts

UKRTRANSGAZ, Ukraine

Supply of GT 750-6 gas turbine spare parts

Lovochemie, a.s., Czech Republic

ST 1CH gas turbine overhaul

Synthesia, a.s., Czech Republic

ST 1CH gas turbine repair

ZKMK, Kazakhstan

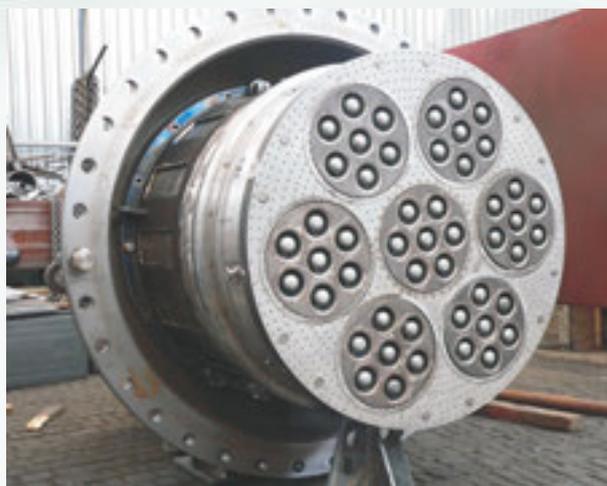
Supplies of GT 750 – 6 gas turbine spare parts

Uztransgas, Uzbekistan

Supplies of GT 750-6 gas turbine spare parts

AmpluServis, a.s., Czech Republic

GE MS6001FA gas turbine relocation



BOILER DIVISION

S.C.ELSACO Electronic S.R.L., Romania

Supply of a 14 MW boiler, Bacau

Bioenergo-Komplex, s.r.o. Kolín

Supply of a 26 t/h boiler

Ecologization of Central Heat Source of the town of Frýdek Místek

Supply of a fuel storage and transport system, 28 t/h boiler

S.C.ELSACO Electronic S.R.L., Romania

Supply of boilers 2x52 MW, Botosani



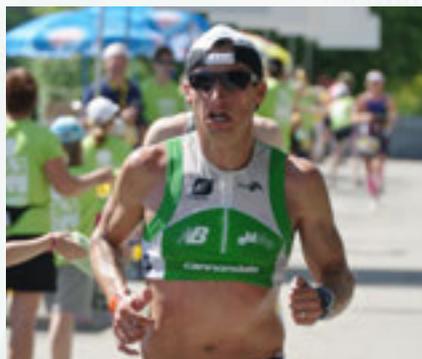
TRADITIONAL TRIATHLON PARTNER

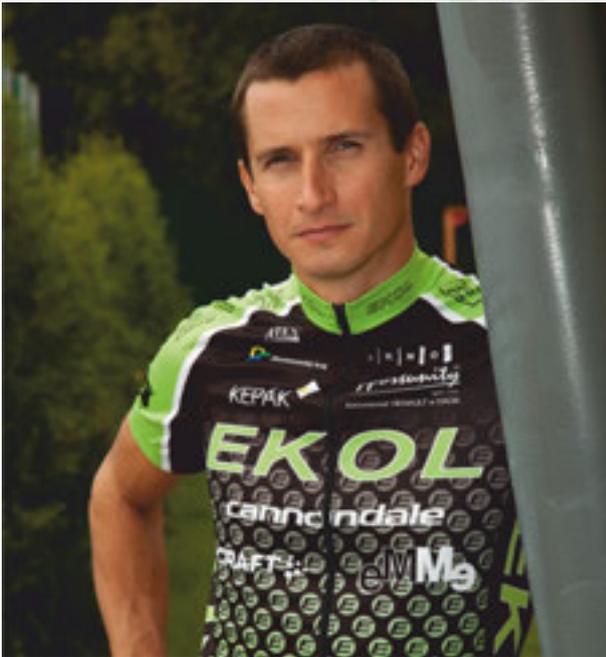


Back in 1997 EKOL, spol. s r.o. became involved in one of the most progressive sports – the triathlon.

EKOL, spol. s r.o. is the titular partner of the elite European triathlon EKOL TEAM.

The EKOL SUPERPRESTIGE race held in Brno has always been part of the elite category of triathlon events. It was three times included in the Triathlon championship Series and five times in the European Cup race.





Filip Ospalý

The only European Triathlon champion from the Czech Republic

- European Triathlon champion
- Two-times European Triathlon runner-up
- Three-times World Cup winner
- Three-times University World Champion



Martin Krňávek

The first World Cup race winner from the Czech Republic

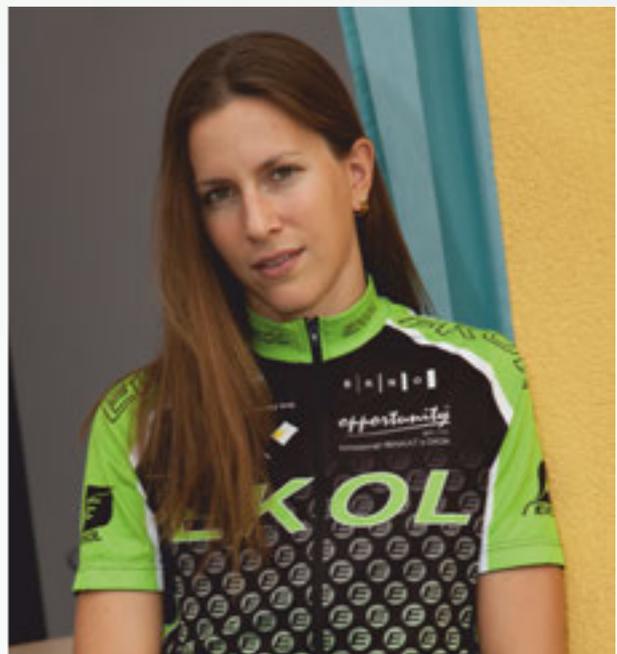
- Three-times World Cup winner
- Three-times bronze medalist and once fourth place from European Championship
- Two fifth places from the World Championship



Vendula Frintová

The only European Triathlon vicechampion from the Czech Republic

- European Triathlon vicechampion
- U23 European Champion
- Two-times silver medalist from U23 World Championship
- Winner of a World Cup event



Radka Vodičková

The only absolute winner of the European Cup series from the Czech Republic

- Sixth place from European Championship
- European Duathlon Champion
- Absolute winner of the European Cup series

CERTIFICATES



AUDIT OF FINANCIAL STATEMENT AT 31. 12. 2011



Tel.: +420 541 235 273
 Fax: +420 541 235 745
 www.bdo.cz

BDO CA s. r. o.
 Marie Steyskalové 14
 Brno
 616 00

External Auditor Report

Attention of EKOL, spol. s r.o. shareholders

We have audited the attached financial statements of EKOL, spol. s r.o., i.e. the balance sheet at 31. 12. 2011, the profit and loss statement, the survey of changes of equity for the period from 1.1.2011 till 31.12.2011 and the appendix to this financial statement including the description of the applied significant accounting methods.

Responsibility of the statutory body of the accounting entity for the financial statements

The preparation and the true representation of the financial statement in compliance with the Czech legislation is the responsibility of the statutory body of EKOL, spol. s r.o.. A part of the said responsibility is to propose, introduce and implement internal audit of the preparation and true representation of the financial statements in order to ensure that no material inaccuracies caused by fraud or mistake are included, to select and exercise appropriate accounting methods and to carry out reasonable accounting estimates.

Auditor's responsibility

Our task is to give an opinion on the present financial statements based on the performed audit. We have performed the audit in compliance with the Act on Auditors, the International Auditing Standards and related implementation clauses of the Chamber of Auditors of the Czech Republic. According to the said legislation, we are obliged to abide by ethical standards and to plan the audit in order to acquire reasonable certainty that the financial statement does not contain material inaccuracies.

The audit includes the performance of auditing processes, the purpose of which is to acquire evidence with respect to the amounts and facts stated in the financial statement. The selection of the auditing processes depends on the discretion of the auditor, including the assessment of risks that the financial statement contains material inaccuracies caused by fraud or mistake. During the assessment of such risks the auditor takes into account internal audits relevant for the preparation and true representation of the financial statement. The objective of the assessment of internal audits is to suggest appropriate auditing methods, not to comment on the effectiveness of the internal audit. The audit also includes the assessment of the appropriateness of applied accounting methods, the adequacy of accounting estimates carried out by the management and also the assessment of the overall presentation of the financial statement. We believe that the acquired evidence constitutes a satisfactory and adequate basis for expressing our opinion.

In our opinion, the financial statement presents a true and fair for our opinion.

Auditor's opinion

In our opinion, the consolidated financial statements present in all material respects a true and fair image of assets, liability, equity and financial situation of EKOL, spol. s r.o. as at 31.12.2011 and its costs, revenues and results of its business for the period from 1.1.2011 till 31.12.2011 in compliance with the Czech accounting legislation.

Brno, 27 June, 2012

BDO CA s.r.o., auditing company certificate No. 305
 Represented by:

Ing. Jiří Kadlec
 Auditor, Certificate No.1246



AUDIT OF CONSOLIDATED FINANCIAL STATEMENT AT 31. 12. 2011



Tel.: +420 541 235 273
 Fax: +420 541 235 745
 www.bdo.cz

BDO CA s. r. o.
 Marie Steyskalové 14
 Brno
 616 00

External Auditor's Report

on auditing the consolidated financial statements of the group Ekol companies 31. 12. 2011

Companies whose consolidated financial statements for 2011 have been audited:

Company name	Registered address
EKOL, spol. s r.o.	Brno, Křenová 65
EKOL energo s.r.o.	Brno, Křenová 65
Strejček spol. s r.o.	Brno, Křenová 65
EKOL, spol. s r.o.	Martin, Hečková 2
EKOL TURBO a.s.	Brno, Křenová 65
AEZ s.r.o.	Brno, Křenová 67c

Audited period 1. 1. 2011 - 31. 12. 2011.

Objective of audit, its scope and specification of responsibility:

We have audited the attached consolidated financial statements of the group of EKOL companies, i.e. the consolidated balance sheet as at 31.12.2011, the consolidated profit and loss account for the period from 1.1.2011 till 31.12.2011 and the appendix to this financial statement including the description of applied significant accounting methods. The data on the group of EKOL companies are given in the appendix to this financial statement.

The consolidating entity of the group of EKOL companies consisted of the following trading companies at 31.12.2011:

Parent company:	EKOL, spol. s r.o.
Subsidiaries:	EKOL energo s.r.o.
	Strejček spol. s r.o.
	EKOL TURBO a.s.
	EKOL, spol. s r.o.
	AEZ s.r.o.

Responsibility of the statutory body of the accounting entity for the financial statements

The preparation and the true representation of the financial statement in compliance with the Czech legislation is the responsibility of the statutory body of EKOL, spol. s r.o.. A part of the said responsibility is to propose, introduce and implement internal audit of the preparation and true representation of the financial statements in order to ensure that no material inaccuracies caused by fraud or mistake are included, to select and exercise appropriate accounting methods and to carry out reasonable accounting estimates.

Auditor's responsibility

Our task is to give an opinion on the present consolidated financial statements based on the performed audit. We have performed the audit in compliance with the Act on Auditors, the International Auditing Standards and related implementation clauses of the Chamber of Auditors of the Czech Republic. According to said legislation, we are obliged to abide by ethical standards and to plan the audit in order to acquire reasonable certainty that the consolidated financial statements do not contain material inaccuracies.

The audit includes the performance of auditing processes, the purpose of which is to acquire evidence with respect to the amounts and facts stated in the consolidated financial statements. The selection of the auditing processes depends on the discretion of the auditor, including the assessment of risks that the financial statement contains material inaccuracies caused by fraud or mistake. During the assessment of such risks the auditor takes into account internal audits relevant for the preparation and true representation of the consolidated financial statements. The objective of the assessment of internal audits is to suggest appropriate auditing methods, not to comment on the effectiveness of the internal audit.

The audit also includes the assessment of the appropriateness of applied accounting methods, the adequacy of accounting estimates carried out by the management and also the assessment of the overall presentation of the consolidated financial statements.

We are convinced that the acquired evidence constitutes a satisfactory and adequate basis for expressing our opinion.

Auditor's opinion

In our opinion, the consolidated financial statements present in all material respects a true and fair image of assets, liability, equity and financial situation of the group of EKOL companies at 31.12.2011 and its costs, revenues and results of its business and cash flows in 2011 in compliance with the Czech accounting legislation.

Brno, August 8, 2012

BDO CA s.r.o.
 represented by:

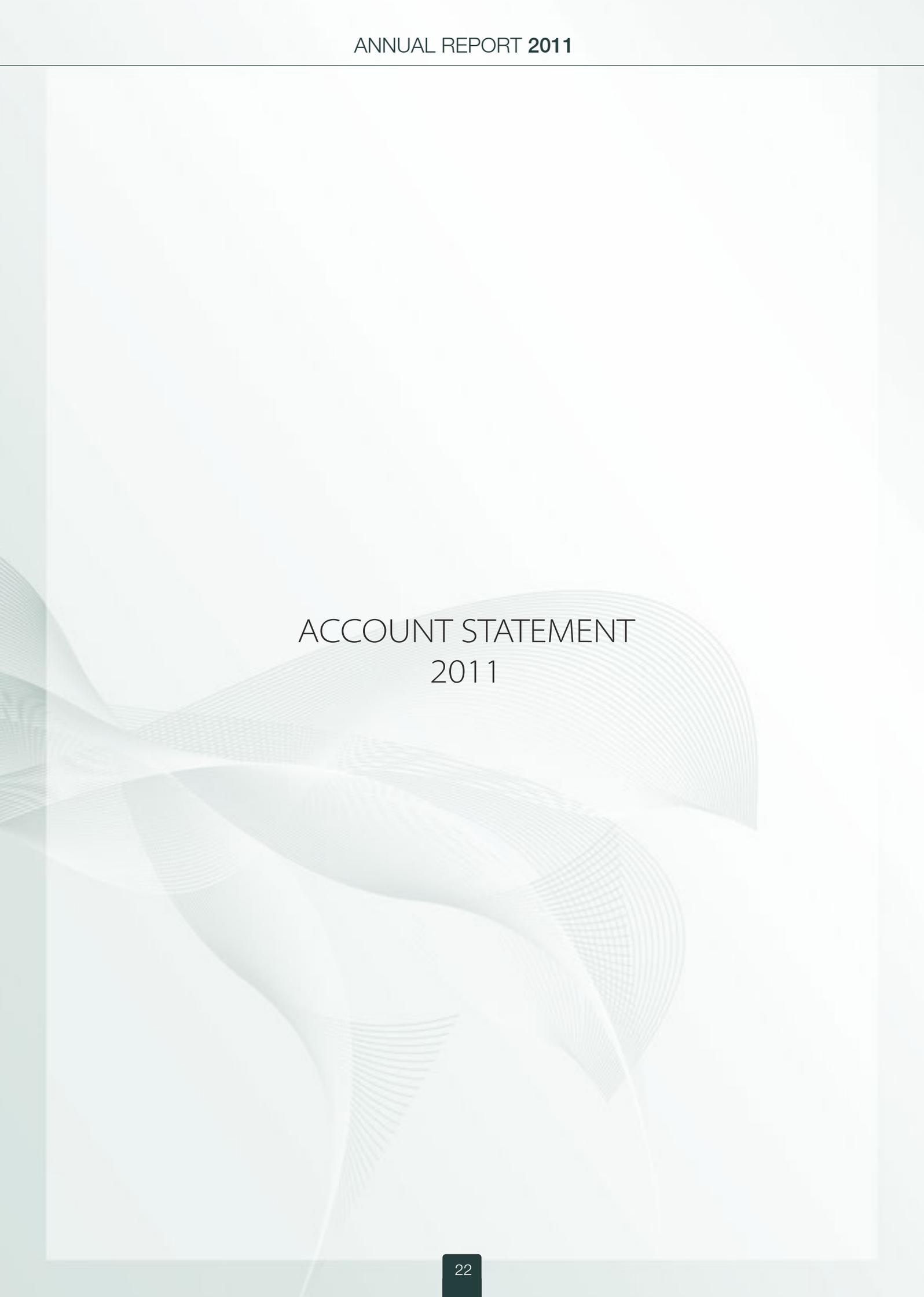
Ing. Jiří Kadlec
 Auditor, Certificate No.1246



FINANCIAL STATEMENTS

ANNEX TO ACCOUNT STATEMENT FOR 2011

ANNEX TO CONSOLIDATED FINANCIAL STATEMENT FOR 2011



ACCOUNT STATEMENT
2011

BALANCE SHEET AS AT 31. 12. 2011 – ASSETS

(in thousands CZK)		2011		2010	2009	
		gross	correction	net	net	
TOTAL ASSETS		1 163 855	-117 975	1 045 880	981 846	816 042
B.	LONG-TERM ASSETS	361 994	-116 958	245 036	195 121	196 909
B.I.	Long-term intangible assets	51 689	-37 972	13 717	13 237	9 066
B.I.3.	Software	35 082	-25 362	9 720	7 796	7 224
B.I.4.	Valuable rights	10 543	-10 506	37	471	931
B.I.6.	Other long-term intangible assets	6 064	-2 104	3 960	4 970	911
B.I.7.	Intangible long-term assets under construction	0	0	0	0	0
B.II.	Long-term tangible assets	132 185	-78 254	53 931	42 080	48 039
B.II.1.	Land	244	0	244	244	244
B.II.2.	Buildings, halls and structures	53 732	-24 963	29 039	30 801	32 561
B.II.3.	Machinery, equipment, vehicles, fixtures	63 773	-53 561	10 212	11 035	15 234
B.II.8.	Advance payments for tangible fixed assets	14 436	0	14 436	0	0
B.III.	Long-term financial assets	178 120	0	-732	177 388	139 804
B.III.1.	Shares in controlled and governed entities	162 212	0	162 212	134 712	134 712
B.III.2.	Shares in enterprises with substantial influence	15 908	-732	15 176	5 092	5 092
C.	CURRENT ASSETS	799 239	-1 017	798 222	714 964	617 990
C.I.	Inventory	262 135	0	262 135	188 203	114 086
C.I.1.	Materials	39 769	0	39 769	73 875	20 161
C.I.2.	Work-in-progress and semi-finished products	222 366	0	222 366	114 328	92 739
C.II.	Long-term receivables	61 680		61 680	0	0
C.III.	Short-term receivables	180 416	-1 017	179 399	289 169	309 418
C.III.1.	Trade receivables	117 022	-1 017	116 005	203 599	197 668
C.III.2.	Receivables – from enterprises with controlling & governing influence	27 417	0	27 417	42 954	53 488
C.III.3.	Receivables from enterprises with substantial influence	0	0	0	0	0
C.III.4.	Receivables from partners and participants in an association	1 364	0	1 364	1 265	1 115
C.III.6.	Due from state – tax receivables	11 982	0	11 982	7	4 608
C.III.7.	Short-term provided advances	17 176	0	17 176	40 060	54 010
C.III.8.	Estimated accrued revenues	0	0	0	0	-8 477
C.III.9.	Other receivables	5 455	0	5 455	1 284	7 006
C.IV.	Short-term financial assets	295 008	0	295 008	237 592	194 486
C.IV.1.	Cash	859	0	859	1 152	701
C.IV.2.	Bank accounts	294 149	0	294 149	236 440	193 785
D.I.	ACCRUALS	2 622	0	2 622	71 761	1 143
D.I.1.	Deferred expenses	1 538	0	1 538	46	297
D.I.2.	Accrued revenues	1 084	0	1 084	71 715	846

BALANCE SHEET AS AT 31. 12. 2011 - LIABILITIES

(in thousands CZK)		2011	2010	2009
TOTAL LIABILITIES		1 045 880	981 846	816 042
A.	EQUITY	519 238	513 381	505 360
A.I.	Registered capital	5 000	5 000	5 000
A.I.1.	Registered capital	5 000	5 000	5 000
A.II.	Capital funds	-23 117	4 863	7 170
A.II.2.	Other capital funds	7 170	7 170	7 170
3.	Gains or losses from revaluation of assets	-30 287	-2 307	0
A.III.1.	Legal reserve fund	500	500	500
A.III.2.	Statutory and other funds	0	0	0
A.IV.	Profit (loss) of previous years	410 783	492 690	483 421
A.IV.1.	Retained earnings from previous years	410 783	492 690	483 421
A.IV.2.	Accumulated losses from previous years	0	0	0
A.V.	Profit (loss)	+ 126 072	+ 10 328	+ 9 269
B.	LIABILITIES	429 697	334 160	286 966
B.I.	Reserves	0	0	0
B.I.3.	Income tax reserves	0	3 353	0
B.I.4.	Other reserves	1 098	1 459	0
B.II.	Long-term payables	23 584	750	609
B.II.9.	Other payables	23 249	0	0
B.II.10.	Due to state- deferred taxes	335	750	609
B.III.	Short-term payables	405 015	328 598	286 357
B.III.1.	Trade payables	161 786	177 059	184 464
B.III.2.	Payables to controlled and governed enterprises	1 095	57	70
B.III.4.	Payables to partners and participants in an association	0	0	0
B.III.5.	Payables to employees	3 622	3 083	2 633
B.III.6.	Payables to social security	2 111	1 759	1 408
B.III.7.	Due to state – taxes and subsidies	8 750	- 1 352	6 310
B.III.8.	Short-term received advances	179 489	142 302	91 414
B.III.10.	Estimated accrued expenses	2 247	3 318	1
B.III.11.	Other payables	45 915	2 372	57
B.IV.	Bank loans	0	0	0
B.IV.1.	Long-term bank loans	0	0	0
C.I.	ACCRUALS	96 945	134 305	23 716
C.I.1.	Accrual expenses	2 347	4 736	4 735
C.I.2.	Deferred revenues	94 598	129 569	18 981

PROFIT AND LOSS ACCOUNT AS AT 31. 12. 2011

(in thousands CZK)	2011	2010	2009
I. Revenues from goods	0	1 090	3 053
A. Cost of goods sold	0	1 069	2 993
+ Sale margin	0	21	60
II. Production	839 870	680 993	736 754
II.1 Revenues from own products and services	731 833	659 404	803 255
II.2. Change in inventory of own production and services	-108 037	-21 589	-67 697
II.3. Capitalization	0	0	1 196
B. Production consumption	704 213	601 474	660 544
B.1. Consumed material and utilities expense	397 167	371 910	364 000
B.2. Services	307 046	229 564	296 544
+ Added value	135 657	79 540	76 270
C. Personnel expense	68 920	60 100	53 796
C.1. Wages and salaries	50 288	43 999	39 380
C.2. Remuneration to board members	0	0	0
C.3. Social security expense	16 795	14 736	13 176
C.4. Social security expense	1 837	1 365	1 240
+ Taxes and fees	207	251	225
E. Depreciation of intangible and tangible fixed assets	12 039	13 447	12 734
III. Revenues from disposals of fixed assets and materials	5 604	4 752	2 765
III.1. Revenues from disposals of fixed assets	939	0	1 029
III.2. Revenues from disposals of materials	4 665	4 752	1 736
F. Net book value of disposed fixed assets and materials sold	4 722	4 583	3 461
F.1. Net book value of disposed fixed assets sold	62	0	710
F.2. Sold material	4 660	4 583	2 751
G. Change in reserves and adjustments in operating area and deferred complex expense	1 093	-2 057	257
IV. Other operating revenues	9 076	7 506	7 391
H. Other operating expense	2 369	5 118	3 186
* Operating profit (loss)	60 987	10 356	12 767
VI. Revenues from sales of securities and ownership interests	139 600	0	0
J. Securities and ownership interests sold	66 680	0	0
M. Change in reserves and adjustments in financial area	732	0	0
X. Interest received	3 525	2 051	2 672
N. Interest expense	0	325	481
XI. Other financial revenues	1 232 524	1 413 425	854 072
O. Other financial expense	1 232 746	1 410 127	859 227
* Profit (loss) from financial operations	75 491	5 024	-2 964
Q. Income tax on ordinary income	11 865	3 631	3 279
Q.1 Due	12 280	3 490	3 727
Q.2. Deferred	-415	141	-448
** Ordinary income	+ 124 613	+ 11 749	+ 6 524
XIII. Extraordinary revenues	0	38	2 746
R. Extraordinary expense	-1 459	1 459	0
S. Income tax on extraordinary income	0	0	0
S.1. Due	0	0	0
S.2. Deferred	0	0	0
* Extraordinary income	1 459	- 1 421	+ 2 745
*** Profit (loss) of current accounting period	+ 126 072	+ 10 328	+ 9 269
**** Profit (loss) before tax	+137 937	+13 959	+12 548

ANNEX TO FINANCIAL STATEMENT FOR 2011

ART. I. GENERAL NOTES

The company is subject to audit in compliance with the Accountancy Act No. 563/91 Coll.

ART. II. GENERAL DATA

1. EKOL, spol. s r.o., Brno, ID: 41600983
Brno, Křenová 65, Zip Code 602 00
A legal entity incorporated in the Commercial Register of the Regional Court Brno, section C, file 1070

Persons with more than 20% participation in the registered capital

Prof. Ing. Stanislav Veselý, Csc.

52,54 %

Ing. Gustav Poslušný

43,46 %

The business shares of the afore-mentioned persons make up in total

96 %

The business shares of the shareholders in the registered capital are fully paid up.

The company was awarded the ISO 9001:2000 certificate No. 154080.

The primary scope of business is defined as "manufacture, business and service"

DESCRIPTION OF ORGANIZATIONAL STRUCTURE – as at 31.12.2011

Company management:

Prof. Ing. Stanislav Veselý, Csc., General Manager – company executive

Ing. Gustav Poslušný, Finance Manager – company executive

Ing. Jaromír Kříž – company executive

FURTHER STRUCTURING

Technical Department

Ing. Jan Saňka

Gas Turbine Division

Václav Janišťin

Steam Turbine Division

Ing. Jaromír Kříž

Technical Service Division

Ing. Bohumil Krška

Boiler Division

Ing. Miloš Vavříčka

Permanent business premises were established in Slovakia in 1996

EKOL, spol. s r.o., org. složka
Hečkova 2, Martin 036 01,
DIČ: 35676957.

Permanent business premises were established in Kazakhstan in 2001

Ing. Gustav Poslušný - Manager
ATYRAU

Permanent business premises were established in Germany in 2002

Ing. Stanislav Parýzek - Manager
SAYDA
Anja Schuster - Manager

2. Company participation in the registered capital in another company with a share of more than 20%**EKOL TURBO, a.s. Brno**

51%

Business share

1 020 thousand CZK

Equity capital in 2011

1 863 thousand CZK

Profit in 2011

- 3 thousand CZK

Revenues in 2011

0 thousand CZK

No business yet

Strejček spol. s r.o. Brno

100 %

Business share

4 963 thousand CZK

Equity capital in 2011

4 194 thousand CZK

Profit 2011

-74 thousand CZK

Revenues in 2011

82 thousand CZK

The company runs a designing office.

AEZ s.r.o.

100 %

Business share

27 500 thousand CZK

Equity capital in 2011

19 824 thousand CZK

Profit 2011

1 266 thousand CZK

Revenues in 2011

20 344 thousand CZK

EKOL energo s.r.o. Brno

100%

Business share

106 443 thousand CZK

Equity capital in 2011

240 685 thousand CZK

Profit 2011

44 542 thousand CZK

Revenues in 2011

285 850 thousand CZK

ANNEX TO FINANCIAL STATEMENT FOR 2011

EKOL, spol s.r.o. Martin	90 %
Business share	21 646 thousand CZK
Equity capital in 2011	36 172 thousand CZK
Profit 2011	4 928 thousand CZK
Revenues in 2011	112 282 thousand CZK
EKOL GmbH Energiesysteme, Aachen, BRD	70 %
Business share	640 thousand CZK
Loss in 2001	685 thousand CZK

There were serious disagreements in the management of this German company and it was impossible to assert the influence of the majority partner. The 2001 financial statement was not approved by the general meeting. The 2002, 2003, 2004 and 2005 financial statements have not yet been submitted by this company. For this serious material reason, the provision of Act No. 563/91 Coll., Section 27 on real asset pricing cannot be fulfilled. In compliance with Art. 5 of this Section, the valuation by real value must be carried out for all subsidiary companies. Since documents from EKOL GmbH Berlin are missing, this task cannot be fulfilled.

ETE OOO, S. Peterburg, Russian Federation	33 %
Business share	92 thousand CZK
No business yet	

In 2011 the company created an adjustment to Ekol Berlin and ETE business shares amounting to 732 thousand CZK.

3. Personnel and wages	2010	2011
Average number of employees	130	140
Wages and salaries in thousands CZK	60 100	68 921
Management	6	8
Wages and salaries in thousands CZK	4 137	6 506

ART. III. INFORMATION ON USED ACCOUNTING METHODS, GENERAL ACCOUNTING PRINCIPALS AND VALUATION METHODS

1. Method of valuation

- The stock purchased are valued at purchase cost. Stock created at our own expense: work-in-progress is valued by own cost (in direct cost + indirect product cost share). Material and structures definitely intended for individual design are carried to account by the B method directly in the consumption of individual job orders. The material purchased to be processed in own production and the production of Ekol Energo, the subsidiary company, is carried to account by the A method
- The long-term tangible and the long-term low-value assets created at our own expense are valued by real actual cost. The same applied to intangible assets.
- Ownership interests: the company has ownership interests in further 5 legal entities – see Art. II/2 – the shares are valued at purchase costs.
- Long-term low-value assets with purchase cost up to 20 thousand CZK are deducted for tax and accounting purposes in one year and then kept in operative records, except for software, computer and office technology, which are for tax and accounting purposes deducted in one year if the purchase cost is less than 5 thousand CZK.

2. The application of reproduction purchase cost was not necessary.

3. Kinds of purchase cost included in:

- purchased stock: freight, external erection work, customs
- stock created at own expense: consumption of material, wages, social and health insurance, freight, external erection work, other direct cost, indirect product cost ratio.

4. Changes of method of valuation and depreciation - 0 -

5. Accounting and tax adjustments to assets were created for receivables according to Act No. 593/92 Sb., §8a.

6. Depreciation schedule for fixed assets is drawn up for a whole year; depreciation begins as from the month following the putting into use and terminates in the month of discarding.

7. Foreign currency in ingoing and outgoing invoices is converted to CZK by a fix rate; at the end of the accounting period the conversion is effected according to the ČNB exchange rate.

8. Change of line of business

In 2008 the company production was transferred to Ekol Energo, s.r.o. – the subsidiary company. Therefore, the line of business of the company changed from a production to an engineering organization. The company continues providing services to customers based on contracts for work and from the viewpoint of commercial law it is considered the contractor.

ANNEX TO FINANCIAL STATEMENT FOR 2011

ART. IV. ADDITIONAL INFORMATION CONCERNING BALANCE AND PROFIT AND LOSS ACCOUNT

1. Fixed asset turnover in thousands CZK in 2011

Kind of assets	Purchase cost as at 1.1.2011	Purchase	Liquidation	Closing balance as at 31.12.2011	Accumulated amortization 2011	Residual value as at 31.12.2011
Software and research & development (013+012)	28 638	6 444	0	35 082	25 362	9 720
Valuable rights (014)	10 543	-	-	10 543	10 506	37
Other tangible fixed assets (019)	6 064	-	-	6 064	2 104	3 960
Unfinished investments (041)	-	-	-	-	-	-
Land (031)	244	-	-	244	-	244
Buildings (021, incl. 029)	53 733	-	-	53 733	24 693	29 039
Machinery, equipment, vehicles, furniture and fixtures (022)	64 652	3 587	4 466	63 773	53 561	10 212
Of which:- machinery and equipment	42 731	2 714	4 232	41 213	33 864	7 349
- vehicles	5 742	-	71	5 671	4 496	1 175
- inventory	2 215	-	-	2 215	2 174	41
- other tangible fixed assets	13 964	873	163	14 674	13 027	1 647
Unfinished investments (042)	-	-	-	-	-	-
Long-term financial property (061)	134 712	104 996	77 496	162 212	-	162 212
Financial investments (062)	5 092	15 816	5 000	15 908	732	15 176
Advance payments for long-term tangible assets	-	14 436	-	14 436	-	14 436
Fixed asset total	303 677	145 279	86 962	361 995	116 958	245 036

In 2011 the Ansys software was purchased for 3 477 thousand CZK and the Solidworks software for 1 242 thousand CZK. Asset amounting to 4200 thousand CZK was disposed of by sale to Ekol Energo.

The company created an adjustment to Ekol Berlin and Ekol OOO St. Petersburg business shares amounting to 732 thousand CZK. The reason is the long-term inactivity of these companies.

2. Receivables

	2010	2011
Total	292 703 thousand CZK	242 096 thousand CZK
Out of which trade receivables	203 599 thousand CZK	117 022 thousand CZK
Receivables from consolidation unit enterprises:		352 thousand CZK
Receivables from controlled entity:		27 417 thousand CZK

The company pays great attention to receivables after the maturity date. There are six customers in bankruptcy and legal proceedings whose receivables cannot endanger the financial stability of the company.

Adjustments amounting to 1017 thousand CZK in total are created to these receivables according to Reserve Act (as at 31.12.2011).

Adjustments are created in accordance with Act No.593/1992 Coll.

3. Payables

	2010	2011
Total	332 132 thousand CZK	428 248 thousand CZK
Of which trade payables	177 059 thousand CZK	161 786 thousand CZK
Advance payments received	142 302 thousand CZK	179 489 thousand CZK
Payables to consolidation unit enterprises:		78 725 thousand CZK
Payables over 180 days		0 thousand CZK
All payables are real.		
Payables – resulting from leasing		0 thousand CZK

The accounting unit does not keep a record of any long-term payables with a maturity longer than five years. There are no outstanding payables towards state authorities.

Accruals and deferrals – we keep a record of accruals and deferrals for rental amounting to 2 347 thousand CZK and accruals and deferrals for revenues against expenses with job orders with project handover in 2012 amounting to 95 000 thousand CZK.

ANNEX TO FINANCIAL STATEMENT FOR 2011

- 4. Statutory reserves**
State of statutory reserves for repairs of tangible assets in total: 0 thousand CZK
of which:
– repairs of machinery 0 thousand CZK
– repairs of buildings 0 thousand CZK
- 5. Accounting reserves**
The accounting unit has created a reserve resulting from complaints on the handed-over project amounting to 1 098 thousand CZK in 2012.
- 6. Stock incl. work in progress**
Stock level as at 31. 12. 2010 188 203 thousand CZK
of which work in progress 114 328 thousand CZK
Stock level as at 31. 12. 2011 262 134 thousand CZK
of which work in progress 222 366 thousand CZK
- 7. Bank loans**
Ekol has no bank loans as at 31. 12. 2011.
- 8. Ordinary revenues:**
- | | |
|----------------|----------------------|
| Total | 731 833 thousand CZK |
| Slovakia | 193 313 thousand CZK |
| Czech Republic | 188 397 thousand CZK |
| Poland | 134 802 thousand CZK |
| Russia | 92 076 thousand CZK |
| India | 38 867 thousand CZK |
| Belarus | 36 605 thousand CZK |
| Romania | 26 206 thousand CZK |
| Egypt | 20 153 thousand CZK |
| Thailand | 1 177 thousand CZK |
| Germany | 237 thousand CZK |
- 9. Research and development were not activated as at 31. 12. 2011.**
- 10. Leasing:**
The company has no liabilities towards leasing companies.
- 11. Payables to health insurance companies, social welfare and state budget**
All payables which arose in 2011 were paid within legal deadlines.
The payables as at 31.12.2011 were paid before 31. 1. 2012.
- 12. Environment and Health & Safety:**
No penalties or sanctions were due in 2011. The illness rate and the accident rate do not deviate from usual average.
- 13. Cost of audit of accounts:** 150 thousand CZK
- 14. SThe company has placed 95 000 thousand CZK to account 384 Deferred revenues.**
This is the reduction of revenues according to calculations of individual job orders in relation to cost.

The accounting unit also placed to account the valuation difference of unsettled derivative operations amounting to 30 287 thousand CZK.

ANNEX TO FINANCIAL STATEMENT FOR 2011

ART. IV. CHANGES IN EQUITY

	State as at k 31.12.2010	Changes	State as at 31.12.2011
Registered capital	5 000	0	5 000
Capital funds	4 863	-27 980	- 23 117
Reserve fund	500	0	500
Other funds	0	0	0
Retained earnings from previous years	492 690	-81 907	410 783
Accumulated losses from previous years			
– deferred taxes from all previous years	0	0	0
Current year profit	10 328	115 744	126 072
Total	513 381	5 857	519 238

Based on the decision of the General Meeting of 30. 6. 2011 the full amount of the 2010 economic result was transferred to the retained profit account, including organizational units (Kazakhstan -138 thousand CZK, Germany -398 thousand CZK).

ART. VI. CHANGES AFTER THE DATE OF FINANCIAL STATEMENT

Deferred tax 2011

Net book value	52 969 155,80 CZK
Residual value for tax purposes	51 205 816,28 CZK

(the net book values and the residual values for tax purposes given in DDAP 2010 are identical – accounting depreciation was applied = residual value for tax purposes – the difference does not affect the deferred tax)

Difference $52\,969\,155,80 - 51\,205\,816,28 = 1\,763\,340,-$ CZK

Accounting reserves adjustments	0,- CZK
Loss from previous accounting period	0,- CZK
deferred tax 2011	$1\,763\,340 \times 19\% = 335\,035,-$ CZK
difference as compared to 2009	$749\,691 - 335\,035 = 414\,656,-$ CZK

Account 592/481

i.e. that the accounting depreciation is lower than the tax reduction.

Brno, 20. 6. 2012



Ing. Gustav Poslušný
Finance Manager

CONSOLIDATED
FINANCIAL STATEMENT 2011

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31. 12. 2011

ASSETS

(in thousands CZK)	Line No.	Current account period	Previous accounting period
A. RECEIVABLES FOR CAPITAL SUBSCRIPTION	001	0	0
B. LONG-TERM ASSETS	002	252 500	300 792
B.I. Long-term intangible fixed assets	003	14 480	14 181
1. Incorporation expense	004		4
2. Research and development	005	0	0
3. Software	006	10 483	8 736
4. Valuable rights	007	37	471
5. Goodwill	008	0	0
6. Other intangible fixed assets	009	3 960	0
7. Long-term intangible assets under construction	010	0	4 970
8. Advance payments for long-term intangible assets	011	0	0
B.II. Long-term tangible fixed assets	012	211 764	283 812
1. Land	013	16 017	16 039
2. Buildings, halls and structures	014	103 959	115 845
3. Machinery, equipment, vehicles furniture and fixtures	015	74 046	147 031
4. Perennial crops	016	0	0
5. Breeding and draught animals	017	0	0
6. Other tangible fixed assets	018	15	15
7. Long-term tangible fixed assets under construction	019	1 546	4 882
8. Advance payments for tangible fixed assets	020	16 181	0
9. Difference in valuation to acquired assets	021	0	0
B.III. Long-term financial assets	022	15 820	736
1. Shares and ownership interests in governed and controlled enterprises	023	0	640
2. Shares and ownership interests in enterprises with substantial influence	024	15 820	96
3. Other long-term securities and shares	025	0	0
4. Bank loans – controlling & governing enterprise, substantial influence	026	0	0
5. Other long-term financial assets	027	0	0
6. Acquisition of long-term financial assets	028	0	0
7. Advance payments for long-term financial assets	029	0	0
B.IV. POSITIVE CONSOLIDATION DIFFERENCE	030	10 436	2 063
B.IV.(-) NEGATIVE CONSOLIDATION DIFFERENCE	031	0	0
B.V. SECURITIES AND SHARES IN EQUIVALENCE	032	0	0
C. CURRENT ASSETS	033	901 480	851 002
C.I. Inventory	034	313 833	260 935
1. Materials	035	52 601	87 772
2. Work-in-progress and semi-finished products	036	261 136	173 163
3. Finished products	037	0	0
4. Animals	038	0	0
5. Goods	039	5	0
6. Advance payments for inventory	040	92	0
C.II. Long-term receivables	041	61 680	75 216
1. Trade receivables	042	0	75 216
2. Receivables – from enterprises with controlling & governing influence	043	0	0
3. Receivables – from enterprises with substantial influence	044	0	0
4. Receivables from partners and participants in an association	045	0	0
5. Long-term advance payments	046	0	0
6. Estimated accrued revenues	047	0	0
7. Other receivables	048	61 680	0
8. Due from state – deferred taxes	049	0	0
C.III. Short-term receivables	050	189 351	225 241
1. Trade receivables	051	189 276	183 853
2. Receivables – from controlling & governing enterprises	052	6 407	5 954
3. Receivables – from enterprises with substantial influence	053	0	0
4. Receivables from partners and participants in an association	054	1 364	1 265
5. Social security and health insurance	055	0	0
6. Due from state – tax receivables	056	14 126	10 704
7. Short-term advance payments	057	-28 273	20 246
8. Estimated accrued revenues	058	3	0
9. Other receivables	059	6 448	3 219
C.IV. Short-term financial assets	060	336 615	289 610
1. Cash	061	1 452	2 295
2. Bank accounts	062	335 163	287 315
3. Short-term securities and shares	063	0	0
4. Short-term financial assets	064	0	0
D.I. Accruals	065	24 095	74 188
1. Deferred expense	066	7 753	1 156
2. Complex deferred expense	067	0	0
3. Accrued revenues	068	16 342	73 032
ASSETS TOTAL (A+B+C+D)	069	1 178 075	1 225 982

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31. 12. 2011

LIABILITIES

(in thousands CZK)

	Line No.	Current account period	Previous accounting period
A. EQUITY	070	645 746	618 936
A.I. Registered capital	071	5 000	5 000
1. Registered capital	072	5 000	5 000
2. Own shares	073	0	0
3. Changes of equity	074	0	0
A.II. Capital funds	075	-23 117	4 863
1. Share premium	076	0	0
2. Other capital funds	077	7 170	7 170
3. Gains or losses from revaluation of assets and payables	078	-30 287	-2 307
4. Gains or losses from revaluation in changes	079	0	0
GAINS AND LOSSES FROM CONSOLIDATED ADJUSTMENTS	080	0	0
A.III. Reserve funds, indivisible fund and other funds created from net profit	081	7 389	6 299
1. Legal reserve fund / Indivisible fund	082	7 389	6 299
2. Statutory and other funds	083	0	0
A.IV. Profit (loss) of previous years	084	486 692	554 358
1. Retained earnings from previous years	085	486 693	554 358
2. Accumulated losses from previous years	086	0	0
A.V. Profit (loss) of current period	087	169 782	48 416
A.V.2. SHARE ON PROFIT (LOSS) IN EQUIVALENCE	088	0	0
A.VI. CONSOLIDATION RESERVE FUND	089	0	0
B. LIABILITIES	090	430 721	460 884
B.I. Reserves	091	1 463	6 820
1. Reserves acc. To special legal regulations	092	0	0
2. Reserve for pensions and other liabilities	093	0	0
3. Reserve for income tax	094	0	3 353
4. Other reserves	095	1 463	3 467
B.II. Long-term payables	096	29 768	9 899
1. Trade payables	097	0	0
2. Payables – from controlling & governing enterprises	098	0	0
3. Receivables – from enterprises with substantial influence	099	0	0
4. Receivables from partners and participants in an association	100	0	0
5. Long-term advance payments	101	0	0
6. Issued bonds	102	0	0
7. Drafts at long sight	103	0	0
8. Estimated accrued expenses	104	0	0
9. Other receivables	105	23 252	2
10. Due to state – deferred taxes	106	6 516	9 897
B.III. Short-term payables	107	368 045	372 889
1. Trade payables	108	108 930	189 355
2. Payables – from controlling & governing enterprises	109	1 096	57
3. Receivables – from enterprises with substantial influence	110	0	0
4. Receivables from partners and participants in an association	111	0	0
5. Payables to employees	112	6 346	5 644
6. Payables to social security	113	3 743	3 336
7. Due to state – taxes and subsidies	114	9 259	-763
8. Short-term advance payments received	115	135 195	126 265
9. Issued bonds	116	0	0
10. Estimated accrued expenses	117	57 391	44 190
11. Other payables	118	46 085	4 805
B.IV. Bank loans	119	31 445	71 276
1. Long-term bank loans	120	31 444	25 830
2. Short-term bank loans	121	0	45 446
3. Short-term financial assistance	122	0	0
C.I. Accruals	123	97 077	142 213
1. Accrued expense	124	2 350	11 752
2. Deferred revenues	125	94 727	130 461
D. MINORITY EQUITY CAPITAL	126	4 530	3 949
D.I. MINORITY REGISTERED CAPITAL	127	1 353	1 342
D.II. MINORITY CAPITAL FUNDS	128	0	0
D.III. MINORITY RETAINED EARNINGS INCL. RETAINED EARNINGS FROM PREVIOUS YEARS	129	2 686	2 247
D.IV. MINORITY PROFIT (LOSS) – CURRENT ACCOUNTING PERIOD	130	492	360
TOTAL LIABILITIES (A+B+C+D)	131	1 178 075	1 225 982

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31. 12. 2011

PROFIT AND LOSS ACCOUNT FOR CONSOLIDATION

(in thousands CZK)

	Line No.	Current account period	Previous accounting period
I. Revenues from goods (+)	01	0	4 520
A. Cost of goods sold (-)	02	0	4 499
+ Sale margin	03	0	21
II. Production	04	829 018	916 757
1. Revenues from own products and services (+)	05	741 940	846 797
2. Change in inventory of own production and services (+,-)	06	86 552	69 775
3. Capitalization (+)	07	526	185
B. Production consumption	08	560 851	702 667
1. Consumed material and utilities expense	09	331 801	476 064
2. Services	10	229 050	226 603
+ Added value	11	268 167	214 111
C. Personnel expense	12	125 930	115 036
1. Wages and salaries	13	91 975	84 011
2. Remuneration to board members	14	0	0
3. Social security expense.	15	30 871	28 311
4. Social security expense	16	3 084	2 714
D. Taxes and fees	17	410	560
E. Depreciation of intangible and tangible fixed assets	18	31 174	41 655
ACCOUNTING (DEPRECIATION) FOR CONSOLIDATED OPERATING PROFIT	19	-568	-121
III. Revenues from disposals of fixed assets and materials	20	1 222	4 859
1. Revenues from disposals of fixed assets	21	57	174
2. Revenues from disposals of materials	22	1 165	4 685
F. Net book value of disposed fixed assets and materials sold	23	2 030	9 236
1. Net book value of disposed fixed assets sold	24	151	4 664
2. Sold material	25	1 879	4 572
G. Change in reserves and adjustments in operating area and deferred complex expense	26	1 441	-1 821
IV. Other operating revenues	27	11 203	8 267
H. Other operating expenses	28	5 171	5 965
V. Transfer of operating revenues	29	0	0
I. Transfer of operating expense	30	0	0
Operating profit (loss)	31	114 436	56 607
CONSOLIDATED OPERATING PROFIT (LOSS)	32	113 868	56 486
VI. Revenues from sales of securities and shares	33	139 600	0
J. Securities and shares sold	34	66 680	0
VII. Revenues from long-term financial assets	35	0	0
1. Revenues from shares in controlled and governed enterprises and accounting entity under substantial influence	36	0	0
2. Revenues from other long-term securities and shares	37	0	0
3. Revenues from other long-term financial assets	38	0	0
VIII. Revenues from short-term financial assets	39	0	0
K. Expense from financial assets	40	0	0
IX. Revenues from revaluation of securities and derivatives	41	0	0
L. Expense for revaluation of securities and derivatives	42	0	0
M. Change in reserves and adjustments in financial area	43	-732	0
X. Interest received	44	3 438	701
N. Interest expense	45	2 599	3 880
XI. Other financial revenues	46	1 231 148	1 417 344
O. Other financial expense	47	1 233 019	1 411 236
XII. Transfer of financial revenues	48	0	0
P. Transfer of financial expense	49	0	0
Profit (loss) from financial operations	50	71 156	2 929
CONSOLIDATED PROFIT (LOSS) FROM FINANCIAL OPERATIONS	51	71 156	2 929
Q. Income tax on ordinary income	52	17 772	7 540
1. due	53	16 994	5 760
2. deferred	54	778	1 780
Ordinary income	55	167 820	51 996
CONSOLIDATED ORDINARY INCOME	56	167 252	51 875
XIII. Extraordinary revenues	57	1	38
R. Extraordinary expense	58	-3 137	3 137
S. Income tax on extraordinary income	59	115	0
1. due	60	115	0
2. deferred	61	0	0
Extraordinary income	62	3 023	-3 099
CONSOLIDATED EXTRAORDINARY INCOME	63	3 023	-3 099
T. Transfer of profit or loss to partners	64	0	0
Profit (loss) of current accounting period	65	170 843	48 897
CONSOLIDATED PROFIT (LOSS) FOR ACCOUNTING PERIOD WITHOUT EQUIVALENCE RATIO	66	170 275	48 776
out of which: profit (loss) of current accounting period without minority shares	67	169 783	48 416
minority profit (loss) of current accounting period	68	492	360
SHARE IN PROFIT (LOSS) IN EQUIVALENCE	69	0	0
Profit (loss) before tax	70	188 730	56 437
CONSOLIDATED PROFIT (LOSS) FOR ACCOUNTING PERIOD	71	170 275	48 776

ANNEX TO CONSOLIDATED FINANCIAL STATEMENT 2011

1. DEFINITION OF CONSOLIDATION UNIT

1.1 a) Parent company EKOL, spol. s r.o.

Name, registered address	Subsidiary	Affiliate	Degree of dependence on reg. cap. (influence)	Share in registered capital (participation)	Consolidation method	Date of financial statement
EKOL energo s.r.o. Křenová 65, Brno	x		100%	100%	A	31. 12. 2011
STREJČEK spol. s r.o.	x		100%	100%	A	31. 12. 2011
EKOL, spol.s.r.o., Martin	x		90%	90%	A	31. 12. 2011
EKOL TURBO, a.s. Brno	x		51%	51%	A	31. 12. 2011
AEZ s.r.o. Křenová 67c, Brno	x		100,0%	100,0%	A	31. 12. 2011

Note: Consolidation method: A – full consolidation method
B – proportional consolidation method

The financial statements of the above-mentioned companies were elaborated as at 31. 12. 2011 according to Czech regulations, except for EKOL, spol. s r.o., which has its registered address in the Slovak Republic.

1.1 b) Enterprises excluded from consolidation duty

Name, registered address	Reason for exemption from consolidation duty
E. T. E. o. o. Russia – 33 %	The company does not submit any information. Its share in the turnover of the consolidation unit is negligible.
EKOL GmbH Energysysteme	The company does not submit any information. There were disagreements concerning the management – the influence of the majority owner is unenforceable

1.1 c) Consolidation system

Direct consolidation of all companies of the consolidation unit at the same time.

2 GENERAL INFORMATION

2.1 Average number of employees

of the consolidation unit during the accounting period when the consolidated financial statements were prepared:

(in thousands of CZK)	Employees		of which managing staff	
	2010	2011	2010	2011
Average number	262	264	12	17
Staff costs	115 036	125 930	7 615	12 879
of which: - wage cost	84 011	91 975	4 762	9 385
- remunerations to members of company bodies	0	0	0	0
- social and health insurance costs	28 311	30 871	2 589	3 190
- social security expenses	2 714	3 084	264	304

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