



Annual Report

2013

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Opening Word by the General Manager



Dear business partners, ladies and gentlemen, friends,

I am presenting to you a summary report in which you can find information on TES s.r.o. and its activities in 2013 as well as the company's future plans.

In 2013 we started addressing our company's future and further development very intensely, even though our financial results so far are good.

The unclear situation surrounding the Temelín NPP completion tender, further operation of the Dukovany NPP and the never-ending discussions on the state's energy policy forced us to contemplate the future of TES. Previously we had focused on engineering support for the energy sector in the Czech Republic. However, we were forced to reconsider this strategy in light of the aforementioned factors.

The question was: should we focus our attention on other sectors of the Czech industry or should we attempt to penetrate foreign nuclear energy markets?

On the grounds of a detailed analysis, we concluded that going abroad was the right choice. We think that over the 21 years of existence of TES and its presence in the nuclear energy sector, we have built a team of specialists with supreme professional skills, competitive on a global scale.

In 2013 we went on 8 foreign trips to promote our company, our expert skills and experience. We established cooperation with nuclear institutions abroad. We are aware that gaining a foothold abroad will not be easy and it will take some time before TES becomes an internationally recognized and sought-after supplier.

Our foreign activities should not be, however, constructed as a departure from our position in the Czech Republic at all. We are still ready to provide our partners with services of a very high professional standard and to continue developing them. We are convinced that the Czech nuclear sector will continue in its development and we want to be fully prepared to participate in the trend. At present, however, this process is slightly delayed and we strive to maintain the professional level of our specialists; therefore, we are looking for markets with a realistic potential of construction of nuclear units where our specialists could offer their vast experience in the broad range of activities provided by TES.

Martin Štajgl
General Manager

A handwritten signature in blue ink, appearing to be 'M. Štajgl', located at the bottom right of the page.

Company Profile



TES s.r.o. was founded as a Czech independent company specializing in the delivery of engineering services and technical support for the nuclear energy sector in 1992. We are a reliable partner for the operators of Czech nuclear power plants and their partners. We gradually established our presence on the international market as well and, as part of international projects, we participate in the improvement of operation and safety of nuclear power plants, in particular in Russia and Slovakia. In research and development we cooperate with prestigious technical universities and research institutions in the Czech Republic.

Shortly after its founding, our company focused its activities on the testing of energy systems. As the firm started growing, its portfolio of services was developing to incorporate electrical systems, diagnostic systems and an all-encompassing approach to the operational support for nuclear power plants. Today TES offers highly specialized engineering services, including commissioning and independent supervision over the start-up of nuclear units, thermohydraulic calculations and safety analyses of operating, abnormal and accident conditions in nuclear stations, complex diagnostic systems and continuous

support for the operation of nuclear plants.

TES s.r.o. has gained the confidence of its business partners in the nuclear sector especially because of its responsible approach and fulfilment of its obligations in terms of quality and compliance with the agreed deadlines.

We aim to provide our customers with an unwaveringly high standard of expert services and, therefore, we see the professional growth of our staff and investments into the latest hardware, software and measurement technology as the key factor.

Key Corporate Highlights at 31 December 2013

Business name:	TES s.r.o.
Registered office:	Pražská 597, 674 01 Třebíč, Czech Republic
Company Registration Number:	454 77 973
Legal form:	limited-liability company
E-mail:	tes@tes.eu
Webpage:	www.tes.eu

Incorporation: The company is incorporated in the Commercial Register kept by the Regional Court in Brno, Part C, File 4884

Founded on: 27 February 1992

Share capital: CZK 10,500,000

Persons holding at least 10% of the share capital

Martin Štajgl	25%
Jiří Pulec	25%
Pavel Novotný	25%
Miloš Kaška	25%

Business activities entered in the Commercial Register

- Installation, repairs, inspections and tests of electric equipment.
- Manufacture, installation and repairs of electrical appliances, electronic and telecommunication equipment.
- Performance of services which do not include the handling of ionizing radiation sources but which must be carried out in controlled zones of category IV sites by a person other than the controlled-zone operator – performance of tests and inspections of mechanical, electrical and instrumentation equipment, supervision during the start-up and commissioning of such equipment, non-destructive diagnostics of technology in the controlled zones of ČEZ, a.s. and the Dukovany radioactive waste depository, as well as other activities specified in greater detail in the quality assurance programme.
- Manufacture, trade and services not listed in Annexes 1 to 3 to the Trade Licensing Act.

Business activities specified in the Trade License

- Activities associated with the commissioning of nuclear facilities and technical support for their operation, except for the activities listed in Section 3 and in Annexes 1 to 3 to the Trade Licensing Act.
- Provision of software, information technology consultancy, data processing, hosting and related activities and web portals.
- Advisory and consultancy services, delivery of specialized studies and opinions.
- Design of electrical equipment.
- Research and development in natural sciences and engineering and in social sciences.



Corporate Sites

Registered office



TES s.r.o., Pražská 597, 674 01 Třebíč, Czech Republic

Tel.: +420 568 838 411

Fax: +420 568 838 427

E-mail: tes@tes.eu

www.tes.eu

Dukovany site



TES s.r.o., Dukovany 269,
675 50 Dukovany – elektrárna, Czech Republic

Tel.: +420 561 10 5450

fax: +420 568 838 427

E-mail: tes@tes.eu

www.tes.eu

Temelín site



TES s.r.o., 373 05 Temelín – elektrárna, Czech Republic

Tel.: +420 381 10 2064,

fax.: +420 381 10 1404

E-mail: tes@tes.eu

www.tes.eu

Corporate Management

Statutory body



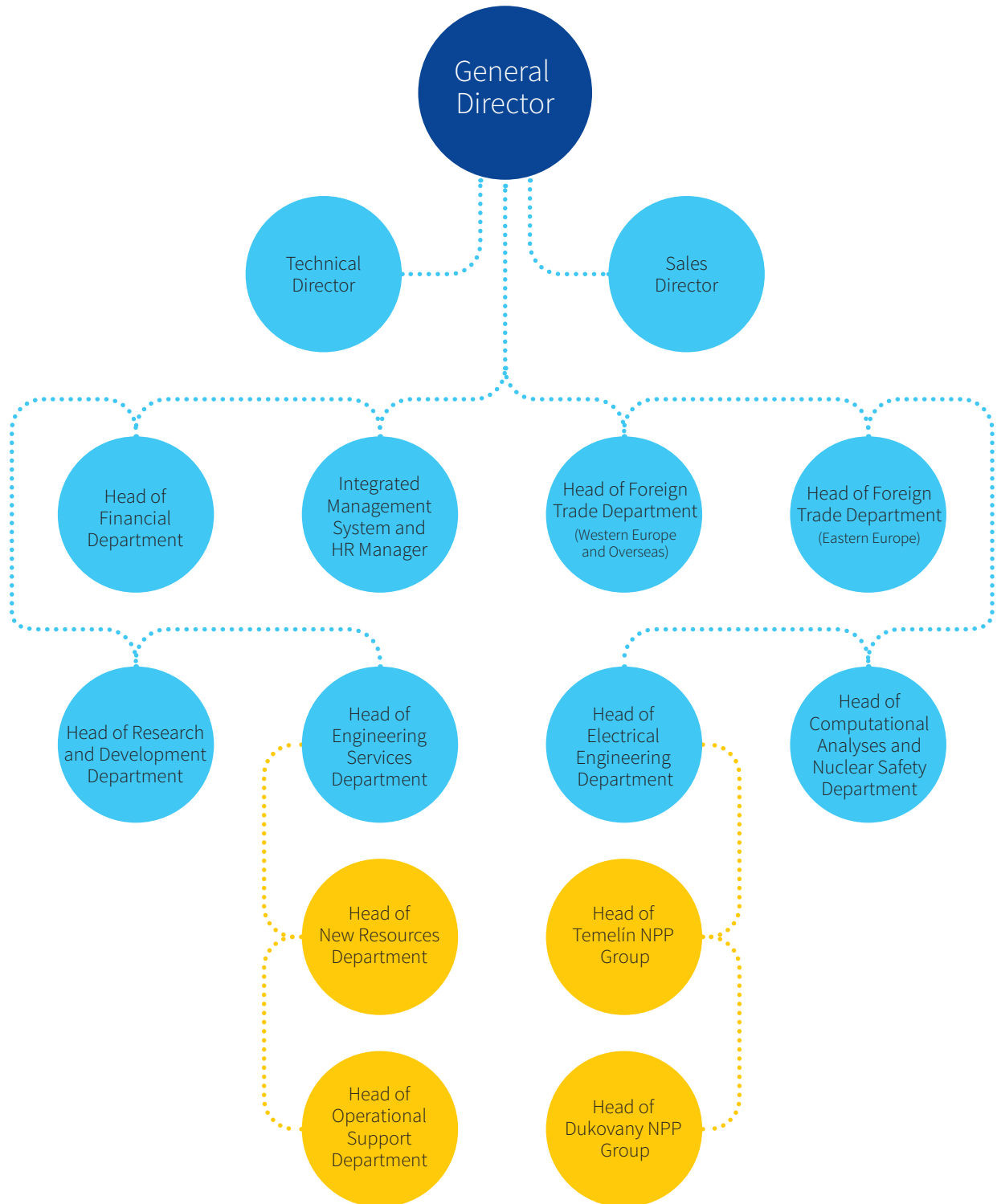
Martin Štajgl	Managing Director
Jiří Pulec	Managing Director
Pavel Novotný	Managing Director
Miloš Kaška	Managing Director

Management



General Director	Martin Štajgl
Technical Director	Pavel Novotný
Sales Director	Tomáš Palko
Head of Engineering Services Dept.	Jiří Pulec
Head of Financial Dept.	Vladimír Šula
Head of Electrical Dept.	Oto Mareček
Head of Computational Analyses and Nuclear Safety Dept.	Martin Blaha
Head of Foreign Trade Dept. for Western Europe and Overseas	Jan Frélich
Head of Foreign Trade Dept. for Eastern Europe	Oleksandr Bredykhin
Head of Research and Development Dept.	Miloš Kaška
Integrated Management System and Human Resources Manager	Věra Prodělalová

Organizational Structure



Key Business Areas

Commissioning of power units, especially nuclear facilities

- Commenting on design documentation
- Preparation of commissioning documentation
- Performance of tests, non-standard measurements
- Computational commissioning support
- Evaluation of operational tests and examinations, final reports
- Independent engineering supervision over the commissioning of nuclear power plants
- Engineering supervision over the reconstruction and upgrade of power units

Monitoring and diagnostic systems

- Monitoring systems for electrical equipment in nuclear power plants
- On-line diagnostics of transformers
- On-line diagnostics of brush gear in synchronous generators
- Diagnostics of electrical circuitry and reflectometry
- Dedicated monitoring systems

Engineering of electrical systems

- Measurement of physical properties
- Metrological services
- Maintenance of electrical protection systems
- Designing
- Tests of distributors and selected systems
- Custom production of electronic equipment

Engineering support for nuclear power plant operation

- Preparation of programmes and performance of tests of facilities, including their evaluation
- Production of operating documentation (working procedures, operational programmes, testing programmes, operating guidelines, operations staff training)
- Independent analyses of operating events and failures in industrial facilities
- Independent assessments documentation (projects of construction and upgrade of technology, commissioning concepts and programmes, design modifications, safety reports, commissioning and operating documentation)
- Analyses of control processes and production of operational schemes to support nuclear power plant operation

Calculations and safety analyses

- Thermohydraulic calculations (operating, abnormal and accident conditions in VVER-440 and VVER-1000 nuclear power plants in the environment of computational programmes RELAP5, TRACE, ANSYS Fluent, MELCOR, PARCS)
- Accident management (computational validation and implementation of AM guidelines for NPPs)
- Computational safety analyses
- CFD calculations
- 3D modelling, laser scanning

Key Projects in 2013

Measurement of partial discharges on generators in the Temelín NPP

In 2013 and 2014 our company TES s.r.o. participated, in cooperation with DOOSAN ŠKODA POWER s.r.o. and BRUSH SEM s.r.o., in the implementation of a project focused on installing and commissioning the diagnostics of partial discharges in 1,125 MW generators on both units of the Temelín NPP. The GuardII diagnostic system, manufactured by IRIS POWER, was selected for this project. TES s.r.o. provides for data communication between the GuardII diagnostic system and the central electrical monitoring system in the Temelín NPP, including the processing, visualization and storage of the readings.

Data communication, using the IEC61850 protocol, with the protection systems of 6 kV busbar in the Temelín NPP

Between 2011 and 2015, our company TES s.r.o. participates, in cooperation with OT Energy Services, a.s., in the replacement of original analogue protection systems in the 6 kV substations with new digital protection systems, manufactured by ABB s.r.o., on unit 1 in Temelín NPP. Using the IEC61850 standard, TES s.r.o. provides for data communication and time synchronization of the protection systems in the 6 kV busbar with the central electrical monitoring system of the Temelín NPP. These recorded analogue and binary values are used both for analyses of transients and failure modes and for demonstrating correct behaviour during regular tests and examinations of the power plant's electrical systems.

Use of design redundancies in Temelín NPP's units

In 2013, the power of both units in the Temelín NPP was increased by about 4% Nnom as part of the project: "Use of Design Redundancies in Temelín NPP's Units" The preparations for this project in TES s.r.o. started as early as in 2011, as it was necessary to specify and prepare programmes required to demonstrate and document safe operation at the increased power level, and project implementation as such began in 2013. TES participated in the project as a subcontractor of the Nuclear Research Institute in Řež and followed up on its experience in the ramping-up of power of Dukovany NPP's units, supplying specifications and processing and implementing the following core programmes:

- Measurement of steam moisture in steam lines and upstream of the turbine generator
- Measurement of key unit parameters
- Measurement of pressure losses in steam generators and steam lines
- Determination of the reactor's heat output – precision calorimetry
- Measurement of operating parameters of the condensate pump node
- Measurement of warming of power output equipment
- Measurement of parameters of the generator, excitation generator and auxiliary generator systems
- Monitoring of parameters of the unit transformer

The project was successfully completed on both units by the deadlines set out in the timetables and to the satisfaction of the customer – Temelín NPP.



Analyses of beyond design-basis accidents for the Temelín NPP

Within the framework of activities focused on increasing nuclear safety and resistance of nuclear units after the Fukushima accident, experts from the Computational Analyses and Nuclear Safety Department carried out a number of stringent thermohydraulic analyses of beyond design-basis accidents for the Temelín NPP. The advanced computational programme RELAP5 was used to analyse the impacts of SBO (station blackout) and to verify the strategies of interventions by the NPP's operations staff to mitigate the consequences of the accident and aiming at ensuring safe long-term heat removal from the reactors and the spent fuel storage pool in Temelín.

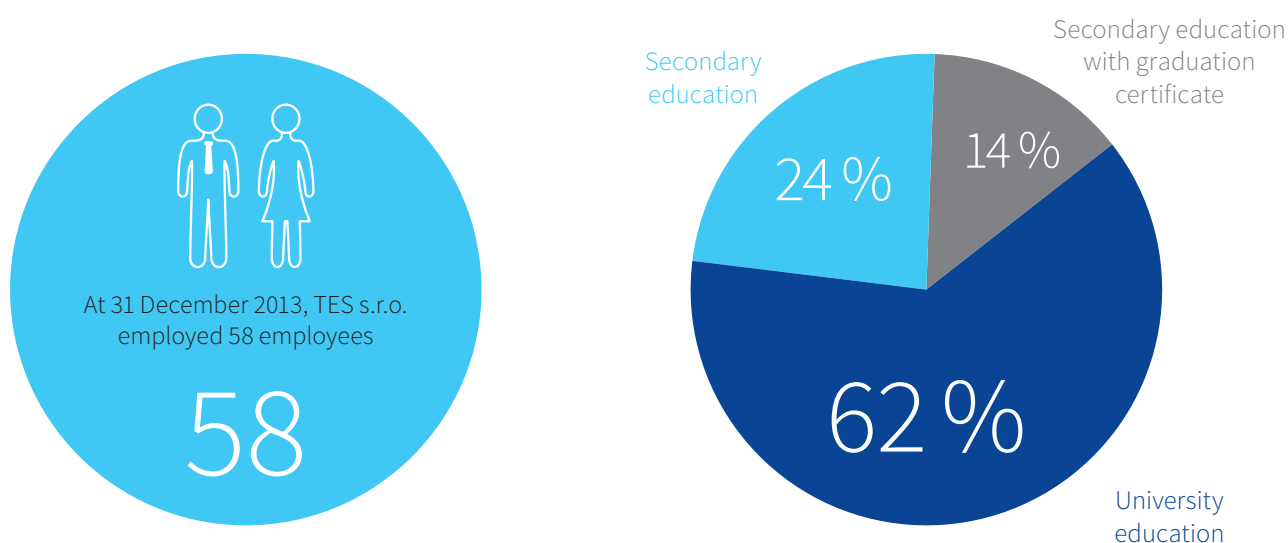
GOMS project

In 2013, a team of specialists from the Dukovany and Temelín NPPs, under the leadership of TES s.r.o., performed an analysis of the following processes: work management, outage management and operation management. The analysis will be used to select and implement software applications supporting the performance of the processes mentioned above.

Human Resources

Educational structure of the staff

Over 60 % of the staff employed by TES s.r.o. have a technical university degree, specializing in particular in nuclear engineering, electrical systems and mechanical engineering.



The fulfilment of our customers' specialized requirements concerning the nuclear sector requires continuous improvement of our company's technical expertise. Care for our employees' professional growth is a strategic cornerstone of our employment policy. Our staff undergo both regular trainings to maintain their specialized competences in compliance with the applicable legislation and trainings to enhance their qualifications in the Czech Republic as well as abroad (e.g. trainings focusing on computational programmes to analyse operating and accident conditions in nuclear units, programming languages, use of specialized software, etc.). The company also supports its employees in the improvement of their foreign language skills, in particular English and Russian.

Employee benefits

The company provides its employees with employee benefits, such as:

- Allowance for meals
- Extra week of leave for recovery
- Supplementary pension insurance
- Flexible working hours

Supplementary pension insurance

The company provides all employees employed full-time by the company with a contribution for supplementary pension insurance amounting to CZK 700 per employee.

In 2013 the costs associated with supplementary pension insurance amounted to CZK 440,000.



Integrated Quality Management System

The company has an established Integrated Quality Management System which continuously improves all internal as well as external processes. This certified system is designed and maintained to fully comply with and integrate the requirements of the following standards:

Quality Management System:	ČSN EN ISO 9001
Environmental Management System:	ČSN EN ISO 14001
Occupational Health and Safety Management System:	OHSAS 18001

Well-tested supplier for the nuclear energy sector

The Integrated Quality Management System incorporates the requirements of Decree No. 132/2008 Coll., on the quality system used to implement and provide for activities relating to the utilization of nuclear energy and radiation activities and on the assurance of quality of selected facilities with respect to safety classification.

The Integrated Management System (hereinafter “IMS”) in TES s.r.o. is designed to ensure that all activities and processes required for product realization, their sequence and interactions effectively achieve the product quality as required by the customer, with

minimum environmental impacts, taking into account occupational health and safety, nuclear safety and radiation protection, fully in compliance with the applicable requirements of laws and regulations.

Internal and external audits as well as audits of our customers are carried out in order to review the suitability and enhance the effectiveness of the Integrated Management System.

The company’s management determines its policy and objectives in terms of quality, the environment and safety in compliance with the requirements of all the aforementioned standards.



Research and Development

As a participant of large projects, TES s.r.o. itself develops or participates in the development of equipment and systems designed to optimize the utilization of nuclear facilities, extension of their lifetime and, first and foremost, improvement of their safety.

Project No. TE01020068: Centre for Research and Experimental Development of Reliable Energy Facilities

In 2013, development activities continued on project No. TE1020068: Centre for Research and Experimental Development of Reliable Energy Facilities (CESEN). The project is implemented as part of the Competence Centre Programme of the Technology Agency of the Czech Republic to support the development of long-term cooperation in research, development and innovation between the public and private sectors. Its key objective is to ensure

safe, reliable and economically feasible conventional as well as nuclear sources of electricity in the long run, consisting in extending the lifetime of old turbine generator units and building new ones. TES s.r.o. participates in the project as a member of a consortium, together with 7 other partners, including ČEZ, a.s. Creating a functional consortium should provide the ability to solve the issues at hand at a more complex level of cooperation than what has been customary so far.

The total project time is set at March 2012 to December 2019.

As part of the project, TES is particularly engaged in the research and development of a complex system for the processing of diagnostic information and evaluation of the condition of components in energy facilities.

The Centre's activities are supported by dedicated resources from the state budget reserved for research and development.

Project No. FR-TI1/001: Research and Development of Discharge Detection in High-Power Oil Transformers

Last year, in cooperation with the Faculty of Electrical Engineering and Telecommunication Technology of the Technical University in Brno and with EGU-HV Laboratory a.s., Prague, we completed our work on project No. FR-TI1/001: Research and Development of Discharge Detection in High-Power Oil Transformers. The objective of development was to design new measuring and diagnostic methods

to identify partial discharges in high-voltage oil transformers. The project resulted in the development of a measuring and diagnostic methodology intended for the timely identification and localization of impaired transformer conditions. Timely diagnostics of an imminent failure using the partial discharge method will indicate the lower reliability and safety of the equipment, thus preventing its possible overall destruction.

The methodology was verified on a prototype diagnostic system for identifying partial discharges. Based on the prototype, TES s.r.o. developed a diagnostic system under the trade name MOSAD – MST – PD, which is now used in Czech nuclear power plants.

The project was implemented with financial support from the state budget, granted by the Ministry of Industry and Trade.

Project No. FR-TI3/016: Research and Development of Progressive Methods for Testing Electrical Equipment in Nuclear and Conventional Power Plant Units During Commissioning

Work on project No. FR – TI3/016 will continue until 2015; as the main supplier, TES s.r.o. carries out research, development and subsequent optimization of a complex set of measuring methods, available sources of measured signals and a method for their recording and evaluation to assess

the correctness of behaviour of electrical equipment or its part during the proposed tests. Measuring methods will be used for the purposes of electrical equipment start-up tests in particular as part of commissioning of large power plant units. At the same time, it will be necessary to

develop suitable methods and methodologies for their quick and effective evaluation and analysis.

The project is implemented with financial support from the state budget, granted by the Ministry of Industry and Trade.

International Development Programmes CAMP



Specialists from our Calculations and Safety Analyses Department cooperate on the CAMP international programme (Code Applications and Maintenance Program), organized by the U.S. Nuclear Regulatory Commission

(NRC). Within the framework of the Program we participate in the development and validation of thermohydraulic codes to analyse various types of operating and emergency conditions in nuclear facilities. At the CAMP summer

conference last year we presented the results of validation calculations for outages of main coolant pumps at the Temelín nuclear power plant in the TH-code environment of TRACE V5.0.

Financial Statements

Balance sheet at 31 December 2013 (CZK 000)

Code	Assets	Line No.	Current accounting period			Past period	
			Gross	Adjustment	Net	Net (2012)	
	Total assets	A.+B.+C.+D.I.	001	+107,560	(33,709)	+73,851	+78,813
A.	Subscribed capital unpaid	accounts 353	002				
B.	Fixed assets	B.I.+...+B.III	003	+54,580	(33,709)	+20,871	+23,300
B.I.	Intangible fixed assets	B.I.1+B.I.2+B.I.3+B.I.4	004	+3,472	(2,410)	+1,062	+2,219
B.I.1.	Incorporation expenses	accounts 011, (-)071,(-)091AÚ	005				
B.I.2.	Research and development	accounts 012, (-)072,(-)091AÚ	006				
B.I.3.	Software	accounts 013, (-)073, (-)091AÚ	007	+3,472	(2,410)	+1,062	+2,219
B.I.4.	Valuable rights	accounts 014, (-)074, (-)091AÚ	008				
B.I.5.	Goodwill	accounts (±)015, (±)075, (-)091AÚ	009				
B.I.6.	Other intangible fixed assets	accounts 019AÚ, (-)079, (-)091 AÚ	010				
B.I.7.	Intangible fixed assets in progress	accounts 041, (-)93	011				
B.I.8.	Advance payments provided for intangible fixed assets	accounts 051, (-)095AÚ	012				
B.II.	Tangible fixed assets	B.II.1+ ...+B.II.X	013	+46,994	(31,299)	+15,695	+15,753
B.II.1.	Land	accounts 031,(-)092AÚ	014	+574		+574	+574
B.II.2.	Buildings, halls and structures	accounts 021,(-)081,(-)092AÚ	015	+17,995	(9,503)	+8,492	+9,195
B.II.3.	Machinery, equipment, vehicles, furniture and fixtures	accounts 022, (-)082, (-)092AÚ	016	+27,537	(21,015)	+6,522	+3,599
B.II.4.	Perennial crops	accounts 025, (-)085, (-)092AÚ	017				
B.II.5.	Adult animals and their groups	accounts 026, (-)086, (-)092AÚ	018				
B.II.6.	Other tangible fixed assets	accounts 029, 032, (-)089, (-)092AÚ	019	+888	(781)	+107	0
B.II.7.	Tangible fixed assets in progress	accounts 042, (-)094	020				
B.II.8.	Advance payments provided for tangible fixed assets	accounts 052, (-)095AÚ	021	0		0	+2,385
B.II.9.	Valuation difference on acquired assets	accounts (±)097, (±)098	022				
B.III.	Financial fixed assets	B.III.1 +_+B.III.X	023	+4,114		+4,114	+5,328
B.III.1.	Ownership interests – controlled person	accounts 061, (-)096AÚ	024				
B.III.2.	Ownership interests in business units under significant influence	accounts 062, (-)096AÚ	025				
B.III.3.	Other long-term securities and ownership interests	accounts 063, 065, (-)096AÚ	026				
B.III.4.	Loans and credits – controlled or controlling person, significant influence	accounts 066, (-)096AÚ	027				
B.III.5.	Other financial fixed assets	accounts 067,069, (-)096AÚ	028	+4,114		+4,114	+5,328
B.III.6.	Acquired financial fixed assets	accounts 043,(-)096AÚ	029				
B.III.7.	Advance payments provided for financial fixed assets	accounts 053, (-)095AÚ	030				
C.	Current assets	C.I.+C.II.+C.III.+C.IV.	031	+52,613		+52,613	+54,923
C.I.	Inventory	C.I.1+_+C.I.X	032	+438		+438	+1,127
C.I.1.	Materials	accounts 111, 112, 119, (-)191	033	+7		+7	
C.I.2.	Work-in-progress and semi-finished products	accounts 121, 122, (-)192, (-)193	034	+431		+431	+1,127
C.I.3.	Finished products	accounts 123, (-)194	035				
C.I.4.	Young and other animals and their groups	accounts 124, (-)195	036				
C.I.5.	Goods	accounts 131, 132, 139, (-)196	037				
C.I.6.	Advanced payments provided for inventory	accounts 118, 128, 138, (-)197, (-)198, (-)199, 314AÚ, (-)391AÚ	038				

Code	Assets	Line No.	Current accounting period			Past period	
			Gross	Adjustment	Net	Net (2012)	
C.II.	Long-term receivables	C.II.1+_C.II.x	039				
C.II.1.	Trade receivables	accounts 311AÚ, 312AÚ, 313AÚ, 315AÚ, (-)391AÚ	040				
C.II.2.	Receivables – controlled or controlling person	accounts 351 AÚ, (-)391 AÚ	041				
C.II.3.	Receivables – significant influence	accounts 352AÚ,(-)391AÚ	042				
C.II.4.	Receivables from corporate members, members of cooperatives and associations	accounts 354AÚ,355AÚ, 358AÚ, (-)391AÚ	043				
C.II.5.	Long-term advance payments provided	accounts 314AÚ, (-)391	044				
C.II.6.	Estimated receivables	accounts 388AÚ	045				
C.II.7.	Other receivables	335AÚ, 371 AÚ, 373AÚ, 374AÚ, 375AÚ, 376AÚ, 378AÚ, (-)391 AÚ	046				
C.II.8.	Deferred tax asset	accounts 481AÚ	047				
C.III.	Short-term receivables	C.III.1+_C.III.x	048	+30,230		+30,230	+24,863
C.III.1.	Trade receivables	accounts 311 AÚ, 312AÚ, 313AÚ, 315AÚ, (-)391AÚ	049	+23,906		+23,906	+24,521
C.III.2.	Receivables – controlled or controlling person	accounts 351AÚ,(-)391AÚ	050				
C.III.3.	Receivables – significant influence	accounts 352AÚ,(-)391AÚ	051				
C.III.4.	Receivables from corporate members, members of cooperatives and associations	accounts 354AÚ, 355AÚ, 358AÚ, 398AÚ, (-)391 AÚ	052				
C.III.5.	Social security and health insurance	accounts 336, (-)391 AÚ	053				
C.III.6.	State – tax receivables	accounts 341, 342, 343, 345, (-)391 AÚ	054	+233		+233	0
C.III.7.	Short-term advance payments provided	accounts 314AÚ, (-)391	055	+5,991		+5,991	136
C.III.8.	Estimated receivables	accounts 388AÚ, 318AÚ	056				
C.III.9.	Other receivables	335AÚ, 371AÚ, 373AÚ, 374AÚ, 375AÚ, 376AÚ, 378AÚ, (-)391AÚ	057	+100		+100	+206
C.IV.	Short-term financial assets	C.IV.1+_C.IV.x	058	+21,945		+21,945	+28,933
C.IV.1.	Cash	accounts 211, 213, 261	059	+20		+20	+25
C.IV.2.	Bank accounts	accounts 221 AÚ, 261	060	+21,925		+21,925	+28,908
C.IV.3.	Short-term securities and ownership interests	accounts 251, 253, 256, 257	061				
C.IV.4.	Acquired short-term financial assets	accounts 259, (-)291 AÚ	062				
D.I.	Accruals	D.I.1+_D.I.x	063	+367		+367	+590
D.I.1.	Deferred expenses	accounts 381	064	+367		+367	+590
D.I.2.	Complex deferred expenses	accounts 382	065				
D.I.3.	Accrued income	accounts 385	066				

Code	Liabilities and equity		Line No.	Current accounting period Net	Past period Net (2012)
	Total liabilities and equity	A.+B.+C.	001	+73,851	+78,813
A.	Equity	A.I.+A.II.+A.III.+A.IV.+A.V.	002	+69,872	+67,469
A.I.	Share capital	A.I.1+_+A.I.x	003.	+10,500	+10,500
A.I.1.	Share capital	accounts 411 or 491	004	+10,500	+10,500
A.I.2.	Own shares and own ownership interests (-)	accounts (-)252	005		
A.I.3.	Changes in share capital	accounts (±)419	006		
A.II.	Capital funds	A.II.1+_+A.II.x	007		
A.II.1.	Share premium	accounts 412	008		
A.II.2.	Other capital funds	accounts 413	009		
A.II.3.	Gains or losses from revaluation of assets and liabilities	accounts (±)414	010		
A.II.4.	Gains or losses from revaluation upon company transformations	accounts (±)418	011		
A.II.5.	Differences from company transformations	accounts 417	012		
A.II.6.	Differences from valuation upon company transformations	accounts 416	013		
A.III.	Reserve funds, indivisible fund and other funds from profit	A.III.1+_+A.III.x	014	+1,923	+1,977
A.III.1.	Statutory reserve fund/indivisible fund	accounts 421, 422	015	+1,089	+1,089
A.III.2.	Statutory and other funds	accounts 423, 424	016	+834	+888
A.IV.	Profit or loss of previous years	A.IV.1+_+A.IV.x	017	+49,442	+51,629
A.IV.1.	Retained earnings	accounts 428	018	+49,442	+51,629
A.IV.2.	Accumulated losses	accounts (-)429	019		
A.IV.3.	Other profit or loss of previous years	accounts 426	020		
A.V.	Profit or loss for the current period (±)	Assets - A.1.-A.II.-A.III.-A.IV-B.-C.+A.V.x	021	+8,007	+3,363
B.	Liabilities	B.I.+B.II.+B.III.+B.IV.	022	+3,547	+10,498
B.I.	Reserves	B.I.1. +_+B.I.x	023		
B.I.1.	Reserves under special legislation	accounts 451	024		
B.I.2.	Reserve for pensions and similar liabilities	accounts 459AÚ	025		
B.I.3.	Reserve for income tax	accounts 453	026		
B.I.4.	Other reserves	accounts 459AÚ	027		
B.II.	Long-term liabilities	B.II.1+_+B.II.x	028		
B.II.1.	Trade payables	accounts 478AÚ, 479AÚ	029		
B.II.2.	Payables – controlled or controlling person	accounts 471AÚ	030		
B.II.3.	Payables – significant influence	accounts 472AÚ	031		
B.II.4.	Payables to corporate members, members of cooperatives and associations	accounts 364 AÚ, 365 AÚ, 366 AÚ, 367 AÚ, 368 AÚ	032		
B.II.5.	Long-term advance payments received	accounts 475AÚ	033		
B.II.6.	Bonds issued	accounts 473AÚ, (-)255AÚ	034		
B.II.7.	Long-term notes payable	accounts 478AÚ	035		
B.II.8.	Estimated payables	accounts 389AÚ	036		
B.II.9.	Other liabilities accounts	372AÚ, 373AÚ, 377AÚ, 379AÚ, 474AÚ, 479AÚ,	037		
B.II.10.	Deferred tax liability	accounts 481 AÚ	038		

Code	Liabilities and equity		Line No.	Current accounting period Net	Past period Net (2012)
B.III.	Short-term payables	B.III.1 +_+B.III.x	039	+3,464	+10,140
B.III.1.	Trade payables	accounts 321 AÚ, 322, 325, 478AÚ, 479AÚ	040	+925	+2,225
B.III.2.	Payables – controlled or controlling person	accounts 361, 471 AÚ	041		
B.III.3.	Payables – significant influence	accounts 362, 472AÚ	042		
B.III.4.	Payables to corporate members, members of cooperatives and associations...	accounts 364AÚ, 365AÚ, 366, 367AÚ, 368AÚ, 398AÚ	043	+67	
B.III.5.	Payables to employees	accounts 331, 333, 479AÚ	044	+1,513	+6,453
B.III.6.	Social security and health insurance payables	accounts 336AÚ, 479AÚ	045	+959	+1,019
B.III.7.	State – tax payables and subsidies	accounts 341, 342, 343, 345, 346, 347	046		+425
B.III.8.	Short-term advance payments received	accounts 324, 475AÚ	047		
B.III.9.	Bonds issued	accounts 241, 473AÚ, (-)255	048		
B.III.10.	Estimated payables	accounts 389AÚ	049		
B.III.11.	Other payables	accounts 372AÚ, 373AÚ, 377AÚ, 379AÚ, 474AÚ, 479AÚ	050		+18
B. IV.	Bank loans	B.IV.1 +_+B.IV.x	051	+83	+358
B.IV.1.	Long-term bank loans	accounts 461 AÚ	052	+83	+358
B.IV.2.	Short-term bank loans	accounts 221 AÚ, 231, 232AÚ, 461AÚ	053		
B.IV.3.	Short-term financial assistance	accounts 249	054		
C.I.	Accruals	C.I.1+_+C.I.x	055	+432	+846
C.I.1.	Accrued expenses	accounts 383	056	+432	+846
C.I.2.	Deferred revenues	accounts 384	057		

Profit and Loss Statement at 31 December 2013 (CZK 000)

Code	Profit and Loss Statement	Line No.	Value in accounting period		
			Current	Past	
I.	Sales of goods	accounts 604	001		
A.	Cost of goods sold	accounts 504	002		
+	Sales margin	I. - A.	003		
II.	Production	II.1+II.2. + II.3. + II.x.	004	+70,982	+76,905
II.1.	Sales of own products and services	accounts 601,602	005	+71,532	+82,126
II.2.	Change in inventory of own production	accounts 611, 612, 613, 614	006	(696)	(5,221)
II.3.	Capitalization	accounts 621, 622, 623, 624	007	+146	
B.	Cost of sales	B.1. + _ + B.x.	008	+27,315	+28,621
B.1.	Raw materials and energy	accounts 501,502, 503	009	+4,070	+5,462
B.2.	Services	accounts 511,512, 513, 518	010	+23,245	+23,159
+	Added value	I. - A. + II. - B.	011	+43,667	+48,284
C.	Personnel costs total	C.1. + _ + C.x.	012	+33,536	+42,045
C.1.	Wages and salaries	accounts 521, 522	013	+24,296	+32,211
C.2.	Remuneration for Board members of companies and cooperatives	accounts 523	014		
C.3.	Costs of social security and health insurance	accounts 524, 525, 526	015	+8,270	+8,944
C.4.	Social security expenses	accounts 527, 528	016	+970	+890
D.	Taxes and fees	accounts 531, 532, 538	017	+101	+99
E.	Depreciation of intangible and tangible fixed assets	accounts 551, 557	018	+5,689	+4,305
III.	Sales of fixed assets and materials	III.1. + _ + III.x.	019	+123	+4
III.1.	Sales of fixed assets	accounts 641	020	+123	+4
III.2.	Sales of materials	accounts 642	021		
F.	Net book value of fixed assets and materials sold	F.1. + _ + F.x.	022	+42	
F.1.	Net book value of fixed assets sold	accounts 541	023	+42	
F.2.	Materials sold	accounts 542	024		
G.	Change in reserves and provisions relating to operating activities and complex deferred expenses	accounts (±)552, (±)554, (±)555, (±)558, (±)559	025		
IV.	Other operating revenues	accounts 644, 646, 648	026	+5,186	+4,555
H.	Other operating expenses	accounts 543, 544, 545, 546, 548, 549	027	+281	+418
V.	Transfer of operating revenues	accounts (-)697	028		
I.	Transfer of operating costs	accounts (-)597	029		
*	*Operating profit or loss	Added value + III. + IV. + V. - C - D - E - F - G - H - I	030	+9,327	+5,976

Code	Profit and Loss Statement	Line No.	Value in accounting period	
			Current	Past
VI.	Revenues from the sale of securities and ownership interests	031		
J.	Securities and ownership interests sold	accounts 561	032	
VII.	Revenues from fixed financial assets	VII.1. + _ + V8.x.	033	
VII.1.	Revenues from ownership interests in controlled and managed persons and in business units under significant influence	accounts 665AÚ	034	
VII.2.	Revenues from other long-term securities and ownership interests	accounts 665AÚ	035	
VII.3.	Revenues from other fixed financial assets	accounts 665AÚ	036	
VIII.	Revenues from short-term financial assets	accounts 666	037	
K	Costs of financial assets	accounts 566	038	
IX.	Revenues from revaluation of securities and derivatives	accounts 664, 667AÚ	039	
L.	Costs of revaluation of securities and derivatives	accounts 564, 567AÚ	040	
M.	Change in reserves and provisions relating to financial activities	accounts (±)574, (±)579	041	
X.	Interest income	accounts 662	042	+107 +177
N.	Interest expense	accounts 562	043	+35 +143
XI.	Other financial revenues	accounts 663, 667AÚ, 668	044	+1,306 +8
O.	Other financial costs	accounts 563, 567AÚ, 568, 569	045	+813 +1,800
XII.	Transfer of financial revenues	accounts (-)698	046	
P.	Transfer of financial costs	accounts (-)598	047	
*	*Financial profit or loss	VI. + VII. + VIII. + IX. + X. + XI. + XII. - J. - K. - L. - M. - N. - O. - P.	048	+565 (1,758)
Q.	Income tax on operations	Q.1. + _ + Qx..	049	+1,966 +892
Q.1.	payable	accounts 591, 595	050	+1,966 +892
Q.2.	deferred	accounts (±)592	051	
**	Profit or loss from operations	* + * - Q.	052	+7,926 +3,326
XIII.	Extraordinary income	accounts 681, 688	053	+100 +47
R.	Extraordinary costs	accounts 581, 582, (±)584, (±)588, (±)589	054	+1
S.	Income tax on extraordinary activities	S.1. + _ + S.x.	055	+19 +9
S.1.	payable	accounts 593	056	+19 +9
S.2.	deferred	accounts (±) 594	057	
*	Extraordinary profit or loss	XIII. - R. - S.	058	+81 +37
T.	Transfer of share in profit or loss to members (±)	accounts (±) 596	059	
***	Profit or loss for the accounting period (±),	** + * - T	060	+8,007 +3,363
****	Pre-tax profit or loss	* + * + XIII. - R.	061	+9,992 +4,264

Notes to Financial Statements at 31 December 2013

1. Description of the company

TES s.r.o. (hereinafter the “Company”) is a Czech legal entity, limited-liability company, founded on 27 February 1992 and seated at Pražská 597, Třebíč, Czech Republic. As listed in its Certificate of Incorporation, its key business activities include:

- activities associated with the commissioning of nuclear facilities and technical support for their operation, except for the activities listed in Section 3 and in Annexes 1 to 3 to the Trade Licensing Act,
- engineering services in machinery and energy, except for activities listed in Annex 1 to 2 to the Trade Licensing Act,
- installation, repairs, inspections and tests of listed electric equipment,
- manufacture, installation, repairs, inspections and tests of electronic equipment,
- research and development in natural sciences and engineering and in social sciences,
- provision of software,
- business activities

Persons holding at least 10% of the share capital:

Martin Štajgl	25%
Jiří Pulec	25%
Pavel Novotný	25%
Miloš Kaška	25%

Members of statutory and supervisory bodies at 31 December 2013:

Martin Štajgl	Managing Director
Jiří Pulec	Managing Director
Pavel Novotný	Managing Director
Miloš Kaška	Managing Director

2. Fundamentals for the elaboration of the financial statements

The attached financial statements have been prepared in accordance with the Accounting Act and accounting guidelines for business entities, applicable in 2013.

3. Methods of valuation and depreciation

The methods of valuation used by the Company to compile the 2013 and 2012 financial statements are as follows:

a) Intangible fixed assets

Intangible fixed assets are valued at acquisition costs, which include the acquisition price and costs related to acquisition.

Small intangible fixed assets (worth up to CZK 40,000) are depreciated as a lump sum in costs.

Intangible fixed assets are depreciated in costs based on the expected lifetime of the assets, but no longer than four years.

b) Tangible fixed assets

Tangible fixed assets are valued at acquisition costs, which include the acquisition price, costs of transport, custom duties and costs related to acquisition.

The costs of technical appreciation of capital assets increase its acquisition cost. Ordinary repairs and maintenance are recorded in costs.

Small tangible fixed assets (worth up to CZK 40,000 in 2013 and 2012) are depreciated as a lump sum in costs. Small tangible fixed assets acquired from June 2011 (worth over CZK 25,000) are depreciated at 50% in 2012 and the remaining 50% in 2013.

Depreciation

Depreciation is calculated on the basis of acquisition cost and expected lifetime of the respective assets. Expected lifetime is determined as follows:

	Number of years (from – to)
Means of transport	5
Machinery, plant and equipment	3–5
Inventory	3–5
Other tangible fixed assets	3–5
Buildings	30

c) Financial investments

Not applicable.

d) Stocks

The purchased inventory is valued at actual acquisition cost, using the method of “first-in, first out” (FIFO) – the first price for the valuation of inventory increments will be used as the first price for the valuation of inventory losses. The acquisition cost of inventory includes the costs of acquisition, including costs relating to acquisition (costs of transport, custom duties, commissions, etc.).

Work in progress is valued at actual own costs. Own costs include direct material and wage costs and production overheads. Production overheads include depreciation of production equipment, overhead production wages and other overhead costs concerning production facilities.

e) **Receivables**

Receivables are recorded at nominal value. Bad debts are reduced using provisions, recorded against costs, to their realization value.

f) **Equity**

The Company's share capital is recorded at the amount entered in the Commercial Register of the Regional Court or increased or decreased on the basis of a decision of the General Meeting, which was not registered on the date of the financial statements.

As stipulated in the Commercial Code, the Company creates a reserve fund from the profit or from additional payments from its members in addition to their contributions.

In the first year it generates a profit, a limited-liability company is obliged to set up a reserve fund of 10% of the net profit, but no more than 5% of the share capital. In the years after that it creates a reserve fund of 5% of the net profit, up to 10% of the share capital. These created resources can only be used to cover losses. No reserve fund is created in 2013 since it is full.

g) **Received loans**

Short-term and long-term loans are recorded at nominal value. Short-term loan also refers to parts of long-term loans payable within one year of the date of financial statements.

h) **Financial lease**

The Company records leased property so that it includes leasing payments in costs and activates the applicable value of the leased property when the lease contract expires and the possibility of purchase is exercised. Lease payments paid in advance are accrued.

i) **Foreign exchange operations**

Financial assets, receivables and payables in foreign currencies are translated into Czech crowns at a fixed exchange rate applicable on the date of their origin and were translated at the end of the year using the exchange rate valid on 31 December, declared by the Czech National Bank.

The achieved exchange rate profits and losses and reserves for unrealized exchange losses are recorded in the revenues or costs of current year.

j) **Recording of costs and revenues**

Revenues and costs are recorded as accrued, i.e. in the period to which they apply in terms of substance and time.

In compliance with the principle of prudence, the Company records reserves and provisions to cover all risks, losses and devaluation known on the date of the financial statements against costs.

Profits arising from long-term contracts are recorded in the manner specified in the executed contract, e.g. phase invoicing.

k) **Income tax**

The payable income tax is calculated using the applicable tax rate from the accounting profit increased or decreased by permanently or temporarily non-eligible costs and non-tax revenues (e.g. formation and recording of other reserves and provisions, costs of representation, difference between accounting and tax depreciation, etc.).

4. Fixed assets

a) Intangible fixed assets (CZK 000)

	Balance at 31 December 2012	Increments	Disposals	Balance at 31 December 2013
Software	3,472	-	-	3,472
Accumulated depreciation	(1,253)	-	(1,157)	(2,410)
Other intangible fixed assets	-	-	-	-
Accumulated depreciation	-	-	-	-
Intangible investments in progress	-	-	-	-
Total	2,219	-	(1,157)	1,062

Depreciation of intangible fixed assets recorded in costs achieved CZK 1,157,232 and CZK 733,642 in 2013 and 2012, respectively.

b) Tangible fixed assets (CZK 000)

	Balance at 31 December 2012	Increments	Disposals	Balance at 31 December 2013
Machinery, plant and equipment	21,760	6,685	908	27,537
Accumulated depreciation	(18,161)	(3,763)	(908)	(21,015)
Buildings	17,995			17,995
Accumulated depreciation	(8,800)	(704)		(9,504)
Land	574			574
Accumulated depreciation				
Other and small tangible fixed assets	674	214		888
Accumulated depreciation	(674)	(107)		(781)
Tangible investments in progress				
Total	18,719			15,694

Depreciation of tangible assets was recorded in costs at CZK 4,424,469 in 2013.

c) Financial investments (CZK 000)

Overview of financial investments

	Balance at 31 December 2012	Increments	Disposals	Balance at 31 December 2013
Mutual securities and ownership interests in companies under significant influence	-	-	-	-
Total	-	-	-	-

5. Receivables

No provisions for bad debts were formed in 2013.

6. Inventory

At 31 December 2012 and 2013 the Company had no damaged or unused inventory for which provisions would have to be created.

7. Provisions

Provisions expressing temporary reductions in the value of receivables were not created.

8. Other assets

Deferred expenses include in particular accruals for leasing payments and are recorded in the costs of the period to which they apply in substance.

9. Equity

The Company's share capital at 31 December 2013 amounts to CZK 10,500,000. The Company's equity reached CZK 69,872,000 at 31 December 2013.

The reserve fund at the mandatory rate of 10% of the share capital, amounting to CZK 1,089,000, is intended to cover the Company's losses. Other funds created from profit, amounting to CZK 834,000, are intended to cover the staff's social needs (incentive fund).

Based on a decision of the Company's General Meeting, held on 28 June 2013, the following division of the trading balance in 2012 was approved. The amount of CZK 2,187,000 was recorded in retained profit.

10. Reserves

No operations were carried out at reserve accounts.

11. Short-term payables

At 31 December 2013, the Company had no short-term payables past maturity.

12. Bank loans

Loans for the car fleet amounting to CZK 83,466.

13. Other liabilities

Accrued expenses and estimated items include especially non-invoiced costs and are recorded in the costs of 2013.

14. Income tax

	2013 (CZK 000)
Pre-tax profit	9,992
Tax-free revenues	0
Differences between accounting and tax depreciation	0
Non-deductible costs	468
Provisions	-
Reserves	-
Other (e.g. costs of representation, deficits and losses)	0
Gifts up to 2 %	13
Taxable income	10,447
Income tax rate	19
Tax	1,985
Tax discounts	
Payable tax	1,985

15. Leasing

The Company has no leased fixed assets not recorded at balance accounts (see 3h).

16. Assets and liabilities not stated in the Balance Sheet

Not applicable.

17. Revenues for the current year

Breakdown of the Company's revenues from operations (CZK 000):

	2013		2012	
	Domestic	Foreign	Domestic	Foreign
Sales of services	70,982		77,140	
Other	6,822		4,555	
Revenues total	77,804		81,696	

18. Personnel costs

In 2013, the Company's average workforce and the related personnel costs in CZK 000 amounted to:

	2013		2012	
	Total number of employees	Directors, deputies and heads of organizational units	Total number of employees	Directors, deputies and heads of organizational units
Average number of employees	58	4	55	4
Wages and salaries	24,296		32,212	
Social security	8,270		8,944	
Social security expenses	969		890	
Personnel costs total	33,535		42,046	

19. Information after the date of financial statements

Not applicable.

20. Overview of changes in equity

Code	OVERVIEW OF CHANGES IN EQUITY	Line No.	Value in accounting period	current	past
A. Share capital entered in the Commercial Register (account 411)					
A.1.	Baseline	account 411 001	+10,500	+10,500	
A.2.	Increase	002			
A.3.	Decrease	003			
A.4.	Final balance	004	+10,500	+10,500	
B. Unregistered share capital (account 419)					
B.1.	Baseline	account 419 005			
B.2.	Increase	006			
B.3.	Decrease	007			
B.4.	Final balance	008			
C. Share capital A. ± B., with account (-)252					
C.1.	Baseline balance A. ±B.	A.1. + B.1. 009	+10,500	+10,500	
C.2.	Baseline balance of own shares and ownership interests (-252)	010			
C.3.	Account increase (-252)	011			
C.4.	Account decrease (-252)	012			
C.5.	Final account balance (-252)	013			
C.6.	Final balance A. ± B., with account (-)252	C.1. + C.5. 014	+10,500	+10,500	
D. Share premium (account 412)					
D.1.	Baseline	015			
D.2.	Increase	016			
D.3.	Decrease	017			
D.4.	Final balance	018			

Code	OVERVIEW OF CHANGES IN EQUITY		Line No.	Value in accounting period current	past
E. Reserve funds (account 421)					
E.1.	Baseline	account 421	019	+1,089	+1,089
E.2.	Increase		020		
E.3.	Decrease		021		
E.4.	Final balance		022	+1,089	+1,089
F. Other funds from profit (account 427)					
F.1.	Baseline balance	account 427	023	+888	+706
F.2.	Increase		024	+1,102	+1,600
F.3.	Decrease		025	+1,156	+1,418
F.4.	Final balance		026	+834	+888
G. Capital funds (account 413)					
G.1.	Baseline balance	account 413	027		
G.2.	Increase		028		
G.3.	Decrease		029		
G.4.	Final balance		030		
H. Differences from revaluation not included in profit or loss (accounts 414 + 418)					
H.1.	Baseline balance	accounts 414 + 418	031		
H.2.	Increase		032		
H.3.	Decrease		033		
H.4.	Final balance		034		
I. Profit for the accounting period (account 428 + balance on the credit side of account 431)					
I.1.	Baseline balance	accounts 428 + 431	035	+51,629	+39,623
I.2.	Increase		036		+12,006
I.3.	Decrease		037	+2,187	
I.4.	Final balance		038	+49,442	+51,629
J. Loss for the accounting period (account 429 + balance on the debit side of account 431)					
J.1.	Baseline balance	accounts 429 + 431	039	0	0
J.2.	Increase		040		
J.3.	Decrease		041		
J.4.	Final balance		042	0	0
Jl. Another result of past periods (account 426)					
ji.1.	Baseline balance	account 426	043		
ji.2.	Increase		044		
ji.3.	Decrease		045		
ji.4.	Final balance		046		
K. Profit or loss for the accounting period after tax					
K.1.	Baseline balance		047	+3,363	
K.2.	Increase		048	+8,007	+3,363
K.3.	Decrease		049	+3,363	
K.4.	Final balance		050	+8,007	+3,363
Equity total					
X.1.	Baseline balance	C.1. + D.1.+ E.1. + F.1+ G.1. + H.1. + I.1.+ J.1.+ Jl.1. + K.1.	051	+67,469	+51,918
X.2.	Increase	A.2. + B.2.+ C.3. + D.2. + E.2. + F.2.+ G.2. + H.2. + I.2. + J.2. + Jl.2. + K.2.	052	+9,109	+16,969
X.3.	Decrease	A.3. + B.3.+ C.4. + D.3. + E.3. + F.3.+ G.3. + H.3. + I.3. + J.3. + Jl.3. + K.3.	053	+6,706	+1,418
X.4.	Final balance	X.1. + X.2. - X.3.	054	+69,872	+67,469

Auditor's Report for the Members of TES s.r.o., Verifying the 2013 Annual Financial Statements

1. Audited organization

TES s.r.o.

Registered office: Pražská 597, 674 01 Třebíč, Company Reg. No.: 454 77 973

Represented by: Martin Štajgl, Managing Director

2. Auditor



KAVERO Audit CZ, s.r.o.



KAVERO Audit CZ, s.r.o.

Registered office: U Prefy 18/794, 182 00 Prague 8, Company Reg. No.: 25 57 77 01,
Chamber of Auditors of the Czech Republic License No. 336

Represented by: Karel Veselý, Managing Director, Senior Auditor

phone/fax: +420283911136, 608709187, email: kavero@kavero.cz

3. Business activities of the audited company

- Manufacture, trade and services not listed in Annexes 1 to 3 to the Trade Licensing Act
- Installation, repairs, inspections and tests of electric equipment
- Manufacture, installation, repairs of electrical machines and appliances, electronic and telecommunication equipment

4. Subject and purpose of audit

The subject of audit covers the Company's annual financial statements compiled at 31 December 2013 pursuant to Section 39 of the Commercial Code, the applicable provisions of the Accounting Act and the Act on Auditors and the Chamber of Auditors of the Czech Republic.

Its purpose is to assess

- faithful and true representation of the state of the Company's assets and liabilities, difference in assets and liabilities, equity, financial standing and results of operations,
- whether the accounts are kept completely, comprehensively, transparently and in a way guaranteeing the permanence of accounting records.

Auditor's Report to the Members of TES s.r.o.

We have verified the attached financial statements, i.e. Balance Sheet at 31 December 2013, Profit and Loss Statement from 1 January 2013 to 31 December 2013 and notes to the financial statements, including a description of major accounting methods applied by TES s.r.o., with its registered office at Pražská 597, 674 01 Třebíč.

The Company's statutory body shall be responsible for the compilation and faithful representation of the financial statements in accordance with the Czech Republic's accounting guidelines. This responsibility also includes the drafting, implementation and assurance of internal controls over the compilation and true representation of the financial statements to ensure that it does not contain any material misstatements due to fraud or error, as well as the selection and application of suitable accounting methods and implementation of accounting assessments adequate to the situation.

Our responsibility is to express an opinion based on the audit of the financial statements. We have conducted the audit in accordance with the Act on Auditors and the international Auditing Standards and related application clauses of the Chamber of Auditors of the Czech Republic. In accordance with these guidelines, we are obliged to comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatements. The audit includes auditing procedures aimed at obtaining evidence on the amounts and facts stipulated in the financial statements. The selection of auditing procedures depends on the auditor's judgement, including an assessment of the risk that the financial statements contain significant inaccuracies caused by fraud or error. When assessing these risks, the auditor takes account of internal controls relevant to the compilation and true presentation of the financial statements. The goal of the assessment of internal controls is to propose suitable auditing procedures, not to comment on the effectiveness of such internal controls. The audit also includes an evaluation of the appropriateness of accounting methods and the adequacy of accounting estimates made by the management, as well as an evaluation of the overall presentation of the financial statements.

We believe that the obtained audit evidence is a sufficient and appropriate basis for our opinion.

In the verification of the financial statements we have identified no facts indicating that the accounting records on the basis of which the financial statements have been compiled are not complete, conclusive and correct in all relevant respects.

In our opinion, the financial statements give a faithful and true picture of the assets, liabilities and financial standing of TES s.r.o. at 31 December 2013 and the costs, revenues and results of its operations in 2013 in accordance with the Czech Republic's accounting guidelines.

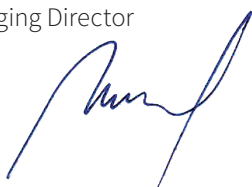
We have also audited the Annual Report for consistency with the financial statements referred to above. The Company's management is responsible for the accuracy of the Annual Report. Our responsibility is to issue an opinion on consistency of the Annual Report with the financial statements based on the audit.

We have conducted the audit in accordance with the international Auditing Standards and related application clauses of the Chamber of Auditors of the Czech Republic. These standards require the auditor to plan and perform the audit to obtain reasonable assurance that the information contained in the Annual Report, describing matters that are also presented in the financial statements, is, in all material respects, in accordance with the relevant financial statements. We believe that the audit provides a reasonable basis for our audit opinion.

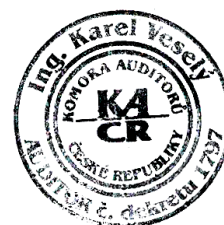
In our opinion, the information referred to in the Annual Report is, in all material respects, in accordance with the above-mentioned financial statements.

KAVERO Audit CZ, s.r.o.
Chamber of Auditors of the Czech
Republic License No. 336

Lenka Veselá
Managing Director



Karel Veselý
Auditor
License No. 1797



TES s.r.o.

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