



FINANCIAL RESULTS 2017



Dear customers, business partners and colleagues,

The primary objective of the company PILSEN STEEL s.r.o. for the year 2017 was to increase the volume of production, maintain trust of customers and retain highly specialized human resources.

With regard to financing, the off-the-balance-sheet financing system well proven in the past was fully employed through the partner company Pilsen Toll s.r.o., which has also been the Executive of the company PILSEN STEEL s.r.o. since April, 2015. In the years 2016-2017, the company PILSEN STEEL s.r.o. acquired financial resources from the company Pilsen

Toll s.r.o. in the amount of 50 million euro, which were provided by the International Investment Bank (IIB).

Throughout the years proven cooperation with the partner company surely contributed also to favourable condition of human resources, which in many regards can be described as satisfactory and stabilized. Despite the complicated situation, the company PILSEN STEEL s.r.o. has succeeded in retaining highly specialized permanent staff.

Also in the following year, the company

PILSEN STEEL s.r.o. plans to operate in accordance with the tolling agreement concluded with the company Pilsen Toll s.r.o., which has a sole shareholder, the Limited Liability Company "Investment Company of Vnesheconombank" ("VEB Capital").

We highly value both the approach of our employees and support of our business partners, for which we would like to express our thanks.

Martin Novák - Executive
Denis Kotlyar - Executive

BALANCE SHEET (in CZK 000) as of 31. 12. 2017

	PILSEN STEEL	PILSEN TOLL
ASSETS TOTAL	864 569	2 539 012
FIXED ASSETS	389 125	0
CURRENT ASSETS	475 444	2 539 012
EQUITY AND LIABILITIES TOTAL	864 569	2 539 012
EQUITY	-2 681 558	-13 615
LIABILITIES	3 546 127	2 552 627



PROFIT & LOSS STATEMENT (in CZK 000) for year 2017

	PILSEN STEEL	PILSEN TOLL
REVENUES FROM PRODUCTS, GOODS AND SERVICES	684 963	994 166
CHANGE IN INVENTORY OF OWN PRODUCTS	79 693	127 374
CAPITALISED MATERIAL AND ASSET	137	59 307
COSTS OF SALES (MATERIAL, ENERGY, SERVICES)	-841 092	-1 238 246
PERSONNEL COSTS	-360 144	-7 790
CHANGE IN PROVISIONS AND ADJUSTMENTS	143 340	4 045
OTHER OPERATING COSTS AND REVENUES	-45 506	23 669
EBITDA	-338 609	-37 475
DEPRECIATION OF FIXED ASSETS	-96 655	0
OPERATING PROFIT / LOSS (EBIT)	-435 264	-37 475
FINANCIAL COSTS AND REVENUES	-160 116	42 458
PROFIT / LOSS BEFORE TAX (IBT)	-595 380	4 983
INCOME TAX	0	-18 154
PROFIT / LOSS AFTER TAX (IAT)	-595 380	-13 171

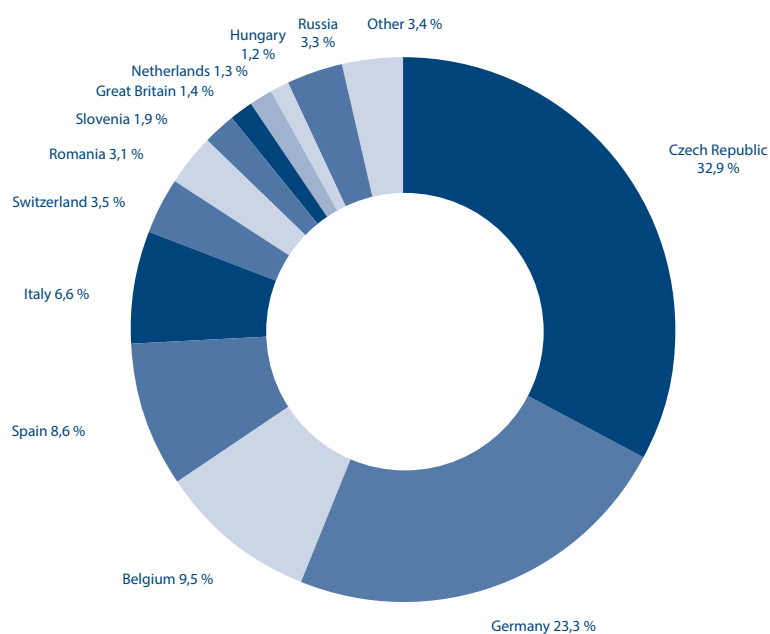


MAIN ECONOMIC PARAMETERS

PARAMETER	unit	2015 value	2016 value	2017 value
PRODUCTION OF STEELMAKING SHOP	tons	15 472	28 019	43 726
- OF WHICH STEEL	tons	12 788	23 978	38 820
- OF WHICH IRON	tons	2 684	4 041	4 906
CONSOLIDATED SALES OF PRODUCTS, GOODS AND SERVICES	CZK 000	546 990	806 085	1 008 654
- OF WHICH EXPORT	CZK 000	457 421	563 687	677 257
- OF WHICH INLAND	CZK 000	89 569	242 399	331 397
NUMBER OF EMPLOYEES (AVERAGE)	persons	753	715	705
- OF WHICH MANUFACTURING WORKERS	persons	327	304	303
- OF WHICH NONMANUFACTURING WORKERS	persons	189	176	171
- OF WHICH CLERICAL EMPLOYEES	persons	237	235	231

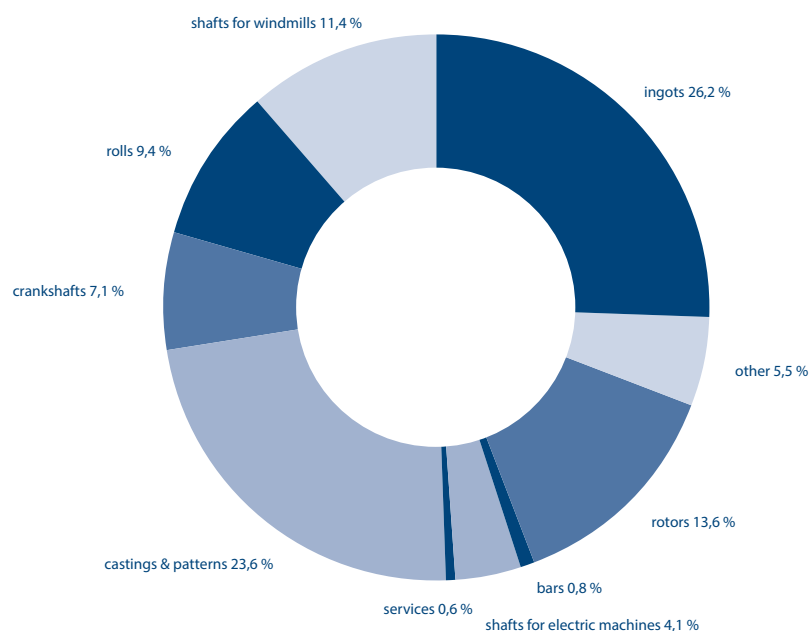
STRUCTURE OF SALES

by countries
PILSEN STEEL s.r.o.
+ Pilsen Toll s.r.o.
in year 2017



STRUCTURE OF SALES

by product groups
PILSEN STEEL s.r.o.
+ Pilsen Toll s.r.o.
in year 2017





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