

BUSINESS REPORT



**geoplin**

ENERGY OF SLOVENIA

**business report 2009**

Geoplin d.o.o. Ljubljana  
Natural Gas Marketing and Transport Company  
Cesta Ljubljanske brigade 11  
1001 Ljubljana, p.p. 3706, Slovenia  
Telephone: +386 1 5820 600, Fax: +386 1 5820 601  
[www.geoplin.si](http://www.geoplin.si)

Publisher: Geoplin d.o.o. Ljubljana  
Production: Raketa d.o.o.  
AD and design: Katjuša Kranjc  
Photos: Lidija Mataja, iStockphoto, GettyImages  
Text editing and rewriting: Rdeči oblak d.o.o.  
Ljubljana, May 2010

B U S I N E S S   R E P O R T   2 0 0 9

*Despite the challenging conditions, we increased our market activity, extended and signed new contracts, and made further adaptations to meet our customers' needs.*



*The strong performance of Geoplin was also a symbolic tribute to the 35th anniversary of a visionary idea in November 1974, when nearly 80 companies pooled their resources and strengths to supply Slovenia with gas.*

## success during a time of crisis

2009 was characterized by challenging business conditions, primarily the financial crisis and its impact on economic events in Slovenia and around the world. At Geoplin we reacted flexibly to the new situation and worked to cushion the impact of reduced natural gas consumption, greater numbers of bankruptcies, and limited operations due to other firms' poor liquidity.

It is significant that Geoplin was able to put rigorous, appropriate, and rapid measures into force in order to ensure a continuous supply of natural gas to Slovenia during the fourteen-day interruption in Russian supply. The financial crisis also resulted in an oversupply of natural gas in Europe, lower demand for transport capacity to foreign countries, and a smaller physical range of operations. This is why natural gas prices on the spot market were lower than the purchase prices in long-term contracts. The dynamic fluctuations in the prices of petroleum and petroleum products also had an effect on lowering natural gas prices. Purchase and sale prices also dropped noticeably in 2009 because of currency exchange conditions on global markets. Despite this, the total amount of natural gas sold – 1.02 bn Sm<sup>3</sup> – exceeded the planned target and we were even able to accomplish unplanned sales of natural gas to foreign customers.

The net profit of €19.5 m was impressive under the more restrictive business conditions during the financial crisis.

During 2009 we continued numerous development projects with our partners, primarily in the areas of pressurized natural gas for transport, cogeneration of heat and power, and new purchase sources: liquefied natural gas and natural gas storage. Geoplin also supported the South Stream pipeline, which will be a component part of the development plan of our subsidiary Geoplin Plinovodi. Our financial investment in Geoplin Plinovodi thus supports the investment cycle and thereby increases the capacity of the Slovenian gas transmission network. We also passed our ISO 14001:2004 environmental management certification assessment. The third package of EU energy regulations, which were adopted in summer 2009, will have a fundamental impact on future development plans at Geoplin. The newly elected members of the supervisory board began their term at the end of June. In December 2009 we approved the 2010–2014 strategic plan, and we also approved the 2010 business plan before the end of the year.

Credit for this year's success is due to the work of all of our employees operating on a liberalized market; by optimizing purchase and sales activities, they made it possible to realize the expectations of all of our stakeholders.

Alojz Stana  
General Director

*The race for  
more and  
better demands  
accessible  
resources.*



*company information*



*We live trends and take steps into the future, making the pulse of the present possible.*



## geoplin: basic information

### geoplin group in figures

1014 km	of gas transmission pipelines owned and operated by Geoplin Plinovodi d.o.o.
197	meter and regulation stations
2	compressor stations
€40.8 m	investment in the gas transmission network
43 %	gas transmission network coverage of Slovenian territory
1.02 bn Sm <sup>3</sup>	of natural gas sold in 2009

### geoplin group

The company Geoplin d.o.o., Ljubljana consists of two subsidiaries, Geoplin Plinovodi d.o.o. and Geocom d.o.o., which prepare their own reports as independent legal entities in line with regulations and are partially represented in accounting disclosures. All three companies together comprise the Geoplin Group.

### company activities

Geoplin has been a key natural gas supplier in Slovenia for over 30 years. The company's primary activities, such as supply, trading, representation, and brokerage on the natural gas market, allow Geoplin to supply natural gas to large industrial clients that are connected to the gas transmission network and to companies that distribute natural gas. The Slovenian Energy Agency has also issued license no. 083-20-007/004/06 for this activity to the company.

The parent company Geoplin d.o.o., Ljubljana covers the following business activities:

- purchase of natural gas from producers,
- arrangement of transport to the Slovenian border,
- supply of natural gas in Slovenia and abroad.

### company mission and values

The mission of Geoplin is to ensure a long-term, reliable natural gas supply. In its operations, Geoplin is guided by the values of reliability and efficiency, and it cultivates highly professional business relations. The company encourages knowledge, self-initiative, teamwork, adaptability, and sensitivity to conditions among its employees.

The ISO 14001 environmental management certificate that Geoplin has earned demonstrates its responsible handling of all business activities with respect to environmental standards. This is a confirmation of its business excellence.

Geoplin follows the developmental guidelines of the ISO 26000 standard for socially responsible companies that respect the declarations and conventions of the UN and its charter bodies, especially the International Labor Organization.



company vision

Geoplin will maintain its leading position as a natural gas supplier in Slovenia and will expand its operations to other markets as well.

geoplin organization chart

The internal organization of Geoplin is adapted to fit the requirements of its business process. Therefore, in 2009 a department for developing new activities was created. The largest departments by number of employees remain the sales department and the finance and accounting service. The supervisory board consists of eight company representatives and four employee representatives. At the end of June there were changes in the composition of the board, which had six regular meetings during 2009 at which it dealt with regular business issues. At its third meeting, the board's new members adopted the 2010–2014 strategic plan and the 2010 business plan.

- As of 29 June 2009, the supervisory board members are:
- Company representatives:

Janez Kopač (chairman),  
Iztok Bajda (deputy chairman),  
Hrvoje Drašković,  
Jože Funda,  
Janez Grošelj,  
Darinka Mravljak,  
Zoran Gračner,  
and Klemen Grošelj.
- Employee representatives:

Uroš Tušar,  
Jolanda Zevnik,  
Boris Tertnik,  
and Katarina Žgajnar.

- Up until 28 June 2009 the supervisory board members were:
- Company representatives:

Boštjan Napast (chairman),  
Iztok Bajda,  
Vida Cvelbar,  
Hrvoje Drašković,  
Jože Funda,  
Janez Grošelj,  
Janez Marolt,  
and Darinka Mravljak.
- Employee representatives:

Jana Hajduković,  
Janja Sadar,  
Uroš Tušar,  
and Jolanda Zevnik.



ownership structure on 31 december 2009

The ownership structure of Geoplin did not change significantly in 2009. The main shareholders increased their shares somewhat. Compared to the previous year, the number of shareholders was reduced by five due to some shareholders selling their shares to others. Thus, the company had 22 shareholders as of 31 December 2009. The company's share capital also did not change; on that date it amounted to 30,829,619.98.



- 32.7% Republic of Slovenia
- 32.0% Petrol
- 7.1% Ekopur
- 6.8% Salnal
- 6.6% JP Energetika Ljubljana
- 10.8% 17 other shareholders
- 4.0 % treasury shares

employees

At the end of 2009, Geoplin had 30 employees. Three were new hires, and no employees left the company. The average employee age is 45, and together the staff forms a professionally mature and experienced group, which has been invigorated by the addition of the new employees. The education structure of the employees fits our business's professional demands, which is why 93% of the employees have at least a junior-college level of education. Geoplin encourages professional training for its employees, who in turn transfer their new skills to their work. In 2009 there were 800 hours devoted to professional training and 920 hours to language instruction; 26 employees (87%) participated.



*In a world of  
changes the real  
challenge is to be  
predictable.*



*business operations*



*We are where the new awakens, the small grows, and the large strives to become valuable.*



2009 business environment

During 2009 Geoplin was operating in a business environment marked by the global financial crisis, unexpected interruptions in natural gas supplies, and the opening of a single market for natural gas. Reduced production led to lower demand, and pricing distortions and the USD-EUR exchange rate (purchase in USD, sales in EUR) also affected natural gas prices. The 2009 average price of Brent crude was \$64/barrel (€46/barrel), which is one-third less than the 2008 average (\$100/barrel, or €67/barrel). The average USD-EUR exchange rate at the end of 2009 was 5% higher than the value at the beginning of the year. These fluctuations in important macroeconomic factors during the reference period also led to fluctuations in the net purchase and sales prices of natural gas. The average net sales price of natural gas for Geoplin customers fell during the first half of the year, reaching its lowest point at the beginning of summer; thereafter it maintained the same level through December. The net sales price of natural gas in December 2009 was just over a third lower than in January the same year, and nearly half compared to December of the previous year. On average, the net sales price was lower than the 2008 average. Outdoor temperatures also have an impact on annual natural gas demand. The months during the 2009 heating season that stood out as having lower temperatures were January, February, and October, whereas temperatures in March and December were at average levels. April, May, August, and November were over one degree warmer than average.

significant business events after year-end 2009

Geoplin ended 2009 with good results. Its net profit of €19,488,468 was in line with expectations, and it sold an annual total of 1.02 bn Sm<sup>3</sup> of natural gas. Macroeconomic forecasts from fall 2009 are predicting economic growth at the annual level, but the financial crisis is also continuing in 2010. The results show that the crisis hit the industrial sector particularly hard, which is precisely the sector to which many Geoplin customers belong. Geoplin has already assessed the negative impact of the crisis in its 2010 business plan, but it is impossible to foresee the actual extent in its entirety. In sales, the company will continue its active trading policy and seek to minimize the negative economic impact by adapting its sales activities. It will continue to carefully monitor and manage its accounts receivable because of the poor liquidity in the Slovenian economy, and will act promptly to protect its business interests. At the beginning of the year, due to the rising prices in petroleum and petroleum products and the USD-EUR exchange rate, natural gas sales price rose by just over a tenth. Rising prices along with anticipated USD-EUR exchange-rate fluctuations will also lead to continuing growth in the natural gas sales price.



In 2009, Geoplin renewed its short-term contract, which had expired at the beginning of the fourth quarter of 2009, with a foreign partner to lease capacity for natural gas transmission through Slovenia.

## investments

Through its subsidiary Geoplin Plinovodi d.o.o., Geoplin is also investing in developing and expanding the gas transmission network capacity in Slovenia. The company raised its long-term financial investments by 6% in 2009. In line with its dividend policy, the company signed a contract for long-term investment in its subsidiary, investing an additional €8.4 m. The difference in increased long-term financial investments represents additional investments in bonds, the value of which increased by 15%. Short-term financial investments also increased by one-third, primarily liquidity of the reserve for the coming business year.

## natural gas trading

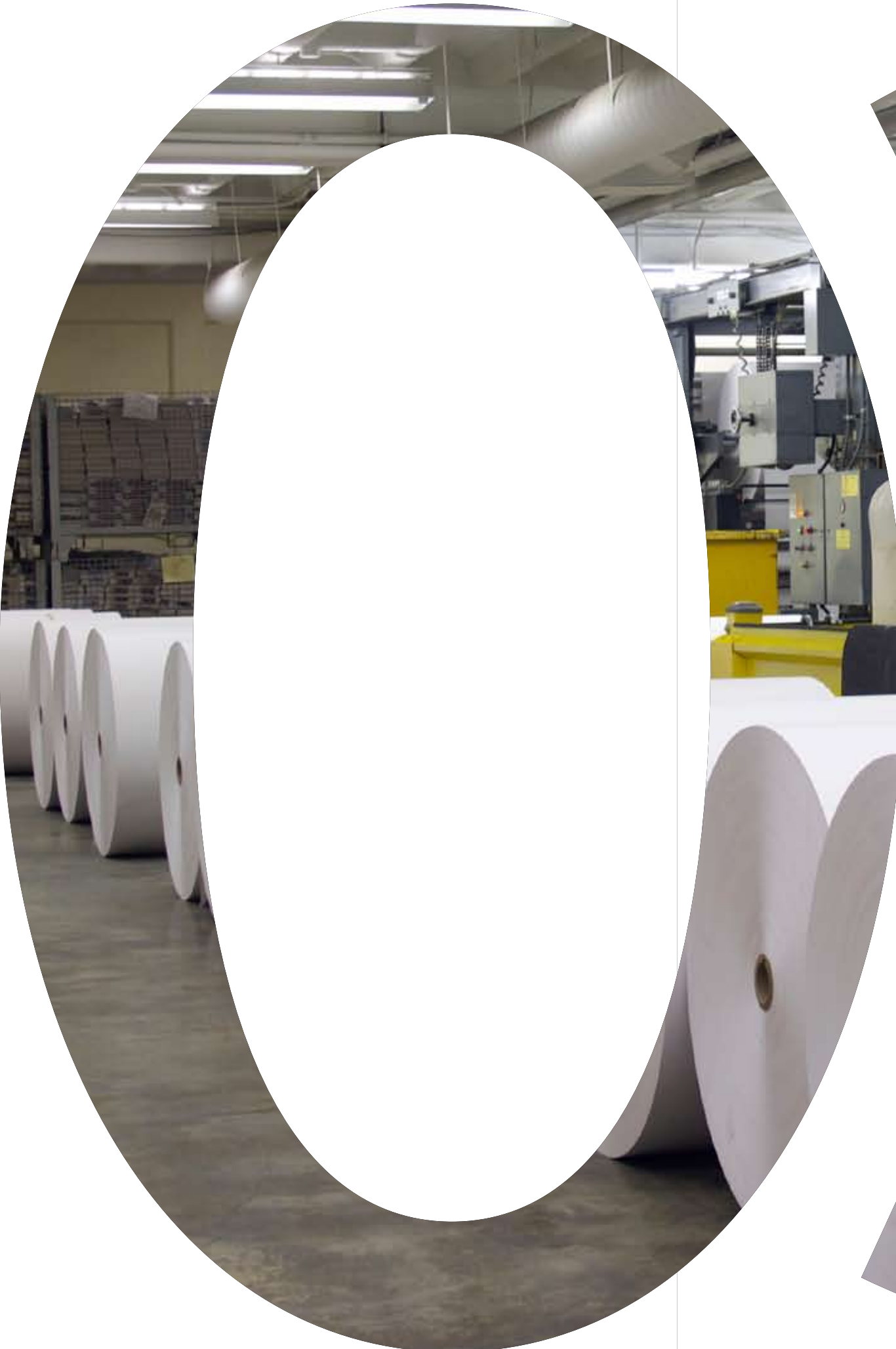
Despite the more restrictive business conditions, Geoplin implemented operational adaptations and succeeded in maintaining its market share. Some key changes took place at the level of customer relationship management. The company included customers in its balance group and carried out daily quantity adjustments as part of its balancing services for them. Larger customers were also included in the system for forecasting daily withdrawals, which made it easier to manage the balance group. Because of the introduction of the secondary market for transmission capacity, different requirements in the Regulation on the Natural Gas Market, and reduced financial exposure, most customers signed contracts of assignment directly with system operators in 2009. Customer needs varied from the contractually agreed amounts due to reduced industrial production, bankruptcies, and liquidations. Demands for natural gas were lower in neighboring countries as well, which had an impact on the extent of leased transmission capacity throughout the network. Other factors included the continuing imbalance between natural gas and methanol prices, as well as the 14-day interruption in Russian sources in January due to the dispute between Russia and Ukraine. In 2009 Geoplin sold 1.02 bn Sm<sup>3</sup> of natural gas, 95% of which was sold in Slovenia. Despite the oversupply of natural gas in Europe, the company sold the remaining 5% to foreign countries and was thus able to partially compensate for the drop in sales on the domestic market. Total sales of natural gas were thus only 3% lower than in 2008 and exceeded the planned amount, although sales on the domestic market were 5% lower. The outdoor temperatures also contributed to the sales results. Despite the challenging conditions, Geoplin increased its market activity, extended and signed new contracts, gained two new customers, and made further adaptations to meet its customers' needs.

Geoplin was able to guarantee reliable supply standards, which was demonstrated in practice during the gas crisis, when Geoplin was able to guarantee supply even under difficult conditions.

Natural gas procurement was adapted to conditions by using available sources, existing and additional storage capacity in Austria, and interventional additional procurement of natural gas. The source structure departed from the plan because sources were optimized and customers had less demand. This departure was also influenced by reduced transmission capacity from western sources due to damaged pipelines during the second and third quarters, and small reductions from the same direction at the end of the year. The share of the two largest supply sources encompassed nearly four-fifths of the total supply; the company purchased the remaining amount in the EU. As a result of adapting to conditions and storage forecasts, the amount of natural gas in leased storage facilities in Austria and Croatia was almost a fifth less than planned. Storage levels were 5% lower compared to the end of 2008.

User demand for natural gas was lower in neighboring countries due to the global financial crisis. In 2009 contracts were signed with foreign partners to transport natural gas through Slovenia from Austria to Croatia (Ceršak–Rogatec) and from Italy to Croatia (Gorizia–Rogatec). These expired at the beginning of the fourth quarter of 2009. The physical extent of the transmission that took place in line with these contracts and partners' needs, with the exception of the interruption in Russian gas supplies, was nearly a fifth less than in 2008.

*The development  
of society  
is driven by  
the power of  
knowledge.*



accounting statements



*The market  
creates challenges  
and obstacles;  
we provide good  
answers.*



Geoplin and all of its subsidiaries prepare accounting statements in line with the Slovenian Accounting Standards, the Companies Act, and the Rules on Corporate Accounting.

geoplin balance sheet

On 31 December 2009 the balance sheet total was €263 m, which was 1.2% lower than at the beginning of the year. In the capital structure the share of long-term funds was increased, primarily long-term financial investments and the share of short-term financial investments, while the share of inventories and short-term debt was reduced. Among short-term equity, natural gas inventories fell by 20% from the start of the year and short-term debt by 30%, while short-term financial investments and cash were increased by 44%. All of this resulted from market conditions during 2009: natural gas prices on global markets fell throughout the year, leading to lower sales prices. There were no major changes in the debt structure and funding sources from the beginning of the year. The level of equity financing reached 84.4% at the end of the year, which was significantly higher than at the end of 2008. The level of debt financing is 12.6%, with a 3% margin. There was a capital increase of 3.5% from the beginning of the year. The year's net profit in the amount of €19.5 m and the reversal of impairment losses in long-term financial investments and executed financial instruments led to capital increases, while division of profits accounted for reductions.

geoplin financial statement

The net profit for 2009 was €19.5 m, which represented 6.1% of net sales. This result was achieved 88% through operations and 12% through financing. The net sales in 2009 amounted to €317 m, and were thus 22% lower than net sales the previous year. This is primarily the result of lower natural gas prices on the global market, which also affected the sales price on the domestic market. The operating result of €21.6 m was supplemented by the positive net result from financing in the amount of €3 m.




geoplin group balance sheet

On 31 December 2009 the balance sheet total was €322 m.

geoplin group financial statement

In 2009, the Geoplin Group achieved net profits of €28.2 m. Of this, 69% was created at the parent company and 31% at the two subsidiaries.



*This is a translation of the Slovene Report*

**AUDITORS' REPORT**


**to the owners of Geoplin d.o.o. Ljubljana  
on summarized financial statements intended for public announcement**

We have audited the financial statements of Geoplin d.o.o. Ljubljana and consolidated financial statements of Group Geoplin, Ljubljana, all for the year ended December 31, 2009 (hereinafter: financial statements), from which the summarized financial statements were derived, in accordance with International Standards on Auditing. In our report dated March 8, 2010 we expressed an unqualified opinion on the financial statements from which the summarized financial statements were derived.


In our opinion, the accompanying summarized financial statements are consistent, in all material respects, with the financial statements from which they were derived.

For the better understanding of the Company's financial position and the results of its operation for the period and of the scope of our audit, the summarized financial statements should be read in conjunction with the financial statements from which the summarized financial statements were derived and our audit report thereon.


Ljubljana, March 22, 2010



Janez Uranič  
Director  
Ernst & Young d.o.o.  
Dunajska 111, Ljubljana



Revizija, poslovno  
svetovanje d.o.o., Ljubljana 1



Natasa Lah  
Certified auditor

## 22 geoplín balance sheet as on 31 december 2009

	Balance in EUR 31 Dec. 2009	Balance in EUR 31 Dec. 2009
<b>Assets</b>	<b>262.694.560</b>	<b>265.981.155</b>
<b>A. Long-term assets</b>	<b>153.588.914</b>	<b>145.106.357</b>
I. Intangible assets and long-term accruals and deferrals	124.709	57.962
1. Long-term property rights	124.709	57.962
II. Tangible fixed assets	2.309.609	1.865.591
1. Land and buildings	1.481.556	1.510.387
a. Land	1.001.033	1.001.033
b. Buildings	480.523	509.354
3. Other facilities and equipment	394.547	330.936
4. Fixed assets being acquired	433.506	24.268
III. Investment property	1.265.401	1.337.167
IV. Long-term financial investments	149.498.966	140.792.059
1. Long-term financial investments excluding loans	113.503.206	113.184.536
a. Shares in group companies	107.127.820	107.127.820
c. Other stock and shares	6.375.386	6.056.716
2. Long-term loans	35.995.760	27.607.523
a. Long-term loans to group companies	25.037.556	16.691.704
b. Long-term loans to others	10.958.204	10.915.818
V. Long-term operating receivables		40.104
3. Long-term operating receivables due from others		40.104
VI. Deferred tax assets	390.229	1.013.474
<b>B. Current assets</b>	<b>108.320.695</b>	<b>120.795.598</b>
I. Inventories	26.752.310	33.707.964
3. Merchandise	26.752.310	33.707.964
III. Short-term financial investments	38.932.731	27.868.198
2. Short-term loans	38.932.731	27.868.198
b. Short-term loans to others	38.932.731	27.868.198
IV. Short-term operating receivables	40.913.981	58.846.736
1. Short-term operating receivables due from group companies	1.214.115	1.846.140
2. Short-term operating receivables due from customers	36.113.836	55.503.950
3. Short-term receivables due from others	3.586.030	1.496.646
V. Cash	1.721.673	372.700
<b>C. Short-term accruals and deferrals</b>	<b>784.951</b>	<b>79.201</b>

## geoplín balance sheet as on 31 december 2009

23

	Balance in EUR 31 Dec. 2009	Balance in EUR 31 Dec. 2009
<b>Liabilities</b>	<b>262.694.560</b>	<b>265.981.155</b>
<b>A. Equity</b>	<b>221.697.407</b>	<b>214.165.818</b>
I. Called-up capital	30.829.620	30.829.620
1. Share capital	30.829.620	30.829.620
II. Capital surplus	78.097.630	78.097.630
III. Revenue reserves	90.541.781	65.859.350
2. Reserves for treasury shares	8.159.575	8.159.575
3. Treasury shares (deductible item)	-4.869.459	-4.869.459
5. Other revenue reserves	87.251.665	62.569.234
IV. Revaluation surplus	2.276.787	-906.334
V. Retained earnings	463.121	9.379.331
VI. Net profit or loss for the period	19.488.468	30.906.221
<b>B. Provisions and long-term accrued expenses and deferred revenues</b>	<b>7.480.646</b>	<b>7.100.347</b>
2. Other provisions	7.415.069	7.025.712
3. Long-term accrued expenses and deferred revenues	65.577	74.635
<b>Č. Short-term liabilities</b>	<b>33.091.595</b>	<b>42.026.633</b>
II. Short-term financial liabilities		637.134
4. Other short-term financial liabilities		637.134
III. Short-term operating liabilities	33.091.595	41.389.499
1. Short-term operating liabilities to group companies	1.055.743	3.934.908
2. Short-term operating liabilities to suppliers	25.517.314	24.426.465
4. Short-term operating liabilities based on advances	6.946	9.452
5. Other short-term operating liabilities	6.511.592	13.018.673
<b>D. Short-term accrued expenses and deferred revenues</b>		<b>2.688.357</b>
<b>Off-balance sheet items</b>	<b>5.559.993</b>	<b>6.149.609</b>

## 24 geoplín financial statement for the financial year 2009

	in EUR 2009	in EUR 2008
1. Net sales	317.157.056	406.015.766
2. Purchase value of goods sold	289.841.998	362.742.492
<b>3. Gross sales</b>	<b>27.315.058</b>	<b>43.273.274</b>
4. Sales and general activity costs	8.119.364	9.645.271
a. Estimated general and administrative expenses	7.296.799	7.807.599
b. Revalued operating expenses associated with intangible assets and tangible fixed assets	74.952	7.543
c. Revalued operating expenses associated with current assets	747.613	1.830.129
6. Other operating revenues (incl. revalued operating revenues)	2.374.384	2.848.516
7. Financial revenues from shares	221.496	129.186
a. Financial revenues from shares in group companies	15.860	
c. Financial revenues from shares in other companies	205.636	129.186
8. Financial revenues from loans	2.967.894	3.619.280
a. Financial revenues from loans to group companies	460.063	411.243
b. Financial revenues from loans to others	2.507.831	3.208.037
9. Financial revenues from operating receivables	406.570	1.950.934
b. Financial revenues from operating receivables due from others	406.570	1.950.934
10. Financial expenses for financial investment impairment and write-offs		425.589
11. Financial expenses for financial liabilities	145.457	6.411
a. Financial expenses for loans received from group companies		1.447
č. Financial expenses for other financial liabilities	145.457	4.964
12. Financial expenses for operating liabilities	389.210	2.121.962
b. Financial expenses for accounts and bills payable	389.210	2.121.962
13. Other revenues		28.485
14. Other expenses	361	258
15. Income tax	5.283.022	9.044.428
16. Deferred taxes	-140.480	-300.465
<b>17. Net profit or loss for the period</b>	<b>19.488.468</b>	<b>30.906.221</b>
18. Retained profit/loss	463.121	9.379.331
19. Capital reserves reduction (release)		
20. Revenue reserves reduction (release)		
21. Revenue reserves increase (additional formation)		
<b>22. Balance-sheet profit/loss</b>	<b>19.951.589</b>	<b>40.285.552</b>

## geoplín group balance sheet as on 31 december 2009

25

	Balance in EUR 31 Dec. 2009	Balance in EUR 31 Dec. 2009
<b>Assets</b>	<b>321.746.380</b>	<b>311.349.037</b>
<b>A. Long-term assets</b>	<b>193.735.645</b>	<b>164.815.172</b>
I. Intangible assets and long-term deferred expenses and accrued revenues	18.419.791	16.906.993
1. Long-term property rights	18.388.306	16.864.396
2. Goodwill	31.485	42.597
II. Tangible fixed assets	157.333.806	129.680.357
1. Land and buildings	77.842.078	79.396.594
a. Land	4.488.300	4.075.976
b. Buildings	73.353.778	75.320.618
3. Other plant and equipment	17.560.125	18.094.873
4. Fixed assets being acquired	61.931.603	32.188.890
a. Tangible fixed assets under construction or in process	61.671.523	29.428.560
b. Advances for acquisition of tangible fixed assets	260.080	2.760.330
IV. Long-term financial investments	17.333.589	16.972.534
1. Long-term financial investments excluding loans	6.375.386	6.056.716
c. Other stocks and shares	6.375.386	6.056.716
2. Long-term loans	10.958.203	10.915.818
b. Long-term loans to others	10.958.203	10.915.818
V. Long-term operating receivables		40.103
3. Long-term operating receivables due from others		40.103
VI. Deferred tax assets	648.459	1.215.185
<b>B. Current assets</b>	<b>127.183.208</b>	<b>145.787.359</b>
II. Inventories	28.921.695	35.549.583
1. Material	1.147.500	1.070.178
3. Merchandise	27.774.195	34.479.405
III. Short-term financial investments	50.567.451	45.208.412
2. Short-term loans	50.567.451	45.208.412
b. Short-term loans to others	50.567.451	45.208.412
IV. Short-term operating receivables	45.179.917	61.157.281
2. Short-term operating receivables to customers	40.868.232	56.430.904
3. Short-term receivables to others	4.311.685	4.726.377
V. Cash	2.514.145	3.872.083
<b>C. Short-term deferred expenses and accrued revenues</b>	<b>827.527</b>	<b>746.50</b>



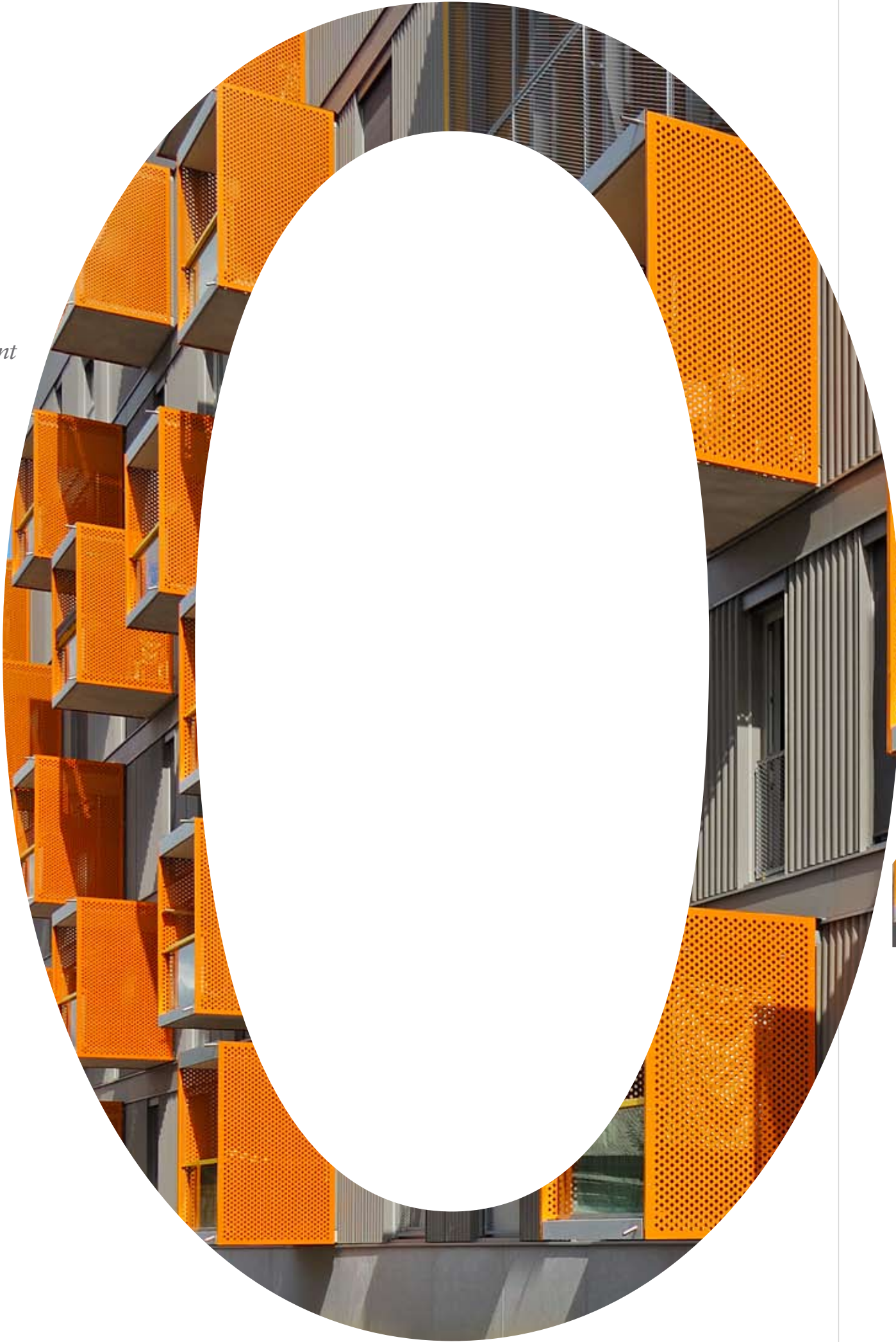
## 26 geoplin group balance sheet as on 31 december 2009

	Balance in EUR 31 Dec. 2009	Balance in EUR 31 Dec. 2009
<b>Liabilities</b>	<b>321.746.380</b>	<b>311.349.037</b>
<b>A. Equity</b>	<b>268.687.092</b>	<b>252.384.166</b>
I. Called-up capital	30.829.620	30.829.620
1. Share capital	30.829.620	30.829.620
II. Capital surplus	78.097.630	78.097.630
III. Revenue reserves	128.788.056	94.869.363
1. Legal reserves	1.940.240	1.938.566
2. Reserves for treasury shares	8.159.575	8.159.575
3. Treasury shares (deductible item)	-4.987.946	-4.987.946
5. Other reserves	123.676.187	89.759.168
IV. Revaluation surplus	2.276.787	-906.333
V. Retained earnings	440.794	9.379.344
VI. Net profit or loss for the period	28.254.205	40.114.542
<b>B. Provisions and long-term accrued expenses and deferred revenues</b>	<b>9.666.697</b>	<b>7.878.155</b>
1. provisions for retirement severance payments and long-service benefits	433.424	437.380
2. Other provisions	7.514.470	7.123.298
3. Long-term accrued expenses and deferred revenues	1.718.803	317.477
<b>C. Long-term liabilities</b>	<b>2.270</b>	<b>4.742</b>
II. Long-term financial liabilities	2.270	4.742
4. Long-term advances and securities	2.270	4.742
<b>Č. Short-term liabilities</b>	<b>42.442.766</b>	<b>47.436.864</b>
II. Short-term financial liabilities		637.134
4. Other short-term financial liabilities		637.134
III. Short-term operating liabilities	42.442.766	46.799.730
2. Short-term accounts payable	35.122.552	33.334.441
4. Short-term operating liabilities based on advances	6.945	9.453
5. Other short-term operating liabilities	7.313.269	13.455.836
<b>D. Short-term accrued expenses and deferred revenues</b>	<b>947.555</b>	<b>3.645.110</b>
<b>Off-balance sheet items</b>	<b>23.870.121</b>	<b>26.506.208</b>

## geoplin group financial statement for the financial year 2009 27

	in EUR 2009	in EUR 2008
1. Net sales	323.914.559	400.845.992
2. Purchase value of goods sold	266.050.223	328.289.154
3. Gross sales	57.864.336	72.556.838
4. Sales and general activity costs	28.057.001	28.051.647
a. Estimated general and administrative expense	27.079.418	25.704.583
b. Revalued operating expenses associated with intangible assets and tangible fixed assets	85.447	44.866
c. Revalued operating expenses associated with current assets	892.136	2.302.198
6. Other operating revenues (including revalued operating revenues)	2.876.081	3.829.249
7. Financial revenues from shares	205.636	129.186
c. Financial revenues from shares in other companies	205.636	129.186
8. Financial revenues from loans	2.939.518	4.194.266
b. Financial revenues from loans to others	2.939.518	4.194.266
9. Financial revenues from operating receivables	444.529	1.984.958
b. Financial revenues from operating receivables due from others	444.529	1.984.958
10. Financial expenses for financial investment impairment and write-offs		425.589
11. Financial expenses for financial liabilities	145.506	4.968
č. Financial expenses for other financial liabilities	145.506	4.968
12. Financial expenses for operating liabilities	393.366	2.125.477
b. Financial expenses for accounts and bills payable	393.366	2.125.477
13. Other revenues	15.064	32.490
14. Other expenses	361	258
15. Income tax	7.690.049	11.644.582
16. Deferred taxes	-196.998	-126.942
17. Net profit or loss for the period	28.255.879	40.601.408
20. Retained profit/loss	440.794	9.399.130
21. Capital surplus reduction (release)		
22. Revenue reserves reduction (release)		
23. Revenue reserves increase (additional setting-up)	-1.674	-486.866
24. Balance-sheet profit/loss	28.694.999	49.513.672

*A healthy environment  
is a  
side-effect  
of quality.*



*corporate responsibility*





*We draw on the environment and we give back to it; by doing business we grow, by acting responsible we share.*



# corporate responsibility management and quality

In its operations, Geoplin considers and respects the interests of all stakeholders: its associates, business partners, the environment, and local communities. It conducts its activities with care and, with the support of social activities, Geoplin was able to contribute to improving the quality of life and benefiting society and the environment, despite the more restrictive business conditions.

## environment

The company's basic activity is tightly connected with natural resources and the environment, and so it has taken special care in shaping its environmental management policy. The ISO 14001 certificate of quality environmental management, which Geoplin first earned in 2003, was renewed again this year. Part of the Geoplin mission and environmental policy is to ensure an environmentally-friendly natural gas supply and a responsible attitude toward the environment in order to create benefit for society. Our environmental policy and goals are oriented toward reducing our environmental impact: water conservation, emissions reduction, and waste management. The company meets all regulatory environmental management requirements and monitors climate change. In 2009 it also addressed particular attention to the issue of office waste separation and recycling. As part of its corporate communications activity, this year the company continued to sponsor public service activities that promote the advantages of safe, environmentally-friendly energy sources. It provided funding for the public campaign "Natural Gas: The Wise Choice" within the Natural Gas Distributors Association (GIZ DZP), and participated in the public information campaign "Calculate Your Carbon Footprint" as part of the Energija.si "Be Efficient" campaign.

## community

Geoplin also demonstrates its broader social responsibility by supporting a range of activities that are important for social development and raising the quality of life in Slovenia. The company thus participated in developing numerous projects involving sports, the arts, research, health, and philanthropic activities. Humanitarian efforts were at the center of the company's focus and helped cushion the effects of the financial crisis, which were felt throughout all of Slovenia.

## employees

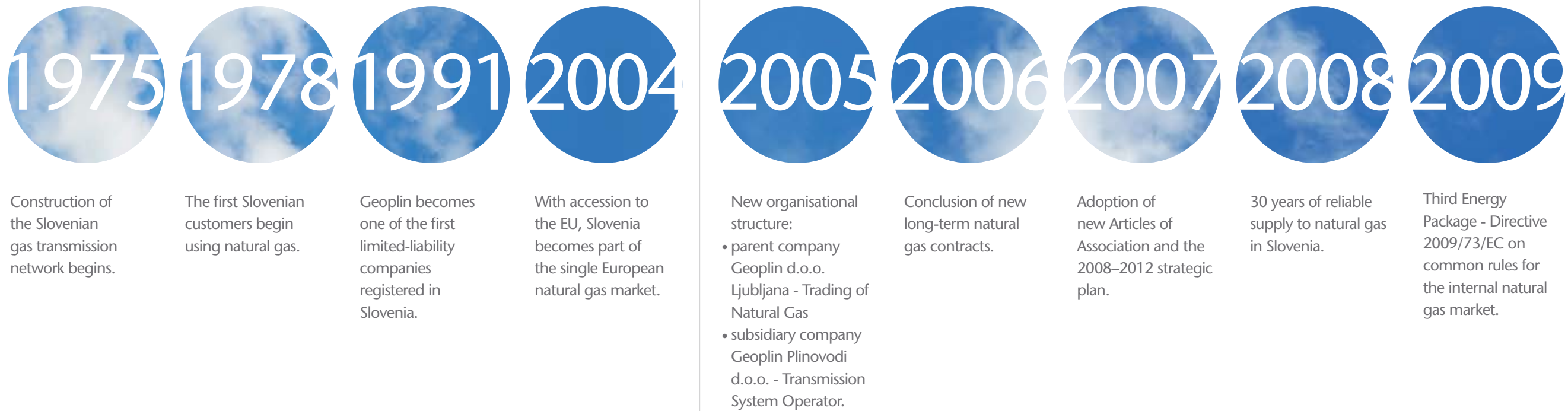
Geoplin actively shapes a stable, safe, and healthy work environment. Employees receive professional training in Slovenia and also in other countries for particular specialized areas. The company thus supports the continuous career development of its key staff. Geoplin also ensures appropriate staff levels through its hiring plan. Its inclusion in the regional university scholarship plan for the Ljubljana urban area allows the company to support the development of young energy professionals; one of the company's scholarship recipients is also studying mechanical engineering. Our ongoing commitment to improving quality is primarily demonstrated by our business process improvements, information support modernization and improvement, and IT solutions.



*Firm foundations  
facilitate flexible  
decisions.*



*milestones*



# contents

	Success during a time of crisis	3
01	<b>Company information</b>	5
	The Geoplin Group in figures	7
	Geoplin Group	7
	Company activities	7
	Company mission and values	7
	Company vision	8
	Geoplin organization chart	8
	Ownership structure on 31 December 2009	9
	Employees	9
02	<b>Business operations</b>	11
	2009 business conditions	13
	Significant business events at the close of the financial year	13
	Investments	14
	Natural gas trading	14
03	<b>Accounting statements</b>	17
	Geoplin balance sheet	19
	Geoplin financial statement	19
	Geoplin Group balance sheet	20
	Geoplin Group financial statement	20
	Independent auditor's report	21
	Geoplin balance sheet as on 31 December 2009	22
	Geoplin operating result for the 2009 financial year	24
	Geoplin Group balance sheet on 31 December 2009	25
	Geoplin Group operating result for the 2009 financial year	27
04	<b>Corporate responsibility</b>	29
	Environment	31
	Community	31
	Employees	31
05	<b>Milestones</b>	33



*geoplin*

ENERGY OF SLOVENIA

