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## COMPANY COVERAGE

Company Name:	<b>Výskumný ústav dopravný, a. s.</b>
Registered Office:	Veľký Diel 3323, 010 08 Ž i l i n a
Company Registration No.:	36 402 672
Tax Registration No.:	SK2020099785
Date of Establishment:	03.12.2001
Legal Status:	joint – stock company
Capital Stock:	1,000 000,-Sk
Paid up to 31.12.2002:	1,000 000,-Sk

### Body of the Company:

Chairman

Vice-chairman

Members

### Board of Directors

Ing. Milan Bojda

Ing. Ivan Čarnogurský

Ing. Ladislav Chyba

Ing. Ľubomír Palčák

Ing. Vojtech Štefan Kobetič

### Supervisory Board:

Chairman

Members

Ing. Peter Mrvík

Ing. Jaroslava Mlichová

Ing. Jozef Flaška

Ing. František Kocur

### Management:

General Director

Vice-general Director

Marketing Director

Financial Director

Research, Development and Testing Director

Ing. Ľubomír Palčák

Ing. Ladislav Chyba

Ing. Milan Rezetka

Ing. Jaroslava Mlichová

Ing. Ľuboslav Žilinčík

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## PROGRESS IN THE YEAR 2006

Business activities of the joint-stock company were in the year 2006 concentrated in traditional areas of business of Institute, i.e. development and research in transport technology, solution of projects within international scientific and technical co-operation focused on problem of transport, normative activities, magazines and journal publishing (editing journals Horizons of Transport, Transport and Tariff Bulletin, Transport Reporter), certification and standardization consulting in the field of normalization and testing, metal work, car services and emission control, rental and services related to rental.

The company hold in this year its leadership as research and development basis in the transport branch. Institute participated on solutions of important projects in the transport branch on national and international level.

The Institute resolved for the Ministry of Transport, Posts and Telecommunications of the SR variety of important projects. Most important are:

- Safety in road transport, within the frame of this project were activities for the Observatory for Road Safety,
- combined transport and logistics,
- statistics for transport,
- documentation centre of EU legal regulations,
- Pilot-project Transport servicing for the region of Košice.

Share of international project on total turnover of the company increased. The project ITS-CONNECT continued, within the frame of this project is resolved the electronic toll collection system, building of Transport centres and monitoring of dangerous goods transports.

In November began the solution of the project „IRIS Europe“, its goal is to enlarge the River Information Services on European waterways and eliminate existing hindrances for interconnection of navigation in Slovakia, Hungary, Austria, Netherlands, Belgium and France.

Three projects were financed by Agency for Support research and development. Projects, financed in the frame of the support of SME were finished, the metalwork received one CNC turning machine and vertical cutting centre.

In the area of testing and certification three testing labs and two certification authority – products and crew continued in activity. The company acts as Notified Body Nr. 1358 for selected directives for products with activity in all EU member states.

During the year the company sustained the Quality manager system ISO 9001/2000.

## REVENUES

**All-in revenues** were 90 156 Thous. Sk., increase of the revenues compared with the year 2005 were 19 368 Thous. Sk, therefore 27 %.

ACTIVITY	2005			2006		
	Revenues SKK thous.	Costs SKK Thous.	Economic income SKK thous.	Revenues SKK thous.	Costs SKK Thous.	Economic income SKK thous.
Research projects, standardization projects, norms, government orders, international projects	43 988	42 127	2 161	59 592	57 134	2 458
Rental services	8 401	7 590	511	10 398	9 641	757
Testing and certification	6 620	6 586	34	8 221	7 912	309
Editorship	1 220	1 416	- 196	1 534	1 656	- 122
Metal work	5 258	5 217	41	5 076	5 521	- 445
Emission controls, car service	882	1 211	-329	919	1 292	- 373
Depreciation of rectifying items for revenue	3 243	0	3 243	3 243	0	3 243
Internal capitalisation	1 176	1 176	0	1 173	1 173	0
<b>TOTAL</b>	<b>70 788</b>	<b>65 323</b>	<b>5 465</b>	<b>90 156</b>	<b>84 329</b>	<b>5 827</b>

Most profitable finished research and development activity, in which are included project of permanent activities and other orders for the Ministry of Transport, Posts and Telecommunications, research projects solving within international scientific-technical cooperation, considerable share on profits had state order "Intelligent Transport Systems" including their international part of CONNECT and international research project IRIS Europe.

Compared with the year 2005 raised the turnover of the laboratories and certification bodies. Deficit has persisted only in car service and emission controls. In consequence of increased costs in connection with running in on the new machinery deficit has persisted in the metal workshop too.

High share on profit has the depreciation of rectifying item in the revenue.

## COSTS

All-in costs of the company covered 84 328 872,- Sk, compared with the year 2005 costs increased about 29 %.

### Trend of the influential classes of costs in the years 2005 and 2006

CLASS OF COSTS	THOUSANDS SK		INDEX
	2005	2006	2006/2005
<b>Material and energy</b>	<b>9 650</b>	<b>10 847</b>	<b>1,12</b>
<b>Services</b>	<b>18 810</b>	<b>29 258</b>	<b>1,55</b>
included: repairs and maintenance	565	3 363	5,95
Travel expenses	1 549	2 086	1,34
Allowance	81	71	0,88
Other services (cooperation, security service, telecommunication services, fees and charges)	16 615	23 738	1,43
<b>Personal costs</b>	<b>27 654</b>	<b>31 240</b>	<b>1,13</b>
Included: wages and salaries	19 631	22 138	1,13
Wages for the body of company	517	616	1,19
Costs for social assurance Social costs	7 506	8 486	1,13
<b>Exchange-rate loss</b>	<b>85</b>	<b>1 481</b>	<b>17,42</b>
<b>Taxes and due</b>	<b>503</b>	<b>516</b>	<b>1,03</b>
<b>Depreciation</b>	<b>5 387</b>	<b>7 048</b>	<b>1,31</b>
<b>Debt interest repaying + leasing</b>	<b>680</b>	<b>936</b>	<b>1,38</b>

Increase of costs in comparison with the year 2005 was caused by:

- higher turnover, which was projected mainly in cooperations
- strengthening of the Slovak Crone towards EUR – exchange-rate loss
- increasing of prices for energy and material
- increasing of wages
- higher depreciation.

## ECONOMICS RESULTS

**Pre tax income** was profit of 5 827 425,- Sk. After allowing for tax non-deductible and tax deductible items to the tax base the income tax stood for 1 097 046,- Sk and counting income reached 4 570 096,- Sk.

<b>Non-deductible items total:</b>	<b>790 098 ,- Sk</b>
includes:	
Allowances to associations of corporate bodies	144 579,- Sk
Depreciation of uncollectible debts	486 261,- Sk
Allowances	71 724,- Sk
Fines and penalties	7 703,- Sk
Loss from the leisure amenities	80 282,- Sk
<b>Deductible items total:</b>	<b>843 597,- Sk</b>
includes:	
difference between the tax and accounting depreciation	843 597,- Sk

The high share of counting profit was the adjusting entry to acquired assets being amortized to revenues, this share was after tax 2 432 012,- Sk, after the act of subtracting the counting income from business activity was 2 138 084,- Sk.

INDICATOR	YEAR	
	2005	2006
Pre-tax economic income	5 464 911	5 827 425
Tax	1 088 554	1 257 329
Economic income	4 376 356	4 570 096

## PERSONAL AND WAGE POLICY

The total number of staff consisted 90 employees, including 44 women, two employees are disabled persons. Because of reduction of the age average of employees came to the research and testing teams 4 employees with age under 30 years. The employee severance covered one person due to organisation changes, 1 retired person, 8 temporary employees and with agreement, during the probation period 2 employees. .

YEAR	2004	2005	2006
Number of employees by 31.12.	85	91	90

Education background of employees:

EDUCATION	2004	2005	2006
University	52	54	54
GCE	18	21	22
Secondary	15	16	14

**Personal costs** were in the year 2006 **31 240 Thousands Sk**, the averages shared the amount of 22 138 Thousands Sk.

**The average month wages** per employee showed 20 499,- Sk in the year 2006, increasing by 5,25 % in comparison with the year 2005.

Index	2004	2005	2006
Average month wage	18 079	19 447	20 499

## SUPLIERS - CUSTOMERS

The most significant customer of the company and research tasks and project implementation bearer in the year 2006 was the Ministry of Transport, Posts and Communications of SR. Next important became the European Union for international projects and Agency for support science and technique.

The testing and certificated body customers were: Doprastav, a. s. Gesi-Gemer Kovo Sirk, Krnovské opravovny Krnov, B.O.S. Plast Považská Bystrica, TSÚS Bratislava, SATES Považská Bystrica, Chemolak Smolenice, Tatravagónka Poprad, Tlakon Žilina, Vagónka Trebišov, SES Tlmače, LIAZ Veľký Krtíš, Mobilita Budmerice, BETAPRINT Zvolen, ŽSR ÚIV Bratislava, Chemolak Smolenice, Hakom Martin and next.

The metalwork contracts were made by ATRIEMA Žilina.

The company renters in the year 2005 stayed S-Consult Bratislava, A2B s.r.o., HOUR s.r.o., Geofos, s.r.o., Kovos, fy Kozák stolárstvo, Finalit s.r.o., Pegima, SKQS Žilina, Atriema, s.r.o., ŽSR ÚIV.

The due date receivables performed the amount of **6 363 Thousands Sk** up to 31. 12. 2006, the upon due date receivables performed **3 022 Thousands Sk**.

The key suppliers of the company were found the organizations dealing with research projects solutions (Výskumný ústav spojov, Žilinská univerzita, Technická univerzita Košice, Geomatika), construction company Mikos and the energy suppliers (SPP and SSE).

The trade payables performed the amount of **10 405 000 Sk** up to 31. 12. 2006, the upon due date period payable were not registered.

In January 2007 all the trade payables and obligations toward employees, insurance company and taxing authority were paid up.

## INVESTMENTS

The highest investments were oriented in the year 2006 to the modernisation of the metalwork machinery, increasing of the standard of computers, machine and instrument equipment of the testing laboratories. Total financial investments reaches the amount of **7 965 Thous. Sk**, all investments were integrated in service during the year.

	2004	2005	2006
<b>Total financial investments in Thous. Sk</b>	6 378	11 801	7 965
<b>Investments integrated in service in Thous. Sk</b>	1 437	26 762	7 965
<b>Investments not integrated in service in Thous. Sk</b>	4 941	0	0

## REPORT OF BOARD OF DIRECTORS CHAIRMAN

The goals of the Board of Directors in the year 2006 were focused on performing obligations stemming from directives of the joint – stock company as following:

- commercial running of the company,
- convening the General meeting,
- keeping the record of shareholders and the register of stocks,
- submitting for approval the draft on the company directive changes,
- annual financial statements for the period of the year 2005, including the draft on distribution of profit.

The Board of Directors meeting in the year 2006 was sitting three time:

- 1. 23. 03. 2006 at 2 p.m.** in the headquarters of Zväz priemyselných podnikateľov, Detvianska ulica, Bratislava, the schedule as following:
  - Opening
  - Annual financial statements for the period of the year 2005, draft on distribution of profit
  - Annual report of the year 2005
  - Approval of the status of the convocation
  - Approval of members of the convocation
  - Basis for General meeting
  - Discussion, end
- 2. 25. 03. 2006 at 1 p.m.** in the headquarters of Zväz priemyselných podnikateľov, Detvianska ulica, Bratislava, the schedule as following:
  - Opening
  - Nomination of the General Manager
  - Discussion
  - End
- 3. 21. 11. 2006,** at 10 a.m. in the headquarters of Výskumný ústav dopravný, a. s., Veľký Diel 3323, 010 08 Žilina, the schedule as following:
  - Openig, election of the recorder
  - Information about the pursuance of the bussines plan for the year 2006
  - Income for the I.-III. quarter 2006
  - Information about the bussines plan for the year 2007
  - Miscellaneous, discussion
  - End

## REPORT OF SUPERVISORY BOARD CHAIRMAN

The Supervisory Board performed obligations according to directives of joint-stock company in the year 2006. Focusing on:

- Supervision of the Board of Directors performance - by the chairman or the member of the Supervisory Board presence at the board of Directors meetings and General Meeting,
- Submitting information to the Board of Directors and to GM on complying with directives of the company, economic and financial situation of the company, accounting, the company assets balance performing obligations and the height of receivables,
- Checking all documentary on complying with legal regulations being performed,
- Evaluation the business and the finance plan for the year 2007.

The Supervisory Board meeting was held at **23. March 2006** with following program:

- Opening
  - Evaluation of the Financial statement for the year 2005
  - Evaluation of the Annual report for the year 2005
  - End

The Supervisory Board stated at the meeting there had not been found any illegal performance of the company in the year 2005 on the base of submitted portfolio covering the financial statement and recommended to approve the closing balance by General Meeting.

## FINANCIAL STANDING OF INSTITUTE

Indicator	2003	2004	2005	2006
1. Profit rate (rentability of profit) = net profit/net sales * 100	13 %	6 %	8 %	7%
2. Profitability of equity = net profit/property * 100	88 %	23 %	32 %	30%
3. Current liquidity = Z+KP+FM/KZ	1,93	1,97	2,00	2,51
4. Indicator of short term liability = KZ/(VI+KZ)*100	55 %	34 %	32 %	59,6
5. Credit liability = BU/(VI+KZ)*100	36 %	34 %	51 %	21,4

1. Rate of profit characterizes operative efficiency of company, its amount should exceed 10%
2. The best index of company efficiency, it is recommended, that its amount should be higher than bank rate on permanent deposits
3. Index characterizes short-term bank ability of company, it specifies how many times short-term assets of company cover short-term liabilities of company, recommended value is from 1,5 to 2,5
4. Index of liability represents share of short-term liabilities in sum of self asset, it is recommended, that share has not exceed 50%
5. Credit liability represents share of long-term loans in liabilities, its value should not exceed 50%

Key:

OM	Short-term assets
Z	Reserves
KZ	Short-term liabilities
KÚ	Short-term loan
FM	Financial asset
KP	Short-term receivables
VI	Own property
BU	Bank loans

## FUTURE DEVELOPMENT OF INSTITUTE

The Institute will continue in year 2006 and next coming years in business and development activities oriented on traditional areas of her activity focus: solving global research and development problems related with creation of Transport policy SR; mainly in processing strategic, conceptual, analytical materials and technical and economic studies for all brands of transport; proposals processing of intelligence and operative systems; solutions and implementations of transport telematics; logistics applications in transport and economic instruments of transport regulations; delivering services in public interest; processing statistics and other analysis; solutions of technology of transport systems, exercise of consulting or proposals of integrated systems of management; assurance of normative activities; assurance of scientific and technical information within branch; legislative creation in the field of transport; branch legislative approximations to legislative EU; satisfaction of wants of self-government authority, resulting from their competences in the area of expert activity of Institute.

In the area of testing and certification will continue in activity three testing labs and two certification authority – products and crew. Target in this area is to complete and modernize the technical equipment and to spread range of customers in SR, even in EU and increase total turnover and profit ratio of these units.

Intention of metal workshop in year 2006 is finish renovation of machinery, completion of crew and to continue to increase annual turnover and profit.

The Institute turnover in the year 2007 is supposed 110 mill. Sk, whereby amount of costs should present sum 100 mill. Sk with profit ratio computed to profit 10 %.

Annual report approved by properly General Assembly, done 22<sup>rd</sup> March 2007 at 14.00, in the headquarter of the company, Výskumný ústav dopravný a.s., Veľký Diel 3323, 010 08 Žilina.

**Ing. Ladislav Chyba**  
Member of the Board of the company

**Ing. Ľubomír Palčák**  
Member of the Board of the company

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This annual report is in its economical part in accordance with my verified ending balance and preparing statements.

**Ing. Marián Faško, PhD.**  
Auditor SKAU Licence Nr. 242