

B U S I N E S S R E P O R T 2 0 0 8



Energy of nature



t a b l e o f c o n t e n t s

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E n e r g y i s l i f e .

*We know that natural resources are invaluable
and we manage them with respect.*

*Experience teaches us that every moment we spend
thinking of the environment, is a thought for the future.*

*Using natural gas – the cleanest fossil fuel – gives hope
for a cleaner environment.*

The future looks bright.



A close-up photograph of a single, vibrant green fern frond growing between large, dark, textured rocks. The frond is pinnate, with many small, pointed leaflets. The rocks are dark grey or black with a rough, crystalline texture. The lighting is bright, highlighting the green of the fern against the dark background of the rocks.

i n t r o d u c t i o n





General Manager's Statement

The Geoplin Company and Geoplin Group operated successfully in 2008. In addition to our focus on meeting the objectives defined in the annual business plan, we also realised activities from the first year of the 2008-2012 Strategic Plan, including projects that will define the future development of the company. Geoplin celebrated 30 years of selling natural gas in Slovenia and continual operating the Slovenian transmission network, together with our subsidiary, Geoplin plinovodi d.o.o.

The business activity of Geoplin d.o.o. Ljubljana in 2008 was mainly aimed at ensuring a reliable and competitive supply of natural gas to customers in Slovenia, as well as sales abroad where possible, the purchase of natural gas from producers, organising transport to the Slovenian border, leasing adequate storage capacity, and selling available transport capacity for the transmission of natural gas via Slovenia.

A new supplier entered the natural gas market in 2008, which strengthened competition, legislation to liberalise the energy market in the EU was modified, while a number of factors led to the demand in Slovenia falling compared to the previous year. In these changing conditions, intense commercial activities were focused on selling additional quantities of natural gas on the domestic market and accessible foreign markets, and creating new services. In 2008 Geoplin sold 1,054 million Sm³ of natural gas.

Macroeconomic trends on global markets were dynamic and together with rapidly changing prices for oil and oil derivatives, the changing dollar exchange rates through purchasing and sales prices, and past inventories increased the value of our operations. The net operating profit of 30.9 million euros, was higher than planned and achieved in the past.

The full impact the economic and financial crisis will have on Geoplin's future operations is difficult to assess, since negative impacts will be felt in 2009. At Geoplin we will attempt to mitigate these negative impacts as much as possible by taking action and adapting quickly. The 2008 business year can be assessed as very successful, despite the many surprises it brought, since our exploitation of major market opportunities was optimal and all other major operating indicators in 2008 indicate growth and the achievement of set objectives and goals.

Alojz Stana MSc,
General Manager



Geoplin Company Profile

MILESTONES

1975

Start of construction of the Slovenian gas pipeline network

1978

Supply of natural gas to Slovenian customers begins

1991

Geoplin becomes one of the first limited liabilities companies registered in Slovenia

2004

Slovenia joins the European Union, and becomes part of the single European natural gas market

2005

After an internal reorganisation the parent company Geoplin d.o.o. Ljubljana assumes control of natural gas trading, while the subsidiary Geoplin plinovodi d.o.o. becomes the transmission system operator

2006

New long-term supply contracts signed with suppliers

2007

New memorandum of association adopted.
Strategic Plan 2008–2012 adopted

2008

30th anniversary of natural gas sales in Slovenia

GEOPLIN GROUP IN FIGURES

987 km

Length of the gas pipeline network owned and operated by Geoplin plinovodi d.o.o.

213

Number of metering-regulation stations

32,0 mio EUR

The investment in gas transmission infrastructure

43 %

Gas pipeline network coverage of the Slovenian territory

1.054 mio Sm³

The quantity of natural gas sold in 2008

THE GEOPLIN GROUP

The Geoplin Group includes the company Geoplin d.o.o. Ljubljana and its two subsidiaries, Geoplin plinovodi d.o.o. and Geocom d.o.o., which as independent legal subjects prepare their own reports in accordance with law, and are included in part in the financial disclosures.



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LINE OF BUSINESS

Within its basic line of business, which covers the supply, trading, representation and intermediation on the natural gas market, the Geoplin Company supplies large industrial consumers connected to the transmission pipeline and natural gas distributors. It holds licence no 083-20-007/004/06, issued by the Slovenian Energy Agency for this activity.

The business operations of the parent company Geoplin d.o.o. Ljubljana are as follows:

- purchasing natural gas from producers,
- organising transport to the Slovenian border and
- sale of natural gas in Slovenia and abroad.

MISSION AND VALUES

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

The company's core values are highly professional business relationships based on reliability and efficiency.

Employees are encouraged to be open-minded and to show initiative, a highly positive and professional attitude towards colleagues, flexibility and consideration for others and the environment at large.

The ISO 14001 environmental management certification the company has acquired demonstrates its responsible attitude and accountability in the implementation of all company operations, compliance with environmental standards, as well as business excellence.

Geoplin is closely monitoring the development of the ISO 26000 guidelines on social responsibility, which are consistent with the declarations and conventions of the United Nations and its founding members, in particular the International Labour Organisation.

COMPANY VISION

Geoplin will maintain its leading position in the sale of natural gas in Slovenia and will also direct its work towards other markets. The investment policy will be harmonised with growth in the basic lines of business and the vertical and horizontal strengthening of the company's strategic position.



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ORGANISATIONAL STRUCTURE OF THE GEOPLIN COMPANY

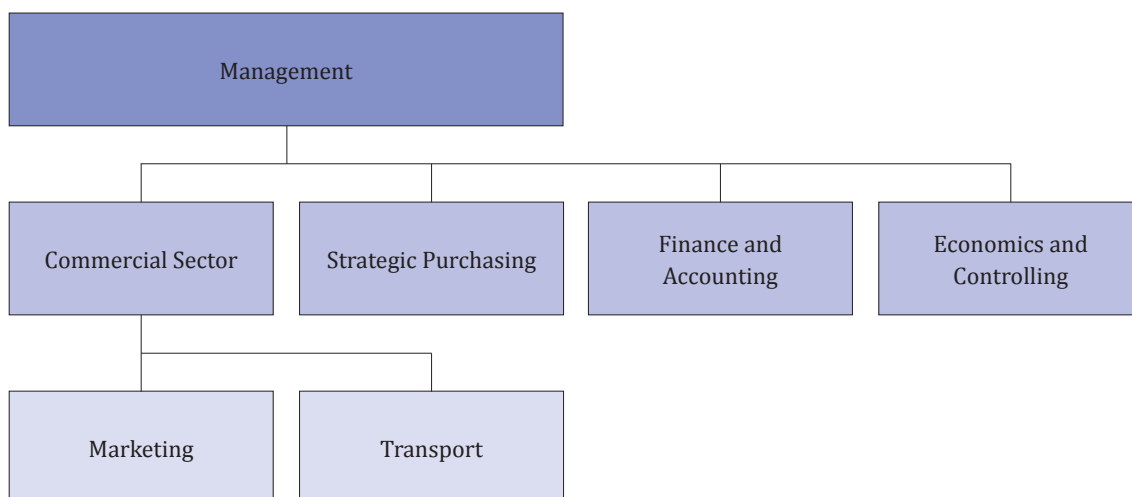
The Supervisory Board did not change its composition during 2008 and comprises:

- a) Shareholder representatives:
Boštjan Napast – president, Iztok Bajda,
Vida Cvelbar, Hrvoje Drašković,
Jože Funda, Janez Grošelj, Dr Janez Marolt,
Darinka Mravljak,

- b) Employee representatives:
Jana Hajduković, Janja Sadar, Uroš Tušar,
Jolanda Zevnik.

Geoplin has adapted its internal organisation to meet the demands of the business process. The largest of the six services and one sector are the Commercial Sector and the Financial and Accounting service.

Figure 1: Organisational structure of Geoplin d.o.o. Ljubljana





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OWNERSHIP STRUCTURE as at 31 December 2008

The Geoplin ownership structure which has adapted to current economic circumstances in the past, did not change significantly over 2008. Over the period one partner sold its ownership stake to four other owners. The company's share capital also remained unchanged at 30,829,619.98 euros as at 31 December 2008, divided among 27 partners and treasury shares.

	EUR thousand
Slovenian government	9,678
Petrol d.d., Ljubljana	9,255
Salonit Anhovo d.d.	2,099
Ekopur d.o.o.	2,187
Energetika Ljubljana, d.o.o.	1,911
Other – 22 owners (each with less than 2.7% stake)	4,454
Treasury shares	1,246
TOTAL share capital	30,830

Figure 2: Ownership structure as at 31 December 2008



EMPLOYEES

At the end of the year the Geoplin company had 27 employees. This relatively small team includes experts with a range of professional profiles, areas of specialisation, expertise and training. The average age of employees is 45 years, which indicates the level of professional maturity and experience, and also indicates a need to find younger staff in the coming years. Employees continually build on their expertise and transfer new knowledge into work processes, which helps the company create added value.

E n e r g y i s a l i n k .

Energy is a link that connects the world.

*It is the capacity to collaborate, work together
and make new connections.*





c o m p a n y p e r f o r m a n c e

Performance

in 2008

BUSINESS ENVIRONMENT IN 2008

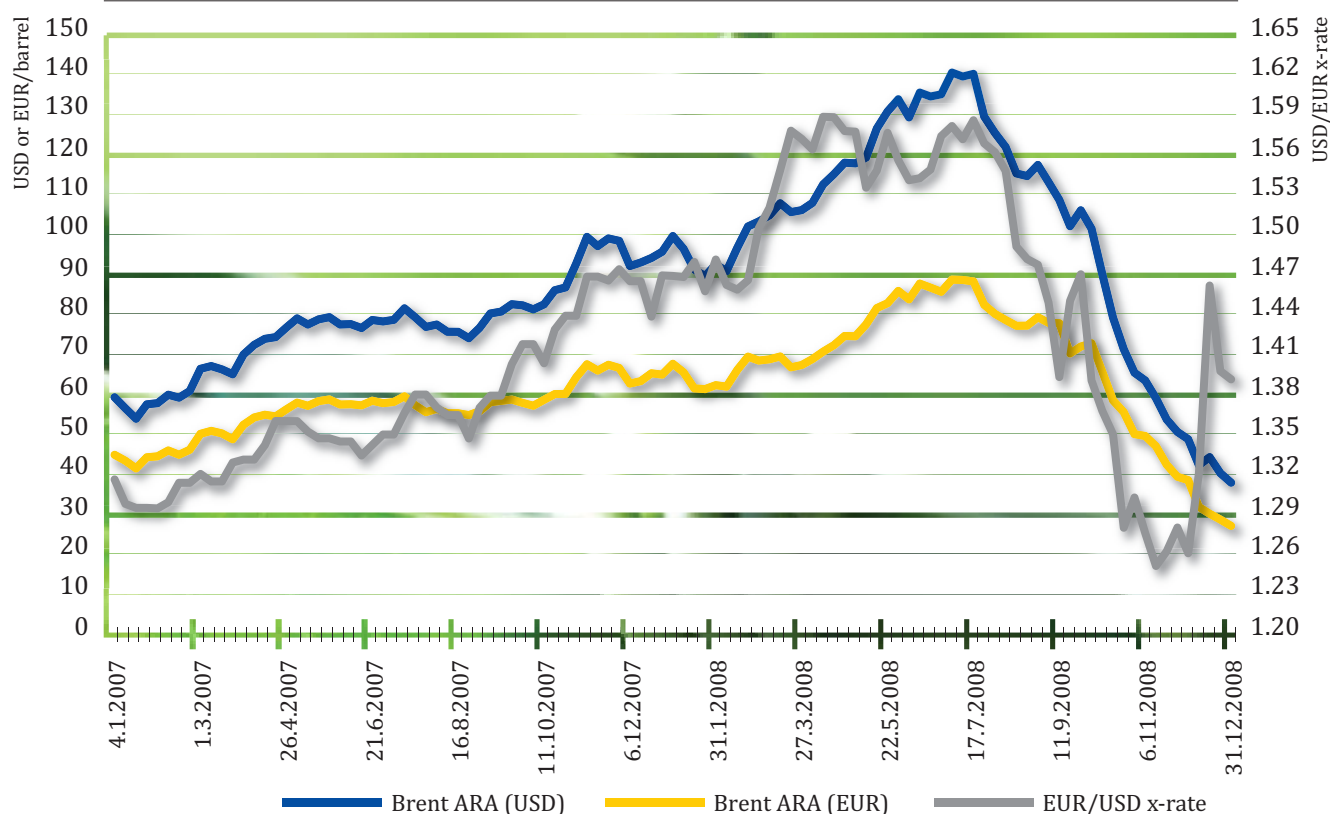
Macroeconomic forecasts were subject to continual change during 2008, and diverged significantly from forecasts during the previous year in terms of both economic growth, average global prices for oil and annual inflation in Slovenia. Macroeconomic results in 2008 and in the third quarter in particular already revealed the approaching international crisis; after steep growth in the first half of the year, economic activity fell, oil prices fell, and in the last months of the year the average annual inflation rate also fell, due to deflation. The average annual inflation rate in Slovenia was 5.7%.

Two major factors influencing Geoplin's operations in 2008 were the oil and oil derivative prices on global markets and the USD/EUR exchange rate, which indirectly affected the purchase and sale price for natural gas. Between January and December 2008 oil prices were volatile (Figure 3

gives the ARA Brent crude price): from the start of the year to mid-July its value rose from an initial value of USD 99/barrel to a record USD 147/barrel, before rapidly falling, down to USD 38 USD/barrel by the end of the year. The average ARA Brent price in 2008 was therefore USD 100/barrel which is 30% higher than the average price over the previous year.

Similar dynamic movement was recorded in the USD/EUR exchange rate, which increased in the first half of the year, followed by a 30% drop and then steep growth in December. The average exchange rate in 2008 was USD 1.47/EUR (2007: USD 1.37/EUR). The exchange rate movement affected the oil price in euros, which fell by 59% from the start to the end of 2008, while the US dollar price fell by 62%.

Figure 3: The average weekly price for ARA Brent in EUR and USD and USD/EUR x-rate in 2007 and 2008



¹ Brent ARA: North Sea Brent ARA listing



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EVENTS AFTER THE END OF FINANCIAL YEAR

The Geoplin Company operated successfully in 2008. The net operating profit of 30.9 million euros was higher than planned, but slightly lower than in 2007. A total of 1,054 million Sm³ of natural gas was sold.

In 2009 the Russo-Ukrainian dispute led to interruptions in supplies from the Russian Federation in early January. Geoplin took action to allow the system operator to stabilise the Slovenian pipeline system and conditions for consumers until the supply of Russian gas could be re-established. It also instigated a high level of communication with consumers and used the media to call on the public to use gas economically.

The fall in the price of oil and oil derivatives on global markets in the second half of 2008 led to the Geoplin sale price for natural gas being reduced by over 10% from the start of 2009. If oil prices change as expected in 2009, the sale price will be further reduced.

From the start of the year, Geoplin again sold natural gas abroad.

Geoplin has evaluated the negative impact of events in the financial sector and the real economy as far as possible in its 2009 business plan, however, one cannot be confident of accurately defining their actual extent. The reduced liquidity in the economy resulted in additional measures to assure normal business activities.

INVESTMENTS

Total investments in Geoplin's intangible and tangible fixed assets in 2008 were worth EUR 0.2 million. Most of these funds (75%) was allocated to renovating business premises and surroundings and the purchase of work vehicles and computer, office and other equipment, while other funds were used on a feasibility study for construction of a natural gas storage facility in Slovenia and to acquire new purchasing sources of LPG through a partnership to build a delivery terminal on Krk island in Croatia. The company is also investing on a long-term basis in the development of gas pipeline infrastructure in Slovenia via the subsidiary Geoplin.

Non-current financial investments increased slightly in 2008. In line with dividend policy, a long-term investment contract with a subsidiary saw an investment of an additional 8.4 million euros, which exceeded the reduction in financial investments caused by the sales and transfer of long-term investments due in 2009 to short-term and due to a fall in the value of one of the investments, shares of which are listed on the stock market.

NATURAL GAS TRADING

The dynamic macroeconomic trends on global markets led to record figures in 2008, the most important being the steep growth in the price of oil and oil derivatives, and the contemporaneous fall of the US dollar against the euro in the first half of the year, followed by a rapid fall in prices and the strengthening of the US dollar. Geoplin's operations were marked by a reduction in average annual inflation and by higher than average temperatures in October and December.

During 2008 the sale price for natural gas grew, particularly in the second half of the year. Under these pressures, the average Geoplin sale price increased by 45% over the entire year, the largest jump being recorded at the start of the third and fourth quarter. It was not significantly affected by the falling trends in the second half of the 2008.



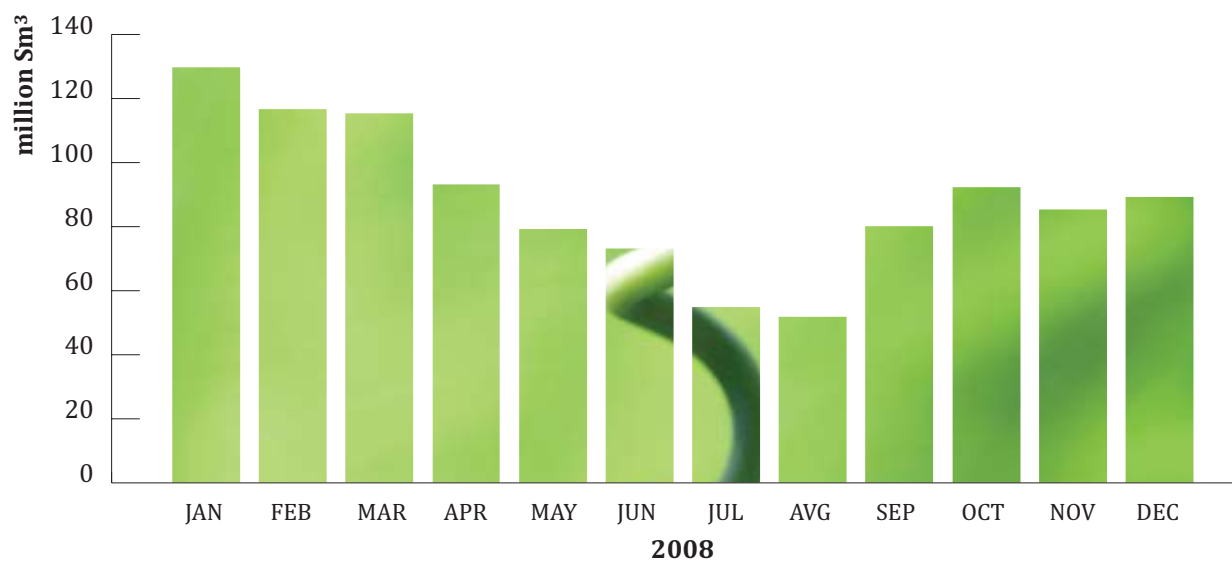
A new supplier entered the natural gas market in 2008, which strengthened competition, while legislation to liberalise the energy market in the EU was modified, which slow down some planned activities. The need for natural gas in Slovenia in 2008 was down on 2007: above average temperatures in the heating season led to reduced need in household consumption, while reduced demand from some major consumers had various causes, ranging from overhauls to price imbalances between the natural gas price and some products in which natural gas represents a major proportion, negative trends in some economic sectors and reduced economic activity overall in the final quarter. Demand from potential customers in neighbouring countries was down for similar reasons.

In 2008 Geoplin sold 1,054 million Sm³ of natural gas. Almost 97% of total sales were on the domestic market, the remainder abroad. Although sales were lower than planned and lower than in 2007 (sales in Slovenia in 2008 were approximately 5% down on the previous year), through its marketing work, particularly acquiring new customers, entering new sectors of the market directly or indirectly via subsidiaries, expanding the range of services offered within the basic line of business, greater flexibility in dealing with customers, and selling natural gas abroad, Geoplin succeeded in mitigating the fall in sales and satisfied all market needs.

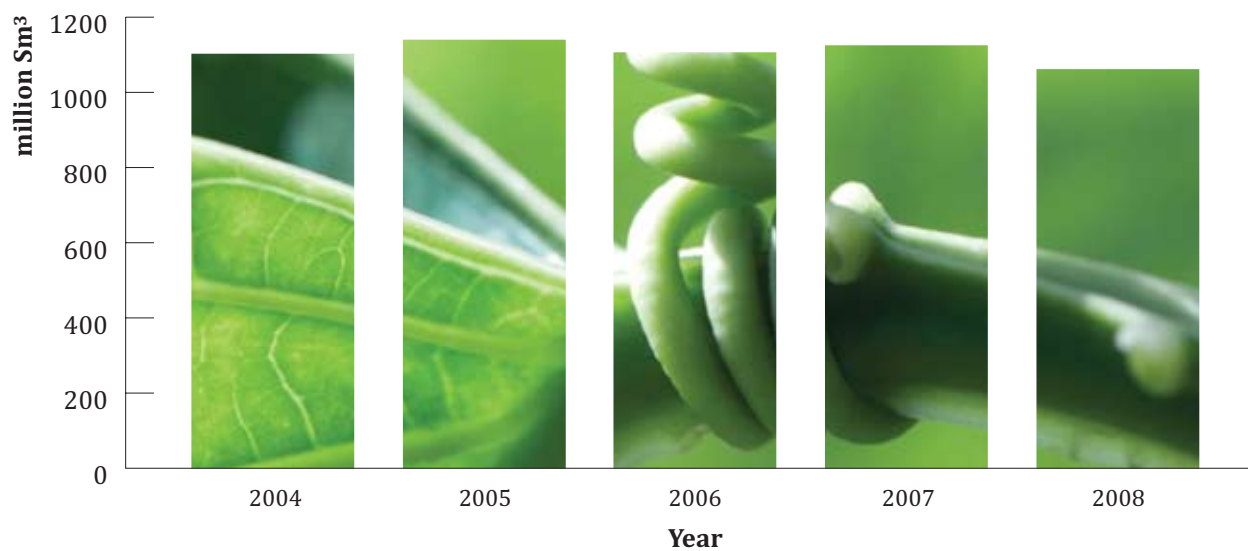


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MONTHLY NATURAL GAS SALES IN SLOVENIA IN 2008



ANNUAL NATURAL GAS SALES IN SLOVENIA: 2004-2008



Source: Statistical Office of the Republic of Slovenia

E n e r g y i s g r o w t h .

We work to create optimal conditions for development.

*We apply our expertise to targeted work that
offers great benefits to society.*

*These efforts are supported by dialogue, respect
and excellence.*



A photograph of a forest scene. In the foreground, a small, gnarled tree with dense yellow-green foliage stands on a forest floor covered in fallen leaves and twigs. The background is filled with tall, slender trees with green leaves. Sunlight filters through the canopy, creating a warm, golden glow and visible light rays. The text "financial statements" is overlaid in the center of the image.

financial statements



Independent auditors' 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, 2008 (hereinafter: financial statements), from which the summarized financial statements were derived, in accordance with International Standards on Auditing. In our report dated March 10, 2009 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, May 15, 2009


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


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


Janez Hostnik
certified auditor



Financial statements

Geoplin's 2008 audited financial statements were prepared in compliance with the Slovenian Accounting Standards and the company's accounting rules, which define the valuation of some items in detail.

Balance sheet of the Geoplin Company

Total assets as at 31 December 2008 amounted to EUR 266 million, up 8% on the start of the year. The proportion of inventories and short-term receivables in the assets structure increased, while long-term assets fell, particularly long-term financial investments, and the proportion of short-term financial investments. According end of year figure, there was a significant growth in natural gas inventories on the start of the year, as well as growth in short-term receivables and a reduction in the value of financial investments. This is all an expression of conditions on the market in the final quarter of 2008. There were no major changes in the liability structure over the year. Equity increased by 7.8% from the start of the year. The net profit for the period of 30.9 million euros led to an increase in equity, while dividend payments and revaluation adjustments caused reductions.

Income statement of the Geoplin Company

In the 2008 financial year the company achieved a net profit of EUR 30.9 million (7.6% of net sales revenues); 92% of which was generated from operations, and 8% from financing.

In 2008 net sales revenues of 406 million euros were generated, over one-fifth higher than achieved in the previous year. Revenues from the sale of natural gas increased on the domestic market and on foreign markets.

Balance sheet of the Geoplin Group

The Geoplin Group's balance sheet total as at 31 December 2008 was 311.1 million euros.

Income statement of the Geoplin Group

In 2008 the Geoplin Group achieved a net profit of 40.6 million euros, which represents the total of the net profit of the parent company and the subsidiary Geoplin plinovodi d.o.o.



Balance sheet

of Geoplin d.o.o. Ljubljana

BALANCE SHEET OF THE GEOPLIN COMPANY AS AT 31 DECEMBER 2008

EUR

Balance
31. 12. 2008

Balance
31. 12. 2007

ASSETS	265,981,155	246,182,607
A. LONG-TERM ASSETS	145,106,357	143,072,331
I. Intangible assets and long-term deferred costs and accrued revenues	57,962	129,985
1. Concessions, patents, licences, and similar rights	57,962	129,985
II. Property, plant and equipment	1,865,591	1,830,466
1. Land and buildings	1,510,387	1,505,898
a. Land	1,001,033	1,001,033
b. Buildings	509,354	504,865
3. Other plant and equipment	330,936	324,568
4. Property, plant and equipment acquired	24,268	0
a. Property, plant and equipment under construction	24,268	
III. Investment property	1,337,167	1,358,740
IV. Long-term financial investments	140,792,059	139,753,140
1. Long-term financial investments, except loans	113,184,536	116,524,945
a. Shares and participating interests in companies within the group	107,127,820	107,127,820
c. Other shares and participating interests	6,056,716	9,397,125
2. Long-term loans	27,607,523	23,228,195
a. Long-term loans to companies within the group	16,691,704	8,345,852
b. Long-term loans to others	10,915,819	14,882,343
V. Long-term trade receivables	40,104	0
3. Long-term operating receivables from others	40,104	0
VI. Deferred tax assets	1,013,474	0
B. CURRENT ASSETS	120,795,597	103,011,169
II. Inventories	33,707,963	24,074,493
3. Products and merchandise	33,707,963	24,074,493
III. Short-term investments	27,868,198	25,700,000
2. Short-term investments, excluding loans	27,868,198	25,700,000
b. Other short-term investments	27,868,198	25,700,000
IV. Short-term operating receivables	58,846,736	48,620,352
1. Short-term receivables due from group companies	1,846,140	513,200
2. Short-term operating trade receivables	55,503,950	45,978,167
3. Short-term operating receivables due from others	1,496,646	2,128,985
V. Cash	372,700	4,616,324
C. SHORT-TERM DEFERRED EXPENSES AND ACCRUED REVENUES	79,201	99,107



Balance sheet

of Geoplin d.o.o. Ljubljana

BALANCE SHEET OF THE GEOPLIN COMPANY AS AT 31 DECEMBER 2008

	Balance 31. 12. 2008	EUR Balance 31. 12. 2007
EQUITY AND LIABILITIES	265,981,155	246,182,607
A. EQUITY	214,165,818	198,593,023
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	65,859,350	54,842,908
2. Reserves for treasury shares	8,159,575	8,159,575
3. Own participating interests (as deduction item)	-4,869,459	-4,869,459
5. Other revenue reserves	62,569,234	51,552,792
IV. Revaluation surplus	-906,334	4,245,092
V. Retained earnings	9,379,331	13,184,885
VI. Net profit for the period	30,906,221	17,392,888
B. PROVISIONS AND LONG-TERM ACCRUED COSTS AND DEFERRED REVENUES	7,100,347	6,546,200
2. Other provisions	7,025,712	6,546,200
3. Long-term accrued costs and deferred revenues	74,635	0
C. LONG-TERM LIABILITIES	0	542,791
III. Deferred tax liabilities	0	542,791
D. SHORT-TERM LIABILITIES	42,026,633	40,212,729
II. Short-term financial liabilities	637,134	0
4. Other short-term financial liabilities	637,134	0
III. Current trade payables	41,389,499	40,212,729
1. Short-term operating liabilities to group companies	3,934,908	3,852,784
2. Short-term trade payables	24,426,465	27,684,391
4. Short-term operating liabilities from advances	9,453	478
5. Other current operating liabilities	13,018,673	8,675,076
E. SHORT-TERM ACCRUED COSTS AND DEFERRED REVENUES	2,688,357	287,864
OFF-BALANCE SHEET RECORDS	6,149,609	5,447,087



Income statement of Geoplin d.o.o. Ljubljana

2008 INCOME STATEMENT OF THE GEOPLIN COMPANY

2008

EUR

2007

1. Net sales	406,015,766	331,684,110
2. Cost of goods sold	362,742,492	305,757,751
3. GROSS PROFIT FROM SALES	43,273,274	25,926,359
4. Selling, general and administrative costs (inc. depreciation and amortisation)	9,645,271	7,957,727
a. Selling, general and administrative costs	7,807,599	7,846,067
b. Operating expenses from revaluation of intangible assets and tangible fixed assets	7,543	1,651
c. Operating expenses from revaluation of current operating assets	1,830,129	110,009
6. Other operating revenues (including revaluation of operating revenues)	2,848,516	2,561,174
7. Financial revenue from shares and interests	129,186	99,098
c. Financial revenue from participation in other companies	129,186	99,098
8. Financial revenue from loans	3,619,280	2,644,169
a. Financial revenue from loans to other companies in the group	411,243	3,266
b. Financial revenue from loans to others	3,208,037	2,640,903
9. Financial revenue from operating receivables	1,950,934	354,803
b. Financial revenue from operating receivables from others	1,950,934	354,803
10. Financial expenses from impairment and write-offs of financial investments	425,589	345,894
11. Financial expenses for financial liabilities	6,411	0
a. Financial expenses for loans received from group companies	1,447	0
d. Financial expenses for other financial liabilities	4,964	0
12. Financial expenses from operating liabilities	2,121,962	692,830
b. Financial expenses for trade payables and bills payable	2,121,962	692,830
13. Other revenue	28,485	465
14. Other expenses	258	258
15. Income tax	9,044,428	5,197,311
16. Deferred taxes	-300,465	-840
17. NET PROFIT FOR THE PERIOD	30,906,221	17,392,888
20. Retained earnings	9,379,331	13,184,885
21. Decrease in (release of) capital reserves		
22. Decrease in (release of) revenue reserves		
23. Increase in (additional formation of) revenue reserves		
24. ACCUMULATED PROFIT	40,285,552	30,577,773



Balance sheet of Geoplin Group

BALANCE SHEET OF THE GEOPLIN GROUP AS AT 31 DECEMBER 2008

	Balance 31. 12. 2008	EUR Balance 31. 12. 2007
ASSETS	311,063,026	280,854,019
A. LONG-TERM ASSETS	165,015,092	150,250,713
I. Intangible assets and long-term deferred costs and accrued revenues	16,864,396	14,244,013
1. Concessions, patents, licences and similar rights	16,864,396	14,244,013
II. Property, plant and equipment	129,680,357	111,484,716
1. Land and buildings	79,396,594	75,769,993
a. Land	4,075,976	3,909,280
b. Buildings	75,320,618	71,860,713
3. Other plant and equipment	18,094,873	17,307,148
4. Property, plant and equipment acquired	32,188,890	18,407,575
a. Property, plant and equipment in the course of construction	29,428,560	14,919,043
b. Advances for acquisition of property, plant and equipment	2,760,330	3,488,532
IV. Long-term financial investments	17,215,050	24,521,984
1. Long-term financial investments, except loans	6,299,231	9,639,641
c. Other shares and participating interests	6,299,231	9,639,641
2. Long-term loans	10,915,819	14,882,343
b. Long-term loans to others	10,915,819	14,882,343
V. Long-term trade receivables	40,104	0
3. Long-term trade receivables from others	40,104	0
VI. Deferred tax assets	1,215,185	0
B. CURRENT ASSETS	145,301,429	130,476,530
II. Inventories	35,549,583	25,893,079
1. Materials	1,070,178	1,092,865
3. Products and merchandise	34,479,405	24,800,214
III. Short-term investments	45,068,198	49,066,991
2. Short-term investments, excluding loans	45,068,198	49,066,991
b. Other short-term investments	45,068,198	49,066,991
IV. Short-term operating receivables	60,904,813	49,225,810
2. Short-term operating trade receivables	56,509,120	46,236,847
3. Short-term operating receivables due from others	4,395,693	2,988,963
V. Cash	3,778,835	6,290,650
C. SHORT-TERM DEFERRED EXPENSES AND ACCRUED REVENUES	746,505	126,776



Balance sheet

of Geoplin group

BALANCE SHEET OF THE GEOPLIN GROUP AS AT 31 DECEMBER 2008

	Balance 31. 12. 2008	EUR Balance 31. 12. 2007
EQUITY AND LIABILITIES	311,063,026	280,854,019
A. EQUITY	252,414,484	227,143,409
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	94,982,453	73,491,285
1. Legal reserves	1,933,169	1,447,138
2. Reserves for treasury shares	8,159,575	8,159,575
3. Own participating interests (as deduction item)	-4,869,459	-4,869,459
5. Other revenue reserves	89,759,168	68,754,031
IV. Revaluation surplus	-906,333	4,245,092
V. Retained earnings	9,292,645	13,075,985
VI. Net profit for the period	40,118,469	27,403,797
B. PROVISIONS AND LONG-TERM ACCRUED COSTS AND DEFERRED REVENUES	7,878,154	8,336,862
1. Provisions for pensions and similar liabilities	437,380	405,187
2. Other provisions	7,123,297	7,635,813
3. Long-term accrued costs and deferred revenues	317,477	295,862
C. LONG-TERM LIABILITIES	4,742	171,235
II. Long-term financial liabilities	4,742	3,676
4. Long-term operating liabilities from advances	4,742	3,676
III. Deferred tax liabilities	0	167,559
D. SHORT-TERM LIABILITIES	47,120,536	44,331,630
II. Short-term financial liabilities	637,134	0
4. Other short-term financial liabilities	637,134	0
III. Current trade payables	46,483,402	44,331,630
2. Short-term trade payables	33,334,441	35,102,139
4. Short-term operating liabilities from advances	9,453	8,853
5. Other short-term operating liabilities	13,139,508	9,220,638
E. SHORT-TERM ACCRUED COSTS AND DEFERRED REVENUES	3,645,110	870,883
OFF-BALANCE SHEET RECORDS	26,506,208	18,432,427



Income statement of Geoplin group

2008 INCOME STATEMENT OF THE GEOPLIN GROUP

2008

EUR

2007

1. Net sales	400,838,886	330,702,619
2. Cost of goods sold	328,289,154	276,598,052
3. GROSS PROFIT FROM SALES	72,549,732	54,104,567
4. Selling, general and administrative costs (inc. depreciation and amortisation)	28,033,396	23,650,370
a. Selling, general and administrative costs	25,686,332	23,407,165
b. Operating expenses from revaluation of intangible assets and tangible fixed assets	44,866	133,196
c. Operating expenses from revaluation of current operating assets	2,302,198	110,009
6. Other operating revenues (including revaluation of operating revenues)	3,829,249	2,855,523
7. Financial revenue from shares and interests	129,186	99,098
c. Financial revenue from participation in other companies	129,186	99,098
8. Financial revenue from loans	4,186,470	3,493,772
b. Financial revenue from loans to others	4,186,470	3,493,772
9. Financial revenue from operating receivables	1,984,957	370,293
b. Financial revenue from operating receivables due from others	1,984,957	370,293
10. Financial expenses from impairment and write-offs of financial investments	425,589	345,894
11. Financial expenses for financial liabilities	4,968	0
d. Financial expenses for other financial liabilities	4,968	0
12. Financial expenses for operating liabilities	2,125,475	693,246
b. Financial expenses for trade payables and bills payable	2,125,475	693,246
13. Other revenue	32,231	14,452
14. Other expenses	257	258
15. Income tax	11,644,582	8,354,765
16. Deferred taxes	-126,942	-36,346
17. NET PROFIT FOR THE PERIOD	40,604,500	27,929,518
20. Retained earnings	9,292,645	13,075,985
21. Decrease in (release of) capital reserves		
22. Decrease in (release of) revenue reserves		
23. Increase in (additional formation of) revenue reserves	-486,031	-525,721
24. ACCUMULATED PROFIT	49,411,114	40,479,782

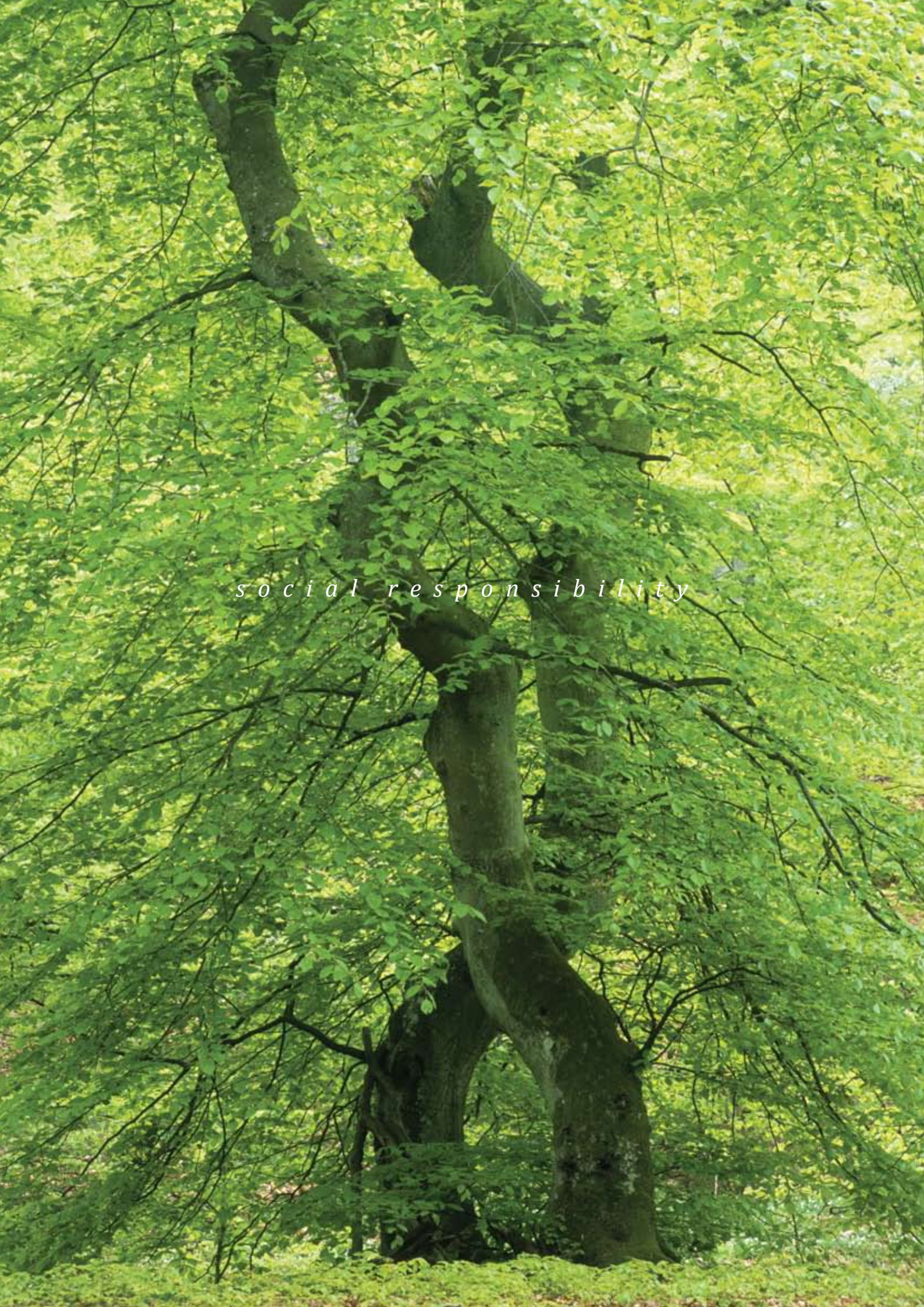
E n e r g y i s s y m b i o s i s .

Living together in shelter and warmth.

We build symbiosis with the environment by taking action.

Responsibly.



A photograph of a large, mature tree with a thick, gnarled trunk and a dense canopy of bright green leaves. The tree is the central focus, with its branches spreading out in all directions. The background is filled with more trees and foliage, creating a lush, green environment. The lighting is bright, suggesting a sunny day. The overall mood is peaceful and natural.

s o c i a l r e s p o n s i b i l i t y



Socially responsible management and quality

In the field of quality and social responsible management, Geoplin pursued the company's objectives in 2008, taking into account the interests of all stakeholders in the company's operations: owners, business partners, employees, environment and local communities. Through the careful implementation of its business and active support for social activities, we contributed to improving the quality of life and creating benefits for society and the wider environment.

Environment

As members of society we are aware that environmental management is an ongoing process, which must be continually adapted to new legislative demands and environmental changes. In the field of environmental management, Geoplin acquired an ISO 14001 environmental management quality certificate in 2002, which was successfully renewed in 2008.

Our commitment to generating benefits for the wider environment through environmental protection measures and a responsible approach to the natural and social environment is defined in our mission. The environmental objectives defined in the company's environmental policy aim primarily at reducing environmental impact, economical use of water, reducing emissions into the atmosphere, waste management and other specific environmental actions.

Local communities

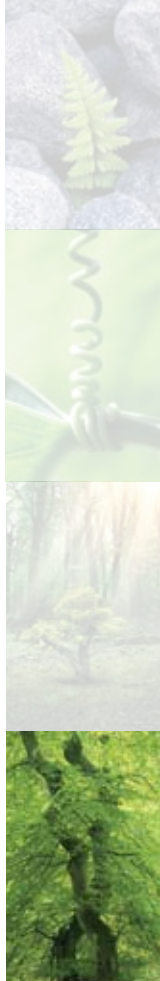
The nature of the business and our highly professional attitude ensure that Geoplin establishes constructive relationships with local communities, either as consumers of natural gas or as drivers of the economic and technological development that natural gas offers to their environment.

Sponsorship

The company's work in the field of sustainable development and social responsibility was directed towards satisfying the needs of the wider social environment, where Geoplin acts as a sponsor and donor. In line with the business plan, this work was aimed at enhancing a positive image for Geoplin and promoting natural gas. In 2008 the company was a sponsor and donor in sport, culture, science, health and humanitarian activities.

Employee care

The company offers a stable and healthy working environment for employees, appropriate professional training, and any necessary additional recruitment, as well as including bonuses in employment contracts. In 2008 Geoplin actively committed itself to the development of young specialists in the energy industry, by joining the Regional Scholarship Scheme for the Ljubljana Urban Region. Work to improve quality also included the modernisation and improvement of business processes and the optimisation of information solutions.



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