

BUSINESS REPORT

2013

The pure power
of healthy energy

geoplín

BUSINESS REPORT 2013

CONTENTS

STATEMENT BY THE MANAGEMENT BOARD	4
1	
PROFILE OF THE GEOPLIN GROUP	7
2	
OPERATIONS OF THE GEOPLIN GROUP IN 2013	11
3	
QUALITY AND SOCIAL RESPONSIBILITY	17
4	
ANALYSIS OF THE OPERATIONS OF THE GEOPLIN GROUP	19
5	
SUMMARY OF THE FINANCIAL STATEMENTS OF THE GEOPLIN GROUP	21

STATEMENT BY THE MANAGEMENT BOARD



President of the Management Board,
Boštjan Napašt



Member of the Management Board,
Alojz Stana, MBA

The Geoplin Group operated successfully in 2013 in an otherwise demanding business environment. The Group exceeded its key objectives in terms of the physical scope of operations, i.e. the volume of natural gas sales and the sale of transmission capacities via the natural gas transmission system. The net sales revenue generated by the Group in the amount of EUR 350.2 million was 2.6% lower than planned primarily on account of the lower average natural gas selling price due to the effect of the US dollar/euro exchange rate and movement in the prices of oil and refined petroleum products. At EUR 12.8 million, the net profit generated by the Group in 2013 was higher than planned. The successful implementation of the Group's investment development plan for the gas transmission infrastructure by Plinovodi continued in 2013.

The key activities of the parent company Geoplin focused on the core business of trading natural gas on the domestic and foreign markets, providing a reliable supply of natural gas to Slovenian customers and optimising purchasing sources, transmission channels and natural gas inventories. A total of 857.4 million m³ of natural gas was sold in 2013, a decrease of 18.3% relative to 2012, primarily as the result of a decrease in the volume of sales on foreign markets owing to the inability to execute swap transactions, and to a lesser extent due to the contraction in economic activity in Slovenia and the resulting decline in the use of natural gas, and on account of hydrometeorological conditions and improved energy efficiency on the domestic market. A large number of sales agreements expired at the end 2013. Cooperation was extended with the vast majority of customers. Geoplin maintained its competitiveness in part by introducing new natural gas-related products and services. The company also developed a range of energy services that it offered to its partners. Geoplin optimised its natural gas purchasing sources and inventories, and balanced sales and purchase activities. The company provided its customers a smooth supply of natural gas throughout the year, and provided services to ensure a balanced and reliable supply.

As system operator, Plinovodi ensured the uninterrupted transmission of natural gas all year. A total of EUR 52 million was invested in the gas transmission infrastructure. The most important achievements included the opening of the parallel M2/1b Rogaška Slatina-Trojane pipeline for operations on the Rogaška Slatina-Podlog section, the acquisition of the requisite operating license for the parallel M2/1 Rogaška Slatina-Trojane pipeline on the Podlog-Trojane section, construction of the Trojane-Vodice pipeline and the upgrading of the compressor station in Kidričevo.

Changes on the European natural gas market, particularly the revival of trading at trading hubs, the normative liberalisation of the European gas market and the economic crisis led to changing market conditions in 2013. The poor solvency of certain domestic customers was a pressing issue that required a more active approach to the collection and collateralisation of the company's claims. Risks were identified, monitored and managed according to adopted and established risk management procedures.

Alojz Stana, MBA
Member of the
Management Board



Boštjan Napast
President of the
Management Board





You cannot go upwards and onwards if you are not capable of humble respect for nature. When you entrust it with your dreams, it repays you with the benevolence and generosity of the best of friends.

1 PROFILE OF THE GEOPLIN GROUP

GEOPLIN GROUP

The Geoplin Group comprises the parent company Geoplin d. o. o. Ljubljana and two subsidiaries, Plinovodi d. o. o. and Geocom d. o. o., which are fully owned by the parent company.

As independent legal entities, subsidiaries prepare their own reports in accordance with the law. In addition to the parent company, the consolidated financial statements for 2013 also include the subsidiary Plinovodi d. o. o., while the subsidiary Geocom d. o. o. was inactive in 2012 and 2013, and its inclusion in the consolidated financial statements is not relevant to the presentation of the financial position or performance of the Group.

Geoplin also holds a one third ownership stake in the associated company GGE d. o. o., a company offering energy-related services.

Plinovodi

The subsidiary Plinovodi d. o. o. is the natural gas transmission network system operator, for which it is registered with the Energy Agency of the Republic of Slovenia as independent transmission system operator. The tasks of the company are to manage, develop and increase the capacity of the gas transmission network in Slovenia.

Together with the Russian company Gazprom, Plinovodi established the company Južni tok Slovenija d. o. o. in 2012, in which each company holds a 50% participating interest.

Geocom

Geocom d. o. o. is registered for natural gas trading and satisfies requirements for such trading. The aforementioned company did not perform any trading activities in 2013.

GEOPLIN

The company Geoplin d. o. o. Ljubljana was established in 1975 based on an agreement concluded in 1974 with future natural gas customers. The company is registered for and satisfies requirements to engage in supply, trade, representation and intermediation on the natural gas market. These have been the company's core activities since mid-1978. The company is the key and largest supplier of natural gas in Slovenia, supplying the aforementioned energy product to the majority of large industrial consumers, distributors and users engaged in other activities that are for the most part directly connected to the Slovenian natural gas transmission network. It also operates on foreign markets, where it supplies natural gas and provides services. It has the necessary and diversified purchase sources and transportation and storage capacities to ensure the reliable supply of natural gas.

MISSION OF GEOPLIN

The company will provide the competitive, reliable and flexible supply of natural gas to customers, while maintaining a sustainable level of profitability.

Through its operations, Geoplin creates:

- **benefits for customers** by providing the competitive, reliable, flexible and long-term supply of natural gas and electricity to the corporate sector and households. It also offers customers energy-related services;
- **benefits for owners** by ensuring the company's long-term existence and long-term sustainable profitability;
- **benefits for employees** by providing a suitable work environment, and the opportunity for professional development; and
- **benefits for the wider environment** by ensuring the environmentally acceptable supply of energy products, and responsibility for the natural and social environment.

VISION OF GEOPLIN

Geoplin will maintain its position as the leading seller of natural gas in Slovenia, and will also focus its core activities on neighbouring countries. The company's range of products and services will be adapted to the needs of the market, with an emphasis on the competitiveness and reliability of supply. Geoplin will seek new development opportunities in the energy sector in Slovenia and elsewhere by offering other energy products and services on the domestic and foreign markets.

OBJECTIVES OF GEOPLIN

Geoplin has clearly defined strategic policies. The most important strategic objectives can be summed up as follows:

1. to expand operations to foreign markets, primarily Croatia, Austria, Italy and Hungary;

2. to introduce new energy products and services, including services in the wholesale [B2B] segment, electricity sales, portfolio optimisation and trading;
3. to increase the company's presence on the retail market via partnerships, internal growth and/or acquisitions; and
4. to include itself in energy projects, including CHP projects with the company's subsidiary.

OWNERSHIP STRUCTURE OF GEOPLIN AS AT 31 DECEMBER 2013

As at 31 December 2013, the company had 20 stakeholders who together comprise Geoplin's stakeholders' assembly. The ownership structure of Geoplin was unchanged in 2013.

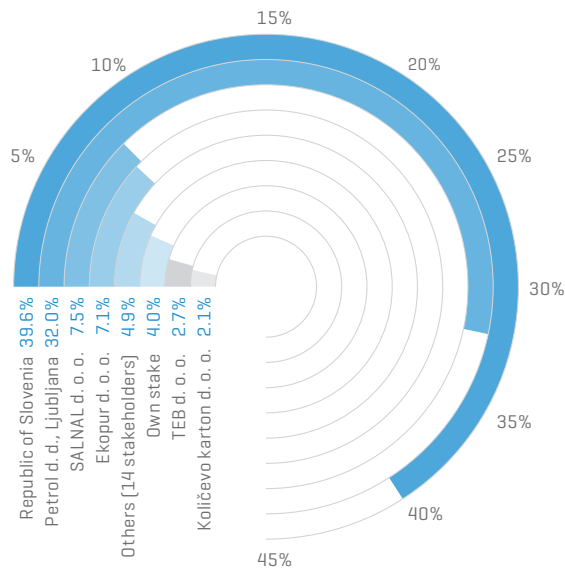
The stakeholders' assembly met twice.

ORGANISATIONAL CHART AND MANAGEMENT OF GEOPLIN

A new Supervisory Board was established at the end of 2013, while the composition of other management bodies was unchanged.

The Supervisory Board functioned in the following composition until 28 June 2013: Dr Matjaž Novak [Chairman], Iztok Bajda [Deputy-Chairman], Tomaž Berložnik and Tomaž Orešič as stakeholder representatives, and Boris Tertnik and Katarina Žgajnar, MSc as employee representatives. The term of office of employee representatives expired on the aforementioned date. The Works Council therefore elected and appointed Simon Jelovčan and Tanja Pečjak as new members of the company's Supervisory Board, with a four-year term of office that began on 28 June 2013. On 19 December 2013, the stakeholders' assembly recalled members of the Supervisory Board Dr Matjaž Novak and Tomaž Orešič, and appointed Andrej Ribič and Mojca Soža, MSc as new members of the aforementioned body. The four-year term of office of the new members of the

OWNERSHIP STRUCTURE OF GEOPLIN AS AT 31 DECEMBER 2013



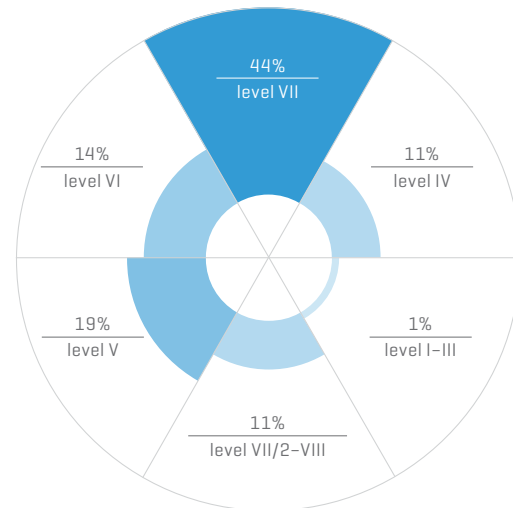
Supervisory Board began on 19 December 2013. At the constitutive session of the Supervisory Board held on 20 December 2013, Andrej Ribič was appointed Chairman and Tomaž Berločnik Deputy Chairman of the Supervisory Board. The Supervisory Board met at seven regular sessions, one extraordinary session and one correspondence session, and met at the aforementioned constitutive session in its new composition.

The company was led and represented throughout the year by a two-member Management Board comprising Boštjan Napast, President of the Management Board and Alojz Stana, MBA, member of the Management Board.

ORGANISATION OF THE GEOPLIN GROUP AND EMPLOYEES

The internal organisational structure of the Geoplin Group is adapted to the requirements of business processes and harmonised with the EU's Third Energy Package, which required the full functional segregation of work processes between the parent company and the subsidiary Plinovodi due to the latter's certification as an inde-

EDUCATIONAL STRUCTURE OF EMPLOYEES IN THE GEOPLIN GROUP AS AT 31 DECEMBER 2013



pendent transmission operator. The appropriate adaptations were made in 2011.

The educational structure of employees reflects their high level of professional qualifications and the specific knowledge required for the high-quality implementation of activities. As at 31 December 2013, more than two thirds of employees had at least a higher education. The educational structure is generally improving with new hires.

The Geoplin Group had 193 employees as at 31 December 2013, three more than at the end of 2012.

Geoplin and Plinovodi encourage and provide their employees professional education and training with the aim of acquiring additional expertise and skills. Due to the nature of its activity, ensuring a high level of occupational health and safety is crucial, particularly at Plinovodi, where it is one of the company's permanent priorities.



Where we are headed, there is no road.
There is only the promise of light.
A premonition of happiness. When we
share it, the image becomes more
solid. From moment to moment, to the
boundary where it merges with life.

2 OPERATIONS OF THE GEOPLIN GROUP IN 2013

BUSINESS ENVIRONMENT IN 2013

The year 2013 was characterised by a recovery in the majority of euro area countries, while negative domestic factors continued to hamper the recovery of the Slovenian economy. Following a decline in 2012, economic growth was down slightly (by 0.5%) in the euro area. However, there has been a positive shift in that decline in recent years.

The price of Brent_{ARA} averaged USD 111.58/barrel (EUR 81.74/barrel) in 2013. The prices of

natural gas at the nearest trading hub in Austria averaged EUR 27.15/MWh, an increase of 2.9% relative to 2012. The US dollar/euro exchange rate fluctuated between 1.27 USD/EUR and 1.38 USD/EUR during the financial year. Due to improved macroeconomic data for the EU, the euro began to strengthen during the summer, and rose to 1.38 in relation to the US dollar in December. The exchange rate averaged 1.328 USD/EUR in 2013.

The price of Brent Crude on the London Exchange has risen since July 2013 due to possible

US intervention in Syria. The price per barrel reached USD 117 in September, the highest price since February. Geopolitical risks remain unpredictable and frequently provide additional impetus for the fluctuation of market prices. The price of oil stabilised at the end of the year, and is now fluctuating at between USD 105 and USD 110 per barrel. Excluding oil, the basic cyclical trend in other commodities is influenced more by macroeconomic and currency trends than by geopolitical tensions in the Middle East.

The level of consumption of natural gas, particularly in the general consumption (distribution) segment, is highly dependent on outside air temperature, especially during the peak heating season [e.g. the first and last quarters of the calendar year], while there is practically no consumption sensitivity in the industrial segment related to outside air temperature. January and February did not deviate significantly in terms of temperature, while March was 3.5°C colder than the average of the last five years [e.g. 2008 to 2012], and 7.4°C colder than the same period in 2012. Summer air temperatures in Ljubljana were in line with the average values from previous years, while the winter months were significantly warmer, which affected the level of consumption. A deviation of +/- 1°C during the heating season translates to around +/- 100,000 m³/day.

TRADING, TRANSPORT AND TRANSMISSION OF NATURAL GAS

Within the Geoplin Group, Geoplin performs the activities of trading and transporting natural gas for contracted partners, while the system operator Plinovodi is responsible for the transmission of natural gas via the gas transmission network.

Geoplin operates on the fully liberated natural gas market where customers are free to choose their natural gas supplier and independently regulate their access to the natural gas transmission network via the system operator.

The company's core activities were natural gas trading and the provision of related services on the Slovenian market and on the foreign mar-

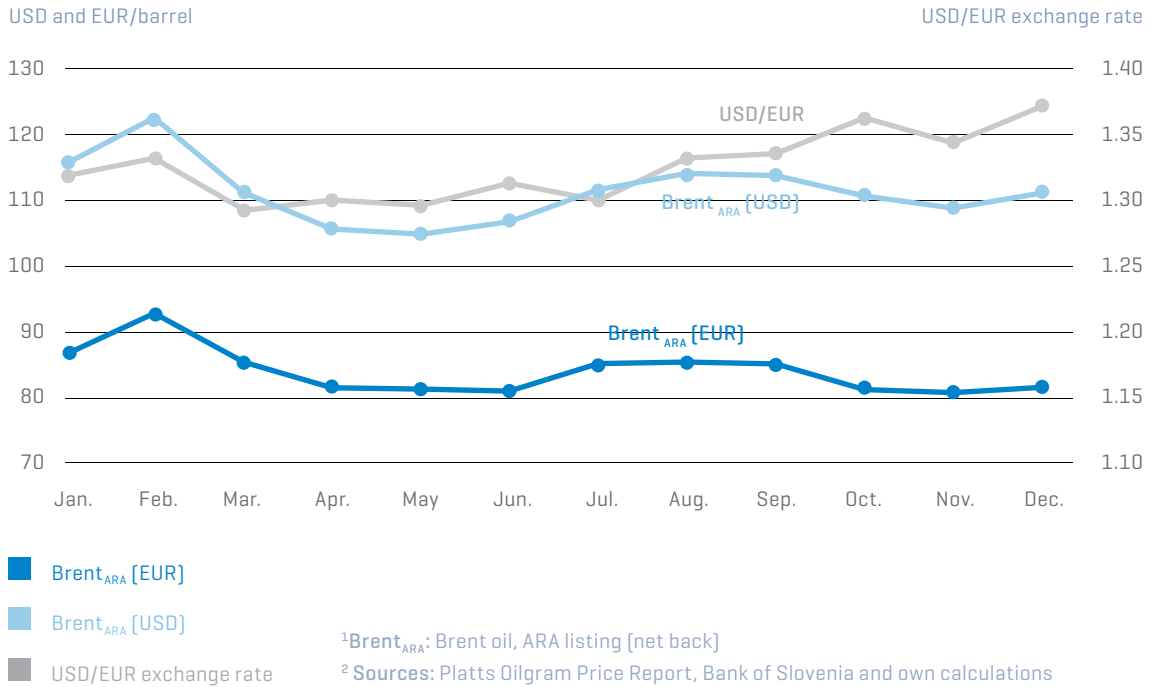
kets of neighbouring countries. A large number of sales agreements expired at the end 2013. Cooperation was extended with the vast majority of customers. The level of sales prices is converging with the level of prices at trading hubs, while the length of agreements is also shortening. The price of natural gas under long-term agreements has changed in line with movements in the prices of oil and refined petroleum products and the US dollar/euro exchange rate. Despite the adverse market conditions, the company has successfully maintained its market share and position as the leading supplier, and continues to be a key factor in the reliable supply of natural gas in Slovenia.

A total of 857.4 million Sm³ of natural gas was sold in 2013, 81.6% of that amount on the domestic market and 18.4% abroad. Total sales were down 18.3% relative to 2012, primarily as the result of a decrease in the volume of sales on foreign markets owing to the inability to execute swap transactions [on account of a disruption in the supply flow from Italy], due to the contraction in economic activity in Slovenia and the resulting decline in the use of natural gas, and on account of above average temperatures during the final three months of 2013 [i.e. during the heating season] and improved energy efficiency on the domestic market.

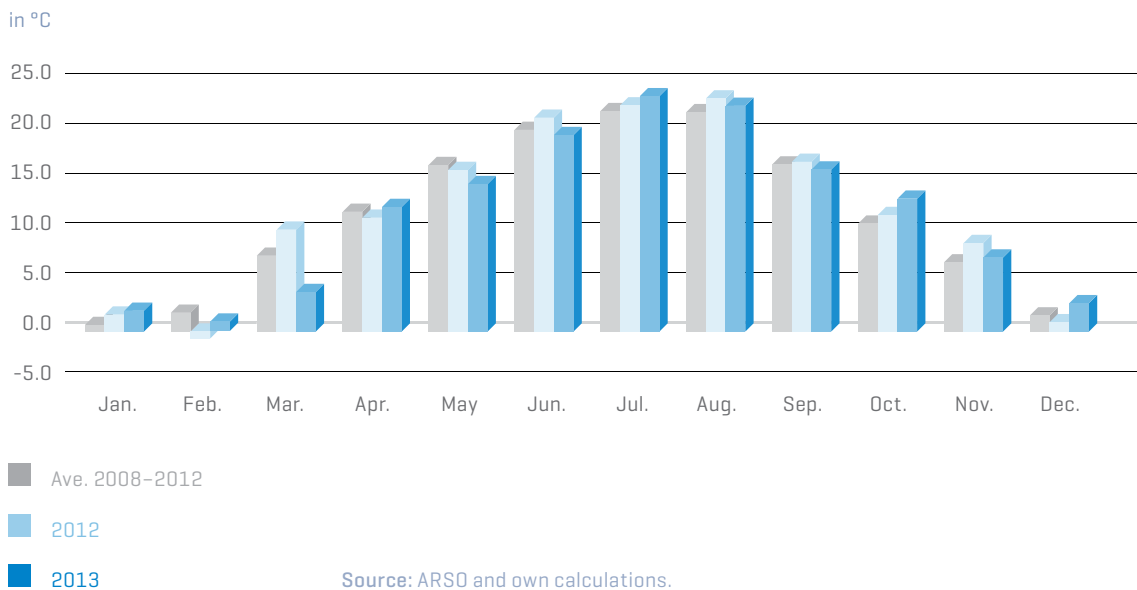
Geoplin supplied its customers with natural gas in 2013 without disruptions, and in line with contractual provisions and customers' needs. Special and other customers were ensured a reliable supply, at a minimum to the extent envisaged by the relevant legislation. Balancing services are provided to customers in the scope of Geoplin's balance group with the system operator, while major customers were included in the daily consumption forecast system.

A project to establish an internal balance group in Austria was launched during the final quarter. This required membership in the CEGH gas exchange and thus the establishment of a relationship with the relevant bank for the execution of clearing transactions. For trading needs, the company continued to harmonise and validate with existing and potential business partners the mutual conditions for master agreements and the bases for credit lines for trading in the standard EFET form.

FLUCTUATION OF AVERAGE MONTHLY PRICES OF BRENT_{ARA}¹ IN EUR AND USD, AND THE USD/EUR EXCHANGE RATE IN THE PERIOD JANUARY TO DECEMBER 2013²

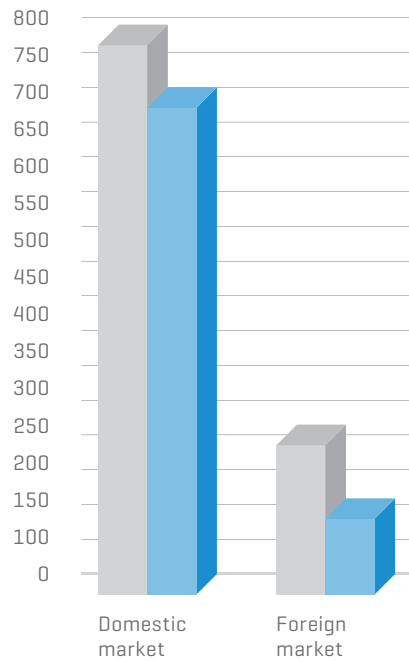


AVERAGE AIR TEMPERATURES IN LJUBLJANA



STRUCTURE OF NATURAL GAS SALES

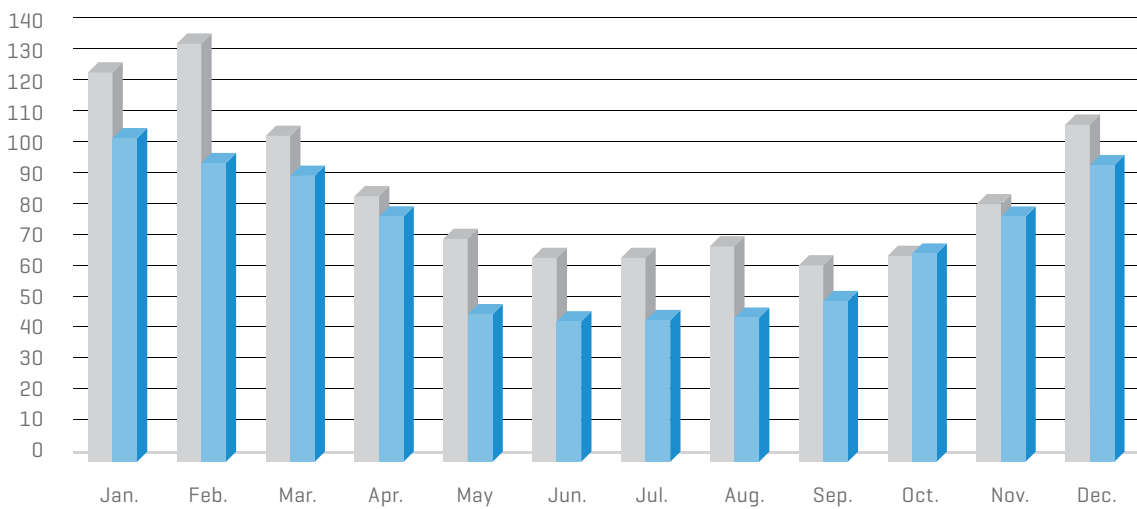
In million Sm³



■ 2012 turnover
■ 2013 turnover

NATURAL GAS SALES BY MONTH

In million Sm³



■ 2012 turnover
■ 2013 turnover

Geoplin purchased natural gas from foreign suppliers based on long-term and short-term agreements with the aim of supplying its customers in 2013. Long-term purchasing sources, other sources, leased storage capacities, natural gas inventories and leased transport capacities on foreign transmission networks ensured a highly reliable supply.

The transmission of natural gas via the gas transmission network by the system operator in 2013 was in line with plans and without major disruptions. There were likewise no disruptions in the supply of natural gas during the aforementioned period. Around 850 million Sm³ of natural gas was transmitted for users in Slovenia, down slightly on the previous year due to temperatures during the first and last quarters, and the economic situation.

RISK MANAGEMENT

Risk management within the Geoplin Group includes mechanisms for monitoring, identifying and managing risks. Rapid and intensive changes to the environment in which the Group operates and commercial and financial risks can have a significant impact on its operations and business results.

The operations of the parent company Geoplin were characterised in 2013 primarily by the adverse conditions on the Slovenian natural gas market, conditions on regional markets and by the financial and economic crisis.

All risks were monitored, identified and managed on an ongoing basis in accordance with adopted and valid risk management procedures.

INVESTMENTS

The Geoplin Group made total investments of EUR 52.3 million in 2013. The majority of the aforementioned amount related to investments to increase natural gas transmission capacities made by Plinovodi, in accordance with its ten-year plan, and other investments in the gas transmission system. The most important achievements included the opening of the parallel M2/1b Rogaška Slatina–Trojane pipeline for operations on the Rogaška Slatina–Podlog section, the acquisition of the requisite operating license for the parallel M2/1 Rogaška Slatina–Trojane pipeline on the Podlog–Trojane section, construction of the Trojane–Vodice pipeline and the upgrading of the compressor station in Kidričevo.

Geoplin invested EUR 0.32 million in intangible assets and property, plant and equipment in 2013.



Infinite is the heritage of the knowledge left to us by the generations who came before us. The wise are not afraid to reach into it, so as to be able to go further, higher and faster.

3 QUALITY AND SOCIAL RESPONSIBILITY

Due to the nature of its business activities, the Geoplin Group operates in accordance with the principles of sustainable development, which focus primarily on environmental management and social responsibility. The key emphases are on promoting the use of natural gas as the most ecologically acceptable fossil fuel, which in turn promotes a reduction of the burden on the natural environment.

The parent company's objective in terms of quality and socially responsible operations is to respect the interests of all stakeholders that the company encounters in its business activities: owners, business partners, employees, the environment and local communities. Through prudent operations, the reliable supply of natural gas and socially responsible conduct, Geoplin creates benefits and contributes to the improved quality of the wider environment. 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 the company's mission in the scope of its strategic and communication plans. Activities relating to the quality of operations are aimed at improving business processes and reducing impacts on the environment, taking into account the principles of the company's environmental policy.

ENVIRONMENTAL ACTIVITIES

Geoplin is aware that environmental management is an ongoing process that must be continually adapted to new legislative requirements and changes in the environment. 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. In the scope of corporate communication in 2013, the company once again empha-

sized the benefits of natural gas as an environmentally friendly energy source.

SOCIALLY BENEFICIAL ACTIVITIES

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 were aimed at strengthening the positive image of Geoplin in Slovenia, as a supporter of sports, culture, science, healthcare and humanitarian activities.

Key sponsorship activities in the area of sports

Ski Association of Slovenia
Athletics Association of Slovenia
Primož Kozmus Agency

Key sponsorship activities in the area of culture

Slovenian National Theatre Maribor
Ljubljana Festival



Plinko project for children

Plinko is a storybook character for children, who was created in 2013 by Energetika.NET and Geoplin. The theme and purpose of the project is to learn about natural gas, show how it is extracted and used, and to teach young children about the importance of environmental protection.





Vesna Fabjan

The greatest stories are not ones that you can write alone. They come alive when you breathe with others as one. When you fall into step together and wordlessly follow the same ideas. Hand in hand, until the last breath.

4 ANALYSIS OF THE OPERATIONS OF THE GEOPLIN GROUP

The business environment was characterised by the financial and economic crisis in 2013. Key data and performance indicators for the Geoplin Group are presented below. They are summarised from the financial statements, which are presented in full in the next section.

The Geoplin Group generated net sales revenue of EUR 350.2 million and a net profit of EUR 12.8 million in 2013. Net sales revenue was down 27% on the previous year. Expenses from ordinary operations totalled EUR 342 million. The historical cost of goods sold accounts for 85% of the aforementioned expenses and was down 31% on the expenses incurred in 2012. Other expenses amounted to EUR 50.8 million in 2013, an increase of 15% relative to the previous year, primarily on account of provisions, and amortisation and depreciation.

Despite the 27% decline in net sales revenue, EBITDA was down 6% on 2012, primarily due

to a decline in quantities of natural gas sold owing to warmer winter months at the end of 2013 and the adverse economic conditions. The aforementioned was, however, 37% higher than planned. EBIT was down 45% on 2012 primarily due to one-off business events, such as the creation of provisions, and owing to somewhat higher amortisation and depreciation costs.

The Group's total assets were up 4.2% in 2013 as the result of investments in the gas transmission infrastructure by the system operator (Pli-novodi). Investments totalled EUR 52.3 million, 3.2 times the amortisation and depreciation charged by the Group in 2013.

The Group's total equity as at 31 December 2013 was up 2.2% on the end of 2012 as the result of the net effect of net profit generated in 2013, the payment of dividends to stakeholders by the parent company in 2013 and the minor effect of a change in the capital revaluation adjustment in 2013.

SUMMARY OF SELECTED KEY DATA ON THE PERFORMANCE OF THE GEOPLIN GROUP

		2013 actual	2012 actual	Index 2013/12
NET SALES REVENUE	million EUR	350.2	482.3	72.6
GROSS PROFIT OR LOSS	million EUR	59.4	61.6	96.4
EBIT	million EUR	11.7	21.2	55.4
EBITDA	million EUR	44.8	47.9	93.6
NET PROFIT OR LOSS	million EUR	12.8	15.5	82.7
ASSETS	million EUR	472.7	453.5	104.2
EQUITY	million EUR	295.7	289.3	102.2
INVESTMENTS IN INTANGIBLE ASSETS/PROPERTY, PLANT AND EQUIPMENT	million EUR	52.3	38.6	135.7
EMPLOYEES AS AT 31 DECEMBER	number	193	190	101.6
NATURAL GAS SALES	in million Sm ³	857.4	1,049.3	81.7
TRANSMITTED QUANTITIES	in million Sm ³	1,905.5	1,828.9	104.2
AVERAGE LEASED TRANSMISSION CAPACITIES	in million Sm ³ /day/year	10.6	10.0	106.0

The impressive technical heritage of this area merges into the fraction of a second when you start to push forwards. To the heart of the home. There, where successes count the most because you share them with your loved ones. With hearts that are near.



5 SUMMARY OF THE FINANCIAL STATEMENTS OF THE GEOPLIN GROUP

The financial statements of Geoplin and its subsidiaries were compiled in accordance with the Slovenian Accounting Standards and the Companies Act, taking into account the Energy Act and the basic accounting policies set out in Geoplin's Accounting Rules.

Uniform accounting policies were applied in the individual financial statements of subsidiaries for similar business events.



BALANCE SHEET OF THE GEOPLIN GROUP AS AT 31 DECEMBER 2013

	Balance in EUR as at 31 Dec 2013	Balance in EUR as at 31 Dec 2012
Assets	472,709,793	453,471,484
A NON-CURRENT ASSETS	341,339,901	309,678,916
I. Intangible assets and non-current deferred expenses and accrued revenue	26,365,456	27,328,845
1. Long-term property rights	24,939,440	25,787,721
4. Other non-current deferred expenses and accrued revenue	1,426,016	1,541,123
II. Property, plant and equipment	296,982,814	261,718,363
1. Land and buildings	207,843,932	184,674,052
a) land	7,642,269	8,669,919
b) buildings	200,201,663	176,004,134
3. Other plant and equipment	37,801,886	39,996,697
4. Property, plant and equipment in acquisition	51,336,996	37,047,614
a) Property, plant and equipment under construction or in production	51,336,996	37,047,614
IV. Non-current financial investments	15,361,914	18,851,998
1. Non-current financial investments, excluding loans	4,562,837	5,463,388
a) Shares and participating interests in group companies	242,515	242,515
b) Shares and participating interests in affiliates and jointly controlled entities	1,150,000	1,150,000
c) Other shares and participating interests	3,170,322	4,070,873
2. Long-term loans	10,799,077	13,388,609
b) Long-term loans to others	10,799,077	13,388,609
VI. Deferred tax assets	2,629,717	1,779,711
B CURRENT ASSETS	130,734,268	143,148,891
II. Inventories	31,563,763	39,815,017
1. Materials	1,159,004	1,143,350
3. Merchandise	30,404,759	38,671,667
III. Current financial investments	35,081,182	24,395,879
2. Short-term loans	35,081,182	24,395,879
b) Short-term loans to others	35,081,182	24,395,879
IV. Current operating receivables	63,131,072	75,297,836
2. Current trade receivables	59,517,097	71,604,922
3. Other current operating receivables	3,613,975	3,692,914
V. Cash and cash equivalents	958,251	3,640,159
C CURRENT DEFERRED EXPENSES AND ACCRUED REVENUES	635,624	643,677

	Balance in EUR as at 31 Dec 2013	Balance in EUR as at 31 Dec 2012
Equity and liabilities	472,709,793	453,471,484
A EQUITY	295,694,076	289,347,187
I. Called-up capital	30,829,620	30,829,620
1. Share capital	30,829,620	30,829,620
II. Share premium account	78,097,630	78,097,630
III. Revenue reserves	169,294,640	164,925,225
1. Legal reserves	1,933,169	1,933,169
2. Reserves for treasury shares and own participating interests	8,159,575	8,159,575
3. Treasury shares and own participating interests (as deductible item)	-4,869,459	-4,869,459
5. Other revenue reserves	164,071,355	159,701,940
IV. Revaluation surplus	689,590	29,149
V. Retained earnings	4,000,000	0
VI. Net profit or loss for the financial year	12,782,596	15,465,563
B PROVISIONS AND NON-CURRENT ACCRUED EXPENSES AND DEFERRED REVENUE	50,046,264	37,961,493
1. Provisions for jubilee awards and severance pay	728,961	752,759
2. Other provisions	12,929,685	435,925
3. Non-current accrued expenses and deferred revenue	36,387,618	36,772,809
C NON-CURRENT LIABILITIES	65,768,733	54,609,740
I. Non-current financial liabilities	65,121,951	47,073,171
2. Non-current financial liabilities to banks	65,121,951	47,073,171
II. Non-current operating liabilities	646,782	7,536,569
4. Non-current operating liabilities based on advances	0	0
5. Other non-current operating liabilities	646,782	7,536,569
D CURRENT LIABILITIES	57,699,189	69,118,264
II. Current financial liabilities	2,658,958	7,751,220
2. Current financial liabilities to banks	2,658,958	7,751,220
III. Current operating liabilities	55,040,231	61,367,044
2. Current trade payables	44,290,314	50,563,828
4. Current operating liabilities based on advances	229,683	115,803
5. Other current operating liabilities	10,520,234	10,687,413
E CURRENT ACCRUED EXPENSES AND DEFERRED REVENUE	3,501,531	2,434,800

INCOME STATEMENT OF THE GEOPLIN GROUP FOR THE 2013 FINANCIAL YEAR

	in EUR 2013	in EUR 2012
1. Net sales revenue	350,207,554	482,324,315
2. Historical cost of goods sold	290,793,762	420,717,126
3. GROSS SALES	59,413,792	61,607,189
4. Sales and administrative costs	50,820,277	44,087,136
a) Sales and administrative costs	46,614,739	33,185,314
b) Revaluation operating expenses associated with intangible assets, and property, plant and equipment	1,154,067	675,084
c) Revaluation operating expenses associated with working capital	3,051,471	10,226,738
6. Other operating revenue (including revaluation operating revenue)	3,141,319	3,644,724
7. Finance income from participating interests	135,954	159,665
c) Finance income from participating interests in other companies	135,954	159,665
8. Finance income from loans granted	2,206,232	2,464,788
b) Finance income from loans to others	2,206,232	2,464,788
9. Finance income from operating receivables	8,366,310	1,476,644
b) Finance income from other operating receivables	8,366,310	1,476,644
10. Finance costs from impairments and write-downs of financial investments	4,199,189	754,072
11. Finance costs from financial liabilities	2,189,347	596,840
b) Finance costs from bank loans	2,174,347	596,840
d) Finance costs from other financial liabilities	15,000	0
12. Finance costs from operating liabilities	724,785	5,542,212
b) Finance costs from trade payables and bills of exchange liabilities	724,785	5,542,212
13. Other revenue	102,686	231,754
14. Other expenses	975,676	0
15. Income tax	2,961,000	3,370,257
16. Deferred tax	-1,286,577	-231,316
17. NET PROFIT OR LOSS FOR THE PERIOD	12,782,596	15,465,563



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REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the owners of the company Geoplin d.o.o. Ljubljana

The accompanying summary consolidated financial statements, which comprise the summary consolidated balance sheet as at 31 December 2013, and the summary consolidated income statement for the year then ended, and related notes, are derived from the audited financial statements of the Geoplin Group, Ljubljana, for the year ended 31 December 2013. In our report dated 12 March 2014, we expressed an unmodified audit opinion on those financial statements.

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

Management's Responsibility for the Summary Financial Statements

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

Auditor's 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 consolidated financial statements of the Geoplin Group, Ljubljana, for the year ended 31 December 2013 are consistent, in all material respects, with those consolidated financial statements.

DELOITTE REVIZIJA d.o.o.

Aleš Grm
Certified auditor

For signature please refer to the original Slovenian version.

Yuri Sidorovich
President of the Board

Ljubljana, 16 June 2014

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Ljubljana, Slovenija 3

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POROČILO NEODVISNEGA REVIZORJA O POVZETKIH SKUPINSKIH RAČUNOVODSKIH IZKAZOV***Lastnikom družbe Geoplin d.o.o. Ljubljana***

Priloženi povzetki skupinskih računovodskih izkazov, ki vključujejo povzetek skupinske bilance stanja na dan 31. decembra 2013 ter povzetek skupinskega izkaza poslovnega izida za tedaj končano leto ter ustrezna pojasnila v zvezi z njimi, izhajajo iz revidiranih računovodskih izkazov skupine Geoplin, Ljubljana, za leto, ki se je končalo 31. decembra 2013. V našem poročilu z dne 12. marca 2014 smo o teh računovodskih izkazih izrazili neprilagojeno revizijsko mnenje.

Povzetki skupinskih računovodskih izkazov ne vsebujejo vseh razkritij, ki jih zahtevajo slovenski računovodski standardi in Zakon o gospodarskih družbah. Zato branje povzetkov računovodskih izkazov ni nadomestilo za branje revidiranih skupinskih računovodskih izkazov skupine Geoplin, Ljubljana.

Odgovornost posloводства za povzetke računovodskih izkazov

Posloводство je odgovorno za pripravo povzetkov revidiranih računovodskih izkazov.

Revizorjeva odgovornost

Naša odgovornost je izraziti mnenje o povzetkih računovodskih izkazov na podlagi naših postopkov, ki so bili opravljeni v skladu z Mednarodnim standardom revidiranja (MSR) 810 – Posli poročanja o povzetkih računovodskih izkazov.

Mnenje

Po našem mnenju so povzetki skupinskih računovodskih izkazov, ki izhajajo iz revidiranih računovodskih izkazov skupine Geoplin, Ljubljana za leto, ki se je končalo 31. decembra 2013, v vseh pomembnih pogledih skladni s temi skupinskimi računovodski izkazi.

DELOITTE REVIZIJA d.o.o.

Aleš Grm
Pooblaščen revizorYuri Sidorovich
Predsednik uprave

Ljubljana, 16. junij, 2014

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Ljubljana, Slovenija 3

Business Report 2013

Geoplin d.o.o. Ljubljana

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