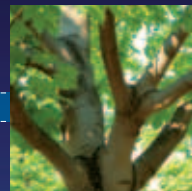
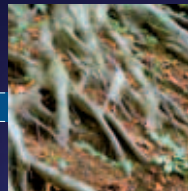


geoplin



Geoplin d.o.o. Ljubljana

Contents	page
General Manager's Statement	4
1. Company Profile of Geoplin	7
Overview of the Company and the Geoplin Group	
Geoplin Group in Figures	
Mission and Values	
Ownership Structure	
2. Business Performance of Geoplin in 2005	11
Major Events in 2005	
Investment	
Business Environment	
Trading of Natural Gas	
Financial Report of Geoplin for 2005	14
Auditor's Report	
Balance Sheet	
Income Statement	
Consolidated Report of the Geoplin Group	17
Auditor's Report	
Balance Sheet	
Income Statement	
3. Social Responsibility	20
Environment	
Local Communities	
Sponsorships	
Membership in International Organisations	



Janez Možina, General Manager



The full year results demonstrate record sale of natural gas and substantial growth in other services. In 2005, the net quantities of natural gas sold totalled 1.245 million cubic metres, and the consolidated net profit of the Geoplin Group was 5,85 billion SIT.

In future, consumption of natural gas is expected to increase above all in residential and power sectors. In terms of future business development, Geoplin will continue to assure attractive supply and sale conditions for reliable and sufficient deliveries to Slovenian natural gas market.



Over the past 28 years, Geoplin has been providing natural gas to large industrial, commercial and other natural gas consumers, and indirectly also to households by delivering natural gas to local distribution companies. With the construction of high-pressure and medium-pressure pipeline infrastructure in the 70-ies of the past century and by intensified connection of natural gas users and distribution networks, Geoplin has significantly contributed to a stable supply of the Slovenian energy market.

Today, Geoplin as a wholesale gas supplier serves a variety of large end consumers and energy companies who sell gas to small end users. During periods of high and low demand, Geoplin balances the need for gas with natural gas storages in Austria and Croatia. Pipeline infrastructure owned by our subsidiary company Geoplin plinovodi d.o.o. includes 960 km of gas lines reaching some 86 Slovenian communities with the largest concentration of industry and resident population. The Geoplin Group with its cross-border infrastructure connections provides services covering the gas supply to neighbouring countries.

European Gas Directive has set up conditions for an internal market in gas and has initiated the process for the legal unbundling of transmission activities from the Group's other activities. Therefore, in 2005, a new subsidiary company was established starting its function as a transmission system operator.

In open single market in natural gas Geoplin continues to assure natural gas trading and other energy related services.

The full year results demonstrate record sale of natural gas and a substantial growth in other services. The net quantities of natural gas sold totalled 1.245 million cubic metres, and the consolidated net profit of the Geoplin Group was 5,85 billion SIT.

In future, consumption of natural gas is expected to increase above all in residential and power sectors. In terms of future business development, Geoplin will continue to assure attractive supply and sale conditions for reliable and sufficient deliveries as driven by demand at any given time.

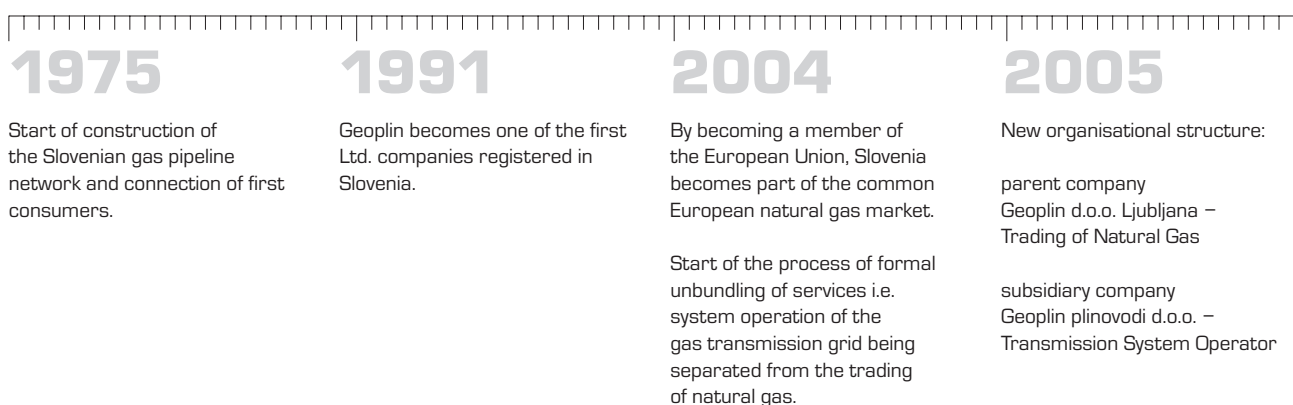
With further investments in infrastructure Geoplin is working to ensure the enhancement of the Slovenian gas transmission network capacities and the expansion of supply lines for this valuable energy source. I have every confidence in our ability of building excellence with the engagement of our financial, human and social resources of all stakeholders, in particular company's owners and Supervisory Board. In this way, Geoplin will continue the efforts on meeting the expectations of its customers while carrying out its mission – a sustainable supply of natural gas.

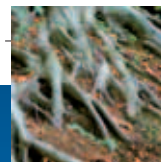
Janez Možina, General Manager



The Earth's fuel resources are finite and man's most obvious ties to nature. It is now vital to use them wisely and in a responsible manner.

Milestones





Overview of the Company and the Geoplin Group

The core business of Geoplin is the supply of natural gas to distribution companies and large industrial consumers connected to the gas transmission grids.

The business operations of the parent company Geoplin are as follows:

- purchasing of natural gas from producers,
- transmission of natural gas to the Slovenian border,
- sale of natural gas in Slovenia and abroad,
- ensuring the transit of natural gas across the Slovenian territory for foreign partners.

As provided by the EU directive concerning measures to safeguard security of natural gas supply, and accordingly amended Slovenian legislation, Geoplin has transferred certain business operations to its subsidiary company Geoplin plinovodi d.o.o.. On 1 January 2005, Geoplin plinovodi d.o.o. commenced operation as Transmission System Operator (TSO).

TSO's core business activities include:

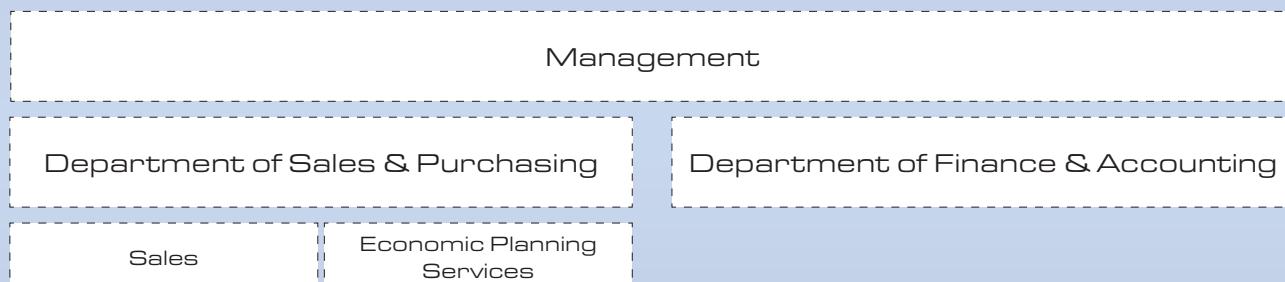
- transmission of natural gas through the gas transmission grid in Slovenia, and
- development, construction and operation of the gas transmission grid.

The Geoplin Group comprises Geoplin d.o.o. Ljubljana, Geoplin plinovodi d.o.o. and Geocom d.o.o., an inactive company with headquarters in Ljubljana; Geoplin d.o.o. Ljubljana is the sole owner of both Geoplin plinovodi d.o.o. and Geocom d.o.o..

The unbundling and subsequent transfer of selected business operations to Geoplin plinovodi d.o.o. has resulted in certain changes to the organisation structure.

In line with the corporate mission, the staff of parent company Geoplin are qualified professionals with diverse areas of specialisation, fields of expertise and skill levels.

Organisation chart of parent company Geoplin



The education structure of the Geoplin Group workforce shows an overall high level of qualifications with almost half of the employees having graduated from either college or university, including one with a PhD and ten with Master's Degree.

The company provides continued professional development of employees at various seminars featuring engineering-, sales-, finance & accounting-, legal- and other content. It also supports part-time education/training of employees to enable them attain additional qualifications and higher levels of education.

Geoplin Group in Figures

960 km

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

213

metering-regulation stations

SIT 2,42 billion

invested in the construction and maintenance of gas pipelines

43 %

gas pipeline network coverage of the Slovenian territory

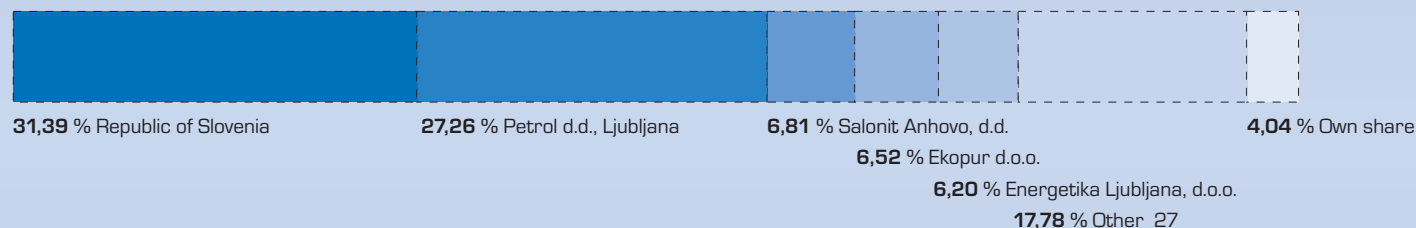
13,9 %

share of natural gas in the primary energy sector

1.245 mio m³

of natural gas sold in 2005

Ownership structure of Geoplin as at 1 July 2006



Mission and Values

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

Company holds as its core values customer service and good professional relationship based on reliability and efficiency. The staff 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 acquired ISO 14001 environmental management certification demonstrates a responsible attitude and accountability in the implementation of all company operations, compliance with environmental standards, as well as business excellence.

Geoplin follows the development of the proposed 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.

Ownership Structure

Geoplin is registered as a proprietary limited company. Capital in the amount of SIT 7,388,010,142.50 is owned by 32 shareholders.



Future energy needs call for sustainable energy options. Excellence in performance of Geoplin is demonstrated in the achieved results.



Business Performance of Geoplin in 2005

Major Events in 2005

In 2005 the company performed well, posting record sales of natural gas, which rose by 4.8 percent compared to 2004, and greater scope of transit services. Net profit also increased and amounted to SIT 3.78 billion.

The key event in 2005 was the legal unbundling of transmission activities from the Group's other activities relating to the trade and supply of natural gas which in turn resulted in new organisational structure. Geoplin d.o.o. Ljubljana continues its business of trade and sale of natural gas, whereas its newly established subsidiary company Geoplin plinovodi d.o.o. started its function of gas transmission system operator. As a result of legislative requirements, the entire gas transmission grid and other related essential assets were transferred to the subsidiary. In addition, the majority of employees were likewise reassigned to the newly established company.

Following a successful external assessment, the company's ISO 14001 environmental management certification was renewed in June.

As of September 2005, Mr Boštjan Napast became the Chairman of the new Supervisory Board.

After the end of the financial year, Geoplin successfully completed negotiations with foreign suppliers of natural gas, securing new long-term contracts for the supply of natural gas by a Russian and an Algerian supplier, respectively. Arranging long-term contracts with favourable supply clauses is essential as in the single gas market the position of gas exporting countries becomes more and more stronger, whereas negotiation and supply conditions are becoming tougher.

Prices of selected energy products (excl. levies and taxes) in 2005

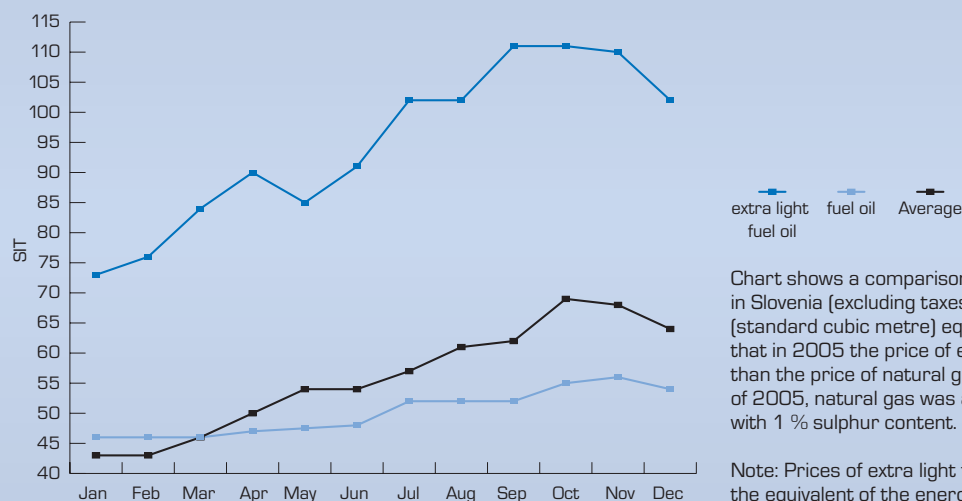


Chart shows a comparison of average sales prices of energy products in Slovenia (excluding taxes, excises and other levies) expressed in Sm³ (standard cubic metre) equivalent. Looking at the data, it is obvious that in 2005 the price of extra light fuel oil was significantly higher than the price of natural gas throughout the year; for the greater part of 2005, natural gas was also cheaper than fuel oil with 1 % sulphur content.

Note: Prices of extra light fuel oil and fuel oil have been calculated to the equivalent of the energy value of 1 m³ of natural gas.

Investment

Legal separation of gas transmission system operator's activities from the trading of natural gas significantly affected the extent and amount of Geoplin's financial investment in development related projects.

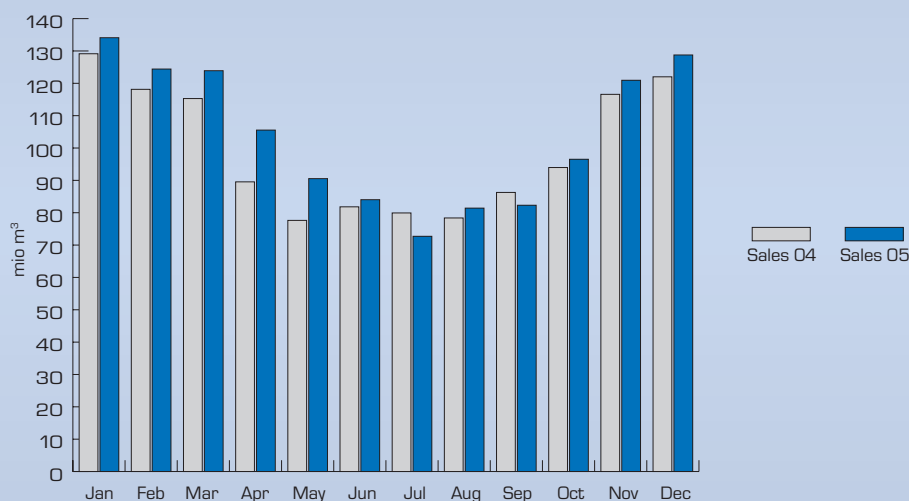
Business Environment

The business environment in 2005 was quite demanding due to economic volatility and specific circumstances in various regions of the world. All this had a severe, global impact on the supply of, and demand for oil, which was reflected in the rising prices of oil and its derivatives. In September 2005 the price of Brent crude (listing: ARA, FOB Breakeven) reached its highest figure ever; 66 percent above the price in January of the same year. Volatile oil prices also affected the purchase prices of natural gas.

Sales prices of gas in Slovenia, however, were additionally affected by the changes in the exchange rate of the US dollar, which grew stronger versus both the tolar and the euro as the year went on.

The result of the volatility of oil prices and the US dollar was a continuous rise of the net sales price of natural gas. In December, it was 31 percent higher than in previous January and almost 47 percent higher than in December of the preceding year. While the prices of fuel in Slovenia inevitably increased in response to the situation on the oil and petroleum derivatives market, natural gas nevertheless remained competitive.

Sales of natural gas in 2005 vs. 2004



Trading of Natural Gas

In 2005, a record 1,245 million cubic metres of natural gas were sold or 4.8 percent more than in the previous year. Record sales volumes were recorded in all the months of 2005 except in July and September:

The increase in sales volumes was the result of several factors:

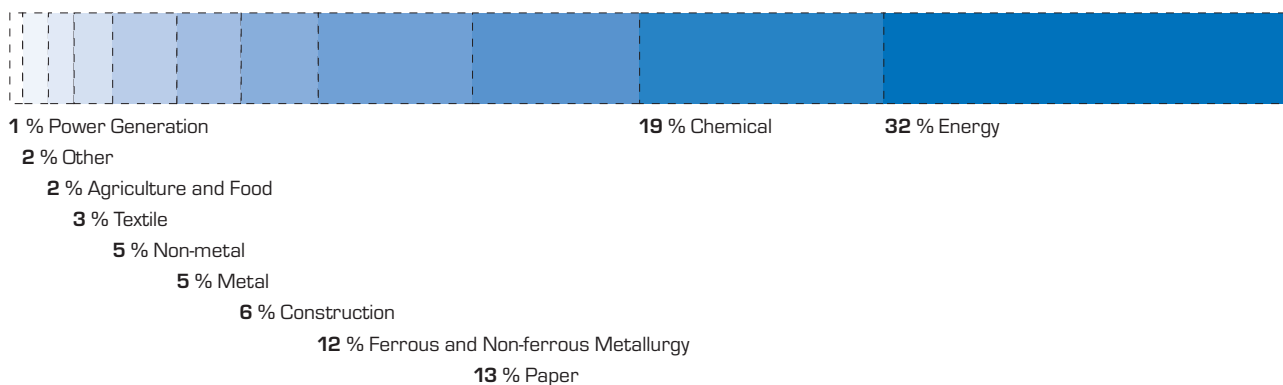
- temperatures falling below the long-term average,
- an increased number of end consumers, and
- increased sale to industrial consumers (metallurgy, chemical, metal and other).

The sources of supply have remained essentially unchanged. Just over one half of natural gas purchased in 2005 was of Russian origin, some 30 percent came from Algeria, and the difference was secured by the contracts with Austrian suppliers. The company met the seasonal demand from storage facilities in Austria and Croatia.

Greater scope of transit services were also recorded, as follows:

- from Austria to Croatia (Ceršak–Rogatec),
- from Italy to Croatia (Gorica–Rogatec), and
- from Austria to Italy (Ceršak–Gorica).

Sales of natural gas in Slovenia by consumer group



Financial Report of Geoplin for 2005



Auditor's Report

To the Shareholders of GEOPLIN d.o.o. Ljubljana

We have audited the accompanying balance sheet of GEOPLIN, d.o.o., Ljubljana, as of 31 December 2005, and the related income statement, the cash flow statement, the statement of changes in equity, and the notes thereto for the year then ended. We also read the Management Report. These financial statements and the notes thereto are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing issued by International Federation of Accountants and other auditing regulations issued by Slovenian Institute of Auditors. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. It also includes an assessment of the compliance of the Management Report with the financial statements, which form a constituent part of the annual report. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above give a true and fair view of the financial position of the Company as of 31 December 2005, the results of its operations, its cash flows and the changes in equity for the year then ended in conformity with Slovenian Accounting Standards issued by Slovenian Institute of Auditors.

The Management Report is in conformity with the audited financial statements.

Srečko Kodrit, B.Sc.Ec.
Certified Auditor

Ljubljana, 3 May 2006

KPMG SLOVENIJA,
podjetje za revidiranje, d.o.o.

Marjan Mahnič, B.Sc.Ec.
Certified Auditor
Managing Director

KPMG Slovenija, d.o.o.

The Auditor's Report has been issued on the Financial Statements and the notes thereto in Slovene.

As of 1 January 2005, Geoplin d.o.o. Ljubljana. The transfer of transmission system operator's activities and the entire pipeline infrastructure along with the majority of employees to the subsidiary company entailed changes in terms of company assets, income, expenses and profit.

Balance Sheet

Balance as of 31 December 2005 amounted to SIT 56.24 billion (EUR 234.8 million), which was 10.2 % more than at the end of the preceding year.

Major changes in the asset structure occurred as a result of the abovementioned unbundling and transfer of business operations. The share of intangible fixed assets and tangible fixed assets fell from 76.5 % to 3.5 %. The value of the transferred energy infrastructure is shown under long-term investments, resulting in the increase of the item by SIT 25.5 billion (as at 1 January 2005).

Higher sales volumes of natural gas in terms of quantity and revenue resulted in an increase in receivables and associated taxes. Even with the volume of inventories remaining the same, the company recorded a 25.9 percent increase in their value on account of higher costs of purchase.

Capital increased by 6.1 % since the beginning of the year and the actual structure of capital has also changed. Following the resolution of the General Assembly, SIT 3.18 billion of net profit from previous periods have been appropriated to other reserves from surplus.

BALANCE SHEET OF THE GEOPLIN AS AT 31. 12. 2005

SIT in thousands

	Balance as at 31. 12. 2005	Balance as at 31. 12. 2004
ASSETS	56,242,415	51,034,720
A. Fixed assets	35,427,935	32,420,860
I. Intangible fixed assets	3,013	331,968
3. Investment property	3,013	331,968
II. Tangible fixed assets	661,867	24,464,046
1. Land and buildings	588,490	19,242,714
a. Land	239,888	878,074
b. Buildings and other real estate	348,602	18,364,640
3. Other plant and equipment	73,091	4,057,537
4. Fixed assets in the process of being acquired	286	1,163,795
b. Tangible fixed assets under construction	286	1,163,795
III. Long term investments	34,763,055	7,624,846
1. Share holdings in subsidiaries	27,808,109	160,488
5. Other long-term share holdings	1,321,827	1,292,947
6. Other long-term receivables	4,466,202	5,006,944
7. Own shares	1,166,917	1,164,467
B. Current assets	20,802,544	18,596,550
I. Inventories	3,817,331	3,348,058
1. Materials and spare parts	0	315,873
3. Merchandise	3,817,331	3,032,185
II. Operating receivables	10,584,766	8,808,340
a. Long-term operating receivables	109,416	476,079
4. Long-term operating receivables from other entities	109,416	476,079
b. Current operating receivables	10,475,350	8,332,261
1. Current operating receivables from customers except II.b.2. and II.b.3.	9,241,971	6,216,864
2. Short-term operating receivables from companies in the group other than associates	83,092	
4. Current operating receivables from other entities	1,150,287	2,115,397
III. Short-term investments	6,375,400	6,436,082
4. Short-term investments - other entities	6,375,400	6,436,082
IV. Cash in banks, cheques, cash in hand	25,047	4,070
C. Deferred costs (expenses) and accrued revenues	11,936	17,310
EQUITY AND LIABILITIES	56,242,415	51,034,720
A. Capital	45,556,368	42,955,811
I. Issued capital	7,388,010	7,388,010
1. Share capital	7,388,010	7,388,010
II. Capital reserves	10,876,105	10,876,105
III. Reserves from surplus	10,464,439	8,785,107
2. Reserves for own shares	1,955,361	1,957,811
4. Other reserves from surplus	8,509,078	6,827,296
IV. Net profit/loss from previous periods	2,566,540	2,848,835
V. Net profit/loss for the period	3,779,422	4,574,095
VI. Equity revaluation adjustment	10,481,852	8,483,659
1. General equity revaluation adjustment	7,839,211	7,839,211
2. Special equity revaluation adjustment	2,642,641	644,448
B. Provisions	1,247,255	2,174,863
3. Other provisions	1,247,255	2,174,863
C. Financial and operating liabilities	9,411,226	5,903,918
a. Long-term financial and operating liabilities	0	0
b. Current financial and operating liabilities	9,411,226	5,903,918
3. Current financial and operating liabilities from advance payments	3,200	13,258
4. Current financial and operating liabilities to suppliers (except C.b.6. and C.b.7.)	5,989,594	4,173,618
6. Short-term operating receivables from companies in the group other than associates	969,019	0
8. Current financial and operating liabilities to other entities	2,449,413	1,717,042
D. Accrued costs (expenses) and deferred revenues	27,566	128
OFF-BALANCE-SHEET LIABILITIES	2,213,318	2,630,087

INCOME STATEMENT FOR THE PERIOD 1. 1. - 31. 12. 2005		SIT in thousands	
		2005	2004
1. Revenue		68.847.239	53.217.771
2. Cost of goods sold		63.081.642	43.947.176
3. GROSS OPERATING YIELD 1 - 2		5.765.597	9.270.595
4. Cost of sales and operation		2.506.996	5.514.887
a. Ordinary cost of sales and operation		2.328.906	5.302.750
b. Operating expenses from revaluation of intangible fixed assets and tangible current assets		5.931	81.457
c. Operating expenses from revaluation of current assets		172.159	130.680
6. Other operating income (incl. operating income from revaluation)		935.401	1.703.181
7. Financial income from share holdings		10.211	8.041
c. Other financial income from share holdings (incl. financial income from revaluation)		10.211	8.041
8. Financial income from long-term receivables		31.970	82.087
c. Other financial income from long-term receivables (incl. financial income from revaluation)		31.970	82.087
9. Financial income from current receivables		1.119.850	1.021.052
a. Financial income from interest and current receivables from subsidiaries		9	19
c. Other financial income from interest and current receivables (incl. financial income from revaluation)		1.119.841	1.021.033
11. Financial expenses arising from interest due and other liabilities		426.827	669.724
c. Other financial expenses arising from interest due and other liabilities		426.827	669.724
13. OPERATING PROFIT 3-4+6+7+8+9-11		4.929.206	5.900.345
14. Extraordinary income		21.695	157.384
15. Extraordinary expenses		451	196
a. Extraordinary expenses excl. equity revaluation adjustment		451	196
16. PROFIT/LOSS FROM EXTRAORDINARY ACTIVITIES 14-15		21.244	157.188
17. Income tax		1.171.028	1.483.438
19. NET PROFIT/LOSS FOR THE PERIOD 13 + 16 - 17		3.779.422	4.574.095
Operating profit	3-4+6	4.194.002	5.458.889
Profit/loss from ordinary activities	3-4+6+7+8+9-11	4.929.206	5.900.345
Net profit/loss	3-4+6+7+8+9-11+14-15	4.950.450	6.057.533
20. Net profit from previous periods		2.566.540	2.848.835
21. Reversal of capital reserves			
22. Reversal of other reserves from surplus			
23. Increase (additional formation) of reserves from surplus			
24. NET DISTRIBUTABLE PROFIT 19 + 20 + 21 + 22 - 23		6.345.962	7.422.930

Income Statement

In the 2005 financial year the company reported SIT 4.93 billion of operating profit while net profit amounted to SIT 3.78 billion, which is equivalent to 5.5 % of net sales revenue. The profits were almost entirely derived from ordinary activities i.e. 85 % from operations and 15 % from financing activities.

The main share of operating income i.e. 87.7 % is represented by revenues from the sales of natural gas on the domestic market, which includes the cost of transmission through the Slovenian gas pipeline network and the sales of gas to Geoplin plinovodi d.o.o.

The cost of purchase of natural gas accounted for 95.6 % of operating expenses. Driven by significantly higher sales volumes, higher costs of purchase and charges for the transmission through the Slovenian gas pipeline network (previously not included in purchase costs), the cost of purchase rose by 43.1 %.

General costs of sales and administration i.e. cost of material, services, labour, other operating expenses, depreciation and access to the transmission grid, accounted for 3.3 % of total expenses. Due to the new organisation structure these costs are not comparable with previous years in any way.

Consolidated Report of the Geoplin Group



Auditor's Report

To the Shareholders of GEOPLIN d.o.o., Ljubljana

We have audited the consolidated financial statements of GEOPLIN, d.o.o., Ljubljana, as of 31 December 2005, consisting of the consolidated balance sheet, the consolidated income statement, the consolidated cash flow statement, the consolidated statement of changes in equity, and the notes thereto for the year then ended. We also read the Management Report on the Group. These financial statements and the notes thereto are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing issued by International Federation of Accountants and other auditing regulations issued by Slovenian Institute of Auditors. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above give a true and fair view of the financial position of the GEOPLIN Group as of 31 December 2005, the results of its operations, its cash flows and the changes in equity for the year then ended in conformity with Slovenian Accounting Standards issued by Slovenian Institute of Auditors.

The Management Report on the Group is in conformity with the audited consolidated financial statements.

Srečko Kodrič, B.Sc.Ec.
Certified Auditor

Ljubljana, 3 May 2006

KPMG SLOVENIJA,

podjetje za revidiranje, d.o.o.

Marjan Mahnič, B.Sc.Ec.
Certified Auditor
Managing Director

KPMG Slovenija, d.o.o.

The Auditor's Report has been issued on the Financial Statements and the notes thereto in Slovene.

BALANCE SHEET OF THE GEOPLIN GROUP AS AT 31. 12. 2005

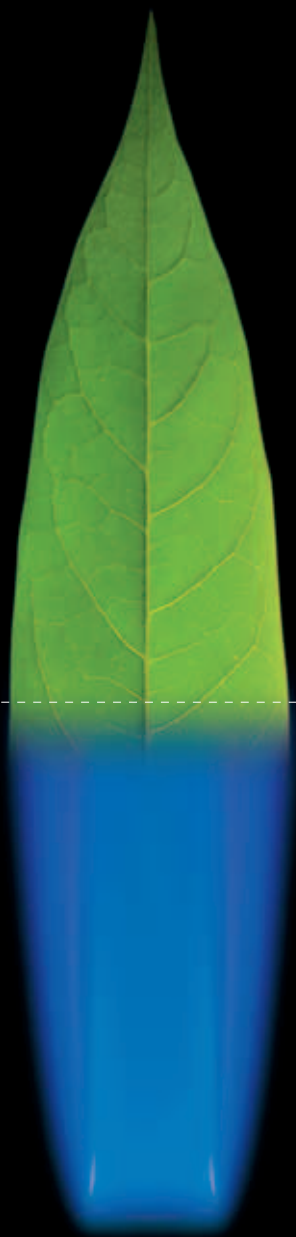
SIT in thousands

	Balance as at 31. 12. 2005	Balance as at 31. 12. 2004
ASSETS	57,370,442	51,035,127
A. Fixed assets	32,028,478	32,319,668
I. Intangible fixed assets	1,565,612	331,968
3. Investment property	1,565,612	331,968
II. Tangible fixed assets	23,438,371	24,464,046
1. Land and buildings	18,224,455	19,242,714
a. Land	888,437	878,074
b. Buildings and other real estate	17,336,018	18,364,640
3. Other plant and equipment	4,081,724	4,057,537
4. Fixed assets in the process of being acquired	1,132,192	1,163,795
b. Tangible fixed assets under construction	1,132,192	1,163,795
III. Long term investments	7,024,495	7,523,654
1. Share holdings in subsidiaries	69,549	59,296
5. Other long-term share holdings	1,321,827	1,292,947
6. Other long-term receivables	4,466,202	5,006,944
7. Own shares	1,166,917	1,164,467
B. Current assets	25,323,994	18,698,149
I. Inventories	4,235,574	3,348,058
1. Materials and spare parts	336,159	315,873
3. Merchandise	3,899,415	3,032,185
II. Operating receivables	10,701,596	8,808,749
a. Long-term operating receivables	164,151	476,079
4. Long-term operating receivables from other entities	164,151	476,079
b. Current operating receivables	10,537,445	8,332,670
1. Current operating receivables from customers except II.b.2. and II.b.3.	9,245,349	6,216,864
4. Current operating receivables from other entities	1,292,096	2,115,806
III. Short-term investments	10,360,612	6,536,082
4. Short-term investments - other entities	10,360,612	6,536,082
IV. Cash in banks, cheques, cash in hand	26,212	5,260
C. Deferred costs (expenses) and accrued revenues	17,970	17,310
EQUITY AND LIABILITIES	57,370,442	51,035,127
A. Capital	45,505,221	42,955,811
I. Issued capital	7,388,010	7,388,010
1. Share capital	7,388,010	7,388,010
II. Capital reserves	10,876,105	10,876,105
III. Reserves from surplus	10,570,668	8,785,167
1. Legal reserves	106,229	60
2. Reserves for own shares	1,955,361	1,957,811
4. Other reserves from surplus	8,509,078	6,827,296
IV. Net profit/loss from previous periods	2,567,672	2,848,835
V. Net profit/loss for the period	5,745,480	4,575,227
VI. Equity revaluation adjustments	8,357,286	8,482,467
1. General equity revaluation adjustment	7,839,211	7,839,211
2. Special equity revaluation adjustment	518,075	643,256
B. Provisions	1,845,766	2,174,863
3. Other provisions	1,845,766	2,174,863
C. Financial and operating liabilities	9,991,889	5,904,325
a. Long-term financial and operating liabilities	0	0
b. Current financial and operating liabilities	9,991,889	5,904,325
3. Current financial and operating liabilities from advance payments	19,640	13,258
4. Current financial and operating liabilities to suppliers (except C.b.6. and C.b.7.)	6,815,545	4,173,618
8. Current financial and operating liabilities to other entities	3,156,704	1,717,449
D. Accrued costs (expenses) and deferred revenues	27,566	128

**INCOME STATEMENT OF THE GEOPLIN GROUP
FOR THE PERIOD 1. 1. - 31. 12. 2005**

SIT in thousands

	2005	2004
1. Revenue	67,740,932	53,217,771
2. Cost of goods sold	56,426,282	43,947,176
3. GROSS OPERATING YIELD 1 - 2	11,314,650	9,270,595
4. Cost of sales and operation	5,685,140	5,515,906
a. Ordinary cost of sales and operation	5,502,098	5,303,769
b. Operating expenses from revaluation of intangible fixed assets and tangible current assets	10,883	81,457
c. Operating expenses from revaluation of current assets	172,159	130,680
6. Other operating income (incl. operating income from revaluation)	1,003,868	1,703,181
7. Financial income from share holdings	10,211	8,041
c. Other financial income from share holdings (incl. financial income from revaluation)	10,211	8,041
8. Financial income from long-term receivables	31,970	82,087
c. Other financial income from long-term receivables (incl. financial income from revaluation)	31,970	82,087
9. Financial income from current receivables	1,236,483	1,023,609
a. Financial income from interest and current receivables from subsidiaries	9	
c. Other financial income from interest and current receivables (incl. financial income from revaluation)	1,236,474	1,023,609
11. Financial expenses arising from interest due and other liabilities	430,128	669,724
c. Other financial expenses arising from interest due and other liabilities	430,128	669,724
13. OPERATING PROFIT 3-4+6+7+8+9-11	7,481,914	5,901,883
14. Extraordinary income	22,227	157,384
15. Extraordinary expenses	548	196
a. Extraordinary expenses excl. equity revaluation adjustment	548	196
16. PROFIT/LOSS FROM EXTRAORDINARY ACTIVITIES 14-15	21,679	157,188
17. Income tax	1,651,944	1,483,784
19. NET PROFIT/LOSS FOR THE PERIOD 13 + 16 - 17	5,851,649	4,575,287
Operating profit/loss	3-4+6	6,633,378
Profit/loss from ordinary activities	3-4+6+7+8+9-11	7,481,914
Net profit/loss	3-4+6+7+8+9-11+14-15	7,503,593
20. Net profit from previous periods	2,567,672	2,848,835
21. Reversal of capital reserves		
22. Reversal of other reserves from surplus		
23. Increase (additional formation) of reserves from surplus	106,169	60
24. NET DISTRIBUTABLE PROFIT 19 + 20 + 21 + 22 - 23	8,313,152	7,424,062



Primary energy sources
come from the Earth's
crust and should be
used wisely for the
benefit of all.



Social Responsibility

Environment

Care for the environment and a responsible attitude and accountability in the implementation of all company operations are an integral part of the operation of Geoplin d.o.o. Ljubljana as well as the Group as a whole. The company has adopted a total management approach in relation to the protection of the environment, which includes ongoing monitoring and environmentally friendly operation. Clear evidence of this is provided by the ISO 14001 environmental management certification, which was again renewed in 2005.

By undertaking the development of infrastructure and making natural gas available to an increasing number of consumers, Geoplin has been making a significant contribution to improving the quality of life in a broader context, as this energy resource is regarded as the cleanest i.e. most environmentally friendly of all fossil fuels.

Local Communities

The nature of the business and the emphatically demonstrated professional attitude dictate that the company establishes constructive relationships with local communities as consumers of natural gas and/or drivers of economic and technological development made possible by natural gas being brought to their doorsteps.

By securing the funds for the enhancement of the gas infrastructure and by supplying an environmentally friendly energy product, the company is doing its part in strengthening the economy and improving the standard of living of local populations.

Sponsorships

Geoplin's involvement in the local and broader environment also extends to financial support of sport and cultural events. This includes the sponsorship of basketball club Geoplin Slovan, which in 2005 achieved some outstanding results. With 34 successive victories in matches played for the national championship, Geoplin Slovan has set an absolute record in the Slovenian basketball league.

Occasionally, Geoplin also gets involved in other community initiatives in Slovenia, such as supporting the Safe House project, fire-fighters and individual local and non-governmental organisations of broader community importance.

Membership in International Organisations

Geoplin is an active member in international associations such as:

- International Gas Union – IGU,
- Eurogas – The European Union of Gas Industry,
- World Energy Council – WEC.

Published by Geoplin d.o.o. Ljubljana

Coordinator: Nada Zupanc

Design, typesetting, production: Gorazd Rovina for Imelda Ogilvy

Copy and created by: Imelda Ogilvy

Photos: Branko Čeak, Gorazd Rovina

Printing: Collegium Graphicum d.o.o.



Geoplin d.o.o. Ljubljana

Trading and Transmission of Natural Gas

Cesta Ljubljanske brigade 11

P. O. BOX 3706, 1001 Ljubljana, Slovenia

Phone: +386 (0)1 58 20 600

Fax: +386 (0)1 58 20 601

www.geoplin.si

