

SPP 2013
ANNUAL REPORT

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Statement by the Chairman of the Board of Directors



Dear Ladies and Gentlemen,

Slovenský plynárenský priemysel entered 2013 in the position of the most important supplier of natural gas in Slovakia and, despite fierce competition among gas suppliers, enjoyed an overall market share of 66% in gas sales. End customers purchased 3.28 billion cubic meters of natural gas from the company. Since the market opened up, almost thirty thousand gas consumers have returned to us. Businesses and households alike. This proves that fair energy prices and the reputation as a reliable and proven supplier provide a distinct competitive advantage to SPP, on which the company will continue to build its strategy in the years to come.

During the past year, SPP held negotiations (like other European companies) with the Russian supplier on the revision of the terms and conditions of the gas supply contract, with the aim of bringing the price of gas imported to Slovakia closer to the conditions on the sales market. We succeeded in these negotiations. The new adjustments of the parameters of the long-term contract concluded with the gas supplier will help improve not only SPP's bottom line, but above all its competitiveness and also overall position among Slovak energy suppliers.

The past year was important for SPP also in terms of the transformation of our company

into a multi-commodity energy supplier. Today, we can evaluate our entry to the electricity market as a successful one, with a total of fifty thousand concluded electricity supply contracts to date. This means SPP is currently the only energy supplier in Slovakia to be present in all regions and able to supply both commodities – gas and electricity, to customers from all segments.

In 2013, the company management defined the restructuring goals for the SPP Group with the intention of adapting the organisational structure, along with key processes, to provide maximum support to the core value-creation process and the mission of SPP, which is the purchase and sale of gas. In line with legislative requirements concerning unbundling, a part of other activities was moved to our subsidiaries. The targets established in this field will allow SPP to focus stronger on core business activities and on maintaining a competitive cost level.

In 2013, the company successfully continued developing its activities outside Slovakia. Today, SPP CZ, a.s. is a key alternative player on the Czech energy market. SPP is an active trader on the gas hub in Baumgarten (Austria) and also on other European trading platforms. Furthermore, we are constantly focusing on assessing business opportunities on neighbouring markets. We perceive the gas interconnector between Slovakia and Hungary, now being completed, as a highly promising project, for instance.

In addition to improving our products and services, we never forget our important role in the development of society and in caring for

the environment in which we operate. Thanks to our long-term and systematic promotion of public-benefit activities, in 2013 we succeeded in defending our title as TOP Corporate Philanthropist of the Year for the eighth time in a row.

In the upcoming period, SPP will face a daily battle for customers and the arduous task of confirming our position on the market with rising competition. I firmly believe that the company is well prepared for these tasks, possessing all the prerequisites for success. The strength of SPP lies in its proper relations with business partners and in the strong background established by colleagues, whom I would like to thank for the results that SPP achieved.



Daniel Křetínský
Chairman of the Board of Directors

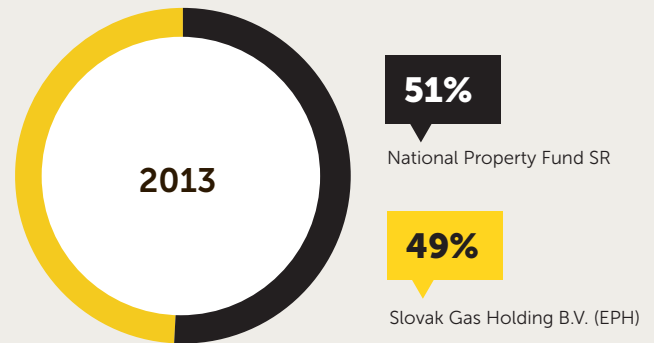
Company Profile

Slovenský plynárenský priemysel, a.s. (SPP) is a multi-commodity energy supplier with an important position among European energy players. As a long-term leader on the gas market in Slovakia, the company builds directly on 157 years of tradition in the Slovak gas industry, and in 2012 it also successfully entered the electricity market. SPP has therefore become the biggest energy supplier on the Slovak market offering both commodities – natural gas and electricity – to customers from all segments in each region of Slovakia. SPP provides reliable, safe, and competitive energy supplies and related services both in Slovakia and on international markets. The company offers energy-saving solutions and supports initiatives aimed at sustainable development.

Shareholder Structure

Slovenský plynárenský priemysel, a.s. was established in 2001 by the transformation of the former state enterprise. In 2002, the state sold 49% of the shares in the company to strategic investors – German company Ruhrgas (presently, E.ON Ruhrgas) and French company Gaz de France (presently, GDF SUEZ). Until January 2013, SPP shareholders were the National Property Fund SR (51%) and Slovak Gas Holding B.V. – a consortium of E.ON Ruhrgas and GDF SUEZ (49%).

At the start of 2013, the new shareholder – Energetický a průmyslový holding, a.s. (EPH) – entered SPP which through Slovak Gas Holding B.V. took over the 49% stake and became the new minority shareholder in SPP.



Company Strategy and Goals

The mission of SPP is to provide reliable and competitive energy supplies and other services to Slovak and international customers.

The vision of SPP is to be one of leading energy groups in Central and Eastern Europe. We want to achieve this goal by strengthening the trust of our customers and business partners, providing high quality, safe, and reliable energy supplies and services, as well as by using the technical know-how and professionalism of our employees. We offer energy-saving solutions and support initiatives aimed at sustainable development.

In the context of the ever-changing business environment and trends in the energy sector, SPP follows the following strategic goals:

- to confirm SPP's key position on the Slovak energy market within a competitive environment,
- to achieve stable profitability in gas supplies,
- to develop a flexible, secured, and competitive portfolio of purchase and storage contracts,
- to boost the focus on customers with the aim of stabilising the customer portfolio and increasing customer loyalty,

- to generate sales on other markets and successfully establish the company on the electricity market,
- to improve all internal support processes and services so that they correspond to the maximum extent to the strategy of its core activities,
- to participate actively in the legislative process on a national level and on the EU level, with the goal of improving the business environment in the gas sector,
- to implement economically viable development projects, in particular in the Slovak Republic and on neighbouring markets, aimed at strengthening SPP's overall position in the energy sector.

Board of Directors

JUDr. Daniel Křetinský, Chairman of the Board of Directors

Mgr. Alexander Sako, Vice-Chairman of the Board of Directors

Members:

Ing. Milan Hargaš

Mgr. Pavel Horský

Mgr. Ing. Jiří Nováček, LL.M.

Ing. Jan Špringl

JUDr. Marián Valko

Mgr. Ing. Jiří Nováček, LL.M., has been a Member of the Board of Directors of SPP since 19th November 2013.

Ing. Ladislav Bartoníček, MBA, was a Member of the Board of Directors of SPP until 18th November 2013.

Top Management

Ing. Rastislav Bráblík, Director of Corporate Affairs and Services Division, authorised to manage Customer Services Division

Ing. Libor Briška, Finance Division Director

Ing. Dušan Randuška, MBA, Trade Division Director

Supervisory Board

Ing. Michal Ďurkovič, Chairman of the Supervisory Board

Ing. Peter Korbačka, Vice-Chairman of the Supervisory Board

Members:

Ing. arch. Tomáš Gál, PhD.

prof. Ing. Juraj Janočko, CSc., Dr. scient.

Ing. Valéria Janočková

MUDr. Martin Kováč

Ing. Peter Kováč

Ing. Róbert Maguth

Viera Uhrová

Ing. Peter Vašík

Ing. Robert Zemánek

Ing. Dušan Žák

Ing. Peter Vašík has been a Member of the Supervisory Board of SPP since 19th September 2013.

Ing. Jozef Polačko was a Member of the Supervisory Board of SPP until 7th September 2013.

Economic and Financial Performance

In 2013, SPP presented itself as a reliable, traditional supplier and also as an ambitious trader. In the past year, SPP has managed to maintain its position of key gas supplier on the Slovak market with a total market share of 66%.

Individual Results of SPP

In 2013, SPP generated **revenues from the sale of products and services** amounting to EUR 1,861 million, which is EUR 117 million less than the previous period. The reported revenues were mostly influenced by lower gas sales on the domestic market caused by market liberalisation combined with strengthening competition. Nevertheless, SPP managed to maintain its position as a key, reliable, and quality supplier.

Conversely, in 2013 SPP enjoyed growing revenues in electricity sales. The company plans to maintain this growth trend on the electricity market in the upcoming period.

Operating costs (net of income tax) amounted to EUR 1,899 million, a year-on-year decrease by EUR 28 million. Key items comprised gas purchase costs, depreciation and amortisation, and the creation of provisions and impairment losses. The lower gas purchase costs were associated with lower purchased volumes.

Profit from financial operations before tax generated to EUR 335 million in 2013 (comprising mainly dividends received from subsidiaries and interest income). Compared with the previous period, the profit of SPP from financial operations fell by EUR 11 million.

For the 2013 fiscal year, SPP posted pre-tax profit of EUR 297 million, down EUR 100 million over the previous period. The total income tax liability came to EUR 29 million, of which current tax represents minus EUR 2 million, deferred tax (for the current period) EUR 30 million and the special levy of EUR 66,000. **Profit after tax** amounted to EUR 268 million, down by EUR 97 million year-on-year.

Comparison of After-Tax Profit Structure (in EUR million)	2013	2012
Revenues from sale of products and services	1,861	1,978
Operating expenses	-1,899	-1,927
Profit from financial operations before tax	335	346
Profit before tax	297	397
Income tax	-29	-32
Profit after tax	268	365

Capital Structure

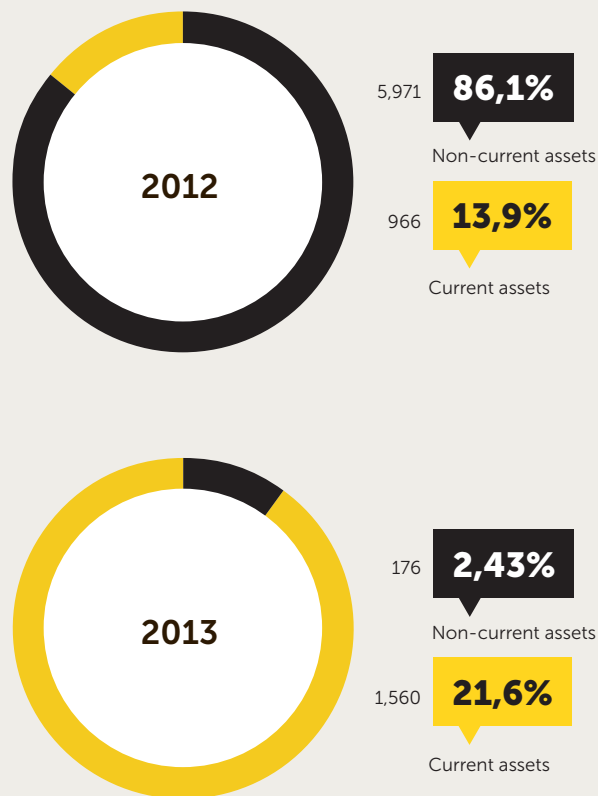
Total assets of the company came to EUR 7,208 million as of the balance sheet date, increasing by EUR 270 million over the previous period (index 1.04).

Non-current assets amounted to EUR 176 million. The decisive items in non-current assets were buildings, plants, machinery and equipment (including unfinished capital construction) and investments in properties. The share of non-current assets in total assets reached 2.43%. The entry of buildings, plants, machinery, and equipment fell by EUR 2,430 million (index of 0.05) in net book value, compared with the balance as of 31st December 2012.

Capital expenditures amounted to EUR 8 million in 2013. These comprised chiefly costs for the development and reconstruction of the transmission network (at the start of 2013 before the contribution in kind to Eustream took place), information technology, environmental and other constructions, and investments in the security of the transmission network.

As of the balance sheet date, **current assets** consisted of receivables, inventories, cash and cash equivalents, and other current assets. The volume of current assets reached EUR 1,560 million and their share of total assets comprised 21.6%.

Assets Structure Comparison (in EUR million)



Shareholders' equity amounted to EUR 5,346 million, representing 74.2% of company resources. In addition to the share capital, the equity consisted of statutory reserves, provisions from revaluation, and retained earnings. Shareholders' equity fell by EUR 107 million year-on-year, mostly due to a lower financial result for the current period.

Share capital of the company consisted of the capital registered in the Commercial Register, amounting to EUR 1,735 million. The share capital is made up of 52,287,322 ordinary shares with a par value of EUR 33.19.

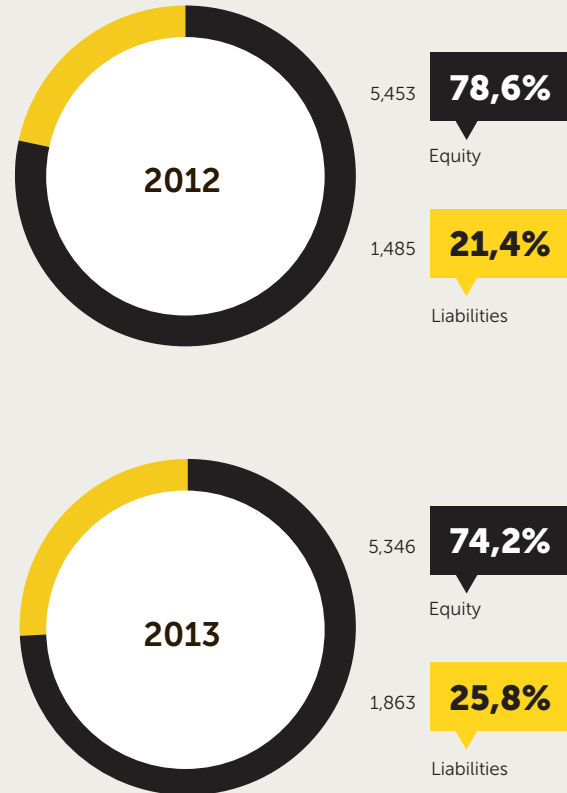
SPP Shareholder Structure as of 31st December 2013

National Property Fund SR	26,666,536 shares 51.0%
Slovak Gas Holding B.V.	25,620,786 shares 49.0%

The balance of the statutory reserve fund of the company was EUR 347 million as of 31st December 2013.

Total liabilities amounted to EUR 1,863 million, an increase by EUR 378 million compared with the initial balance, caused by higher liabilities towards shareholders and by the drawing of long-term loans. The repayment of certain short-term loans, as well as the lowering of other liabilities, had a positive impact on liabilities. Total liabilities comprised long-term liabilities of EUR 829 million and short-term liabilities of EUR 1,034 million.

Comparison of Resources Structure (in EUR million)



Equity Holdings

Subsidiaries, joint ventures and affiliated companies

1. SPP - distribúcia, a.s., Bratislava
2. eustream, a.s., Bratislava
3. SPP CZ, a.s., Prague, Czech Republic
4. NAFTA a.s., Bratislava
5. SPP Storage, s.r.o., Prague, Czech Republic
6. POZAGAS a.s., Malacky
7. SPP Bohemia a.s., Prague, Czech Republic
8. GEOTERM KOŠICE, a.s., Košice
9. SLOVGEOTERM a.s., Bratislava
10. P R O B U G A S a. s., Bratislava
11. SPP Infrastructure, a.s., Bratislava
12. SPP Infrastructure Financing B.V., The Netherlands

Other equity holdings

1. GALANTATERM spol. s r.o., Galanta

Other subsidiaries

1. Nadácia SPP, Bratislava
2. EkoFond, n.f., Bratislava

Energy Trading

Developments on the Gas Market

The gas market in 2013 enjoyed stability, with both gas and crude oil prices remaining relatively flat, while the price of crude oil held above 100 USD/barrel. Total 2013 gas sales of SPP to end customers in Slovakia amounted to 35.141 TWh (3.3 billion m³).

The Slovak gas market is now fully liberalised in all segments, including that of Households, which is still regulated. For the third year already, Slovak households are able to choose from multiple alternatives on the market. In 2013, approximately 71,000 customers in the Households segment made use of this option.

SPP – an Important Gas Market Player

Although the gas market in Slovakia has been changing, SPP remains an important player, with its pricing and product strategy affecting the behaviour of other market suppliers. In terms of concluded contracts, SPP maintained its position as the key gas supplier on the Slovak market in 2013, boasting a total market share of 66%. In the regulated Households segment, SPP had a total of almost 1.2 million customers as of 31st December 2013.

SPP managed to respond quickly to the changed market conditions and to adapt its offer in terms of prices and products so that the company stood

up to the strong competition. The fact that the company succeeded in winning back numerous big customers for 2014 is testimony to the quality of SPP's offer to large businesses.

SPP – Guaranteed Reliability and Quality of Gas Supplies in Slovakia

In creating the product offer for its customers, SPP can rely on the long-term contract with Gazprom export, a diversification contract with E.ON Ruhrgas, gas reserves in underground storage reservoirs, and short-term spot transactions at gas hubs. With these tools, SPP is able to guarantee customers competitive and secure supplies of natural gas under all circumstances.

SPP – Successful also outside Slovakia

At the end of 2008, SPP successfully entered the Czech gas market through the subsidiary – SPP CZ, a.s. In 2013, SPP CZ, a.s. succeeded in maintaining its position as an important supplier on the Czech market with the contracted volume reaching approximately 2.661 TWh (252 million m³). On the Czech market, SPP CZ, a.s. supplies gas to large industrial customers, heat plants, and to customers from the segments Small Business & Organisations and Households.

SPP is also one of the most active traders on the gas hub in Baumgarten (Austria). The company is active on the wholesale gas markets in Germany (NCG – Net Connect Germany and Gaspool) while constantly assessing new business opportunities on nearby markets. SPP considers also the project for the preparation of the gas interconnector between Slovakia and Hungary as highly promising.

SPP – Customer Orientation

SPP is in daily contact with its customers and continues to improve its offer in terms of price and “tailor-made” products. In aspects such as reliability, availability, and premium standard service levels (presence in regions, SPP Customer Hotline and SPP Business Hotline, 19 SPP Customer Centres), SPP has maintained its position as clear leader in the past year.

When creating complementary products, SPP takes into consideration all the business specifics of our customers. At the same time, we provide energy consulting and, through SPP Alliance Partners, also technical services and servicing. To non-profit organisations we offer financial participation via the non-investment fund EkoFond, to resolve projects supporting environmental protection and formation and the efficient use of energy.

Large Businesses

SPP provides servicing in the Large Businesses segment via company sales managers, who assist

customers in selecting optimal solutions for their business needs at a competitive price. The offer of SPP to Large Businesses always reflects, in contractual terms and price products, both the standard requirements and the specific solutions for their energy needs.

Small Businesses & Organisations

In the Small Businesses & Organisations segment (so-called small customers), SPP continued offering new price products in 2013, which were met with a positive response from customers in the previous year. In 2013, SPP's portfolio continued to include one of the most advantageous product offers on the market – Výhodne Extra (Advantageously Extra), enabling savings of up to 12% compared with the list price. In addition to the so-called basic offer of products used by customers today, SPP is also offering products allowing the fixing of prices for a specified time period, as well as the product SuperVýhodne bez obmedzenia (SuperAdvantageously without Limitation) with a lower price for one or two years, and this without any restriction in the volume of offtaken gas.

We took care of customers in the Small Businesses segment using special service channels such as the SPP Business Hotline (0850 111 565) or by e-mail biznislinka@spp.sk, and also through personal contact at 19 SPP Customer Centres with the option for customers from this segment to receive preferential handling. The complementary products and services we offered to our customers

included the services of SPP Alliance Partners, preventive inspections of gas appliances, a range of convenient products and services under the SPP Advantages Programme, the new on-line customer portal Moje SPP (My SPP), or also energy consulting by our technical specialists.

Cities and Municipalities

We offer comprehensive solutions to local governments in cities and municipalities to ensure gas and electricity supplies, provide energy consulting by technical specialists of SPP and technical services and servicing through SPP Alliance Partners. The care for these customers is provided by our specialised sales managers and, where required, customers can use the SPP Business Hotline or get preferential handling at our contact points in four regions.

In 2013, the mayors of cities and municipalities continued to take advantage of funds from EkoFond for installing progressive technological solutions for combined electricity, heat and cooling production based on natural gas – co-generation and tri-generation units, for thermally insulating buildings, replacing windows and regulating the heating systems in public buildings, as well as for pilot projects of organisations aimed at utilising innovative technologies based on natural gas. Municipalities could also receive financial contributions from EkoFond to purchase CNG vehicles.

Households

In 2013, customers could choose from 4 tariff types based on their consumption volume – D1 (Cooking), D2 (Water Heating), D3 (Heating) and D4 (Maxi Heating) and, at the same time, they could also select a suitable frequency of payments, Klasicky (Classically – monthly) or Pohodlne (Conveniently – quarterly, semi-annually, or annually). SPP offers its customers the choice of several payment methods, either through Plynkaso or some other direct debit order or in the form of bank transfer, postal order, or the combined utility payments system SIPO.

In terms of complementary products and services, customers were able to use the Plynoúver (Gas Credit) product, which SPP provides to customers in cooperation with Unicredit Bank, preventive inspections of gas appliances, or the advantageous offering of products and services under the SPP Advantages Programme, and also the new customer portal Moje SPP (My SPP).

Through our www.spp.sk website, we advise customers how to cut down energy consumption in their homes, and so reduce their total energy costs. The website houses the Expert Advisory Centre, which facilitates electronic communication between customers and our energy specialists. Customers can also visit an SPP energy adviser in person at the SPP Customer Centre in Bratislava.

A quality and convenient service is provided to customers from this segment through

the SPP Customer Hotline (0850 111 363), or by using the e-mail address zakaznickalinka@spp.sk. As for personal contact, 19 SPP Customer Centres are available throughout the country. We also publish all necessary information relating to natural gas supplies and the complete portfolio of products on our website www.spp.sk.

Many of our customers continued to encounter unfair business practices in 2013 from sellers who were trying to persuade them to enter into a contract with another gas supplier. In the past three years, approximately 30,000 customers who signed a contract with an alternative supplier because of the misleading information given to them by way of door to door sales, decided to return back to SPP. By ongoing communication, SPP warned customers and advised them how not to get fooled by suspicious offers made by door to door sellers.

New Services for Customers from the Households and Small Businesses & Organisations Segment

In 2013, our customers from this segment were able to use the paid complementary product Preventive Inspections of Gas Appliances aimed at ensuring safety and optimal operation of all gas appliances in households and businesses. This was an extraordinary service offer, not only in terms of scope (types of appliances and all appliance inspection steps defined in advance) and coverage of the whole of Slovakia, but also in terms of the price, which was lower on nearly all

„Svoju zľavu si určite vyberiem.“
Program výhod od SPP

Využite zľavy na rôzne produkty od zaslaných obchodných partnerov SPP. Ľahké vám odloží úspory ceny prinesie aj úsporu energie.

Zakaznícka linka SPP
0850 111 363
 Biznis linka SPP
0850 111 565

SPP
www.spp.sk

„Moje SPP vás vybaví bez čakania.“
On-line služby a e-shop cez Moje SPP

Po bezplatnej registrácii na portáli Moje SPP máte možnosť:

- získať si elektronickú fakturáciu,
- získať informácie o svojej spotrebe zemného plynu,
- meniť si zmluvné údaje a pod.,
- objednať si plynové spotrebiče za výhodné ceny cez e-shop.

Zakaznícka linka SPP
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0850 111 565

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of the territories than the price offered by service companies operating on the market.

Last year, we offered **SPP Advantages Programme** to our customers in the Households and Small Businesses & Organisations segment. In co-operation with eleven business partners, we prepared an interesting special offer, providing our customers with numerous benefits: direct discount of up to 39% on selected goods and services just for offtaking energy from SPP, the chance to modernise and improve the quality and comfort of living, energy savings (gas, electricity, and water), increasing the value also of customer's real estate.

At the end of 2013, SPP was the first energy operator in Slovakia to launch the **company's own eShop** for customers, which forms part of the on-line customer portal Moje SPP (My SPP) and can be used by customers with accounts set up on the portal. In the pilot eShop phase, we offered a wide selection of gas condensation boilers from SPP Alliance Partners.

Compressed Natural Gas (CNG) Sales

In 2013, SPP operated eight CNG filling stations across Slovakia. All these stations are open to the public, operate in self-service 24/7 mode with a bank terminal installed at each of them, allowing convenient payment for CNG using a classic bank card.

CNG sales amounted to 5.8 million kg (8.3 million m³) in 2013, an increase of 3.6% compared to 2012. The temporary replacement of the missing trolley buses run on CNG in Dopravný podnik Bratislava had a positive impact on the higher CNG sales volume. CNG has long maintained its position as the most economically advantageous fuel in Slovakia.

At the end of 2013, the management of SPP adopted a major strategic decision to spin off CNG sales into a separate trade company – SPP CNG, s.r.o. The main purpose for setting up a new company is to create favourable conditions for further developing CNG sales in Slovakia.

SPP Customer Centres



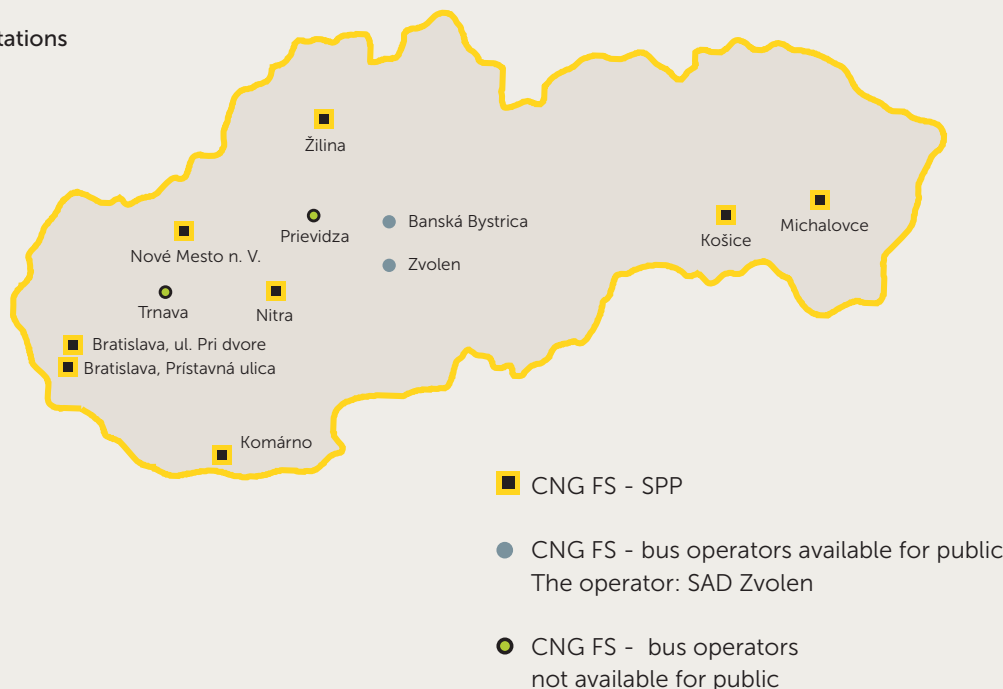
Purchase and Storage of Natural Gas

In 2013, SPP was buying natural gas with the goal of supplying the domestic market, mostly under the long-term contract with Gazprom export.

SPP has the storage capacity necessary to cover the needs of the domestic market by the rental of underground storage reservoirs from NAFTA a.s.

The reserves of natural gas kept in the storage reservoirs ensure the trouble-free supply of gas to customers during the winter period and, at the same time, allow for balancing out deviations in gas supplies on the side of the foreign supplier. Thanks to these measures, in 2013 SPP was able to ensure the security of supply standard and to fulfil its role as last resort supplier in line with applicable energy legislation.

CNG Filling Stations



Natural Gas Sales

The development of SPP's natural gas sales in Slovakia was influenced in 2013 particularly by the growing competition, rationalisation measures adopted by consumers and, also, by the weather.

	Volume in GWh	Volume in mil. m ³
2011	45,682	4,302
2012	38,472	3,615
2013	35,141	3,295

Prices and Regulation

In 2013, prices for the supply of natural gas to Households in the agreed tariffs D1 – D3 continued to be subject to price regulation by the Regulatory Office for Network Industries. From 1st January 2013, the prices for customers in the Households segment increased over 2012 by approximately 0.46% on average. Because of how the regulation was set, in 2013 SPP once again incurred losses in the regulated Households segment.

In 2013, price regulation also applied to the supply of gas to small companies, i.e. to end gas users from the Small Business & Organisations segment that consumed at most 100,000 kWh in 2011. The prices for the supply of gas to small companies, including the conditions of their application, were set by the Regulatory Office for Network Industries. While in 2013 the total price for gas supply was regulated for small companies, from 1st January 2014 the regulation for small companies applies only to the price of the trader's services and covers the gas

purchase, including the supplier's business activity.

SPP was designated the **last resort supplier** in line with valid legislation. In 2013, the supply in this mode continued to be subject to price regulation by the Regulatory Office for Network Industries.

Electricity Sales

SPP entered the electricity market in 2012, a step we regard as extremely successful as we managed to conclude **almost 50,000 electricity supply contracts** by the end of 2013. The sale of electricity is also an important tool for stabilising our customer base. SPP is the only energy supplier to operate in all regions and able to service all customer segments. SPP thus confirmed its position as a multi-commodity supplier of energy and associated services in Slovakia.

Even in such a highly competitive environment, SPP's offer was successful in all customer segments, with the greatest success seen on the retail market, for which SPP boasts natural prerequisites thanks to its extensive customer service system and presence in all regions.

In 2013, the **Dve Energie od SPP** (Two Energies from SPP) product allowed customers from the Households segment who concluded 24-month contracts with SPP for the supply of gas and electricity, to get electricity **up to 20% cheaper** than the prices of traditional suppliers in 2013, while SPP guarantees a fixed price of electricity until the end of 2014. In addition to the price advantage, SPP convinced customers also by the company's reliability, customer orientation, fair practices, regional presence, and brand strength.

In promoting its electricity sales, SPP therefore efficiently takes advantage of its long-term experience gained in gas trading, especially in terms of established service channels, thanks to which SPP is able to provide services to a large number of customers.

With a total of nearly 50,000 electricity supply contracts signed, SPP ranked sixth on the Slovak market in terms of customer base size. In 2014, we expect electricity supplies to customers to amount to 200 GWh, which is more than double that of 2013.



„Doma mi vždy doprajú viac.“

Svojim zákazníkom vždy doprajeme viac. Pridajte si k odberu plynu aj našu elektrinu a my vám ju dáme o **20 % výhodnejšie** s garanciou ceny do konca roka 2014.

Vybaťte si **Dve Energie** jednoducho na webe alebo na Zákaznickej linke SPP 0850 111 363.

SPP
www.spp.sk

Human Resources

The primary goal of human resources management in SPP is to create and introduce the kind of tools that support and contribute to achieving the vision, mission, and strategic goals of the company, while at the same time utilising the potential of company employees.

In respect of human resource, the 2013 period was marked by the implementation of several important activities. The preparation of the company for the unbundling and independence of the distribution network operator as part of a single vertically integrated company and the negotiations on the new Collective Agreement, formed a key part of these activities. The positive outcome was that despite the difficult situation on the market, influenced by increasingly tougher competition, we managed to maintain the standards in the social programme.

Employee Relations

Under the valid Collective Agreement, our company provided employees with a wide range of benefits:

- preventive above-standard medical examinations,
- recuperative stays,
- special-purpose vouchers for workforce regeneration,
- vacation beyond the standard number of days off set out in the Labour Code,
- optional and fixed employee benefits programme,
- luncheon vouchers beyond the legal requirement,
- supplementary pension savings,
- special bonuses for work and personal anniversaries,
- social assistance to employees and their family members in difficult life situations.

SPP wishes to continue motivating and retaining quality employees through the system of benefits and, at the same time, attract qualified job seekers.

In 2013, SPP succeeded for the second time in being awarded the prize **Company with the Most Efficient Human Resources Management** from among energy companies in Slovakia. Several areas were evaluated under the competition, such as education and development, structure and competitiveness of the remuneration system, efficiency of recruitment and selection, absence rate, fluctuation rate, employer's attractiveness on the labour market, and work productivity, in companies with a similar line of business.

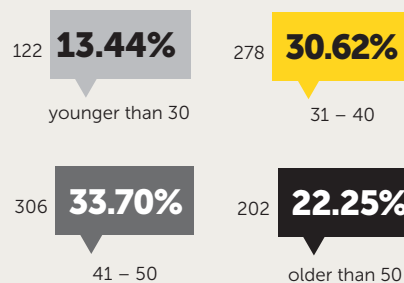
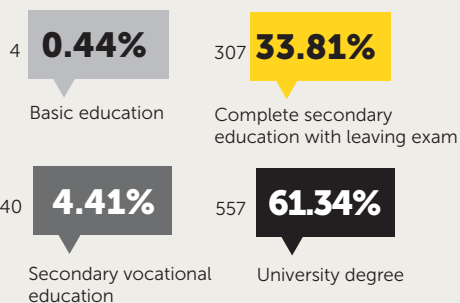
Education

In 2013, our employees continued advancing their education through a variety of internal training courses, group workshops and coaching sessions. The electronic learning (e-learning) programme formed a separate form of development, being applied foremost for mandatory training, and for developing specific skills. We organised "tailor-made" training courses for selected groups of employees. Some employees were included in the "High Potentials" project, which endeavours to prepare them for management positions or, possibly,

for expert positions. We paid a lot of attention to those employees who are in daily contact with customers. With the goal of supporting the sale of new products and improving customer care, we focused on developing the communication skills of employees working at the call centre and the customer centres across Slovakia. These trained and equipped employees could therefore contribute further in 2013 to maintaining the key position of SPP on the Slovak market.

Women in SPP

As of 31st December 2013, SPP had 908 employees, of which 548, or 60.4% of the total workforce, were women.



The average employee age as of 31st December 2013 was 41.8 years of age.

Individual Financial Statements of SPP

Balance Sheets (Selected Data in EUR million) As of 31 st December 2013 and 31 st December 2012	31 st December 2013	31 st December 2012
ASSETS:		
NON-CURRENT ASSETS		
Property, plant and equipment	134	2,564
Financial investments	–	3,258
Non-current intangible and other assets	42	149
Total non-current assets	176	5,971
TOTAL CURRENT ASSETS	1,559	966
Assets held for sale or for reorganisation and partial sale	5,473	1
TOTAL ASSETS	7,208	6,938
EQUITY AND LIABILITIES:		
CAPITAL AND RESERVES		
Registered capital	1,735	1,735
Reserves	346	2,141
Retained earnings	3,265	1,577
Total equity	5,346	5,453
NON-CURRENT LIABILITIES	828	526
CURRENT LIABILITIES	1,034	959
Total liabilities	1,862	1,485
TOTAL EQUITY AND LIABILITIES	7,208	6,938
Income Statements (Selected Data in EUR million) Years ended 31st December 2013 and 31st December 2012		
	Year ended 31st December 2013	Year ended 31st December 2012
Revenues from sales of products and services	1,861	1,978
Operating expenses	(1,899)	(1,927)
Operating profit	(38)	51
Investment income	353	364
Finance costs	(18)	(18)
Profit before income taxes	297	397
Income tax	(29)	(32)
NET PROFIT FOR THE PERIOD	268	365

Statements of Cash flows (Selected Data in EUR million) Years ended 31 st December 2013 and 31 st December 2012	Year ended 31 st December 2013	Year ended 31 st December 2012
OPERATING ACTIVITIES		
Cash flows from operating activities	(598)	428
Interest paid	(22)	(24)
Interest received	–	1
Income tax paid	(6)	(78)
Net cash flows from operating activities	(626)	327
INVESTING ACTIVITIES		
Provided loans	–	–
Proceeds from provided borrowings	274	49
Proceeds from investments in securities	–	–
Acquisition of investments in securities	(1)	–
Purchase of property, plant and equipment	(25)	(46)
Proceeds from sales of property, plant and equipment and intangible assets	3	4
Proceeds from the sale of subsidiaries / proceeds from the decrease of the registered capital of a subsidiary	55	54
Dividends received	417	377
Net cash inflow / (outflow) from investing activities	723	438
FINANCING ACTIVITIES		
Proceeds from interest-bearing borrowings	856	143
Expenditures for the repayment of interest-bearing borrowings	(583)	(150)
Dividends paid	–	(747)
Other proceeds and expenditures from financing activities, net	–	–
Net cash flows from financing activities	273	(754)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	370	11
Effect of foreign exchange fluctuations	–	1
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	38	26
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	408	38

Independent Auditor's Report



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Section S/ro, File 4644/B
Id. Nr.: 31 343 414
VAT Id. Nr.: SK2020325516

SUPPLEMENT TO THE AUDITOR'S REPORT on the Consistency of the Annual Report with the Separate Financial Statements Pursuant to Act No. 540/2007 Coll., Article 23 (5)

To the Shareholders and Board of Directors of Slovenský plynárenský priemysel, a.s.:

- I. We have audited the separate financial statements of Slovenský plynárenský priemysel, a.s. (the "Company") as at 31 December 2013 presented in attachment to the annual report. We issued an Auditor's Report on these financial statements dated 15 April 2014 in the wording as follows:

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Board of Directors of Slovenský plynárenský priemysel, a.s.:

We have audited the accompanying financial statements of Slovenský plynárenský priemysel, a.s. (the "Company"), which comprise the balance sheet as at 31 December 2013, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Statutory Body's Responsibility for the Financial Statements

The Company's statutory body is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as the statutory body 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 the auditor's 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, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the statutory body, 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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Slovenský plynárenský priemysel, a.s. as at 31 December 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Emphasis of Matter

We draw attention to the Note 1.3 to the financial statements, which describes the Company's shareholders agreement on process of reorganisation and future changes in ownership structure in the SPP Group.

Our opinion is not modified in respect of this matter.

II. We have also audited the consistency of the Annual Report with the aforementioned financial statements. The accuracy of the Annual Report's presentation is the responsibility of the Company's statutory body. Our responsibility is to issue an opinion on the consistency of the Annual Report with the financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that the Auditor plan and perform the audit to obtain reasonable assurance that the information disclosed in the Annual Report and presented in the financial statements is consistent, in all material respects, with the relevant financial statements. We assessed the consistency of the information presented in the Annual Report with the information presented in the separate financial statements as at 31 December 2013. We have not audited any data or information other than the financial information obtained from the financial statements and accounting ledgers. We believe that the performed audit provides a reasonable basis for our audit opinion.

In our opinion, the financial information presented in the Annual Report is consistent, in all material respects, with the aforementioned financial statements as of 31 December 2013.

Bratislava, 15 April 2014



Deloitte Audit s.r.o.
Licence SKAu No. 014



Ing. Wolda K. Grant, FCCA
Responsible Auditor
Licence SKAu No. 921

Consolidated Financial Statements of the SPP Group

Consolidated Balance Sheets of the SPP Group (Selected Data in EUR million) As of 31 st December 2013 and 31 st December 2012	31 st December 2013	31 st December 2012
ASSETS:		
NON-CURRENT ASSETS		
Property, plant and equipment	134	6,543
Financial investments	–	100
Non-current intangible and other assets	42	227
Total non-current assets	176	6,870
TOTAL CURRENT ASSETS	1,337	1,346
Assets held for sale or for reorganisation and partial sale	6,794	1
TOTAL ASSETS	8,307	8,217
EQUITY AND LIABILITIES:		
CAPITAL AND RESERVES		
Registered capital	1,735	1,735
Reserves	2,989	3,396
Retained earnings	258	220
Share in equity attributable to SPP's shareholders	4,982	5,351
Minority interests of other owners of subsidiaries	158	351
Total equity	5,140	5,702
NON-CURRENT LIABILITIES	217	1,754
CURRENT LIABILITIES	2,950	761
Total liabilities	3,167	2,515
TOTAL EQUITY AND LIABILITIES	8,307	8,217
Consolidated Income Statements of the SPP Group (Selected Data in EUR million) Years ended 31st December 2013 and 31st December 2012		
	Year ended 31st December 2013	Year ended 31st December 2012
Revenues from sales of products and services	1,878	1,767
Operating expenses	(1,954)	(1,933)
Operating profit / (loss)	(76)	(166)
Gain / (loss) on investments	(13)	(1)
Finance costs	(18)	(18)
Profit / (loss) before income taxes	(107)	(185)
Income tax	(29)	(33)
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	(136)	(218)
PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS	461	666
NET PROFIT FOR THE PERIOD	325	448
Net profit attributable to:		
SPP shareholders	289	409
Minority interests of other owners of subsidiaries	36	39
Total	325	448

Consolidated Statements of Cash Flows of the SPP Group (Selected Data in EUR million) Years ended 31 st December 2013 and 31 st December 2012	Year ended 31 st December 2013	Year ended 31 st December 2012
OPERATING ACTIVITIES		
Cash flows from operating activities	585	1,222
Interest paid	(12)	(18)
Interest received	2	2
Income tax paid	(217)	(192)
Net cash flows from operating activities	358	1,014
INVESTING ACTIVITIES		
Net cash outflow upon the acquisition of financial investments	–	(8)
Proceeds from the sale of financial investments	186	1
Purchase of property, plant and equipment	(116)	(142)
Expenses for provided borrowings	(583)	–
Proceeds from sales of property, plant and equipment and intangible assets	10	18
Dividends received	7	33
Net cash inflow / (outflow) from investing activities	(496)	(98)
FINANCING ACTIVITIES		
Proceeds from interest-bearing borrowings	1,104	143
Expenditures for the repayment of interest-bearing borrowings	(583)	(162)
Dividends paid	(36)	(793)
Net cash flows from financing activities	485	(812)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	347	104
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	224	122
Effect of foreign exchange fluctuations	–	(2)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	571	224

Independent Auditor's Report



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SUPPLEMENT TO THE AUDITOR'S REPORT on the Consistency of the Annual Report with the Consolidated Financial Statements Pursuant to Act No. 540/2007 Coll., Article 23 (5)

To the Shareholders and Board of Directors of Slovenský plynárenský priemysel, a.s.:

I. We have audited the consolidated financial statements of Slovenský plynárenský priemysel, a.s. (the "Company") as at 31 December 2013 presented in attachment to the annual report. We issued an Auditor's Report on these financial statements dated 15 April 2014 in the wording as follows:

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Board of Directors of Slovenský plynárenský priemysel, a.s.:

We have audited the accompanying consolidated financial statements of Slovenský plynárenský priemysel, a.s. and subsidiaries (the "Company"), which comprise the consolidated statement of balance sheet as at 31 December 2013, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Statutory Body's Responsibility for the Consolidated Financial Statements

The Company's statutory body is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as the statutory body determines is necessary to enable the preparation of consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the statutory body, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Slovenský plynárenský priemysel, a.s. and subsidiaries as at 31 December 2013, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Emphasis of Matter

We draw attention to Note 1.3 to the financial statements, which describes the agreement of the Company's shareholders regarding the process of reorganisation and future arrangement of the ownership relations in the SPP Group.

Our opinion is not qualified in respect of this matter.

II. We have also audited the consistency of the Annual Report with the aforementioned consolidated financial statements. The accuracy of the Annual Report's presentation is the responsibility of the Company's statutory body. Our responsibility is to issue an opinion on the consistency of the Annual Report with the consolidated financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that the Auditor plan and perform the audit to obtain reasonable assurance that the information disclosed in the Annual Report and presented in the consolidated financial statements is consistent, in all material respects, with the relevant consolidated financial statements. We assessed the consistency of the information presented in the Annual Report with the information presented in the consolidated financial statements as at 31 December 2013. We have not audited any data or information other than the financial information obtained from the consolidated financial statements and accounting ledgers. We believe that the performed audit provides a reasonable basis for our audit opinion.

In our opinion, the financial information presented in the Annual Report is consistent, in all material respects, with the aforementioned consolidated financial statements as of 31 December 2013.

Bratislava, 15 April 2014


Deloitte Audit s.r.o.
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Ing. Wolda K. Grant, FCCA
Responsible Auditor
Licence SKAu No. 921

Social Responsibility

SPP – a Brand with a Sense of Responsibility

SPP has been classed as one of the largest and most important corporate philanthropists in Slovakia for many years. Our long-term and targeted support is aimed at public benefit and environmental activities, not only through SPP, but also through the activities of our Nadácia SPP (SPP Foundation) and the non-investment fund EkoFond. The public no longer perceives SPP just as a reliable gas and electricity supplier, but has become increasingly aware of the human dimension of SPP as a brand that stands by their loyal customers, assisting them and improving the environment in which they live.

Sustainable development is not just an empty phrase for us, but represents the actual fulfilment of our vision, mission and corporate culture. This is because the responsible approach both to our customers and the environment in which we do business, is an obligation for such a strong brand as SPP. We are a company that proves on a daily basis that it values people and cares for the future of society and the country as a whole.

Improving Slovakia Together with SPP

Together with Nadácia SPP and EkoFond, SPP implemented the second annual, regionally focused public beneficial programme in 2013, under the name **SPPoločne** (SPP Together). This exceptionally successful programme is based on targeted assistance to specific communities in all regions of

Slovakia. Thanks to the programme and our support, people are able to enhance their surroundings, revive traditions in their region and improve the quality of life in their town or village. They have the chance to contribute actively to making positive change and to decide transparently by themselves in a public vote on the most beneficial projects for the given region, in the two categories "SPPoločne for People" and "SPPoločne for Homeland".

In the fierce competition of 240 selected projects (out of nearly 700 submitted), 42 projects received the biggest public support and the most votes. More than 147,000 people took part in the public vote. In addition to the 42 winning projects, which shared a total of EUR 290,000, six highly interesting projects received special bonus prizes worth EUR 30,000. Keeping track of the progress of supported projects, which began as early as June 2013, was made possible on the website created specifically for this purpose – www.sppolocne.sk.

The second annual programme also produced the novelty of giving entries a second chance to receive financial support. All projects that did not make it to the group of 48 supported projects were given another opportunity to receive financial assistance thanks to the partnership between the SPPoločne programme and the public donor portal LudiaLudom.sk.

The SPPoločne programme has become very popular among the general public and professional community throughout Slovakia, which is why we

plan to announce the third annual programme in 2014.

Protecting Cultural Heritage

In 2013, for the eighth time SPP defended its top spot in the **TOP Corporate Philanthropist** ranking compiled every year by the Donors Forum. The company received the prestigious award primarily thanks to the activities of the company's own non-investment fund EkoFond and the long-standing participation in the grant programme run by the Slovak Ministry of Culture under the name **Obnovme si svoj dom** (Let's Renovate Our House), in which we cooperate with Nadácia SPP. Thanks to this programme, to which the company donates funds exclusively from internal sources, SPP has already supported the renovation, reconstruction and overall conservation of many national cultural monuments in Slovakia.

Since 2004, and together with Nadácia SPP, SPP has contributed more than EUR 15.7 million to the **Obnovme si svoj dom** (Let's Renovate Our House) programme, which made possible the implementation of more than 200 projects conserving and preserving national cultural sites throughout Slovakia.

Each year, the programme also features the announcement of the competition **Kultúrna pamiatka roka** (Cultural Heritage Site of the Year), which comes with the Fénix Prize for the greatest contribution in the protection of Slovak heritage sites. In 2013, the 8th annual competition awarded the Cultural Monument of 2012 prize to

four projects in the category of renovation and restoration of a national cultural heritage site: restoration of the southern façade of St. John the Baptist Church in Jasov, complete restoration of the medieval presbytery in the Protestant Church in Rimavské Brezovo, restoration of the oldest organ in the St. Nicholas Basilica in Trnava, and the restoration of the wall murals in the presbytery of St. James Church in Levoča.

Nadácia SPP Supports the Development of Spiritual and Cultural Values

Founded in 2002, Nadácia SPP (SPP Foundation) is an important entity active in the field of social responsibility in Slovakia. Its vision is to support, develop and protect the spiritual, cultural, and moral values of Slovakia. Nadácia SPP is interested in active people who are able to change the reality in which they live, as well as people who are disadvantaged or need our assistance. The activities of Nadácia SPP therefore reflect the corporate culture and social responsibility of SPP.

In Nadácia SPP we strive to provide support wherever there are people interested in solving problems, developing new procedures and solutions, while paying attention to the ability of the donation beneficiary to ensure the long-term sustainability of the supported activity. Nadácia SPP therefore respects the kind of values such as tradition, solidarity, and uniqueness. Nadácia SPP is also active in supporting the development of the civil society and cooperates with organisations that promote positive, long-term and innovative changes in the social field. Projects aimed at making

life easier for people in difficult life situations receive a lot of attention as well.

Nadácia SPP has long been profiling itself in the following fields:

- development and support of education,
- development and protection of cultural values,
- support for disadvantaged population groups,
- health protection,
- support for charitable and philanthropic activities,
- community and regional development.

In 2013, Nadácia SPP supported a total of more than 450 projects with funding in excess of EUR 2.8 million. Nadácia SPP creates partnerships with organisations where the goals and results are in line with its mission. All partnership projects of the foundation are innovative by their focus, have a nationwide reach or a model character in the given region, impact the whole society and produce specific results and change to the quality of people's lives.

In 2013, more than EUR 1.5 million was granted as part of 71 contributions in support for the partnership projects. The long supported projects include, for instance, the New Talent Prize awarded each year at the Bratislava Music Festival, Young Talents of Good Music Podium of Nadácia SPP as part of the Jazz Days festival, institutional support for the GUnaGu Theatre, support for the Slovak Paralympic athletes in cooperation with the Slovak Paralympic Committee, the nationwide Children's Davis Cup, and the Young Philanthropists project under the auspices of the Slovak Association of Community Foundations.



Krasňany fruit and vegetable shop in Bratislava



Reconstruction of a fire truck in Martin



Folklore festival in Žipovská Novta



Children's Davis Cup



Sheltered workshop



Garden therapy

Nadácia SPP pays special attention to health protection by focusing on supporting a healthy lifestyle among children and the youth and on supporting the healthcare sector. In 2013, our support was primarily directed at sports projects across Slovakia. Over EUR 657,000 was allocated to health protection projects in 2013.

In the open grant schemes accessible to all entities meeting the specified criteria, in 2013 Nadácia SPP supported a total of 383 applications with overall support in excess of EUR 1.2 million. The most popular schemes include the Hlavička (Smart Head) scholarship programme, Klub H programmes for grantees, Opora (Support) programme for supporting disadvantaged groups, the Employee Grant Programme, and the partnership programme SPPoločne carried out in cooperation with SPP and EkoFond.

Helping is Part of SPP's Corporate Culture

The Employee Grant Programme of Nadácia SPP has been supporting the development of philanthropy among employees of SPP since 2005. The aim of the programme is to allow those interested employees to mediate assistance where they think it is needed and where it will be used well, especially with their personal involvement. So far, this grant programme has supported more than 500 projects with over EUR 530,000 in allocated funding.

The Volunteer Day has been the part of the programme since 2008. By their volunteer work, the employees of SPP helped, for instance, to revitalise the Open-Air Geological Museum in the Devín

borough of Bratislava, restore the Ostrovné lúčky nature reserve near Čunovské jazerá, and they have also contributed to enhancing the environment at the crisis centre of the Archdiocesan Charity in Košice. Nadácia SPP has been the partner of the Volunteer Day programme in Slovakia since 2010. The voluntary work of SPP employees helped enhance the HESTIA Seniors House in Bratislava's Dúbravka borough and the Autistic Centre Andreas, among others, while also succeeding in improving the environment for the animals at ZOO Bratislava.

Environmental Protection and Occupational Safety

The goal of SPP in respect of the environment is to respect continuously the principles of sustainable development and improve the quality of the environment through the rational use of natural resources and by reducing the volume of pollutants in the environment.

As a result of our company's activities, in 2013 the operation of small and medium sources of air pollution emitted approximately 0.8 tons of solid

pollutants, 0.09 tons of sulphur oxides, 16.7 tons of nitrogen oxides, 7.8 tons of carbon monoxide and 1.3 tons of total carbon emissions.

By meeting the conditions set out in the waste prevention strategy and increasing the share of recovered waste which was created in 2012, we achieved a waste recovery rate of 63%, representing an increase in the ratio of recycled waste in total waste by 27% compared to 2012. The recycling recovers raw materials such as paper and cardboard, and also plastic materials (including plastic packaging), glass, metal waste, electronic waste, decommissioned parts of electrical equipment, as well as gearbox and lubrication oils.

The downward trend in waste production was achieved by SPP thanks foremost to the optimisation of waste management and equipment life cycle management, as well as by selling obsolete equipment as material. Our internal processes are set in a manner that the company meets the waste management goals approved in the Waste Management Programme of the Slovak Republic for 2011 - 2015.

Waste Generation Development (in tons)	Other waste	Hazardous waste
2011	152	17
2012	40	11
2013	31	5

Occupational Health and Safety

In the field of occupational health and safety we continued in the trend of developing a systematic approach to employee health and safety at work. We succeeded in achieving and maintaining the kind of working conditions that maximise the prevention of possible injury or the negative impact of harmful factors in the working environment on the human body. The activities in this area, along with company-wide communication and raising the awareness and motivation of employees, enabled us to maintain favourable development in the accident rate, where in the course of 2013 no accident at work was registered. We also did not register any occupational disease or any threat of occupational disease in the year.

In 2013, the management of safety risks was covered for the first time in SPP comprehensively and all year round by the Registry of dangers, hazards, and risks. This information system identifies the hazards and threats at company workplaces in mutual connections, evaluating them and providing the information for their management.

No fire incident was recorded in the facilities owned by the company in 2013. A large part of the activities in the field of fire protection focused on prevention and on ensuring the operating condition of fire-fighting equipment, technical equipment, and the fire safety of buildings.

Development of Work Accident Rate

	2011	2012	2013
Work accidents	0	1	0

Identified risk factors of the working environment and number of employees exposed to risk

	Psychic workload	Noise	Physical stress	Chemical factors	Stress by cold
Employees at risk	32	78	13	6	1

EkoFond Contributes to Improving Energy Efficiency and Protects the Environment

In SPP, we consider the rational use of energy important, and so since 2008 have been fulfilling this goal through the non-investment fund – EkoFond, with its energy saving and environmental protection programmes. The creation and funding of the non-investment fund by SPP serves as a unique example of corporate social responsibility in Slovakia and support for energy efficiency activities aimed at different target groups - from households to public buildings. Since it was set up, the fund has provided EUR 9.1 million in support for implementing various projects and activities.

The activities aimed at improving energy efficiency and the related activities of EkoFond, form an important part of national strategies and documents (such as Strategy of the Slovak Republic in the field of energy efficiency for 2011 – 2013) and also strongly resonate among the scientific community and among the most important target group of beneficiaries – representatives of local government. The project involving the creation of the experimental study field – Energy Equipment of Buildings Technician – has been rated one of the most important steps by the corporate sector in the field of secondary vocational education.

Programmes and Grants

To date, we have prepared and are implementing continuously, projects under five grant programmes:

- Programme 01 Cogeneration and trigeneration based on natural gas
- Programme 02 Improvement of energy efficiency of buildings
- Programme 03 Support for installation of gas heat pumps
- Programme 04 Research, development and introduction of new progressive technologies based on natural gas
- Programme 05 Support for the development of CNG (compressed natural gas) use as an alternative motor fuel in Slovak transport

Since its creation, the fund's grant schemes have supported a total of 212 projects with an aggregate of more than EUR 6.6 million. The majority of projects (132 in total) were supported under the Improvement of Energy Efficiency of Buildings programme.

Thanks to the support from EkoFond, the real savings already achieved by completed projects (92) to date amount to 7,023,327 kWh (25.28 TJ). In the course of 2014 – after approved projects are implemented – we expect the total energy savings to increase by an additional 3,974,888 kWh (14.31 TJ). The realisation of supported projects will directly or indirectly affect more than 180,000 people.

Own Projects of the Fund

At our own initiative, in 2008 we began to develop the “EkoFond for Schools” project, which was actively taking place in 2013, as well. The project comprehensively supports the idea of efficient energy use, and so contributes to the creation and protection of the environment.

The first area of activities endeavours to concentrate the attention of **pupils and teachers at elementary schools** on issues relating to energy sources. One of the objectives of EkoFond is to explain the field of energy sources in a creative and playful way, also by a competition, the fifth year of which took place in the school term 2012/2013. The main topic of all annual competitions was the efficient use of energy. Overall, 327 schools (nearly 17,000 students and teachers) took part in all annual competitions.

The two-year interactive travelling exhibition Energy of the 3rd Millennium was launched in October 2011. The exhibition was designed especially for pupils on the second level at elementary schools, but also for students at secondary schools, its topic being non-renewable and renewable energy sources, energy savings, climatic changes, and voluntary self-restraint in energy use. A total of almost 20,000 students and teachers visited the exhibition, which was on from 1st September 2011 to 30th June 2013.

In the second field of its activities, the "EkoFond for Schools" project focuses on **students at secondary vocational schools with technical specialisation**. The activities in this field began in the second half of 2009 when EkoFond, together with multiple secondary vocational schools, began preparing the 4-year degree course with school-leaving exam – Energy Equipment of Buildings Technician. The study course has been designed to allow students to receive high-quality theoretical knowledge and practical skills in reference to various types of electrical and basic building activities associated with the installation, maintenance and repair of energy equipment based on natural gas and renewable energy sources.

Partnership Projects

EkoFond has been forming partnerships with various non-business entities and foundations. In total, 31 projects received support worth EUR 499,821.37.

International Projects

REFUGE project (Renewable Energy for Future Generations)

Under the Life-long Learning Programme – Leonardo da Vinci sub-programme – Transfer of Innovations – EkoFond prepared the project, which resulted in:

- a handbook with a list of jobs in the energy sector, together with employee profiles for these jobs in Slovakia and in the Czech Republic,
- the curriculum for training educational and career advisers and teachers at secondary vocational schools in the field of renewable energy and jobs in this field,
- textbooks on renewable energy sources for the new degree course Energy Equipment of Buildings Technician.

EkoFond participated in the preparation of the national project under the Intelligent Energy Europe programme – **BUILD UP Skills Slovakia (BUSSK)**, in which it is one of the partners.

The aim of the project was to create the "roadmap" for the vocational training of workers in the construction industry up to 2020 in the area of energy efficiency of buildings and renewable energy sources.

Contacts

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Slovak Gas Museum

Slovenský plynárenský priemysel, a.s.
Mlynské nivy 44/c
825 11 Bratislava 26
Slovak Republic

Phone: + 421 2 6262 4169
(weekdays from 10 a.m. to 2 p.m.)
E-mail: muzeum@spp.sk

Group visits (for around 20 people or more) must be arranged at least three days in advance.

Entry to the museum is free of charge.

SPP Gallery

Slovenský plynárenský priemysel, a.s.
Mlynské nivy 44/c
825 11 Bratislava 26
Slovak Republic

Phone: + 421 2 6262 4169
(weekdays from 11 a.m. to 5 p.m.)
E-mail: galeria@spp.sk

Entry to the gallery is free of charge.

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