

BH CAPITAL, a.s.

Annual Report

2010

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1. Basic Data of BH CAPITAL, a.s.

Name of Company: BH CAPITAL, a.s.
Registered Office: Brno, Příkop 834, Postal Code 602 00
Identification number: 00546682
Legal form: stock company
Period of duration: the Company has been established for unlimited period of time

The Company was founded upon a Deed of Incorporation dated of 25 June 1990 and upon a permission of the State Czechoslovak Bank in Prague ("Státní Banka Československá v Praze") dated of 28 December 1990. The Company was registered in the Commercial Register held by the Regional Court in Brno, Section B, Entry 230, under a trade name AGROBANKA HANÁ, a.s. on 11 January 1991. Since 15 December 1992 the Company operated under a trade name BANKA HANÁ, a.s.

Since the Contract on a Sale of a Part of the Company dated of 31 December 1998 had been applied and since it had become effective as of 1 January 1999 the Company executed its banking activities in limited extents. Then based upon a decision of the General Meeting dated of 30 November 2000 and a prior consent by the Czech National Bank the Company's operation as a bank was terminated on 1 December 2000.

Object of the Company's Business Activities:

- Accounting consultancy, accounting management, tax records management
- Production, trade and services not specified in Supplements 1 to 3 of the Trades Licensing Act

Registered Capital

The registered capital of BH CAPITAL, a.s., was equal to CZK 408,099,040 as of 31 December 2010. It has fully been paid in and it is formed of 5,101,238 bearer shares of a nominal value equal to CZK 80 per share. The shares of BH CAPITAL, a.s., are not publicly tradable.

Authorized Representative Bodies of BH CAPITAL, a.s.

Board of Directors:		Supervisory Board:	
<i>State as of 1 January 2010</i>		<i>State as of 1 January 2010</i>	
Marian Klásek	- Chairman	Pavel Pešek	- Chairman
Jan Mayer	- Deputy Chairman	Oldřich Perutka	- Deputy Chairman
Jaroslav Novosád	- Member	Jiří Matzner, Ph.D.	- Member

2. Board of Director's Report on business activities in 2010

Shareholders,

the situation on financial markets in 2010 was remarkably more peaceful than in the preceding year. Still, we cannot claim to have overcome the crisis and to be heading back towards times of prosperity. Though there have been a few signs of revival, they are too delicate and, like the previous period of recession, largely dependent on economic development in the neighbouring states, notably Germany. This situation was reflected by the monetary policy of the Czech National Bank, where the Repo rate had decreased four times in 2009 from the initial 2.25% pa. down to 1.00% pa. to see a further decrease of the two-week Repo rate down to 0.75% pa. on 6 May 2010. The Repo rate levelled out at this figure and remained steady for the rest of 2010 as well as the first quarter of 2011. As regards the development of debenture prices, it was remarkably more peaceful, too. The market was no longer so volatile as in 2009 and the risk surcharge in debenture prices was considerably reduced. This development greatly contributed to revaluation of the BH CAPITAL portfolio.

The Company continued to sustain its strategy of investment into the highly secure portfolio of state and corporate debentures with medium-term maturity throughout 2010. The prices of debentures reached their peak by the end of the third quarter of 2010. At that time, the Company's Board of Directors was ready to sell a part of the debentures portfolio in the nominal value of CZK 60 million and transfer the resources to bank deposits. Thanks to appropriate timing of the debenture sale the Company achieved an additional profit of CZK 1,638.7 thousand in 2010. A remarkable increase in assets on bank accounts was also due to redemption of the ČEZ emission of debentures in the nominal value of CZK 110 million in August 2010. Thus, as had been planned, since August 2010 onwards, the Company had enough own liquid sources to meet the obligations resulting from the lawsuit with Investiční společnost podnikatelů, a.s. being in liquidation, so that no further loans on the financial market were necessary. Despite, the Company continued to use third-party resources in the amount of CZK 140 million as the costs of borrowing financial means were lower than profit from bank deposits. Financing by debt thus brought the Company additional profit.

Thanks to a good investment strategy in 2010, the Company recorded a considerably better economic result than expected. In the financial area BH CAPITAL achieved a profit of CZK 13.8 million including the profit from revaluation of the debentures portfolio as of 31 December 2010, which amounted to CZK 750 thousand only (revaluation as of 31 December 2009 amounted to CZK 4,767 thousand). The Company's economic result is worse than in the previous year at CZK 5.7 million. Yet, disregarding the influence of revaluation, the difference only amounts to CZK 1.7 million, due to the Company managing with a considerably lower amount of earning assets in 2010 than in the previous year and the market interest rates being remarkably lower. Total profit of BH CAPITAL amounted to CZK 6,965 thousand in 2010. Disregarding the influence of the portfolio revaluation at the end of the year, the result is even slightly better than in the preceding year.

The decision of the Regional Court in Brno dated of 27 November 2008 in the lawsuit between Investiční společnost podnikatelů, a.s. being in liquidation (ISP in further text) and BH CAPITAL, a.s. continued to exercise a very strong impact on the Company's activities in 2010. Through the decision BH CAPITAL was obliged to pay the sued sum of CZK 150

million with supplementary costs, in total CZK 296,608 thousand. The sum was paid to the account of the ISP shareholders on 6 February 2009. Since BH CAPITAL was sued as the surety for the principal debtor – Československá obchodní banka, a.s., it demands reimbursement for the paid sum from ČSOB. BH CAPITAL's liability had arisen in 1998 by transferring the liability of Banka Haná which originated under the terms of subsequent sale of a part of the Company to IPB and later on to ČSOB. The claimed sum has not been reimbursed by ČSOB up to the present and it is being enforced by a lawsuit. The Municipal Court in Prague suspended the proceedings before a decision of the Highest Court about the appeal of BH CAPITAL is filed. BH CAPITAL raised a petition of appeal on 2 April 2009 based on a resolution of the general meeting dated of the same day. Thus, the lawsuit is far from settled yet.

Payment of the sued sum in the total amount of CZK 296.6 million had a considerable impact on the Company's financial management. The payment had no direct impact on the Company's profit and loss statement as BH CAPITAL settled as the surety and a claim of reimbursement arose from ČSOB, which is a sufficiently solvent subject. A problem arose in the area of liquid assets when BH CAPITAL, *de facto* overnight, lost 55.6% of its earning assets which were replaced with the claim from ČSOB. Consequently, the Company had to finance its activities through income from property barely exceeding CZK 235 million compared with the previous more than CZK 500 million. Thanks to a suitable investment strategy and the possibility of involving third-party resources in the financing at a lower cost than financing through profit from assets would mean, profit from the Company's financial activities only decreased by 30% compared with the state of the previous year, whereas the decrease in interest rates was considerably lower.

BH CAPITAL continued its strategy of economising throughout 2010, especially in the area of operating expenses. Economising does not take place at the expense of reducing the security of assets management, however. The Company maintains substantial staffing in order to ensure absolute supervision over treating its financial assets and applies the four-eye principle. Thanks to careful check of expenses and achievement of extraordinary profit through properly-timed operations on the financial market, the Company recorded profit in 2010 apart from the influence of securities revaluation in the amount of CZK 6,215 thousand, while profit only in the amount of CZK 3,990 thousand had been planned. A substantial part in achieving a better economic result than per plan was played by the extraordinary income from appropriately-timed sale of debentures.

As in the preceding year, the Company sold no real estates in 2010. Situation on the real estate market is so unfavourable that it would be unreasonable to sell the real estate in Prostějov, Sádky 4, as the sale would be realised at a considerably lower price than required by the Company. We have, nevertheless, managed to stop the decline in profit from renting which remained approximately the same as in 2009; they were actually at CZK 2.6 thousand higher.

I would like to express my thanks to all employees of the Company for their all-year work owing to which such good results managed to be achieved despite the many problems to be faced. I would also like to thank our shareholders for their confidence entrusted to us with managing the Company and to promise that, despite the problems we have to meet with, even in the year 2011 we will continue making maximum effort to achieve the planned

pretax economic result in the amount of CZK 4 million before taxation and to collect our claims.

Marian K I á s e k
Chairman of the Board of Directors

3. Anticipated Future Development of the Company in 2011 and Future Years

The Company's major objectives in 2011 are maximising profit from liquid assets at an optimal structure of the portfolio and achieving success in recovering the sum paid out following the decision of the Regional Court in Brno in the amount of CZK 296.6 million. This objective shall be achieved either by annulment of the decision by the Highest Court of the Czech Republic, or by collecting the claim from Československá obchodní banka, a.s. as the principal debtor. Following the temporary decrease in BH CAPITAL's earning financial assets in February 2009, the structure of active assets became stabilised. BH CAPITAL ceased to be dependent on financing from third-party resources within 2010 and financing by debt was terminated at the very beginning of 2011 (concretely on 10 January). For the sake of completeness, we state that the Company made use of debt financing in the amount of CZK 281 million in February 2009. BH CAPITAL had to obtain this sum by sale of active assets the revenue from which was lost. This fact together with a remarkable decrease in interest rates and, consequently, in revenues from financial assets has had a very negative effect on the result of BH CAPITAL, which will only fully assert itself in 2011. Despite this considerable pressure we will continue our policy of preferring a minimal amount of risk to gaining profit. BH CAPITAL's portfolio is very conservative and is composed of bank deposits and quality debentures, predominantly government bonds of the Czech Republic.

Profit from financial activities will constitute principal income of the Company in 2011. We expect profit to be lower by half than in 2010, i.e. dropping down to the amount of CZK 6.7 million without the influence of the portfolio revaluation at the end of 2011, which will, unlike in the previous years, probably be negative. Profit from leasing real estates now makes only a very small part of income because we only lease a part of the one remaining real estate. Profit from leasing real estates amounts to between CZK 300 and 400 thousand per year. This profit covers the costs associated with upkeep of the estate including the costs of the room occupied by BH CAPITAL. Unless there is a remarkable rise in interest rates within 2011, which we do not expect, or a substantial rise in income from financial assets, the Company will remain under considerable pressure as regards covering its operation expenses from current income.

We expect a recovery of commercial real estates demand in the second half of 2011 and therefore we are preparing to restart the process of selling the house in Prostějov in accordance with the long-term duties and aims of the Company. Unless the situation on the real estate market and the situation in financing real estate transactions by debt improve, we are not going to sell the estate. The Board of Directors and the Supervisory Board evaluate the offered price in respect of the rate of return from the real estate and alternative earnings from the collective assets. Should this rate be unsatisfactory, the sale does not take place.

Despite the aforementioned difficulties stemming from low interest rates and extensive costs of financing lawsuits, the Company should achieve a positive result in 2011. Profit in the amount of CZK 4 million before taxation is planned for 2011. The real amount of profit will largely depend on real amount of the Company's earning assets and success in selling the real estate in Prostějov.

A very positive impact on the Company's result would have either annulment of the decision of the Regional Court in Brno by the Highest Court based on the filed appeal, or success in collecting the claim of CZK 296.6 million in the lawsuit with ČSOB. Both would

mean returning the paid-out sum back to the account of BH CAPITAL. Judging by length of the time period since filing the petition of appeal, a decision of the Highest Court in the lawsuit can be expected before the end of 2011. It is relatively difficult to speculate about the decision. In case the Highest Court dismisses the appeal, it is highly improbable that a decision in the currently suspended lawsuit with ČSOB should be returned before the end of 2011.

Dividend Policy

Despite of the fact that the Company reported profit equal to CZK 6,965 thousand in 2010, no dividends are planned to be paid out. Unless decided by the shareholders otherwise regarding the Company's new activity, finances will be paid out to the shareholders after lawsuits are resolved either in the form of payment of a portion in the registered capital reduction, or in a form of a share in the Company's liquidation remainder if decided to liquidate the Company.

Company's Obligations

On 10 January 2011 the Company fulfilled its obligations from loans on the financial market in the total amount of CZK 140 million and no longer uses financing by debt. Unless the financial market sees some substantial changes, we do not expect to make use of financing by debt in the following months of 2011 either. BH CAPITAL has no long-term or financial obligations.

Short-term payables consist of tax payables, accepted advance payments from tenants and payables to employees. The Company has no other major obligations.

Company's Claims

In relation with the payment obligation resulting from the final and conclusive decision of the Regional Court in Brno dated of 27 November 2008 to the benefit of Investiční společnost podnikatelů, a.s. in liquidation and of other legal subjects, a regressive claim on Československá obchodní banka, a.s. in the total amount of CZK 296,608,050 has arisen. BH CAPITAL summoned ČSOB to discharge the claim. ČSOB declined the claim in their letter dated of 12 March 2009. Payment is being enforced by law. A legal action was filed on 13 July 2009. An order of payment was delivered in August 2009 against which ČSOB raised an objection. The Municipal Court in Prague has not ordered judicial proceedings up to the present. In June 2009 the Court decided to suspend the proceedings before a decision of the Highest Court about the appeal is filed. The Company has no other major claims.

4. Supervisory Board's Report of 2010

The Supervisory Board of BH CAPITAL, a.s. worked under the leadership of Ing. Pavel Pešek, Chairman of the Supervisory Board, in the course of 2010. Ing. Oldřich Perutka was Deputy Chairman and JUDr. Jiří Matzner Member of the Supervisory Board throughout 2010. This composition of the Supervisory Board has remained unchanged up to the present.

The Supervisory Board in its auditing activity intervened in all areas in compliance with its competences according to the Articles of Association. It was engaged in checking investments and it thoroughly reviewed the management of cash flow. The Supervisory Board controlled regularly trades executed on financial and inter-bank market and meeting of the rules of asset treatment including disposals to deal with the bank accounts and the asset accounts of securities.

A major part of the Board's activity was centred around the impacts of the unsuccessful lawsuit with the Investiční společnost podnikatelů, a.s., in liquidation. The Supervisory Board constantly monitored the activities of the Board of Directors and used its possibilities and competences to supervise all the steps which were undertaken both in the area of collecting the claim from the principal debtor ČSOB, and in the area of appeal against the decision of the Regional Court in Brno about the petition of which the General Meeting of the Company decided on 2 April 2009.

The Supervisory Board paid detailed attention to attempts at reducing the costs of operating expenses and making the Company's operation more effective. All steps undertaken were reviewed with respect to meeting the strict security rules of treating the Company's assets.

The Supervisory Board's supervision over financial assets management belongs among its regular activities. Financial assets (including claims) formed more than 98% of the Company's assets at the end of 2010 and they significantly participated in generation of profit.

Upon the proposal of the Board of Directors, the Supervisory Board appointed BDO Audit s.r.o. the Company's auditor for the accounting period of 2010. The Supervisory Board discussed and reviewed the Annual Financial Statement of 2010 and became acquainted with the auditor's report – The Auditor's Report to the Shareholders – certifying the Annual Financial Statement compiled as of 31 December 2010, and with the Company's Annual Report of 2010. Within its auditing activities the Supervisory Board audited balances on the bank accounts and the asset accounts of securities as of the date of the Annual Financial Statement.

Besides, the Supervisory Board discussed and reviewed the report of the Board of Directors of the Company on Relations with Interconnected Persons.

Based upon facts listed above the Supervisory Board states that the Company worked well in 2010 and the Supervisory Board did not find out any deviation.

Pavel P e š e k
Chairman of the Supervisory Board

5. Report on Relations between Interconnected Persons

Board of Directors of the Company BH CAPITAL a.s., Registered Office: Brno, P říkop 834, Postal Code: 602 00, Identification Code: 00546682, registered in the Commercial Register held by the Regional Court in Brno, Section B, Entry 230 (hereinafter referred to as "Company"), in compliance with provisions of the section 66, item a), paragraph 9 and subsequent provisions of the Act No. 513/1991 Coll., The Commercial Code, as subsequently amended (hereinafter referred to as "The Commercial Code")

presents

Report on Relations between Interconnected Persons

1. The Company's controlling person is the **Czech Republic – Ministry of Finance**, the capital share of which represents **71.89 %** voting rights in the Company. The controlling person has gained the respective percentage in the Company's voting rights on 1 January 2008. The Controlling Contract by virtue of provisions of the section 190, item b) and subsequent provisions of the Commercial Code between the Controlling Person and the Company has not been concluded.
2. No contracts were made between the interconnected persons during the accounting period of 2010 of which the Company is aware or has found out about. Neither any other legal acts nor other measures in the interest of or at the instigation of the controlling entity or other interconnected persons were made or accepted by the Company nor even implemented.

Done in Brno on 17 February 2011

Marian Klásek
Chairman of the
Board of Directors
in his own hand

Jan Mayer
Deputy Chairman of the
Board of Directors
in his own hand

Jaroslav Novosád
Member of the
Board of Directors
in his own hand

6. Auditor's Statement to the Annual Report's Audit of 2010



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INDEPENDENT AUDITOR'S REPORT

to the Shareholders of BH CAPITAL, a.s.

On the basis of our audit, on 10. 3. 2011 we issued an auditor's report on the financial statements, which are included in this annual report and our report was as follows:

„We have audited the accompanying financial statements of BH CAPITAL, a.s., based in Příkop 843/4, Brno, identification number 00546682, which comprise the balance sheet as of 31. 12. 2010, and the income statement for the period from 1. 1. 2010 to 31. 12. 2010, and a summary of significant accounting policies and other explanatory notes.

Statutory Body's Responsibility for the Financial Statements

The Statutory Body of BH CAPITAL, 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.

BDO Audit s. r. o., a Czech limited company (registration number 45 31 43 81, registered in Praha, No. C. 7279, certificate of Chamber of auditors No. 018) is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



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Opinion

In our opinion, the financial statements give a true and fair view of the financial position of BH CAPITAL, a.s. as of 31. 12. 2010, and of its financial performance for the period from 1. 1. 2010 to 31. 12. 2010 in accordance with Czech accounting regulations."

Report on the Audit of the Annual Report

We have audited the annual report of BH CAPITAL, a.s. for consistency with the financial statements for the period ended 31. 12. 2010 which are included in this Annual Report. The correctness of the annual report is the responsibility of BH CAPITAL, a.s.'s statutory body. Our responsibility is to express an opinion on the consistency of the annual report and the financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that the auditor plan and perform the audit to obtain reasonable assurance about whether the information included in the annual report describing matters that are also presented in the financial statements is, in all material respects, consistent with the relevant financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the information included in the annual report of BH CAPITAL, a.s. for the period ended 31. 12. 2010 is consistent, in all material respects, with the financial statements referred to above.

Prague, 10. 3. 2011

BDO Audit s. r. o., Certificate No. 018

Represented by partners:

Ing. Petr Slaviček
Certificate No. 2076

Doc. Ing. Jan Doležal, CSc.
Certificate No. 0070

7. Annual Financial Statement and Footnotes to the Annual Financial Statement

BALANCE SHEET

as at 31.12.2010

(in CZK thousand)

BH CAPITAL, a.s.
Příkop 843/4, 602 00 Brno

S.I.C.: 00546682

Denotation a	ASSETS b	Row c	Current accounting period			Prev. period Net 4
			Gross 1	Adjustment 2	Net 3	
	TOTAL ASSETS	001	700 188	-19 066	681 122	673 746
A.	Amounts receivable for subscribed capital	002	0	0	0	0
B.	Fixed assets	003	23 900	-18 943	4 957	5 613
B.I.	Intangible fixed assets	004	193	-192	1	9
B.I.1.	Establishment costs	005	0	0	0	0
2.	Research and development	006	0	0	0	0
3.	Software	007	193	-192	1	9
4.	Valuable rights (patents, licences, know-how)	008	0	0	0	0
5.	Goodwill	009	0	0	0	0
6.	Other intangible fixed assets	010	0	0	0	0
7.	Intangible fixed assets not-in-use	011	0	0	0	0
8.	Advance payments for intangible fixed assets	012	0	0	0	0
B.II.	Tangible fixed assets	013	23 707	-18 751	4 956	5 604
B.II.1.	Land	014	0	0	0	0
2.	Buildings, halls and structures	015	17 952	-13 301	4 650	5 158
3.	Machinery, tools & equipment, vehicles and fixtures	016	5 669	-5 450	219	360
4.	Perennial crops	017	0	0	0	0
5.	Breeding and draught animals	018	0	0	0	0
6.	Other tangible fixed assets	019	86	0	86	86
7.	Tangible fixed assets not-in-use	020	0	0	0	0
8.	Prepayments for tangible fixed assets	021	0	0	0	0
9.	Adjustments to acquired assets (goodwill)	022	0	0	0	0
B.III.	Financial investments	023	0	0	0	0
B.III.1.	Shares and ownership interests in subsidiaries	024	0	0	0	0
2.	Shares and ownership interests in associates	025	0	0	0	0
3.	Other securities and ownership interests	026	0	0	0	0
4.	Intercompany loans	027	0	0	0	0
5.	Other financial investments	028	0	0	0	0
6.	Financial investments not-finished	029	0	0	0	0
7.	Prepayments for financial investments	030	0	0	0	0
C.	Current Assets	031	676 240	-123	676 117	668 094
C.I.	Stocks	032	0	0	0	0
C.I.1.	Materials	033	0	0	0	0
2.	Work-in-progress and semi-finished products	034	0	0	0	0
3.	Finished products	035	0	0	0	0
4.	Livestock	036	0	0	0	0
5.	Purchased goods for resale	037	0	0	0	0
6.	Advance payments for stocks	038	0	0	0	0
C.II.	Long-term debtors	039	0	0	0	0
C.II.1.	Trade debtors	040	0	0	0	0
2.	Amounts receivable from subsidiaries	041	0	0	0	0
3.	Amounts receivable from associates	042	0	0	0	0
4.	Receivables from partners and consortium members	043	0	0	0	0
5.	Long-term cash advances	044	0	0	0	0
6.	Estimated assets	045	0	0	0	0
7.	Other debtors	046	0	0	0	0
8.	Deferred tax receivable	047	0	0	0	0
C.III.	Short-term debtors	048	296 851	-123	296 728	296 990
C.III.1.	Trade debtors	049	135	-123	12	7
2.	Amounts receivable from subsidiaries	050	0	0	0	0
3.	Amounts receivable from associates	051	0	0	0	0
4.	Receivables from partners and consortium members	052	0	0	0	0
5.	Social security	053	0	0	0	0
6.	Taxes receivable	054	24	0	24	281
7.	Short-term cash advances	055	85	0	85	94
8.	Estimated assets	056	0	0	0	0
9.	Other debtors	057	296 608	0	296 608	296 608
C.IV.	Cash and cash equivalents	058	379 389	0	379 389	371 105
C.IV.1.	Cash in hand	059	22	0	22	24
2.	Cash at bank	060	223 457	0	223 457	43 039
3.	Short-term investments	061	155 910	0	155 910	328 041
4.	Short-term investments not-finished	057	0	0	0	0
D.	Temporary assets	063	47	0	47	38
D.I.1.	Deferred expenses	064	47	0	47	38
2.	Complex deferred expenses	065	0	0	0	0
3.	Accrued income	066	0	0	0	0

Denotation a	LIABILITIES AND EQUITY b	Row c	Current accounting period 5	Previous accounting period 6
	TOTAL LIABILITIES	067	681 122	673 746
A.	Equity	068	537 228	530 257
A.I.	Registered capital	069	408 099	408 099
A.I.1.	Registered capital	070	408 099	408 099
A.I.2.	Reacquired shares	071	0	0
A.I.3.	Registered capital changes	072	0	0
A.II.	Capital Funds	073	46	46
A.II.1.	Share premium	074	0	0
2.	Other capital funds	075	46	46
3.	Gains or losses from revaluation of assets and liabilities	076	0	0
4.	Gains or losses from revaluation in case of mergers and acquisitions	077	0	0
A.III.	Legal reserve fund, non-distributable fund and other funds created from profits	078	11 844	11 300
A.III.1.	Legal reserve fund / Non-distributable fund	079	11 844	11 300
2.	Statutory and other funds	080	0	0
A.IV.	Retained profit or loss from prior years	081	110 274	99 936
A.IV.1.	Retained earnings from previous years	082	110 274	99 936
2.	Accumulated losses from previous years	083	0	0
A.V.	Profit/loss from current year	084	6 965	10 876
B.	Liabilities	085	143 875	143 454
B.I.	Provisions	086	1 958	1 958
B.I.1.	Legal provisions	087	0	0
2.	Provision for pensions and similar liabilities	088	0	0
3.	Provision for income tax	089	0	0
4.	Other provisions	090	1 958	1 958
B.II.	Long-term liabilities	091	0	0
B.II.1.	Trade creditors	092	0	0
2.	Payables to subsidiaries	093	0	0
3.	Payables to associates	094	0	0
4.	Payables to partners and consortium members	095	0	0
5.	Long-term advances received	096	0	0
6.	Bonds issued	097	0	0
7.	Long-term bills of exchange to be paid	098	0	0
8.	Estimated liabilities	099	0	0
9.	Other long-term payables	100	0	0
10.	Deferred tax payable	101	0	0
B.III.	Short-term liabilities	102	1 906	1 481
B.III.1.	Trade creditors	103	78	36
2.	Payables to subsidiaries	104	0	0
3.	Payables to associates	105	0	0
4.	Payables to partners and consortium members	106	0	0
5.	Payables to employees	107	999	796
6.	Social security	108	379	118
7.	Taxes payable and subsidies	109	235	158
8.	Payables to subsidiaries	110	44	63
9.	Bonds issued	111	0	0
10.	Payables to associates	112	172	311
11.	Other creditors	103	0	0
B.IV.	Bank loans and borrowings	104	140 010	140 015
B.IV.1.	Long-term bank loans	105	0	0
2.	Short-term bank loans	106	140 010	140 015
3.	Short-term borrowings	107	0	0
C.I.	Temporary liabilities	118	19	35
C.I.1.	Accrued expenses	119	19	35
2.	Deferred income	120	0	0

Sent off	Signature of authorities	Person responsible for accounting and for preparation of the financial statements (name and signature):
8.2.2011	<p>Marian Klásek chairman of the board of directors</p> <p>Jan Mayer vicechairman of the board of directors</p>	<p>Vladimíra Jelínková chief accountant tel.: 582 302 942</p>

PROFIT & LOSS ACCOUNT

as at 31.12.2010

(in CZK thousand)

BH CAPITAL, a.s.
Příkop 843/4, 602 00 Brno

S.I.C.: 00546682

Denotation	TEXT	Row	Current accounting period	Previous accounting period
a	b	c	1	2
I.	Sales of goods purchased for resale	01	0	0
A.	Cost of goods sold	02	0	0
+	Gross margin	03	0	0
II.	Production	04	416	413
II.1.	Sale of own products and services	05	416	413
2.	Change in finished goods and work-in-progress	06	0	0
3.	Own work capitalized	07	0	0
B.	Purchased consumables and services	08	1 314	2 139
B.1.	Consumables	09	214	258
B.2.	Services	10	1 099	1 881
+	Added value	11	-898	-1 725
C.	Staff costs	12	5 126	9 675
C.1.	Wages and salaries	13	2 081	6 544
C.2.	Remuneration of board members	14	2 028	1 711
C.3.	Social insurance	15	868	1 248
C.4.	Social benefits	16	149	172
D.	Taxes and charges	17	25	1 043
E.	Depreciation of intangible and tangible fixed assets	18	767	885
III.	Sale of fixed assets and material	19	1	300
III.1.	Sale of fixed assets	20	1	300
2.	Sale of material	21	0	0
F.	Net book value of fixed assets and material sold	22	0	185
F.1.	Net book value of fixed assets sold	23	0	185
2.	Net book value of material sold	24	0	0
G.	Change in operating provisions and deferred expenses	25	-70	-2 915
IV.	Other operating income	26	12	247
H.	Other operating expenses	27	103	281
V.	Transfer of operating income	28	0	0
I.	Transfer of operating expenses	29	0	0
*	Operating profit or loss	30	-6 837	-10 332
VI.	Proceeds from sale of securities and ownership interests	31	64 897	175 300
J.	Cost of securities and ownership interests sold	32	61 939	173 485
VII.	Income from investments	33	0	0
VII.1.	Income from subsidiaries	34	0	0
2.	Income from other securities and ownership interests	35	0	0
3.	Income from other investments	36	0	0
VIII.	Income from short-term investments	37	10 221	16 196
K.	Cost of investments	38	0	0
IX.	Gains from revaluation of securities and derivatives	39	750	6 024
L.	Losses from revaluation of securities and derivatives	40	0	1 257
M.	Change in financial provisions	41	0	0
X.	Interest income	42	1 597	297
N.	Interest expense	43	1 538	3 321
XI.	Other financial income	44	0	0
O.	Other financial expenses	45	186	218
XII.	Transfer of financial income	46	0	0
P.	Transfer of financial expenses	47	0	0
*	Financial profit or loss	48	13 802	19 536
Q.	Income tax on ordinary activities	49	0	0
Q.1.	- due	50	0	0
2.	- deferred	51	0	0
**	Profit or loss from ordinary activities	52	6 965	9 203
XIII.	Extraordinary income	53	0	1 673
R.	Extraordinary expenses	54	0	0
S.	Income tax on extraordinary activities	55	0	0
S.1.	- due	56	0	0
2.	- deferred	57	0	0
*	Extraordinary profit or loss	58	0	1 673
T.	Transfer of shares on profit or loss of partnership to partners	59	0	0
***	Profit or loss of current year	60	6 965	10 876
****	Profit or loss before tax	61	6 965	10 876

Sent off	Signature of authorities	Person responsible for accounting and for preparation of the financial statements (name and signature):
8.2.2011	Marian Klásek chairman of the board of directors	Vladimíra Jelínková chief accountant tel.: 582 302 942
	Jan Mayer vicechairman of the board of directors	

FOOTNOTES TO THE ANNUAL FINANCIAL STATEMENT

compiled as of the balance sheet day 31 December 2010

1. GENERAL DATA

1.1. Description of the Accounting Unit

Name: BH CAPITAL, a.s.
The company is registered in the Commercial Register kept by the Regional Court in Brno, Part B, Entry no. 230

Registered office: Brno, Příkop 834, Postal Code 602 00

IČO (Reg. ID no.): 00546682

Legal form: joint-stock company

Activity:

- Accounting consultancy, accounting management, tax records management
- Production, trade and services not specified in Supplements 1 to 3 of the Trade Law

Authorized Representative Body

Board of Directors:	Chairman:	Ing. Marian Klásek
	Deputy Chairman:	Jan Mayer
	Member:	Ing. Jaroslav Novosád

Authority to act on behalf of the Company:

The Board of Directors is authorized to act on behalf of the Company. The individual members of the Company are entitled to act on behalf of the Company in relation to the third persons independently. Signing on behalf of the Company is executed in such a way that two members of the Board of Directors adjoin their signatures together to a printed or written name of the Company.

Supervisory Board:	Chairman:	Ing. Pavel Pešek
	Deputy Chairman:	Ing. Oldřich Perutka
	Member:	JUDr. Jiří Matzner, PhD.

Commencement of the Company's legal existence:

The Company was founded upon the Deed of Incorporation of a joint stock company dated of 25 June 1990 and upon a permission of the State Bank of the Czechoslovak Republic (Státní banka Československá) in Prague dated of 28 December 1990 ref. no. V96/12-90.

Registered capital: CZK 408,099,040 (5,101,238 items of common shares inscribed to the bearer in a nominal value of CZK 80 in a booked form). Paid-off CZK 408,099,040.

1.2. Changes recorded in the Commercial Register during the fiscal period

No changes and records were entered in the Commercial Register during the period of the fiscal year of 2010.

1.3. Entities holding a share in the registered capital exceeding 5% as of 31. 12. 2010

Id.no.	Name	Street	City		Shares (no. items)	% from RC	Total nom. value in CZK
00006947	Ministerstvo financí ČR	Letenská 15	Praha 1	ČR	3,667,041	71.885	293,363,280
00001350	Československá obchodní banka, a.s. – správa akcií	Radlická 333/150	Praha 5	ČR	717,300	14.061	57,384,000
48136450	Česká národní banka	Na příkopě 28	Praha 1	ČR	393,550	7.715	31,484,000
In total					4,777,891	93.661	382,231,280

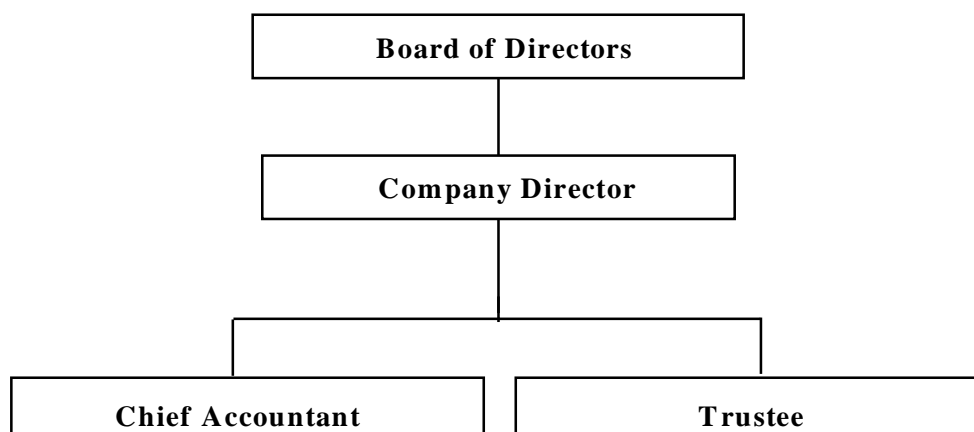
Throughout 2010, the Company's controlling entity was the Czech Republic represented by the Ministry of Finance with its registered office in Praha 1, Letenská 15, Č (Company Registration Number) 00006947, the capital share of which represented 71.885 % voting rights in the Company. The Contract of Control by virtue of the section 190, item b) and subsequent provisions of the Commercial Code has not been made between the Controlling Person and the Company.

The composition and share of shareholders with a share higher than 5% from the registered capital in 2010 was the same as in 2009.

1.4. Organizational structure

Changes in the Company's organisational structure were made in 2008 and 2009 which resulted from rationalisation measures in the Company's functioning and led to a simplification of the Company's organisational structure and reduction of the amount of controlling levels. These steps certainly meant a reduction in the Company's staffing. The changes were conducted in two steps depending on how the Company's activities were gradually limited, especially in the area of financial markets.

Organizational structure of BH CAPITAL, a.s. valid from 1 July 2009



1.5. Companies, in which the accounting unit's interest in the registered capital is higher than 20%

As of the date of compilation of the Annual Financial Statement the Company had interests in the basic capital higher than 20% neither in any other trading company nor in any cooperative.

1.6. Average number of employees, expenses per an employee

a) number of employees	2010	2009
- Average number of employees (individuals)	3.75 persons	4.17 persons
- Average number of members of the Company's management	1 person	1.5 persons
- Number of the Authorized Representative members (Board of Directors)	3 persons	3 persons
- Number of the Supervisory Board members	3 persons	3 persons
b) Personnel costs and remunerations to the management		
	2010	2009
Wages and remunerations in total	CZK 2,081,000	CZK 6,544,000
- Out of which expenses for managerial staff	CZK 354,000	CZK 5,075,000
Remunerations to the Authorized Representative members (Board of Directors)	CZK 1,104,000	CZK 932,000
Remunerations to the Supervisory Board members	CZK 924,000	CZK 779,000
Social expenses and medical insurance costs	CZK 868,000	CZK 1,248,000

1.7. Loans, credits, provided guarantees and other performance to the shareholders, members of the authorized representative, supervisory and managing bodies

The Company has provided neither any credits, loans, guarantees nor other performances to the shareholders, authorized representative members, supervisory and managing bodies' members. The management was provided passenger cars in personal use as other performances.

Besides, the company pays a contribution to the supplementary pension insurance to its employees amounting to a maximum equivalent to tax advantage of contributions in compliance with currently applied legal provisions.

2. INFORMATION ON APPLIED ACCOUNTING METHODS, GENERAL ACCOUNTING PRINCIPLES AND VALUATION METHODS

2.1. Valuation Methods

Methods of valuation in BH CAPITAL, a.s., are regulated by a working regulation No. 8-01/2002 – “Valuation Methods of Property and Obligations”:

a) Inventory purchased and created at own expense

- Purchased inventory is valued upon the acquisition prices.
- Inventory created by own activity is valued upon own expenses.
- Inventory released from storage is valued upon the FIFO method.
- Material of consumption purchased at prices up to CZK 2,000 per unit is immediately included in the direct expenses (consumption) of the Company.

b) Tangible and intangible fixed assets

Asset category:

- *Intangible fixed assets (abbreviated as “DNM”)*: valuation in the acquisition price higher than CZK 60,000 and the period of utilization longer than one year,
- *Small intangible fixed assets (DDNM)*: valuation in the acquisition price lower than CZK 60,000 (however higher than CZK 2,500) and period of utilization is longer than one year,
- *Tangible fixed assets (DHM)*: valuation in the acquisition price higher than CZK 40,000 and the period of utilization is longer than one year,
- *Small tangible fixed assets (DDHM)*: valuation is higher than CZK 2,000 and a lower than CZK 40,000 and the period of utilization is longer than one year, or the acquisition price is higher than CZK 40,000 and the period of utilization is shorter than one year

Tangible and intangible fixed assets – valuation is carried out as follows:

- Tangible assets, apart from the inventory, with an exception of assets created by own activity, are valued by acquisition prices or the reproduction acquisition prices,
- Tangible assets, apart from inventory, created by own activity, are valued by own expenses,
- Purchased intangible assets, apart from receivables, are valued by acquisition prices
- Intangible assets apart from the receivables created by own activity are valued by own expenses or reproduction acquisition prices if lower.

c) Securities and ownership interests

Tradable securities:

- Securities including treasury bonds (bills of credit) and securities acquired within a locking (reinsurance) transfer (REPO operation) are valued by acquisition prices,
- Securities of the same kind, i.e. including the treasury bonds (bills of credits) and the securities acquired within a locking (reinsurance) transfer are on sale or any other loss or reduction valued by average prices,

- For valuation of securities in foreign currency the exchange rate of the Czech National Bank is to be used,
- As of the valuation moment these items are valued by their **real value** pursuant to the section 24, paragraph 2, item b) of the Accounting Act.

Long-term financial assets, ownership interests:

- Long-term financial assets are valued upon purchase by acquisition prices,
- Long-term financial assets are valued upon sale by average prices.
- As of the valuation moment, pursuant to the section 24, paragraph 2, item b) of the Accounting Act, securities are valued by their real value with an exception of securities held until their maturity date, securities representing majority or substantial shareholdings and participation interests and securities issued by the accounting unit.

For the purposes of the Accounting Act for **the real value** shall be used:

- a) The market value,
- b) Valuation by expert's valuation or by expert's opinion unless the market is available or such value does not sufficiently correspond to the real value,
- c) Valuation determined in compliance with special legislation, unless items a) and b) are inapplicable.

The market value shall be the value which is announced on the local or foreign stock exchange or other publicly (organized) market at the moment preceding the moment of valuation and is the closest to the moment of valuation. It shall be the closing price announced by the stock exchange or other entity organizing the stock exchange market on a workday in which the valuation is carried out or the closest preceding day.

d) Receivables and payables

Receivables and payables are valued in their nominal values.

2.2. Substantial changes in valuation methods, depreciation procedures and accounting procedures in comparison to the previous fiscal period

The accounting methods are implemented in compliance with the Accounting Act No. 563/1991 Coll., and the Decree No.500/2002 Coll., with the Czech Accounting Standards and internal operative regulations:

- Operative Regulation No.8-01/2002 „Valuation Methods of Assets and Obligations“,
- Operative Regulation No.8-05/2001 „Circulation of Documents“,
- Operative Regulation No.8-02/2001 „Stock-taking“

The relevant accounting methods are also regulated by the guidance notes, which assure unification and correctness of the accounting methods.

Based upon provisions of the section 24, paragraph 2, item b) and section 27 of the Accounting Act securities were valued by their real value as of 31 December 2010. Impacts of this accounting operation have reflected in profit in the amount of CZK 750,000 The following chart presents more detailed impacts of the said revaluation.

State as of 31 December 2010

ISIN	Name	Nominal	Acquisition price	Price including revaluation of 2009	Market price in total as of 31 Dec 2010	Entered revaluation for 2010
CZ0001001887	SD 3.55/12	150,000,000	144,377,793.00	154,095,000.00	154,845,000.00	750,000.00
Debentures in total		150,000,000	144,377,793.00	154,095,000.00	154,845,000.00	750,000.00

State as of 31 December 2009

ISIN	Name	Nominal	Acquisition price	Price including revaluation of 2008	Market price in total as of 31 Dec 2009	Entered revaluation for 2009
CZ0003501520	ČEZ 4.30/10	110 000 000	109,936,941.86	109,936,941.86	108,680,000.00	-1,256,941.86
CZ0001001887	SD 3.55/12	150 000 000	144,377,793.00	148,965,000.00	154,095,000.00	5,130,000.00
CZ0001002158	SD 4.10/11	30 000 000	29,904,172.40	30,315,000.00	30,648,000.00	333,000.00
CZ0001001903	SD 4.00/17	30 000 000	27,921,690.63	29,628,000.00	30,189,000.00	561,000.00
Debentures in total		320 000 000	312,140,597.89	318,844,941.86	323,612,000.00	4,767,058.14

2.3. Method of adjusting entries assessment, their creation and applicability

The Company has created the adjustments to the following assets in the course of the fiscal period of 2010:

- a) *to receivables from various debtors*: adjustments were created in full amount for receivables, which the Company anticipates that these will remain non-recovered.
- b) *to securities for trading and ownership interest*: the Company created no adjustments. The securities had been revaluated for their real value as of the date of the financial statement.
- c) *to the long-term investment assets*: the Company had adjustments created with a view to the market valuation of the immovable assets.

Adjustments	Tax deductible in thousand CZK	Tax non-deductible in thousand CZK	Adjustments in total in thousand CZK
State as of 31 December 2008	248	5,124	5,372
Creation – receivables	0	1	1
Creation – securities	0	0	0
Creation – tangible assets	0	0	0
Creation – others	0	0	0
Creation 2009 total	0	1	1
Releases – receivables	65	20	85
Releases – securities	0	0	0
Releases – tangible assets	0	0	0
Releases – others	0	0	0
Releases 2009 total	65	20	85
State as of 31 December 2009	183	5,105	5,288
Creation – receivables	0	1	1
Creation – securities	0	0	0
Creation – tangible assets	0	0	0
Creation – others	0	0	0
Creation 2010 total	0	1	1
Releases – receivables	70	0	70
Releases – securities	0	0	0
Releases – tangible assets	0	0	0
Releases – others	0	0	0
Releases 2010 total	70	0	70
State as of 31 December 2010	113	5,106	5,219

2.4. Method of depreciation of tangible and intangible assets

- *Tangible fixed assets and intangible fixed assets:* equally in compliance with the depreciation plan by regular monthly depreciations; the depreciation rates are determined for the individual depreciation groups in relation to the period of depreciation in compliance with the section 30, paragraph 1 of the Income Tax Act No. 586/1996 Coll. as subsequently amended,
- *Small tangible fixed assets and small intangible fixed assets:* assets classified in this category acquired after 1 January 2002 is depreciated for a period of 24 months.

2.5. Conversion of data in foreign currencies into the Czech currency

For conversion of assets and obligations expressed in foreign currencies into the Czech currency (in compliance with the Decree No.500/2002 Coll.) the exchange rate of the foreign currency market announced by the Czech National Bank as of the date of an accounting case or as of the date of the Annual Financial Statement compilation is applied.

3. ADDITIONAL INFORMATION TO THE BALANCE SHEET AND THE PROFIT/ LOSS ACCOUNT

3.1. Fixed Assets

The structure of tangible and intangible fixed assets is presented in the charts below:

Year 2010

Tangible fixed assets	Acquisition price at the beginning of the period	Adjustments at the beginning of the period	Increases	Losses	Total acquisition price at the end of the period	Adjustments at the end of the period
Structures	17,851,571.30	7,597,136.26	100,097.50	0.00	17,951,668.80	8,205,176.26
Energ. Machines	257,828.60	253,518.00	0.00	0.00	257,828.60	257,828.60
Instruments and technical equipment	1,346,470.54	1,331,871.54	0.00	0.00	1,346,470.54	1,346,470.54
Means of transport	975,625.00	670,495.00	0.00	0.00	975,625.00	772,206.00
Fittings (Articles of inventory)	2,454,925.75	2,452,807.94	0.00	5,299.02	2,449,626.73	2,449,626.73
Lands	0.00	0.00	0.00	0.00	0.00	0.00
Works of art	86,240.00	0.00	0.00	0.00	86,240.00	0.00
Small tangible fixed assets (DDHM)	630,625.21	597,234.21	10,839.77	1,932.00	639,532.98	623,672.21
In total	23,603,286.40	12,903,062.95	110,937.27	7,231.02	23,706,992.65	13,654,980.34

The total amount of adjusting entries to the tangible fixed assets was equal to **CZK 5,096,000.00** in the end of 2010. The whole sum relates to the structures.

Intangible fixed assets	Acquisition price at the beginning of the period	Adjustments at the beginning of the period	Increases	Losses	Total acquisition price at the end of the period	Adjustments at the end of the period
Intangible fixed assets	105,861.00	105,861.00	0.00	0.00	105,861.00	105,861.00
Small intangible fixed assets (DDNM)	87,348.65	78,112.65	0.00	0.00	87,348.65	85,866.65
In total	193,209.65	183,973.65	0.00	0.00	193,209.65	191,727.65

Breakdown of the intangible fixed assets	Total acquisition price at the end of the period	Adjustments at the end of the period
Financial system Helios IQ	105,861.00	105,861.00
Total	105,861.00	105,861.00

Year 2009

Tangible fixed assets	Acquisition price at the beginning of the period	Adjustments at the beginning of the period	Increases	Losses	Total acquisition price at the end of the period	Adjustments at the end of the period
Structures	17,851,571.30	6,990,176.26	0.00	0.00	17,851,571.30	7,597,136.26
Energ. Machines	257,828.60	239,694.00	0.00	0.00	257,828.60	253,518.00
Instruments and technical equipment	1,346,470.54	1,317,269.54	0.00	0.00	1,346,470.54	1,331,871.54
Means of transport	1,666,675.00	1,018,314.00	0.00	691,050.00	975,625.00	670,495.00
Fittings (Articles of inventory)	2,785,329.87	2,776,228.06	0.00	330,404.12	2,454,925.75	2,452,807.94
Lands	0.00	0.00	0.00	0.00	0.00	0.00
Works of art	86,240.00	0.00	0.00	0.00	86,240.00	0.00
Small tangible fixed assets (DDHM)	899,493.46	816,680.46	20,337.00	289,205.25	630,625.21	597,234.21
In total	24,893,608.77	13,158,362.32	20,337.00	1,310,659.37	23,603,286.40	12,903,062.95

The total amount of adjusting entries to the tangible fixed assets was equal to **CZK 5,096,000.00** in the end of 2009. The whole sum relates to the structures.

Intangible fixed assets	Acquisition price at the beginning of the period	Adjustments at the beginning of the period	Increases	Losses	Total acquisition price at the end of the period	Adjustments at the end of the period
Intangible fixed assets	427,044.50	427,044.50	0.00	321,183.50	105,861.00	105,861.00
Small intangible fixed assets (DDNM)	422,816.65	405,171.65	6,000.00	341,468.00	87,348.65	78,112.65
In total	849,861.15	832,216.15	6,000.00	662,651.50	193,209.65	183,973.65

Breakdown of the intangible fixed assets	Total acquisition price at the end of the period	Adjustments at the end of the period
Financial system Helios IQ	105,861.00	105,861.00
Total	105,861.00	105,861.00

Tangible fixed assets acquired upon the Lease-Purchase Contract

The Company had no assets acquired upon the Lease – Purchase Contract in 2009 and 2010.

Property lease

The Company leases non-residential premises including interior equipment. Revenues from the rent are entered in the Profit/ loss account on the line No. 05 “Revenues from sale of own products and services”.

Mortgage or easement burden attached to the real property

As of the date of the Annual Financial Statement the Company has no real estate where mortgage or easement was attached to.

3.2. Receivables

As of 31 December 2010 the BH CAPITAL's trade receivables are exclusively related to lease of immovable and movable assets. Overdue receivables are also in all cases related to lease of immovable and movable assets. The overdue receivables in the total amount of CZK 123,123.89 including accessions are being enforced by law. Adjustments in full amount were created to receivables bearing the risk of non-recovery.

Classification of trade receivables according to the maturity period	Balance as of 31 December 2010 in CZK	Adjustments as of 31 December 2010 in CZK	Balance as of 31 December 2009 in CZK	Adjustments as of 31 December 2009 in CZK
Within maturity period	92,592.83	0.00	96 868,79	0.00
Out of which : receivables related to lease of real estates	8,009.50	0.00	6,633.50	0.00
Provided advances	84,583.33	0.00	90,235.29	0.00
Other receivables	0.00	0.00	0.00	0.00
Overdue				
up to 30 days	1,735.40	0.00	0.00	0.00
31 up to 90 days	1,770.00	0.00	0.00	0.00
91 up to 180 days		0.00	0.00	0.00
181 up to 360 days		0.00	0.00	0.00
More than 360 days	123,123.89	-123,123.89	192,858.32	-192,858.32
Trade receivables in total	219,222.12	-123,123.89	289,727.11	-192,858.32

As of the date of the Annual Financial Statement of 2009 the Company's trade receivables were also related to sale and lease of immovable and movable assets. Overdue receivables in the total amount of CZK 192,858.32 including accessions were enforced by law. Adjustments in the amount of 100% have been created to these receivables.

Other receivables	Balance as of 31 December 2010 in CZK	Balance as of 31 December 2009 in CZK
Other receivables - ČSOB	296,608,050.00	296,608,050.00
Other receivables total	296,608,050.00	296,608,050.00

Other receivables concern the lawsuit with the Investiční společnost podnikatelů, a.s. in liquidation in which BH CAPITAL was sued as surety. On 27 November 2008, the Regional Court in Brno decided on appeal that BH CAPITAL was obliged to pay the sued sum of CZK 150 million including accessions, in total CZK 296,608,050. The decision was delivered on 3 February 2009 on which day it became final and conclusive. The sum paid to the account of the ISP shareholders and to accounts of other eligible persons (advocates, court fees etc.) on 6 February 2009. Since BH CAPITAL was sued as the surety for the principal debtor – Československá obchodní banka, a.s., it demands reimbursement for the paid sum from ČSOB. BH CAPITAL's liability arose by transferring the liability of Banka Haná which originated under the terms of subsequent sale of a part of the Company to IPB and later on to ČSOB in 1998.

In connection with fulfilment of the above mentioned final and conclusive decision of the Regional Court in Brno dated of 27 November 2008 to the benefit of Investiční společnost podnikatelů, a.s. in liquidation and of other eligible persons, a regressive claim on Československá obchodní banka, a.s. in the total amount of CZK 296,608,050 has arisen. BH CAPITAL summoned ČSOB to discharge the claim on 6 February 2009, which means that the claim was to be paid before 9 February 2009. ČSOB did not discharge the claim on the

due date and declined the claim in their letter dated of 12 March 2009. Payment of this claim is being enforced by law. A legal action was filed on 13 July 2009 demanding payment of CZK 296,608,050 plus a delay charge. On 4 August 2009, an order of payment was issued by the Municipal Court in Prague which obliged ČSOB to settle the sued sum. On 27 August 2009, ČSOB raised an objection against this order of payment. Judicial proceedings in this lawsuit at the Municipal Court in Prague were suspended before a decision of the Highest Court is filed about the appeal of BH CAPITAL against the decision of the Regional Court in Brno.

All receivables are of short-term character. The Company has no long-term receivables. All receivables are in CZK.

As of the date of the Annual Financial Statement for 2010 (as well as for 2009) the Company had neither any receivables from companies in a group nor receivables secured by mortgage nor secured in any other way.

3.3. Equity

In the course of 2010 changes in equity related exclusively to the Company's regular business activity, i.e. profit generation. Equity remained unchanged for the whole year and it was equal to CZK 408,099,040. The registered capital was reduced down to this amount on 8 February 2005 when resolution of the general meeting held on 2 July 2004 became valid and effective.

Payment of the difference between the original value and the new nominal value of the shares after reduction in the registered capital to the shareholders started in March 2005. As of 31 December 2008, a sum in total amount of CZK 1,679,261.00 was not paid out despite of repeated notification as shareholders failed to collect their payment or failed to apply duly. The payment to shareholders became subject to limitation in 2009. Consequently, the remaining unpaid sum in the amount of CZK 1,672 thousand was booked as the Company's extraordinary profit.

Economic result of 2009 – a profit equal to CZK 10,882,177.93 was used for increase of the reserve fund (5 % of profit, i.e. CZK 544,108.93) after approval of the 2009 Annual Financial Statement by the General Meeting and the remaining portion in the amount of CZK 10,338,069 was left on the account of undistributed profit from the previous periods.

The total amount of undistributed profit from previous periods as of the date of compilation of the Annual Financial Statement of 2010 is equal to CZK 110,273,959.53.

The economic result of BH CAPITAL, a.s. ended up with a profit in 2010 equal to CZK 6,964,659.01. If the General Meeting so decides, 5 % of the profit will be used to increasing the reserve fund and the remaining portion will be left on the account of undistributed profit from the previous periods.

3.4. Obligations - Payables

As of date of compilation of the Annual Financial Statement of 2010 the Company had neither any payables in relation to companies within the Group, nor any payables secured by mortgage nor secured in any other manner, nor any payables not entered in the accounting or not listed in the balance sheet, like guarantees accepted for another company in a title of a bank credit or the right of exchange.

The Company uses a loan in the form of reserved transfer of securities obtained from Českomoravská záruční a rozvojová banka, a.s. (in further text ČMRZB) for the purpose of partial financing the obligation resulting from the lawsuit with Investiční společnost podnikatelů in total amount of CZK 296,608,050. The proportion of financing through third-party resources amounts to CZK 140,010,227.08 as of the date of compilation of the Annual Financial Statement of 2010, i.e. as of 31 December 2010. The loan was paid back in January 2011. The Company no longer uses third-party resources for its financing.

All payables of the Company are in CZK. The Company had no foreign currency payables.

Classification of trade payables according to their maturity dates	Balance as of 31 December 2010 in CZK	Balance as of 31 December 2009 in CZK
Within the maturity period	122,053.12	98,335.70
out of which: accepted advance payment related to lease of real property	44,471.30	62,823.60
Payables to suppliers	65,581.82	23,512.10
Other payables	12,000.00	12,000.00
Overdue		
up to 30 days	0.00	0.00
31 up to 90 days	0.00	0.00
More than 91 days	0.00	0.00
Trade payables in total	122,053.12	98,335.70

Payables due to the social security and health insurance	Balance as of 31 December 2010 in CZK	Balance as of 31 December 2009 in CZK
Payables due to the Social Security Scheme	197,283.00	35,616.00
Payables due to Health Insurance	181,616.00	81,954.00
Payables due to the social security and health insurance in total	378,899.00	117,570.00

None of the aforementioned payables was overdue / after maturity date. Payables due to the Social Security Scheme and Health Insurance were always paid on due dates, i.e. before 10 January of the following year.

State – tax payables and subsidies	Balance as of 31 December 2010 in CZK	Balance as of 31 December 2009 in CZK
Corporate income tax / company tax	0.00	0.00
Other direct taxes – deduction tax	0.00	0.00
Other direct taxes – levy of income taxes from employment	234,481.00	156,985.00
V alue added tax	-23,980.76	-280,901.00
Other taxes and fees*	582.00	618.00
Subsidies from the state budget and other subsidies	0.00	0.00
State – tax payables and subsidies	211,082.24	-123,298.00

* Note: This entry solely consists of road tax.

No obligation arising from the corporate income tax title of 2010 or 2009 was originated. None of the aforementioned obligations was overdue.

Other obligations	Balance as of 31 December 2010 in CZK	Balance as of 31 Decemeber 2009 in CZK
Payable to the shareholders due decrease in the registered capital	0.00	0.00
Payable to the ČMZRB - loan	140,010,227.08	140,015,183.33
Other obligations in total	140,010,227.08	140,015,183.33

3.5. Data on deferred tax payable (receivable)

In compliance with the chart of accounts and accounting methods for the businesspersons the Company carried out a calculation of the deferred tax duty. In compliance with the methodology this calculation was based on differences of balance situations of all temporary items and all temporary differences for the whole period of the Company's existence have been taken into account. The deferred tax receivable was the result of this calculation. The Company, however, decided, that this deferred tax receivable would not be entered in the bookkeeping due to doubts related to possibilities of assertion of this receivable in the following fiscal periods (Section 59 of the Regulation No.500/2002 Coll.). Therefore, as of the date of the Annual Financial Statement for the period of 2010 the Company registers neither any deferred tax receivable, nor payable in the balance. For the same reason the Company neither registered any deferred tax receivable nor payable as of the date of the Annual Financial Statement of the accounting period of 2009.

3.6. Lawsuits of BH CAPITAL, a.s.

BH CAPITAL, a.s., participated in several lawsuits by the date of compilation of the Annual Financial Statement, both active and passive.

Active Lawsuits

As regards active lawsuits, which were 4 in total in 2010, it may be stated that there exists no risk unregistered in the Company's bookkeeping by the date of the Annual Financial Statement. Most active lawsuits concern enforcement of receivables from unpaid rent and release of unjust enrichment. Adjusting entries in full amount were created to all such enforced receivables. Execution of a judgment was ordered in all lawfully terminated lawsuits through mediation of an executor. The anticipated rate of success in the lawsuits is assessed in average at 5%.

Out of 4 active lawsuits, 1 was lawfully terminated within 2010. In one of the lawsuits concerning collection of overdue rent against the SOL VET, s.r.o. company, partial settlement was achieved through a schedule of payments. Adjustments were created to all receivables whose collection was unsuccessful in the preceding fiscal periods already so that their depreciation had no impact on the economic result of 2010.

BH CAPITAL continued one active lawsuit of substantial importance in 2010. On 13 July 2009, the Company filed legal action against Československá obchodní banka, a.s. concerning collection of the claim in the amount of **CZK 296,608,050** plus a delay charge for the period from 9 February 2009. BH CAPITAL's claim resulted from the final and conclusive decision of the Regional Court in Brno dated of 27 November 2008 to the benefit of Investiční společnost podnikatelů, a.s. in liquidation and of other legal subjects (details concerning this lawsuit are given in the next chapter), as a result of which BH CAPITAL was obliged to pay as surety for the principal debtor – ČSOB – and a regressive claim on

Československá obchodní banka, a.s. in the total amount of CZK 296,608,050 has arisen. ČSOB was summoned to discharge the claim but it declined. Therefore, payment is legally enforced. On 4 August 2009, an order of payment was issued by the Municipal Court in Prague which obliged ČSOB to settle the sued sum. On 27 August 2009, ČSOB raised an objection against this order of payment. On 8 June 2010, the Municipal Court of Prague suspended the proceedings before a decision of the Highest Court about the appeal is filed in the lawsuit with Investiční společnost podnikatelů, a.s. being in liquidation.

Passive Lawsuits

BH CAPITAL, a.s. was a participant of 3 passive lawsuits in 2010 which originated in the period when the Company operated as a bank.

A petition was tried by the Municipal Court in Brno since 2002 by which Investiční společnost podnikatelů, a.s. being in liquidation claims release of unjust enrichment in the amount of CZK 150 million plus accessions out of the title of a guarantee for an obligation transferred within the procedure of a sale of a part of the Company to IPB, a.s. In the particular proceedings all available objections were employed. The petition was dismissed by the Municipal Court but the petitioner filed an appeal within the statutory period and the Regional Court in Brno dealt with the lawsuit. On the basis of new decided cases of the Highest Court and after the principal statement of the Czech National Bank concerning the active capacity of the petitioner the court of appeal changed the decision of the Municipal Court in Brno as follows: BH CAPITAL, a.s. is obliged to pay the petitioner on the account of the liquidated Podnikatelský tržní podílový fond the amount of CZK 150,000,000 including the delay charge of 10.29% from 9 October 1999 until the date of payment, further to discharge the costs of hearing the petition by court of first and second instance for the petitioner, to compensate the Czech Republic for the costs of hearing the petition in the amount of CZK 4,795.26 to the account of the Municipal Court in Brno and to pay the court fee of CZK 2 million to the account of the Municipal Court in Brno, and to do so within 3 days from the day on which the decision became final and conclusive. BH CAPITAL was sued as the surety for the principal debtor – Československá obchodní banka, a.s. The decision was serviced to BH CAPITAL on 3 February 2009. On 6 February, the sum of CZK 294,116,384 was paid to the account of Podnikatelský tržní fond ISP shareholders, the sum of CZK 2,004,795.26 to the account of the Municipal Court in Brno, and the sum of CZK 486,870.85 to the account of the solicitor's office Továrek, all in exact accord with the decision of the Regional Court in Brno. BH CAPITAL has paid a total amount of **CZK 296,608,050.11**. On the same day, i.e. 6 February 2009, a claim of reimbursement was made with the principal debtor – Československá obchodní banka, a.s. – with respect to the fact that in accord with the provisions of section 308 of the Civil Code (Občanský Zákoník) BH CAPITAL, a.s. the security discharged acquires the rights of a creditor towards its debtor.

The BH CAPITAL Company did not register this obligation in the accounting of 2008. From the point of view of accounting an obligation of payment only comes to existence with the decision of the Regional Court in Brno becoming final and conclusive, which only happened on 3 February 2009. Since at the moment of payment, i.e. 6 February 2009, BH CAPITAL became entitled to demand reimbursement from Československá obchodní banka, a.s., the Company did not create a reserve for meeting this obligation. Neither does the Company intend to create adjustments to the future receivable from ČSOB as it is not

required due to very good credibility of the debtor. BH CAPITAL raised a petition of appeal against the aforesaid decision of the Regional Court in Brno on 2 April 2009.

In another lawsuit concerning non-existence of mortgage in receivables, BH CAPITAL was jointly sued with Česká finanční, s.r.o. Court of first instance dismissed the petition against BH CAPITAL, and confirmed it against Česká finanční. The case is under an appeal but the decision concerning BH CAPITAL, a.s. became final and conclusive.

In the last passive lawsuit the suitor Josef Němec, resident in Brno, Dřevařská Street, claims the contract on sale of the property in Brno no. 713 to be invalid due to his being disadvantaged in the competitive bidding procedure and due to breaking the Act on Bankruptcy and Settlement. The company MEKO, k.d. Olomouc is the sued party no. 1, BH CAPITAL, a.s. is the sued party no. 2, and iXnet Invest, s.r.o. is the sued party no. 3. The property under lawsuit was sold by administrator of the bankruptcy assets of the company MEKO, k.d. BH CAPITAL, a.s. acted as a secondary participant. The MEKO, k.d. association was removed from the Commercial Register. As BH CAPITAL only acted as a secondary participant of the contract, this petition should not have any impacts on the Company.

3.7. Statutory and other reserves

In 2010, the Company did not create or release any reserves.

In 2009, the Company did not create any reserves. The reserve for legal consultancy in the amount of CZK 500 thousand the reserve for compensation to employees in the amount of CZK 2,331 thousand were released.

Reserves	Reserve s in total in thousan d CZK	Reserves	Reserve s in total in thousan d CZK
Situation as of 31 December 2009	1,958	Situation as of 31 December 2008	4,789
Creation – statutory reserves	0	Creation – statutory reserves	0
Creation – income tax reserve	0	Creation – income tax reserve	0
Creation – other reserves	0	Creation – other reserves	0
Creation in total	0	Creation in total	0
Releases – statutory reserves	0	Releases – statutory reserves	0
Releases – income tax reserve	0	Releases – income tax reserve	0
Releases – other reserves	0	Releases – other reserves	2,831
Releases in total	0	Releases in total	2,831
Situation as of 31 December 2010	1,958	Situation as of 31 December 2009	1,958

3.8. Expenses for remunerations to statutory auditor

Expenses for statutory audit of financial statement:

BDO PRIMA Audit, s.r.o. - audit of annual financial statement of 2009

CZK 107 thousand, incl. VAT

BDO Audit, s.r.o. - audit of annual financial statement of 2010

CZK 108 thousand, incl. VAT

3.9. Revenues from ordinary activity sorted according to the Company's main business activities in classification into domestic and foreign activities

In the fiscal period of 2010 as well as 2009 the Company's revenues came exclusively from the domestic markets. No revenues flew in the Company from abroad.

3.10. Total expenditures spent for the fiscal period for research and development

The Company spent no financial means for research and development within the fiscal period of 2010 as well as 2009.

3.11. Explanation of some significant summary items of the Balance Sheet and the Profit/ Loss Account

Balance Sheet

a) Accounts in banks / bank accounts (line 60 of assets in the Balance Sheet)

Bank	Situation as of 31 December 2010	Situation as of 31 December 2009	Currency
ČSOB.	223,418,484.26	43,026,413.46	CZK
ČMZRB	38,440.43	12,705.58	CZK
In total	223,456,924.69	43,039,119.04	

c) Short-term securities and participation interests (line 61 of Assets of the Balance Sheet)

	2010	2009
- debentures	CZK 144,375,000	CZK 323,612,000
- coupons of securities	CZK 1,065,000	CZK 4,429,000
- shares	CZK 0	CZK 0

Situation as of 31 December 2010

ISIN	Name	Number of items	Nominal	Acquisition price	Market price	Market price in total
CZ0001001887	SD 3.55/12	15,000	150,000,000	144,377,793.00	103.23 %	154,845,000.00
Debentures in total			150,000,000	144,377,793.00		154,845,000.00

Situation as of 31 December 2009

ISIN	Name	Number of items	Nominal	Acquisition price	Market price	Market price in total
CZ0003501520	ČEZ 4.30/10	11,000	110,000,000	109,936,941.86	98.80 %	108,680,000.00
CZ0001001887	SD 3.55/12	15,000	150,000,000	144,377,793.00	102.73 %	154,095,000.00
CZ0001002158	SD 4.10/11	3,000	30,000,000	29,904,172.40	102.16 %	30,648,000.00
CZ0001001903	SD 4.00/17	3,000	30,000,000	27,921,690.63	100.63 %	30,189,000.00
Debentures in total			320,000,000	312,140,597.89		323,612,000.00

Profit and Loss Accounts (“PLA”)

	2010	2009
a) Sale of own products and services (line 5 of “PLA”)		
- accepted rent	CZK 398,000	CZK 406,000
- other services	CZK 18,000	CZK 7,000
b) Consumables (line 9 of “PLA”)	2010	2009
- material consumption	CZK 91,000	CZK 146,000
- energy consumption	CZK 123,000	CZK 112,000
c) Services (line 10 of “PLA”)	2010	2009
- repairs and maintenance	CZK 46,000	CZK 101,000
- mail and telecommunications	CZK 116,000	CZK 145,000
- rent	CZK 17,000	CZK 81,000
- audit and consultancy	CZK 125,000	CZK 620,000
- cleaning	CZK 76,000	CZK 75,000
- others	CZK 719,000	CZK 859,000
d) Taxes and charges (line 17 of “PLA”)	2010	2009
- real estate transfer tax	CZK 0	CZK 0
- real estate tax	CZK 3,000	CZK 3,000
- road tax	CZK 7,000	CZK 5,000
- other taxes and charges	CZK 15,000	CZK 1,035,000
e) Depreciations of intangible and tangible fixed assets (line 18 of “PLA”)	2010	2009
- Depreciations of intangible fixed assets	CZK 8,000	CZK 12,000
- Depreciations of structures	CZK 608,000	CZK 607,000
- Depreciations of means of transport	CZK 102,000	CZK 179,000
- Depreciations of fittings	CZK 2,000	CZK 7,000
- Depreciations of other movable assets	CZK 19,000	CZK 28,000
- Depreciations of small tangible fixed assets	CZK 28,000	CZK 52,000
Non-recurring depreciation of tangible fixed assets (liquidation)	CZK 0	CZK 0
f) Change in operating provisions and deferred expenses (line 25 of “PLA”)	2010	2009
- release from reserves and deferred operating revenues	CZK 0	CZK -2,831,000
- release of provisions	CZK -71,000	CZK -85,000
- addition to reserves	CZK 0	CZK 0
- addition to provisions	CZK 1,000	CZK 1,000
g) Other operating expenses (line 27 of “PLA”)	2010	2009
- gifts	CZK 0	CZK 13,000
- depreciations of receivables	CZK 49,000	CZK 85,000
- others	CZK 54,000	CZK 183,000
h) Proceeds from sale of securities and ownership interests (line 31 of “PLA”)	2010	2009
- State coupon bonds	CZK 63,575,000	CZK 175,300
- Coupon debentures of commercial banks	CZK 0	CZK 0
- Coupon debentures of non-bank entities	CZK 1,322,000	CZK 0
- shares	CZK 0	CZK 0
i) Cost of securities and ownership		

interests sold (line 32 of “PLA”)	2010	2009
- State coupon bonds	CZK 61,937,000	CZK 173,485,000
- Coupon debentures of commercial banks	CZK 0	CZK 0
- Coupon debentures of non-bank entities	CZK 2,000	CZK 0
- shares	CZK 0	CZK 0
j) Income from short-term investments (line 37 of „PLA“)	2010	2009
- Accepted interests from due securities	CZK 10,221,000	CZK 16,196,000
- Accepted dividends and shares in profit	CZK 0	CZK 0
k) Other financial expenses (line 45 of the “PLA”)	2010	2009
- Insurance of assets and risks	CZK 0	CZK 0
- Payments to traders of CP, BCPP and SCP	CZK 144,000	CZK 159,000
Statutory damage liability insurance of the employer	CZK 5,000	CZK 15,000
- bank services	CZK 37,000	CZK 44,000
- others	CZK 0	CZK 0

4. CASH FLOW STATEMENT

The Company has decided upon the cash flow statement in indirect manner, in which the profit/ loss of an accounting unit is adjusted by non-monetary operations.

Cash on hand (account 211), Stamps and vouchers (account 213) and Finances on regular bank accounts (part of account 221) have been included in the Financial Accounts. The Company includes finances on term deposits in banks (part of the account 221) in the Financial Equivalents. In respect of the term deposits, these are the short-term deposits.

Despite of the fact that the Company has a large volume of asset in the short-term financial assets, it does not include securities in the financial equivalents, though these are liquid tradable securities. Significant price fluctuations of the securities on the market are the reasons for this. Change in the situation of the short-term financial assets is then presented on the line A.2.4. If we take into account increase of monetary assets where idle capital is deposited, we will find out that the Company increases the volume of idle capital, in particular by CZK 17,365 thousand in 2008. The total volume of liquid assets decreased sharply in 2009 due to the Company's obligation to pay out the sum of CZK 296,608 thousand in February 2009 following the lost lawsuit (for details see chapter 3.6).

a) Cash and cash equivalents at the beginning of the accounting period (line P of the Cash-Flow Statement)	2010	2009
- Cash and stamps and vouchers	CZK 29,000	CZK 33,000
- Finances on regular bank accounts	CZK 43,039,000	CZK 268,000
- Finances on term deposits	CZK 0	CZK 22,615,000
b) Depreciation of fixed assets and write-off of receivables (line A.1.1 of the Cash-Flow Statement)	2010	2009
- Depreciations of fixed assets	CZK 767,000	CZK 885,000
c) Change in provisions (line A.1.2 of the Cash-Flow Statement)	2010	2009
- Creation of adjustments	CZK 1,000	CZK 1,000
- Application of adjustments	CZK -71,000	CZK -85,000
- Creation of reserves	CZK 0	CZK 0
- Use of reserves	CZK 0	CZK -2,831,000
d) Profit (loss) on sale of fixed assets (line A.1.3 of the Cash-Flow Statement)	2010	2009
- Revenues from the sale of the tangible fixed assets	CZK - 1,000	CZK - 300,000
Residual price of sold tangible fixed assets	CZK 0	CZK 185,000
e) Possible other non-monetary operations (line A.1.6 of the Cash Flow Statement)	2010	2009
- Accounting for revaluation on sale of securities for trading	CZK 0	CZK 1,257,000
- Revenues from revaluation of securities for trading	CZK - 750,000	CZK -6,024,000

Accounting for revaluation on sale of securities for trading	CZK 1,754,000	CZK 2,143,000
- Depreciation of receivable	CZK 49,000	CZK 85,000
- Deficits and damage	CZK 0	CZK 0

f) Change in receivables from operating activity (+/-), active accounts of accruals and contingencies gained (line A.2.1 of the Cash-Flow Statement)

	2010	2009
- Change of AÚV in securities in arrears for trading	CZK 3,364,000	CZK 4,935,000
- Change of active accounts of accruals	CZK 9,000	CZK 136,000
- Change in receivables	CZK 261,000	CZK -296,837,000

g) Change in short-term payables from operating activity (+/-), passive accounts of accruals and contingencies loss (line A.2.2 of the Cash-Flow Statement)

	2010	2009
- Change of passive accounts of accruals	CZK -10,000	CZK 30,000
- Change in payables	CZK 426,000	CZK -3 461,000

h) Cash and cash equivalents at the end of the accounting period (line R of the Cash-Flow Statement)

	2010	2009
- cash and cash equivalents	CZK 22,000	CZK 28,500
- money on regular accounts	CZK 223,457,000	CZK 43,039,000
- money on term deposits	CZK 0	CZK 0

Compiled on: 8 February 2011

Compiled by: Vladimíra Jelínková

Ing. Marian Klásek
Chairman of the Board of
Directors

Jan Mayer
Deputy Chairman of the Board of
Directors

C A S H F L O W S T A T E M E N T

as at 31.12.2010

(in CZK thousand)

BH CAPITAL, a.s.
Příkop 843/4, 602 00 Brno

S.I.C.: 00546682

Denotation a	Text b	Accounting period	
		current 1	previous 2
P.	Cash and cash equivalents at the beginning of the accounting period	43 068	22 916
	Cash flows from ordinary activities		
Z.	Profit/(loss) from ordinary activities before tax	6 965	9 209
A.1.	Adjustments for non-cash transactions	1 690	-1 666
A.1.1.	Depreciation of fixed assets(+) excluding book value of fixed assets sold, amortization of goodwill (+/-)	767	885
A.1.2.	Change in provisions	-70	-2 915
A.1.3.	Profit/(loss) on sale of fixed assets including valuation differences on financial investments	-1	-115
A.1.4.	Revenues from dividends and shares from profit (-)	0	0
A.1.5.	Interest expense (+) excluding capitalised interest and interest income (-)	-59	3 018
A.1.6.	Possible other non-monetary operations	1 053	-2 539
A.*	Net cash flow from operating activities before tax, movements in working capital and extraordinary items	8 655	7 544
A.2.	Change in non-monetary items of working capital	171 813	-126 335
A.2.1.	Change in receivables from operating activities, temporary assets and estimated assets	3 634	-291 766
A.2.2.	Change in short-term payables from operating activities, temporary liabilities and estimated liabilities	416	-3 431
A.2.3.	Change in inventory	0	0
A.2.4.	Change in short-term investments (excluding cash and cash equivalents)	167 763	168 862
A.**	Net cash flow from operating activities before tax and extraordinary item:	180 468	-118 791
A.3.	Interest paid (-), except interest capitalised	-1 538	-3 315
A.4.	Interest received (+)	1 596	297
A.5.	Income tax paid for operating activities, additional tax paid for previous periods (-)	0	0
A.6.	Receipts and expenditures relating to extraordinary activities, which create extraordinary profit or loss, including income tax paid from extraordinary activities	0	1 673
A.7.	Dividends received (+)	0	0
A.***	Net cash flow from operating activities	180 526	-120 137
	Cash flows from investing activities		
B.1.	Fixed assets expenditures (-)	-111	-26
B.2.	Receipts from fixed assets sold (+)	1	300
B.3.	Loans provided to related parties (-/+)	0	0
B.***	Net cash flow from investing activities	-110	273
	Cash flow from financial activities		
C.1.	Impact on cash due to change in long term or short term payables from financial activities (+,-)	-5	140 015
C.2.	Impact on cash due to change in equity	0	0
C.2.1.	Increase of cash and cash equivalents due to change in registered capital, share premium, reserve fund, including prepayments made for this increase (+)	0	0
C.2.2.	Capital payments to partners and shareholders (+)	0	0
C.2.3.	Other deposits of cash made by partners and shareholders (+)	0	0
C.2.4.	Reimbursement of loss by partners (+)	0	0
C.2.5.	Payments made from funds (-)	0	0
C.2.6.	Dividends and ownership interests paid, including withholding tax related to these claims and including financial clearance with partners (-)	0	0
C.***	Net cash flow from financing activities	-5	140 015
F.	Net increase or decrease of cash and cash equivalents	180 411	20 152
R.	Cash and cash equivalents at the end of the accounting period	223 479	43 068

Sent off	Signature of authorities	Person responsible for accounting and for preparation of the financial statements (name and signature):
8.2.2011	<p style="text-align: center;">Marian Klásek chairman of the board of directors</p> <p style="text-align: center;">Jan Mayer vicechairman of the board of directors</p>	<p style="text-align: center;">Vladimíra Jelínková chief accountant tel.: 582 302 942</p>