



ANNUAL REPORT (2011)





KPMG Slovensko spol. s r. o.
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**Report on Audit of Consistency
of the annual report with the financial statements pursuant to Article 23 (5) of Act No.
540/2007 Coll. on Auditors, Audit and Oversight of Audit**

To the Shareholder, the Supervisory Board and the Board of Directors of the company OKTE, a.s.:

We have audited the financial statements of the company OKTE, a.s. as of 31 December 2011, presented in the appendix of the annual report. We have issued an independent auditor's report on the financial statements on 30 March 2012 with the following wording:

Independent Auditors' Report

To the Shareholder, Supervisory Board and Board of Directors of OKTE, a.s.:

We have audited the accompanying financial statements of OKTE, a.s. ("the Company"), which comprise the balance sheet as at 31 December 2011, the income statement for the year then ended and notes to the financial statements.

Management's Responsibility for the Financial Statements

Management as represented by the statutory body is responsible for the preparation of financial statements that give a true and fair view in accordance with the Slovak Act on Accounting and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

KPMG Slovensko spol. s r. o., a Slovak limited liability company
and a member firm of the KPMG network of independent
member firms affiliated with KPMG International Cooperative
("KPMG International"), a Swiss entity.

Obchodný register Okresného
súdu Bratislava I, oddiel Sro,
vložka č. 4864/B
Commercial register of District
court Bratislava I, section Sro,
file No. 4864/B

IČO/Registration number:
31 348 238
Evidenčné číslo licencie
auditora: 96
Licence number
of statutory auditor: 96



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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2011 and of its financial performance for the year then ended in accordance with the Slovak Act on Accounting.

30 March 2012
Bratislava, Slovak Republic

Auditing company:
KPMG Slovensko spol. s r.o.
License SKAU No. 96

Responsible auditor:
Ing. Richard Farkaš, PhD.
License SKAU No. 406

**Report on the Audit of Consistency of the annual report with the financial statements
(Supplement to the auditors' report)**

We have audited the consistency of the annual report with the financial statements in accordance with the Act on Accounting.

The accuracy of the annual report is the responsibility of the company's management. Our responsibility is to audit the consistency of the annual report with the financial statements, based on which we are required to issue an appendix to the auditor's report on the consistency of the annual report with the financial statements.

We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the information presented in the annual report, subject to presentation in the financial statements, is consistent, in all material respects, with the relevant financial statements.

We have reviewed the consistency of the information presented in the annual report with the information presented in the financial statements as of 31 December 2011. We have not audited any data or information other than the accounting information obtained from the financial statements and accounting books. We believe that the audit performed provides a sufficient and appropriate basis for our opinion.

In our opinion, the accounting information presented in the annual report is consistent, in all material respects, with the financial statements as of 31 December 2011, presented in the appendix of the annual report.

25 July 2012
Bratislava, Slovak Republic

Auditing company:
KPMG Slovensko spol. s r. o.
License SKAU No. 96

Responsible auditor:
Ing. Richard Farkaš
License SKAU No. 406

2011 Annual Report of OKTE, a.s.

ANNUAL REPORT
(2011)

Table of Contents

Basic Information on the Company	(2)
Introduction	(2)
Company Vision	(3)
Company Goals	(3)
Company Structure as of 31.12.2011	(4)
Company Bodies	(5)
Company Development	(6)
Mid-term Development Plan	(6)
Long-term Development Plan	(6)
Operation in 2011	(7)
Deviation Billing	(7)
Electricity Spot Market Organisation	(8)
Electricity Spot Market Organisation - Market Coupling	(10)
Human Resources	(10)
Report on Property	(11)
Economic Results (Year in Brief)	(11)
Economic Results By Activities	(12)
2011 Net Profit Distribution	(13)
Report of an Independent Auditor and Financial Statements as of 31 December 2011 (translation from Slovak original)	(14)

Basic Information on the Company



Introduction

OKTE, a.s., was established on 11th August 2010 and as a spot market organizer in Slovakia it operates on the Slovak energy market from 1st January 2011. From the mentioned date, OKTE, a.s. took over organizing and evaluation of the electricity spot market and deviation billing on the territory of the Slovak Republic from its parent company, Slovenská elektrizačná prenosová sústava, a.s. (hereinafter referred to as SEPS, a.s.), thus reaching full separation of activities of the market organizer from the activities of the transmission system operator. OKTE, a.s. has thus become one of the decisive participants on the market in electricity in Slovakia with significant share and influence on creation of rules and development of energy environment in both Slovak, regional, and all-European scale.

The main or basic activities of OKTE, a.s. have been set according to the direct fulfilment of the obligations under Act No. 656/2004 Coll. on Power Engineering and on amendment of some acts as amended.

In 2011 the company successfully focused on two key goals:

1. deviation billing
2. electricity spot market organizing and evaluation.

The primary strategic intention of OKTE, a.s. was:

- to optimize the implementation of the existing main activities
- preparation for introduction of further activities in compliance with fulfilment of the company visions and goals.

Basic Information on the Company



Company Vision

Creation of conditions for development of energy market in Slovakia in order to provide all

market participants with stable, transparent, and non-discriminatory environment.

Company goals

Goals of OKTE, a.s. as a fully regulated entity stem from the provisions of the Energy Act and they are set as follows:

electricity spot market organizing and evaluation - establishment and application of market platforms for trading in electricity and eventual further commodities in short-term time horizons including their integration for other relevant market areas,

- **deviation billing** – evaluation and billing of deviations between the agreed and actual delivery/consumption from/to the electricity system of the Slovak Republic including setting of the deviation billing method in order to fully reflect eventual changes on the Slovak energy market and maintaining the principle of non-

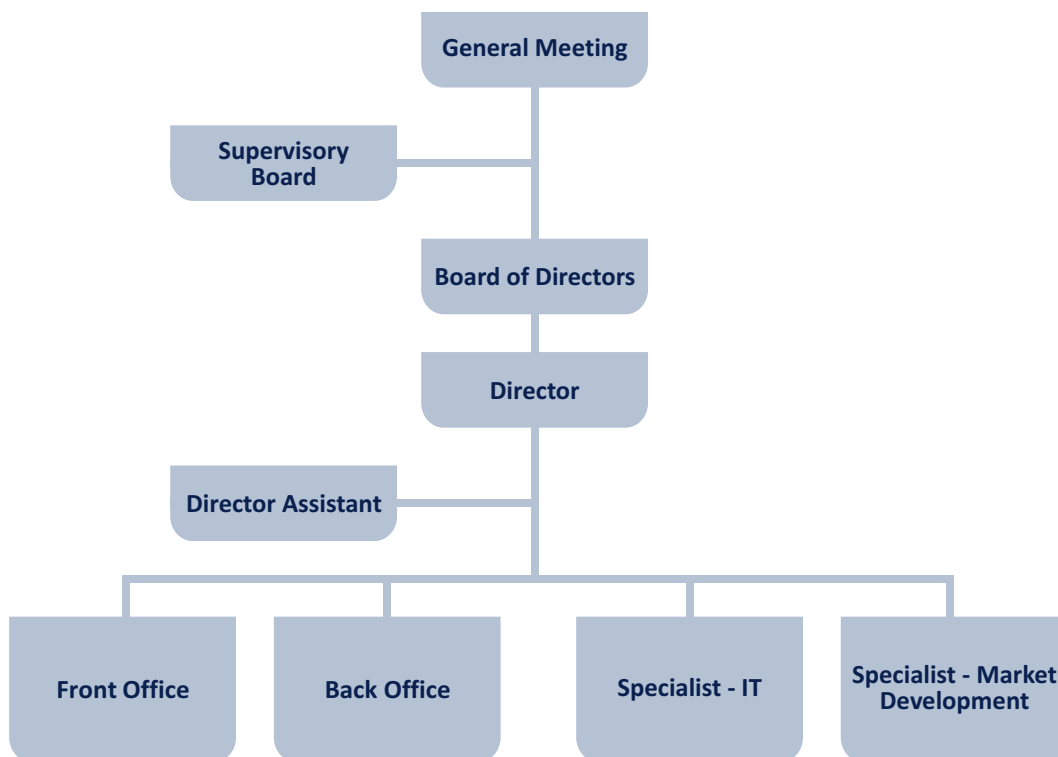
discriminatory approach and equal conditions against all market participants,

- **administration and collection of the data measured** – creation, operation, and development of central registration of data within the entire electricity system of the Slovak Republic with inclusion of collection, administration, and provision of these data for the needs of the market participants,
- **central invoicing** – establishment and application of the general platform to provide for central invoicing of charges related to the participation in the energy market with inclusion of collection and administration of the respective documents.

Basic Information on the Company



Company Structure



ANNUAL REPORT
(2011)

Basic Information on the Company



Company Bodies

From 19.10.2010 to 04.07.2012 OKTE, a.s. was managed by:

Board of Directors:

Ing. Pavel Šramko – Chairman
Ing. Lodňanek Milan – Member
Ing. Vladimír Karaba – Member

Supervisory Board:

Ing. Ivan Lovíšek – Chairman
Ing. Jaroslav Kubinec – Deputy Chairman
Ing. Ján Petrovič – Member

Executive Management:

Ing. Pavel Šramko – Director

By the decision of the sole shareholder the aforementioned company bodies were discharged effective as of 04.07.2012.

Concurrently, effective as of 05.07.2012, new bodies of OKTE, a.s. were appointed based on the decision of the sole shareholder as follows:

Board of Directors:

Ing. Michal Cabala, PhD. – Chairman
Ing. Lodňanek Milan – Member
Ing. Milan Lipovský – Member

Supervisory Board:

Ing. Michal Pokorný – Chairman
Ing. Ján Petrovič – Deputy Chairman
JUDr. Milan Švec – Member

Executive Management:

Ing. Michal Cabala, PhD. – Director

Company Development



The development of OKTE, a.s. is based on the vision of significant and full-value position which the spot market organizer in Slovakia intends to support including a vision of the set portfolio of services which it intends to provide to the market participants. It fully reflects the identified energy

market needs in the Slovak Republic and it integrates also all-European trends especially in terms of partial market areas and support of energy market liberalization and transparency in general.

Mid-Term Development Plan

It contains the following:

A. Fulfilment of the company main goals

1. enhancement of quality of the activities performed and services provided,
2. establishment of the unified concept of risk management including deviation billing as well as day-ahead market organisation,
3. extension of publishing of the data measured and information concerning OKTE, a.s.,
4. extension of the portfolio of the implemented business opportunities in the form of provided services for the market participants, especially:
 - the platform of intra-day market,
 - the platform of balancing market for the option to apply offers and demands for regulatory electricity in close cooperation with the transmission system operator.

The implementation of these goals shall significantly contribute to the increase of the organized market liquidity in Slovakia.

B. Human resources – strengthening and enhancement of staff in the form of increase of employee qualification via various forms of incentives and active participation in work in the EU expert committees.

C. Other services resulting for the OKTE, a.s. under law

- collection and registration of the data measured – Measurement Operator
- central invoicing – clearing accounting centre for energy market.

Long-Term Development Plan

Within the long-term perspective, OKTE, a.s. intends to expand the portfolio of business

activities in the field of energies by possibilities of both short-term and long-term product trading.

Operation in 2011



Deviation Billing

In regard to the amendment of Act No.656/2004 Coll. on Power Engineering of May 2010 which effective as of 01.01.2011 defined the activities of the spot market organiser, OKTE, a.s. is an official deviation biller and electricity spot market organizer in the Slovak Republic.

In the course of 2011, there were 77 entities for deviation billing registered in the billing system of the biller what means growth by almost 15% against y. 2010. The deviation billing was carried out in a decade and monthly cycle. Import and pairing of the deviation billing entity diagrams, upload of the data measured and data of the evaluated regulatory electricity was carried out in a seven-day mode.

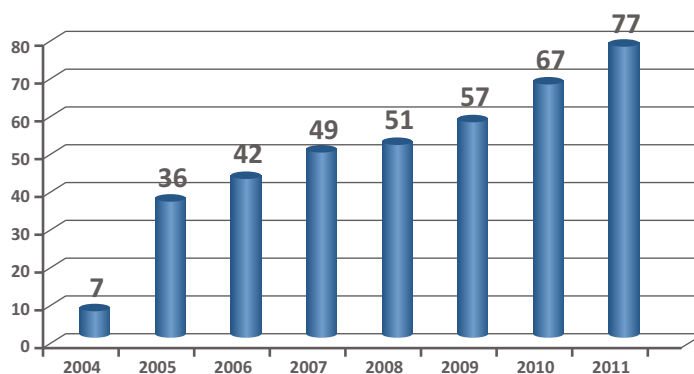
Communication with the billing entities and publishing of information pursuant to the valid legislation was carried out via the deviation biller information system (ISZO). The ISZO operating rules are included in the valid operating instructions published on www.iszo.sk.

In regard to the amendment of the Government Regulation No. 317/2007 as amended due to higher transparency, from 01.01.2011 the information was published covering inaccuracies / differences in the measured values for billing purposes, sent by the transmission system operators, especially the differences for daily and monthly billing.

Concurrently, pursuant to the aforementioned amendment, the adjustment of the deviation system billing to the new evaluation model applicable from 01.01.2012 aimed at elimination

Fig. No. 1 displays statistics of the increase of the number of the billing entities from y. 2004.

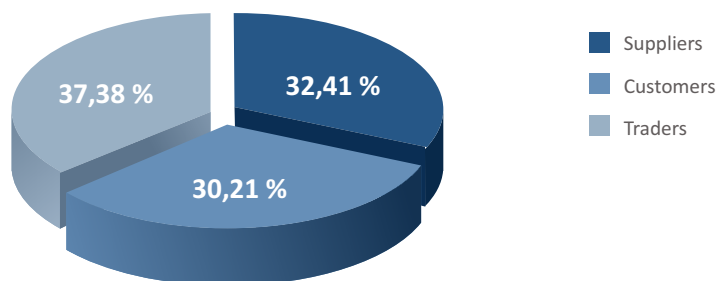
Fig. No. 1



of additional costs was performed and the coefficient for calculation of negative payments for the deviation was introduced.

Fig. No. 2 displays a chart demonstrating the share of particular groups of billing entities in the total contractual amount of the traded electricity.

Fig. No. 2



Operation in 2011



Electricity Spot Market Organization

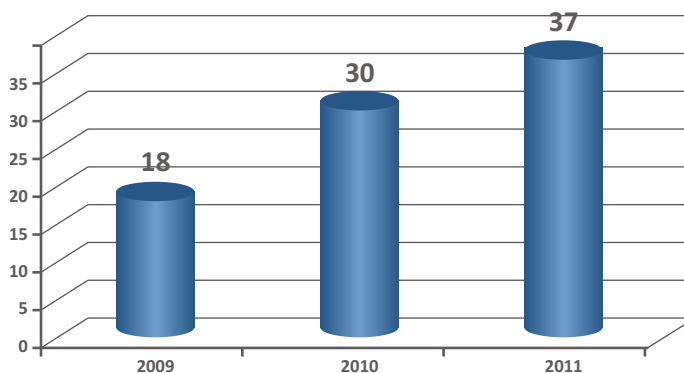
The activity covering spot market organization was performed in 2011 by OKTE, a.s. pursuant to the applicable Operating Instructions which are being approved by the Regulatory Office for Network Industries and applicable rules of the Information System of the Market Organizer (ISOT) which form a part thereof and which are published on the website www.isot.sk. Daily trading on the Slovak Republic/the Czech Republic profile was carried out in a 7-day mode via ePortal www.isot.sk.

Communication with the spot market participants and publishing the information pursuant to the valid legislation is carried out via the information system of the market organizer (ISOT).

In the course of 2011, there were 37 day-ahead market participants registered in ISOT, what means increase by more than 23% against y. 2010. Evaluation, billing, and settlement of the day-ahead market were carried out on a daily basis with the final monthly billing.

Fig. No. 3 displays the number of the registered day-ahead market participants from y. 2009

Fig. No. 3



Operation in 2011



Electricity Spot Market Data on Business Days 01.01.2011 to 31.12.2011

ANNUAL REPORT
(2011)

The biggest volume of deals (organized market the Slovak Rep.-the Czech Rep.) per one day in 2011 in terms of market entities registered on OKTE

the biggest volume of purchased electricity 14.12.2011	29,988.6 MWh
the biggest volume of sold electricity 01.09.2011	19,183.0 MWh
the biggest volume of purchased + sold electricity 14.12.2011 (purchase 29,988.6MWh + sale 10,410.8MWh)	40,399.4 MWh

The smallest volume of deals (organized market the Slovak Rep.-the Czech Rep.) per one day in 2011 in terms of market entities registered on OKTE

the smallest volume of purchased electricity 25.09.2011	1,641.0 MWh
the smallest volume of sold electricity 17.04.2011	1,717.0 MWh
the smallest volume of purchased + sold electricity 03.04.2011 (purchase 4,632.3MWh + sale 3,118.0MWh)	7,750.3 MWh

The biggest number of orders in 2011

In 2011, Slovak market participants made the biggest number of 45 orders for business days 24.11.2011 and 20.12.2011.

The smallest number of orders in 2011

In 2011, Slovak market participants made the smallest number of 18 orders for the business day 25.09.2011.

Volume of trades in 2010 in MWh

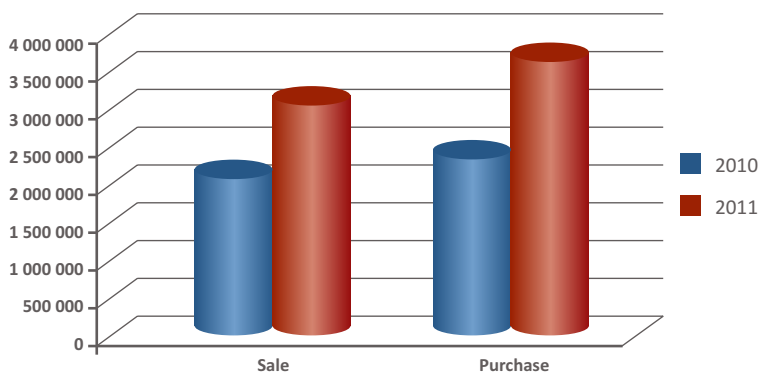
sale	2,005,025.3 MWh
purchase	2,288,059.0 MWh
total sale and purchase	4,293,084.3 MWh

Volume of trades in 2011 in MWh

sale	2,969,573.2 MWh
purchase	3,547,220.7 MWh
total sale and purchase	6,516,793.9 MWh

Fig. No. 4 displays comparison of the traded volume of sale and purchase on the day-ahead market in 2010 and y. 2011 in MWh.

Fig. No.4





Electricity Spot Market Organization – Market Coupling

Within the development of internal market in electricity, on 30th May 2011, OKTE, a.s. signed the Memorandum of Understanding for cooperation leading to establishment of the integrated European internal market in electricity together with day-ahead market organizers in the Czech Republic (OTE), in Hungary (HUPX) and among the Czech, Slovak, and Hungarian transmission system operators (ČEPS, SEPS, MAVIR) at request of the national regulatory authorities (ERU, URSO, MEH). The official commencement of the coupling project of the Czech-Slovak-Hungarian market area was held on 29th June 2011 in Budapest where the participating project parties adopted a goal to interconnect particular markets. The project aims at increase of electricity supply safety, provision of harmonized, transparent and cheap approach

while allocating cross-border capacity for the market participants and in compliance with the EU target model:

- at contribution to the establishment of the integrated internal European market in electricity,
- at increase of efficiency in use of cross-border capacities,
- at preparation of interconnection of CWE/NWE regions and implementation of the solution compatible with the calculation method for flow capacities.

The project completion and launch of trading in the common market area applying the single price market coupling principle is planned for the second half of 2012.

Human Resources

The goal of OKTE, a.s. in the field of human resources is personnel security of particular activities by highly competent employees with knowledge in the field of market in electricity functioning in order these their properties can be used in favour of OKTE, a.s.. In 2011, the company focused especially on the very selection method of employees but also on support of their

professional and career growth in compliance with the set company goals.

As of 31.12.2011 the number of employees of OKTE, a.s. was 20 of whom 3 were managers.

As of 30.06.2012 the number of employees of OKTE, a.s. was 25 of whom 3 were managers.



Economic Results (Year in Brief)

In 2011, OKTE, a.s. achieved pre-tax economic results amounting to EUR 1.262 million. The main reason of high profit generation was especially:

1. higher yields for deviation billing
2. higher other operating revenues
3. lower drawdown of operating costs.

Higher revenues for deviation billing by EUR 0.360 million are the result of especially the influence of the higher number of entities paying a fixed charge for deviation billing compared to the plan.

The most significant item of higher operating revenues (by EUR 0.350 million against the plan) included administrative charges which were not considered in the plan.

Lower drawdown of operating costs by EUR 0.436 million occurred especially in the field of personnel costs when the employees were recruited with the time shift against the plan. The second significant area is the area of services, especially costs of expertises, analyses, and studies.

ANNUAL REPORT
(2011)

Activity	Reality 2011 in EUR	Plan 2011 in EUR	Difference 2011 in EUR
Total revenues	331,343,765	231,316,720	100,027,045
Total costs	330,081,603	231,216,289	98,865,314
Pre-tax economic result	1,262,162	100,431	1,161,731
After-tax economic result	974,217	79,205	895,012

Report on Property



Economic Results By Activities

Activity	Reality 2011 in EUR	Plan 2011 in EUR	Difference 2011 in EUR
Revenues from operating area	5,026,788	4,316,720	710,068
Costs from operating area	3,780,611	4,216,289	-435,678
Ec. results- operating area	1,246,176	100,431	1,145,745
Revenues for electricity on OKT	232,847,383	115,000,000	117,847,383
Costs of electricity on OKT	232,847,386	115,000,000	117,847,386
Organized market in electricity (OKT)	-3	0	-3
Revenues from deviations and RE additional costs	93,469,595	112,000,000	-18,530,405
Costs from deviations and RE additional costs	93,453,606	112,000,000	-18,546,394
Deviation billing system	15,988	0	15,988
Total pre-tax economic results	1,262,162	100,431	1,161,731
Income tax	287,945	21,226	266,719

Total pre-tax economic results	1,262,162	100,431	1,161,731
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As of 31.12.2011, OKTE, a.s. managed total activities in the amount of EUR 85.5 million of which the biggest portion is represented by the current assets consisting mainly of the deposited financial securities for deviations and the spot market from the entities subject to billing and participants of the electricity spot market totalling EUR 58.6 million as of 31.12.2011. Out of the total

assets, EUR 3.847 million represent non-current assets which were increased by EUR 3.770 million on inter-annual basis. The increase in property of OKTE, a.s. was caused by a non-monetary deposit from SEPS, a.s. amounting to EUR 4.620 million which was concurrently reflected also in the share capital increase and investments especially in long-term non-tangible capital assets.

ANNUAL REPORT
(2011)

Report on Property



2011 Net Profit Distribution

Or. No.	Indicator	Reality	% share in profit
1.	Pre-tax economic results	1,262,162.08	
2.	Tax duty	287,945.38	
3.	After-tax economic result	974,216.70	
4.	Profit distribution		
4.1.	Reserve fund	97,421.67	10.00%
4.2.	Social fund	30,200.72	3.10%
4.3.	2010 loss settlement	46,104.92	4.73%
4.4.	Other use of profit	116,906.00	12.00%
a)	royalties	0.00	0.00%
b)	dividends	97,421.67	10.00%
c)	profit shares for employees	19,484.33	2.0%
4.5.	Reserve fund above compulsory share	0	
5.	Distributed part of net profit	290,633.31	29.83%
6.	Retained profit	683,583.39	70.17%

ANNUAL REPORT
(2011)

Ing. Michal Cabala PhD.
Chairman of the Board of Directors

25th July 2012

Ing. Milan Lipovský
Member of the Board of Directors



Report of an Independent Auditor and Financial Statements as of 31st December 2011 (translation from Slovak original)

ANNUAL REPORT
(2011)

Table of Contents

Report of an Independent Auditor

Balance Sheet as of 31st December 2011

Profit and Loss Account for the Year Ending
as of 31st December 2011

Notes to Individual Financial Statements
Prepared as of 31st December 2011



KPMG Slovensko spol. s r. o.
Dvořákovo nábrežie 10
P. O. Box 7
820 04 Bratislava 24
Slovakia

Telephone +421 (0)2 59 98 41 11
Fax +421 (0)2 59 98 42 22
Internet www.kpmg.sk

Independent Auditor's Report

To the Shareholder, Supervisory Board and Board of Directors of OKTE, a.s.:

We have audited the accompanying financial statements of OKTE, a.s., which comprise the balance sheet as at 31 December 2011, the income statement for the year ended 31 December 2011 and notes to the financial statements.

Management's Responsibility for the Financial Statements

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

KPMG Slovensko spol. s r.o., a Slovak limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Obchodný register Okresného súdu Bratislava I, oddiel Sro, vložka č. 4864/B
Commercial register of District court Bratislava I, section Sro, file No. 4864/B

IČO/Registration number: 31 348 238
Evidenčné číslo licencie audítora: 96
Licence number of statutory auditor: 96



Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2011 and of its financial performance for the year ended 31 December 2011 in accordance with the Slovak Act on Accounting.

30 March 2012
Bratislava, Slovak Republic

Auditing company:
KPMG Slovensko spol. s r.o.
License SKAU No. 96

Responsible auditor:
Ing. Richard Farkaš, PhD
License SKAU No. 406

Balance Sheet ÚČ POD 1-01

BALANCE SHEET

at 31. 12. 2011 (in whole euros)

Tax identification number (DIČ)

2 0 2 3 0 8 9 7 2 8

Financial statements

☒

- ordinary

- extraordinary

Financial statements

☒

- prepared

- approved

from
to

For period

Month

0 1
1 2

Year

2 0 1 1
2 0 1 1

Identification number (IČO)

4 5 6 8 7 8 6 2

SK NACE

3 5 . 1 2 . 0

(check ☒)

Preceding

period

Month

0 1
1 2

Year

2 0 1 0
2 0 1 0from
to

Legal name (designation) of the accounting entity

O K T E a . s .

Registered office of the accounting entity, street and number

M l y n s k é n i v y 5 9 / A

Zip code

8 2 1 0 9

Municipality

B r a t i s l a v a

Telephone number

0 2 / 5 0 6 9 2 9 8 4

Fax number

0 /

E-mail

Prepared on: 30.3.2012	Signature of the person responsible for bookkeeping:	Signature of the person responsible for the preparation of the financial statements:	Signature of the accounting entity's statutory body or a sole trader who is the accounting entity:
Approved on:	Štefánia Gerthoferová	Ing. Ján Oráč	Ing. Pavel Šramko Ing. Milan Lodňánek

Balance Sheet as of 31st December 2011

DÍČ:		2023089728		Balance Sheet ÚČ POD 1-01		
Designation a	ASSETS b	Line No. c	Current accounting period			Preceding accounting period
			1		2	3
			Gross-part 1	Correction-part 2	Net	Net
	Total assets line 002 + line 030 + line 061	001	86 685 539	1 164 422	85 521 117	2 121 923
A.	Non-current assets line 003 + line 011 + line 021	002	5 011 897	1 164 422	3 847 475	77 654
A.I.	Non-current intangible assets - total (lines 004 to 010)	003	4 445 714	1 022 874	3 422 840	34 397
A.I.1.	Capitalized development costs (012) - /072, 091A/	004	0	0	0	0
2.	Software (013) - /073, 091A/	005	4 108 278	1 015 843	3 092 435	0
3.	Valuable rights (014) - /074, 091A/	006	337 436	7 031	330 405	0
4.	Goodwill (015) - /075, 091A/	007	0	0	0	0
5.	Other non-current intangible assets (019, 01X) - /079, 07X, 091A/	008	0	0	0	0
6.	Acquisition of non-current intangible assets (041) - 093	009	0	0	0	34 397
7.	Advance payments made for non-current intangible assets (051) - 095A	010	0	0	0	0
A.II.	Property, plant and equipment - total (lines 012 to 020)	011	566 183	141 548	424 635	43 257
A.II.1.	Land (031) - 092A	012	0	0	0	0
2.	Structures (021) - /081, 092A/	013	0	0	0	0
3.	Individual movable assets and sets of movable assets (022) - /082, 092A/	014	566 183	141 548	424 635	0
4.	Perennial crops (025) - /085, 092A/	015	0	0	0	0
5.	Livestock (026) - /086, 092A/	016	0	0	0	0
6.	Other property, plant and equipment (029, 02X, 032) - /089, 08X, 092A/	017	0	0	0	0
7.	Acquisition of property, plant and equipment (042) - 094	018	0	0	0	43 257
8.	Advance payments made for property, plant and equipment (052) - 095A	019	0	0	0	0
9.	Value adjustment to acquired assets (+/- 097) +/- 098	020	0	0	0	0
A.III.	Non-current financial assets - total (lines 022 to 029)	021	0	0	0	0
A.III.1.	Shares and ownership interests in a subsidiary (061) - 096A	022	0	0	0	0
2.	Shares and ownership interests with significant influence over enterprises (062) - 096A	023	0	0	0	0
3.	Other long-term shares and ownership interests (063, 065) - 096A	024	0	0	0	0
4.	Intercompany loans (066A) - 096A	025	0	0	0	0

Balance Sheet as of 31st December 2011

DlČ: 2023089728			Balance Sheet ÚČ POD 1-01			
Designation a	ASSETS b	Line No. c	Current accounting period			Preceding accounting period
			1		2	3
			Gross-part 1	Correction-part 2	Net	Net
5.	Other non-current financial assets (067A, 069, 06XA) - 096A	026	0	0	0	0
6.	Loans with maturity up to one year (066A, 067A, 06XA)- 096A	027	0	0	0	0
7.	Acquisition of non-current financial assets (043) - 096A	028	0	0	0	0
8.	Advance payments made for non-current financial assets (053) - 095A	029	0	0	0	0
B.	Current assets line 031 + line 038 + line 046 + line 055	030	81 640 388	0	81 640 388	2 044 269
B.I.	Inventory - total (lines 032 to 037)	031	6 302 553	0	6 302 553	0
B.I.1.	Raw material (112, 119, 11X) - /191, 19X/	032	0	0	0	0
2.	Work in progress and semi-finished products (121, 122, 12X) - /192, 193, 19X/	033	0	0	0	0
3.	Finished goods (123) - 194	034	0	0	0	0
4.	Animals (124) - 195	035	0	0	0	0
5.	Merchandise (132, 133, 13X, 139) - /196, 19X/	036	0	0	0	0
6.	Advance payments made for inventory (314A) - 391A	037	6 302 553	0	6 302 553	0
B.II.	Non-current receivables - total (lines 039 to 045)	038	4 338	0	4 338	0
B.II.1.	Trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - 391A	039	0	0	0	0
2.	Net value of contract (316A)	040	0	0	0	0
3.	Receivables from a subsidiary and a parent (351A) - 391A	041	0	0	0	0
4.	Other intercompany receivables (351A) - 391A	042	0	0	0	0
5.	Receivables from participants, members, and association (354A, 355A, 358A, 35XA) - 391A	043	0	0	0	0
6.	Other receivables (335A, 33XA, 371A, 373A, 374A, 375A, 376A, 378A) - 391A	044	0	0	0	0
7.	Deferred tax asset (481 A)	045	4 338	0	4 338	0
B.III.	Current receivables - total (lines 047 to 054)	046	9 381 577	0	9 381 577	17 414
B.III.1.	Trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - 391A	047	9 208 492	0	9 208 492	437
2.	Net value of contract (316A)	048	0	0	0	0
3.	Receivables from a subsidiary and a parent (351A) - 391A	049	0	0	0	0
4.	Other intercompany receivables (351A) - 391A	050	0	0	0	0
5.	Receivables from participants, members, and association (354A, 355A, 358A, 35XA, 398A) - 391A	051	0	0	0	0
6.	Social security (336) - 391A	052	0	0	0	0
7.	Tax assets and subsidies (341, 342, 343, 345, 346, 347) - 391A	053	172 508	0	172 508	16 977
8.	Other receivables (335A, 33XA, 371A, 373A, 374A, 375A, 376A, 378A) - 391A	054	577	0	577	0

Balance Sheet as of 31st December 2011

DIČ: 2023089728			Balance Sheet ÚČ POD 1-01			
Designation a	ASSETS b	Line No. c	Current accounting period			Preceding accounting period
			1		2	3
			Gross-part 1	Correction-part 2	Net	Net
B.IV.	Financial accounts - total (lines 056 to 060)	055	65 951 920	0	65 951 920	2 026 855
B.IV.1.	Cash on hand (211, 213, 21X)	056	13 426	0	13 426	769
2.	Bank accounts (221A, 22X +/-261)	057	65 938 494	0	65 938 494	2 026 086
3.	Bank accounts with notice period exceeding one year 22XA	058	0	0	0	0
4.	Current financial assets (251, 253, 256, 257, 25X) - /291, 29X)	059	0	0	0	0
5.	Acquisition of current financial assets (259,314A) - 291	060	0	0	0	0
C.	Accruals/deferrals - total (lines 062 to 065)	061	33 254	0	33 254	0
C.1.	Prepaid expenses - long-term (381A, 382A)	062	0	0	0	0
2.	Prepaid expenses - short-term (381A, 382A)	063	7 226	0	7 226	0
3.	Accrued income - long-term (385A)	064	0	0	0	0
4.	Accrued income - short-term (385A)	065	26 028	0	26 028	0

Balance Sheet as of 31st December 2011

DIČ:		2023089728		Balance Sheet Úč POD 1-01
Designation a	LIABILITIES AND EQUITY b	Line No. c	Current accounting period 4	Preceding accounting period 5
	Total equity and liabilities line 067 + line 088 + line 121	066	85 521 117	2 121 923
A.	Equity line 068 + line 073 + line 080 + line 084 + line 087	067	5 575 427	-21 105
A.I.	Share capital - total (lines 069 to 072)	068	4 644 000	25 000
A.I.1.	Share capital (411 or +/- 491)	069	4 644 000	25 000
2.	Own shares and own ownership interests (/-/252)	070	0	0
3.	Change in share capital +/- 419	071	0	0
4.	Receivables related to unpaid share capital (/-/353)	072	0	0
A.II.	Capital funds - total (lines 074 to 079)	073	3 315	0
A.II.1.	Share premium (412)	074	0	0
2.	Other capital funds (413)	075	0	0
3.	Legal reserve fund (Non-distributable fund) from capital contributions (417, 418)	076	3 315	0
4.	Differences from revaluation of assets and liabilities (+/- 414)	077	0	0
5.	Investment revaluation reserves (+/- 415)	078	0	0
6.	Differences from revaluation in the event of a merger, amalgamation into a separate accounting entity or demerger (+/- 416)	079	0	0
A.III.	Funds created from profit - total (lines 081 to 083)	080	0	0
A.III.1.	Legal reserve fund (421)	081	0	0
2.	Non-distributable fund (422)	082	0	0
3.	Statutory funds and other funds (423, 427, 42X)	083	0	0
A.IV.	Net profit/loss of previous years line 085 and line 086	084	-46 105	0
A.IV.1.	Retained earnings from previous years (428)	085	0	0
2.	Accumulated losses from previous years (/-/429)	086	-46 105	0
A.V.	Net profit/loss for the accounting period after tax +/- line 001 - (line 068 + line 073 + line 080 + line 084 + line 088 + line 121)	087	974 217	-46 105
B.	Liabilities line 89 + line 94 + line 106 + line 117 + line 118	088	78 816 505	2 143 027
B.I.	Provisions - total (lines 090 to 093)	089	70 840	6 500
B.I.1.	Legal provisions - long-term (451A)	090	0	0
2.	Legal provisions - short-term (323A, 451A)	091	48 007	6 500
3.	Other long-term provisions (459A, 45XA)	092	2 820	0
4.	Other short-term provisions (323A, 32X, 459A, 45XA)	093	20 013	0
B.II.	Non-current liabilities - total (lines 095 to 105)	094	331	69
B.II.1.	Non-current trade liabilities (321A, 479A)	095	0	0
2.	Net value of contract (316A)	096	0	0
3.	Unbilled long-term supplies (476A)	097	0	0

Balance Sheet as of 31st December 2011

DIČ:		2023089728	Balance Sheet Úč POD 1-01	
Designation a	LIABILITIES AND EQUITY b	Line No. c	Current accounting period 4	Preceding accounting period 5
4.	Non-current liabilities to a subsidiary and a parent (471A)	098	0	0
5.	Other non-current intercompany liabilities (471A)	099	0	0
6.	Long-term advance payments received (475A)	100	0	0
7.	Long-term bills of exchange to be paid (478A)	101	0	0
8.	Bonds issued (473A/-/255A)	102	0	0
9.	Liabilities related to social fund (472)	103	331	69
10.	Other non-current liabilities (474A, 479A, 47XA, 372A, 373A, 377A)	104	0	0
11.	Deferred tax liability (481A)	105	0	0
B.III.	Current liabilities - total (lines 107 to 116)	106	78 745 334	2 136 458
B.III.1.	Trade liabilities (321, 322, 324, 325, 32X, 475A, 478A, 479A, 47XA)	107	71 715 301	2 108 784
2.	Net value of contract (316A)	108	0	0
3.	Unbilled supplies (326, 476A)	109	6 739 813	0
4.	Liabilities to a subsidiary and a parent (361A, 471A)	110	0	20 000
5.	Other intercompany liabilities (361A, 36XA, 471A, 47XA)	111	0	0
6.	Liabilities to partners and association (364, 365, 366, 367, 368, 398A, 478A, 479A)	112	0	0
7.	Liabilities to employees (331, 333, 33X, 479A)	113	23 566	4 997
8.	Liabilities related to social security (336, 479A)	114	13 894	1 387
9.	Tax liabilities and subsidies (341, 342, 343, 345, 346, 347, 34X)	115	242 259	1 142
10.	Other liabilities (372A, 373A, 377A, 379A, 474A, 479A, 47X)	116	10 501	148
B.IV.	Short-term financial assistance (241, 249, 24X, 473A, -/255A)	117	0	0
B.V.	Bank loans line 119 and line 120	118	0	0
B.V.1.	Long-term bank loans (461A, 46XA)	119	0	0
2.	Current bank loans (221A, 231, 232, 23X, 461A, 46XA)	120	0	0
C.	Accruals/deferrals - total (lines 122 to 125)	121	1 129 185	1
C.1.	Accrued expenses - long-term (383A)	122	0	0
2.	Accrued expenses - short-term (383A)	123	173	1
3.	Deferred income - long-term (384A)	124	110 367	0
4.	Deferred income - short-term (384A)	125	1 018 645	0

Income Statement ÚČ POD 2-01

INCOME STATEMENT

at 31. 12. 2011 (in whole euros)

Tax identification number (DIČ)

2 0 2 3 0 8 9 7 2 8

Financial statements

☒ - ordinary
☐ - extraordinary

Financial statements

☒ - prepared
☐ - approved

For period

Month	Year
0 1	2 0 1 1
1 2	2 0 1 1

Identification number (IČO)

4 5 6 8 7 8 6 2

SK NACE

3 5 . 1 2 . 0

(check ☒)

Preceding period

Month	Year
0 1	2 0 1 0
1 2	2 0 1 0

Legal name (designation) of the accounting entity

O K T E a . s .

Registered office of the accounting entity, street and number

M l y n s k é n i v y 5 9 / A

Zip code

8 2 1 0 9

Municipality

B r a t i s l a v a

Telephone number

0 2 / 5 0 6 9 2 9 8 4

Fax number

0 /

e-mail

Prepared on: 30.3.2012	Signature of the person responsible for bookkeeping: Štefánia Gerthoferová	Signature of the person responsible for the preparation of the financial statements: Ing. Ján Oráč	Signature of the accounting entity's statutory body or a sole trader who is the accounting entity: Ing. Pavel Šramko Ing. Milan Lodňánek
Approved on:			

Profit and Loss Account for the Year Ending as of 31st December 2011

DIČ: 2023089728			Income Statement ÚČ POD 2-01	
Designation a	Text b	Line No. c	Actual data	
			Current accounting period 1	Preceding accounting period 2
I.	Revenue from the sale of merchandise (604, 607)	01	232 847 383	0
A.	Cost of merchandise sold (504, 505A, 507)	02	231 950 024	0
+	Trade margin line 01- line 02	03	897 359	0
II.	Production line 05 + line 06 + line 07	04	98 343 912	0
II.1.	Revenue from the sale of own products and services (601, 602, 606)	05	98 343 912	0
2.	Changes in internal inventory (+/- account group 61)	06	0	0
3.	Own work capitalized (account group 62)	07	0	0
B.	Production line 09 + line 10	08	96 400 750	20 734
B.1.	Consumed raw materials, energy consumption, and consumption of other non-inventory supplies (501, 502, 503, 505A)	09	20 007	2 477
2.	Services (account group 51)	10	96 380 743	18 257
+	Added value line 03 + line 04 -line 08	11	2 840 521	-20 734
C.	Personnel expenses total (lines 13 to 16)	12	360 107	25 374
C.1.	Wages and salaries (521, 522)	13	215 208	15 328
2.	Remuneration of board members of company or cooperative (523)	14	14 983	4 912
3.	Social security expenses (524, 525, 526)	15	79 795	4 649
4.	Social expenses (527, 528)	16	50 121	485
D.	Taxes and fees (account group 53)	17	718	62
E.	Amortization and value adjustments to non-current intangible assets and depreciation and value adjustments to property, plant and equipment (551,553)	18	1 208 527	0
III.	Revenue from the sale of non-current assets and raw materials (641, 642)	19	148 357	367
F.	Carrying value of non-current assets sold and raw materials sold (541, 542)	20	148 355	0
G.	Creation and reversal of value adjustments to receivables (+/- 547)	21	0	0

Profit and Loss Account for the Year Ending as of 31st December 2011

DIČ: 2023089728		Income Statement ÚČ POD 2-01		
Designation a	Text b	Line No. c	Actual data	
			Current accounting period 1	Preceding accounting period 2
IV.	Other operating income (644, 645, 646, 648, 655, 657)	22	812	0
H.	Other operating expenses (543, 544, 545, 546, 548, 549, 555, 557)	23	756	0
V.	Transfer of operating income (-) (697)	24	0	0
I.	Transfer of operating expenses (-) (597)	25	0	0
*	Profit/loss from operations line 11 - line 12 - line 17 - line 18 + line 19 - line 20 - line 21 + line 22 - line 23 + (-line 24) - (-line 25)	26	1 271 227	-45 803
VI.	Revenue from the sale of securities and shares (661)	27	0	0
J.	Securities and shares sold (561)	28	0	0
VII.	Income from non-current financial assets line 30 + line 31 + line 32	29	0	0
VII.1	Income from securities and ownership interests in a subsidiary and in a company where significant influence is held (665A)	30	0	0
2.	Income from other long-term securities and shares (665A)	31	0	0
3.	Income from other non-current financial assets (665A)	32	0	0
VIII.	Income from current financial assets (666)	33	0	0
K.	Expenses related to current financial assets (566)	34	0	0
IX.	Gains on revaluation of securities and income from derivative transactions (664, 667)	35	0	0
L.	Loss on revaluation of securities and expenses related to derivative transactions (564, 567)	36	0	0
M.	Creation and reversal of value adjustments to financial assets +/- 565	37	0	0
X.	Interest income (662)	38	3 302	24
N.	Interest expense (562)	39	953	0
XI.	Exchange rate gains (663)	40	0	0
O.	Exchange rate losses (563)	41	35	0

Profit and Loss Account for the Year Ending as of 31st December 2011

DIČ: 2023089728		Income Statement ÚČ POD 2-01		
Designation a	Text b	Line No. c	Actual data	
			Current accounting period 1	Preceding accounting period 2
XII.	Other income from financial activities (668)	42	0	0
P.	Other expenses related to financial activities (568, 569)	43	11 379	326
XIII.	Transfer of financial income (-) (698)	44	0	0
R.	Transfer of financial expenses (-) (598)	45	0	0
*	Profit/loss from financial activities line 27 - line 28 + line 29 + line 33 - line 34 + line 35 - line 36 - line 37 + line 38 - line 39 + line 40 - line 41 + line 42 - line 43 + (-line 44) - (-line 45)	46	-9 065	-302
**	Profit/loss from ordinary activities before tax line 26 + line 46	47	1 262 162	-46 105
S.	Income tax on ordinary activities line 49+ line 50	48	287 945	0
S.1.	- current (591,595)	49	292 283	0
2.	- deferred (+/-592)	50	-4 338	0
**	Profit/loss from ordinary activities after tax line 47 - line 48	51	974 217	-46 105
XIV.	Extraordinary income (account group 68)	52	0	0
T.	Extraordinary expenses (account group 58)	53	0	0
*	Profit/loss from extraordinary activities before tax line 52 - line 53	54	0	0
U.	Income tax on extraordinary activities line 56 + line 57	55	0	0
U.1.	- current (593)	56	0	0
2.	- deferred (+/- 594)	57	0	0
*	Profit/loss from extraordinary activities after tax line 54 - line 55	58	0	0
***	Profit/loss for the accounting period before tax (+/-) (line 47 + line 54)	59	1 262 162	-46 105
V.	Transfer of net profit/net loss shares to partners (+/-596)	60	0	0
***	Profit/loss for the accounting period after tax (+/-) [line 51 + line 58 - line 60]	61	974 217	-46 105

OKTE, a.s.
Notes to Financial Statements as of 31 December 2011

1

Notes Úč POD 3 - 04

Notes to the individual Financial Statements as of 31 December 2011

in ☐ - eurocent ☒ - euro

For the period from month year to month year

For the period from to

Date of establishment of the accounting entity

Financial statements

☒ - ordinary
☐ - extraordinary
☐ - interim

Financial statements

☒ - prepared
☐ - approved

IČO

DIČ

SK NACE

Legal name (designation) of the accounting entity

O K T E , A . S .

Registered office of the accounting entity

Street

M L Y N S K E N I V Y

Number

5 9 / A

Zip code

8 2 1 0 9

Municipality

B R A T I S L A V A

Telephone number

0 2 / 5 0 6 9 2 9 8 4

Fax number

/

E-mail

Prepared on: 30.3.2012	Signature of the person responsible for bookkeeping:	Signature of the person responsible for the preparation of the financial statements:	Signature of the accounting entity's body or a sole trader who is the accounting entity:
Approved on:	Štefánia Gerthoferová	Ing. Ján Oráč	Ing. Pavel Šramko Ing. Milan Lodňanek

OKTE, a.s. 2
Notes to Financial Statements as of 31 December 2011

A. INFORMATION ABOUT THE ACCOUNTING ENTITY

1. Entity name and registered office

OKTE, a.s.
Mlynské Nivy 59/A, 821 09 Bratislava

OKTE, a.s. (hereinafter referred to as "the Company") was established on 20 July 2010 and was registered in the Commercial Register on 11 August 2010 (Commercial Register of the District Court Bratislava I in Bratislava, Section Sa, file nr. 5087/B).

2. The principal activities of the Company according to commercial register

- electricity spot market organizing,
- the purchase of goods for sale to the final customers (retail) or to other operators of the business (wholesale),
- intermediary activities in the volume of the free business,
- real estate rental, rental of residential and non-residential spaces without providing any additional services connected to rental,
- services connected with data analysis,
- factoring and forfeiting,
- administrative services,
- business, organizational and economic advisory services,
- extracurricular education,
- advertisement and marketing services.

From 1 January 2011 the primary activity of OKTE, a.s. is organization and evaluation of electricity spot market for electricity spot market participants and deviation billing of billing subjects in Slovak Republic according to Act no. 656/2004 Coll. on Energy as amended and based on license to conduct business in energy market.

3. Unlimited liability

The Company is not a partner with unlimited liability in other companies according to Article 56 (5) of the Commercial Register.

4. Average number of employees

Information on the number of employees for the current accounting period and preceding accounting period is shown in the following table:

	2011	2010
Average recalculated number of employees	11	1
Number of employees as at the balance sheet date	20	1
of which are managers	3	1

5. Legal reason for the preparation of the Financial Statements

The Financial Statements of the Company as of 31 December 2011 have been prepared as ordinary financial statements in accordance with Article 17 (6) of Slovak Act No. 431/2002 Coll. on Accounting (hereinafter referred to as "the Act on Accounting") for the accounting period from 1 January 2011 to 31 December 2011.

OKTE, a.s. 3
Notes to Financial Statements as of 31 December 2011

6. Date of approval of the Financial Statements for the preceding accounting period

The Financial Statements of the Company for the preceding accounting period, were approved by the shareholders at the Company's general meeting on 27 June 2011.

B. INFORMATION ABOUT THE ACCOUNTING ENTITY'S BODIES

1. Company Bodies

Board of Directors:

Chairman: Ing. Pavel Šramko

Member: Ing. Milan Lodiňanek

Member: Ing. Vladimír Karaba

Supervisory Board:

Chairman: Ing. Ivan Lovíšek

Deputy Chairman: Ing. Jaroslav Kubinec

Member: Ing. Ján Petrovič

Executive Management:

Director: Ing. Pavel Šramko

C. INFORMATION ABOUT THE SHAREHOLDERS OF THE ACCOUNTING ENTITY

The situation as of 31 December 2011 is as follows:

Shareholder	Interest in share capital		Voting rights	Different interest on other items of equity than interest on share capital in %
	in absolute terms	in %	in %	
a	b	c	d	e
Slovenská elektrizačná a prenosová sústava, a.s.	4 644 000	100	100	-
Total	4 644 000	100	100	-

D. INFORMATION ABOUT THE CONTROLLING PARTIES

Slovenská elektrizačná a prenosová sústava, a.s. is the parent company of the smallest group of which the Company is a member and for which group financial statements are prepared. These consolidated financial statements are available at the registered office in Bratislava, Mlynské Nivy 59/A and is deposited in the Commercial Register of the District Court Bratislava I that is maintained by Registration Court in Bratislava, Záhradnícka 10.

E. INFORMATION ABOUT ACCOUNTING PRINCIPLES AND ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements were prepared using the going concern assumption that the Company will continue in operation for the foreseeable future according to Slovak Act on Accounting and Accounting Procedures.

OKTE, a.s. 4
Notes to Financial Statements as of 31 December 2011

The accounting policies and general accounting principles have been consistently applied by the entity.

(b) Non-current intangible assets and property, plant and equipment

Purchased non-current assets are valued at their acquisition cost, which consists of the price at which an asset has been acquired plus costs related to the acquisition (customs duty, transport, assembling costs, insurance etc.).

With effect from 1 January 2003, acquisition cost of property, plant and equipment does not include borrowing costs or realized exchange rate differences, which arose before the item of property, plant and equipment was put into use.

With effect from 1 July 2010, acquisition cost of non-current intangible assets does not include borrowing costs, which arose before the non-current intangible assets were put into use.

Acquisition of property, plant and equipment in use is written down for any impairment of value.

Non-current assets acquired free of charge are valued at their replacement cost that is the price at which an asset would be acquired at the time when it is recorded in books.

Amortization of non-current intangible assets is based on the amortization plan based on expected useful lives of the assets. Amortization commences on the first day of the month following the date the non-current asset was put into use. Low-value non-current intangible assets with an acquisition cost (or conversion cost) of EUR 2 400 or less are written off when the asset is put into use.

Estimated useful life, amortization method, and amortization rate are described in the following table:

	Estimated useful life in years	Amortization method	Annual rate of amortization in %
Software	4	straight-line	25
Valuable rights (licences)	4	straight-line	25
Valuable rights (easements)	According to Easement contract's conditions	straight-line	According to Easement contract's conditions

Depreciation of property, plant and equipment is based on the depreciation plan based on the expected useful lives of the assets. Depreciation commences on the first day of the month following the date the asset was put into use. Low-value non-current tangible assets with an acquisition cost (or conversion cost) of EUR 1 700 or less are written off when the asset is put into use. Land is not depreciated.

Estimated useful life, depreciation method, and depreciation rate are described in the table below:

	Estimated useful life in years	Depreciation method	Annual rate of depreciation in %
Machinery and equipment	4 to 12	straight-line	25 to 8.33

If there is a temporary impairment of a non-current asset below its carrying amount found during the reconciliation procedures, a value adjustment is created to reflect impairment.

(c) Inventory

Purchased inventory is valued at its acquisition cost that includes the price at which inventory has been acquired plus costs related to the acquisition (customs duty, transport, insurance, commissions, discount etc.) reduced by discounts. Discount to inventory sold or used is accounted as cost of inventory sold or used reduction. The Company uses method A for accounting for inventory as defined by Accounting Procedures. The decrease in inventory is recorded on the weighted average principle.

OKTE, a.s. 5
Notes to Financial Statements as of 31 December 2011

If the acquisition cost or cost of inventory is lower than the net realizable value as at the financial statements date a value adjustment is created in the amount of the difference between carrying and net realizable value. The net realizable value is the expected selling price of inventory less the expected costs of its completion and costs related to its sale.

(d) Receivables

Receivables are valued at their nominal value (assigned receivables and receivables acquired via a contribution to share capital are valued at their acquisition cost, including costs related to the acquisition). Receivables are decreased by the write-downs for any amounts expected to be irrecoverable.

If the remaining maturity of a receivable exceeds one year, the value adjustment in the amount of the difference between its nominal and present value is created. Present value of a receivable is calculated as a sum of products of future cash flows and relevant discount factors.

(e) Financial accounts

Cash on hand and bank accounts valued at their nominal value are presented in financial accounts.

(f) Prepaid expenses and accrued income

Prepaid expenses and accrued income are presented in accordance with the matching principle in terms of substance and time.

(g) Value adjustments

Value adjustments are created based on the prudence principle if there is a justified assumption of impairment of asset below its carrying value. Value adjustment is created in the amount of justified assumption of impairment of asset related to its carrying value.

(h) Provisions

A provision is a liability representing the Company's existing obligation arising from past events which is likely to reduce its economic benefits in the future. Provisions are liabilities of uncertain timing or amount and are valued at the expected amount of the liability as at the financial statements day.

Creation of a provision shall be recorded in the relevant expense account to which the liability is attributable. The use of provision shall be debited to the relevant account of provisions with a corresponding credit entry in the relevant liability account. Reversal of an unusable provision or part thereof shall be accounted for by means of an accounting entry in reverse to the creation of the provision.

Provisions are valued at the expected amount of the liability.

(i) Liabilities

Liabilities are valued at their nominal value. Assumed liabilities are valued at their acquisition cost at the time of their assumption. If reconciliation procedures reveal that the actual amount of liabilities differs from the amount recorded in the accounting books, the actual amount shall be used to value these liabilities in the accounting books and financial statements.

(j) Employee benefits

Wages, salaries, contributions to state pension and social insurance funds, paid annual leave and sick leave, bonuses, and non-monetary benefits (such as health services) are booked in the accounting period in that they were used by employees of the Company.

OKTE, a.s. 6
Notes to Financial Statements as of 31 December 2011

Defined benefit pension plan

A defined benefit pension plan is a pension plan that defines the amount of the pension benefit that an employee will receive upon retirement. The amount of this benefit usually depends on several factors, such as age, years of service, and wage or salary.

Minimal requirement for retirement contribution stated by the Labor Code is in the amount of one average monthly salary. In addition, based on the Collective Agreement with the Trade Unions upon retirement the Company must pay an employee a certain sum according to the number of years worked. It is to be calculated as follows:

Number of years worked	
0 – 2	3
3 – 9	5
10 – 14	6
15 – 19	7
more than 20	8

Minimum requirement of the Labor Code, i.e. one average monthly wage, is included in the above mentioned multiples.

The Company also rewards bonuses at important life jubilees.

The employees expect that the Company will continue providing these benefits. The Company's management believes that it is not realistic to stop granting them now.

The liability recognized on the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the financial statements date, together with adjustment resulting from unrecognized actuarial gains or losses and past-service costs. Actuaries calculate this liability every year by discounting the estimated future cash flows.

Actuarial gains or losses arising from adjustments and changes in actuarial assumptions are charged or credited to the income statement when incurred. Amendments to pension plans are charged or credited to the income statement when incurred.

The main actuarial assumptions used for calculating the liability related to the pension plan are as follows:

	2011
Average number of employees at 31 December	11
Percentage of employees that terminate employment with the Company before retirement (termination rate)	5.2 – 10.1 % p.a.
Estimated pay rise	3.0 – 5.0 % p.a.
Discount rate	5.18 %

(k) Income tax due

The corporate income tax is expensed in the period when the tax liability arises. In the accompanying income statement, it is calculated on the basis of the profit/(loss) before taxes that has been adjusted for tax-deductible and tax non-deductible items due to permanent and temporary adjustments to the tax base and any loss carried forward. The tax liability is stated net of corporate income tax advances that the Company paid during the year. If corporate income tax advances paid during the year exceed the tax liability for the period, the Company records a tax receivable.

OKTE, a.s. 7
Notes to Financial Statements as of 31 December 2011

(l) Deferred income tax

Deferred income tax is applied to:

- temporary differences between the carrying value of assets and the carrying value of liabilities shown in the balance sheet and their tax base;
- the possibility to carry forward a tax loss in future periods, which means the possibility to deduct the tax loss from the tax base in the future;
- the possibility to transfer unclaimed tax deductions and other tax claims to future periods.

Deferred tax assets are recognized to the extent that is probable that future taxable profit will be available against which the temporary differences can be utilized.

To determine deferred income tax, tax rates expected to apply at the date on which the deferred tax is settled are used.

(m) Deferred revenues and accrued expenses

Deferred revenues and accrued expenses are stated at their nominal value, while presented at the amount reflecting the accrual principle.

(n) Leasing (the Company is a lessee)

Operating lease

Assets acquired under operating lease contracts are expensed on a straight-line basis over the period of the lease. Assets leased through operating leases are presented by the owner, not lessee.

(o) Foreign currency

Assets and liabilities denominated in foreign currency are translated to Euro as of the date of the accounting transaction by the reference exchange rate determined and declared by the European Central Bank or National Bank of Slovakia as of the date preceding the date of the accounting transaction or as of another day if there is a special regulation. As at Balance Sheet date, assets and liabilities denominated in a foreign currency (except for advance payments made and advance payments received) are translated to Euro the reference exchange rate determined and declared by the European Central Bank or the National Bank of Slovakia as at the Balance Sheet date. Exchange rate differences occurred are recorded with an impact on profit or loss.

Advance payments made and advance payments received in foreign currencies are translated to Euro as at the date of the accounting transaction by the reference exchange rate determined and declared by the European Central Bank or the National Bank of Slovakia as of the date preceding the date of accounting transaction. They are not translated to Euro as of the Balance Sheet date.

(p) Revenue

Revenues from services provided are recognized in the accounting period in which the services are rendered, taking into account the ratio of progress of this service. This is recognized based on the realized services as a proportional part to the whole amount of agreed services.

Sales revenues are shown net of VAT, discounts and reductions (quick payment discounts, bonuses, rebates and credit notes etc.). Interest income is recognized on an accrual basis, using the effective interest method.

Revenues of the Company consist from revenue from organizing the electricity spot market and deviation billing.

OKTE, a.s. 8
Notes to Financial Statements as of 31 December 2011

F. INFORMATION ABOUT DATA ON THE ASSET SIDE OF THE BALANCE SHEET

1. Non-current intangible assets and property, plant and equipment

Information on the movements of non-current intangible assets and property, plant and equipment from 1 January 2011 to 31 December 2011 is shown in the tables on pages 9 to 12.

As of 31 December 2011, the Company has no pledged property, plant and equipment.

Property, plant and equipment of the Company is not covered by insurance policy.

Property, plant and equipment increased as a result of non-monetary contribution from a parent company in the amount of EUR 4,619,815.

Individual movable assets and intangible assets are represented by assets that were contributed to the Company as a non-monetary contribution from a parent company.

As of 31 December 2011, intangible assets in the amount of EUR 3,254 (as of 31 December 2010: EUR 529) were recorded directly to expenses.

As of 31 December 2011, low-value non-current assets in the amount of EUR 7,389 (as of 31 December 2010: EUR 1,633) were recorded directly to expenses.

OKTE, a.s.																
Summary of movements of non-current intangible assets																
31.12.2011																
Current accounting period																
Non-current intangible assets	a	Capitalized development costs	b	Software	c	Valuable rights	d	Goodwill	e	f	Acquisition of non-current intangible assets	g	Advance payments made for non-current intangible assets	h	i	Non-current intangible assets - total
Acquisition cost/conversion cost																
Opening balance		-		-		-		-		-		34 397		-		34 397
Increases		-		4 101 501		-		-		-		502 275		-		4 603 776
Decreases		-		(192 459)		-		-		-		-		-		(192 459)
Transfers		-		199 236		337 436		-		-		(536 672)		-		-
Closing balance		-		4 493 196		337 436		-		-		-		-		4 830 632
Accumulated depreciation																
Opening balance		-		-		-		-		-		-		-		-
Increases		-		1 208 302		7 031		-		-		-		-		1 215 333
Decreases		-		(192 459)		-		-		-		-		-		(192 459)
Closing balance		-		1 400 761		7 031		-		-		-		-		1 407 792
Value adjustments																
Opening balance		-		-		-		-		-		-		-		-
Increases		-		-		-		-		-		-		-		-
Decreases		-		-		-		-		-		-		-		-
Closing balance		-		-		-		-		-		-		-		-
Carrying value																
Opening balance		-		-		-		-		-		34 397		-		34 397
Closing balance		-		3 092 435		330 405		-		-		-		-		3 422 840

OKTE, a.s.									
Summary of movements of non-current intangible assets									
31.12.2010									
Non-current intangible assets	Preceding accounting period								
	a	b	c	d	e	f	g	h	i
Acquisition cost/conversion cost									
Opening balance	-	-	-	-	-	-	-	-	-
Increases	-	-	-	-	-	-	34 397	-	34 397
Decreases	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	34 397	-	34 397
Accumulated depreciation									
Opening balance	-	-	-	-	-	-	-	-	-
Increases	-	-	-	-	-	-	-	-	-
Decreases	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-
Value adjustments									
Opening balance	-	-	-	-	-	-	-	-	-
Increases	-	-	-	-	-	-	-	-	-
Decreases	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-
Carrying value									
Opening balance	-	-	-	-	-	-	34 397	-	34 397
Closing balance	-	-	-	-	-	-	34 397	-	34 397

OKTE, a.s.
Summary of movements of property, plant and equipment
31.12.2011

Property, plant and equipment	Current accounting period									
	a	b	c	d	e	f	g	h	i	j
Acquisition cost/conversion cost										
Opening balance	-	-	-	-	-	-	-	43 257	-	43 257
Increases	-	-	-	518 314	-	-	-	4 612	-	522 926
Decreases	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	47 869	-	-	-	(47 869)	-	-
Closing balance	-	-	-	566 183	-	-	-	-	-	566 183
Accumulated depreciation										
Opening balance	-	-	-	-	-	-	-	-	-	-
Increases	-	-	-	141 548	-	-	-	-	-	141 548
Decreases	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	141 548	-	-	-	-	-	141 548
Value adjustments										
Opening balance	-	-	-	-	-	-	-	-	-	-
Increases	-	-	-	-	-	-	-	-	-	-
Decreases	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-
Carrying value										
Opening balance	-	-	-	-	-	-	-	43 257	-	43 257
Closing balance	-	-	-	424 635	-	-	-	-	-	424 635

OKTE, a.s.
Summary of movements of property, plant and equipment
31.12.2010

Property, plant and equipment	Preceding accounting period									
	a	b	c	d	e	f	g	h	i	j
		Land	Structures	Individual movable assets and sets of movable assets	Perennial crops	Livestock	Other property, plant and equipment	Acquisition of property, plant and equipment	Advance payments made for property, plant and equipment	Property, plant and equipment - total
Acquisition cost/conversion cost										
Opening balance	-	-	-	-	-	-	-	-	-	-
Increases	-	-	-	-	-	-	43 257	-	-	43 257
Decreases	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	43 257	-	-	43 257
Accumulated depreciation										
Opening balance	-	-	-	-	-	-	-	-	-	-
Increases	-	-	-	-	-	-	-	-	-	-
Decreases	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-
Value adjustments										
Opening balance	-	-	-	-	-	-	-	-	-	-
Increases	-	-	-	-	-	-	-	-	-	-
Decreases	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-
Carrying value										
Opening balance	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	43 257	-	-	43 257

OKTE, a.s. 13
Notes to Financial Statements as of 31 December 2011

2. Inventory

Advance payments made in the amount of EUR 6,302,553 representing the value of not yet utilized advance payments for received and used inventory within the organization of the electricity spot market. Inventory is not covered by any insurance policy.

Inventory is not pledged.

3. Receivables

The Company creates no value adjustment to receivables.

The ageing structure of receivables for the current accounting period is as follows:

Receivables as at 31 December 2011	Due	Overdue	Total receivables
a	b	c	d
Non-current receivables			
Trade receivables	-	-	-
Receivables from a subsidiary and a parent	-	-	-
Other intercompany receivables	-	-	-
Receivables from participants, members and association	-	-	-
Other receivables	-	-	-
Total non-current receivables	-	-	-
Current receivables			
Trade receivables	8,802,971	405,521	9,208,492
Receivables from a subsidiary and a parent	-	-	-
Other intercompany receivables	-	-	-
Receivables from participants, members and association	-	-	-
Social security	-	-	-
Tax assets and subsidies	172,508	-	172,508
Other receivables	577	-	577
Total current receivables	8,976,056	405,521	9,381,577

OKTE, a.s. 14
Notes to Financial Statements as of 31 December 2011

The ageing structure of receivables for the preceding accounting period is as follows:

Receivables as at 31 December 2010	Due	Overdue	Total receivables
a	b	c	d
Non-current receivables			
Trade receivables	-	-	-
Receivables from a subsidiary and a parent	-	-	-
Other intercompany receivables	-	-	-
Receivables from participants, members and association	-	-	-
Other receivables	-	-	-
Total non-current receivables	-	-	-
Current receivables			
Trade receivables	-	437	437
Receivables from a subsidiary and a parent	-	-	-
Other intercompany receivables	-	-	-
Receivables from participants, members and association	-	-	-
Social security	-	-	-
Tax assets and subsidies	16,977	-	16,977
Other receivables	-	-	-
Total current receivables	16,977	437	17,414

Receivables according to remaining maturity are as follows (in EUR):

Receivables according to remaining maturity	31 Dec 2011	31 Dec 2010
a	b	c
Receivables overdue	8,976,056	16,977
Receivables with remaining maturity less than one year	405,521	437
Total current receivables	9,381,577	17,414
Receivables with remaining maturity from one to five years	-	-
Receivables with remaining maturity more than five years	-	-
Total non-current receivables	-	-

Receivables from significant customers are as follows (in EUR):

Company	31.12.2011	31.12.2010
SEPS, a.s.	1,351,590	-
SE, a.s.	353,956	-
ZSE Energia, a.s.	1,535,428	-
SSE, a.s.	1,545,047	-
VSE, a.s.	692,323	-
Total	5,478,344	-

Receivables for deviations, regulatory energy and daily market represent receivables from significant customers.

OKTE, a.s. 15
Notes to Financial Statements as of 31 December 2011

Receivables are not secured by a lien.

Receivables are not pledged.

All receivables are at the Company's full disposal.

4. Financial accounts

Cash on hand, securities, and bank accounts are presented in financial accounts. The bank accounts are at the Company's full disposal. The Company has 2 deposit bank accounts used as a pledge for deviations (EUR 35,377,878) and for daily market with electricity (EUR 23,202,706).

Overview of items of financial accounts is shown in the following table (in EUR):

	31 Dec 2011	31 Dec 2010
Cash on hand, stamps and vouchers	13,426	769
Current bank accounts	65,938,494	2,026,086
Term deposits	-	-
Cash in transit	-	-
Total	65,951,920	2,026,855

5. Accruals/deferrals

Overview of items of accruals/deferrals is shown in the following table (in EUR):

	31 Dec 2011	31 Dec 2010
Prepaid expenses - long-term:	-	-
Prepaid expenses - short-term, out of it:	7,226	-
IT services	4,556	-
Other	2,670	-
Accrued income - long-term:	-	-
Accrued income - short-term, out of it:	26,028	-
Non-invoiced credit notes for deviations and regulatory energy	25,696	-
Other	332	-
Total	33,254	-

OKTE, a.s. 16
Notes to Financial Statements as of 31 December 2011

G. INFORMATION ABOUT DATA ON LIABILITIES AND EQUITY SIDE OF THE BALANCE SHEET

1. Equity

Information on equity is provided in Part P.

2. Provisions

Provisions for the current accounting period are shown in the table below:

a	Current accounting period (2011)				Balance as at 31 Dec 2011 f
	Balance as at 31 Dec 2010 b	Creation c	Use d	Reversal e	
Long-term provisions, out of it:	-	2 820	-	-	2 820
Other long-term provisions					
Lump sum payment at retirement	-	2 820	-	-	2 820
Other long-term provisions - total	-	2 820	-	-	2 820
Short-term provisions, out of it:	6 500	68 020	(6 000)	(500)	81 020
Legal provisions short-term					
Vacation pay, including social security	-	14 507	-	-	14 507
Provisions for services and other	6 500	33 500	(6 000)	(500)	46 500
Legal short-term provisions - total	6 500	48 007	(6 000)	(500)	61 007
Other provisions - short-term					
Employee bonuses, including social security	-	20 013	-	-	20 013
	-	20 013	-	-	20 013

Provisions for the previous accounting period are shown in the table below:

a	Preceding accounting period (2010)				Balance as at 31 Dec 2010 f
	Balance as at 11 Aug 2010 b	Creation c	Use d	Reversal e	
Long-term provisions:	-	-	-	-	-
Short-term provisions, out of it:	-	6 500	-	-	6 500
Legal provisions - short-term					
Provisions for services and other	-	6 500	-	-	6 500
Legal short-term provisions - total	-	6 500	-	-	6 500
Other provisions - short-term	-	-	-	-	-

A provision for lump sum payment at retirement was created using actuarial mathematics.

OKTE, a.s. 17
Notes to Financial Statements as of 31 December 2011

3. Liabilities

The structure of liabilities (except for bank loans) according to maturity is shown in the table below:

	31 Dec 2011	31 Dec 2010
Liabilities overdue	20 756	-
Liabilities due within 1 year	78 724 578	2 136 458
Total current liabilities	78 745 334	2 136 458
Liabilities due within 1-5 years	331	69
Liabilities due over 5 years	-	-
Total non-current liabilities	331	69

No liabilities are secured by a lien.

Liabilities against important suppliers are shown in the table below (in EUR):

Company	31 Dec 2011	31 Dec 2010
SEPS, a.s.	3,164,435	20,184
SE, a.s.	3,025,899	-
ZSE Energia, a.s.	523,516	-
SSE, a.s.	792,429	-
VSE, a.s.	485,792	-
Total	7,992,071	20,184

Liabilities for deviations, regulatory energy, over costs and a daily market represent operating liabilities.

Securities received from companies trading on a spot electricity market in the amount of EUR 58,571,915 (2010: EUR 2,010,780) are presented within liabilities.

OKTE, a.s. 18
Notes to Financial Statements as of 31 December 2011

4. Deferred tax asset/liability

The calculation of the deferred tax asset/liability is presented in the table below:

	31 Dec 2011	31 Dec 2010
Temporary differences between the carrying value of assets and their tax base	-	-
– deductible	-	-
– taxable	-	-
Temporary differences between the carrying value of liabilities and their tax base	(22 833)	-
– deductible	(22 833)	-
– taxable	-	-
Tax loss carried forward for future periods	-	-
Possibility to claim unused tax deductions	-	-
Income tax rate (in %)	19	19
Deferred tax asset	4 338	-
Recognized deferred tax asset	4 338	-
Recorded as decrease of expenses	4 338	-
Recorded in equity	-	-
Deferred tax liability	-	-
The change in deferred tax liability	-	-
Recorded as an expense	-	-
Recorded in equity	-	-

5. Social fund

The creation and drawing from the social fund during the accounting period are presented in the table below (in EUR):

	31 Dec 2011	31 Dec 2010
Opening balance of social fund	69	-
Creation of social fund against expenses	7,527	215
Creation of social fund from profit	-	-
Other creation of social fund	4,000	-
<i>Total creation of social fund</i>	<i>11,527</i>	<i>215</i>
<i>Drawing of social fund</i>	<i>11,265</i>	<i>146</i>
Closing balance of social fund	331	69

According to the Act on the Social Fund, part of the social fund must be created against expenses and part can be created from retained earnings. According to the Act on the Social Fund, the social fund is used to satisfy social, health, recreation, and other needs of employees.

OKTE, a.s. 19
Notes to Financial Statements as of 31 December 2011

6. Accruals/deferrals

The structure of accruals/deferrals is presented in the table below:

	31 Dec 2011	31 Dec 2010
Accrued expenses - long-term	-	-
Accrued expenses - short-term	173	1
Deferred income - long-term	110,367	-
Regulated deferred income	110,367	-
Deferred income - short-term, out of it:	1,018,645	-
Deviations	1,000,645	-
Daily market - access	18,000	-
Total	1,129,185	1

H. INFORMATION ABOUT INCOME

1. Revenue from own work and merchandise

Revenue from own work and merchandise according to the individual segments, i.e. types of products and services and main territories, is presented in the table below (in EUR):

Territory	Services of a market organizer		Other services		Merchandise		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
a	b	c	d	e	f	g		
Slovak Republic	93,575,477	0	69,667	0	73,787,179	0	167,432,323	0
Switzerland	171,019	0	22,527	0	9,999,859	0	10,193,405	0
Hungary	74,590	0	6,621	0	2,036,096	0	2,117,307	0
Czech Republic	624,621	0	44,704	0	69,638,026	0	70,307,351	0
Belgium	58,190	0	17,172	0	7,698,334	0	7,773,696	0
Germany	2,924,048	0	137,759	0	47,268,427	0	50,330,234	0
France	18,300	0	450	0	0	0	18,750	0
Slovenia	177,877	0	6,392	0	6,629,486	0	6,813,755	0
Italy	18,300	0	0	0	0	0	18,300	0
Great Britain	240,688	0	99,547	0	15,789,836	0	16,130,071	0
Denmark	55,428	0	535	0	140	0	56,103	0
Total	97,938,538	0	405,374	0	232,847,383	0	331,191,295	0

The main Company's income primarily consists of revenues from deviations, over costs from deviations and compensation in the operating of the system.

OKTE, a.s. 20
Notes to Financial Statements as of 31 December 2011

Revenue from merchandise and services from significant customers is presented in the table below (in EUR):

Company	31 Dec 2011	31 Dec 2010
SEPS, a.s.	15,794,452	-
SE, a.s.	16,728,677	-
ZSE Enegria, a.s.	19,186,190	-
SSE, a.s.	28,560,551	-
VSE, a.s.	7,400,685	-
Total	87,670,555	-

2. Capitalized costs, other operating income, financial income and extraordinary income

Overview of capitalized costs, other operating income, financial income and extraordinary income is presented in the table below (in EUR):

	2011	2010
Significant items of capitalized costs	-	-
Other significant items of other operating income, out of it:	812	-
Contractual fines and penalties	711	-
Other	101	-
Financial income, out of it:	3,302	24
Exchange rate gains	-	-
Other significant items of financial income, out of it:	3,302	24
Interest income, out of it:	3,302	24
Tatra Banka, a.s.	3,302	24
Extraordinary income	-	-

3. Net turnover

The net turnover of the Company for the purpose of determination of obligation to have financial statements audited by an auditor [Article 19 (1a) of the Act on Accounting] is shown in the table below:

	2011	2010
Revenues from own products	-	-
Revenues from services provided	98,343,912	-
Revenues from merchandise	232,847,383	-
Revenues from construction contracts	-	-
Revenues from construction of real estates	-	-
Other income related to ordinary activities	152,471	391
Total net turnover	331,343,766	391

OKTE, a.s. 21
Notes to Financial Statements as of 31 December 2011

I. INFORMATION ABOUT EXPENSES

1. Costs of services provided, other operating expenses, financial and extraordinary expenses

Overview of costs of services provided, other operating expenses, financial and extraordinary expenses is presented in the table below:

	2011	2010
Costs of services provided	96,380,743	18,257
<i>Costs related to auditor, audit company, out of it:</i>	<i>24,000</i>	<i>6,000</i>
Audit of the individual financial statements	24,000	6,000
Other assurance services	-	-
Related services	-	-
Tax consulting	-	-
Other non-audit services	-	-
 <i>Other significant items of costs of services provided, out of it:</i>	 <i>96,356,743</i>	 <i>12,257</i>
Travel expenses	5,555	-
Representation	2,266	145
Software	3,254	529
Rent	53,255	164
Output connections	32,044	4,815
Surveys, analyzes, studies, reports, certificates	119,430	-
Services related to the data processing and advertising	897,383	630
Deviation's costs	43,652,988	-
Cost of regulated energy	49,800,619	-
Using of profile OT (ČEPS)	897,362	-
Notary verification, validation of minutes and signatures	-	3,825
Advisory	11,420	-
Maintenance services provided by the parent company	854,730	-
Other	26,437	2,149
 Other significant items of other operating expenses, out of it:	 756	 -
Gifts	500	-
Other	256	-
 Financial expenses	 12,367	 326
<i>Exchange rate losses, out of it:</i>	<i>35</i>	<i>-</i>
Exchange rate losses as at the balance sheet date	-	-
 <i>Other significant items of financial expenses, out of it:</i>	 <i>12,332</i>	 <i>326</i>
Interest expense	953	-
Other	11,379	326
 Extraordinary expenses	 -	 -

OKTE, a.s. 22
Notes to Financial Statements as of 31 December 2011

Cost of goods sold and cost of major consumption against the significant suppliers are shown in the table below (in EUR):

Company	2011	2010
SEPS, a.s.	8,253,973	-
SE, a.s.	42,559,045	-
ZSE Energia, a.s.	3,272,866	-
SSE, a.s.	17,109,105	-
VSE, a.s.	2,539,851	-
Total	73,734,840	-

Company's costs are primarily related to the regulated costs of deviations and regulated energy.

J. INFORMATION ABOUT INCOME TAXES

A reconciliation of the effective tax rate is shown in the table below (in EUR):

	2011			2010		
	Tax base	Tax	Tax in %	Tax base	Tax	Tax in %
a	b	c	d	e	f	g
Profit (loss) before tax	1 262 162		100,00 %	(46 105)		100,00 %
At theoretical tax rate 19%		239 811	19,00 %		-	19,00 %
Tax non-deductible expenses	325 428	61 831	4,90 %	-	-	0,00 %
Income not subject to tax	(3 302)	(627)	(0,05)%	-	-	0,00 %
Tax losses claimed during the period	(45 960)	(8 732)	(0,69)%	-	-	0,00 %
Total	1 538 328	292 283	23,16 %	(46 105)	-	19,00 %
Current tax		292 283	23,16 %		-	19,00 %
Deferred tax		(4 338)	(0,34)%		-	0,00 %
Total reported tax		287 945	22,81 %		-	19,00 %

OKTE, a.s. 23
Notes to Financial Statements as of 31 December 2011

Other information about deferred taxes:

	2011	2010
Total deferred tax asset recorded as an income or expense during the current accounting period arising from the change of the income tax rate	-	-
Total deferred tax liability recorded as an expense or income during the current accounting period arising from the change of the income tax rate	-	-
Total deferred tax assets recognized in the current accounting period with respect to tax loss carry-forward, unused tax deductions and other tax claims, and temporary differences from previous accounting periods with respect to which a deferred tax asset was not recognized in the previous accounting periods	-	-
Total deferred tax liability arising from the part of a deferred tax asset not recognized in the current accounting period, which was recognized in previous accounting periods	-	-
Total tax losses carried forward, unused tax deductions and other tax claims and deductible temporary differences with respect to which a deferred tax asset was not recognized	145	-
Deferred tax related to items recorded directly to equity accounts without being recorded in expense and income accounts	-	-

K. INFORMATION ABOUT DATA IN OFF-BALANCE SHEET ACCOUNTS

1. Leasehold property

Under the operating lease the Company has the following future minimum lease payments:

	31 December 2011	31 December 2010
Due within 1 year	33,246	-
Due within 2-5 years	55,497	-
Due over 5 years	-	-
Total	88,743	-

The Company has operating lease for an indefinite period, annual lease payments in amount EUR 45,138.

L. INFORMATION ON OFF-BALANCE SHEET ASSETS AND OFF-BALANCE SHEET LIABILITIES

1. Other possible obligations

Many parts of Slovak tax legislation remain untested and there is uncertainty about the interpretation that the tax authorities may apply in a number of areas. The effect of this uncertainty cannot be quantified and will only be resolved as legislative precedents are set or when the official interpretations of the authorities are available. Management of the Company is not aware of any circumstances which would result of future significant cost.

OKTE, a.s. 24
Notes to Financial Statements as of 31 December 2011

M. FUTURE RIGHTS AND OBLIGATIONS

Company has no contractual obligations follow from assigned contract till 31 December 2011 that would have performance after 31 December 2011 for the purchase of non-current assets.

N. REGULATION AND LIBERALIZATION OF ELECTROINDUSTRY

OKTE, a.s. is a 100 % subsidiary of Slovenská elektrizačná a prenosová sústava, a.s. and provides organization and evaluation of the electricity spot market for electricity spot market participants and deviation billing on the territory of the Slovak republic.

OKTE, a.s. perform this activities from 1 January 2011 based on Act No. 142/2010 Coll. from 3 March 2010, that amends Act No. 656/2004 Coll. on Power Engineering as amended, that amends Act No. 276/2001 Coll. on Regulation in Network Industries as amended.

OKTE, a.s. is a regulated entity and its activities are subject to regulation performed by Regulatory Office for Network Industries (hereinafter referred as to "RONI"). Basis for each regulation period of RONI are based in regulatory policy. Relevant regulatory procedures and parameters are determined and developed in its orders, regulations and price decisions.

For the year 2011, the revenue regulation principle for the performance of regulatory activities of OKTE, a.s. was based on income ceiling. Income ceilings and thereof resulting tariffs and charges for organization and evaluation of the electricity spot market and clearing, evaluation and settlement of deviations for the year 2011 were approved and issued in relevant price decision by RONI.

Almost 99% of costs and 98% of revenues of OKTE, a.s. are costs and revenues for deviations, over costs, regulatory energy and electricity traded on a electricity spot market. These costs and revenues are almost equal.

Only revenues from tariffs and charges for organization and evaluation of electricity spot market and for clearing, evaluation and settlement of deviations are used to cover operating costs needed for operations of OKTE, a.s. and for profit creation of OKTE, a.s.

Expansion of OKTE a.s.'s regulatory activities to measure data management administration and collection and also central billing of charges related to operation of transmission system is planned for the next period.

O. CONTINGENT LIABILITIES

Company has no litigations.

P. CONTINGENT ASSETS

Participants of electricity spot market and deviation billing conduct bank guarantee contracts with a bank in favour of the Company that the Company can use in the case of their insolvency. The amount of received bank guarantees as at 31 December 2011 was EUR 64,253,220 (as at 31 December 2010: EUR 66,892,118) and is stated in the following table as Other rights item.

OKTE, a.s. 25
Notes to Financial Statements as of 31 December 2011

Type of contingent asset	31 Dec 2011	31 Dec 2011
Rights arising from service agreements	-	-
Rights arising from insurance contracts	-	-
Rights arising from concession agreements	-	-
Rights arising from license agreements	-	-
Rights arising from the investment of funds acquired as a result of exemption from income tax	-	-
Rights arising from privatization	-	-
Rights arising from lawsuits	-	-
Other rights	64,253,220	66,892,118

Q. INFORMATION ON INCOME AND EMOLUMENTS OF MEMBERS OF THE STATUTORY BODIES, SUPERVISORY BODIES, AND OTHER BODIES OF THE ACCOUNTING ENTITY

Overview of income and emoluments of members of statutory, supervisory and other bodies:

Type of income, emoluments	Value of income, emolument of current members of bodies			Value of income, emolument of former members of bodies		
	b			c		
	statutory	supervisory	other	statutory	supervisory	other
	Part 1 - year 2011	Part 1 - year 2011	Part 1 - year 2011	Part 1 - year 2011	Part 1 - year 2011	Part 1 - year 2011
a	Part 2 - year 2010	Part 2 - year 2010	Part 2 - year 2010	Part 2 - year 2010	Part 2 - year 2010	Part 2 - year 2010
Monetary income	56,768	4,500	-	-	-	-
	1,402	956	-	1,171	1,384	-
Non-monetary income	-	-	-	-	-	-
	-	-	-	-	-	-
Monetary advance payments	-	-	-	-	-	-
	-	-	-	-	-	-
Non-monetary advances	-	-	-	-	-	-
	-	-	-	-	-	-
Loans provided	-	-	-	-	-	-
	-	-	-	-	-	-
Guarantees provided	-	-	-	-	-	-
	-	-	-	-	-	-
Other	-	-	-	-	-	-
	-	-	-	-	-	-

R. INFORMATION ABOUT THE ACCOUNTING ENTITY'S TRANSACTIONS WITH RELATED PARTIES

To the related parties of the Company belongs shareholder, the key managing persons of the Company or shareholder and companies controlled by the state. As at 31 December 2010, the Company had a liability from loan from parent company in amount of EUR 20,000 and liability in amount of EUR 184 and did not have any other important transactions and balances with related parties.

Slovenská elektrizačná a prenosová sústava, a.s. (SEPS), subject fully owned by the Slovak republic, is shareholder of the Company.

Transactions with companies, which are owned or controlled directly or not directly by the state, were conducted in accordance with valid regulatory principles.

OKTE, a.s. 26
Notes to Financial Statements as of 31 December 2011

Fond národného majetku (FNM), subject fully owned by the Slovak republic, is 51% owner of the company Západoslovenská energetika, a.s., Východoslovenská energetika a.s. and Stredoslovenská energetika, a.s.,

Západoslovenská energetika – Distribúcia, a.s., Západoslovenská energetika – Energia, a.s., Východoslovenská energetika – Distribúcia, a.s. and Stredoslovenská energetika – Distribúcia, a.s. are a 100% subsidiaries of these companies.

As at 31 December 2011, balances with companies controlled by the state and government institutions were as follows:

	Trade receivables (brutto)	Other receivables	Value adjustment to the trade receivables and other receivables	Trade liabilities and other liabilities
Slovenská elektrizačná prenosová sústava, a.s.	1,351,590	0	0	-3 164,435
Slovenské elektrárne, a.s.	353,956	0	0	-3,025,899
Západoslovenská energetika – Energia, a.s.	1,535,428	0	0	-523,516
Východoslovenská energetika, a.s.	692,323	0	0	-485,792
Stredoslovenská energetika, a.s.	1,545,047	0	0	-792,429
Tepláreň Košice, a.s.	31,076	0	0	-629,833
Žilinská teplárenská, a.s.	0	0	0	-270,682
Martinská teplárenská, a.s.	19,756	0	0	-238,338
Zvolenská teplárenská, a.s.	7,185	0	0	-177,928

Transactions with companies controlled by the state and government organizations were as follows as at 31 December 2011:

Related party	Transaction type (code)	Value of the transaction	
		2011	2010
a	b	c	d
Slovenská elektrizačná prenosová sústava, a.s.	01	-8,253,973	0
Slovenské elektrárne, a.s.	01	-42,559,045	0
Západoslovenská energetika – Energia, a.s.	01	-3,272,866	0
Východoslovenská energetika, a.s.	01	-2,539,851	0
Stredoslovenská energetika, a.s.	01	-17,109,105	0
Tepláreň Košice, a.s.	01	-3,789,160	0
Žilinská teplárenská, a.s.	01	-684,386	0
Martinská teplárenská, a.s.	01	-604,472	0
Zvolenská teplárenská, a.s.	01	-1,486,927	0
Slovenská elektrizačná prenosová sústava, a.s.	02	5,715,540	0
Slovenská elektrizačná prenosová sústava, a.s.	03	10,227,266	0
Slovenské elektrárne, a.s.	03	3,628,689	0
Slovenské elektrárne, a.s.	02	13,099,987	0
Západoslovenská energetika – Energia, a.s.	03	19,186,190	0
Východoslovenská energetika, a.s.	03	7,337,141	0
Východoslovenská energetika, a.s.	02	63,544	0
Stredoslovenská energetika, a.s.	03	22,213,142	0
Stredoslovenská energetika, a.s.	02	6,347,408	0
Tepláreň Košice, a.s.	03	328,596	0
Martinská teplárenská, a.s.	03	98,691	0
Zvolenská teplárenská, a.s.	03	114,910	0

Code of the type of transaction:

- 01 – purchase
- 02 – sale
- 03 – services provided
- 08 – loan, borrowing

OKTE, a.s. 27
Notes to Financial Statements as of 31 December 2011

S. INFORMATION ON EVENTS OCCURRING BETWEEN THE BALANCE SHEET DATE AND THE DATE OF PREPARATION OF FINANCIAL STATEMENTS

No events with a material impact on the true and fair presentation of facts subject to the bookkeeping occurred after 31 December 2011.

T. INFORMATION ON EQUITY

Share capital consist of 4,644 (at 31 December 2010: 25) ordinary shares with nominal value of one share EUR 1,000. The Company does not have subscribed share capital unregistered in Commercial Register.

As at 1 January 2011 the parent company put non-monetary deposit in the amount of EUR 4,619,815, out of it EUR 4,619,000 was allocated to the share capital and EUR 815 to the reserve fund.

All shares have the equal rights for shareholders.

The movements of equity during the accounting period are presented in the table below:

	Current accounting period				Balance as at 31 Dec 2011 f
	Balance as at 31 Dec 2010 b	Additions c	Disposals d	Transfers e	
a	b	c	d	e	f
Share capital	25,000	4,619,000	-	-	4,644,000
Own shares and own ownership interests	-	-	-	-	-
Change in share capital	-	-	-	-	-
Receivables related to unpaid share capital	-	-	-	-	-
Share premium	-	-	-	-	-
Other capital funds	-	-	-	-	-
Legal reserve fund (Non-distributable fund) from capital contributions	-	3,315	-	-	3,315
Differences from revaluation of assets and liabilities	-	-	-	-	-
Investment revaluation reserve	-	-	-	-	-
Differences from revaluation in the event of merger, amalgamation into a separate	-	-	-	-	-
Legal reserve fund	-	-	-	-	-
Non-distributable fund	-	-	-	-	-
Statutory funds and other funds	-	-	-	-	-
Retained earnings from previous years	-	-	-	-	-
Accumulated losses from previous years	(46,105)	-	-	-	(46,105)
Net profit (loss) of the current accounting period	-	974,217	-	-	974,217
Dividends paid	-	-	-	-	-
Other equity items	-	-	-	-	-
Account 491 - Equity of sole trader	-	-	-	-	-
Total	(21,105)	5,596,532	-	-	5,575,427

OKTE, a.s. 28
Notes to Financial Statements as of 31 December 2011

The movements of equity during the preceding accounting period are presented in the table below:

	Preceding accounting period				Balance as at 31 Dec 2010 f
	Balance as at 11 Aug 2010 b	Additions c	Disposals d	Transfers e	
a					
Share capital	25,000	-	-	-	25,000
Own shares and own ownership interests	-	-	-	-	-
Change in share capital	-	-	-	-	-
Receivables related to unpaid share capital	-	-	-	-	-
Share premium	-	-	-	-	-
Other capital funds	-	-	-	-	-
Legal reserve fund (Non-distributable fund)	-	-	-	-	-
from capital contributions	-	-	-	-	-
Differences from revaluation of assets and liabilities	-	-	-	-	-
Investment revaluation reserve	-	-	-	-	-
Differences from revaluation in the event of merger, amalgamation into a separate	-	-	-	-	-
Legal reserve fund	-	-	-	-	-
Non-distributable fund	-	-	-	-	-
Statutory funds and other funds	-	-	-	-	-
Retained earnings from previous years	-	-	-	-	-
Accumulated losses from previous years	-	-	-	-	-
Net profit (loss) of the current accounting period	-	-	(46,105)	-	46,105
Dividends paid	-	-	-	-	-
Other equity items	-	-	-	-	-
Account 491 - Equity of sole trader	-	-	-	-	-
Total	25,000	-	(46,105)	-	71,105

OKTE, a.s. 29
Notes to Financial Statements as of 31 December 2011

U. CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

	2011	2010
Cash flows from operating activities		
Cash generated from operations	63,814,359	2,001,860
Income tax paid	(54,632)	(5)
Interest received	3,302	-
Net cash inflow from operating activities	63,763,029	2,001,855
Cash flows from investing activities		
Purchase of non-current intangible assets and property, plant and equipment	11,182	-
Proceeds from sale of property, plant and equipment	148,354	-
Proceeds from deposit to share capital	2,500	-
Loan granted to OKTE, a.s.	-	-
Loan granted to CAO	-	-
Net cash (inflow) from investing activities	162,036	-
Cash flows from financing activities		
Proceeds from loans	-	-
Interest paid	-	-
Dividends paid	-	-
Net cash inflow from financing activities	-	-
Net (decrease)/ increase in cash and cash equivalents	63,925,065	2,001,855
Foreign exchange differences	-	-
Cash and cash equivalents at the beginning of year	2,026,855	25,000
Cash and cash equivalents at the end of year	65,951,920	2,026,855

OKTE, a.s. 30
Notes to Financial Statements as of 31 December 2011

Cash generated from operations

	2011	2010
Net profit (before interest, tax and extraordinary items)	1,262,162	(46,105)
Adjustments for non-monetary transactions:		
Depreciation and value adjustments to non-current assets	1,208,527	-
Value adjustment to receivables and property, plant and equipment	-	-
Provisions	64,340	6,500
Interest (revenue) / expense	(2,349)	(24)
Income from non-current financial assets	-	-
Other non-monetary transactions	-	-
Operating profit before working capital changes	2,532,680	(39,629)
Changes in working capital:		
Decrease/ (increase) in trade and other receivables (including accruals/deferrals of assets)	(9,397,417)	(17,409)
Increase (decrease) in inventory	(6,302,553)	-
(Decrease) increase in liabilities (including accruals/deferrals of liabilities)	76,981,649	2,058,898
Cash generated from operations	63,814,359	2,001,860

Cash

Cash is defined as cash on hand, equivalents of cash on hand, cash in current bank accounts, overdraft facility, and part of the balance of the cash in transit account tied to the transfer between the current account and petty cash or between two bank accounts.

Cash equivalents

Cash equivalents are defined as current financial assets that are readily convertible to a known amount of cash, which, as of the balance sheet date, do not entail the risk that their value will change considerably during the next three months, e.g. term deposits in bank accounts with a maximum of a three-month notice, liquid securities held for trading, and priority shares acquired by the accounting entity, which are due within three months of the balance sheet date.