



geoplin

Energy everywhere
around us.



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FOREWORD BY GENERAL MANAGER

> Alojz Stana, MBA

Geoplin celebrated its 35th anniversary in 2010. The company performed well and exceeded planned results, with total turnover of 1,129 million Sm³ of natural gas and a net profit of €17.8 million. The financial year was marked by difficult market conditions and a weak economy, which was unable to extract itself from the clutches of the global financial crisis. Significantly more effort was therefore invested in achieving results than in the past.

The adverse conditions on natural gas markets in Slovenia and Europe were reflected in large surpluses and consequently a larger supply of natural gas on the spot market at lower prices compared with prices in long-term contracts, which are tied to movements in the prices of oil and oil derivatives and to the US dollar/euro exchange rate. Intense commercial activities focused on achieving sales quantities with the aim of avoiding the payment of not off-taken minimum yearly quantities and the associated risks and costs. The principal activities in purchasing were negotiations with natural gas suppliers for more favourable conditions in view of the changing market conditions. The need to reduce the level of natural gas purchases based on long-term contracts in the future has been identified. Geoplin also faces the dilemma of whether the setting of natural gas prices based on the prices of oil and oil derivatives is acceptable or whether the market will dictate the setting of prices based on supply and demand. Increased flexibility and adaptability are expected in all respects.

The key activities for achieving the 2010 business plan were:

- carrying out the group's core activity of natural gas trading in Slovenia and abroad;
- maintaining long-term competitiveness;
- ensuring a reliable supply of natural gas; and
- optimising purchasing sources.

Geoplin is Slovenia's largest wholesale natural gas trader. Sales to customers in Slovenia in 2010 were favourably influenced by low outside temperatures during the heating season and a halt in the drop in natural gas consumption in industry. Sales to specific customers were marked by price discrepancies. The solvency of customers was in line with the general economic and financial situation. The supply to customers was reliable and uninterrupted in 2010, while there were likewise no significant disruptions in deliveries from abroad. The majority of supply was provided by three traditional foreign sources, supported by leased storage and transport capacities and stocks of natural gas.

The sales price of natural gas increased, and tracked global movements in the prices of oil and oil derivatives and the US dollar/euro exchange rate. In addition to a rise in the price of natural gas, an increase in the transmission network fee and an increase in existing and the introduction of new levies on this energy source contributed to the increase in the costs of natural gas consumption. Network fees and levies and taxes are included in the price of natural gas for end users in nearly equal amounts. The demands of customers for lower sales prices and higher flexibility rose gradually during the course of the year.

In 2010, the company was preparing for changes in its operations as the result of the transposition of the EU's third energy package into Slovenian legislation.

The risks to which the company is exposed are constantly identified and monitored. They were managed and balanced in accordance with standard risk management processes and with regard to the threat the risks pose to operations. The ISO 14001:2004 environmental certificate was successfully reconfirmed and extended in 2010.

The company's subsidiary continued its intensive investment in the Slovenian gas transmission pipeline network.

Alojz Stana, MBA



● Equus caballus / horse

Energy everywhere
around us.

Company Profile of Geoplin

Activities of Geoplin

Geoplin is the largest and most important natural gas supplier in Slovenia. It supplies this energy source to industrial users, distributors and other customers in Slovenia. The company's core activities are the supply and trading of natural gas, and representation and intermediation on the natural gas market, activities that it has performed continuously since mid-1978. The company holds license no. 083-20-007/004/06, issued by the Energy Agency of the Republic of Slovenia, for this activity. The company is also increasingly active on foreign markets. It has the requisite purchase sources and transportation and storage capacities to ensure the reliable supply of natural gas.

Geoplin sold 1,129 million Sm³ of natural gas in 2010.

The parent company Geoplin's core activities include:

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

The Geoplin Group

Geoplin d.o.o. Ljubljana has two subsidiaries, Geoplin Plinovodi d.o.o. and Geocom d.o.o. These companies compile their own reports as independent legal entities in line with regulations, and are included in the group's financial statements. All three companies together comprise the Geoplin Group.

The Company Geoplin Plinovodi

At the end of 2010, the gas transmission network included 1,024 km of gas pipelines, with numerous stations and facilities owned and operated by Geoplin Plinovodi, through which the supply of natural gas to customers is made possible. The network passes through 92 municipalities in which most of the country's industry and households are concentrated.

Investments of €43 million were made in the gas transmission pipeline network in 2010.

Mission and Values

Geoplin's mission is to provide a long-term reliable supply of natural gas.

In its operations, the company is guided by the values of reliability and efficiency, while cultivating highly professional business relations. The company encourages general knowledge, self-initiative, teamwork, flexibility and sensitivity to the environment among its employees.

Geoplin's ISO 14001:2004 environmental management certificate demonstrates the company's responsible handling of all business activities with respect to environmental standards, and confirms its business excellence.

Geoplin follows the development guidelines of the ISO 26000 standard for socially responsible companies that respect the declarations and conventions of the United Nations and its founding members, in particular the International Labor Organization.

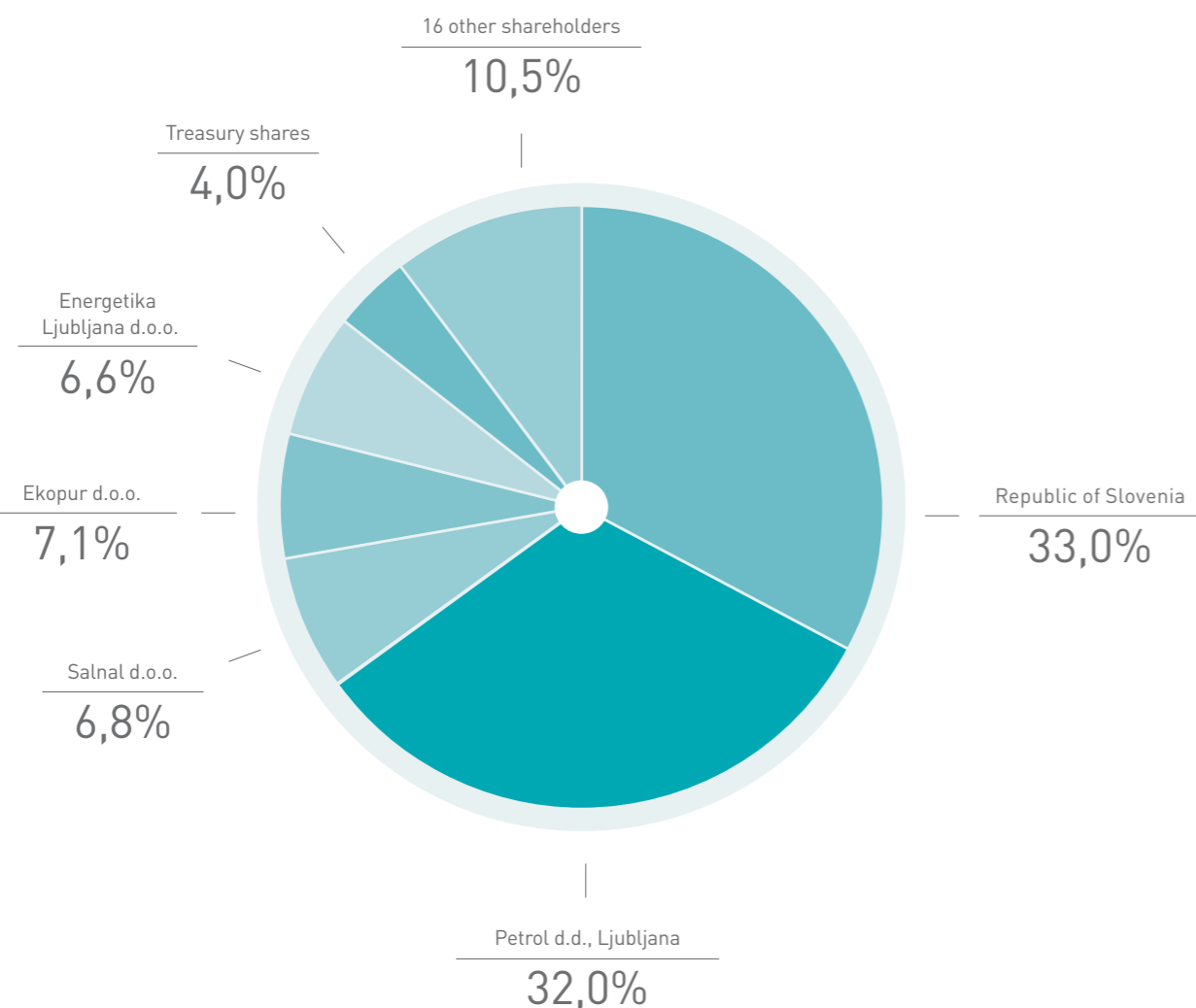
Vision

Geoplin will maintain its leading position as a natural gas supplier in Slovenia while expanding its activities to other markets.

Ownership Structure as at 31 December 2010

Geoplin (i.e. its legal predecessor) was established in 1975 with the aim of implementing the programme to supply natural gas to Slovenia.

Minor transfers of participating interest between shareholders were made in 2010. The company had 21 shareholders as at 31 December 2010. The company's initial capital was unchanged and stood at €30,829,619.98 as at 31 December 2010.



Organizational Chart and Governance

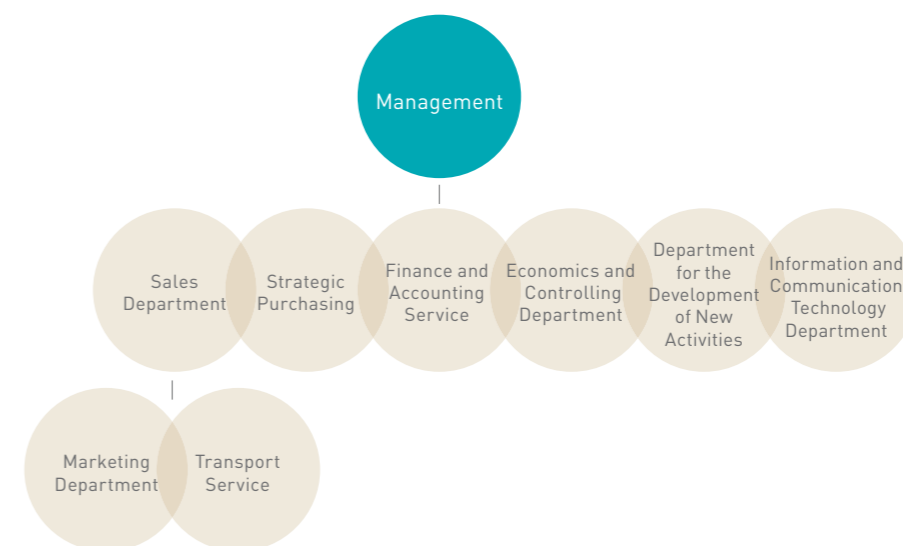
There were no changes in the governance bodies of Geoplin in 2010.

The Supervisory Board comprises eight shareholder representatives (Janez Kopač, chairman, Iztok Bajda, deputy chairman, Hrvoje Drašković, Jože Funda, Zoran Gračner, Janez Grošel, Klemen Grošel and Darinka Mravljak) and four employee representatives (Boris Tertnik, Uroš Tušar, Jolanda Zevnik and Katarina Žgajnar). There were no changes in the composition of the Supervisory Board in 2010.

The Supervisory Board met at six regular sessions and one correspondence session at which it discussed the company's regular operating matters.

Internal Organization

The internal organization of Geoplin is adapted to fit the provision of its core activity, as well as support and general activities. The Information and Communication Technology Department was introduced at the beginning of 2010 as part of the group's gradual adaptation to the EU's third energy package.



Employees

The company had 32 employees at the end of the year. Four new workers were hired in 2010 for the needs of the Information and Communication Technology Department, natural gas transport logistics and for support services within the Sales Department. Two employees retired at the end of the year.

The employee education structure reflects the specific nature and high level of expertise required by the company's activity. Some 91% of employees have at least two-year tertiary qualifications.

The company encourages professional training with the aim of updating and improving business processes. A total of 1,144 hours were earmarked for education and additional employee training programmes in 2010, attended by 26 or 84% of employees.



● Cygnus olor / Swan

We overcome the
distances around us.

Performance of Geoplin in 2010

02

Business Environment in 2010

In 2010, the macroeconomic environment remained under the influence of the global financial and economic crisis and uncertainty regarding its duration. The price of Brent crude and the US dollar/euro exchange rate fluctuated significantly, their value deviating from forecasts.

The sale of natural gas was marked by a halt to the decline in economic activity in industry and other sectors of the Slovenian economy.

Temperatures, which were for the most part lower than the average of the last five years during the heating season, had a favourable impact on the volume of natural gas sales.

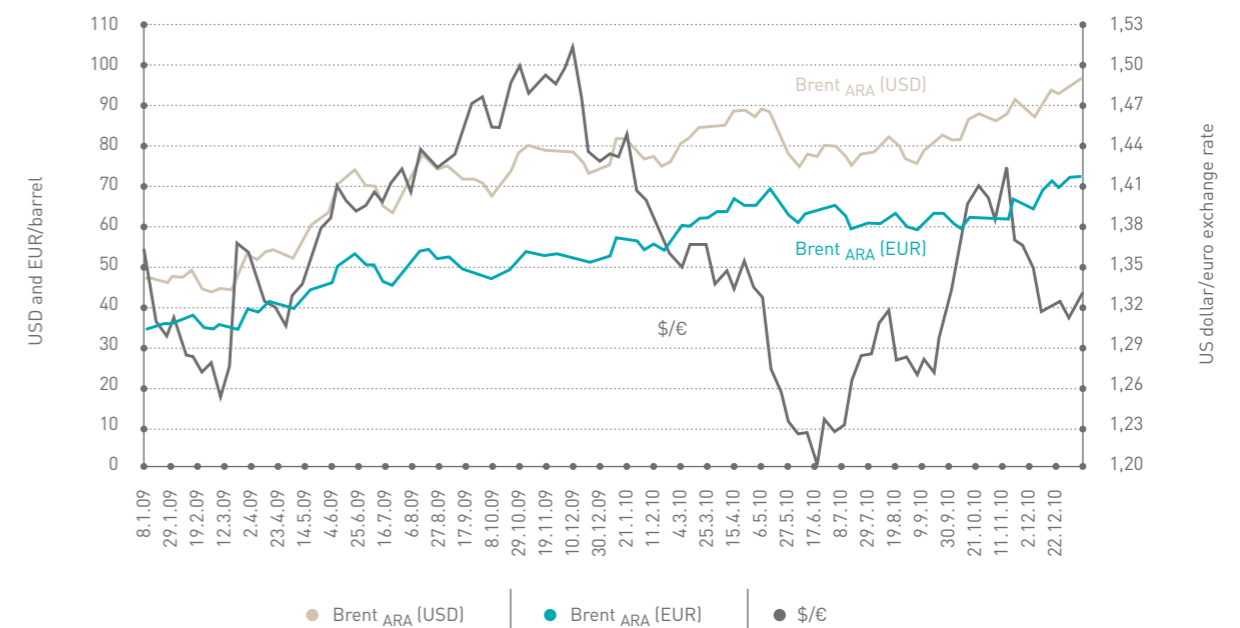
The external business environment was mainly characterised by changes in the related legislation, which is still largely emerging.

The movement in oil and oil derivative prices and the US dollar/euro exchange rate had a significant impact on purchase and sales prices of natural gas. The price of Brent ARA (Brent_{ARA}¹ is shown in the figure) rose during 2010, the increase in euros more pronounced than the increase in US dollars owing to the euro's depreciation. The price of Brent_{ARA} was up from \$82 per barrel (€57 per barrel) at the beginning of 2010 to \$96 per barrel (€72 per barrel) at the end of the year.

The average weekly price of Brent_{ARA} in 2010 was \$83 per barrel (€63 per barrel), up 29% (up 37% in euros) compared to the average price in 2009. There was also a notable fluctuation in the US dollar/euro exchange rate, which ranged from 1.20 to 1.45 US dollar/euro. The US dollar/euro exchange rate averaged 1.33 in 2010.

Movement in the average weekly price of Brent_{ARA} in euros and US dollars, and the US dollar/euro exchange rate in the period January 2009 to December 2010

Sources of data: Platts Oilgram Price Report, Bank of Slovenia and own calculations



¹ Brent_{ARA}: North Sea Brent crude quotation (net back).

Sales Price of Natural Gas

The sales price of natural gas tracks global movements in oil prices and the US dollar/euro exchange rate. The average sales price of natural gas for Geoplin's customers rose in 2010, and was more than 10% higher than the average price in 2009.

An additional charge on natural gas entered into force in 2010. Since 1 February 2010, natural gas end users pay a special contribution to increase energy efficiency that amounts to €5/1,000 Sm³, while excise duties are three times higher at €18/1,000 Sm³ since 1 August 2010. Together with rising network fees, these changes reduce the competitiveness of natural gas.

Significant Business Events Following the End of the Financial Year

The average sales price of natural gas rose in January 2011 owing to movements in influential factors (e.g. the price of oil and the US dollar/euro exchange rate) on global markets, while a continuing rising trend has been seen.

The expected new energy act had not been adopted by the beginning of March, as it is being drafted gradually by the responsible ministry. Directive 2009/73/EC of the European Parliament and of the Council (the so-called third European energy package) will be transposed into Slovenian legislation with the said act. The energy act will have a significant impact on the Geoplin Group's operations. Given the timeframes set out in the aforementioned directive, the company has continued to prepare for changes and activities to implement the adopted business plan for 2011. Negotiations continued regarding purchase agreements.

Investments

Investments in intangible assets and property, plant and equipment totalled €328 thousand in 2010, and included improvements to business premises, purchase of computer equipment, development of a web portal for business partners and several purchases of office equipment. The value of investments was 1.5 times higher than the amortization charged during the financial year.

The company's long-term financial investments were up slightly owing to the purchase of bonds, which replaced maturing bonds in 2010. Current financial investments were down by approximately 15% during the year due to profit sharing and the financing of inventories and customers.

Natural Gas Trading

The company operates on a competitive and fully open market where customers are free to choose their natural gas supplier and independently regulate their access to the natural gas transmission network with the system operator, Geoplin Plinovodi.

Market conditions from year to year dictate greater effort and increased flexibility to maintain Geoplin's market share and sales volumes achieved in past years.

Slovenia and neighbouring countries are faced with surplus quantities of natural gas, available at prices that are lower than the purchase prices set out in long-term agreements signed with natural gas producers and suppliers. Customers are significantly increasing the pressure to lower sales prices, and are at the same time themselves lowering quantities. The latter is an indication of the financial and economic crisis, which has had a significant impact on the natural gas market and continued to affect it in 2010. Increasing competition has been seen in Slovenia between suppliers on the transmission network, and between suppliers on distribution networks. Purchase prices, and consequently sales prices, of natural gas have risen, while the government has also increased levies on the use of this energy source.

The sale of natural gas in Slovenia was marked by a halt to the decline in economic activity in industry and other sectors of the Slovenian economy. This, in turn, was reflected in a slight increase in the supply of natural gas to certain industrial sectors. Lower-than-average temperatures during the heating season were crucial in sales to consumers.

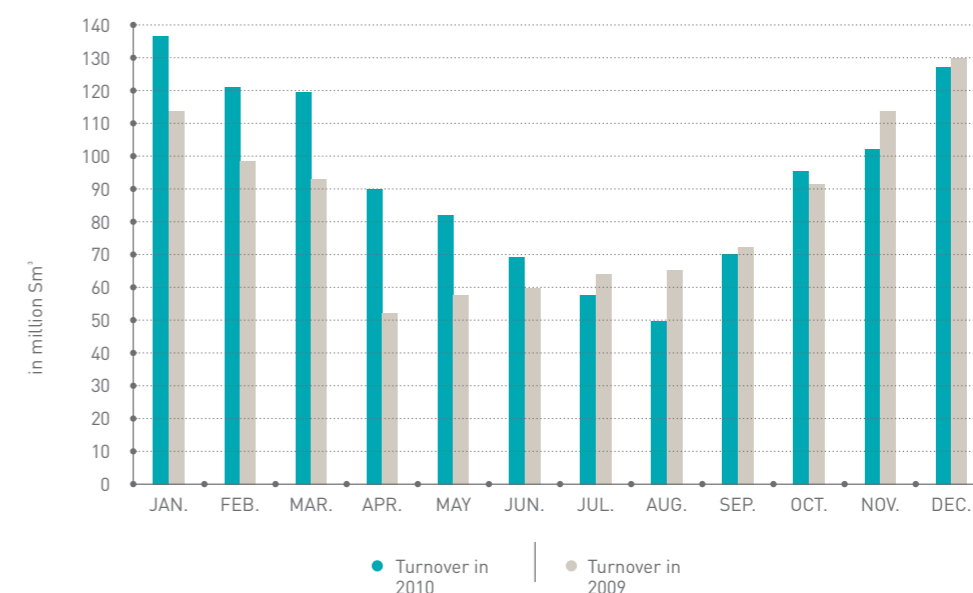
Geoplin – natural gas sales in Slovenia by year

Year	2006	2007	2008	2009	2010
Sales in million Sm ³	1.098	1.117	1.019	968	992

The company performed well in the given conditions, selling a total of 1,129 million Sm³ of natural gas in 2010, up one tenth on planned sales and sales in 2009.

Higher sales were achieved on both the domestic and foreign markets. Geoplin sold 88% or 992 million Sm³ of the total natural gas volume on the domestic market, while the remainder was sold abroad.

Geoplin – total natural gas sales by month

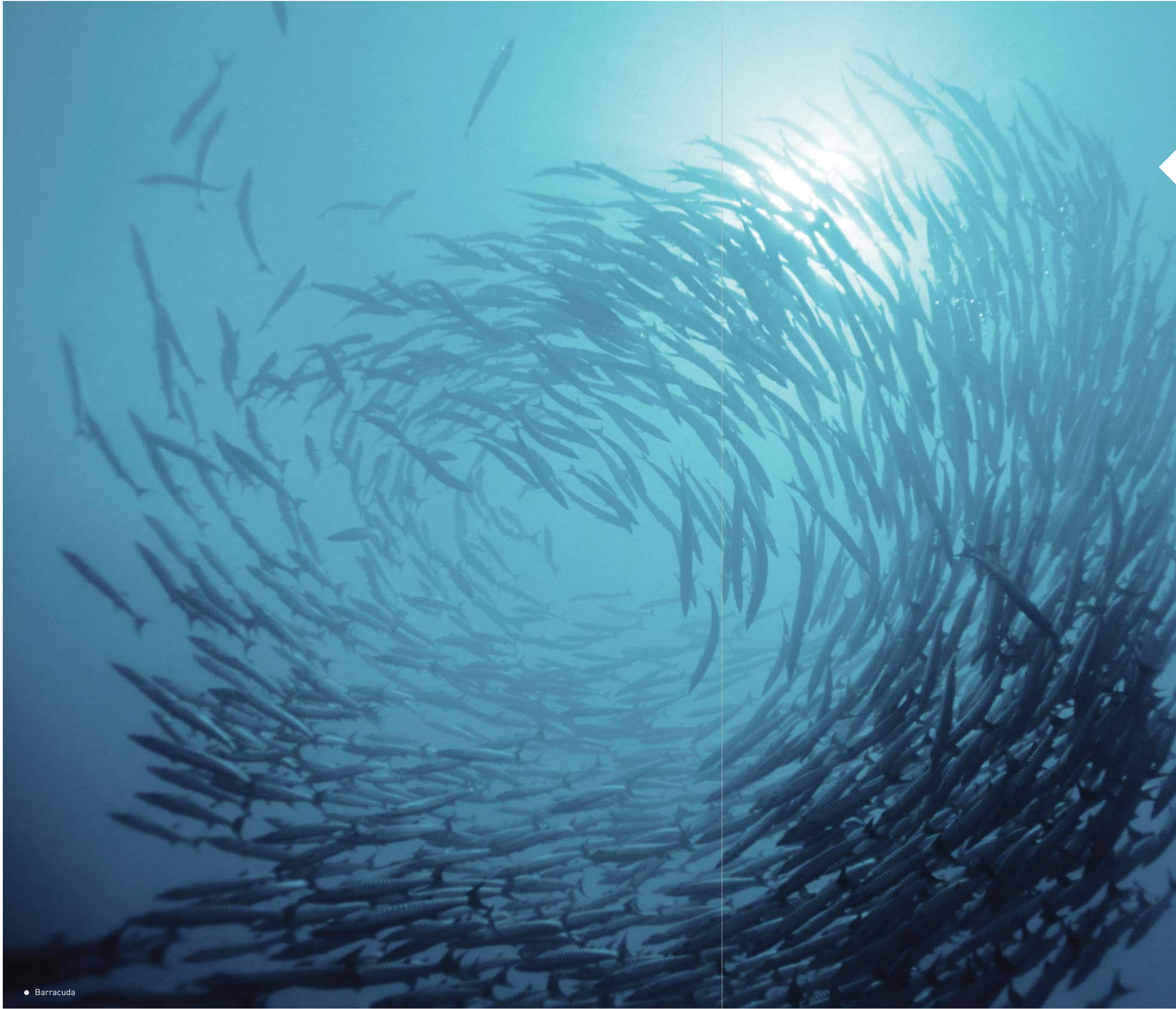


Sales activities were aimed at balancing the long-term purchase obligations with sales possibilities. Achieving minimum yearly quantities was key to avoiding the payment of related costs and thus associated risks.

The supply of natural gas was reliable and uninterrupted. Through its balancing group, Geoplin provided balanced services to the customers and ensured reliable supply standards.

Geoplin has three main purchase sources and uses other occasional sources as necessary which, together with natural gas inventories in storage and the optimal leasing of natural gas transmission capacities from supply points to Slovenia, ensure that customers receive the most reliable supply of natural gas. There were no significant disruptions in deliveries from abroad in 2010.

The company also generated revenue by marketing transmission capacities for the transport of natural gas across Slovenia in 2010. Transmissions from Austria to Croatia and from Italy to Croatia were active.



With regard to quality and social responsibility, Geoplin takes into account the interest of all stakeholders: owners, business partners, employees, the environment and local communities. By taking care in its operations, the company actively contributed to improving the quality of life and supported various social activities again in 2010, despite the adverse economic conditions. Commitment to creating benefits for the wider environment, by ensuring environmentally friendly supply of natural gas, and responsibility for the natural and social environments are defined in the company's mission and environmental policy.

Environmental Responsibility

Owing to the close link between its core activity and natural resources and the environment, the company is acutely aware of its responsibility to the environment. Geoplin has held the ISO 14001 environmental management certificate (now ISO 14001:2004) since 2003, and regularly renews it. The company's environmental policy and objectives are aimed primarily at reducing environmental impacts, through the economical use of water, the reduction of emissions into the atmosphere, waste management and other specific environmental activities.

Corporate Communication

In the scope of corporate communication, the company was informing the general public and users in 2010 of the benefits of natural gas as an environmentally friendly and secure energy source. It also emphasized the importance of natural gas in the transition from fossil fuels to renewable energy sources in EU Member States.

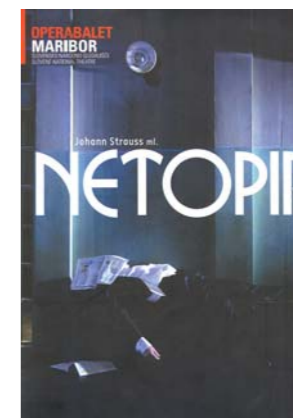
Sponsorship

The company's comprehensive activities in the areas of sustainable development and social responsibility include meeting the needs of the wider social environment in which Geoplin serves as a sponsor and donator. These activities are aimed at strengthening the positive image of the company and the Geoplin Group, and its role in supporting sports, culture, science, healthcare and humanitarian activities.



Sponsorship in the area of sport:

- Slovan Basketball Association
- Ski Association of Slovenia
- Celje Handball Club



Sponsorship in the area of culture:

- Ljubljana Festival
- SNG Maribor



● Aquila chrysaetos / golden eagle

Meeting the challenges
around us.

Geoplin's Financial Statements

The financial statements of Geoplin for the 2010 financial year were compiled in accordance with the Slovenian Accounting Standards, the Companies Act and the company's Accounting Rules.

Geoplin's Balance Sheet

Total assets amounted to €271 million as at 31 December 2010, up 3% on the beginning of the year. The proportion of total assets accounted for by long-term assets was down slightly owing to a decrease in long-term financial investments. Natural gas inventories and current operating receivables were up on the balance at the beginning of the year, while current financial investments were down.

The proportion of total equity and liabilities accounted for by long-term items was down owing to the reversal of provisions. The self-financing ratio stood at 84% at the end of the year.

Equity was up 3% on the beginning of the year, as the result of net profit, while the distribution of profit and an increase in impairments of long-term financial investments and derivatives resulted in a decrease in equity.

The only items disclosed among current liabilities are current operating liabilities, the balance of which was up one quarter on the beginning of the year.

Geoplin's Income Statement

The company generated a net profit of €17.8 million in 2010, representing 5% of net sales revenue. Some 69% of the aforementioned result was generated from operations in the current year, while 21% of net profit was the result of the reversal of provisions and 10% was generated by financing activities.

Net sales revenue of €353.8 million was generated in 2010, an increase of more than 10% on the previous year. Sales revenue was up on both the domestic and foreign markets.

Operating revenue was up 14% on the previous year owing to the higher purchase price of natural gas.

Geoplin's balance sheet as at 31 December 2010

	Balance in EUR 31 Dec. 2010	Balance in EUR 31 Dec. 2009
ASSETS	271,196,403	262,694,560
A LONG-TERM ASSETS	155,396,943	153,588,914
I. Intangible assets and long-term deferred expenses and accrued revenue	146,489	124,709
1. Long-term property rights	146,489	124,709
II. Property, plant and equipment	2,042,199	2,309,609
1. Land and buildings	1,598,813	1,481,556
a. Land	1,001,033	1,001,033
b. Buildings	597,780	480,523
3. Other plant and equipment	414,594	394,547
4. Property, plant and equipment in acquisition	28,792	433,506
a. Property, plant and equipment under construction or in production	28,792	433,506
III. Investment property	1,597,368	1,265,401
IV. Long-term financial investments	151,442,880	149,498,966
1. Long-term investments, excluding loans	113,084,226	113,503,206
a. Shares and participating interests in group companies	107,127,820	107,127,820
c. Other shares and participating interests	5,956,406	6,375,386
2. Long-term loans	38,358,654	35,995,760
a. Long-term loans to group companies	25,037,556	25,037,556
b. Long-term loans to others	13,321,098	10,958,204
VI. Deferred tax assets	168,007	390,229
B. CURRENT ASSETS	115,447,288	108,320,695
II. Inventories	29,273,552	26,752,310
3. Products and merchandise	29,273,552	26,752,310
III. Current financial investments	31,718,253	38,932,731
2. Short-term loans	31,718,253	38,932,731
a. Short-term loans to group companies	10,000	
b. Short-term loans to others	31,708,253	38,932,731
IV. Current operating receivables	53,945,413	40,913,981
1. Current operating receivables from group companies	2,194,164	1,214,115
2. Current trade receivables	49,788,672	36,113,836
3. Current operating receivables from others	1,962,577	3,586,030
V. Cash and cash equivalents	510,070	1,721,673
C. CURRENT DEFERRED EXPENSES AND ACCRUED REVENUE	352,172	784,951

	Balance in EUR 31 Dec. 2010	Balance in EUR 31 Dec. 2009
EQUITY AND LIABILITIES	271,196,403	262,694,560
A. EQUITY	228,840,001	221,697,407
I. Called-up capital	30,829,620	30,829,620
1. Initial capital	30,829,620	30,829,620
II. Capital surplus	78,097,630	78,097,630
III. Revenue reserves	100,030,249	90,541,781
2. Reserves for treasury shares	8,159,575	8,159,575
3. Treasury shares (as deduction item)	-4,869,459	-4,869,459
5. Other revenue reserves	96,740,133	87,251,665
IV. Revaluation surplus	1,570,434	2,276,787
V. Retained earnings	463,121	463,121
VI. Net profit or loss for the financial year	17,848,947	19,488,468
B. PROVISIONS AND LONG-TERM ACCRUED EXPENSES AND DEFERRED REVENUE	56,520	7,480,646
2. Other provisions		7,415,069
3. Long-term accrued expenses and deferred revenues	56,520	65,577
D. SHORT-TERM LIABILITIES	41,874,125	33,091,595
III. Short-term operating liabilities	41,874,125	33,091,595
1. Short-term operating liabilities to group companies	1,317,401	1,055,743
2. Short-term trade payables	31,037,556	25,517,314
4. Short-term operating liabilities based on advances	3,291	6,946
5. Other short-term operating liabilities	9,515,877	6,511,592
E. SHORT-TERM ACCRUED EXPENSES AND DEFERRED REVENUE	425,757	424,912
OFF-BALANCE SHEET ITEMS	5,855,144	5,559,993

Geoplin's income statement for the 2010 financial year

	2010	2009
1. Net sales revenue	353,823,793	317,157,056
2. Historical cost of goods sold	334,521,730	289,841,998
3. GROSS SALES	19,302,063	27,315,058
4. Marketing and sales and administrative costs	6,750,608	8,119,364
a. Marketing and sales and administrative costs	6,004,936	7,296,799
b. Revaluation operating expenses associated with intangible assets, and property, plant and equipment	43,530	74,952
c. Revaluation operating expenses associated with current assets	702,142	747,613
6. Other operating revenue (including revaluation operating revenue)	7,007,057	2,374,384
7. Finance income from participating interests	185,933	221,496
a. Finance income from participating interests in group companies	31,802	15,860
c. Finance income from participating interests in other companies	154,131	205,636
8. Finance income from loans granted	1,926,056	2,967,894
a. Finance income from loans to group companies	482,498	460,063
b. Finance income from loans to others	1,443,558	2,507,831
9. Finance income from operating receivables	454,662	406,570
b. Finance income from operating receivables from others	454,662	406,570
11. Finance costs from financial liabilities	6,668	145,457
d. Finance costs from other financial liabilities	6,668	145,457
12. Finance costs from operating liabilities	304,780	389,210
b. Finance costs from trade payables and bills of exchange liabilities	304,780	389,210
13. Other revenue	1,806	
14. Other expenses	157	361
15. Income tax	3,567,606	5,283,022
16. Deferred taxes	398,811	-140,480
17. NET PROFIT OR LOSS FOR THE PERIOD	17,848,947	19,488,468
18. Retained profit/loss	463,121	463,121
19. Reduction (release) of capital reserves		
20. Reduction (release) of profit reserves		
21. Increase (additional formation) of profit reserves		
22. ACCUMULATED PROFIT OR LOSS	18,312,068	19,951,589



This is a translation of the original report in Slovene language

Independent auditors' report on the summary financial statements

to the owners of Geoplin d.o.o. Ljubljana

The accompanying summary financial statements, which comprise the summary balance sheet as at 31 December, 2010, the summary income statement and related notes are derived from the audited financial statements of Geoplin d.o.o. Ljubljana for the year ended 31 December, 2010. We expressed an unmodified audit opinion on those financial statements in our auditors' report dated March 8, 2011. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial statements do not contain all the disclosures required by Slovenian Accounting Standards and by the Slovenian Companies Act. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Geoplin d.o.o. Ljubljana.

Management's responsibility for the summary financial statements

Management is responsible for the preparation of a summary of the audited financial statements.


Auditors' responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of Geoplin d.o.o. Ljubljana for the year ended 31 December, 2010 are consistent, in all material respects, with those financial statements.

Ljubljana, April 21, 2011


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


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


Nataša Lah
Certified Auditor



● Capra ibex ibex / Alpine ibex

We overcome the
obstacles around us.

The Geoplin Group's Financial Statements

We overcome the
obstacles around us.

The Geoplin Group's Financial Statements

05

The financial statements of the Geoplin Group for the 2010 financial year were compiled in accordance with the Slovenian Accounting Standards, the Companies Act and the company's Accounting Rules.

The Geoplin Group's Balance Sheet

Total assets amounted to €370 million as at 31 December 2010, up 15% on the beginning of the year. Two subsidiaries accounted for the majority of the increase in total assets.

The Geoplin Group's Income Statement

The Geoplin Group generated a net profit of €24.8 million in 2010, representing the net profit of the parent company and the subsidiaries Geocom d.o.o. and Geoplin Plinovodi d.o.o. Nearly three quarters of the group's net profit was generated by the parent company.

The Geoplin Group's balance sheet as at 31 December 2010

	Balance in EUR 31. Dec. 2010	Balance in EUR 31. Dec. 2009
ASSETS	370,388,834	321,746,380
A LONG-TERM ASSETS	226,383,263	193,735,645
I. Intangible assets and long-term deferred expenses and accrued revenue	22,199,855	18,419,791
1. Long-term property rights	22,179,483	18,388,306
2. Goodwill	20,372	31,485
II. Property, plant and equipment	184,339,415	157,333,806
1. Land and buildings	114,995,647	77,842,078
a. Land	6,001,527	4,488,300
b. Buildings	108,994,120	73,353,778
3. Other plant and equipment	35,867,390	17,560,125
4. Property, plant and equipment in acquisition	33,476,378	61,931,603
a. Property, plant and equipment under construction or in production	33,476,378	61,671,523
b. Advances for property, plant and equipment		260,080
IV. Long-term financial investments	19,277,503	17,333,589
1. Long-term investments, excluding loans	5,956,406	6,375,386
c. Other shares and participating interests	5,956,406	6,375,386
2. Long-term loans	13,321,097	10,958,203
b. Long-term loans to others	13,321,097	10,958,203
VI. Deferred tax assets	566,490	648,459
B. CURRENT ASSETS	143,609,630	127,183,208
II. Inventories	31,281,154	28,921,695
1. Materials	1,148,045	1,147,500
3. Products and merchandise	30,133,109	27,774,195
III. Current financial investments	53,598,253	50,567,451
2. Short-term loans	53,598,253	50,567,451
b. Short-term loans to others	53,598,253	50,567,451
IV. Current operating receivables	57,759,770	45,179,917
2. Current operating receivables from customers	54,773,886	40,868,232
3. Current operating receivables from others	2,985,884	4,311,685
V. Cash and cash equivalents	970,453	2,514,145
C. CURRENT DEFERRED EXPENSES AND ACCRUED REVENUES	395,941	827,527

	Balance in EUR 31. Dec. 2010	Balance in EUR 31. Dec. 2009
EQUITY AND LIABILITIES	370,388,834	321,746,380
A EQUITY	282,823,273	268,687,092
I. Called-up capital	30,829,620	30,829,620
1. Initial capital	30,829,620	30,829,620
II. Capital surplus	78,097,630	78,097,630
III. Revenue reserves	146,798,678	128,788,056
1. Legal reserves	1,942,213	1,940,240
2. Reserves for treasury shares	8,159,575	8,159,575
3. Treasury shares (as deduction item)	-4,987,946	-4,987,946
5. Other revenue reserves	141,684,836	123,676,187
IV. Revaluation surplus	1,570,434	2,276,787
V. Retained earnings	738,966	440,794
VI. Net profit or loss for the financial year	24,787,945	28,254,205
B. PROVISIONS AND LONG-TERM ACCRUED EXPENSES AND DEFERRED REVENUE	14,282,563	9,666,697
1. Provisions for loyalty bonuses and severance pay	539,040	433,424
2. Other provisions	67,413	7,514,470
3. Long-term accrued expenses and deferred revenues	13,676,110	1,718,803
C. LONG-TERM LIABILITIES	20,002,328	2,270
II. Long-term financial liabilities	20,000,000	
2. Long-term financial liabilities to banks	20,000,000	
III. Long-term operating liabilities	2,328	2,270
4. Long-term advances and sureties received	2,328	2,270
D. SHORT-TERM LIABILITIES	52,252,000	42,442,766
III. Short-term operating liabilities	52,252,000	42,442,766
2. Short-term operating liabilities to suppliers	41,579,274	35,122,552
4. Short-term operating liabilities from advances	35,623	6,945
5. Other short-term operating liabilities	10,637,103	7,313,269
E. SHORT-TERM ACCRUED EXPENSES AND DEFERRED REVENUE	1,028,670	947,555
OFF-BALANCE SHEET ITEMS	32,264,429	23,870,121

The Geoplin Group's income statement for the 2010 financial year

	2010	2009
1. Net sales revenue	376,010,654	323,914,559
2. Historical cost of goods sold	324,588,761	266,050,223
3. GROSS SALES	51,421,893	57,864,336
4. Marketing and sales and administrative costs	30,003,815	28,057,001
a. Estimated marketing and sales and administrative costs	28,635,157	27,079,418
b. Revaluation operating expenses associated with intangible assets, and property, plant and equipment	56,820	85,447
c. Revaluation operating expenses associated with current assets	1,311,838	892,136
6. Other operating revenues (including revaluation operating revenues)	7,148,373	2,876,081
7. Finance income from participating interests	154,131	205,636
c. Finance income from participating interests in other companies	154,131	205,636
8. Finance income from loans granted	1,598,958	2,939,518
b. Finance income from loans to others	1,598,958	2,939,518
9. Finance income from operating receivables	495,657	444,529
b. Finance income from operating receivables from others	495,657	444,529
11. Finance costs from financial liabilities	15,847	145,506
d. Finance costs from other financial liabilities	15,847	145,506
12. Finance costs from operating liabilities	307,347	393,366
b. Finance costs from trade payables and bills of exchange liabilities	307,347	393,366
13. Other revenue	12,664	15,064
14. Other expenses	335	361
15. Income tax	5,455,857	7,690,049
16. Deferred taxes	258,557	-196,998
17. NET PROFIT OR LOSS FOR THE PERIOD	24,789,918	28,255,879
18. Retained profit/loss	738,966	440,794
19. Reduction (release) of capital reserves		
20. Reduction (release) of profit reserves		
21. Increase (additional formation) of profit reserves	-1,973	-1,674
22. ACCUMULATED PROFIT OR LOSS	25,526,911	28,694,999



This is a translation of the original report in Slovene language

Independent auditors' report on the summary financial statements

to the owners of Geoplin d.o.o. Ljubljana

The accompanying summary financial statements, which comprise the summary consolidated statement of financial position as at December 31, 2010, the summary consolidated income statement and related notes are derived from the audited consolidated financial statements of Group Geoplin for the year ended 31 December, 2010. We expressed an unmodified audit opinion on those financial statements in our auditors' report dated March 8, 2011. Those consolidated financial statements, and the summary consolidated financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those consolidated financial statements.

The summary consolidated financial statements do not contain all the disclosures required by Slovenian Accounting Standards and by the Slovenian Companies Act. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of Group Geoplin.

Management's responsibility for the summary financial statements

Management is responsible for the preparation of a summary of the audited consolidated financial statements.


Auditors' responsibility

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summary consolidated financial statements derived from the audited financial statements of Group Geoplin for the year ended 31 December, 2010 are consistent, in all material respects, with those consolidated financial statements.

Ljubljana, April 21, 2011


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


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


Nataša Lah
Certified Auditor

Business Report 2010

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

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