



CAC
LEASING
A Member of HVB Group

Financial Results for 2003

Introduction

CAC LEASING, a.s., a joint-stock company, is without doubt one of the top three biggest leasing companies on the Czech market.

The Austrian company Bank Austria Creditanstalt Leasing GmbH, a member of the HVB group, became a 100% owner of CAC LEASING, a.s. as of July 2003.

The main business activities of CAC LEASING, a.s. are the provision of professional services in the area of financial and operational leasing, instalment sales and associated services, including insurance brokerage.

In 2003 CAC LEASING, a. s. financed a total of CZK 14.4 billion, thereby reaching its highest business and financial results in its history, as well as having the second-highest market share in the Czech Republic. With a volume of leased assets of more than CZK 22 billion it has become the biggest leasing company in the country.

Tax after taxation (with full coverage of potential risks) is almost CZK 260 million. This has thus strengthened the company's financial stability.

Good management combined with the efforts of co-workers, and the joint creative and initiative approach, based on sound and conservative policies, create good prerequisites not only for high return on shareholders' capital, but also for a successful development on the Czech financial market in the future.



Ing. Jiří Kubíček, CSc.
Chairman of the Board of Directors



Ing. Milan Gerža
Vice-Chairman of the Board of Directors



Dr. Heinz Irrgeher
Vice-Chairman of the Board of Directors



Company Characteristics

CAC LEASING, a.s. has been operating on the Czech market for more than 13 years. The company manages to exceed its planned business and financial targets year after year and reports a permanent growth potential. In 2003 the company once again achieved record results. The CAC LEASING group also includes its subsidiary company Allrisk-CAC pojišťovací makléřská spol. s r.o., and the associated companies CAC LEASING Slovakia, a.s. and RENAULT LEASING CZ, s.r.o.

In view of the fact that DLB LEASING, s.r.o. and CAC LEASTRADE s.r.o. were not active in 2003, they were eliminated from the subordinate consolidation unit. At the turn of 2003 and 2004 CAC LEASTRADE, s.r.o. was renamed to CAC Full Service Leasing, s.r.o., and since January 2004 its activity has been operating in the area of comprehensive full service operational leasing of company fleets. The business indicators for 2003 only incorporate the particulars of CAC LEASING CZ, s.r.o. and RENAULT LEASING CZ, s.r.o., as the activities of both companies are fully-implemented within the branch network of CAC LEASING CZ, s.r.o.

It placed second on the ladder of new leasing transactions in the movable assets category (behind ČSOB Leasing and in front of ŠkoFIN). Of the more than 26,000 new leasing contracts signed, the biggest share is attributed to transport vehicle leasing (22,900). In sales leasing the year-on-year growth of 5.6 % manifested itself in an increase in the number of new contracts to 2,200. More than 750 new contracts were concluded in machinery and equipment leasing. The volume of instalment sales once again reached a record growth and CAC LEASING, a.s. is the second-largest company of this type of financing. CAC LEASING, a.s. is, thanks to its standing, an important member of the Association of Leasing Companies of the CR and also the Czech-German Chamber of Commerce and Industry, and represents the Czech Republic in the international leasing clubs Multilease, Leaseclub a Leaseurope.

The following business activities are undertaken:

Autoleasing – leasing of all road transport technology, namely passenger and utility vehicles of almost all makes. The technology as well as software of our partners enables clients to utilise exceptionally advantageous sales campaigns directly with dealers without the need to visit our company. Effective co-operation with our business partners expands the possibilities for purchasing vehicles on instalments.

Machinery and equipment leasing – contracts of all types and forms of financing are concluded with an individual approach adapted to the needs of individual customers for financing practically all commodities.

Sales leasing – enables manufacturers as well as suppliers to offer their products, as well as simultaneously providing finance, in a rational form, normally upwards of CZK 150,000, e.g. computers, copy machines, photo-labs, bakeries, construction-related machines and other objects. Of course, even in this commercial activity the lessee has the option of selecting conditions of the leasing relationship to fit his individual needs. This product is aimed mainly at Czech suppliers.

Instalment sales – intended for business entities ranging from legal entities to individuals, cities, municipalities and budgetary organisations that are also able to draw on state grants and subsidies. It has become another important form of financing as part of the CAC LEASING, a.s. portfolio of products, which may be utilised in the area of vehicle leasing, as well as machinery and equipment leasing. Instalment sales can be used to finance all commodities but also such investments as mass transit systems, wastewater treatment plants, ecological investments, investments into heat management, modernisation and reconstruction of investment units, etc. The most important advantage of this product is the immediate transfer of ownership title of the object of the instalment sale to the client, which meets one of the conditions of drawing state subsidies and grants.

Special transactions – these are primarily aimed at the lease financing of exports of Czech goods as well as the re-export of goods abroad.

Other services – consulting in the area of financing and taxes, full service in the area of insurance, including third party insurance, assistance in negotiating business terms and conditions with a foreign supplier, complete arrangement of the customs proceedings, legal advice, etc.



Report on the Company's Financial Performance

CAC LEASING, a.s. was the only company among its biggest key competitors to report an overall year-on-year growth in the sum of all transactions. CAC LEASING, a.s., with 279 staff at nine branches and ten offices, achieved a record volume of new transactions worth a total of CZK 14.4 billion. The volume financed reached CZK 9.8 billion, an increase of 7.2 %. A total of 25,872 new contracts were concluded, with the company managing a total of 78,966 active contracts as at 31. 12. 2003.

Of the total value of new transactions, vehicle leasing made up 76 % (the value of financed investments totals CZK 10.966 billion), machinery and equipment leasing almost 14 % (purchase price of new transactions reaching an amount of CZK 1.957 billion). The remaining part is represented by sales leasing (CZK 1.484 billion) and special transactions (CZK 7 million). In accordance with the strategic objectives the machinery and equipment leasing portfolios (inc. sales leasing) did not decline year-on-year and remained at the same level (i.e. 24 %) as in 2002.

In vehicle leasing the highest share of new contracts is concluded in respect of Renaults (23 %) and Škodas (18 %), with the other significant makes being Peugeot (15 %), Ford (6 %) and Citroën (5 %). As was the case last year, CAC LEASING, a.s., together with RENAULT LEASING CZ, s.r.o. represented 12.4 % of all vehicle sales contracts concluded in the Czech Republic.

The company reported a profit before tax of CZK 256,782,000, with profit per employee reaching an average of CZK 920,000. An inter-company profit of CZK 419,178,000 was generated, which represented a 21 % increase on the previous year. The total annual revenues amounted to CZK 14.9 billion. Revenues from production reached CZK 49 million per employee.

CAC LEASING Slovakia, a.s. concluded new contracts worth SKK 7.384 billion and is the biggest leasing company in the Slovak Republic. Allrisk-CAC pojišťovací makléřská spol. s r.o., which mediated insurance policies worth a total of CZK 1.5 billion, is the biggest broker in the Czech Republic. RENAULT LEASING CZ, s.r.o. concluded 4,966 new contracts worth a total of CZK 1,845 million.

The excellent financial results reported in 2003 are the result of a prudent business and pricing policy connected with high-quality management and exceptional commitment of company employees. The current financial standing of CAC LEASING a.s. can be summarised as stable, balanced and improving. The company has sufficient funds to cover investment assets, with the amount of adjustments and reserves being secured against risks. The overall favourable trends as far as the company's financial management is concerned form a good base for meeting both planned current and future targets as far as profit and return on capital is concerned.



Balance Sheet (only in respect of CAC LEASING, a.s.)

(in thousand CZK)	Actual at 31. 12. 2002	Actual at 31. 12. 2003
Fixed assets	18,938,737	19,330,644
Fixed assets	1,069,768	1,531,997
of that: Inventories	-	-
of that: Accounts receivable	1,056,415	1,516,672
of that: Financial assets	13,353	15,325
Other assets	3,410	4,738
Total assets	20,011,915	20,867,379
Owner's equity	958,824	764,870
of that: Registered capital	226,000	226,000
of that: Capital funds	-31,093	-4,709
of that: Funds from profit	73,005	68,871
of that: Retained profit	421,103	217,926
of that: Current year's profit(loss)	269,809	256,782
Liabilities:	18,291,389	19,080,074
of that: Provisions	72,642	112,461
of that: Accounts payable	6,788,433	6,197,775
of that: Bank loans	11,430,314	12,769,838
Other liabilities	761,702	1,022,435
Total liabilities	20,011,915	20,867,379

Profit and Loss Account (only in respect of CAC LEASING, a.s.)

(in thousand CZK)	Actual 1-12/2002	Actual 1-12/2003
Gross margin	62,156	94,556
Income from sale of services	13,100,411	12,781,865
Consumption	-495,911	-501,646
Value added	12,666,656	12,374,775
Personnel costs	-170,629	-175,062
Taxes and fees	-443	-450
Depreciation of fixed assets	-10,956,835	-10,776,493
Profit(loss) from sale of fixed assets and material	32,129	58,373
Change in reserves & adjustments	68,228	84,248
Other operating revenues	804,585	736,943
Other operating costs	-1,490,472	-1,506,520
Operating profit	953,219	795,814
Interest income	23,528	12,495
Interest expenses	-617,931	-489,465
Other financial revenues	76,782	76,235
Other financial costs	-31,934	-39,215
Change in reserves & adjustments	-2,151	7,547
Profit(loss) from financial operations	-551,706	-432,403
Profit before tax	401,513	363,411
Income tax	-131,704	-106,629
Profit(loss)	269,809	256,782

Results in figures

Development in key indicators (in mil. CZK)

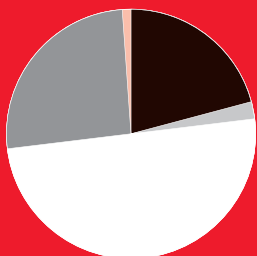
Volume indicators:	1999	2000	2001	2002	2003
Value of new transactions (purchase price)*	11,871	13,695	13,673	13,699	14,414
Number of new contracts concluded*	25,176	27,858	25,980	24,793	25,872
Number of active contracts*	65,832	74,490	80,394	81,349	78,966
Staff numbers	275	274	275	274	279

*inc. Renault leasing cz, s.r.o.

Structure of the portfolio of newly purchased objects in 2003

(in purchase prices, exc. VAT)

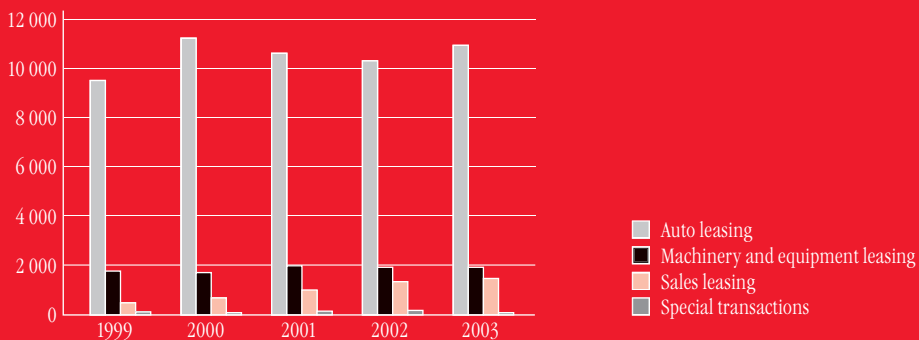
	in mil. CZK	in %
Total	14,414	100
Machinery	2,972	21
Computers, business machines	265	2
Passenger vehicles	7,175	50
Cargo and utility vehicles	3,769	26
Others	233	1
Boats, airplanes, locomotives, wagons	0	0



- Machinery 21 %
- Computers, business machines 2 %
- Passenger vehicles 50 %
- Cargo and utility vehicles 26 %
- Others 1 %

Development in the structure of new investments (in mil. CZK)

	1999	2000	2001	2002	2003
Total at purchase price	11,871	13,695	13,673	13,699	14,414
of that:					
Auto leasing	9,549	11,269	10,648	10,333	10,966
Machinery and equipment leasing	1,809	1,723	1,984	1,943	1,957
Sales leasing	500	701	1,021	1,355	1,484
Special transactions	13	2	20	68	7
Real estate leasing	-	-	-	-	-



Addresses of the head office and branches in the CR

Head office:

CAC LEASING, a.s., Janáčkovo nábř. 55/140, 150 05 Praha 5, phone: 00420 00420 257 091 111, fax: 00420 257 328 881

Branches:

Brno Veveří 9, phone: 00420 00420 541 128 221, fax: 00420 541 128 240

České Budějovice U Zimního stadionu 3, phone: 00420 00420 387 313 191–2, fax: 00420 387 313 193

Hradec Králové Šimkova 1224, phone: 00420 495 512 383, fax: 00420 495 511 799

Liberec Moskevská 640/55, phone: 00420 485 106 610, fax: 00420 482 710 375

Ostrava Jurečkova 20, phone: 00420 596 101 211, fax: 00420 596 132 097

Plzeň Purkyňova 27, phone: 00420 377 220 209–11, fax: 00420 377 220 212

Praha nám. Kinských 2, phone: 00420 257 091 444, fax: 00420 257 091 371

Ústí nad Labem Mírové nám. 33, phone: 00420 475 220 274, fax: 00420 475 220 019

Zlín Kvitková 552, phone: 00420 577 578 111, fax: 00420 577 435 037

Offices:

Břeclav Smetanovo nábř. 4, phone: 00420 519 326 450, fax: 00420 519 327 015 (only till 30. 6. 2003)

Hodonín Brněnská 48, phone: 00420 518 304 412, fax: 00420 518 341 782

Jihlava Tolstého 2, phone: 00420 567 571 693–5, fax: 00420 567 311 248

Karlovy Vary Krále Jiřího 39, phone: 00420 353 234 565–6, fax: 00420 353 234 563

Most J. Průchy 1915, phone/fax: 00420 476 132 250

Nový Jičín ul. 5. května 11, phone/fax: 00420 556 704 758

Olomouc Rooseveltova 24, phone: 00420 585 227 172, fax: 00420 585 436 789

Opava Holasická 2, phone: 00420 553 682 453, fax: 00420 553 682 457

Tábor Šafaříkova 2962, phone/fax: 00420 381 254 715

Třebíč Karlovo nám. 26, phone/fax: 00420 568 847 711 (only till 1. 4. 2004)

Subsidiary and associated companies:

Allrisk-CAC pojišťovací makléřská spol. s r.o.

nám. Kinských 7, 150 05 Praha 5, phone: 00420 251 177 111; fax: 00420 257 311 259, 257 311 249, Green Line: 800 103 102

CAC LEASTRADE, spol. s r.o.

Janáčkovo nábř. 55/140, 150 05 Praha 5, phone: 00420 257 091 111, fax: 00420 257 328 881

(from January 7th 2004 CAC Full Service Leasing, s.r.o., nám. Kinských 7, 150 05 Praha 5, phone: 00420 257 091 190,

fax: 00420 251 177 196)

DLB LEASING, s.r.o.

Janáčkovo nábř. 55/140, 150 05 Praha 5, phone: 00420 257 091 111, fax: 00420 257 328 881

RENAULT LEASING CZ, s.r.o.

nám. Kinských 7, 150 05 Praha 5, phone: 00420 257 091 449, fax: 00420 257 091 450

CAC LEASING Slovakia, a.s.

Hurbanovo nám. 1, Bratislava, phone: 00421 2 592 712 00, fax: 00421 2 592 718 19–20

The auditor's report, prepared for the shareholders of CAC LEASING, a.s. by Deloitte&Touche spol. s r.o. on March 19th 2004, was without reservations.

The attached financial accounts are a short-form version of the CAC LEASING, a.s. financial statements for the year ended on 31st December 2003. A full version of the company's annual report, including the auditor's report, is available at the company's registered office.

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