

annual report 1999



Ladies and Gentlemen,  
Dear business partners,

The year 1999 has passed and I am pleased to say that the state enterprise Západoslovenské energetické závody succeeded in successful fulfilment of the decisive goals and tasks of the business plan, in maintaining the tendency of the permanent development in the reliable and continuous supply of the electric and thermal power, as well as in the field of services offered to clients.

In spite of the difficult economic situation in the national economy, continuing problems concerning the increase of the overdue receivables for the supply of the electric and thermal power, we maintained the good payment discipline towards our suppliers. The relations with the financial institutions were traditionally good. We settled the due loan repayments of principals and interests in the terms stipulated in contracts.

Constantly increasing demands for the reliability of the electric and thermal power supplies forced us to draw our attention to the renewal and modernization of the power distribution equipment, as well as to the increased effort of the operating workers in the preventive maintenance, as in many cases the equipment had been operated at the limits of its planned service life.

The considerable attention was given to the matters of safety at work, fire safety and environmental protection.

We have improved our services to our clients due to the implementation of the new information technologies and facilities at working places. We managed to transit to the managing systems of the year 2000 without any problems.

The high level has also been maintained in the sphere of the social policy. We have fulfilled all the commitments resulting from the collective agreement in relation to our employees.

The economic results for the year 1999 have acknowledged that the position of the state enterprise Západoslovenské energetické závody on the Slovak market is firm and consolidated.

I would like to thank to my colleagues — employees of our enterprise and business partners for the good cooperation accomplished in the course of the last year. I believe that it will be successful also in the future. I am sure that our professional potential, which we have, will enable us to manage the demanding period we expect and allow further development of our company.



Lubomír Maco  
Director of State Enterprise



■ *Lubomír Maco*, Director of State Enterprise



■ *Andrej Devečka*, Managing Director of ES Operation and Development



■ *Anton Hlavatý*, Managing Director of Economy and Trade



■ *Jozef Kovačovič*, Managing Director of Trade and CHP Operation



# MISSION OF ENTERPRISE

## ACTIVITY

- We have been present on the Slovak market for more than 78 years. Our basic activities — distribution and production of electric energy and heat — have a long tradition, we form an integral part of client's needs.

## SERVICES

- We intend to maintain the tradition and at the same time to improve the services offered to our clients, in order to meet their wishes in every respect.
- Services of the highest quality to every client — it is a motivating power of our future development.
- We wish our client was well informed and supported our intentions, and our services were the part of his comfort.

## DIMENSION

- We intend to be a financially stable company, which will develop in a dynamic way and become dominant on the market.
- To achieve this aim we intend:
  - to create an optimal capital structure of the firm,
  - to support the stabilization of the financial trade in Slovakia,
  - to be open to Slovak and international trade
  - to strengthen relations with external institutions
  - to invest in building own facilities for the production of electric energy and heat
  - to raise the educational level and creativeness of our employees, in order to get them involved in the process of changes.

## ENVIRONMENT

- We intend to be an independent shareholding company with the basic scope of activities in the region of West Slovakia. Our key points will be professionalism, expertness and civility. Our employees will adopt the positive attitude towards the company: "My firm, that's me".
- Our aim is to satisfy the shareholder by satisfying the client and the employee.

# SCOPE OF ACTIVITIES

annual report  
1999

- Západoslovenské energetické závody (ZSE), state enterprise, Bratislava, was established by the Ministry for Economy of the Slovak Republic on the 3<sup>rd</sup> September 1990.
- The activities of the enterprise are represented by the supply of electric power in the districts of Bratislava, Trnava, Trenčín and Nitra as well as in the city of Bratislava — the capital of the Slovak Republic. The enterprise supplies the heat to Bratislava, Trnava and Komárno. The total area covered by the supply is 14 928 km<sup>2</sup>.

## BASIC ACTIVITIES:

- purchase, distribution and sale of power and heat, including services connected with supply, consumption or utilization of power and heat,
- heat generation,
- electric power generation,
- engineering in investment construction, projecting of electric distribution systems, transformer stations, 110 kV distribution systems, industrial installations,
- projecting in investment construction,
- providing software, automatized data processing
- inspection of operating boilers, gas equipment, electric equipment and lifting equipment
- repair and calibration of measuring devices
- construction and mounting
- engineering of high voltage distribution system
- research and developing specialized activity in the framework of basic activities
- purchase and sale of goods in the scope of free trade
- providing telecommunication services out of public voice telephone service
- providing non-public telecommunication services by means of land satellite stations and VSAT networks.

## Management of the Company

- Lubomír Maco, Director of State Enterprise
- Andrej Devečka, Managing Director of ES Operation and Development
- Anton Hlavatý, Managing Director of Economy and Trade
- Jozef Kovačovič, Managing Director of Trade and CHP Operation

## Supervisory Board of ZSE, š. p.

- Ondrej Studenec, Ministry for Economy of the Slovak Republic
- Milan Buzinkay, OZZO ZSE, š. p. Bratislava
- Ján Londák, Západoslovenské energetické závody, š. p.
- Emil Baxa, Západoslovenské energetické závody, š. p.
- Ján Dohňanský, Slovenské elektrárne, a. s., Bratislava
- Matej Ruttkay, SAV
- Jozef Stahl, Ministry for Economy of the Slovak Republic
- prof. František Janíček, PhD, Slovak Technical University, FEI, Bratislava
- Emil Krondiak, Západoslovenské energetické závody, š. p.

Západoslovenské energetické závody, state enterprise, has the following organizational structure:

- The Management of the state enterprise
- District plants (Bratislava, Trnava, Nitra, Dunajská Streda) subordinate directly to the director of the state enterprise
- Heating plants (Heating Plant I Bratislava, Heating Plant II Bratislava, Heat Production and Distribution Plant Trnava and Heat Distribution Plant Bratislava) subordinate to the managing director of trade and CHP operation
- Other plants (Construction and Assembly Plant Nitra — subordinate to the head of the investment division, Transformer Repair Shop and Calibration Plant Hlohovec — subordinate to the director of the division of the quality management and control, Plant for Operation and Maintenance of Transmission Plants Bratislava — subordinate to the managing director of EN operation and development).

## CHARACTERIZATION OF THE STATE ENTERPRISE MANAGEMENT

The management of the state enterprise is formed by the professional managements. The management of the state enterprise attends to the activities of control, development, administration, inspection and those activities, that are efficient and economical to be attended by one centre, due to their special character, or those that have the enterprise-wide function and the distribution of work to the lower levels of management is not efficient and economical.

## CHARACTERIZATION OF THE DISTRICT PLANTS

The district plants perform the co-ordination and control of the operation plants in the given district. They execute the distribution of electric power, trading activities and services to customers, and control the performance of economic, transport, social services and activities of the economic administration.

## OPERATION ADMINISTRATIONS

They operate high voltage and low voltage networks and their maintenance in continuous time cycles. They make maintenance, inspection, repairs of transformer stations, switching stations and operate them. In the construction-assembly activity they build up new equipment for the electricity distribution stations for the own enterprise and for external customers. They also do the re-constructions and repairs of the equipment.

## TRADING OFFICES

Trading offices are in charge of the contractual contacts with customers. They execute the encashment of non-domiciled invoices. They make publicity and execute the trading policy with regard to marketing.

## CHARACTERIZATION OF THE HEATING PLANTS

The main activity of the heating plants represents the production and supply of heat by means of carrying medium — steam or hot water, whereby also the electric power is produced. They also make repairs and maintenance of the power-supply equipment including the reserved equipment.

Heat Distributing Plant Bratislava purchases the thermal energy from the plants located in Bratislava and distributes it throughout the area of the capital of the Slovak Republic. It also does measuring, reading and invoicing to customers, as well as repairing the heating networks.



## CHARACTERIZATION OF OTHER PLANTS

### CONSTRUCTION AND ASSEMBLY PLANT NITRA

The plant builds up the distribution equipment for the own enterprise and for external customers and it specializes on some major repairs of the equipment for the distribution of the electric power.

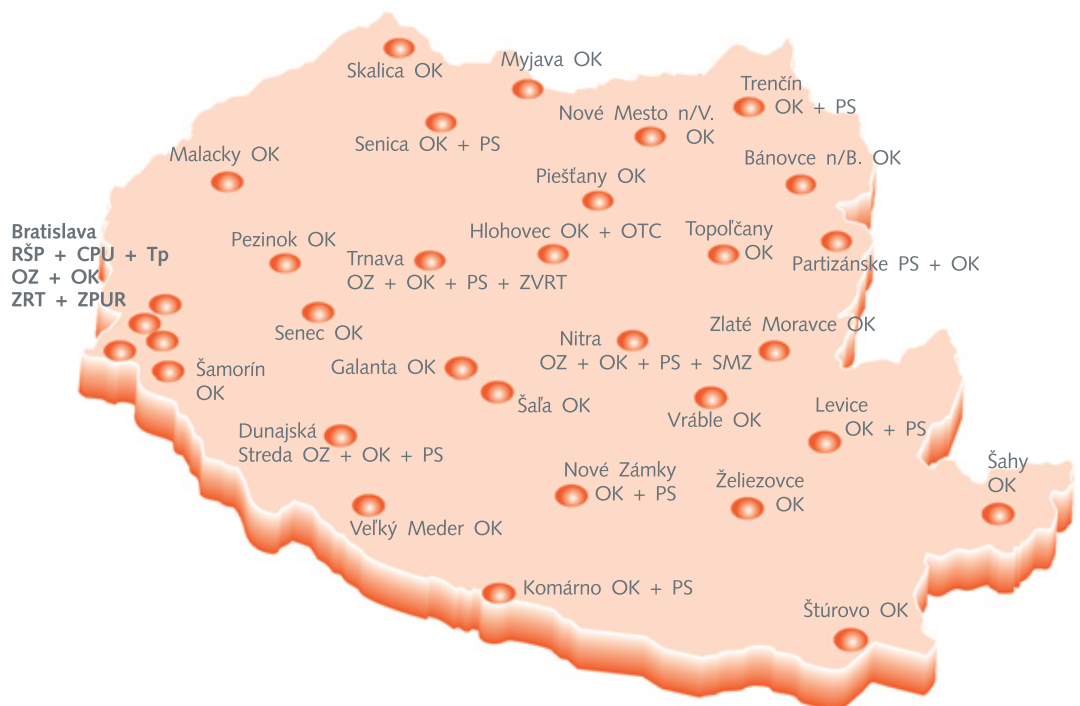
### TRANSFORMER REPAIR SHOP AND CALIBRATION PLANT HLOHOVEC

The plant executes inspection and repairs of its own transformers and external electric supply meters, time switches, (switch clocks) and measuring sets. It liquidates physically and morally worn out transformers and makes filtrations of the transformer oils. It makes adjustments, repairs and testing of instruments for mass remote control, measuring instruments, as well as testing of protecting facilities. It makes the mass replacement of electric supply meters for customers in the selected areas.

### PLANT FOR OPERATION AND MAINTENANCE OF TRANSMISSION PLANTS BRATISLAVA

The plant executes operation and maintenance, inspections of the transformer stations and distribution system. It controls, operates and makes maintenance of the equipment of the control technology, operation and maintenance of extra high voltage and very high voltage networks.

## GEOGRAPHICAL LOCATION

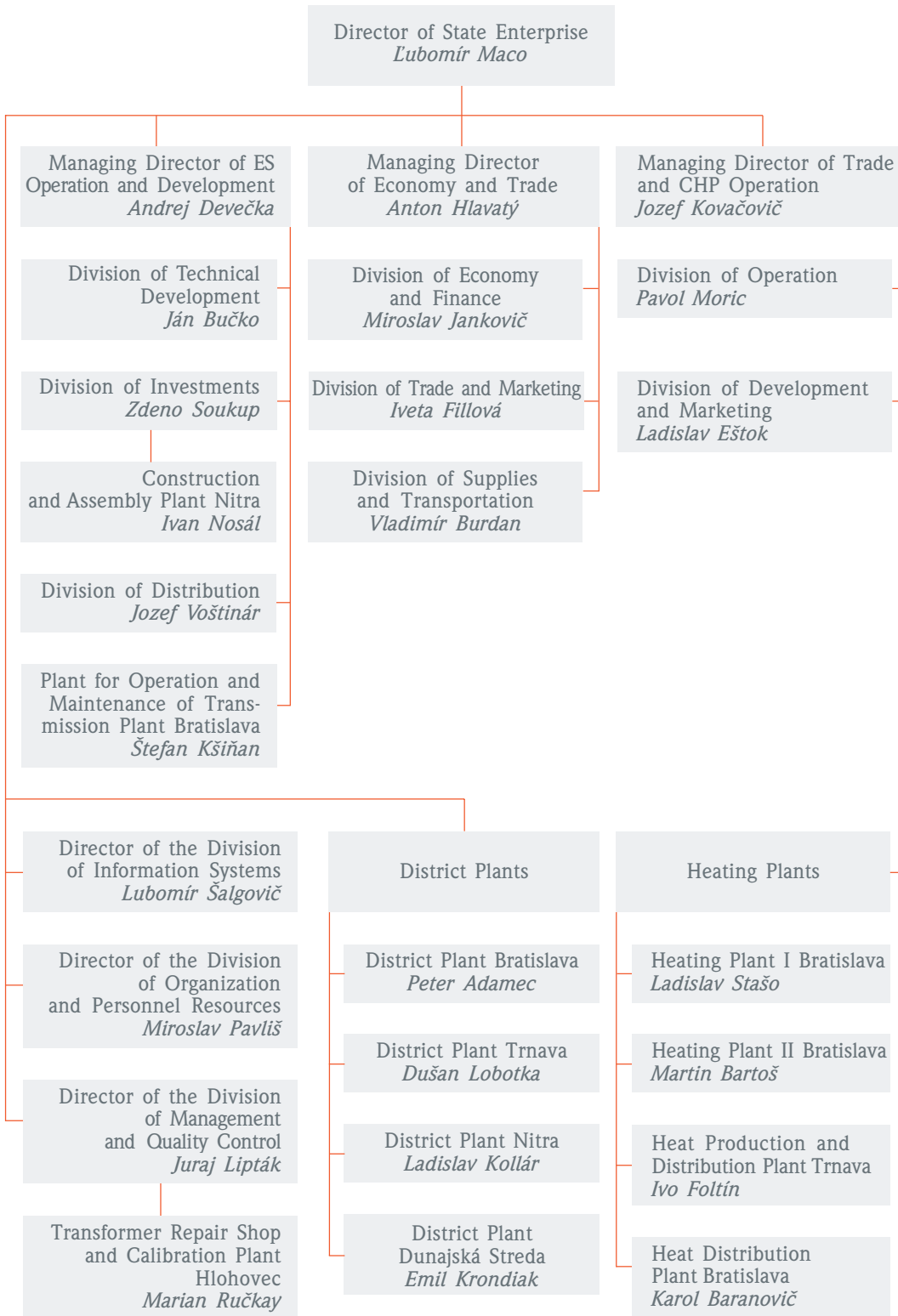


RŠP Management of the State Enterprise  
OZ District Plant  
OK Trading Office  
PS Operating Administration  
CPU Computer Centre  
Tp Heating Plant

ZVRT Heat Production and Distribution Plant  
ZRT Heat Distribution Plant  
SMZ Construction and Assembly Plant  
OTC Transformer Repair Shop and Calibration Plant  
ZPUR Plant for Operation and Maintenance of Transmission Plant

ORGANIZATION CHART OF ZSE, š. p.

annual report  
1999





# STRUCTURE OF SOURCES AND USE OF ELECTRIC POWER

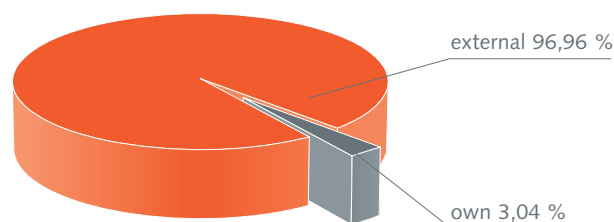
annual report  
1999

<i>Sources of electric power in GWh 1999</i>		<i>Use of electric power in GWh</i>	
Thermal power plants of ZSE, š. p.	219	Supply to bulk consumers	3 425
Hydropower plants	5	Supply to retail consumers	3 112
Own sources	224	Own consumption	57
Purchase from SE, a. s. and ZSE, š. p.	7 112	Supply to SSE, š. p. Žilina	1
Purchase from industry and private enterprises	33	Supply abroad	—
Purchase from abroad	5	Total effective supply of electric power	6 595
External sources	7 150	Losses	779
<b>TOTAL SOURCES OF ELECTRIC POWER:</b>	<b>7 374</b>	<b>TOTAL UTILIZATION OF ELECTRIC POWER:</b>	<b>7 374</b>

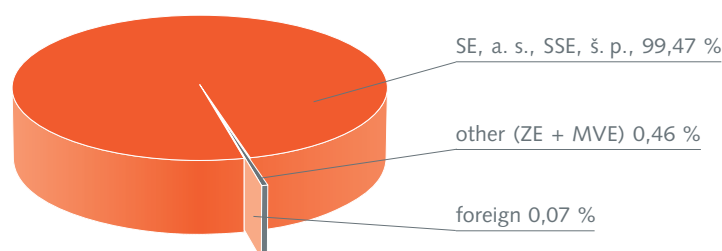
The total purchased electric power in comparison with the year 1998 was lower by 1,13 %. The biggest quantity of the purchased electric power was bought from SE, a. s., our main supplier, which represented 99,46 % share from external sources and 96,45 % share from the total sources.

In the effective supply of electric power we recorded the decrease by 1,70 % in comparison with the last year. The decrease in retail sales represented the biggest share in the mentioned stagnation in the quantity of the electric power sales, which was evidently caused by the more economical electric power consumption due to the price increase in January and July of the current year. From which, in the sphere of business sector the decrease by 1,80 % and in the retail sales — population the decrease by 2,89 % were recorded. At the same time the change of the structure of the customers from the category of bulk sales to the category of retail sales was set in.

## 1. Structure of the electric power sources 1999



## 2. Structure of external sources of electric power 1999

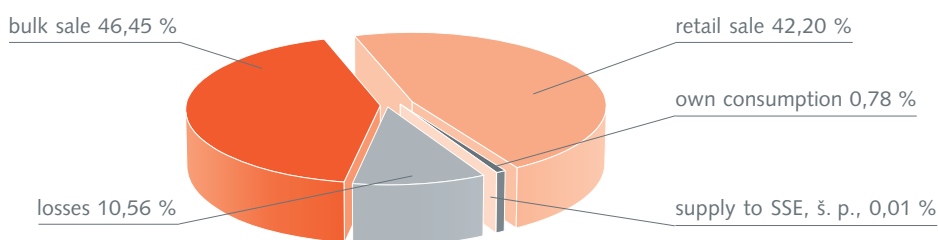


In the sphere of bulk sales the decreasing tendency has been continuing since the year 1996, whereby in comparison with the last year the decrease by 0,83 % was recorded. The own consumption of electric power decreased by 6,36 % for the reason of the lower heat supply to external subjects.

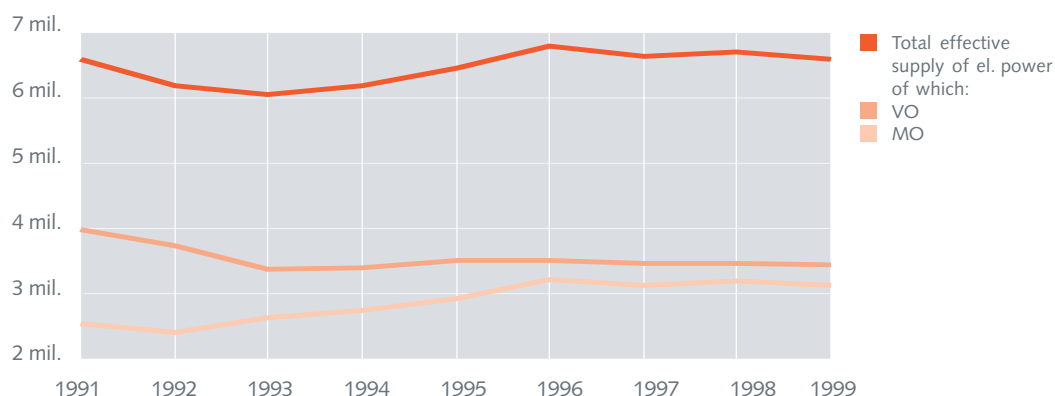
In the operation of the electrical system the technical parametres were maintained within the tolerancies required by standards, failure fall-outs were successfully managed by the dispatching so that the continous supply of electric power in accordance with the concluded agreements was secured.

In the sphere of the total volume of the purchased electric power the plan for the year 2000 represents 7 354 GWh, which is the decrease by 0,2 % in comparison with the year 1999. Further anticipation is continuing decrease by 1,7 % in the supplies to bulk sales, whereby the supplies to retail sales should increase by 2,5 %.

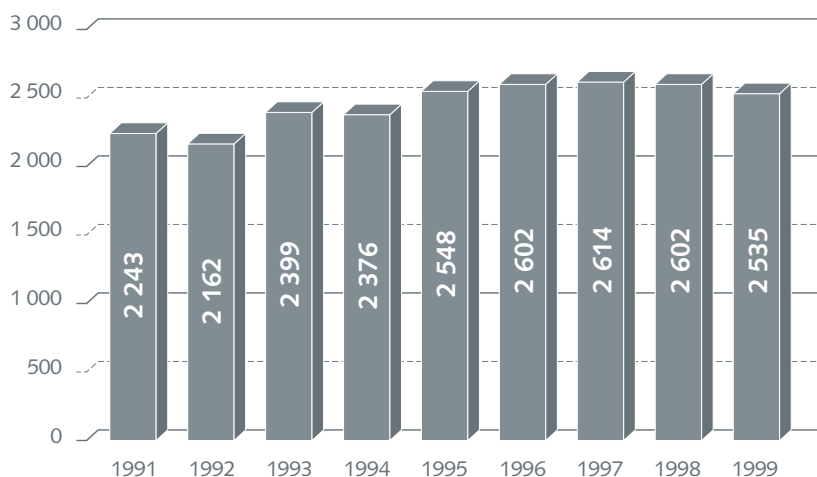
### 3. Structure of electric power use 1999



### 4. Development of the supply of electric power in MWh



### 5. Development of electric power consumption in kWh by population on 1 sales spot per year



# STRUCTURE OF SOURCES AND USE OF THERMAL POWER

annual report  
1999

## Sources of heat in TJ 1999

Own sources	5 713
External sources	2 401
<b>TOTAL SOURCES OF HEAT:</b>	<b>8 114</b>

## USE of heat TJ

Supply to customers	7 303
Own consumption	115
Effective heat supply	7 418
Losses	696
<b>TOTAL UTILIZATION OF HEAT:</b>	<b>8 114</b>

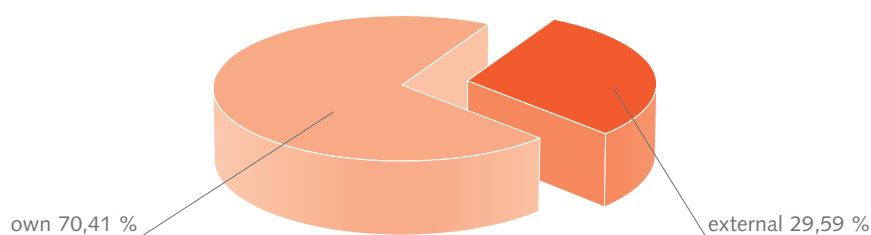
The supply of heat from own sources was lower by 14,1 % in comparison with the last year. The increase in the purchase of heat from external sources by 40,1 % in comparison with the last year was caused by the start-up of the commercial operation of the new source PPC, a. s. Bratislava.

The total quantity of the purchased heat energy was lower by 3,04 % in comparison with the year 1998.

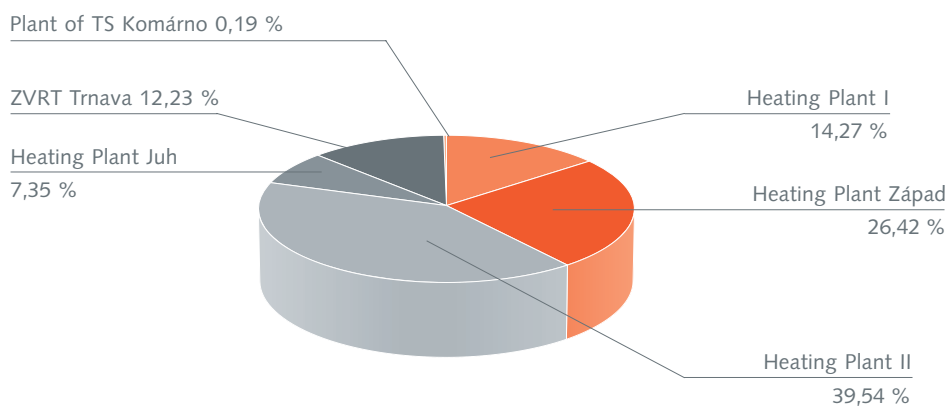
The reason for the decrease of the heat energy sold for the period of the last three years has primarily been the marked decrease of the heat sales to industrial customers. The volume of the heat sold from thermal networks of the centralized heat supply was influenced by the climatic conditions. The effective heat supply decreased by 3,26 % in comparison with the previous year.

In this period the losses of heat in distribution system without direct supplies to customers achieved in relative expression the value 9,85 %, which represents the favourable decrease by 0,08 % in comparison to the last year.

### 1. Structure of heat sources 1999



### 2. Structure of own heat sources 1999



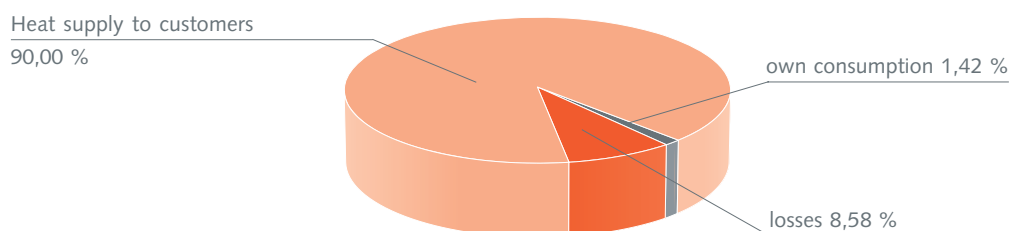


In Trnava by gradual transfer of customers from steam network to hot-water network the heat supply do steam network has been decreased, but the losses in the steam network has been decreased only slightly, on the contrary, in the hot-water network they have been increased due to its enlargement.

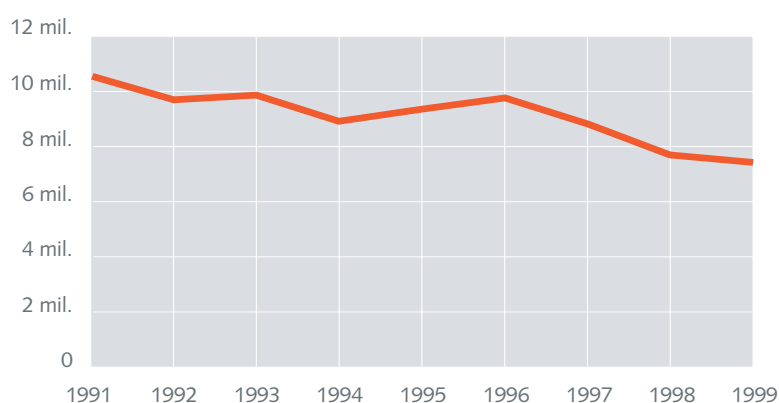
The verification of the economy of our heat-technical equipment (HTE) based on the data of the year 1999 was finished by the Slovak Energy Agency — branch office Bratislava, which issued the certificates for individual equipment. The certificates with 100 % economy of HTE were issued for all the sources and primary hot-water distribution systems of the centralized heat supply system (CHSS) Bratislava East and CHSS Bratislava West. The certificates with the decreased economy of HTE were issued for the primary heat networks CHSS in Trnava, primary steam network in Bratislava and for 25 heat transmission stations of CHSS Bratislava East.

The plan of the heat supply for the year 2000 is based on the volume of 7880 TJ, which corresponds to the anticipated decrease of 2,9 % in comparison with the year 1999. In the volume of the heat sales the decrease by 3 % in comparison with the year 1999 has been planned, with the volume of the effective supply of 7195 TJ.

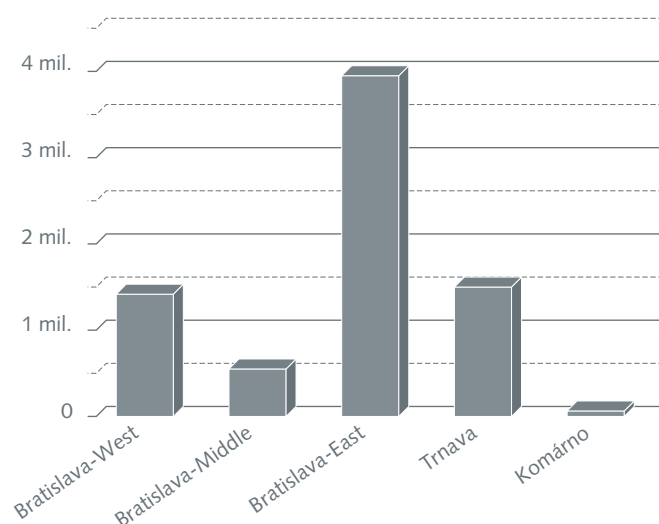
### 3. Structure of heat use 1999



### 4. Development of effective heat supply in GJ



### 5. Effective heat supply in GJ according to locations



# ECONOMY

annual report  
1999

## THE FORMATION OF PROFIT OR LOSS

The result of the successful management of Západoslovenské energetické závody, š. p. Bratislava has been the outstanding rate of exceeding the planned profit value. The profit before taxation amounted to 211 639 thousand SKK, with the total turnover of 14 359 701 thousand SKK. The profit value after taxation of 69 328 thousand SKK represented the increase by 50,37 % in comparison with the same period of the year 1998.

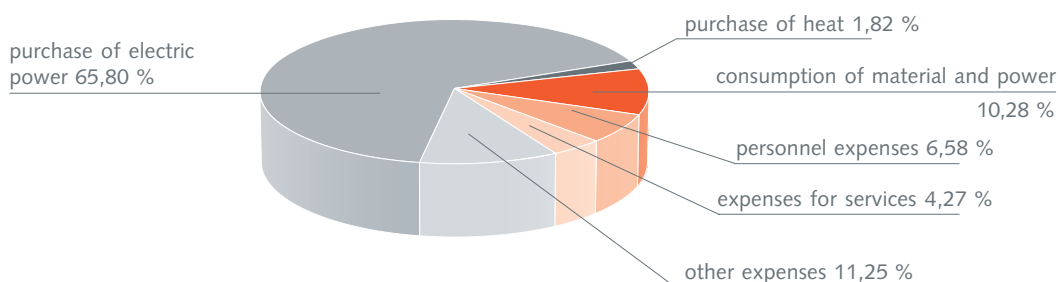
The operational economic result participated in the achieved economic results very positively. Its amount was by 123 125 thousand SKK higher in comparison with the last year and it amounted to 547 578 thousand SKK. The operational economic result was positively influenced by the saving measures taken in the sphere of the production consumption, whereby the costs for material and repairs achieved only the level of the previous year. It is necessary to state without prejudice that the favourable development of the operational economic result was also influenced by the double increase of electric power prices during the year 1999, namely in January for population by 30 %, in July for businessmen by 5 % and for population by 35 %.

The amount of the economic result was negatively influenced by the loss from the financial operations in amount of -281 010 thousand of SKK and the loss from extraordinary activities in amount of -54 929 thousand SKK.

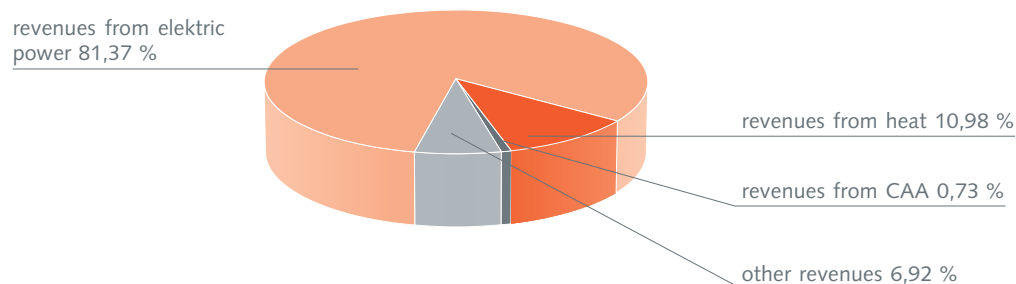
In the sphere of production, distribution and sales of electric power the economic result in amount of 81 047 thousand SKK represented the decrease by 16,31 % in comparison with the last year, which corresponds to the lower volume of the supplied electric power by 1,70 % in comparison with the previous period, whereby at the same time it was affected by the purchasing price increase by Slovenské elektrárne, a. s. The influence of the purchasing price from Slovenské elektrárne, a. s. is decisive for the sales strategy of the enterprise, as the share of the own production of electric power was only about 3 % from the total quantity of the supplied electric power. As the selling prices of electric power became more real, the revenues for the electric power were increased by 7,53 %.

In view of type evaluation another important part of the economic result of ZSE, š. p. is the profit for the heat, which amounted to 45 407 thousand of SKK and represented the decrease

### 1. Structure of expenses 1999



### 2. Structure of revenues 1999





by 43,42 % in comparison with the last year. The amount was influenced by the change in the structure of the heat sources. While in the year 1998 about 80 % of the heat were supplied from own sources, in the year 1999 it was about 70 %. In the year 2000 the purchase of heat will be increased due to the full use of the new gas combined cycle in Bratislava, whereby it is expected that the volume of the purchased heat will exceed 40 % of the total quantity of the supplied heat.

The increase in the average sales price of electric power by 5,84 % in comparison with the last year caused, in spite of the lower volume of the effective heat supply, the increase of revenues by 2,28 %.

The prices of the electric power for the year 1999 were approved by the respective district authorities and the increase does not even cover the general inflation trend.

In evaluation of the biggest non-financial enterprises of the Slovak Republic Top 200 published in the weekly TREND, Západoslovenské energetické závody, š. p. Bratislava was ranked at the 10<sup>th</sup> place according to the revenues gained in the year 1999 and at the 16<sup>th</sup> place according to the profit before taxation, which again proved its stable position among the biggest non-financial enterprises in the Slovak Republic.

The basis for the elaboration of the plan for the year 2000 was the development of the expenses and revenues in the year 1999, respecting the demands of the individual managing sections, the anticipation of the growth of inflation and certain rate of depreciation. In the plan the price increase has been considered, which was approved by the government on 26<sup>th</sup> January 2000.

The plan for the year 2000 anticipates the formation of the profit in amount of 52 million SKK. The amount is to great extent limited by interests on the existing loan, namely in amount of 285,9 million SKK.

## INVESTMENT ACTIVITIES

In the investment activities the main priorities are based on the reconstruction, renewal and enlargement of the distribution electric and heat systems, improvement of the dispatching control and enlargement of telecommunication equipment, realization of the information technologies system, higher level of the operational and administrative objects of the company and completion of mechanization and transport means.

In the year 1999 the volume of investments amounted to 949 million SKK, which represented the considerable decrease by 280 million SKK, from which in the sphere of electrification system by 15 % and in the sphere of heating system by 49 % in comparison with the last year. The mentioned volume of investments reflected the actual evaluation of our potential, however, the needs resulting from the demands of the technical sections were substantially bigger, and it was closely connected with the effort to maintain the financial stability of the enterprise.

Material performance of the investment budget of ES for the year 1999 was fulfilled in total amount of 700 555 thousand SKK.

The biggest constructions of ES:

■ Reconstruction 110/22 kV Podunajské Biskupice	118 596 thousands of SKK
■ Distribution station 110 kV Bošáca II.	86 862 thousands of SKK
■ Distribution station 22 kV Piešťany	31 279 thousands of SKK
■ Purchase of the switching station Žabí majer	23 500 thousands of SKK
■ Distribution station 110 kV Bošáca	17 150 thousands of SKK
■ Reconstruction Tr 110/22 kV Lamač	16 752 thousands of SKK
■ Data collection for dispatching	12 725 thousands of SKK
■ Optical transfer Holíč—Hodonín	11 350 thousands of SKK
■ Site of SMZ Nitra, Krškany	10 290 thousands of SKK



Material performance of the investment budget of HS for the year 1999 in total amount of 139 311 thousand SKK.

The biggest constructions of HS:

■ Hot-water piping Paulínska II. stage, Trnava	33 041 thousands of SKK
■ Reconstruction MaR, Bajkalská, Bratislava	13 895 thousands of SKK
■ Additional construction ZRT Bajkalská, Bratislava	12 490 thousands of SKK
■ Hot-water piping Gajova, Bratislava	9 890 thousands of SKK
■ Hot-water piping Kollárova, Trnava	7 576 thousands of SKK

The plan of the investment activities for the year 2000 amounts to 757 million SKK.

The main strategic objective is to secure the high quality supplies of the electric and thermal powers to customers and to maintain the increased support of the environmental protection.

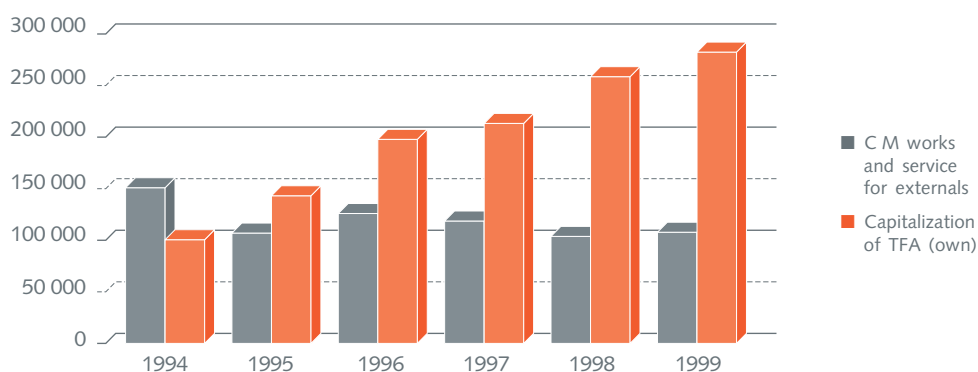
The total plan of the acquisition of tangible and intangible fixed assets for the year 2000 consists of:

- the plan of the investment activities of ES in amount of 470 million SKK
- the plan of the investment activities of HS in amount of 135 million SKK
- the plan of the acquisition of the information systems and VT in amount of 74 million SKK.

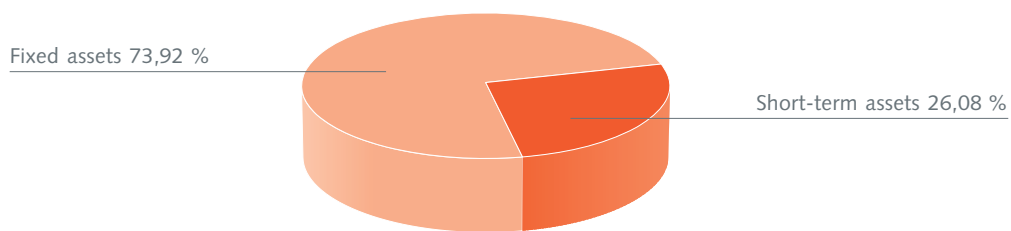
The structure of the main investment activities approved by the Supervisory Board of the state enterprise for the future period is as follows:

<i>Specification of the Investment</i>	<i>thousand SKK</i>
Re-construction of the switching station in Podunajské Biskupice	73 202
Construction of the switching station in Piešťany	45 220
Construction of low voltage grips in Devín	10 552
Construction of hot-water piping in v Trnava	17 750
Transfer switch of hot-water piping Bajkalská — TP I.	12 000
<b>Total</b>	<b>158 724</b>

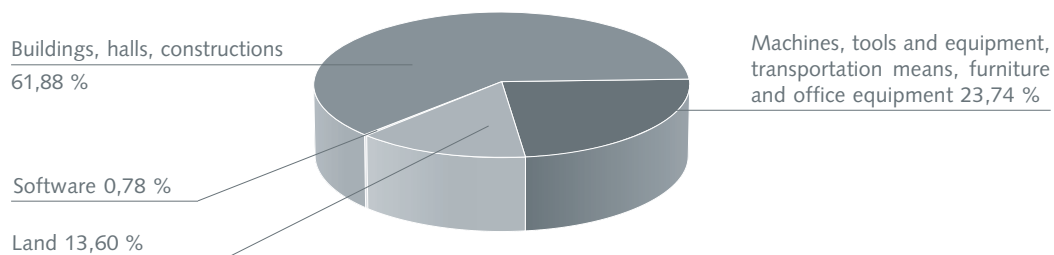
### 3. Revenues from constr.-mount. activity in thousands of SKK



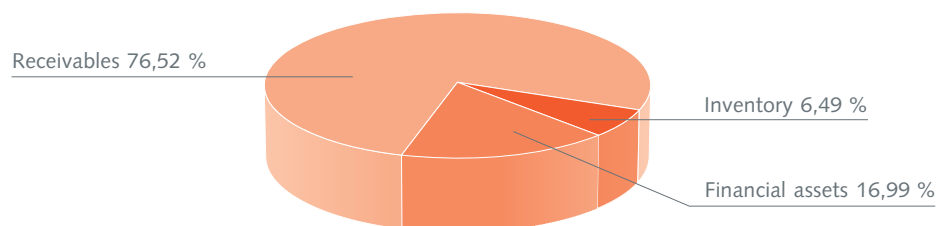
#### 4. Structure of assets 1999



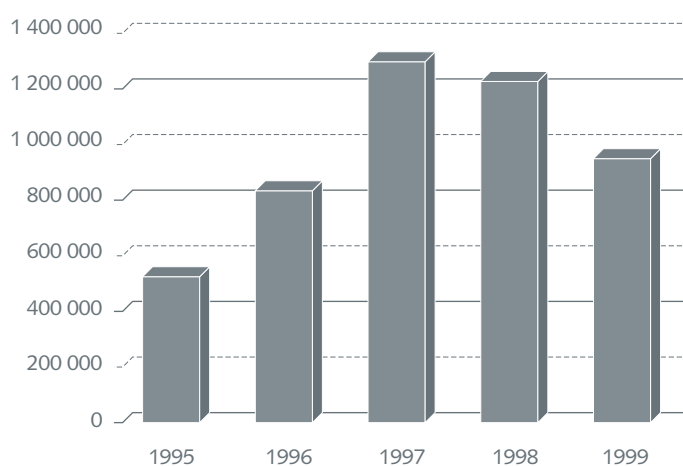
#### 5. Structure of tangible and intangible fixed assets 1999



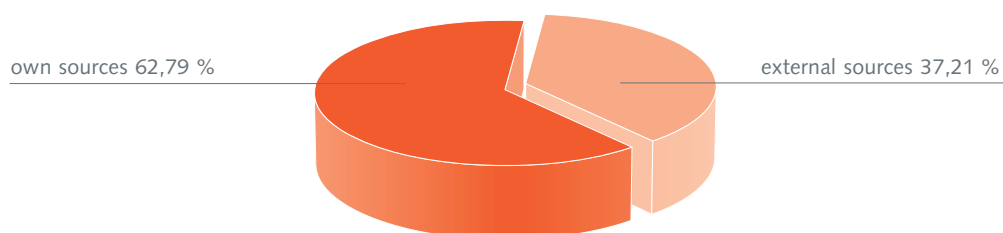
#### 6. Structure of short-term assets 1999



#### 7. Investment construction in thousands SKK



#### 8. Capital structure 1999



## FINANCING

The devaluation of the Slovak crown during the first half of the year 1999 had the negative influence on the total results of the enterprise. This became evident in the increase of the financial expenses for the exchange rate losses and caused the increase of losses in the financial operations, as in our loan portfolio we record the foreign revolving loan in amount of 100 million DEM, which is stated in Slovak crowns in the accounting. Any change of the exchange rate of the Slovak crown has, at such an amount, the substantial influence on the economy of the enterprise.

In the sphere of securing the financial stability of the enterprise, the payment discipline is very important. This was substantially worsened last year, which had the negative influence on the increase of the overdue receivables. The receivables were also increased due to the wording of the new act on the power industry, which entered into force on 1<sup>st</sup> July 1998. This act allows not to pay for the electric power take-off in the period of two months after maturity, without any recourse by the supplier. Another factor, which had the negative influence on the amount of the receivables is the fact that we have some customers, with which we cannot exercise the usual way of collection the outstanding payments, as we do with other clients. Those are, first of all, Railways of the Slovak Republic and the public health facilities.

In spite of this very difficult situation the enterprise maintained the credibility and the high payment discipline towards its suppliers. From the point of view of the amount, the payment for the supply of the electric power to the producer is the biggest and regular monthly expense of the enterprise. The amounts of such payments averagely ranged at 900 million SKK, whereby all payments were settled within maturity.

For the sake of the objective and true description of the property status, in the year 1998 entirely different and more strict system of the formation of the adjustments and reserves to the individual property items was introduced. This more strict procedure was to a greater extent manifested in the year 1999, when on the basis of the survey results and the consequential screening of the property evaluation, the adjustments were formed in such an extent, which according to our opinion demonstrated the real evaluation of the property sufficiently.

In the course of the last year we managed to maintain the relations with the financial institutions on the traditionally high level and to confirm that Západoslovenské energetické závody, š. p. is the top client and the top partner.

The structure of the coverage sources consisted of the drawing the external short-term sources in the form of the bank overdraft from Tatra banka, a. s., whereby the long-term bank loans were not drawn.

The due parts of the credit principals and the respective interests were paid up within the terms stipulated in contracts. Till 31<sup>st</sup> December 1999 the instalments on the investment loans amounted to 35 294 thousand SKK. The loans of the enterprise amounted to one third of the value of own equity capital.

In the year 1999 we invested the financial resources to Gas Combined Cycle Nitra, a. s. in total amount of 600 thousand SKK. As the most important shareholder of PPC, a. s. Bratislava we participated in the restructuralization of the credit portfolio of PPC, a. s. Bratislava by purchasing the promissory notes in total amount of 303 111 thousand SKK with the yield of 26 125 thousand SKK.

It is necessary to stress that in spite of the unfavourable development in the sphere of the claim collections we managed to maintain the financial stability of the enterprise and to settle all the payables within their maturity and so to keep the fair relations with our business partners.

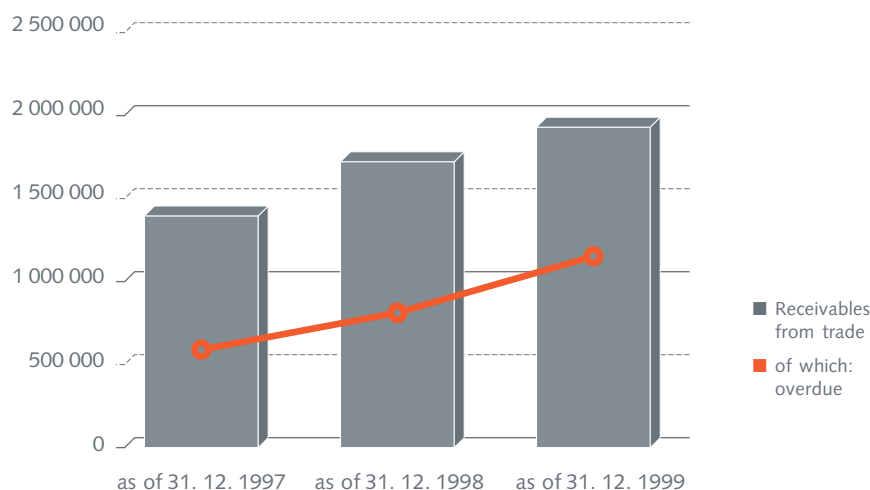


Receivables and payables from trade in thousands of SKK.

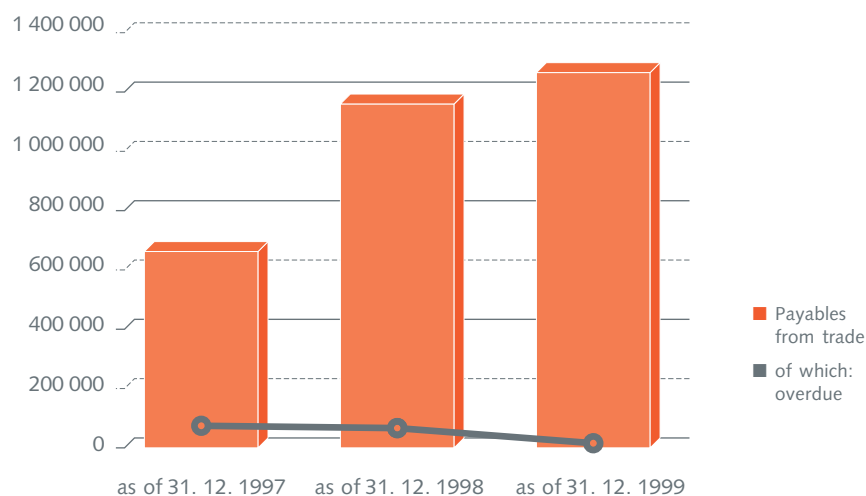
	till 31 <sup>st</sup> Dec. 97	till 31 <sup>st</sup> Dec. 98	till 31 <sup>st</sup> Dec. 99
Receivables from trade	1 392 850	1 717 893	1 922 736
of which: overdue	585 542	806 812	1 149 432
Payables from trade	661 130	1 160 573	1 265 182
of which: overdue	74 961	64 727	16 733

annual report  
1999

9. Development of receivables from trade in thousands SKK



10. Development of payables from trade in thousands SKK



Financial ratio:

	1996	1997	1998	1999	gap
<b>1. Ratio of liquidity</b>					
Disposable liquidity (0,2—0,6)	0,08	0,40	0,09	0,28	0,20
Current liquidity (1—1,5)	1,54	2,31	1,45	1,56	0,11
<b>2. Ratio of activity</b>					
Rotation of stock period	6,86	6,87	6,36	4,98	-1,38
Collection period (return) of receivables from trade	33,18	35,35	42,20	46,27	4,07
Payment period of payables from trade	20,86	20,30	28,82	36,38	7,56
<b>3. Ratio of indebtedness (%)</b>					
Level of indebtedness (from credit position)	19,74	21,18	20,53	21,01	0,48
Level of indebtedness (from external capital)	29,92	31,18	35,70	37,21	1,51
Level of independence	42,69	45,30	55,52	59,27	3,75

## STRUCTURE OF EMPLOYEES

### *Structure of Employees*

---

annual report  
1999

**a) according to sex**

Total number of employees as of 31 <sup>st</sup> December 1999	3 638
of which men	2 773
women	865

**b) according to category**

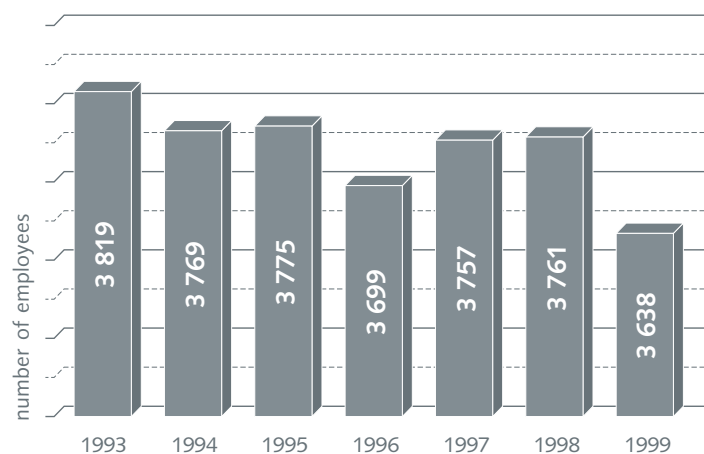
of which workers	2 095
technical-administrative employees	1 543

As of 31<sup>st</sup> December 1999 the enterprise employed 3638 employees, whereby the average calculated number was 3678 employees, which represented the decrease by 75 employees for the last 12 months. This number was considerably influenced by the decision on the regulation of the intake of new employees.

The obligations of the employer resulting from the collective agreement were fulfilled. In spite of the more difficult conditions for business, the enterprise tries to maintain the high standard for the professional development of the employees. In comparison with the year 1998 the educational structure of the employees was improved in favour of the high school education (1,2 %) and the university degree education (0,4 %).

The social policy maintains the considerably high standard. The collective agreement provides the contributions for the recreation placements, health care, organizing of various sports and social events for the employees.

### *11. Number of employees as of 31<sup>st</sup> December*



# PROFIT AND LOSS STATEMENT

<i>(in thousands of SKK)</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>
Revenues from merchandise	14 533	22 487	15 190
Expenses on the merchandise sold	12 042	19 392	12 787
<i>Profit margin</i>	<i>2 491</i>	<i>3 095</i>	<i>2 403</i>
<i>Production</i>	<i>12 970 641</i>	<i>13 429 897</i>	<i>14 344 511</i>
Revenues from own products and services	12 627 561	13 039 397	13 931 222
Changes in materials inventory of own products	2 175	-55	-2 705
Capitalization	340 905	390 555	415 994
<i>Production consumption</i>	<i>11 308 048</i>	<i>11 515 154</i>	<i>12 154 502</i>
<i>Added value</i>	<i>1 665 084</i>	<i>1 917 838</i>	<i>2 192 412</i>
Personnel expenses	833 850	907 115	973 717
Taxes and fees	17 933	19 782	17 545
Other operating revenues	1 192 072	122 510	177 324
Other operating expenses	1 130 307	41 072	26 097
Depreciation expenses of tangible and intangible fixed assets	575 213	595 660	633 831
Accounting for reserves, provisions and deferred expenses to operating revenues	40 360	24 967	140 917
Additions to reserves, provision and deferred expenses to operating revenues	43 672	77 233	311 885
Transfer of operating revenues	-1 084 821	—	—
Transfer of operating expenses	-1 084 821	—	—
<i>Operational economic result</i>	<i>296 541</i>	<i>424 453</i>	<i>547 578</i>
Financial revenues	456 990	36 825	107 880
Financial expenses	523 619	251 227	449 252
Accounting for reserves and provisions to financial revenues	33 591	31 366	62 059
Additions to reserves and provisions to financial expenses	31 366	62 059	1 697
Transfer of financial revenues	—	—	—
Transfer of financial expenses	—	—	—
<i>Economic result from financial operations</i>	<i>-64 404</i>	<i>-245 095</i>	<i>-281 010</i>
Income tax on ordinary income — due	109 824	116 098	171 503
Income tax on ordinary income — deferred	17 231	6 546	6 220
<i>Economic result on ordinary income</i>	<i>105 082</i>	<i>56 714</i>	<i>88 845</i>
Extraordinary revenues	1 095 501	7 248	27 832
Extraordinary expenses	1 112 931	39 657	82 761
Income tax on extraordinary income — due	-8 243	-21 799	-35 412
Income tax on extraordinary income — deferred	—	—	—
<i>Extraordinary economic result</i>	<i>-9 187</i>	<i>-10 610</i>	<i>-19 517</i>
<b>Economic result for the accounting period</b>	<b>95 895</b>	<b>46 104</b>	<b>69 328</b>

annual report  
1999



## BALANCE SHEET

annual report  
1999

<i>ASSETS (in thousands of SKK)</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>
Receivables for subscriptions for own equity capital	—	—	—
Fixed assets	6 886 496	7 583 863	7 900 873
Intangible fixed assets	82 371	81 510	81 559
Tangible fixed assets	6 299 161	6 995 384	7 312 926
Financial investments	504 964	506 969	506 388
Intercompany shares and ownership interests in enterprises	399 608	399 908	399 300
Other financial investments	105 356	107 061	107 088
Short-term assets	2 173 905	2 220 930	2 624 541
Inventory	247 521	221 165	170 299
Long-term receivables	10 513	6 197	2 375
Short-term receivables	1 586 059	1 872 513	2 005 877
Financial assets	329 812	121 055	445 990
Other assets	327 588	456 435	163 339
<b>Total assets</b>	<b>9 387 989</b>	<b>10 261 228</b>	<b>10 688 753</b>
<i>LIABILITIES (in thousands of SKK)</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>
Own capital	6 460 938	6 598 065	6 711 122
Registered capital	4 497 077	4 493 615	4 497 077
Capital funds	126 303	224 559	276 267
Funds from profit	1 090 595	1 095 389	1 092 623
Economic result from previous years	651 068	738 398	775 827
Economic result from the accounting period	95 895	46 104	69 328
External sources	2 780 956	3 515 120	3 814 975
Legal reserves	42 651	74 237	145 049
Other reserves	29 062	61 460	260
Long-term payables	38 758	41 706	13 997
Short-term payables	681 920	1 230 705	1 409 651
Bank loans and subsidies	1 988 565	2 107 012	2 246 018
Long-term bank loans	1 939 571	2 071 718	2 242 178
Short-term bank loans and subsidies	48 994	35 294	3 840
Other liabilities	146 095	148 043	162 656
<b>Total liabilities</b>	<b>9 387 989</b>	<b>10 261 228</b>	<b>10 688 753</b>

# APPENDIX TO THE BALANCE SHEET AS OF 31<sup>TH</sup> DECEMBER 1999

(The figures are stated in thousands of Slovak crowns — SKK)

annual report  
1999

## 1. THE PRINCIPLE OF THE SCHEME AND THE PERMANENT DURATION OF THE ENTERPRISE

The balancing of the enterprise which consists of the Balance Sheet as of 31<sup>st</sup> December 1999, the Profit and Loss Statement and the Appendix to the Balance Sheet as of 31<sup>st</sup> December 1999, has been made in compliance with the Accounting Act and the accounting procedures valid for the entrepreneurs in the Slovak Republic.

The balancing has been worked out by the management of the enterprise and submitted to the Ministry of Economy of the Slovak Republic, in compliance with the acts on the regular balancing valid in the Slovak Republic.

The balancing has been executed on assumption that the enterprise will proceed in its activities.

In comparison with the previous accounting period no important changes concerning the accounting operations, evaluation methods, depreciation, arrangement of balance sheet items and their definition were entered.

The balancing was approved by the Supervisory Board on 7<sup>th</sup> April 2000.

## 2. INTANGIBLE FIXED ASSETS

The summary of changes in the intangible fixed assets during the year 1999 is as follows (in thousands of SKK)

	<i>Balance</i> <i>as of 31. 12. 1998</i>	<i>Decreases</i>	<i>Transfers</i>	<i>Increases</i>	<i>Balance</i> <i>as of 31. 12. 1999</i>
Software	119 237	333	48 888	-74	168 384
Acquisition of intangible fixed assets	63 563	11 933	-44 181	—	31 315
Total acquisition price	182 800	12 266	4 707	-74	199 699
Software	-101 290	-16 917	-7	74	-118 140
Total provisions	-101 290	-16 917	-7	74	-118 140
<b>Balance value</b>	<b>81 510</b>				<b>81 559</b>

### 3. TANGIBLE FIXED ASSETS

The summary of changes in the tangible fixed assets during the year 1999 is as follows  
(in thousands of SKK)

	<i>Balance as of 31. 12. 1998</i>	<i>Increases</i>	<i>Free transfer</i>	<i>Gifts</i>	<i>Transfers</i>	<i>Decreases</i>	<i>Balance as of 31. 12. 1999</i>
<i>Land</i>	874 519	3 024	—	—	668	-1 845	876 366
<i>Buildings, halls and construct.</i>	8 439 030	—	3 619	16 216	352 777	-15 985	8 795 657
<i>Movable property</i>	4 667 108	130	4 111	3 298	452 705	-49 384	5 077 968
<i>Perrenial crops</i>	433	—	—	—	—	-433	—
<i>Outstanding TFA</i>	1 396	—	—	—	3	—	1 399
<i>Acquisition of tangible invest.</i>	785 246	937 160	—	—	-810 707	—	911 699
<i>Advancements for TFA</i>	22 050	73 290	—	—	—	-85 437	9 902
<i>Total acquisition price</i>	<b>14 789 782</b>	<b>1 013 603</b>	<b>7 730</b>	<b>19 514</b>	<b>-4 554</b>	<b>-153 084</b>	<b>15 672 991</b>
<i>Buildings, halls and construct.</i>	-4 583 473	-228 344	-3 619	—	-7 835	13 605	-4 809 666
<i>Movable property</i>	-3 210 782	-388 282	-4 111	—	3 449	49 327	-3 550 399
<i>Perrenial crops</i>	-143	-290	—	—	—	433	—
<i>Total provisions</i>	<b>-7 794 398</b>	<b>616 916</b>	<b>-7 730</b>	<b>—</b>	<b>-4 386</b>	<b>63 365</b>	<b>-8 360 065</b>
<b><i>Balance value</i></b>	<b>6 995 384</b>						<b>7 312 926</b>

At the tangible fixed assets the part of the value of increases are represented by the foreign currency exchange rate variances, which arose in amount of 17 838 thousand SKK in the year 1999 and the related interest expenses, which were used for financing the construction activities in amount of 17 722 thousand SKK.

The accrued interests in amount of 35 838 thousand SKK and the foreign currency exchange rate variances in amount of 40 483 thousand SKK are capitalized in the item of tangible fixed assets as of 31<sup>st</sup> December 1999.

The transfer gap represents the re-classification between tangible and intangible fixed assets.

The enterprise was given the tangible fixed assets in amount of 19 514 thousand SKK in the form of gifts. The related influence of the received gifts was carried to account in compliance with the accounting acts valid in the Slovak Republic, in the item Capital funds, section Own equity capital of the enclosed balance sheet.

In compliance with the Act No. 79/1957 of the code, some parts in the fixed assets amounting to 7730 thousand SKK were transferred to the enterprise free of charge. In compliance with the Slovak accounting acts, they were carried to account against the accumulated depreciation of tangible fixed assets.



## 4. FINANCIAL INVESTMENTS

The summary of motions in the financial investments during the year 1999 is as follows (in thousands of SKK)

	<i>Balance as of 31. 12. 1998</i>	<i>Increases</i>	<i>Decreases</i>	<i>Transfers</i>	<i>Balance as of 31. 12. 1999</i>
Ownership interests with controlling influence in enterprises	396 300	600	—	—	396 900
Ownership interests with substantial influence in enterprises	3 608	—	—	—	3 608
Other securities and ownership interests	97 393	—	—	—	97 393
Other loans and financial investments	36 267	—	—	-342	35 925
Total acquisition price	533 568	600	—	-342	533 826
Ownership interests with substantial influence in enterprises	—	-1 208	—	—	-1 208
Other securities and ownership interests	-282	—	52	—	-230
Other loans and financial investments	-26 317	—	317	—	-26 000
Total reserves	-26 599	-1 208	369	—	-27 438
<b>Net book value</b>	<b>506 969</b>				<b>506 388</b>

annual report  
1999

The increase in amount of 600 thousand SKK at the item of ownership interests with controlling influence in enterprises is the repayment of the part of the registered capital subscribed in the company Nitrianska paroplynová spoločnosť, a. s.

As of 31<sup>st</sup> December 1999 the registered capital amounted to 900 thousand SKK and was subscribed and fully paid-up.

The transfer of the amount of 342 thousand SKK in the item Other loans and financial investments represent the adjustment to the acquisition price of securities.

The balance of the item Other securities and ownership interests comprises the financial investment in the company Globtel a. s. in total amount of 97 050 thousand SKK. In the future this investment will be sold, the commercial broker has already been selected.

The structure of the ownership interests with controlling influence in enterprises as of 31<sup>st</sup> December 1999 is as follows (in thousands of SKK):

### Company

<i>Auditor</i>	<i>Share in [%]</i>	<i>Registered capital</i>	<i>Ret. earnings/ accum. losses</i>	<i>Profit or loss of cur. year</i>	<i>Own capital</i>	<i>Net book value</i>
<i>Paroplynový cyklus Bratislava, a. s.</i>						
Ernst & Young	66	600 000	-461 293	81 380	220 087	396 000
<i>Nitrianska paroplynová spoločnosť, a. s. *</i>						
not audited	90	1 000	—	8	1 008	900
<b>Total</b>						<b>396 900</b>

\* The information is taken from the not audited balance sheet as of 31<sup>st</sup> December 1999.

The company Paroplynový cyklus Bratislava, a. s. carried to account the accumulated losses in amount of 379 913 thousand SKK as of 31<sup>st</sup> December 1999, which were mainly caused by the initial problems in the connection with the electric power station of the company and by the delay in the start-up of the project which took nearly a year.

If we take into consideration the possibility to deduct losses for the purposes of the income tax, as well as the potential accrued revenues resulting from contractual penalties, the management of the enterprise is convinced that the losses of the company Paroplynový cyklus Bratislava, a. s. will to a great extent be compensated during the next three up to five accounting periods. The assumption of the prospective cash-flow includes such an expectation. Západoslovenské energetické závody, state enterprise, as a shareholder of the company takes the necessary steps to increase the registered capital of the company Paroplynový cyklus, a. s. Bratislava, in the form of ownership interests by a strategic partner.

The structure of ownership interests with the substantial influence as of 31<sup>st</sup> December 1999 is as follows (in thousands of SKK):

<i>Company</i>	<i>Share [%]</i>	<i>Registered capital *</i>	<i>Ret. earnings/ ac. losses *</i>	<i>Profit or loss of cur. year *</i>	<i>Own capital *</i>	<i>Net book value</i>
Energoinfo, a. s.	40	6 000	-1 416	-23 311	-14 500	3 608
<b>Total</b>		<b>6 000</b>	<b>-1 416</b>	<b>-23 311</b>	<b>-14 500</b>	<b>3 608</b>

\* The information is taken from the not audited balance sheet as of 31<sup>st</sup> December 1999.

The enterprise concluded the agreement on the sale of shares of the company Energoinfor, a. s. with the majority owner of the company Energoinfo, a. s. in total amount of 2 400 thousand SKK. The matter of the sale of these shares is to be approved by the Ministry of economy of the Slovak Republic.

## 5. INVENTORY

The motions of the adjustments to various accounts adjusting the value of inventory to their real value during the year 1999 are as follows (in thousands of SKK):

	<i>Adjust-ments</i>
Opening figures	2 912
Increases	17 391
Decreases	2 912
Closing figures	17 391

The adjustment to inventory was calculated on the basis of the rate of turns of the items in stock during the year, as well as on the basis of the individual analysis of those items.

## 6. RECEIVABLES

The structure of receivables as of 31<sup>st</sup> December 1999 is as follows:

	<i>Thousand SKK</i>
Intercompany receivables and other related parties	56 162
Receivables from trade	2 173 973
Tax assets	81 647
Other receivables	3 868
<b>Total</b>	<b>2 315 650</b>

From the total lump-sum of receivables (long-term and short-term) as of 31<sup>st</sup> December 1999 the overdue receivables amount to 1 149 432 thousand SKK.

The reserve and/or adjustment to dubious receivables was made on the basis of the individual analysis of those receivables.

The motions of the adjustments to various accounts adjusting the receivables to their real value during the year 1999 are as follows (in thousands of SKK):

	<i>Adjust-ment</i>	<i>Legal reserve</i>
Opening figures	150 909	74 237
Increases	294 494	72 015
Decreases or cancellation	138 005	1 203
<b>Closing figures</b>	<b>307 398</b>	<b>145 049</b>

annual report  
1999

## 7. OWN CAPITAL

The summary of the motions in the item of own capital during the year 1999, as stated in the mentioned balance sheet, is as follows (in thousands of SKK):

	<i>Registered capital</i>	<i>Capital funds</i>	<i>Funds from net profit</i>	<i>Ret. earnings/ accum. loss</i>	<i>Profit/loss cur. year</i>	<i>Total</i>
Balance as of 31 <sup>st</sup> Dec.1998	4 493 615	224 559	1 095 389	738 398	46 104	6 598 065
Division of 1998 profit	—	—	—	—	—	—
Contributions to funds from profit	—	—	2 305	—	-2 305	—
Contribution to social fund	—	—	—	—	-6 370	-6 370
Transfer to total profit or loss	—	—	—	37 429	-37 429	—
Increase of registered capital	3 462	—	-3 462	—	—	—
Increase of capital funds	—	52 325	—	—	—	52 325
Decrease of capital funds	—	-617	—	—	—	-617
Decrease of funds from profit	—	—	-1 609	—	—	-1 609
Net profit in 1999	—	—	—	—	69 328	69 328
<b>Balance as of 31<sup>st</sup> Dec. 1999</b>	<b>4 497 077</b>	<b>276 267</b>	<b>1 092 623</b>	<b>775 827</b>	<b>69 328</b>	<b>6 711 122</b>

The management of the enterprise submitted the following proposal for the profit division for the year 1999 to the Supervisory Board of the enterprise.

	<i>Thousand SKK</i>
Retained earnings (accumulated loss)	56 935
Funds created from profit	3 466
Social fund	8 927
<b>Profit for the year 1999</b>	<b>69 328</b>

### REGISTERED CAPITAL

The enterprise is fully owned by the state. The registered capital is not divided to shares. The increase of the registered capital of the enterprise in the year 1999 represents the disaccounting of the decrease of the registered capital, which was carried to the account of the enterprise in compliance with the regulation of the Ministry of finance of the Slovak Republic No. 65/261/1993, according to which any loss from the sale of apartments realized by the state organization at regulated prices should be carried to account as the decrease of the regis-



tered capital of the organization. The loss from the sale of apartments during the years 1998 and 1999 was carried to account as the decrease of the item Fonds created from profit in total amount of 5071 thousand SKK.

### CAPITAL FUNDS

In compliance with the Accounting Act valid in the Slovak Republic the enterprise increased its capital funds by the value of gifts received during the financial year (either in the form of investment property or cash contribution).

### OTHER PARTS OF OWN CAPITAL WITH LIMITED USE

The item Funds from profit includes other parts of own capital, the use of which is limited — as the legal reserve fund in amount of 1 092 623 thousand SKK. Their use is defined by the legal regulations obligatory in general, which are valid in the Slovak Republic.

## 8. BANK LOANS

The structure of loans (long-term and short-term) as of 31<sup>st</sup> December 1999 is as follows (in thousands of SKK):

	<i>Short-term</i>	<i>Long-term</i>
Bank loans received	3 840	2 242 178
<b>Total</b>	<b>3 840</b>	<b>2 242 178</b>

The structure of the balances of bank loans as of 31<sup>st</sup> December 1999 is according to their lives and currencies (calculated in thousands of SKK):

<i>Maturity</i>	<i>USD</i>	<i>DEM</i>	<i>SKK</i>	<i>Total</i>
2000	—	—	3 840	3 840
2001	—	—	2 000	2 000
2002	1 479 310	759 780	1 088	2 242 178
<b>Total</b>	<b>1 479 310</b>	<b>759 780</b>	<b>6 928</b>	<b>2 246 018</b>

The structure of the individual bank loans is as follows:

<i>Type of loan</i>	<i>Maturity</i>	<i>Currency agreed</i>	<i>Short-term</i>	<i>Long-term</i>	<i>Total loan</i>
revolving	7/8/02	USD	—	1 479 310	1 479 310
	7/8/02	DEM	—	759 780	759 780
investment	30/9/00	SKK	1 245	—	1 245
investment	30/9/00	SKK	595	—	595
investment	30/9/00	SKK	2 000	—	2 000
	30/9/01	SKK	—	2 000	2 000
	30/9/02	SKK	—	1 088	1 088
<b>Total</b>			<b>3 840</b>	<b>2 242 178</b>	<b>2 246 018</b>

The interest rate relating to the long-term revolving loan arranged by the bank Credit Suisse First Boston is calculated on the basis of the rate LIBOR plus fixed interest.

The long-term debt is represented by the syndicated loan in Deutsch marks (35 million) and US dollars (35 million).

## 9. POTENTIAL PAYABLES

The enterprise tied to providing the proportional retroactive compensation, which secures the commitment from the loan of the company Paroplynový cyklus Bratislava, a. s. in amount of 25 000 thousand DEM as of 31<sup>st</sup> December 1999. In case that the loan is not paid-up, the enterprise will cover 66 % of the outstanding amount, which corresponds to its share in the registered capital of the company Paroplynový cyklus Bratislava, a. s.

annual report  
1999

## 10. REVENUES AND EXPENSES

### a) Net revenues

The structure of revenues according to the sections of activity is as follows:

	<i>Thousand SKK</i>
Sale of electric power	12 034 590
Sale of heat	1 601 518
Services supplied	85 070
Sale of merchandise	15 190
Other revenues	210 044
<b>Total</b>	<b>13 946 412</b>

### b) Employees Expenses

The structure of employees expenses as of 31<sup>st</sup> December 1999 is as follows:

	<i>Thousand SKK</i>
Wages and salaries	696 854
Social security	248 427
Other social security expenses	28 436
<b>Total</b>	<b>973 717</b>

### c) Financial revenues and expenses

The structure of financial revenues and expenses is as follows (in thousands of SKK):

	<i>Revenus</i>	<i>Expenses</i>
Revenues from financial investments	927	—
Interests	38 254	106 842
Realized exchange rate gains/losses	68 699	300 016
Not-realized exchange rate gains/losses	61 460	260
Provisions to financial investments	599	1 437
Other	—	42 394
<b>Total</b>	<b>169 939</b>	<b>450 949</b>

### d) Extraordinary revenues and expenses

The structure of extraordinary revenues/expenses is as follows (in thousands of SKK):

	<i>Revenus</i>	<i>Expenses</i>
Shortages and damage	—	7 654
Additions to legal reserves and the use	1 202	72 014
Other extraordinary expenses and revenues	25 014	550
Other accounting periods	1 616	2 543
<b>Total</b>	<b>27 832</b>	<b>82 761</b>

The balance of the item “Additions to legal reserves and the use” represents the additions and use of legal reserves (debtors in bankruptcy).

## 11. SUMMARY OF THE CASH-FLOW FOR THE YEAR 1999

		<i>Thousand SKK</i>
Z/S.	PROFIT OR LOSS BEFORE TAXATION	266 568
A.1.	Adjustments for non-financial operations	916 925
A.1.1.	Depreciation of long-term assets	633 831
A.1.2.	Change of reserve balances	9 612
A.1.3.	Changes in assets transfer accounts	253 315
A.1.4.	Changes in liabilities transfer accounts	14 613
A.1.5.	Changes in adjustments to fixed assets	839
A.1.7.	Title for dividends and other shares on profit	-927
A.1.8.	Other monetary transactions	5 642
A.2.	Changes in working capital	-303 158
A.2.1.	Changes in receivables from basic business activities	-129 541
A.2.2.	Changes in short-term payables from basic business activities	78 628
A.2.3.	Changes in inventory	50 866
A.2.4.	Changes in short-term financial assets	-303 111
A.3.	Interests accounted to expenses (+/562)	106 842
A.4.	Interests accounted to revenues (-/662)	-38 254



A*	Profit or loss from regular activity before taxation with income tax of legal entities, adjusted by the influence of nonmonetary transactions, the changes of working capital and interests	948 923
A.5.	Items excluded from basic business activities	-211
A.5.1.	Profit from sale of fixed assets	-211
A.6.	Other special items	-106 534
A.6.1.	Paid-up tax from the income tax of the regular activities of legal entities	-92 512
A.6.4.	Extraordinary expenses related to the basic business activities	-7 571
A.6.6.	Expenses related to the increase of social fund created from profit (-)	-6 451
A**	CASH-FLOW BEFORE ITEMS STATED ALTERNATIVELY AND OUTSTANDING ITEMS BELONGING TO BASIC BUSINESS ACTIVITIES	842 178
A.7.	Items stated alternatively	508
A.7.1.	Interests received (+)	508
A***	NET CASH-FLOW FROM BASIC BUSINESS ACTIVITIES	842 686
B.1.	Acquisition of fixed assets	-960 486
B.1.1.	Acquisition of intangible fixed assets	-17 705
B.1.2.	Acquisition of tangible fixed assets	-935 968
B.1.3.	Acquisition of financial investments	-600
B.1.4.	Changes in payables originating from acquisition of TFA	-6 213
B.2.	Revenues from the sale of fixed assets	2 821
B.2.1.	Revenues from the sale of tangible and intangible fixed assets	2 821
B.3.	Cash-flow from the loans provided to allied parties	-5 969
B.3.2.	Off-sets to debts and loans received from allied parties (-)	-5 969
B.5.	Items stated alternatively	-2 975
B.5.2.	Interests paid (except for capitalization) (+)	-2 975
B***	NET CASH-FLOW FROM INVESTMENT ACTIVITIES	-966 609
C.	NET CASH-FLOW BEFORE FINANCIAL ACTIVITIES	
D.1.	Changes in payables from financial activities	139 006
D.1.1.	Incomes related to credits and loans from financial institutions (+)	174 300
D.1.2.	Expenses related to credits and loans from financial institutions (-)	-35 294
D.2.	Cash-flow of own capital	30 344
D.2.3.	Money gifts received and subsidies to own capital (+)	30 344
D.4.	Items stated alternatively	-23 603
D.4.1.	Interests received (+)	37 746
D.4.2.	Interests paid (except for capitalization) (-)	-62 276
D.4.3.	Dividends received and other shares on profit (+)	927
D***	NET CASH-FLOW FROM FINANCIAL ACTIVITIES	145 747
F.	CHANGES IN FINANCIAL MEANS AND FINANCIAL EQUIVALENTS	21 824
<b>G.</b>	<b>Position of financial means and financial equivalents at the beginning of accounting period</b>	121 055
<b>H.</b>	<b>Position of financial means and financial equivalents at the end of accounting period</b>	142 879

## REFERENCING REPORT OF AUDITORS

To the shareholders and Board of directors of

Západoslovenské energetické závody, š. p. (state owned company), Bratislava:

We have audited the financial statements of Západoslovenské energetické závody, š. p., as of 31 December 1999 (not presented herein) in accordance with Standards on Auditing issued by the Slovak Chamber of Auditors (SKAU). In our report dated 14 April 2000, we expressed a qualified opinion on these financial statements. These financial statements are the responsibility of the Company's management.

We have reviewed the financial information stated in the Annual Report of Západoslovenské energetické závody, š. p., for the year ended 31 December 1999. During our review, nothing came to our attention that make us believe that the summarized financial information included in the accompanying Annual Report is not consistent, in all material respects, with the financial statements from which it was derived.

For a better understanding of Západoslovenské energetické závody, š. p., financial position and the results of its operations for the period and of the scope of our audit, the accompanying Annual Report should be read in conjunction with the financial statements from which the summarized financial information presented in the Annual Report was derived and our audit report thereon.



**ARTHUR ANDERSEN, k. s.**

License No. 0095



**JÁN HOLÍČKA**

License No. 0715

22 June 2000  
Bratislava, Slovak Republic



# ORGANIZATIONAL UNITS OF ZSE

<i>Name</i>	<i>Address</i>	<i>Telephone</i>	<i>Facsimile</i>
<b>Západoslovenské energetické závody Headquarters of the State Enterprise</b>	Čulenova 6 816 47 Bratislava	+421-7-52 96 17 41-5 +421-7-50 61 11 11	+421-7-52 92 53 14
<b>District Plant Bratislava</b>	Hraničná 14 827 14 Bratislava	+421-7-53 41 72 95	+421-7-53 41 75 96
<b>District Plant Trnava</b>	Ružindolská cesta 12 918 57 Trnava	+421-805-554 51 19-21	+421-805-554 50 81
<b>District Plant Nitra</b>	Štefánikova tr. 45 949 52 Nitra	+421-87-652 24 00-4	+421-87-652 58 47
<b>District Plant Dunajská Streda</b>	Kračanská cesta 1607/45 929 01 Dunajská Streda	+421-709-552 45 51-3	+421-709-557 31 91
<b>Heating Plant I Bratislava</b>	Čulenova 7 816 47 Bratislava	+421-7-50 61 21 01	+421-7-50 61 49 85
<b>Heating Plant II Bratislava</b>	Turbínová 3 832 26 Bratislava	+421-7-50 61 34 51	+421-7-50 61 35 91
<b>Heat Production and Distribution Plant Trnava</b>	Coburgova 84 917 42 Trnava	+421-805-553 60 77-9	+421-805-553 61 68
<b>Heat Distribution Plant Bratislava</b>	Bajkalská 21/A 821 01 Bratislava	+421-7-50 61 32 51	+421-7-50 61 32 90
<b>Construction and Assembly Plant Nitra</b>	Novozámocká 3 949 01 Nitra	+421-87-651 32 45	+421-87-652 60 60
<b>Transformer Repair Shop and Calibration Plant Hlohovec</b>	M. R. Štefánika 85 920 01 Hlohovec	+421-804-742 21 20	+421-804-742 30 36
<b>Plant for Operation and Maintenance of Transmission Plants Bratislava</b>	Čulenova 3 816 47 Bratislava	+421-7-50 61 11 11	+421-7-50 61 49 91

annual report  
1999