

ANNUAL REPORT 2004
STOCK PLZEŇ A.S.





Introduction to the annual report

Dear shareholders,

The year 2004 was especially demanding and difficult for STOCK Plzeň a. s.

As of 1 January 2004, the excise duty rate on spirits increased by 13%. Trading companies responded to this increase by extreme pre-stocking in the last months of 2003. This pre-stocking resulted in a significant drop in our sales in the first half of 2004.

In 2004 we implemented several major projects to cope with the adverse situation on the spirits market. This negative trend started in 2001 and the increase in excise duty rate made it even worse.

In February 2004 we took over the distribution of international spirits from the portfolio of Allied Domecq s.r.o. in the Czech Republic and Slovakia. STOCK Plzeň a. s. thus penetrated the prestigious segment of the premium spirits market.

In April 2004, after lengthy preparations, we made another strategic step. In order to diversify our portfolio we entered the wine market. We launched our own range of Moravian wines named "Král Vinohradu" and a range of French wines, Chantré.

In October we completed the most important marketing project of 2004. We launched our fernetis in a new bottle with a new label. After this relaunch, the packaging of our fernetis better matches their leading position on the market.

Obviously, the results for the year 2004 presented in this annual report are affected by the trend on the market, particularly the increase in excise duty and the pre-stocking by trading companies in 2003. Despite these negative circumstances, we managed to achieve quite good results, so STOCK Plzeň a. s. remains one of the most successful companies in this industry.

The year 2005 will not be much easier. We have set demanding targets and we will work hard to obtain them and satisfy our shareholders.

On behalf of the Board of Directors

A handwritten signature in cursive script, reading "Martin Petrášek", followed by a horizontal line.

Martin Petrášek
Chairman of the Board of Directors



Company's registered office and bodies
(status as at 31 December 2004)

Registered Office

STOCK Plzeň a. s.
Palírenská 2
326,00 Plzeň – Božkov
Reg. No. (IČO): 14706563
Tax Reg. No. (DIČ): CZ14706563

Supervisory Board

Chairman: Michael John
Vice-Chairman: Ing. Robert Plavec
Members: Miroslava Vojtová
Iveta Burianová
Igor Hurčík
Horst – Peter Hahn

Board of Directors

Chairman: Ing. Martin Petrášek
Vice-Chairman: Ing. Vladimír Steiner
Members: Ing. Václav Bečvář
Ing. Richard Švéda

Management / Managing persons

Chief executive: Ing. Martin Petrášek
Financial Director: Ing. Václav Bečvář
Production Director: Ing. Vladimír Steiner
Technical Director: Ing. Antonín Nasler
Sales and Marketing Director: Ing. Richard Švéda



Highlights

	2002	2003	2004
Turnover (in CZK '000)	1,596,140	1,658,508	1,463,286
Sales of spirits produced by the company (in CZK '000)	1,584,373	1,645,988	1,124,037
Sales of goods (in CZK '000)	9,216	8,704	288,053
Profit before tax (in CZK '000)	517,430	541,994	267,198
Net profit (in CZK '000)	354,233	398,438	188,048
Dividend paid out from profit of the current year (in CZK/share)	200	200	200
Dividend paid out from retained profit of previous years (in CZK/share)	2,480	1,150	-
Fixed assets (in CZK '000)	653,752	689,944	736,482
Current assets (in CZK '000)	874,676	1,006,550	1,059,825
Equity (in CZK '000)	753,640	826,841	982,394
Legal reserve fund (in CZK '000)	52,123	52,123	52,123
Retained profit of previous years (in CZK '000)	1,120	2,211	374,133
Liabilities (in CZK '000)	776,636	867,780	817,508
Bank loans (in CZK '000)	-	-	-
Payroll and social costs (in CZK '000)	91,532	97,142	94,805
Average wage per employee (in CZK/month)	29,277	32,127	31,493
Average number of employees (individuals)	186	179	180
of whom: professional and managerial	65	63	69
Sales to related parties (in CZK '000)	266,551	446,905	214,517



The Board of Directors' Report on the Business of
Stock Plzeň a. s. in 2004

1. SALES

Sales in 2004 were extremely affected by the increase in excise duty rate for spirits set for 1 January 2004 (from CZK 234 to CZK 265/litre of 100% alcohol). As a result, the market saw the expected pre-stocking. This had a profound impact on the company's sales in the first half of 2004, in particular for products with the largest market shares (the Božkov range of fernets and spirits).

Globally, the spirits market kept decreasing. When compared with the year 2003, it went down by 10%.

Because of the shortfall in earnings in the first half of the year, sales were lower than in 2003. Altogether, STOCK Plzeň a. s. sold 20.7 million litres of alcoholic drinks. Despite this, we can say that the year 2004 was successful for STOCK Plzeň a. s., as we managed to increase our market share.

A major change in the production portfolio of the company took place in 2004 – the “Král Vinohradu” brand was launched and the company penetrated the wine market. The supplier of the brand is our contractual partner – Vinselekt Michlovský a.s. – which produces the wine. STOCK Plzeň a. s. is responsible for sales, distribution and marketing. Besides the “Král Vinohradu” brand, we also launched other wines from the portfolio of the parent company ECKES & STOCK GmbH: Collection de Chantré, Le Rouge/Le Blanc de Chantré.

We took another strategic step: we started distribution of premium imported products by Allied Domecq s.r.o. (in the Czech Republic and Slovakia). This portfolio includes major brands such as Ballantine´s, Beefeater, and Tullamore Dew. Thanks to this step, the company strengthened its leading position on the spirits market.

2. EXPORTS

Out of the total export volume of 2.3 million litres, the majority went to Slovakia, where the subsidiary STOCK Slovakia s. r. o. was responsible for sales to end customers. The increase of 23%, as compared with the previous year, confirmed the accuracy of our decision to invest in the Slovak market, which represents great potential for STOCK Plzeň a. s.

3. MARKETING

STOCK Plzeň a. s. is a clear leader on the spirits market in the Czech Republic. In order to keep this position and to develop it further, STOCK Plzeň a. s. took several important steps in the field of marketing in 2004.

In spring 2004, the company, through the “Král Vinohradu” brand, penetrated the wine market. STOCK Plzeň a. s. considers this penetration as a momentous and long-term strategic decision, which was preceded by careful and lengthy marketing preparation. However, it is a logical step. Unlike the consumption of spirits, the consumption of wine is on the rise. Its consumption per head in the Czech Republic is half that in neighbouring countries, such as Austria and



The Board of Directors' Report on the Business of
Stock Plzeň a. s. in 2004

Germany. There is a great potential for growth. The launch of the "Král Vinohradu" brand was accompanied with a large marketing campaign that was very successful, as proven by the sales.

In autumn 2004 STOCK Plzeň a. s. radically redesigned its packages of the key brands Fernet Stock, Fernet Stock Citrus and Fernet Stock Orange. The new packages better match the position of the brand, which holds first and second places in best selling spirits in the Czech Republic, which successfully penetrates export markets and which, as the only brand from the Czech Republic, is among the TOP 100 international best selling brands. Moreover, the new packages will make any attempts to duplicate the original fernet made by STOCK Plzeň a. s. more difficult. The redesign concerned in particular the bottles. The new shape of the bottle underlines the uniqueness of the brand and strengthens its authority. The bottle becomes conically narrower at the bottom, which prevents damage to labels on bottling lines. There is a salient Fernet Stock logo on the upper part of the bottle that replaced the original paper breast label. There is a massive whorl on the lower part of the bottle with the stamped word "Stock". The label is different as well: it contains the new version of the "Fernet Stock" logo. The logo is more noticeable and plastically salient from the label.

Of the other brands from the production portfolio, STOCK Plzeň a. s. also focused on supporting "Magister" herb liqueur and Vodka Amundsen. Both brands were launched in 2000. Despite the negative trend on the global market, sales of the Magister liqueur increased by 6% last year and sales of clear Vodka Amundsen (without flavouring) by 11%.

The success of the clear Vodka Amundsen is followed by excellent sales of the flavoured Vodka Amundsen range. It was launched late in 2003 and was extended during 2004. The original alternatives, Amundsen Green Apple, Amundsen Energy, Amundsen Strawberry and Amundsen Cherry, were complemented with two new flavours: Amundsen Blackcurrant and Amundsen Fresh Mint. Sales of flavoured Vodka Amundsen increased 6.6 fold when compared with the previous year.

In 2005 we will keep concentrating our marketing activities on strengthening our brands and on direct sales support.

4. PUBLIC RELATIONS

Meaningful, high-quality activities in the field of public relations are traditional for STOCK Plzeň a. s.

In 2004 the company offered 38 press releases that were all successfully published in the press.

The presentation of STOCK Plzeň a. s. was again very intensive in 2004. It involved both the press and electronic media. Altogether, 530 articles were published about our company in the Czech Republic and Slovakia. They were all positive or neutral.

In cooperation with a PR agency, we held 10 events for journalists (press conferences or meetings with journalists).

5. CHARITY AND SPONSORSHIP

The managers of the company believe that the positive image of a successful company also includes charity, in particular support for projects in the region where the company is seated.



The Board of Directors' Report on the Business of
Stock Plzeň a. s. in 2004

Therefore, in 2004 we expended the amount of CZK 2,436,000 to support social and health facilities, cultural and sports projects.

The majority of the funds went into social and health facilities, such as the University Hospital in Plzeň, the Infant Health Care Institute in Plzeň, the primary school in Plzeň-Božkov and others.

As for cultural projects, we supported, among others, Nadace 700 let města Plzně [700 Years of the Foundation of the City of Plzeň] and the Josef Kajetán Tyl Theatre in Plzeň.

6. LOGISTICS

The basis for logistics was, as in previous years, cooperation with Transkam s.r.o. (hereinafter referred to as "Transkam"). In order to establish a tax warehouse pursuant to Act No. 235/2004 Coll. as of 1 January 2004, the capacity of the warehouse was gradually enlarged to store enough finished products and goods of all kinds. An important milestone in the cooperation with Transkam was the assumption of responsibility to secure traceability of finished products and goods according to the directive of the European Parliament valid since 1 January 2005. Based on this directive, we must be able to trace goods until handover to the customer. Transkam marks the pallets upon receipt to the warehouse according to the data on the bottles and the cardboard as well as the separated pallets upon delivery from the warehouse to the customer. This marking allows stock records to be kept and the required traceability to be ensured. The whole traceability project finished in a trial run. Thus, since 1 January 2005 we have been able to comply with European legislation.

7. FINANCES

The increase in excise duty rate as of 1 January 2004 not only had a negative impact on our sales, but also on revenues and profit. The company showed an annual turnover of 1.46 billion Czech crowns, which represents a decrease of 13% when compared with the year 2003. The company's profit before tax amounted to CZK 267,198,000, profit after tax to CZK 188,048,000, which represents a decrease of CZK 210 million. Return on assets (ROA) was 10.44%.

The company showed an increase in the sales of services exceeding 1,300% (from CZK 3,816,000 to CZK 51,196,000). This is mainly a result of the cooperation with Allied Domecq s.r.o. STOCK Plzeň a. s., under its sales activities, expends money on marketing and sales support for goods made by Allied Domecq and through this (services) it reinvoices a part of the A & P costs to the mentioned company.

Last year's operating profit decreased by about 50% to CZK 279 million, mainly due to significantly reduced spirit sales. Lower average amounts in company's bank accounts, lower interest rates for bank deposits, etc. resulted in a decrease in profit of CZK 6.7 million.



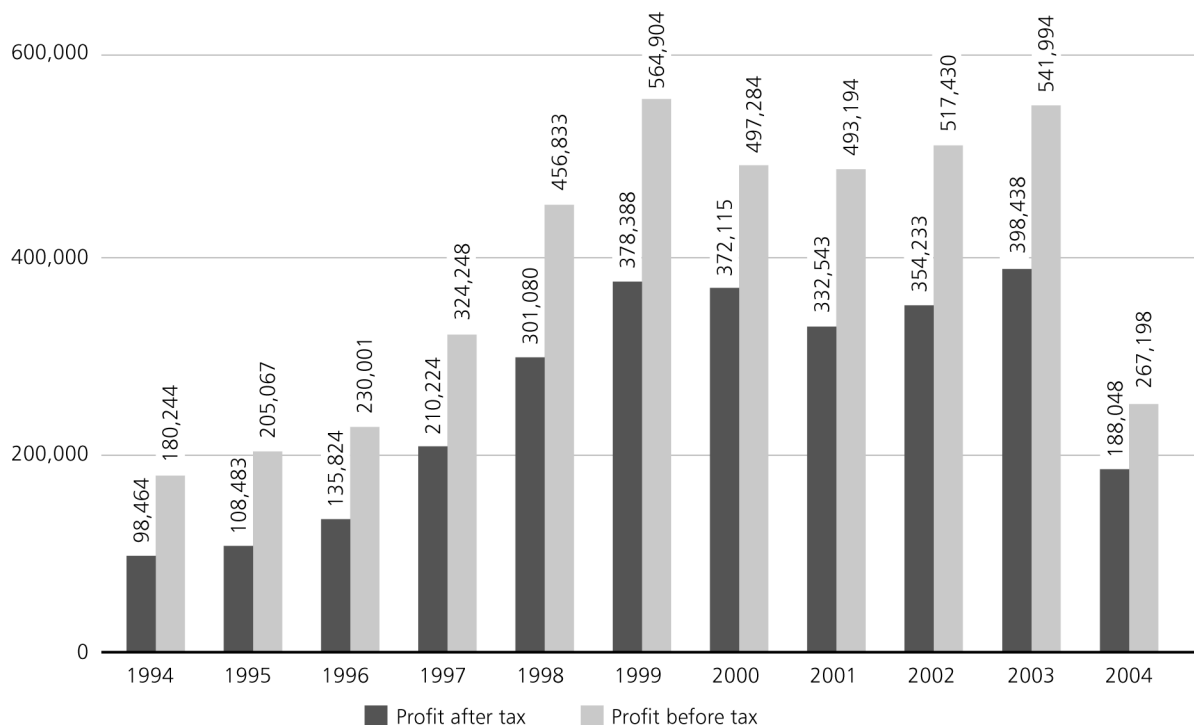
The Board of Directors' Report on the Business of
Stock Plzeň a. s. in 2004

The company paid a total of CZK 1.984 billion in taxes to the national budget, of which CZK 1.457 billion was in excise duties, CZK 154 million was in income tax and CZK 373 million was in VAT, whereby it once again joined the ranks of the largest tax payers in the Czech Republic.

2004 was the second time when the company prepared a consolidated annual report (under IAS/IFRS), as it is a parent company in a group that also includes its STOCK Export-Import, s. r. o. a STOCK Slovakia s. r. o. subsidiaries. The impact of this consolidation on the assets, equity, and results of STOCK Plzeň a. s. is described in the Appendix to the Financial Statements, which constitutes an integral part of this Annual Report.

From the perspective of trade receivables, the company did not have any serious problems with new overdue receivables thanks to the way it successfully managed its receivables side. The company either refers all receivables overdue for more than one month to a court or retains agencies specialising in the recovery of receivables to deal with them. The company creates provisions for such receivables, in accordance with the possibilities inherent in legislation and the auditor's recommendations. These receivables do not represent any major risk for the company in the future.

Profit from 1994 to 2004 (in CZK '000)





The Board of Directors' Report on the Business of
Stock Plzeň a. s. in 2004

8. PRODUCTION

In 2004 there was a drop in the production of spirits corresponding with the lower demand on the market. The total output of 18.2 million litres was 31.2% lower than in 2003.

The Fernet Stock family accounted for the largest proportion of the total output. The classic Fernet Stock remained the primary product in this group. Its sweeter variety - Fernet Stock Citrus - also constituted a relatively large portion of the volume. Fernet Stock Orange, as an innovative product, is still looking for its own loyal consumers.

In the domestic brand group, Magister, with a stable market position among bitter and herbal liqueurs, featured the largest volumes. The largest increase in production involved fruit vodkas based on Vodka Amundsen. There are already 6 flavours: Amundsen Green Apple, Amundsen Energy, Amundsen Strawberry, Amundsen Cherry, Amundsen Blackcurrant and Amundsen Fresh Mint. The production of Vodka Amundsen increased by 7.6% when compared with 2003. Brandy Stock Original surpassed the planned figures, but fell short of the production level of 2003. The production of Slivovice Stock was up by 8%.

In 2004, the importance of the Božkov range was further enhanced. Božkov tuzemský, due to its importance, actually became a brand product like Vodka Božkov. Other products in this category - Jablko Božkov, Meruňka Božkov, Peprmintový likér Božkov, Griotte Božkov, Vaječný likér Božkov and Švestka Božkov - were produced continuously throughout the year to the market's requirements.

As for the production of semi-finished spirits, we continued with the installation of new blenders in storage tanks and the extension of the CIP sanitation circuit. Visualisation of technological processes, including remote measuring of levels, took place in accordance with the investment plan.

9. QUALITY MANAGEMENT

The year 2004 – the year of the accession of the Czech Republic to the EU – was demanding in the field of quality management. The Quality Assurance Department, together with other departments in STOCK Plzeň a. s., significantly contributed to the mentioned project on implementation of EU Directive No. 178/2002 on “regressive traceability”. The project was completed in our company as of 31 December 2004.

The Quality Assurance Department watches the quality of raw materials and materials, and monitors quality parameters from semi-finished products to finished products. The result of good quality management is a minimum of justified complaints, under 0.01% of total sales.

The Quality Assurance Department, the Marketing Department and the Production Department are responsible for the development of new products in STOCK Plzeň a. s. Quality management also includes assignments in the field of research and development. Other cooperating partners in this field are: the Institute of Chemical Technology Prague, the Czech Agriculture and Food Inspection Authority, the Regional Hygiene Station in Plzeň, the National Institute of Public Health in Plzeň and the customs and technical laboratory of the Customs General Directorate.



The Board of Directors' Report on the Business of
Stock Plzeň a. s. in 2004

10. CAPITAL INVESTMENT PROJECTS

As in previous years, a number of major capital investments projects were carried out in 2004. The actual capital expenditure totalled CZK 53.7 million in 2003.

The most important capital investment project completed in 2004 was the start of construction of the new office building, which should be completed in May 2005. Another important capital investment project was the extensive reconstruction of the bottling lines for the Božkov range of products and fernets for new, redesigned bottles. This required not only a change in formatting parts of the bottling lines, but also additional installation of the facility for orientation of the bottles at the labelling machines.

The investment costs also included expenses on modernization of the computer network and a new surface on the courtyard.

11. PERSONNEL POLICY

The personnel policy in 2004 focused on thorough care for the staff, including development of their professional and language skills.

There was an innovation in 2004: division of the Social Fund into individual personal accounts of employees, who may draw these funds as stated in generally applicable legal regulations. Both the employees and the union organization welcomed the innovation.

In cooperation with the University Hospital in Plzeň, we arranged various examinations for the staff.

There were major personnel changes in the Sales Department in the 4th quarter of 2004. The linking of the duties of the Sales Director and the Marketing Director not only offered a quick solution to the situation, but also stabilization of these departments without any personnel requirements.

As in previous years, the Personnel Department focused on employee development via professional, language, and management training courses.

The co-operation between STOCK Plzeň a. s. management and the Trade Union organisation continued at the traditionally good level.

The labour-law agenda was kept in accordance with the Labour Code and other legal and personnel regulations.

With its remuneration and social policies, STOCK Plzeň a. s. once again ranks among the most stable, reliable, and sought-after employers in the West Bohemian region.

The remuneration of members of the Board of Directors and top managers in STOCK Plzeň a. s. is carried out based on managerial contracts. Besides 13 monthly salaries per year, top managers may also obtain a performance bonus amounting to 2-3 monthly salaries. The company uses the same remuneration system as ECKES AG. The remuneration of members of the Supervisory Board is approved by the general meeting. The remuneration of members of the Board of Directors is approved by the Supervisory Board.



The Board of Directors' Report on the Business of
Stock Plzeň a. s. in 2004

Review of income in cash of members of the Board of Directors, the Supervisory Board and other managing persons

Position	Remuneration to former managers with regard to termination of their duties	Paid contributions to additional pension insurance
Members of the Board of Directors	550,000	383,814
Other managing persons	-	43,373
Members of the Supervisory Board	-	It does not apply to members of the Supervisory Board



Key information about the issuer

1. KEY INFORMATION ABOUT THE ISSUER

Business name: STOCK Plzeň a. s.
Registered office: Palírenská 2, PSČ 326 00, Plzeň - Božkov
Identification number: 14706563
Legal form: public limited company
Subjects of business: - Production of beverages
- Home distillation
- Wholesale
- Mediation of trade
- Mediation of services
- Production and treatment of fermented spirit (with the exception of distilled fruit beverages obtained by homedistillation)
- Road and motor transport
- Hospitality services
- Marketing services
Registration Court: Regional Court in Plzeň
File No.: Part B, File 67

The Annual Report is available free of charge at the company's registered office, on workdays from 9 a.m. to 12 p.m.

2. SHARE CAPITAL DETAILS

STOCK Plzeň a. s. is part of the ECKES AG food industry group. The largest shareholder of STOCK Plzeň a. s. is ECKES & STOCK GmbH (former name ECKES Finanzanlagen GmbH), which holds 248,145 shares representing 95.22% of the company's share capital. ECKES & STOCK GmbH is one of the companies held by the ECKES AG holding.

STOCK Plzeň a.s. is the parent company of STOCK Export-Import, s. r. o., having its registered office in Plzeň, Palírenská 2, Postcode 326 00 Plzeň, Reg. No. 60488506, in which it holds a 100% interest. Since 2002, its new fully-owned subsidiary has been STOCK Slovakia s. r. o., Reg. No. 35 842 075, having its registered office in Bratislava, Trnavská cesta 50, Postcode 821 02, Slovak Republic.

STOCK Plzeň a. s. does not hold any direct or indirect interests exceeding 50% of the share capital or voting rights in any other company.

STOCK Plzeň a. s. does not hold, directly or indirectly, any of its own participation securities.



Key information about the issuer

Over the last three years there have been no changes in the company's share capital; its share capital has amounted to CZK 260,614,000 since 1993. The share capital is divided into 260,614 shares, each with a nominal value of CZK 1,000. The shares have the form of share certificates.

As at 31 December 2002, the share capital was allocated to 61,996 bearer shares and 198,618 registered shares.

The company did not issue any participation securities entitling the bearer to exercise the right to exchange them for any other participation securities or to a priority subscription to any other participation securities. No authorised body of STOCK Plzeň a. s. adopted any decision on a permitted or conditional increase of the share capital. The conditions for changing the share capital and the rights attaching to each of the various types of shares, as laid down in the STOCK Plzeň a. s. Articles of Association, are no more stringent than the conditions laid down by law.

STOCK Plzeň a. s. is controlled by ECKES & STOCK GmbH, which holds 95.22% of all voting rights.

STOCK Plzeň a.s. is not aware of any other persons whose direct or indirect interest in the share capital or voting rights amounts to at least 5%.

3. INFORMATION ABOUT SECURITIES

Share class:: ordinary
Share type:: bearer shares
Share form:: share certificates
Number of shares:: 61,996
Nominal value of shares:: CZK 1,000
Total value of issue:: CZK 61,996,000

The shares are listed, their identification number is ISIN CS0008418554, they are freely transferable, and they may be transferred by way of passing over share certificates. The shares are not traded in the RM-System, and they were accepted for trading on the Prague Stock Exchange; in the 2004 fiscal period, the shares were traded on that public market at a maximum price of CZK 11,865/share and at a minimum price of CZK 11,300/share.

Share class:: ordinary
Share type:: bearer shares
Share form:: share certificates
Number of shares:: 198,618
Nominal value of shares:: CZK 1,000
Total value of issue:: CZK 198,618,000

This issue was removed from trading in the RM-System in 2001, and therefore the shares are not listed within the meaning of the Securities Act. In accordance with the company's Articles of Association, these shares were issued in the form of group share certificates substituting individual shares.



Key information about the issuer

All voting rights, the right to receive a share of profits and of the liquidation balance are attached to the registered and bearer shares. The scope of the shareholder's rights is given as the ratio of the nominal value of all shares held by the shareholder and the nominal value of the shares held by other shareholders. No priority rights are attached to the shares.

The right to receive a dividend arises upon the General Meeting passing the relevant resolution. This resolution shall also stipulate the manner and the period of time in which the payment of the dividend shall be effected. Before the end of 2002, Česká spořitelna, a.s., with its registered office at Na Příkopě 29, Prague 1, had been paying dividends on our behalf. After the payment period, Česká spořitelna accounted for the unpaid dividends. After the change in the form of shares issued, dividends have been paid out at the company's registered office or through a bYearer, or transferred to the shareholders' bank accounts as stated by them (subject to proving the right to the shares). If a shareholder fails to exercise his right to a dividend, this right expires at the end of a period of four years after the dividend becomes due and payable. The other shareholders' rights ensue from the Commercial Code and the company's Articles of Association. The company publishes, in accordance with its Articles, all facts that are relevant for exercising shareholders' rights in the Hospodářské noviny national daily newspaper. The issuer's employees may participate in the company's share capital under the same conditions as other investors; they enjoy no extra advantages and are not subject to any extra limitations.

No coupons have been issued with the shares.

The yield from the shares is liable to tax under Act No. 586/1992 on Income Tax, as amended.

12,469 bearer shares representing 4.78% of the share capital have been distributed among retail shareholders.

In the past two years, STOCK Plzeň a. s. has not made any public offer to purchase shares in other companies.

4. ACTIVITY

STOCK Plzeň a. s. does not depend on any patents or licences, industrial or financial contracts or new production processes which would be critical for its business or profitability.

Over the past two accounting periods, no court, administrative or arbitration proceedings were initiated that had or may have had a significant impact on the financial situation of STOCK Plzeň a. s.

No suspension of the business or operations of STOCK Plzeň a. s. that had or may have had a significant impact on the financial situation of the company occurred over the past three accounting periods.

STOCK Plzeň a.s. owns real estate. As of 31 December 2004, the total area of its land covered 59,109 m², and the built-up area covered 18,387 m². As of 31 December 2004, the total book value of properties owned by STOCK Plzeň a. s. amounted to CZK 383,105,000, of which land CZK 21,539,000, and buildings, halls and structures CZK 361,566,000.

The headquarters of the company are situated in the Plzeň-Božkov suburb, part of the city district Plzeň 2, near the left bank of the Úslava River. The eastern and southern parts of the complex are surrounded by civic amenities. The complex consists of two production plants, a bottling facility and a materials warehouse. Furthermore, there is a spirit warehouse, a laboratory building, an office building and a servicing building with dressing rooms, maintenance depots and a boiler room. Construction of a new office building is taking place near the main entrance right now. The company



Key information about the issuer

also owns a detached plant in the municipality of Prádlo, 7 km north-west of Nepomuk, near the main road from Plzeň to České Budějovice. There is a landmark: a building with plant administration, herbs warehouses, maceration, distillation and boiler room. Other buildings store semi-finished products.

The company is very considerate of the environment. All the activities which take place in the company represent just a slight burden on the environment in terms of emissions, hazardous materials or noise. Since 2002, when the new hot-water boiler room was built, our company has been included in the category of medium sources of pollution (based on the output produced). However, over the last two years we have been exempt from pollution charges thanks to low production of emissions. All wastewater is drained into the municipal sewage disposal plant. As for the collection and recycling of wrapping materials, we participate in the EKOKOM system. We cooperate with Eliod servis s.r.o. on the collection, sorting and storage of waste. The waste is stored in high-cube containers; paper and plastic materials are pressed immediately. Liquidation of vegetation in the plant in Prádlo is also ecological, as we cooperate with an agricultural cooperative.

In the 2004 fiscal period the company spent 5% of its profit before tax on research and development, i.e. about CZK 13,400,000.

Main investments in 2002–2004

Year	Name of project	Value
2002	Demolition of the old bottling facility, including relay of networks	2,055
2002	A new boiler house and a new heating system	15,835
2002	Servicing building	77,112
2003	Construction of a new laboratory	35,216
2003	Demolitions and landscaping	6,845
2004	Start of the construction of a new office building	34,794

The table above does not include non-financial investments, a detailed overview of which is included in the Notes to the Financial Statements, which forms an inseparable part of the Annual Report. All non-financial investments were carried out in the Czech Republic.

Planned main investments for the future

Year	Name of project	Value
2004 -2005	Completion of construction of the new office building	51,000
2006	Modernization of L1 and L2 bottling lines	50,000



Key information about the issuer

5. THE ISSUER'S ASSETS AND FINANCIAL SITUATION

Information on anticipated economic and financial situation in 2005

Volume of sales (in '000 litres)	24,300
Revenues from sales of own products and goods	1,910,043
Profit before tax	420,411
Number of employees	181

Equity in the last three accounting periods (as of 31 December)

	2002	2003	2004
Total equity	753,640	826,841	982,394
Equity per share	2,891	3,173	3,770

Information on persons in which STOCK Plzeň a. s. holds direct ownership interests

1.

Business name: STOCK Export - Import, s. r. o.
Objects of business: - Wholesale
- Mediation of trade
Registered capital subscribed: CZK 138,533,000
Incorporated in the Companies Register maintained by the Regional Commercial Court in Plzeň, Part C File 14531
Amount and type of reserves in the 2004 accounting period: In that period, the company did not create any reserves within the meaning of generally applicable Czech legal regulations
Average number of employees: 2
STOCK Plzeň's interest in registered capital: 100%; fully paid up

2.

Business name : STOCK Slovakia s. r. o.
Objects of business: - Retail and wholesale
- Mediation in trade and services
- Advertising and consultancy
Registered capital subscribed: SKK 500,000
Incorporated in the Companies Register maintained by the District Court in Bratislava I



Key information about the issuer

Amount and type of reserves in the 2004 accounting period: The company created reserves, within the meaning of generally applicable legal regulations of the Slovak Republic, totalling SKK 4,199,000 – these are not reserves within the meaning of the Accounting Act valid in the Czech Republic.

Average number of employees: 12

STOCK Plzeň interest in registered capital: 100%; fully paid up

Additional detailed information about the companies in which the issuer has a controlling interest is contained in the Notes to the Financial Statements, which form an integral part of this Annual Report.

Results (statutory) per share

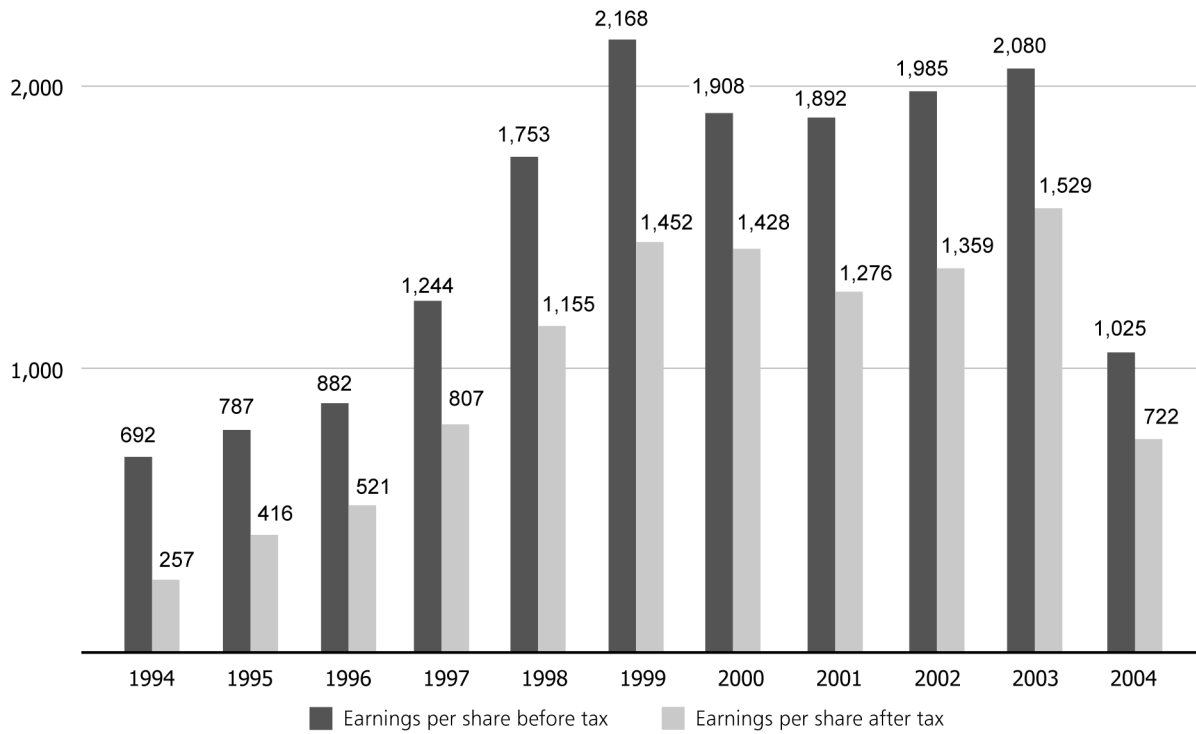
	2002	2003	2004
Profit before tax	1,985	2,080	1,025
Dividend	200	200	200*

* According to the planned distribution of profit



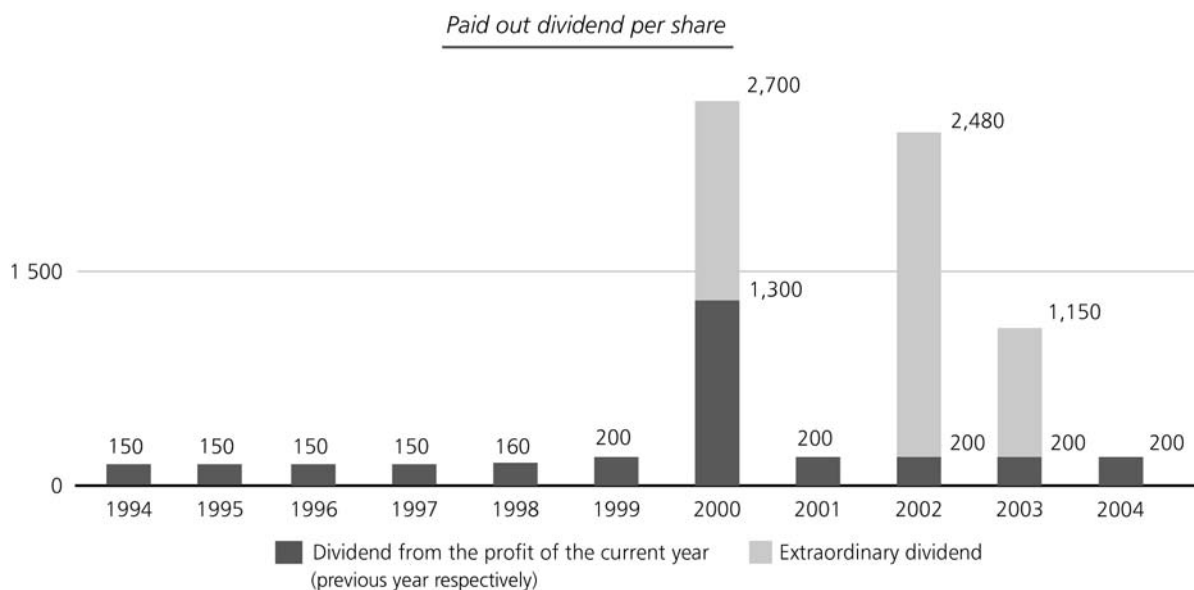
Key information about the issuer

Earnings per share before and after tax





Key information about the issuer



6. INFORMATION ABOUT STATUTORY AND SUPERVISORY BODIES

All members of the issuer's statutory and supervisory bodies as of 31 December 2004 are listed in the Notes to the Financial Statements, which are an integral part of this Annual Report.

Members of the Board of Directors are at the same time managers of STOCK Plzeň a. s. The members of the Supervisory Board who are elected by the employees are employees of STOCK Plzeň a. s.

a) Review of income in cash of members of the Board of Directors, the Supervisory Board and other managing persons

Position	Total income in cash from the issuer and its controlled persons
Members of the Board of Directors	7,637,522
Other managing persons	925,476
Members of the Supervisory Board	283,491

In the 2004 fiscal year the company did not grant any guarantees or provided any advanced payments to the members of the issuer's bodies and top managers. At the same time, they did not receive any rewards in kind. The members of the issuer's bodies did not receive any percentage of annual profits in the last three years. This Annual Report contains



Key information about the issuer

information on all the income in cash paid to members of the company's bodies and top managers in 2004 within the meaning of generally applicable legal regulations. The information on loans granted to the issuer's top managers is given in the Notes to the Financial Statements.

b) Information about number of shares

As at 31 December 2004, Members of the Supervisory Board and the Board of Directors, managing or related persons, did not hold any shares issued by the issuer.

7. INFORMATION ABOUT PERSONS RESPONSIBLE FOR THE ANNUAL REPORT AND VERIFICATION OF THE FINANCIAL STATEMENTS

This Annual Report has been prepared by STOCK Plzeň a. s. pursuant to Act No. 563/1991 on Accounting, as amended, and Act No. 591/1992 on Securities, as amended; this Annual Report may not be construed as an offer to purchase or sell shares of STOCK Plzeň a. s.

Forecasts and information related to future activities, the results of the future financial situation, and the position of the company on the market which are included in this Annual Report should not be construed as binding statements.

The information contained herein relates to 31 December 2004, unless stated otherwise.

a) Persons responsible for the Annual Report

Ing. Martin Petrášek, Chairman of the Board of Directors and CEO, STOCK Plzeň a. s.

Residing at: Prague 7, Ortenovo nám. 23

STOCK Plzeň a. s.

Plzeň - Božkov, Palírenská 2

is responsible for the Annual Report in full

Ing. Václav Bečvář, member of the Board of Directors and Finance Director, STOCK Plzeň a.s.

Residing at: Plzeň, Čechova 9

STOCK Plzeň a. s.

Plzeň - Božkov, Palírenská 2

is responsible for the Annual Report in full



Key information about the issuer

b) Affidavits

I, Martin Petrášek, hereby declare that the information disclosed in this Annual Report provides a true picture of the company and that no material circumstances that may influence a fair and accurate view of STOCK Plzeň a. s. as the issuer of listed shares have been omitted.

Ing. Martin Petrášek

I, Václav Bečvář, hereby declare that the information disclosed in this Annual Report provides a true picture of the company and that no material circumstances that may influence a fair and accurate view of STOCK Plzeň a. s. as the issuer of listed shares have been omitted.

Ing. Václav Bečvář

In 2003, the Financial Statements and the whole Annual Report were audited by:

Ernst & Young ČR, s. r. o., Licence No. 401, Magdalena Souček, Licence No. 1291

In 2004, the Financial Statements and the whole Annual Report were audited by:

Ernst & Young ČR, s. r. o., Licence No. 401, Magdalena Souček, Licence No. 1291



Statutory financial statements

1. BALANCE SHEET (NON-CONSOLIDATED) AS OF 31 DECEMBER 2004 (LONG FORM)

<i>in '000 CZK</i>		Current year		Prior year	
		Gross	Provisions	Net	Net
TOTAL ASSETS		2,184,783	-384,881	1,799,902	1,701,033
A. STOCK SUBSCRIPTION RECEIVABLE					
B. FIXED ASSETS		1,065,258	-328,776	736,482	689,944
B. I.	Intangible assets	14,507	-5,058	9,449	9,235
B. I. 1.	Foundation and organization expenses	-	-	-	-
	2. Research and development	-	-	-	-
	3. Software	12,748	-4,980	7,768	9,189
	4. Patents, royalties and similar rights	110	-78	32	46
	5. Goodwill	-	-	-	-
	6. Other intangible assets	-	-	-	-
	7. Intangible assets in progress	1,649	-	1,649	-
	8. Advances granted for intangible assets	-	-	-	-
B. II.	Tangible assets	890,276	-323,718	566,558	555,210
B. II. 1.	Land	21,539	-	21,539	21,539
	2. Constructions	432,929	-71,363	361,566	376,253
	3. Separate movable items and groups of movable items	379,528	-252,355	127,173	145,442
	4. Perennial crops	-	-	-	-
	5. Livestock	-	-	-	-
	6. Other tangible assets	-	-	-	-
	7. Tangible assets in progress	56,280	-	56,280	11,600
	8. Advances granted for tangible assets	-	-	-	376
	9. Gain or loss on revaluation of acquired property	-	-	-	-
B. III.	Financial investments	160,475	-	160,475	125,499
B. III. 1.	Subsidiaries	146,475	-	146,475	125,499
	2. Associates	-	-	-	-
	3. Other long-term securities and interests	-	-	-	-
	4. Loans to subsidiaries and associates	-	-	-	-
	5. Other long-term investments	14,000	-	14,000	-
	6. Long-term investments in progress	-	-	-	-
	7. Advances granted for long-term investments	-	-	-	-
C.	CURRENT ASSETS	1,115,930	-56,105	1,059,825	1,010,029



Statutory financial statements

<i>in '000 CZK</i>		Current year		Prior year	
		Gross	Provisions	Net	2003 Net
C. I.	Inventory	321,174	-1,969	319,205	171,541
C. I. 1.	Materials	64,002	-	64,002	63,051
	2. Work in progress and semi-finished production	53,036	-	53,036	56,402
	3. Finished products	42,798	-1,969	40,829	29,923
	4. Livestock	-	-	-	-
	5. Goods	128,749	-	128,749	9,131
	6. Advances granted for inventory	32,589	-	32,589	13,034
C. II.	Long-term receivables	31	-	31	711
C. II. 1.	Trade receivables	-	-	-	-
	2. Receivables from subsidiaries	-	-	-	-
	3. Receivables from associates	-	-	-	-
	4. Receivables from partners, co-operative members and participants in association	-	-	-	-
	5. Long-term advances granted	-	-	-	-
	6. Unbilled revenue	-	-	-	-
	7. Other receivables	31	-	31	711
	8. Deferred tax asset	-	-	-	-
C. III.	Short-term receivables	782,310	-54,136	728,174	747,935
C. III. 1.	Trade receivables	461,029	-54,136	406,893	665,912
	2. Receivables from subsidiaries	-	-	-	-
	3. Receivables from associates	-	-	-	-
	4. Receivables from partners, co-operative members and participants in association	-	-	-	-
	5. Social security and health insurance	-	-	-	-
	6. Due from government - tax receivables	79,134	-	79,134	3,479
	7. Short-term advances granted	2,476	-	2,476	2,703
	8. Unbilled revenue	-	-	-	-
	9. Other receivables	239,671	-	239,671	75,841
C. IV.	Short-term financial assets	12,415	-	12,415	89,842
C. IV. 1.	Cash	333	-	333	244
	2. Bank accounts	12,082	-	12,082	89,598
	3. Short-term securities and interests	-	-	-	-
	4. Short-term financial assets in progress	-	-	-	-
D.	OTHER ASSETS - TEMPORARY ACCOUNTS OF ASSETS	3,595	-	3,595	1,060



Statutory financial statements

<i>in '000 CZK</i>		Current year		Prior year	
		Gross	Provisions	Net	2003 Net
D. I.	Accrued assets and deferred liabilities	3,595	-	3,595	1,060
D. I. 1.	Prepaid expenses	3,594	-	3,594	1,057
	2. Prepaid expenses (specific-purpose expenses)	-	-	-	-
	3. Unbilled revenue	1	-	1	3

<i>in '000 CZK</i>		Current year	Prior year 2003
TOTAL EQUITY & LIABILITIES		1,799,902	1,701,033
A.	EQUITY	982,394	826,841
A. I.	Basic capital	260,614	260,614
A. I. 1.	Registered capital	260,614	260,614
	2. Own shares and own ownership interests (-)	-	-
	3. Changes in basic capital	-	-
A. II.	Capital funds	133,267	112,291
A. II. 1.	Share premium (agio)	-	-
	2. Other capital funds	4,625	4,625
	3. Gain or loss on revaluation of assets and liabilities	128,642	107,666
	4. Gain or loss on revaluation of company transformations	-	-
A. III.	Reserve funds, (<i>indivisible fund</i>) and other funds created from profit	53,332	53,287
A. III. 1.	Legal reserve fund/ <i>Indivisible fund</i>	52,123	52,123
	2. Statutory and other funds	1,209	1,164
A. IV.	Profit (loss) for the previous years	347,133	2,211
IV. 1.	Retained earnings for the previous years	347,133	2,211
	2. Accumulated loss of previous years	-	-
A. V.	Profit (loss) for the year (+ / -)	188,048	398,438
B.	LIABILITIES	817,508	867,780
B. I.	Reserves	943	9,422
B. I. 1.	Reserves created under special legislation	-	-
	2. Reserve for pensions and similar obligations	-	-
	3. Reserve for corporate income tax	-	-
	4. Other reserves	943	9,422
B. II.	Long-term liabilities	11,538	6,601
B. II. 1.	Trade payables	-	-
	2. Liabilities to subsidiaries	-	-



Statutory financial statements

<i>in '000 CZK</i>	Current year	Prior year 2003
3. Liabilities to associates	-	-
4. Liabilities to partners, co-operative members and participants in association	-	-
5. Advances received	-	-
6. Bonds payable	-	-
7. Notes payable	-	-
8. Unbilled deliveries	-	-
9. Other liabilities	-	-
10. Deferred tax liability	11,538	6,601
B. III. Current liabilities	805,027	851,757
B. III. 1. Trade payables	139,372	111,285
2. Liabilities to subsidiaries	131,216	-
3. Liabilities to associates	-	-
4. Liabilities to partners, co-operative members and participants in association	64,986	195,303
5. Liabilities to employees	4,493	4,973
6. Liabilities arising from social security and health insurance	2,951	3,066
7. Due to government – taxes and subsidies	456,463	534,652
8. Advances received	-	-
9. Bonds payable	-	-
10. Unbilled deliveries	5,546	2,478
11. Other liabilities	-	-
B. IV. Bank loans and borrowings	-	-
B. IV. 1. Long-term bank loans	-	-
2. Short-term bank loans	-	-
3. Borrowings	-	-
C. OTHER LIABILITIES - TEMPORARY ACCOUNTS OF LIABILITIES	-	6,412
C. I. Accrued liabilities and deferred assets	-	6,412
C. I. 1. Accruals	-	6,412
2. Deferred income	-	-

2. INCOME STATEMENT FOR THE YEARS ENDED 31 DECEMBER 2004 AND 2003 (LONG FORM)

<i>in '000 CZK</i>		Current year	Prior year 2003
I.	1. Revenue from sale of goods	288,053	8,704
A.	2. Cost of goods sold	259,139	5,517
+	Gross margin	28,914	3,187
II.	Production	1,185,623	1,650,344
II.	1. Revenue from sale of finished products and services	1,175,232	1,649,804
	2. Change in inventory produced internally	8,404	-2,474
	3. Own work capitalized	1,987	3,014
B.	Production related consumption	793,773	944,860
B.	1. Consumption of material and energy	432,841	586,181
B.	2. Services	360,932	358,679
+	Value added	420,764	708,671
C.	Personnel expenses	94,805	97,142
C.	1. Wages and salaries	68,025	69,694
C.	2. Bonuses to members of company or cooperation bodies	360	500
C.	3. Social security and health insurance	23,793	24,349
C.	4. Other social costs	2,627	2,599
D.	Taxes and charges	1,080	1,019
E.	Amortization and depreciation of intangible and tangible fixed assets	42,943	47,228
III.	Revenue from sale of intangible and tangible fixed assets and materials	16,869	27,753
III.	1. Revenues from sale of intangible and tangible fixed assets	198	1,447
	2. Revenue from sale of materials	16,671	26,306
F.	Net book value of intangible and tangible fixed assets and materials sold	20,348	30,328
F.	1. Net book value of intangible and tangible fixed assets sold	35	1,962
F.	2. Materials sold	20,313	28,366
G.	1. Change in reserves and provisions relating to operations and in prepaid expenses (specific-purpose expenses)	-13,022	12,196
IV.	2. Other operating revenues	-	2,434



Statutory financial statements

<i>in '000 CZK</i>		Current year	Prior year 2003
H.	1. Other operating expenses	12,632	3,938
V.	2. Transfer of operating revenues	-	-
I.	1. Transfer of operating expenses	-	-
*	Profit or loss on operating activities	278,847	547,007
VI.	1. Revenue from sale of securities and interests	-	-
J.	1. Securities and interests sold	-	-
VII.	Income from financial investments	-	-
VII.	1. Income from subsidiaries and associates	-	-
	2. Income from other long-term securities and interests	-	-
	3. Income from other financial investments	-	-
VIII.	1. Income from short-term financial assets	45	141
K.	2. Expenses related to financial assets	-	-
IX.	1. Gain on revaluation of securities and derivatives	-	-
L.	2. Loss on revaluation of securities and derivatives	-	-
M.	1. Change in reserves and provisions relating to financial activities	-	-
X.	1. Interest income	1,901	4,109
N.	2. Interest expense	503	-
XI.	1. Other finance income	142	352
O.	2. Other finance cost	13,048	9,401
XII.	1. Transfer of finance income	-	-
P.	2. Transfer of finance cost	-	-
*	Profit or loss on financial activities	-11,463	-4,799-
Q.	Tax on profit or loss on ordinary activities	79,150	143,556
Q.	1. - due	74,212	149,213
Q.	2. - deferred	4,938	-5,657-
**	Profit or loss on ordinary activities after taxation	188,234	398,652
XIII.	1. Extraordinary gains	21	3,164
R.	2. Extraordinary losses	207	3,378
S.	1. Tax on extraordinary profit or loss	-	-
S.	1. - due	-	-
S.	2. - deferred	-	-
*	Extraordinary profit or loss	-186	-214
	1. Transfer of share of profit or loss to partners (+/-)	-	-
***	Profit or loss for the year (+/-)	188,048	398,438
****	Profit or loss before taxation	267,198	541,994

3. CASH FLOW STATEMENT FOR THE YEARS ENDED 31 DECEMBER 2004 AND 2003

<i>in '000 CZK</i>		Current year	Prior year 2003
Cash flows from operating activities			
Z.	Profit or loss on ordinary activities before taxation (+/-)	267,384	542,208
A 1.	Adjustments to reconcile profit or loss to net cash provided by or used in operating activities	34,457	56,278
A 1. 1.	Depreciation and amortization of fixed assets, write-off of receivables and adjustment to acquired property	49,081	47,614
A 1. 2.	Change in provisions	-4,543	4,652
A 1. 3.	Change in reserves	-8,479	7,544
A 1. 4.	Foreign exchange differences	-41	62
A 1. 5.	Gain / Loss on disposal of fixed assets	-163	515
A 1. 6.	Interest expense and interest income	-1,398	-4,109
A 1. 7.	Other non-cash movements (e.g. revaluation at fair value to profit or loss, dividends received)	-	-
A *	Net cash from operating activities before taxation, changes in working capital and extraordinary items	301,841	598,486
A 2.	Change in non-cash components of working capital	20,644	-195,990
A 2. 1.	Change in inventory	-145,020	1,223
A 2. 2.	Change in trade receivables	254,812	-305,831
A 2. 3.	Change in other receivables and in prepaid expenses and unbilled revenue	-165,458	133,106
A 2. 4.	Change in trade payables	28,121	-32,543
A 2. 5.	Change in other payables, short-term loans and in accruals and deferred income	48,189	8,055
A **	Net cash from operating activities before taxation, interest paid and extraordinary items	322,485	402,506
A 3.	Interest paid	-503	-
A 4. 1.	Tax paid	-149,868	-174,444
A 5. 1.	Gains and losses on extraordinary items	-186	1,465
A ***	Net cash provided by (used in) operating activities	171,928	229,527
Cash flows from investing activities			
B 1. 1.	Purchase of fixed assets	-68,565	-59,160
B 2. 1.	Proceeds from sale of fixed assets	198	1,447
B 3. 1.	Loans granted	-	-
B 4. 1.	Interest received	1,901	4,109



Statutory financial statements

<i>in '000 CZK</i>	Current year	Prior year 2003
B 5. 1. Dividends received	-	-
B ** Net cash provided by (used in) investing activities	-66,466	-53,604
Cash flows from financing activities		
C 1. 1. Change in long-term liabilities and long-term, resp. short-term, loans	899	-
C 2. 1. Effect of changes in basic capital on cash	-	-
C 2. 2. Dividends or profit sharing paid	-182,440	-217,193
C 2. 3. Effect of other changes in basic capital on cash	-1,348	-1,309
C ** Net cash provided by (used in) financing activities	-182,889	-218,502
F. Net increase (decrease) in cash	-77,427	-42,589
P. Cash and cash equivalents at beginning of year	89,842	132,421
R. Cash and cash equivalents at end of year	12,415	89,842



Statutory financial statements

4. SIGNATURES

Forwarded on:
4 February 2005

Signature of the statutory body of the accounting unit

Ing. Václav Bečvář

Person responsible for the accounting

Ivana Krumlová

Person responsible for the financial statements

Ing. Václav Bečvář

5. AUDITOR'S REPORT

To the shareholders of STOCK Plzeň a. s.:

We have audited the financial statements of STOCK Plzeň a. s. for the year ended 31 December 2004 in accordance with Act No. 254/2000 Coll. on Auditors and the auditing guidelines issued by the Chamber of Auditors of the Czech Republic. Our audit included an examination of evidence supporting the financial statements and of the accounting



Statutory financial statements

policies and estimates used by management in their preparation. Our audit procedures were carried out on a test basis and with regard to the principle of materiality.

The management of STOCK Plzeň a. s. is responsible for maintaining accounting records and for preparing financial statements which give a true and fair view of the assets, liabilities, equity, financial results and financial situation of STOCK Plzeň a. s. Our responsibility is to express an opinion on the financial statements taken as a whole, based on our audit performed in accordance with this Act and the auditing guidelines.

In our opinion, the financial statements present, in all material respects, a true and fair view of the assets, liabilities, equity and financial position of STOCK Plzeň a. s. as at 31 December 2004 and the financial results for the year then ended in accordance with Act No. 563/1991 Coll. on Accounting and relevant legislation.

We have also audited the prior year financial statements as at 31 December 2003 of STOCK Plzeň a. s. and issued an unqualified report thereon dated 6 February 2004.

The accompanying annual report for 2004 contains information about important matters related to the Company's financial statements, the evolution of its business and other matters. We have checked that the accounting information in the annual report is consistent with that contained in the audited financial statements as of 31 December 2004. Our work as auditors was confined to checking the annual report with the aforementioned scope and did not include a review of any information other than that drawn from the audited accounting records of the Company.

We have reviewed the information contained in the report on related parties, which was prepared in accordance with Section 66a of the Commercial Code. The Board of Directors is responsible for the complete and accurate presentation of the report on related parties. Our responsibility is to review the accuracy of the information included in the report. During our audit, nothing came to our attention that would cause us to believe that the information disclosed in the report was inaccurate.

A handwritten signature in black ink, appearing to read "Ernst & Young".

Ernst & Young ČR, s. r. o.
License No. 401

A handwritten signature in black ink, appearing to read "Magdalena Součková".

Magdalena Součková
Auditor, License No. 1291

28 January 2005
Prague, Czech Republic



6. FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004 TOGETHER WITH AUDITORS' REPORT

a) Description of the Company

STOCK Plzeň a. s. ("the Company") is a joint stock company incorporated on 27 March 1991 in the Czech Republic. The Company's registered office is located at Palířenská 2, Plzeň – Božkov, Czech Republic. The Company is involved in the production and sale of spirits in the Czech Republic and Slovakia. The subsidiaries, STOCK Export - Import, s. r. o. and STOCK Slovakia s. r. o., are also used to conduct the Company's main business activity.

In 2004, the Company filed a petition for the following changes in the Commercial Register entry:

To be deleted:

- Dieter Wingenfeld, member of the Supervisory Board (his term of office expired on 25 June 2004)
- Radek Svoboda, member of the Board of Directors (his term of office expired on 14 October 2004)

To be incorporated:

- Horst - Peter Hahn, member of the Supervisory Board (his term of office began on 25 June 2004)

The petition was submitted on 25 October 2004; however, the Regional Court in Plzeň has not recorded these changes in the Commercial Register as at the date of the financial statements.

Shareholders who hold a 10% or greater interest in the Company's basic capital as at 31 December 2004 are as follows:

	Number of shares	%
ECKES & STOCK GmbH	248,145	95.22
Small shareholders and funds	12,469	4.78
Total	260,614	100.00

ECKES & STOCK GmbH (formerly ECKES Finanzanlagen GmbH) is included in the consolidated group of the ECKES AG holding. STOCK Plzeň a. s. is also included in this consolidated group.



Statutory financial statements

Members of the statutory and supervisory bodies as at 31 December 2004 were as follows:

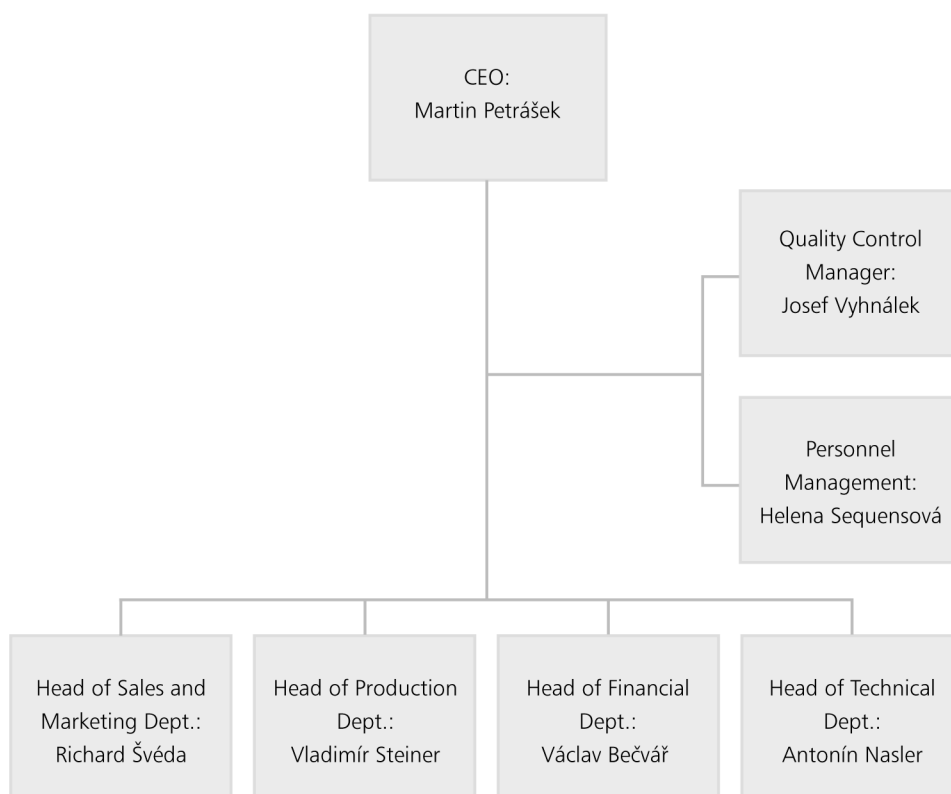
Board of Directors

Chair:	Ing. Petrášek Martin
Vice-chair:	Ing. Steiner Vladimír
Member:	Ing. Bečvář Václav
Member:	Ing. Švéda Richard

Supervisory Board

Chair:	John Michael
Vice-chair:	Ing. Plavec Robert
Member:	Hurčík Igor
Member:	Hahn Horst - Peter
Member:	Vojtová Miroslava
Member:	Burianová Iveta

The Company's management structure is as follows:



b) Basis of Presentation of the Financial Statements

The accompanying financial statements were prepared in accordance with the Czech Act on Accounting and the relevant accounting procedures for entrepreneurs as applicable for 2004 and 2003.

Explanation Added for Translation into English

These financial statements are presented on the basis of accounting principles and standards generally accepted in the Czech Republic. Certain accounting practices applied by the Company that conform with generally accepted accounting principles and standards in the Czech Republic may not conform with generally accepted accounting principles in other countries.

c) Summary of Significant Accounting Policies and Information as to the Units/Currencies Presented

The accounting policies applied by the Company in preparing the 2004 and 2003 financial statements are as follows:



Statutory financial statements

Intangible Fixed Assets

Intangible fixed assets are valued at their acquisition cost and related expenses.

Intangible fixed assets are amortized over their estimated useful lives.

Tangible Fixed Assets

Purchased tangible fixed assets are recorded at their acquisition cost that consists of purchase price, freight, customs duties and other related costs.

The costs of technical improvements are capitalized. Repairs and maintenance expenses are expensed as incurred.

Small tangible fixed assets with a cost less than CZK 3 thousand are expensed without being recorded.

Depreciation

Depreciation is calculated based on the acquisition cost and the estimated useful life of related asset. The estimated useful lives are as follows:

	Years of depreciation (tax purposes)	Years of depreciation (accounting purposes)
Office buildings	30	45
Other constructions	20; 30	15; 20; 30; 45
Machinery and equipment	4; 6; 12	4; 5; 6; 7; 8; 10
Vehicles	6; 12	3; 5; 10
Furniture and fixtures	6; 12	8; 10

Financial Assets

Short-term financial assets consist of liquid valuables, cash in hand and at bank.

Long-term financial assets consist of ownership interests and loans.

Shares are valued at their acquisition cost, which includes the purchase price and direct costs related to the acquisition, e.g. fees and commissions paid to agents and stock exchanges.

Ownership interests constituting dominant or significant influence are valued under the equity method; the revaluation amounts are recorded in equity through revaluation of assets and liabilities.

Valuation under the equity method is the acquisition cost of an ownership interest that is adjusted to the net asset value of the underlying Company.

Inventory

Purchased inventory is stated at actual cost being determined using the weighted average method. Costs of purchased inventory include acquisition-related costs (freight, customs, commission, etc.).

Finished goods and semi-finished products are valued at actual cost. The cost of inventory produced internally includes direct material and labour costs and production overhead. Direct and overhead costs are allocated to calculation units either directly (costs directly related to the output – e.g. energies, production equipment leasing costs) or indirectly



Statutory financial statements

(are allocated based on the amount of input necessary to produce a particular calculation unit – e.g. depreciation, overhead materials, etc.).

Receivables

Receivables are carried at their realizable value after provision for doubtful accounts. Additions to the provision account are charged to income.

Equity

The basic capital of the Company is stated at the amount recorded in the Commercial Register maintained in the Regional Court. Other capital funds are established based on a decision of the Company in compliance with its Articles of Association.

In accordance with the Commercial Code, the Company creates a legal reserve fund from profit or from amounts contributed by partners above their contributions. In the first year in which profit is generated, a joint-stock company should allocate 20% of profit after tax (however, not more than 10% of basic capital) to the legal reserve fund. In subsequent years, the legal reserve fund is allocated 5% of profit after tax until it reaches 20% of basic capital. These funds can only be used to offset losses. In compliance with its Articles of Association, the Company also creates a social fund.

Reserves and Liabilities

The Company creates reserves for losses and risks if the related purpose, amount and timing can be reliably estimated and the accrual and matching principles are observed.

Long-term liabilities and current liabilities are carried at their nominal values.

Long-term and short-term loans are recorded at their nominal values.

Financial Leases

The Company records leased assets by expensing the lease payments and capitalizing the residual value of the leased assets when the finance lease contract expires and the purchase option is exercised. Lease payments paid in advance are recorded as prepaid expenses and amortized over the lease term.

Foreign Currency Transactions

From 1 January 2004, assets and liabilities whose acquisition or production costs were denominated in foreign currencies are translated into Czech crowns at daily exchange rates published by the Czech National Bank and on the balance sheet date they are translated to the exchange rates published by the Czech National Bank as at 31 December.

In 2003, assets and liabilities whose acquisition or production costs were denominated in foreign currencies were translated into Czech crowns at a fixed rate set quarterly, and on the balance sheet date they were adjusted to the exchange rates as published by the Czech National Bank as at 31 December.

Realized as well as unrealized exchange rate gains and losses were charged or credited, as appropriate, to income for the year.



Statutory financial statements

Recognition of Revenues and Expenses

Revenues and expenses are recognized on an accrual basis, that is, they are recognized in the periods in which the actual flow of the related goods or services occurs, regardless of when the related monetary flow arises. The Company recognizes as an expense any additions to reserves for or provisions against risks, losses or physical damage that are known as at the financial statements' date.

Income Tax

The corporate income tax expense is calculated based on the statutory tax rate and book income before taxes, increased or decreased by the appropriate permanent and temporary differences (e.g. non-deductible reserves and provisions, entertainment expenses, differences between book and tax depreciation, etc.).

The deferred tax position reflects the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for corporate income tax purposes, taking into consideration the period of realization.

Information as to the Units/Currencies Presented

- Intangible fixed assets – amounts are stated in CZK thousands.
- Accumulated amortization – amounts are stated in CZK thousands.
- Tangible fixed assets – amounts are stated in CZK thousands. Accumulated depreciation – amounts are stated in CZK thousands.
- Long-term financial investments – amounts are stated in CZK thousands. Subsidiaries and associates as at 31 December 2004 and 31 December 2003 are presented in thousands of local currency units, unless stated otherwise.
- Loans granted to, or received from, group companies are stated in CZK thousands.
- Movements in provision accounts are stated in CZK thousands.
- Amounts in the statement of changes in equity are presented in CZK thousands.
- The distribution of profit for 2003 and 2002 and proposed distribution of profit for 2004 are presented in CZK thousands.
- Movements in reserve accounts as at 31 December 2004 and 31 December 2003 are stated in CZK thousands.
- Amounts in the income tax section are presented in CZK thousands, unless stated otherwise.
- Deferred taxes pertaining to 2004 and 2003 are presented in CZK thousands, unless stated otherwise.
- Assets used in 2004 and 2003 under finance or operating lease are presented in CZK thousands, unless stated otherwise.
- The breakdown of revenues on ordinary activities is stated in CZK thousands.
- The breakdown of personnel expenses is stated in CZK thousands, unless stated otherwise.
- Salaries presented in the breakdown of personnel expenses represent gross salaries paid to executive officers – i.e. salaries before taxes and social and health insurance premiums paid by employees – these amounts are stated in CZK thousands.
- Social insurance presented in the breakdown of personnel expenses represents an expense covered by the employer – these amounts are stated in CZK thousands.



Statutory financial statements

- Loans granted to management are presented in CZK thousands.
- Guarantees granted to related parties are stated in thousands of local currency used by the company in whose favour the guarantee is issued.
- Short-term receivables from, and current payables to, related parties are presented in CZK thousands, unless stated otherwise.

d) Fixed Assets

Intangible Fixed Assets

Cost

	At beginning of year	Additions	Disposals	At end of year
Software	13,044	562	-1,264	12,342
Patents, royalties and similar rights	110	-	-	110
Other intangible fixed assets	195	211	-	406
Intangibles in progress	-	2,422	-773	1,649
2004 Total	13,349	3,195	-2,037	14,507
2003 Total	9,948	12,050	-8,649	13,349

Accumulated Amortization

	At beginning of year	Amortization of year	Disposals	At end of year	Net book value
Software	-3,878	-2,158	1,264	-4,772	7 570
Patents, royalties and similar rights	-64	-14	-	-78	32
Other intangible fixed assets	-172	-36	-	-208	198
Intangibles in progress	-	-	-	-	1 649
2004 Total	-4,114	-2,208	1,264	-5,058	9,449
2003 Total	-2,759	-1,355	-	-4,114	9,235

Patents, royalties and similar rights are amortized over their estimated useful lives.



Statutory financial statements

Tangible Fixed Assets

Cost

	At beginning of year	Additions	Disposals	At end of year
Land	21,539	-	-	21,539
Constructions	441,536	16,188	-24,795	432,929
Machinery and equipment	301,675	11,476	-6,135	307,016
Vehicles	48,938	199	-629	48,508
Furniture and fixtures	2,834	-	-	2,834
Other tangible fixed assets	21,381	631	-842	21 170
Tangibles in progress	11,600	73,174	-28,494	56 280
Advances for tangibles	376	1,292	-1,668	-
2004 Total	849,879	102,960	-62,563	890,276
2003 Total	806,361	111,908	-68,390	849,879

Accumulated Depreciation

	At beginning of year	Depreciation of year	Disposals	At end of year	Net book value
Land	-	-	-	-	21,539
Constructions	-65,283	-10,307	4,227	-71,363	361 566
Machinery and equipment	-186,637	-24,068	6,038	-204,667	102,349
Vehicles	-26,260	-4,617	628	-30,249	18,259
Furniture and fixtures	-965	-238	-	-1,203	1,631
Other tangible fixed assets	-15,524	-1,505	793	-16,236	4,934
Tangibles in progress	-	-	-	-	56,280
Advances for tangibles	-	-	-	-	-
2004 Total	-294,669	-40,735	11,686	-323,718	566,558
2003 Total	-257,208	-45,873	8,412	-294,669	555,210



Statutory financial statements

Long-term Financial Investments

Summary of changes in long-term financial investments:

	Balance as at 31/ 12/ 2003	Additions	Disposals	Revaluation 31/12/2004	Balance as at 31/12/2004
Subsidiaries	125,499	-	-	20,976	146,475
Other long-term investments	-	14,000	-	-	14,000
Total	125,499	14,000	-	20,976	160,475

The Company revalued its ownership interest in subsidiaries using the equity method (see Note c, paragraph Financial Assets) through Account 414 – Revaluation of assets and liabilities.

Other long-term investments include a loan granted by the Company to its vendor in 2004. The loan is secured by real property collateral. Pursuant to expert appraisals, the value of the building is CZK 20,395 thousand.

Subsidiaries and associates as at 31 December 2004 were as follows:

Name:	STOCK Export - Import, s. r. o.
Registered office as at 31 December 2004:	Palírenská 2, 326 00 Plzeň
Percentage of ownership:	100
Total assets:	141,429
Equity:	137,475
Basic capital and capital funds:	138,533
Funds created from profit:	-
Accumulated loss:	-13,458
Profit for the current year:	12,400
Acquisition cost of interest:	17,496
Nominal value of interest:	138,533
Intrinsic value of interest:	137,475
Dividends received during the year:	-
Name:	STOCK Slovakia s. r. o.
Registered office as at 31 December 2004:	Trnavská cesta 50, 821 02 Bratislava, Slovak Republic
Percentage of ownership:	100
Total assets:	118,111
Equity:	11,446
Basic capital and capital funds:	500
Funds created from profit:	-
Retained earnings:	40
Profit for the current year:	10,906



Statutory financial statements

Acquisition cost of interest: 500
Nominal value of interest: 500
Intrinsic value of interest: 11,446
Dividends received during the year: -

Subsidiaries and associates as at 31 December 2003 were as follows:

Name: STOCK Export - Import, s. r. o.
Registered office as at 31 December 2003: Palárenská 2/118, 326 00 Plzeň
Percentage of ownership: 100
Total assets: 360,364
Equity: 125,075
Basic capital and capital funds: 138,533
Funds created from profit: -
Accumulated loss: -41,459
Profit for the current year: 28,001
Acquisition cost of interest: 17,496
Nominal value of interest: 138,533
Intrinsic value of interest: 125,075
Dividends received during the year: -

Name: STOCK Slovakia s. r. o.
Registered office: Trnavská cesta 50, 821 02 Bratislava, Slovak Republic
Percentage of ownership: 100
Total assets: 111,150
Equity: 540
Basic capital and capital funds: 500
Funds created from profit: -
Accumulated loss: -3,466
Profit for the current year: 3,426
Acquisition cost of interest: 500
Nominal value of interest: 500
Intrinsic value of interest: 540
Dividends received during the year: -

Financial information about these companies was obtained from their standalone audited financial statements. The Company has concluded neither a control agreement nor an agreement on profit distribution with the above companies.



Statutory financial statements

e) Inventory

Excess, obsolete and slow moving inventory has been written down to its estimated net realizable value by a provision account. The provision is determined by management based on future utility analysis of inventory and its marketability (see Note g).

f) Receivables

Provisions against outstanding receivables were charged to income based on a receivable ageing analysis in 2004 and 2003, respectively (see Note g).

Receivables overdue for more than 180 days totalled CZK 57,274 thousand and CZK 57,599 thousand as at 31 December 2004 and 31 December 2003, respectively.

In addition, the Company wrote off irrecoverable receivables of CZK 6,113 thousand and CZK 386 thousand in 2004 and 2003, respectively, due to cancellation of bankruptcy proceedings, unsatisfying the claims in bankruptcy proceedings, etc.

In 2003 other receivables comprised in particular CZK 72,000 thousand deposited in the accounts of three customs offices. This amount represented security for excise duty under the Act No. 353/2003 Coll., on Excise Duties. As since 1 January 2004, STOCK Plzeň a. s. has operated three tax warehouses, the security for excise duty deposited in customs offices accounts was replaced by bank guarantees of CZK 85,000 thousand issued by ČSOB, in 2004.

In 2004 other receivables comprised in particular a loan to ECKES Spirituosen & Wein GmbH (see Note q).

Receivables from related parties (see Note q).

g) Provisions

Provisions reflect a temporary diminution in value of assets (see Notes e and f).

Changes in the provision accounts:

Provisions against:	Receivables - legal	Material	Finished products
Balance as at 31/ 12/ 2003	56,035	3,513	1,100
Additions	50,942	-	1,969
Deductions	-52,841	-3,513	-1,100
Balance as at 31/ 12/ 2004	54,136	-	1,969

Legal provisions are created in compliance with the Act on Reserves.

h) Other Assets

Prepaid expenses include in particular lease contracts and costs of IT system implementation, which are charged to income for the year in which they were incurred.



Statutory financial statements

i) Statement of Changes in Equity

The basic capital of the Company consists of 260,614 shares fully subscribed and paid, with a nominal value of CZK 1,000. Other capital funds consist of a portion of the loan waived by Konsolidační Banka, and of the revaluation of ownership interests under the equity method (see Note c, Financial Assets).

The movements in the capital accounts during 2004 and 2003 were as follows:

	Number of shares	Basic capital	Other capital funds	Legal reserve funds	Other funds	Retained earnings	Profit for the current year	Equity	Dividends paid from profit for the current year	Dividends paid from retained earnings
Balance as at										
31/ 12/ 02	260,614	260,614	84,390	52,123	1,160	1,120	354,233	753,640	-	-
Increase	-	-	27,901	-	1,313	300,797	398,438	728,449	-	-
Decrease	-	-	-	-	-1,309	-299,706	-354,233	-655,248	52,123	299,706
Balance as at										
31/ 12/ 03	260,614	260,614	112,291	52,123	1,164	2,211	398,438	826,841	-	-
Increase	-	-	20,976	-	1,393	344,922	188,048	555,340	-	-
Decrease	-	-	-	-	-1,348	-	-398,438	-399,787	52,123	-
Balance as at										
31/ 12/ 04	260,614	260,614	133,267	52,123	1,209	347,133	188,048	982,394	-	-

The Annual General Meeting held on 25 June 2004 approved the following profit distribution for 2003:

Profit for 2003	398,438
Allocation to social fund	-1,393
Dividends	-52,123
Undistributed profits added to retained earnings	344,922



Statutory financial statements

The Annual General Meeting held on 20 June 2003 approved the following profit distribution for 2002:

Profit for 2002	354,233
Allocation to social fund	-1,313
Allocation to legal reserve fund	-
Dividends	-52,123
Undistributed profits added to retained earnings	300,797

The Extraordinary General Meeting held on 13 October 2003 approved the payment of dividends of CZK 1,150 per share from retained earnings. Thus, the Company paid dividends totalling CZK 351,829 thousand in 2003.

Proposed distribution of profit for the current year is as follows:

Profit for 2004	188,048
Allocation to social fund	-1,361
Dividends	-52,123
Undistributed profit added to retained earnings	134,564

j) Reserves

The movements in the reserve accounts were as follows:

Reserves	Other
Balance as at 31/ 12/ 2003	9,422
Additions	943
Deductions	-9,422
Balance as at 31/ 12/ 2004	943

Other reserves were created in particular to cover excise tax related to the sale of obsolete inventory and of finished products approaching the expiration date.

k) Current Liabilities

The Company had no overdue current payables as at 31 December 2004 and 2003, respectively.

Payables to related parties (see Note q).

l) Other Liabilities

Accruals as at 31 December 2003 included in particular bonuses related to 2003, but paid to Company executives in 2004. No bonuses were provided in this form in 2004.



Statutory financial statements

m) Income Tax

	2004	2003
Profit before taxes	267,198	541,994
Non-taxable revenues		
Differences between book and tax depreciation	-9,125	-1,928
Other	-16,284	-3,217
Non-deductible expenses		
Creation of provisions	1,969	4,613
Creation of reserves	943	9,422
Other (e.g. entertainment expenses, shortages and losses)	24,138	24,760
10% relief on tangibles	-214	-367
Gifts	-2,852	-2,433
Taxable income	265,773	572,844
Current income tax rate	28%	31%
Tax relief	-204	-28,368
Current tax expense	74,212	149,213

No additional tax was assessed to the Company by the Financial Authorities in 2004 and 2003, respectively.

In 2003, tax relieves comprised in particular one half of the tax withheld on dividends during the tax period. This type of tax relief may not be claimed any more in 2004.

The Company recorded deferred taxes as follows:

Deferred tax items	2004		2003		
	Base for 2004	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Difference between net book value of fixed assets for accounting and tax purposes	-51,252	-	-12,300	-	-10,446
Other temporary differences:					
Provision against inventory	1,969	512	-	1,264	-
Reserves (short-term)	-	-	-	1,847	-
Reserves (long-term)	963	250	-	734	-
Total	-48,320	762	-12,300	3,845	-10,446
Net	-	-	-11,538	-	-6,601

In 2004 and 2003, the deferred tax on short-term reserves was set at the rate of 26% and 28%, respectively. The deferred tax on long-term reserves was set at the rate of 26%.



Statutory financial statements

The Company recognized a deferred tax liability on the basis of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for corporate income tax purposes, while taking into consideration the period of realization.

n) Leases

Assets which are being used by the Company under operating leases as at 31 December 2004 and 31 December 2003 consist of the following:

Description	Conditions	Expense in 2004	Expense in 2003	Cost
Passenger cars	36 months	12,094	10,555	39,344

Assets which are being used by the Company under finance leases (i.e. the assets are transferred to the Company when the lease term expires) as at 31 December 2004 and 31 December 2003 consist of the following:

Description	Terms / Conditions	Total lease	Remaining payments as at 31/12/2004			
			Payments made as at 31/12/2004	Payments made as at 31/12/2003	Due within one year	Due over one year
Passenger cars	36 months	3,929	3,929	3,929	-	-
Machinery	36 months	52,045	52,045	49,588	-	-

o) Revenues

The breakdown of revenues on ordinary activities is as follows:

	2004	2003
Spirits - finished products	1,124,037	1,645,988
Goods	288,053	8,074
Other	51,195	3,816
Total revenues	1,463,285	1,658,508



Statutory financial statements

p) Personnel and Related Expenses

The breakdown of personnel expenses is as follows:

	2004		2003	
	Total personnel	Members of managerial bodies	Total personnel	Members of managerial bodies
Average number of employees	180	10	179	10
Wages and salaries	68,025	17,357	69,694	15,325
Social security and health insurance	23,793	6,075	24,349	5,364
Social cost	2,627	521	2,599	460
Bonuses to members of Company bodies	360	-	500	-
Total personnel expenses	94,805	23,953	97,142	21,149

Managerial bodies include members of the Board of Directors, top executives and middle management.

q) Related Party Information

Loans, guarantees, advances and other benefits granted to the members and former members of statutory and supervisory bodies and to directors and executive officers as at 31 December consisted of the following:

Related party	2004	2003
Radek Svoboda (Board of Directors' member until 14 October 2004)	445	494
Helena Sequensová (executive officer)	-	82
Total	445	576

Other benefits consist of the use of company cars for private purposes.

Guarantees granted to related parties as at 31 December:

Guarantees for	2004	2003
STOCK Slovakia s. r. o. (in thousands SKK)	27,000	12,000

The guarantee for STOCK Slovakia s. r. o., issued in favour of Tatra banka, a. s., is valid for an indefinite period of time. The guarantee is not recorded on the balance sheet.

The Company sells products and provides services to related parties, in particular to its subsidiaries, STOCK Export – Import, s. r. o. and STOCK Slovakia s. r. o., to which the Company sold a total of 2.8 million litres of spirits in 2004.



Statutory financial statements

Sales (of finished products, goods and services) to related parties amounted to CZK 214,517 thousand and CZK 446,905 thousand in 2004 and 2003, respectively.

Short-term receivables from related parties as at 31 December were as follows:

Related party	2004	2003
STOCK Export-Import, s. r. o. – operations	-	235,185
STOCK Slovakia s. r. o.	38,016	505
STOCK Trade d. o. o.	373	-
ECKES Spirituosen & Wein GmbH (loan including interest)	230,101	-
Total	268,490	235,690

The Company purchases products and receives services from related parties in the ordinary course of business. In 2004 and 2003, purchases (of raw materials, goods, services, plus interest) were CZK 42,581 thousand and CZK 47,397 thousand.

Loans to group companies as at 31 December (excluding interest):

Company	Terms	Interest rate	2004	2003
ECKES Spirituosen & Wein GmbH	23/ 12/ 2004 – 30/ 4/ 2005 *)	2.7% p.a.	230,000	-
ECKES AG	23/ 12/ 2002 – 10/ 1/ 2003	1M PRIBOR + 0.8% p.a.	-	200,000

*) of which CZK 180,000 thousand were repaid on 7 January 2005

Short-term payables to related parties as at 31 December were as follows:

Related party	2004	2003
STOCK Export - Import, s. r. o. – financial (loan including interest)	131,216	-
STOCK Export – Import, s. r. o. – operations	2,721	619
ECKES & STOCK International GmbH	-	254
ECKES Spirituosen & Wein GmbH	306	-
STOCK Austria Gesellschaft m.b.H	-	4



Statutory financial statements

Related party	2004	2003
Mönchthal Personal - Service und Leasing GmbH	-	1,102
ECKES & STOCK GmbH – operations	606	-
ECKES & STOCK GmbH – unpaid dividends	49,629	-
Total	184,478	1,979

Loans from group companies as at 31 December (excluding interest):

Company	Terms	Interest rate	2004	2003
STOCK Export – Import, s. r. o.	6/ 10/ 2004 –			
	5/ 10/ 2005	2.1% p.a.	131,000	-

The Company has neither overdue receivables nor liabilities.

The parent company of the group, STOCK Plzeň a. s., prepares consolidated financial statement in accordance with IFRS. The estimated impact of consolidation would be an increase in total assets by CZK 729,474 thousand, an increase in equity by CZK 6,440 thousand, and an increase of the profit for the current year by CZK 72,153 thousand.

r) Statement of Cash Flows

See attached form.



1. INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report to the Shareholders of STOCK Plzeň Group:

We have audited the accompanying consolidated balance sheet of STOCK Plzeň Group and its subsidiaries as of 31 December 2004 and the related statement of income, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the consolidated financial statements give a true and fair view of the financial position of STOCK Plzeň Group as at 31 December 2004, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Ernst & Young ČR, s. r. o.

Prague, Czech Republic

28. ledna 2005

2. CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	31. 12. 2004	31. 12. 2003
Revenue	c)	3,351,400	3,703,015
Other operating income	-	7,847	1,811
Changes in inventories of finished goods and work in progress	-	8,404	-2,474
Work performed by the enterprise and capitalised	-	1,987	3,014
Raw material and consumables used	c)	-2,467,881	-2,602,657



Consolidated Financial Statements

	Notes	31. 12. 2004	31. 12. 2003
Staff costs	c)	-102,699	-101,628
Depreciation and amortisation expense	g)	-37,721	-64,004
Other operating expenses	c)	-383,600	-390,156
Profit from operations	-	377,737	546,921
Finance (costs) / income, net	c)	-13,758	-8,371
Profit before income tax	-	363,979	538,550
Income tax expense	d)	-103,778	-144,452
Profit after tax	-	260,201	394,098
Net profit or loss from ordinary activities	-	260,201	394,098
Extraordinary items	-	-	-
Net profit for the period	-	260,201	394,098
Earnings per share:			
Basic (CZK per share)	e)	998	1,512
Fully diluted (CZK per share)	e)	998	1,512

3. CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2004

	Notes	31. 12. 2004	31. 12. 2003
Assets			
Non-current assets:			
Property, plant and equipment	g)	605,175	581,303
Intangible assets	h)	32	46
Deferred tax asset	d)	1,060	16,254
Other non-current assets	-	14,000	2,930
Total non-current assets	-	620,267	600,533
Current assets:			
Inventories	i)	1,113,492	860,846
Trade and other receivables	j)	743,261	580,879
Prepayments and other current assets	-	12,952	75,723
Cash and cash equivalents	k)	39,404	145,896
Total current assets	-	1,909,109	1,663,344
Total Assets	-	2,529,376	2,263,877
Liabilities and Shareholders' Equity			
Current liabilities:			
Trade and other payables	m)	654,883	668,595



Consolidated Financial Statements

	Notes	31. 12. 2004	31. 12. 2003
Other accrued liabilities	-	65,336	201,760
Income tax payable	d)	3,888	3,673
Current portion of lease payables	-	6,379	12,590
Provisions	-	788,409	583,293
Total current liabilities	-	1,518,895	1,469,911
Non-current liabilities:			
Provisions	n)	-	2,826
Deferred income tax liabilities	-	14,814	6,601
Non-current portion of lease payables	-	6,833	3,559
Total non-current liabilities	-	21,647	12,986
Shareholders' equity:			
Issued capital	-	260,614	260,614
Other retained earnings restricted in use	-	56,748	56,748
Retained earnings	-	411,271	69,520
Current year profit	-	260,201	394,098
Total shareholders' equity	-	988,834	780,980
Total Liabilities and Shareholders' Equity	-	2,529,376	2,263,877

4. CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2004

	31. 12. 2004	31. 12. 2003
Cash flows from operating activities:		
Net profit before income taxes	363,979	538,550
Adjustment for:		
Depreciation and amortisation expense	37,721	64,004
Changes in provisions	-6,613	450
Interest, net	-1,815	-2,217
Gain / loss on disposal of property, plant and equipment	-187	515
Operating cash flow before working capital changes	393,085	601,302
Increase in trade and other receivables	-155,483	-177,710
Increase in inventories	-250,002	-12,176
Decrease in trade and other payables	-13,712	-23,765
(Increase) / decrease in financial assets	-14,000	200,224
(Increase) / decrease in other assets	138,824	-70,392



Consolidated Financial Statements

	31. 12. 2004	31. 12. 2003
(Decrease) / increase in other accrued liabilities	-6,107	2,853
(Decrease) / increase in other liabilities and provisions	202,290	-75,218
Cash generated from operations	294,895	445,118
Interest paid	-890	-3,644
Income taxes paid	-156,209	-176,612
Net cash flows (used in)/from operating activities	137,796	264,862
Cash flows from investing activities:		
Purchase of fixed assets and intangible assets	-61,614	-57,717
Proceeds from disposal of property, plant and equipment	222	1,447
Interest received	2,705	5,861
Net cash flows used in investing activities	-58,687	-50,409
Cash flows from financing activities:		
Payment of finance lease liabilities	-2,937	-9,586
Dividends paid	-182,440	-217,193
Net cash flows from financing activities	-185,377	-226,779
Net increase in cash and cash equivalents	-106,268	-12,326
Net foreign exchange difference	224	-67
Cash at the beginning of the year	145,896	158,155
Cash at the end of the year	39,404	145,896

5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2004

	Share capital	Retained earnings	Other retained earnings restricted in use	Total
Balance as at 1 January 2003	260,614	421,416	56,748	738,778
Dividends paid	-	-351,829	-	-351,829
Net profit 2003	-	394,098	-	394,098
Currency translation adjustment	-	-67	-	-67
Currency translation adjustment	260,614	463,618	56,748	780,980



Consolidated Financial Statements

	Share capital	Retained earnings	Other retained earnings restricted in use	Total
Dividends paid	-	-52,123	-	-52,123
Net profit 2004	-	260,201	-	260,201
Currency translation adjustment	-	-224	-	-224
Zůstatek k 31. 12. 2004	260,614	671,472	56,748	988,834

6. NOTES TO THE FINANCIAL STATEMENTS

a) Corporate information

STOCK Plzeň a. s. ("the Company" or "the parent company") is a joint stock company incorporated under the laws of the Czech Republic. The Company was incorporated on 27 March 1991 and its registered office is located at Palírenská 2, Plzeň – Božkov, Czech Republic. The Company is a parent company of STOCK Plzeň Group ("the Group"), which is primarily engaged in beverage alcohol business.

The shareholders of the parent company who hold a 10% or more interest in the parent company's basic capital:

- ECKES & STOCK GmbH: 95,22%
- Small shareholders and funds

The consolidated financial statements of the Group for the year ended 31 December 2004 were authorized for issue in accordance with a resolution of the Board of Directors on 23 February 2005.

b) Summary of significant accounting policies

Accounting convention

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), which comprise standards and interpretations approved by the International Accounting Standards Board ("IASB"), and International Accounting Standards ("IAS") and Standing Interpretations Committee interpretations ("SIC") approved by the International Accounting Standards Committee ("IASC") that remain in effect.

The parent company and consolidated subsidiaries maintain their books and records in accordance with accounting principles and practices mandated by the Czech and Slovak laws. The accompanying financial statements reflect certain adjustments and reclassifications not recorded in the accounting records of the parent company and consolidated subsidiaries in order to transfer the Czech and Slovak statutory balances to financial statements prepared in accordance with International Financial Reporting Standards (IFRS). The adjustments and reclassifications are summarized in Note q.



Consolidated Financial Statements

The accounts of the Group are presented in thousands of Czech Crowns (CZK thousands). The accounts of the individual companies, which have been included in the consolidation, are maintained in the currencies as indicated and converted into Czech Crowns using the policy as described in Note "Foreign currency transactions".

Adoption of new International Financial Reporting Standards

In 2003, the Group has adopted the International Financial Reporting Standards for the first time.

Standard Interpretations Committee interpretation number 8 ("SIC-8") was used in preparation of 2003 financial statements, i.e. the financial statements of an enterprise should be prepared and presented as if the financial statements had always been prepared in accordance with the Standards effective for the period of transaction.

The International Accounting Standards Board (IASB) introduced many changes to the International Financial Reporting standards and issued new standards and interpretations during 2003 and 2004 that will be valid from 1 January 2005 or later. Therefore, it is possible that the IFRS financial statements for the year ended 31 December 2005 or later will contain comparative data for the year 2004 that will differ from the data presented in these financial statements. The Company is currently assessing the impact that new or revised standards will have on the Group accounting policies and financial data presented.

Measurement currency

Based on the economic substance of the underlying events and circumstances relevant to the Group, the measurement currency of the Group has been determined to be Czech Crowns (CZK).

Basis of consolidation

STOCK companies are those companies in which the Company has a controlling financial interest through direct and indirect ownership of a majority voting interest or effective managerial and contractual control. The accompanying consolidated financial statements include the accounts of all of the companies comprising the Group. All material intercompany accounts and transactions have been eliminated on consolidation.

The Company has consolidated the following investments in which it has a controlling financial interest through direct and indirect ownership of a majority voting interest at 31 December:

	Ownership % in 2004	Ownership % in 2003
STOCK Export – Import, s. r. o.	100%	100%
STOCK Slovakia s. r. o.	100%	100%

STOCK Export – Import, s.r.o. have been included in the consolidated financial statements using the purchase method of accounting. STOCK Slovakia s.r.o. was established as a greenfield operation.

Foreign currency transactions

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.



Consolidated Financial Statements

The assets and liabilities of overseas subsidiary are translated at the rate of exchange ruling at the balance sheet date. The income statement of overseas subsidiary is translated at weighted average exchange rates for the year. The exchange differences arising on the retranslation are taken directly to equity.

Property, plant and equipment

Property, plant and equipment are stated at purchase price or production cost less accumulated depreciation and any impairment in value.

Improvements, which prolong the useful life or significantly improve the condition of the asset are capitalised.

Maintenance and repairs are recognised as an expense in the period in which they are incurred.

Freehold land is not depreciated.

ODepreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

	Years
Buildings	20,45
Plant and equipment	4,10
Vehicles	8,10
Furniture and fixtures	8,10

The cost of properties retired or otherwise disposed of, together with the accumulated depreciation provided thereon, is eliminated from the accounts. The net gain or loss is recognised as other operating income or expense.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognised in the income statement.

Goodwill

Negative goodwill represents the excess of the fair value of the Group's share of the net assets of the acquired subsidiary over the cost of the acquisition and is reported in the balance sheet as a deduction from the assets of the Company. In the absence of acquired non-monetary asset over which remaining useful life the negative goodwill should be amortized, the negative goodwill was fully recorded to the income statement at the date of acquisition of the subsidiary STOCK Export – Import, s. r. o. in 1998. The amortization is therefore reflected in retained earnings.

Intangible assets

Intangible assets acquired separately from a business are capitalised at cost. Intangible assets created within the business are not capitalised and expenditure is charged against profits in the year in which it is incurred.



Consolidated Financial Statements

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials:	purchase cost being determined on the weighted average method including the excise duty.
Work-in-progress:	cost of direct materials, labour and excise duty and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.
Finished products:	cost of direct materials, labour and excise duty and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.
Goods:	purchase cost being determined on the weighted average method including the excise tax.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Trade and other receivables

Trade receivables, which generally have 14 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectable amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Cash

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.



Consolidated Financial Statements

Pensions

The Group, in the normal course of business, makes contributions into the Czech and Slovak state plans. The Group does not operate any other pension scheme or post retirement benefit plan, and consequently, has no legal or constructive obligation to make further contributions if the funds do not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalised leased assets are depreciated over the estimated useful life of the asset.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Excise duty

The Group companies are obliged to pay the excise duty from spirits in accordance with the Czech and Slovak legislation. The excise duty is normally payable in 40 days term after the end of the month in which the spirit was sold. However, the obligation to pay the excise duty exists regardless the actual method of consumption of the spirit (e.g. sale, gift, theft, damage, etc.). Therefore, the obligation to pay the excise duty in fact exists already at the time of buying of the inventory being liable to the excise tax.

As a result, the excise duty is already reflected in the Inventory account with corresponding entry on liability or the provision account based on the nature of the obligation. The amount of the excise duty resulting from already realized sales and based on the tax return delivered to the tax authorities is shown as a liability. The estimated excise duty to be imposed on the inventory when sold is shown as a provision. Accordingly, the excise duty is recorded in the income statement in captions of "Revenue" and "Raw material and consumables used". Relevant disclosures are made in the Notes c, i and m, to show the amount of excise duty included in the income statement for the period.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of finished goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably. Revenue includes the excise duty.



Consolidated Financial Statements

Interest

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset).

Income tax

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Earnings per share

Basic earnings per share data is calculated based on the weighted average number of shares outstanding during the period. Fully diluted earnings per share is calculated based on the weighted average number of shares outstanding as calculated for basic earnings per share and as adjusted for giving effect to the assumed issuance of all potentially dilutive instruments. Net income is adjusted in the fully diluted earnings per share calculation for any income or expense associated with the potentially dilutive instruments. At 31 December 2004 and 2003 there were no potentially dilutive instruments in issue.

Segment reporting

The Group has identified only one distinguishable business segment engaged in the beverage alcohol business. The Group supplies its products to customers in similar economic environments, which bear similar risks and rewards and which do not constitute different geographical segments.

Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts. The recoverable amount is estimated as the higher of net selling price and value in use. Where carrying values exceed this estimated recoverable amount the assets are written down to their recoverable value.

Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.



Consolidated Financial Statements

A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

Subsequent events

Post-year-end events that provide additional information about a Group's position at the balance sheet date (adjusting events), are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes when material.

c) Revenues and expenses

Revenue

	31. 12. 2004	31. 12. 2003
Revenue from sale of finished products	1,288,869	1,587,240
Revenue from sale of services	56,138	6,137
Revenue from goods sold	316,281	15,673
Excise duty	1,690,112	2,093,965
Total Revenue	3,351,400	3,703,015

Raw material and consumables used and goods sold

	31. 12. 2004	31. 12. 2003
Consumption of material	494,701	498,830
Excise duty	1,690,112	2,093,965
Goods sold	283,068	9,862
	2,467,881	2,602,657

Staff costs

	31. 12. 2004	31. 12. 2003
Wages and salaries	72,909	73,010
Bonuses to members of executive bodies of companies	420	560
Legal social insurance	25,104	25,307
Other social insurance	103	51
Statutory social expenses	2,225	2,094
Other social expenses	1,938	606
	102,699	101,628



Consolidated Financial Statements

Other operating expenses

	31. 12. 2004	31. 12. 2003
Advertisement	233,865	236,033
Transport	32,218	35,517
Consumption of energy	5,621	6,166
Repairs and maintenance	6,365	7,770
Travel expenses	5,488	4,496
Creation of provisions	943	13,152
Other	99,100	86,355
Total other operating expenses	383,600	389,489

Net finance costs/ (income)

	31. 12. 2004	31. 12. 2003
Interest	-890	-3,644
Sold securities and shares	-	-
Exchange rate losses	-3,942	-3,090
Other financial expenses	-12,427	-8,033
Creation of financial reserves	-	-2,004
Total finance cost	-17,259	-16,771
Interest	2,705	5,720
Revenues from sales of securities and shares	-	-
Exchange rate gains	702	2,214
Income from short-term financial assets	45	141
Other financial revenues	49	241
Settling of other revenues	-	-
Settling of financial reserves	-	84
Total finance income	3,501	8,400
Total finance cost / income	-13,758	-8,371

d) Income tax

The tax rate in the Czech Republic valid for 2004 is 28% and for 2003 was 31%. It will be reduced to 26% in 2005 and to 24% in 2006. The tax rate in the Slovak Republic valid for 2004 is 19% and for 2003 was 25%.



Consolidated Financial Statements

Major components of income tax expense for the years ended 31 December are:

	31. 12. 2004	31. 12. 2003
Consolidated income statement		
Current income tax	80,376	152,280
Deferred income tax	23,402	-7,828
Income tax expense reported in consolidated income statement	103,778	144,452

A reconciliation of income tax expense applicable to profit from operating activities before income tax at the parent's statutory income tax rate to income tax expense at the Group's effective income tax rate for the years ended 31 December was as follows:

	31. 12. 2004	31. 12. 2003
Profit from operating activities before income tax	363,979	539,217
Tax at statutory income tax rate of 28% (2003: 31%)	101,914	167,156
Effect of different income tax rates of other countries	-2,388	-460
Effect on opening deferred income tax of reduction in income tax rates	-393	-2,545
Adjustments in respect of current income tax of previous periods	-211	-
Tax effect of non-deductible expenses and non-taxable revenues	4,856	-19,699
Tax expense	103,778	144,452
Effective tax rate	29%	27%

There were no additional tax assessments assessed by the Financial Authorities in 2004 and 2003, respectively.

The 2003 tax reliefs comprise in particular the amount of one half of the tax deducted within tax period for paid out dividends.

Deferred income tax as at 31 December 2004 relates to the following:

Deferred tax items	Base	Tax rate	Deferred tax asset	Deferred tax liability
Difference between net book value of fixed assets for accounting and tax purposes	-67,006	24%*	16	-16,102
Other temporary differences:				
Allowance against receivables	537	26%*	129	-
Allowance against inventory	1,969	26%*	512	-
Provisions				
- short-term	3,495	26%*	731	-



Consolidated Financial Statements

Deferred tax items	Base	Tax rate	Deferred tax asset	Deferred tax liability
- long-term	-	-	-	-
Consolidation adjustments				
- unrealized profit on inventories	1,695	26%*	340	-
- other adjustments	2,028	26%*	527	-
Tax loss of previous years	491	19%	93	-
Total	-56,791	-	2,348	-16,102
Offset **	-	-	-1,288	1,288
Deferred tax recognized	-	-	1,060	14,814

Deferred income tax as at 31 December 2003 relates to the following:

Deferred tax items	Base	Tax rate	Deferred tax asset	Deferred tax liability
Difference between net book value of fixed assets for accounting and tax purposes	-43,488	28%*	7	-10,446
Other temporary differences:				
Allowance against receivables	-	28%*	-	-
Allowance against inventory	4,807	28%*	1,301	-
Provisions				
- short-term	7,989	28%*	2,112	-
- long-term	2,826	26%*	734	-
Consolidation adjustments				
- unrealized profit on inventories	50,090	28%*	14,025	-
- other adjustments	2,543	28%*	712	-
Tax loss of previous years and year 2003	3,671	28%*	1,208	-
Total	28,438	-	20,099	-10,446
Offset **	-	-	-3,845	3,845
Deferred tax recognized	-	-	16,254	-6,601

* 19% for STOCK Slovakia s. r. o.

** Gross deferred tax assets and liabilities were offset for each individual subsidiary of the Group.

e) Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is calculated by



Consolidated Financial Statements

dividing the net profit attributable to ordinary shareholders (after deducting interest on the convertible redeemable preference shares) by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of dilutive options and dilutive convertible redeemable preference shares). At 31 December 2004 and 2003 there were no potentially dilutive securities in issue.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Year ended 31 December	
	2004	2003
Weighted average shares (pcs)	260,614	260,614
Net income used in calculating earnings per share (CZK th)	260,201	394,098
Basic earnings per share (CZK)	998	1,512
Fully diluted earnings per share (CZK)	998	1,512

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

f) Retained earnings / Dividends paid and proposed

Retained earnings available for distribution are based on the financial statements of the Company prepared in accordance with the Law on Accounting in force in the Czech Republic and in the Slovak Republic, as opposed to these financial statements, which are prepared under International Financial Reporting Standards. The distributable reserves at 31 December 2004 amount to CZK 671,642 thousand.

The Annual General Meeting held on 25 June 2004 approved the profit distribution for 2003 of CZK 52,123 thousand.

The Annual General Meeting held on 20 June 2003 approved the profit distribution for 2002 of CZK 52,123 thousand. In addition, the extraordinary General Meeting held on 13 October 2003 approved the decision to pay dividends out of undistributed profits of previous years in the amount of CZK 1,150 per share. Thus, the Company allocated on dividends the amount of CZK 351,829 thousand in 2003.

The Group plans the profit distribution of CZK 52,123 thousands from the 2004 profit. This profit distribution was not approved till the date when the financial statements were authorized for issue.

g) Property, plant and equipment

	Freehold land and buildings	Plant and equipment	Construction in progress	Total
1 January 2003 net book value	375,547	191,292	16,812	583,651
Additions	-	-	72,107	72,107
Transfers	32,833	44,110	-76,943	-
Disposals and adjustments	-646	-9,930	-	-10,576
Depreciation charge	-942	-53,937	-	-63,879
31 December 2003 net book value	397,792	171,535	11,976	581,303



Consolidated Financial Statements

	Freehold land and buildings	Plant and equipment	Construction in progress	Total
Additions	-	7,420	75,220	82,640
Transfers	16,188	13,079	-29,267	-
Disposals and adjustments	-20,568	-493	-	-21,061
Depreciation charge	-10,737	-26,970	-	-37,707
31 December 2004 net book value	382,675	164,571	57,929	605,175

Current year depreciation is lower due to a correction of depreciation relating to the revision of a useful life of one of the production line in the amount of CZK 22,607 thousands.

	Freehold land and buildings	Plant and equipment	Construction in progress	Total
As at 31 December 2004				
Cost	454,468	457,481	57,929	969,878
Accumulated depreciation	-71,793	-292,910	-	-364,703
Net book value	-382,675	164,571	57,929	605,175
As at 31 December 2003				
Cost	463,075	457,023	11,976	932,074
Accumulated depreciation	-65,283	-285,488	-	-350,771
Net book value	-397,792	171,535	11,976	581,303

Fully depreciated assets

Included in property, plant and equipment as at 31 December 2004 and 2003, respectively is plant and equipment with a cost value of CZK 141,062 thousand (2003: CZK 107,896 thousand) which is fully depreciated, but remains in use.

h) Intangible assets

	Other intangibles	Total
1 January 2003 net book value	60	60
Additions	111	111
Disposals and adjustments	-	-
Amortization charge	-125	-125
31 December 2003 net book value	46	46
Additions	-	-
Disposals and adjustments	-	-
Amortization charge	-14	-14
31 December 2004 net book value	32	32



Consolidated Financial Statements

	Goodwill	Other intangibles	Total
As at 31 December 2004			
Cost	24,058	221	24,279
Accumulated amortization	-24,058	-189	-24,247
Net book value	-	32	32
As at 31 December 2003			
Cost	24,058	221	24,279
Accumulated amortization	-24,058	-175	-24,233
Net book value	-	46	46

i) Inventories

	31. 12. 2004	31. 12. 2003
Raw materials	290,224	251,797
- of which excise duty	-227,012	-187,319
Work-in-progress	415,993	372,392
- of which excise duty	-362,957	-315,999
Finished goods	134,728	228,718
- of which excise duty	-93,665	-73,195
Purchased goods	274,516	12,552
- of which excise duty	-107,546	-2,586
Adjustment to material	-	-3,513
Adjustment to finished goods	-1,969	-1,100
Inventory, net	1,113,492	860,846

j) Trade and other receivables (current)

	31. 12. 2004	31. 12. 2003
Trade accounts receivable	488,279	584,636
Advances granted	2,600	15,828
Other receivables	231,407	4,685
Value added tax receivable	7	18,542
Excise tax receivable	-	19,926
Income tax advances paid	79,737	-
	802,030	643,617
Less allowance for impairment	-58,769	-62,738
Accounts receivable, net	743,261	580,879

k) Cash and cash equivalents

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.



Consolidated Financial Statements

l) Share capital

As at 31 December 2004 and 2003, the Company had 260,614 issued shares fully subscribed with a nominal value of CZK 1,000 each.

m) Trade and other payables

As at 31 December 2004 and 2003, trade and other payables are comprised of the following:

	31. 12. 2004	31. 12. 2003
Trade payables	145,899	118,533
Unbilled deliveries	6,327	4,340
Other payables	36,564	12,365
Value added tax payable	70,781	118,947
Excise tax payable	395,312	414,410
Total trade and other payables	654,883	668,595

For information regarding payables to related parties, see Note p).

n) Provisions

As described in Note b, paragraph "Excise duty", as at 31 December 2004 and 2003, the Group created the provisions on the excise tax for the specific kind of inventory liable to the excise tax.

o) Commitments and contingencies

Finance lease and hire purchase commitments

Future minimum lease payments under finance leases and hire purchase contracts together with the present value of the net minimum lease payments are as follows:

	2004		2003	
	Minimum payments	Present minimum value of payments	Minimum payments	Present minimum value of payments
Within one year	6,928	6,379	12,590	9,804
After one year but not more than five years	7,127	6,833	3,559	2,687
Total minimum lease payments	14,055	-	16,149	-
Less amounts representing finance charges	-843	-	-3,658	-
Present value of minimum lease payments	13,212	13,212	12,491	12,491



Consolidated Financial Statements

p) Related party disclosures

The following transactions have been entered into with related parties:

Related party		Sales to related parties	Purchases from related parties	Amounts owed	Amounts
				by related parties	owed to related parties
ECKES AG	2004	-	-	-	-
	2003	178	1,230	100	-
ECKES & STOCK International GmbH	2004	-	1,822	-	50,235
	2003	244	-	-	250
ECKES Spirituosen & Wein GmbH	2004	101**	306	230,000*	306
	2003	-	-	-	-
STOCK Trade d. o. o.	2004	950	-	373	-
	2003	-	-	-	-
STOCK Austria Gesellschaft m. b. H	2004	91	830	-	-
	2003	88	769	-	4
STOCK S.p.A. Italy	2004	17	2,174	-	-
	2003	-	1,303	-	-
Mönchthal Personal-Service und Leasing GmbH	2004	-	2,423	-	-
	2003	-	4,144	-	1,102
Nordbrand Nordhausen GmbH	2004	-	8,765	-	-
	2003	-	5,767	-	-
ECKES Finanzanlagen GmbH (formerly Eckes Beteiligungs-GmbH)	2004	-	-	-	-
	2003	293	-	-	-

* loan

** interest

Sales to and purchases from related parties are made at normal market prices.

Remuneration of the members of managerial bodies:

	2004	2003
Members of managerial bodies	25,004	21,209



Consolidated Financial Statements

q) Reconciliation of statutory accounts to IFRS financial statements

The accompanying financial statements are presented on the basis of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board. Certain accounting principles generally accepted in the Czech Republic and in the Slovak Republic do not conform to International Financial Reporting Standards used in preparing the accompanying financial statements. A description of the significant adjustments required to transform the Group's statutory balances to financial statements prepared in accordance with International Financial Reporting Standards is set forth in the following tables.

The effect of differences between IFRS and statutory accounts on net assets and profit for the period ended 31 December 2004 is as follows:

31 December 2004 reconciliation	Net Assets	Profit
31 December 2004 consolidated statutory accounts	981,016	248,600
Adjustments	7,818	11,601
2004 IFRS consolidated financial statements	988,834	260,201

The effect of differences between IFRS and statutory accounts on net assets and profit for the period ended 31 December 2003 is as follows:

31 December 2003 reconciliation	Net Assets	Profit
31 December 2003 consolidated statutory accounts	779,252	392,370
Adjustments	1,728	1,728
2003 IFRS consolidated financial statements	780,980	394,098



Report of the statutory body of Stock Plzeň a. s.
pursuant to the provisions of section 66A of the Commercial code

1. REPORT ON RELATIONS WITH RELATED PARTIES

a) Section I.

Entities in the holding

Controlled person

STOCK Plzeň a. s.
Registered office in Plzeň, Palírenská 2
Reg. no. [IČO]: 14706563
(Hereinafter referred to as the "Controlled Person")

Controlling person

ECKES & STOCK GmbH, with its registered office in the Federal Republic of Germany in Nieder-Olm, Ludwig-Eckes-Allee 6. This company owns 95.22% of the shares in STOCK Plzeň a.s. The principal business of this company is the management of ownership interests. The original name of the company, ECKES Finanzanlagen GmbH, was changed under a decision adopted by its general meeting held on 13 October 2003. The change of name was registered by the court that maintains the companies register on 15 October 2003. (Hereinafter referred to as the "Controlling Person")

Other related parties

(This report only mentions related parties within the ECKES AG holding which are known to the controlled person and with which STOCK Plzeň a. s. and its subsidiaries engaged in business in 2004)

STOCK Export-Import, s. r. o. with its registered office in Plzeň, Palírenská 2/118, district of Plzeň, Postcode 326,00, Reg. No. [IČO]: 60488506. This company is a fully-owned subsidiary of STOCK Plzeň a.s.

STOCK Slovakia s. r. o. with its registered office in the Slovak Republic at Bratislava 821,02, Trnavská cesta 50, Reg. No. [IČO]: 35,842,075. This company came into existence on 15 August 2002 and is a fully-owned subsidiary of STOCK Plzeň a. s. The company's principal business is particularly the purchase of finished goods for the purposes of resale, and the provision of advertising and marketing services.

ECKES AG with its registered office in the Federal Republic of Germany in Nieder-Olm, Ludwig-Eckes-Allee 6. This company owns, among other assets, 100% of the shares in ECKES & STOCK GmbH. The principal business of this company is the management of ownership interests

Mariacron zu Oppenheim am Rhein GmbH (formerly ECKES & STOCK International GmbH) with its registered office in the Federal Republic of Germany in Nieder-Olm, Ludwig-Eckes-Allee 6. This company is fully owned by ECKES &



Report of the statutory body of Stock Plzeň a. s.
pursuant to the provisions of section 66A of the Commercial code

STOCK GmbH. The principal business of this company is the management of ownership interests and keeping brand rights.

Mariacron zu Oppenheim am Rhein GmbH (formerly ECKES & STOCK International GmbH) with its registered office in the Federal Republic of Germany in Nieder-Olm, Ludwig-Eckes-Allee 6. This company is fully owned by ECKES & STOCK GmbH. The principal business of this company is the management of ownership interests and keeping brand rights.

ECKES Spirituosen & Wein GmbH with its registered office in the Federal Republic of Germany in Nieder-Olm, Ludwig-Eckes-Allee 6. This company is fully owned by ECKES & Nordbrand GmbH, which is a fully-owned subsidiary of ECKES & STOCK GmbH (see Appendix No. 1). The principal business of this company is the production and sale of spirits and wines.

STOCK S.p.A. with its registered office in Italy in Trieste, Via Caboto 27. 98% of this company is owned by ECKES & STOCK GmbH and 2% by ECKES AG. The principal business of this company is the production and sale of spirits.

STOCK Austria Gesellschaft mbH (hereinafter referred to as "STOCK Austria"), with its registered office in Austria in Vienna, Heiligenstädterstrasse 43. This company is fully owned by Mariacron zu Oppenheim am Rhein GmbH, which is a fully-owned subsidiary of ECKES & STOCK GmbH (see Appendix No. 1). The principal business of this company is the production and sale of spirits.

Mönchthal Personal - Service und Leasing GmbH (hereinafter referred to as "MPSL"), with its registered office in the Federal Republic of Germany in Nieder-Olm, Ludwig-Eckes-Allee 6. ECKES AG owns 26% of this company. The principal business of this company is consultancy in the areas of economics, logistics and personnel management.

Nordbrand Nordhausen GmbH with its registered office in the Federal Republic of Germany in Nordhausen, Bahnhofstrasse 25. 90.04% of this company is owned by ECKES & Nordbrand GmbH, which is a fully-owned subsidiary of ECKES & STOCK GmbH (see the Appendix No. 1). The principal business of this company is the production and sale of spirits.

STOCK Trade d.o.o. with its registered office in Slovenia, Železna 16, 1000 Ljubljana. This company is fully owned by STOCK S.p.A. The principal business of this company is the purchase and sale of spirits.

(Hereinafter referred to as the "other related parties")



Report of the statutory body of Stock Plzeň a. s.
pursuant to the provisions of section 66A of the Commercial code

b) Section II.

Relationships between entities in the holding

Manner of control

The controlling person controls the controlled person by means of interest amounting to 95.22% of the voting rights in the controlled person. On the basis of its ownership interest in the company, the controlling person is able to effect the appointment, election, and dismissal of most of the persons who are the statutory body of the company or who are members of such bodies, or the members of the supervisory body of the controlled person. As of 31 December 2004, no Control Agreement existed between these two parties.

Mr. Michael John and Mr. Horst – Peter Hahn, who are the members of the statutory bodies or prokurists* in certain companies within the ECKES AG holding, are members of the Supervisory Board of the controlled person.

* as understood under Austrian or German law

Structure of the interconnection

Equity interconnection between the individual persons specified in this Report is described in Appendix No. 1 to this Report.

c) Section III.

Period under review

This Report has been prepared for the last accounting period, i.e. the period from 1 January 2004 to 31 December 2004.



Report of the statutory body of Stock Plzeň a. s.
pursuant to the provisions of section 66A of the Commercial code

d) Section IV.

Contracts and agreements executed between entities in the holding

List of contracts executed in the period under review or in other periods, under which the company performed in the period under review

Contracts Executed In Other Periods:

- Contracts for lease of non-residential premises (executed for an indefinite period of time with the customary period of notice of termination)
(STOCK Export - Import, s. r. o. and STOCK Slovakia s. r. o. as the lessees)
- Master purchase agreements on supplies of raw materials (sugar, herbs) for the production of spirits in STOCK Plzeň a. s. (for an indefinite period of time)
(STOCK Export - Import, s. r. o. as the seller). Appendix No. 5 to the agreement on supplies of sugar was executed in 2004 (as of 30 September 2004) – the price for sugar will copy fluctuations on the market.
- Contracts granting licence rights to use a standard SAP R/3 information system from ECKES AG
(from 2004 ECKES & STOCK GmbH becomes an authorised transferee of ECKES AG in this matter as as the lessor - provider of license rights.
- Contract on the provision of consultancy services in the field of material planning and supply, distribution logistics, technologies, production (executed in 2004 for a definite period of time)
(MPSL as service provider) – the provision of services based on this contract was terminated as of 30 June 2004.

NEW CONTRACTS EXECUTED BETWEEN THE ABOVE ENTITIES IN THE PERIOD UNDER REVIEW:

- Master purchase agreement on supplies of raw materials (spirit caramel) for the production of spirits in STOCK Plzeň a. s. (for the period of time from 1 January 2004 till 31 December 2005), (STOCK Export – Import, s. r. o. as the seller).

By entering into these contracts, STOCK Plzeň a. s. did not suffer any disadvantage; the contracts were executed under customary pricing conditions [at arm's length].



Report of the statutory body of Stock Plzeň a. s.
pursuant to the provisions of section 66A of the Commercial code

A LIST OF MAJOR CONTRACTS EXECUTED BETWEEN ENTERPRISES IN THE GROUP

1. Master Loan Agreement between STOCK Plzeň a. s. (Debtor) and STOCK Export – Import, s. r. o. (Creditor) executed on 6 October 2004 (as amended by an amendment dated 22 December 2004). Based on this Agreement, the Creditor provided to the Debtor its uncommitted funds, in line with the Creditor's capabilities, in the period from 6 October 2004 to 5 October 2005. The maximum level of the debt was set at CZK 130 million. As of 31 December 2004, the Creditor's receivable under this Agreement amounted to CZK 131,216,000 (including incidentals).
2. Master Loan Agreement between STOCK Export – Import, s. r. o. (Creditor) and STOCK Slovakia s. r. o. (Debtor), subsidiaries of STOCK Plzeň a. s., executed on 14 November 2002 (as amended by amendment No. 3 dated 6 October 2004). Based on this Agreement, the Creditor provides its uncommitted funds to the Debtor, in line with the Creditor's capabilities, for the period from 6 October 2004 to 5 October 2005, up to a maximum level of CZK 25 million. As of 31 December 2004, the loan had been duly repaid.
3. Master Loan Agreement between STOCK Plzeň a. s. (Creditor) and ECKES Spirituosen & Wein GmbH (Debtor). Based on this Agreement, the Creditor provided funds of CZK 230 million to the Debtor for the period from 23 December 2004 to 30 April 2005. As of 31 December 2004, the outstanding principal plus incidentals under this Agreement amounted to CZK 230,101,000. As of 7 January 2005, the loan had been partially repaid with CZK 180,000,000.

All the loans above were granted under the respective decisions adopted by the statutory bodies of the contracting parties and the controlled person's Board of Directors, and were subject to prior approval by the controlled company's Supervisory Board. Loans were granted under customary pricing conditions (always at least 140% of the Czech National Bank discount rate). The Creditors did not suffer any detriment by the granting of these loans; the loans were duly repaid by the due dates. Furthermore, the loan specified in paragraph 3 above is secured by a letter of support issued by third parties.

e) Section V.

Other legal acts between the entities in the holding

Guarantees provided for companies in the group

Based on an Agreement on Guarantee executed between Tatra banka, a.s. (hereinafter referred to as "the Bank") and STOCK Plzeň a. s. on 26 September 2002 / 30 September 2002, as amended by amendment No. 3 dated 24 October 2004, STOCK Plzeň a. s. granted a guarantee to the Bank, also in the period under review, in favour of its STOCK Slovakia s. r. o. subsidiary, amounting to SKK 27 million, to secure its customs debt as a spirits importer (the transport regime and the regime of release and temporary storage). The guarantee was provided as of the day of executing the Agreement, or the amendment, and will stay in force for an indefinite period of time.

Services provided and material and goods supplied between the related parties in 2004

Appendix No. 2 lists a complete overview of provided services, materials and other deliverables between the related parties in the period under review.



Report of the statutory body of Stock Plzeň a. s.
pursuant to the provisions of section 66A of the Commercial code

In addition to the above supplies of materials, goods, and other deliverables, no other legal acts were performed between the related parties, such as withdrawal from an agreement, set-offs, invoicing [tax documents], assignment of a receivable, accession to an obligation, taking over a debt, acknowledgement of a debt, settlement, or contractual penalties. The company did not suffer any detriment by performing as above described. Materials, goods, and other deliverables were provided between the related parties under customary terms and conditions [at arm's length]. The purchase price (or, as applicable, the fee for the work, the rent, etc.) was paid at all times in accordance with the agreements in place and by the due dates specified in the agreements or invoices received.

The closing balance of the receivables and payables arising from the supplies of materials, goods and other deliverables as of 31 December 2004 is included in the company's Annual Report (the section on the Notes to the Financial Statements for 2004). This Report of the company's statutory body is also included in the Annual Report and may not be distributed as a separate report.

f) Section VI.

Measures adopted between the entities in the holding

No measures other than those specified in the preceding sections of this Report were adopted between the related parties.

Resolutions adopted by General Meetings in the period under review

The Annual General Meeting of the company (held on 25 June 2004) decided on the following, in particular without limitation:

- Approval of the financial statements for 2003 and the distribution of profit
- Approval of the Report on Relations for 2003
- Appointment of a new member of the Supervisory Board

None of the General Meetings decided anything concerning entering into a Controlling Agreement.



Report of the statutory body of Stock Plzeň a. s.
pursuant to the provisions of section 66A of the Commercial code

g) Section VII.

Conclusion

1. This Report was prepared by the Board of Directors of the controlled person, STOCK Plzeň a. s., on 7 February 2005.
2. By the deadline required by law, this Report will be deposited in the respective file of documents maintained by the Companies Register of the Regional Court in Plzeň.
3. The Board of Directors of the controlled person shall publish an announcement in the Business Gazette that the Report, forming an integral part of the company's Annual Report for 2004, has been deposited in the file of documents maintained by the Companies Register of the Regional Court in Plzeň.

Done in Plzeň, on 7 February 2005

Signatures of members of the statutory board of the controlled person, STOCK Plzeň a. s.

A handwritten signature in cursive script, reading "Martin Petrášek", followed by a horizontal line.

Ing. Martin Petrášek, Chairman of the Board of Directors

A handwritten signature in cursive script, reading "Bečvář".

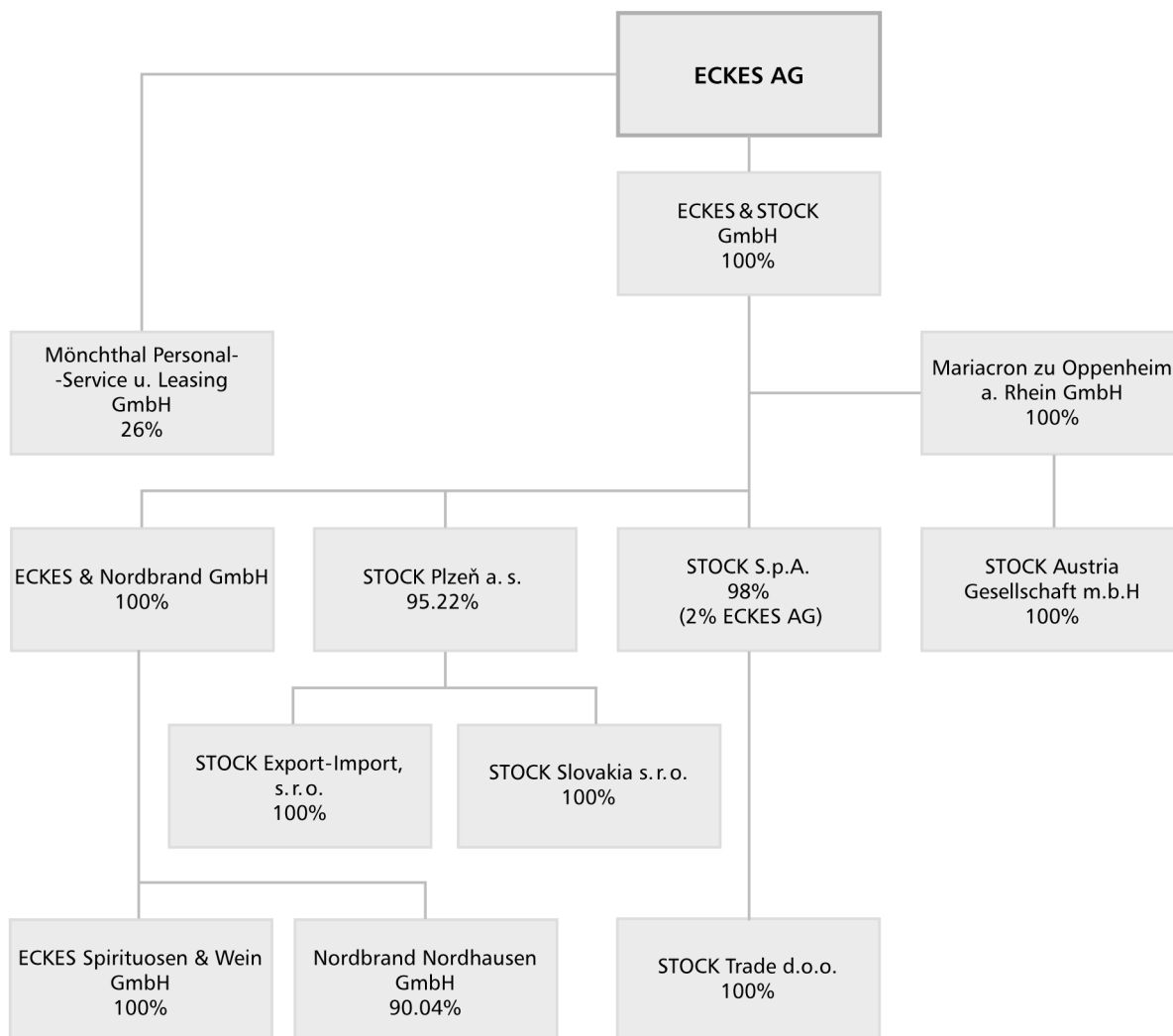
Ing. Václav Bečvář, member of the Board of Directors



Report of the statutory body of Stock Plzeň a. s.
pursuant to the provisions of section 66A of the Commercial code

APPENDIX NO. 1: ORGANISATIONAL SCHEME OF RELATED PARTIES IN THE ECKES HOLDING (STATE TO 31 DECEMBER 2004)

Organisational scheme of related parties in the ECKES holding





Report of the statutory body of Stock Plzeň a. s.
pursuant to the provisions of section 66A of the Commercial code

APPENDIX NO. 2: SUPPLIES OF SERVICES, MATERIALS, GOODS AND OTHER DELIVERABLES BETWEEN RELATED PARTIES IN 2004

Deliverable/supply	Purpose of the supply for the company	Financial value of the purchase for 2004	Supplier/Customer
Import of raw materials and goods			
imports of sugar, colouring, herbs, etc.	raw material for production	25,818	STOCK Export - Import, s. r. o.
wine distillate	raw material for production	1,511	STOCK S.p.A.
fruit composition	raw material for production	5,916	Nordbrand Nordhausen GmbH
Cognac Chantre	goods for sale	514	Nordbrand Nordhausen GmbH
Brandy STOCK VSOP	goods for sale	663	STOCK S.p.A.
Stroh Rum	goods for sale	830	STOCK Austria
		35,251	
Sale of finished and semi-finished products			
finished products and goods		38,862	STOCK Export - Import, s. r. o.
finished products and goods		174,484	STOCK Slovakia, s. r. o.
finished products		17	STOCK S.p.A.
finished products		91	STOCK Austria
finished products		950	STOCK Trade d. o. o.
		214,404	
Received services			
SAP licence rights		1,216	ECKES & STOCK GmbH
insurance premium		606	ECKES & STOCK GmbH
promotional costs		306	ECKES Spirituosen & Wein GmbH
logistics consultancy		2,423	MPSL
outsourcing of bottling		2,336	Norbrand Nordhausen GmbH
		6,887	
Provided services			
lease of office premises		6	STOCK Export - Import, s. r. o.
lease of office premises		6	STOCK Slovakia s. r. o.
		12	
Interest paid			
short-term loan		443	STOCK Export - Import, s. r. o.



Report of the statutory body of Stock Plzeň a. s.
pursuant to the provisions of section 66A of the Commercial code

Deliverable/supply	Purpose of the supply for the company	Financial value of the purchase for 2004	Supplier/Customer
Interest received			
short-term loan		101	ECKES Spirituosen & Wein GmbH
Relations between STOCK Plzeň 's subsidiaries			
Interest received from short-term loan			
creditor:			
STOCK Export - Import, s. r. o.		541	interest
debtor: STOCK Slovakia s. r. o.			



The supervisory board's statement

In 2004, the Supervisory Board held four meetings during which it was informed by the Board of Directors about all business activities and financial results and development of STOCK Plzeň a. s.

The agenda for these meetings always included market development, trends in sales, revenues and profit/loss, marketing and sales activities, investments, personnel management and also the preparation of the budget for 2005.

In March and April 2005 the Supervisory Board received for review the following documents pertaining to the statutory financial statements for 2004:

- The company's Balance Sheet as at 31 December 2004
- The company's Profit & Loss Account as at 31 December 2004
- Accounts as at 31 December 2004 and the Auditor's Report from Ernst & Young ČR
- Proposal for the distribution of profit for 2004
- The Statutory Body's Report on Relations between Related Parties for 2004 under section 66a) of the Commercial Code

The Supervisory Board members reviewed the above documents and noted that the statutory financial statements for 2004 had been prepared properly and in accordance with the Czech Republic's legal regulations. They also noted that the Statutory Body's Report on Relations between Related Parties provides a true picture of all developments in 2004.

The Supervisory Board has approved both documents for publication.

The Supervisory Board recommends to the General Meeting to approve both the statutory financial statements of STOCK Plzeň a.s. for 2004 and the proposal for profit distribution.

The Supervisory Board has also reviewed the consolidated financial statements of STOCK Plzeň Group prepared under IFRS and approved it for publication.

On behalf of the Supervisory Board

A handwritten signature in black ink, appearing to be "MJ", with a long horizontal stroke extending to the right.

Michael John
Chairman



a) Report of the Board of Directors on activities by STOCK Plzeň a. s. in 2004

Table: "Review of income in cash of members of the Board of Directors, the Supervisory Board and other managing persons" in chapter 11. Personnel policy.

The column „Remuneration to former top managers with regard to termination of their duties" shows the amount in CZK before tax. The column "Contributions to additional pension insurance paid" shows amounts in CZK given in the accounting books as contributions to additional pension insurance that were, or will be, credited to pension fund accounts on behalf of members of the Board of Directors, top managers and members of the Supervisory Board.

b) Other information about the issuer

- Review of main investments in 2002-2004 is given in thousands of CZK.
- Review of planned investments for 2005 is given in thousands of CZK.
- Information on the anticipated economic and financial situation of the issuer in 2005 is given in thousands of CZK, unless stated otherwise.
- Total equity is given in thousands of CZK; equity per share is given in CZK.
- Economic results of the issuer per share are given in CZK; the graph "Profit per share" also gives profit in CZK/share.
- Graph "Paid dividends per share" gives paid dividends per issuer's share in CZK.
- Review of income in cash and in kind of members of the issuer's bodies and its top managers. The column "Total income in cash from the issuer and its controlled persons" shows amounts in CZK after tax.

c) Stock Plzeň Group – Consolidated Financial Statements

- Numerical data in this part of Annual Report are given in thousands of CZK, unless otherwise stated.

d) Report on Relations

- Numerical data in Appendix No. 1 to the Report on Relations are given in %.
- Numerical data in Appendix No. 2 to the Report on Relations entitled "Supplies of services, materials, goods and other deliverables between related parties in 2004" are given in thousands of CZK, unless stated otherwise.