



Annual Report | **NEVITEL**

2004



Introductory word from the Chairman of the Board of Directors



Ing. Alexander Néveri

General Director and the Chairman of the Board of Directors

Dear ladies and gentlemen,

We can evaluate year 2004 as yet another one of the series of successful years for the NEVITEL, a.s. joint stock company.

The success of a company is, as a rule, assessed upon the development of its turnover or profit. If we take a look at the achieved turnover in 2004, we can state, that it was lower than in the previous year. However, we primarily pursue other goals and criteria.

The telecommunication market is very flexible, and a player on this demanding market is expected to be able to adjust to the changing requirements and conditions. NEVITEL is able to react to those rapid changes. To a large extent we depend on the investment intentions of our key customers. Our turnover is influenced not only by our ability to perform the tasks, but also, and most importantly, by our partners' interest in investing in the development of their networks.

Our telecommunication market is expecting the introduction of new technologies in the near future. UMTS or FWA 3,5 GHz, along with other modern conveniences of the new era are making immediate in-roads on the ever-changing demands of potential customers, and we know, that in many states they have been doing it very successfully. We are looking forward to starting the construction of new networks and to the arrival of new technologies on our market; the ones that have been successfully established on European and world markets, and their penetration to us is certain.

In 2003, we achieved the highest turnover in the history of our company. In relation to this turnover we have to say, that we implemented more than 50 ready-to-key telecommunication masts, for our customers. This fact has, naturally, also been reflected in our turnover.

In 2004, the demand for masts was significantly lower, and we oriented our activities more on technological assemblies. As a final effect,

with the lower turnover we managed to achieve higher profitability of the constructions while also keeping a close eye on our operation costs. We do not have to feel ashamed for the profit we reached.

We know that the most important quality parameter is the satisfaction of our customers. Our strongest capital is the skills and knowledge of our employees and their loyalty to our company. I am glad, that we are the key supplier of telecommunication constructions to the two most important telecommunication operators. Our employees are proud of the name NEVITEL. I am proud of our employees and the work we have done over the years and, especially pleased, that we continue to place such a high value on character and quality. I will do everything to ensure that this status will continue in the future.

Ing. Alexander Néveri

*General Director and the Chairman
of the Board of Directors*



Profile of the company

Identification data	Scope of activities
<p>Business name: NEVITEL, a.s.</p> <p>Registered office: Ul. biskupa Kondého 18 929 01 Dunajská Streda, Slovak Republic</p> <p>Legal form: joint stock company</p> <p>Registration: Trade Register, District Court of Trnava, Section Sa under number 10178/T</p> <p>Daughter companies: NEVITEL ČR, s.r.o. , Brno-Slatina, ČR</p> <p>Branches: NEVITEL, a.s. Košice Branch Office, Hutnícka 1 NEVITEL, a.s. Banská Bystrica Branch Office, Rudlovská 53</p>	<p>Engineering, preparatory and acquisition activities for the construction of GSM base station</p> <ul style="list-style-type: none"> – identifying an adequate site/plot in the locality determined by the customer for the construction of the base station; – elaborate a project for construction proceedings; – elaborating the acquisition report including the drawing of the layout of technology; – ensuring the rental contract and other legal requirements relating to the rental; – ensuring the construction permit; – ensuring all other permits necessary for the construction; – issuing revision reports and protocols for the particular sub-deliveries; – obtaining the permit for the testing operation after finishing the construction work; – ensuring the certificate of occupancy. <p>Construction of GSM base stations</p> <ul style="list-style-type: none"> – construction of foundations from the point of taking the construction site over to laying the concrete for the foundations; – construction of steel structure: beginning with the production of the structure's framework and ending with erecting the assembled steel construction on the anchor unit; <p>– assembly of technologies taken over from sub-contractors and assembly of a container or BTS, or aerial radiators and cables;</p> <p>– construction of electrical supply main: construction of PSS connection point, grounding system, arranging for the revision of PTS electrical facility, delivery of the electrical supply main to the customer.</p> <p>Sales, installation and servicing for telecommunication facilities</p> <ul style="list-style-type: none"> – delivery and assembly of the telecommunication facility; – repairs of the telecommunication facility; – delivery and assembly of digital private branch exchanges for small and medium size enterprises by means of modules, including their maintenance and servicing; – distribution of computer networks; – terminal telephone sets and wireless telephone sets, office technology, faxes, copy machines; – servicing for telecommunication facilities, their assembly and installation, configuration based on the customer's requirements; – guarantee and post-guarantee repairs; – contractual maintenance.

Membership in organizations

The Slovak Chamber of Commerce and Industry

Statutory Body: Board of Directors

Ing. Alexander Néveri,
Chairman of the Board of Directors
Ing. Alexander Kürthy,
Member of the Board of Directors
(from May 1, 2005 General Director of the company)
Ing. Imre Tóth,
Member of the Board of Directors

Supervisory Board:

Ing. Vincent Mikolai,
Chairman of the Supervisory Board
Judit Bögi,
Member of the Supervisory Board
Ing. Gustáv Pálos,
Member of the Supervisory Board

Shareholders: Share in the stock capital

Ing. Alexander Néveri	81,033 %
Ing. Alexander Kürthy	7,310 %
Ing. Imre Tóth	5,197 %
Ing. Roman Riedl	1,272 %
Ing. Gustáv Pálos	1,038 %
Ing. Tibor Füzik	1,038 %
Judit Bögi	1,038 %
Ing. Štefan Andrassy	1,038 %
Alexander Johancsik	1,038 %

Corporate Identity**Our vision**

Our vision is to be a reliable customer-oriented company.

Mission of our company

Our mission is to:

- responsibly resolve all requirements of our customers;
- understand the needs of our customers;
- fulfill agreements and promises;
- constantly improve the level of our deliveries and provided services;
- be a reliable and, in terms of price, available partner for our customers;
- motivate, develop and offer attractive possibilities to our capable and enthusiastic employees;
- remunerate well-performing employees.

Corporate values

The corporate values we represent:

- the name of the company representing guaranteed quality of deliveries and services, which we are able to offer;
- material, intellectual and market value of the company;
- priority of the customer's needs in the process of resolving deliveries;
- mutual respect among the employees of our company.

Management of the company



Ing. Alexander Néveri

General Director and Chairman of the Board of Directors

Graduated from the Transportation and Telecommunication University in Žilina (Žilina University) in 1986, in the field of Technical operation of telecommunications.

For six years he worked in different positions in the area of operation and maintenance of private branch exchanges and networks on the district level. He is the founder and

the majority shareholder of the company. Since the establishment of the company, he has significantly participated in the development of its strategy, vision and objectives.



Ing. Alexander Kürthy

Head of the Construction Division

Graduated from the Agricultural University in Nitra, Faculty of Mechanization. In 1986 he began teaching at the Secondary Agricultural School in Dunajská Streda. For the last two years of this teaching career he held the position of the Deputy Director of the school. In 1991, he obtained his secondary diploma in the field

of "Teacher of the subject of machines and equipment, mobile facilities". Since 1991, he has carried out enterprising activities in the field of trading and international transportation. Since 1996, he has been working at NEVITEL, a.s. as the Head of the Construction Division. He is one of the co-founders of the company.

He obtained broad experience in the construction of the Orange and T-Mobile networks in Slovakia, and the Pannon, Westel and Vodafone networks in Hungary, Oskar in the Czech Republic and Centertel in Poland. Since 2001, he has been a Member of the Board of Directors; since May 1, 2005 he has been the General Director of the company.

**Ing. Imre Tóth***Head of the Construction Preparation Division and Member of the Board of Directors*

Graduated from the Slovak Technical University in Bratislava, Department of Constructions, in the field of Constructions and Transportation Constructions. Before joining the company, he worked for five years at the District Office

of Environmental Protection in Šamorín as the Head of the Department of Public Administration of Constructions; for one year he worked as the Chief of Staff of this institution. He joined the company in 1996 and since that time

has held the position of the Head of the Construction Preparation Division. In 1996, he obtained the technical qualification to carry out the duties of site manager and construction supervisor.

**Judit Bögi***Head of the Economic Division and Member of the Supervisory Board*

After graduating from the Secondary Economic School in Veľký Meder in 1985, she worked in the District Construction and Housing Association in Dunajská Streda. Later, in 1991 she joined the newly established District Office of Environmental Protection in Dunajská Streda as

the Head of the Economic Department. She was in charge of the economy of all sub-district offices of environmental protection in the district. Since 1997, she has worked at NEVITEL, a.s. as the chief financial officer, and, since 2000, she has been the Head of the Economic Division.

At present, she is a student of the Economic University in Bratislava, Faculty of economic informatics in the field of accounting. In 2001, she graduated from City University Bratislava, in the field of Financial Management.

**Ing. Gustáv Pálos***Head of the Purchasing Division and Member of the Supervisory Board*

After graduation from the Secondary Technical School in Komárno, he continued his studies at the Polytechnic University in Budapest. After a five-year-study he obtained his diploma and became a registered engineer in the field of construction and planning of engineering

technology. He started working in a ZMV Company (manufacturing of small motorcycles) in Velký Meder. He held the following positions: head of tool room, in production as the head of division and head of technical unit. Since 1999, he has worked at NEVITEL a.s., and at present he

holds the position of the Head of Purchasing Division and Own Production. He is also making use of his professional and practical experience as a staff member responsible for the manufacturing of steel structure frameworks.

**Ing. Tibor Füzik***Head of the Servicing Division and ISO Quality Manager*

He finished engineering studies at the Czech Technical University in Prague, Faculty of Electrical Engineering. During his practical work, he worked as an IT technician, servicing technician for telecommunication technology, head of the maintenance of electrical electronic appliances and information technology in the

area of furniture manufacturing. He was also Mayor of Medvedov, where he was an investor in the construction of a comprehensive gas system. Since 1999, he has worked at NEVITEL, a.s. the Head of the Servicing Division. As the quality manager of the company he has had the honor of introducing and maintaining the

ISO 9001 quality management system since 2000. At present he is involved in the introduction of new actions and activities in the main areas regarding the company's profile. He is an experienced professional in the area of telecommunication and radio-communication, which is his field of professional qualification.

**Mgr. Szabolcs Horváth***Head of the Information Technologies Division*

He concluded his university studies at the Faculty of Natural Sciences of the University of Constantine the Philosopher in the field of mathematics and informatics. During his studies he taught mathematics at the elementary

school in Horný Bar. After graduation, he worked as a computer network administrator in an international trading company, where he obtained broad experience with the operation systems Linux and Novell. He joined NEVITEL, a.s.

in 2000 as a member of the Information Technology Group. Later he became the Head of the IT Group, and in 2002 he was appointed Head of the Division.

**Ing. Riedl Roman***Key Customer Manager*

He concluded his engineering studies at the University of Žilina, Faculty of Operation and Economy of the Transportation and Telecommunication. During his studies, he worked for 4 years in the agency organizing social events within as well as beyond the academic field. He has been with NEVITEL, a.s. since 1996. Since 1999, he has been a Key

Customer Manager for Orange Slovakia, a.s., and has been responsible for this significant customer with the ultimate goal of ensuring their satisfaction with our company's performance. In 1999, he participated in the establishment of a daughter company in the Czech Republic. He is the founder of the branches of our company in Banská Bystrica and in Košice; he also

coordinates and supervises their activities. With his contribution, NEVITEL, a.s. is represented and active in the overall territory of the Slovak Republic, and has become one of the largest suppliers of the above-mentioned investor. At present, he is involved in the launch of new actions and activities aimed at broadening the portfolio of the company.

**Ing. Štefan Andrassy***Key Customer Manager*

In 1998, he graduated from the Slovak Technical University in Trnava, Faculty of Materials and Technologies, in the field of Welding. In NEVITEL, a.s. he was a technician for constructions. From 1999 to 2001, he was the

statutory representative of Nevitel ČR, s.r.o. in the Czech Republic, with a registered office in Brno. Construction works for Ericsson during development of its telecommunication network for the mobile operator Oskar helped us to fulfill

our plan for network building in the Czech Republic. After his return from the Czech Republic, he became the project manager for a significant customer - Eurotel Bratislava, a.s.

**Ing. Norbert Melicher***Head of External Deliveries Group*

In 1999, he concluded his engineering studies at the Slovak Technical University in Bratislava, Department of Constructions, in the field of Ground Constructions – Statics. During his

practice, he worked for 2 years as a designer of statics. He joined NEVITEL, a.s. in 2001. Until the end of 2002, he worked at the Construction Preparation Division as a designer of statics, and,

in 2003 he was appointed the Head of External Deliveries Group at the Construction Division.

**Ing. Arpád Domonkos***Head of Internal Deliveries*

He graduated from the Technical University of Brno, Faculty of Constructions, in the field of Ground Constructions. During his practice he worked as a construction technician, and later as a site manager in the District Construction

Company Danubius. He has worked with NEVITEL, a.s. since 1998 as a qualified site manager. At present, he manages the activities of the Internal Deliveries Group relating to the mast constructions within as well as

outside residential areas, stations on the roofs, stations on water towers, station on the existing masts, excavation work and the complete assembly of steel structures and aerial holders.

**Ing. Jozef Libárdi***Head of Electronic Assembly Group*

Concluded his studies at the Slovak Technical University, Faculty of Electrical Engineering and Informatics, in the field of automation. After graduation, he worked in the Western Slovakian

Energy Company as an operation technician. He joined NEVITEL, a.s. in July 2000 as a measurement technician. Later he became a construction technician. Since 2005, he has

been the Head of Technical Group at the Construction Division.

**Alexander Johancsik***Head of Servicing for Telecommunication Facilities Group*

He graduated from the Secondary Technical School – Light-current Engineering – with an in-depth final exam. From 1977 to 1982 he worked as a radio technician in Tesla Bratislava.

For the next 10 years, he worked as a mechanic for telecommunication facilities in the Slovak Telecommunication Company. In 1992 he joined NEVITEL, a.s. a technician for telecommunication

facilities. At present he works as a specialist for the digital private branch office exchanges. He is the most experienced staff member of the Servicing Division.



From the history of the company

1991

- establishment of NEVITEL, founder Ing. Alexander Néveri
- assembly and servicing for private branch exchanges, sale of telecommunication and office technology.

1992

- employing two technicians and an administrative officer
- relocation of the company's registered office to Dunajská Streda
- assembly and servicing for private branch exchanges, sale of telecommunication and office technology
- sale of NMT mobile telephones, assembly of automobile voice sets

1996

- establishment of NEVITEL, s.r.o.
- NEVITEL became one of the suppliers for Slovtel, later on Globtel, at present Orange
 - the first GSM network operator in Slovakia for the construction of base stations, including acquisition and engineering activities;
- authorized partner for the sale of EuroTel services.

1997

- the greatest expansion from the establishment of the company
 - The turnover this year increased from approximately SKK 20 million to SKK 147 million
 - The number of employees increased from 12 to 55
- We were the most successful supplier of constructions for Globtel
- Beginning of cooperation with Eurotel in the field of GSM constructions

1998

- beginning of the manufacturing and assembly of our own mast

1999

- establishment of NEVITEL ČR, s.r.o. in Brno (a 100-percent daughter company of Nevitel)
 - with an intention to participate in the building of the network for the Czech Mobile – Oskar (the 3rd operator in the CR), engineering and construction activities for Ericsson as the supplier of technology for Eastern Bohemia and Moravia
- establishment of NEVITEL Hungary, Kft. in Százhalombatta near Budapest (a 100-percent daughter company of NEVITEL) – with an

intention to participate in the building of the network for Vodafone (the 3rd operator in Hungary), pilot constructions for Vodafone in Győr, Szombathely, Bicske (a 60 m mast by the M1-highway)

2000

- increase in the number of retail stores selling telecommunication technology to four (Šamorín, Dunajská Streda, Veľký Meder, Komárno)
- introduction and certification of the quality management system in 2000
- a significant supplier of telecommunication constructions for both GSM operators in Slovakia
- establishment of the company's own projecting group
- purchase of special measurement technology

2001

- transformation to a joint stock company NEVITEL, a.s.
- the sale of mobile phones was detached to the company Mobilmarket, s.r.o.
- development of a mast of new type with round platform and its introduction to the market
- establishment of the branch office in Košice for the region of Eastern Slovakia

From the history of the company**2002**

- modification and reconstruction of the warehouse premises
- renewal of the car park of the company
- establishment of the branch office in Banská Bystrica for the region of Central Slovakia
- closing of NEVITEL Hungary, Kft.

2003

- changes in the organization of the company
- establishment of IT, sales and marketing groups

- extensive renewal of the car park of the company
- establishment of the company's own electricity workshop and beginning of metal-working

Recertification according to ISO 9001:2000 standard and declaration of the new quality policy

- purchase of special tools for working with waveguides
- introduction of non-technological maintenance of GSM stations for Orange
- NEVITEL became a key supplier for both

- Slovak operators of mobile networks
- The company achieved the highest turnover in its history – SKK 267 millions

2004

- the company focused on increasing the quality of the delivered works

What the year 2004 brought us

Important moments in the activities of individual divisions of the company

Preparation of Constructions Division:

The responsibilities of this Division include:

- acquisition activities: searching for an adequate locality based on the requirements, ensuring the background documentation for projecting, preparation of the rental contract;
- ensuring the construction permit: administration of the construction order, elaboration of the project;
- ensuring the certificate of occupancy: ensuring the necessary documentation (protocol on the delivery of the construction site, on the delivery of the steel structure framework, on the measurements of the electromagnetic field, revision reports, height and geodetic measurements of the construction, certificate of the utilization of the construction).

The Division is divided into two main working groups: the Legislation Group and the Projecting Group.

In 2004, the Preparation of Constructions Division continued its traditional activities for Orange Slovakia, a.s. as well as for EuroTel Bratislava, a.s. ensuring the construction of base stations - BS on a new mast, BS on existing buildings, BS on existing masts, micro BS, repeater BS, RR directions, and expanding the existing BS in new technologies.

In regards to the activities and the results of the company, we can consider 2004 a positive year for the company.

Projects:	
BS on a new mast	48
BS on a building	67
BS on a chimney	
BS on an existing mast	
BS on a water tower	7
RR directions	48
Other – reconfigurations	
Ext. cabinet	
Expansions	120
<i>Total</i>	<i>290</i>

Legislation:	
BS on a new mast	47
BS on a building	72
BS on a chimney	
BS on an existing mast	
BS on a water tower	7
RR directions	45
Other – reconfiguration	
Ext. cabinet	
Expansions	54
<i>Total</i>	<i>225</i>



Constructions Division:

The responsibilities of the Division include:

- construction of foundations based on the orders from the point of taking the construction site over to laying the concrete for the foundations;
- construction of the steel structure: beginning with the production of the structure's framework and ending with erecting the assembled steel construction on the anchor unit;
- assembly of technologies taken over from subcontractors and assembly of a container or BTS, or aerial radiators and cables;
- construction of the electrical supply main: construction of PSS connection points, grounding system, arranging for the revision of PTS electrical facility, delivery of the electrical supply main to the customer.

The year 2004 didn't bring any major changes to the Construction Division as we continued in the construction of GSM networks. For EuroTel Bratislava a.s. and Orange Slovakia a.s. we constructed base station of different types all over Slovakia. We managed to establish a work group in Košice, which has allowed us to implement a significantly larger volume of work in this region. We have hired another highly qualified professional for technological works, and we have trained our staff to construct MW lines.

From 1996 to 2003, we implemented constructions of GSM for 1,250 constructions for different investors.

Overview of our activities in 2004:

Masts, new 20 – 50 m	37
Rooftops	31
Other constructions	
– water towers, silos, etc.	4
Existing masts, telecommunication, television masts, etc.	16
Distribution of the signal from the base station by means of repeaters	5
Independent RR – jumps relating to GSM	35
Indoor installation, coverage by signal, DCS, swap, rebuilding of the existing cabinet	76
<i>Total</i>	<i>204</i>



Information Technologies Division

This division ensures the installation, maintenance and administration of operation systems and application program accessories on servers, work stations; software connection to LAN computer networks and to Wi-Fi network; connection to WAN networks; management and set up of the corporate computer network; monitoring of the operation and elimination of problems from the network. It also ensures the systemic and network operation of database servers, printer servers and WWW servers, as well as anti-virus protection for the systems, applying safety patches for operation systems and installing application updates.

Another function of this division is to provide analyses and proposals for the subsystems of information systems, analyses and designs single-purpose independent programs, introduce new information systems for different application purposes, maintain the problem-free operation of information systems of the company, provide counseling and advisory services for the staff of NEVITEL, a.s. in the field of using information systems at all work sites. The Information Technology Division staff regularly participates in trainings and presentations related to new solutions and technologies.

The largest project we worked on in 2004:

- trainings focusing on the utilization of information technologies for all employees of the company. The trainers were from the Selye János University in Komárno
- modernization of the Servicing, Construction, IT Divisions' facilities and that of the Projecting Group within the framework of HP operative leasing
- promotion of DSL connections in cooperation with the Sales Division
- connection of the warehouse to the existing network by means of Wi-Fi
- establishment and administration of the computer network for Hydraulika, s.r.o. based on a framework contract
- putting a new HP ML 350 server in operation with the W2003 operation system with IIS and MS SQL services
- introduction of the internal information system InOffice
- moving to new premises – construction of a new structured cabling Gigabit Ethernet
- implementation of the CRM system Business Report for the Sales Division
- installation of new sources of continued supply
- new application for projectors for static calculations and assessments - SCIA ESA PT,
- new safety policy system, innovation of firewalls
- connecting the company's branch office in Košice to the Internet by means of a DSL line
- selection of a new ERP system



Servicing division

The task of this Division is to provide servicing for telecommunication facilities, their assembly and installation, configuration based upon the requirements of the customer, guarantee and post-guarantee repairs and contractual maintenance.

The scope of responsibilities of this Division is the delivery and assembly of the telecommunication facility, and carry out repairs of the telecommunications facility.

Tasks:

- The aforementioned activities of the Servicing Division were managed by the Division itself. Deliveries of telecommunication facilities carried out by the Sales Division were assembled and configured, every month, by the staff of the Servicing Department.
- Executed construction maintenance of EuroTel Neded
 - Assembly of in-door technology, directing and completion of waveguards Nera for the Ministry of Interior MV SR (4 localities, 2 directions)
 - Assembly of NERA technology (Indoor, waveguards, electro) for three directions, assembly of Ceragon technology for the Ministry of Interior SR
 - Execution of non-technological maintenance in the Bratislava region
 - Assembly of structured cabling VMCM, Motokom Holding, Thermal Velký Meder, Art School Bratislava
 - Extension of the structured cabling in Thermal Velký Meder
 - Assembly of structured cabling at the Selye János University in Komárno
 - Assembly of structured cabling in NEVITEL, a.s., 2nd floor
 - Execution of non-technological maintenance in the Košice region BSC Proč
 - Starting the mast revisions for Transpetrol.
 - Performance of non-technological maintenance in the Košice region BSC Michalovce.
 - Repair of RR jump for the Police Force SR, Bratislava – assembly of an alternative solution
 - Construction of structured cabling in Sibamac Trnava



Sale and marketing division

The scope of responsibilities of this Division is to identify the needs of the customer, elaborate on the price offer and its modification, prepare the contract for work, ensure delivery and assembly of the telecommunication facility, and carry out repairs of the telecommunications facility.

In 2004, we implemented the following projects:

- Cooperation with the Slovak Telecom, a.s.
 - sale of services.
- Overview of the implemented projects
 - sale of digital telecommunication facilities: OSP Danubius, Euroform + cabling, Kožná klinika + cabling, MÚ Kolárovo, Nubium, Damovo – Edscha, OÚ Nové Zámky, Friesland, Motokom + cabling, Art School Bratislava, Termál sro – Veľký Meder, Ján Selye's, Foundation, Relax 2000, Pension Villarosa, Kabelschlepp, KSÚ Nitra, Sibamac Trnava + cabling, District Office Štúrovo, District Office, Topolčany, Eurostav + cabling, Area Šamorín
- Overview of implemented projects – delivery and assembly of structured cabling: Ján Selye's Foundation – structured cabling SOU Slovnaft – structured cabling
- Starting a new working relationship with **Audiotel Central Europe** – Budapest, distribution of Audiotel products – GSM gates, GSM modems, GSM communicators – modules.
- Introduction of the new sale information system **Business Report**. The basic goal of the **Business Report** is to provide the company's management **with** key information on the company's sales activities, i.e. an overview of potential, half-finished and finished, but also unsuccessful sale cases, in the form of tables and charts. This information is available from

different sources all of which are significant for management, e.g. from customers, sales representatives, products, sales links, etc. Another very important contribution of this solution is a complex recording of communication with the clients including its contents as well as its form (minutes from meetings, e-mails, documents). The solution attempts to identify "white" spots in the commercial activities of the company in such a way that the supervisors would be able to, based upon this information, manage the sales team or the relations with the customers more productively, and thus, increase the company's success on the market.

- The Sales Representatives of the Division obtained a certificate of the development program – Professional Sales – organized by the international counseling company Mercuri International.

Plan for 2005:

- Our priority objectives for 2005 include participation in significant investment projects implemented by construction companies in the Slovak Republic.
- Further development of sales activities in the area of public tenders and searching for new commercial opportunities for NEVITEL, a.s.
- Continuation of the professional development of sales representatives.
- Ensuring a higher level of mobility and flexibility for our sales representatives by investing in IT.
- Further increasing the Sales and Marketing Division's turnover.



Development of the telecommunications market

Trends of telecommunications services in 2004

After a long period of unprecedented growth in the telecommunications sector in Central Europe, the telecommunications industry in the region is striving for increasing the accessibility of basic services and securing services with higher added value either in vocal or data nets.

The telecommunications sector in Central Europe is in the phase of changing from a monopoly into a competitive environment, the transition from vocal to data services and from compact to mobile networks as well. All these factors have an impact on the development of the number of users and market turnover.

Recently, although the market is blind and the rate of its growth is lower, the operators will continue focusing on the sphere of service with higher added value, in order to gain the highest possible share of the market.

As the Table shows, in 2004 the telecommunications sector's total incomes reached approx. 53 billion Sk, 9,8% growth at the mid-year.

	Inc. mil. of SKK	Share in %
ST	16 844	31,4
Orange	19 221	35,8
EuroTel	13 336	24,8
ATOs*	4 308	8
Total	53 709	100

*ATOs = alternative telecommunication operators

Expectations in 2005

In 2005, thanks also to fast internet with the EDGE technology provided by Orange as Orange Internet, Orange will develop data services. The direct lines of Doma 45 and Firma 55 with a fixed payment tariff should serve as an option to compact networks.

Orange will have to protect itself against the competition of two accompanied companies, ST and EuroTel.

EuroTel will be changed into T-Mobile roughly in the middle of this year. The next aim of EuroTel for this year is to continue in the migration of customers using the Easy card with a monthly fixed payment tariff.

This year Slovak Telecom will increase the quality of its services and products. The integration of ST will be accomplished, especially regarding the share holders, management and structure of the company in order to increase the working effectiveness and eliminate double processes and utilize synergic effects as well. Thus Slovak Telecom will become stronger on the market.

Alternative telecommunications operators will strengthen their positions on the market. This is evidenced by the purchase of Aliatel by the company GTS or the introduction of the music-film portal by Slovanet. At the same time, Slovanet is still for sale. Last year Slovak Telecom also showed an interest in buying it but the

purchase was not accomplished. eTel started to gain customers of Slovak Telecom with a promise to decrease the original prices of Telecom by 15%.

Recently the most dynamically developing segment of the Slovak telecommunications market is the internet market. The total estimated income of internet providers in Slovakia has increased by approx. 30% a mid-year. The growing trend was influenced mostly by the expansion of the spectrum internet in 2004. The increase in the number of ADSL customers is more than clear. Operators will fight for clientele from firms.



New challenges in 2005

The main priority in 2005 is to synchronize all the efforts, activities and processes leading up to the satisfaction of customers' needs. With stabilizing and extension of the customer base we want to increase the market share and profitability of the

company and the comfort of customers as well in order to strengthen our market position. We will increase the structure effectiveness and quality of our employees and also their motivation in order to provide the highest services.

We are aware of our social responsibility to the environment we live and work in. As a way of supporting the development of the whole society we intend to continue sponsoring the areas of education, culture and health care.



Human resources

Everything depends on people

The success or non-success of a company is based on people. It is important to employ theoretically and practically skilled people at each level and create a space where everyone is able to apply his abilities.

The employees of Nevitel, Inc. are the most important resources and determining factors for gaining and keeping a competitive position. Each employee, with his personal contribution and

respecting the company's principles has an influence on ensuring quality. Teamwork and good human relations form values which have huge impact on our success and the prosperity of our company. The satisfaction of our employees is based on three motivational pillars: wages, professional progress and social activities. Our achieved results reflect the efforts, toughness and motivation of our employees.

Thanks also to them we succeed in keeping our position as one of the biggest and most attractive employers in the region of Dunajská Streda. We need to prepare new challenges for our colleagues, keep or increase their level of motivation and loyalty to the company. We carry on with implementation of firm values, where the priority is the customer.

Remuneration and employee's amenities

Our aim is to establish a system of remuneration based on internal justice. In the sphere of employee's amenities, the system of flexible advantages has been confirmed. Our employees have a wide range of benefits in the field of sport, culture, contribution to their life

insurance and supplementary pension insurance. The company reimburses the life insurance of its 86 employees in the form of fixed monthly contributions. Also this year, the company supported all those employees who were interested in season's tickets for the theatre

performances organized by the Culture Center in Dunajská Streda, and moreover bought season's tickets for the indoor swimming-pool situated in Veľký Meder. Besides this, we contribute to catering for our employees.

We make investments in the education of our employees

The challenging requirements of the market demand superior and educated people, managers, who are able to work effectively for the company.

The company of NEVITEL, a.s. lays stress on effective organization of human resources. The management is aware of the necessity of education and professional development

of their employees. In 2004, we invested funds amounting to 13 million SKK for education and training. We organized several trainings.

In 2004, the following trainings were conducted:**Field of construction:**

- training course on work safety and health protection
- training course for drivers
- training course for burden binders
- training course for electrical mechanics
- training course on mountaineering
- training on visual technology of welds checking according to EN970 with a certificate
- training course for operators of earth and construction machines
- training on NEC technology
- specialized skills of a construction manager
- Visual checking of welds

Field of economical sector:

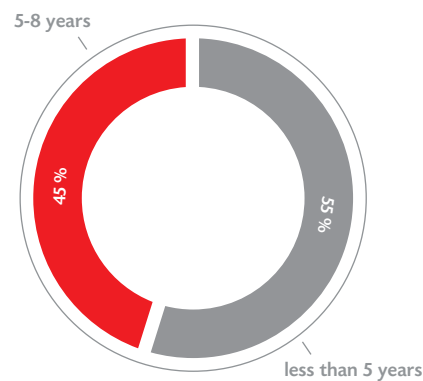
- taxation field
- professional training in the area of labor law relations
- professional training – economic issues
- professional training – wage issues

Field of mounting, service and maintenance of private branch exchanges:

- professional preparation – telephone private branch exchanges Ericson and Siemens
- professional preparation – training on wireless networks
- internal professional training on radio communication and telecommunication facilities organized by the chief of the Service Department.
- Certification training Solarix, Signamax
- training on ultrasound measurement technique
 - 4 employees of the department.

Language instruction for employees, English and German are fully covered from company resources.

Structure of the labor force

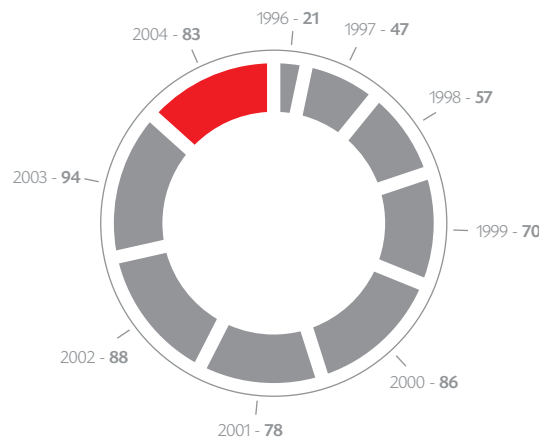


As of 31. 12. 2004 we had 83 employees. One third of them have a college education and more than half of our employees have completed a secondary school education. The main age group is between 25 and 30 years. The average age of our employees is 35.

In the structure according to years worked, 55% of our employees have been employed by the company for less than 5 years. An express group of employees, 45 % have worked for the company for 5-8 years. For reasons given, it is clear that we still maintain our pre-eminent position among the more attractive employers in the region.

Safety and health protection

Development of the number of full-time employees



We pay special attention to safety conditions and health protection at the worksite and also to the enhancement of the working conditions of our employees. In 2004, we mainly focused on safety working conditions at heights. These works need special protective means. Each year we provide superior protective means for our employees in firm colors.

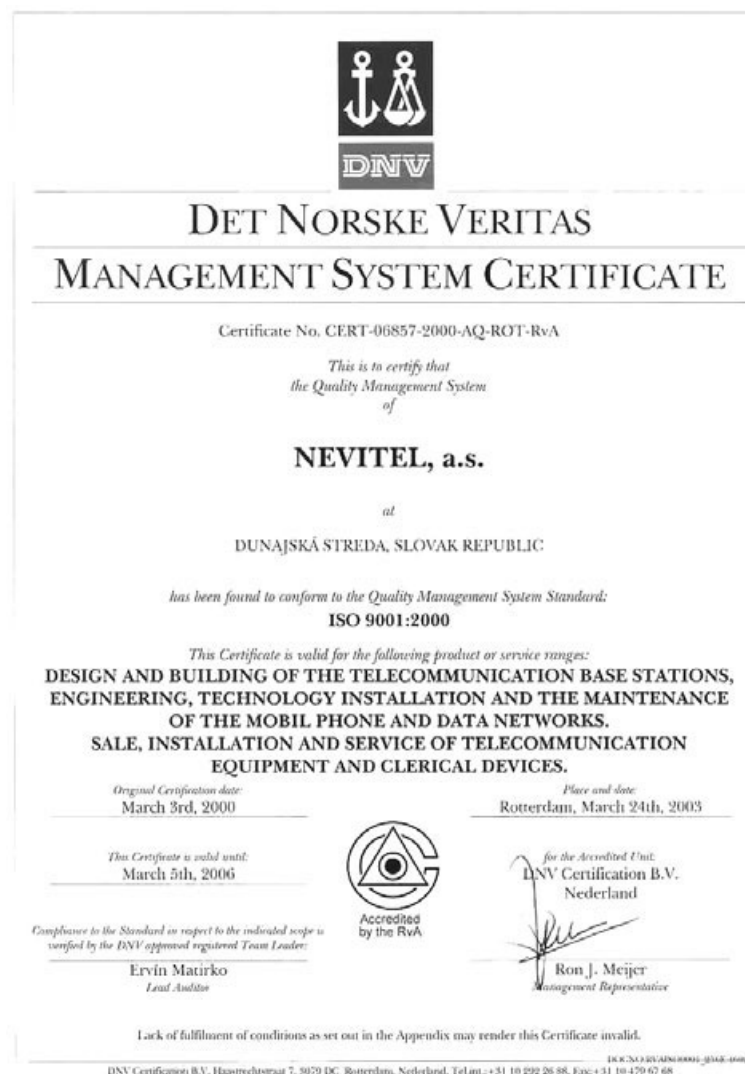
Quality

It has been known for a long time, that just to allege quality is not enough. Therefore, the quality management system with its methods and devices became an inseparable part of managerial practice asserted on every level of control.

Requirements regarding product quality and services are equal for all big, medium and small enterprises. The reason is very simple – quality is the guarantee for the satisfaction of the customer and the prestige of the company. We started to construct our quality control system in 2000 and the next year in March it was successfully certified in accordance with ISO 9001:1994.

Recertifying was accomplished already in March 2003. The quality control system was harmonized with the new standard ISO 9001:2000, which compared with the previous one, is based on process control. In practice it means that the whole system of processes in the company becomes explicit and possible shortcomings or low efficiency can be unveiled. The application of process access leads to more effective utilization of resources, reduction of expenses and time needed for achieving requested results. Moreover, each employee is considered to be an internal customer, a supplier and consumer in one person. The transition to the ISO 9001:2000 norm was easier for us, for we started to establish our quality control system since the beginning on the basis of the already mentioned process principle. The successful recertification of the system in the planned time convinced us about the right decisions we have made. Certification is just an instrument for us and not a goal. Quality insurance is a long-term and a never- ending process, which is firmly connected with the permanent increase of customers' requests.

Certificate



Charity and non-commercial activities

Our company besides its main activity does not forget the environment around it. Traditionally its sponsoring activities are focused on education, culture and health care. NEVITEL, a.s. provides financial and material help for organizations and civil associations functioning mostly in the region of Rye Island.

In 2004, our assistance, 183,000 SKK was oriented towards the development of several areas in the region.

We are glad that other organizations also make a lot of efforts regarding the education of young people in the field of informatics. The common establishment of a non-profit organization, Velký Meder Youth Center, situated in Velký Meder was a remarkable step in this field.

This institution, located in a charming and attractive surrounding is engaged with the development of information services and

internet access; furthermore one of its main objectives is to support talented young people in the area of informatics, protecting spiritual and cultural values and supporting regional development and employment as well.



Economic results of the company

NEVITEL, a.s. in 2004 achieved a positive profit for the eighth time in sequence. Although with regard to the total turnover we did not achieve the level of the previous year, we evaluate the year 2004 as a successful one.

Total revenues of the company achieved the financial result, amounting 27,516,000 SKK profit before taxation, we consider this result as an excellent achievement.

In 2004, the company had a bank overdraft amounting to 20 million SKK, but did not make use of any credit.

Revenue from sales

In thous. of SKK	sale of goods	sale of own goods	total
2002	4.411	207.051	211.462
2003	5.079	276.868	281.947
2004	5.801	213.170	218.971

Accounts receivables

In thous. of SKK	up to due date	after due date	total
2002	32.085	2.850	34.935
2003	36.999	2.900	39.899
2004	43.098	1.800	44.898

In 2004, in the sphere of accounts receivables the short-term receivables have increased by 12,53 %.

Up to the year-end of 2004 the company did not have any accounts payable towards the state, employees or after due date liabilities from social security.

Trade liabilities

In thous. of SKK	up to due date	after due date	total
2002	37.945	560	38.505
2003	10.294	560	10.854
2004	13.616	250	13.866

In the sphere of trade liabilities the short-term liabilities have increased by 27,75 %, which was caused by higher product and service purchases in the subdelivery during September due to accomplished orders at the year-end of 2004.

Liabilities to state

Up to the year-end of 2004 the company did not have any accounts payable towards the state, employees or after due date liabilities from social security.

Inventories

In th. of SKK	material	unf. prod.	product	total
2002	1.875	20.184	1.449	23.508
2003	1.947	4.661	1.323	7.931
2004	8.179	1.488	1.149	10.816

Purchasing for orders realized at the beginning of 2005 influenced a significant increase of storage reserves – material.

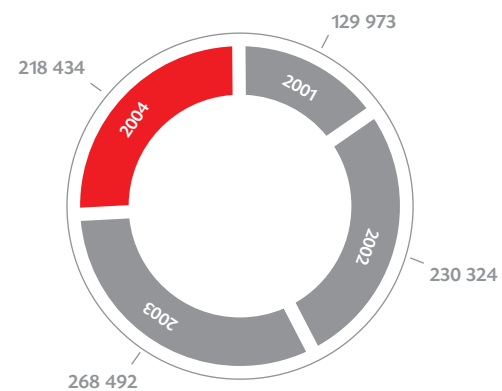
The company has a subsidiary corporation:

Name company	type company	Fixed assets	share in FA in %
NEVITEL ČR, s.r.o	subsidiary comp.	1.000.000,- CZK	100%

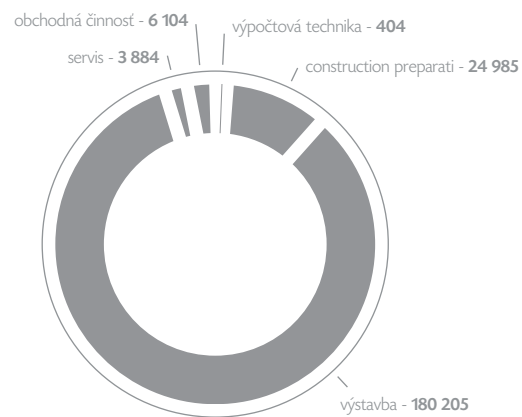
By course of law on accounting, the company is not obliged to prepare consolidated booking.

Key indicators

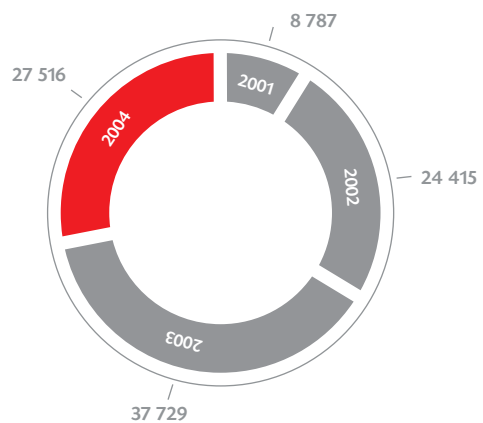
Total revenues of the company in thousands of SKK
(except reserves)



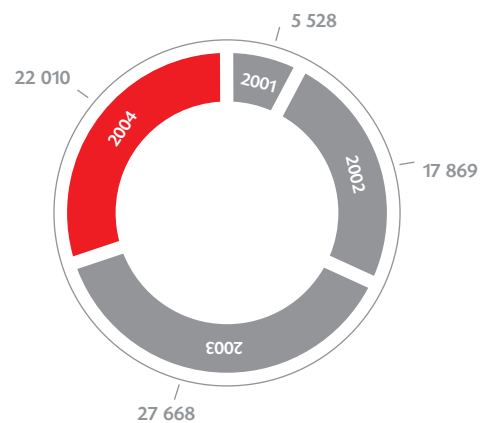
Structure of revenues according to main activities in thousands of SKK



Profit before tax in thousands of SKK



Profit after tax in thousands of SKK



Selected indicators

	2001	2002	2003	2004
Added value in thousands of SKK	41.159	70.633	87.594	78 630
EBIT in thousands of SKK (<i>profit before interest and tax</i>)	8.953	24.786	37.840	27 612
EBITDA in thousands of SKK (<i>zisk pred úrokmi, daňami a odpismi</i>)	11.225	26.611	40.772	31 921
ROA v % (<i>profit-cost ratio assets</i>)	13,85	18,83	28,90	21,10
ROE v % (<i>profitability of equity capital</i>)	23,03	46,13	44,75	30,45
Floating liquidity	1,82	1,21	2,88	3,29
Current liquidity	1,82	1,21	2,88	3,29
Total liquidity	2,22	1,68	3,19	3,75
Turnover of short-term accounts receivable in days	62	60	52	77
Turnover of short-term liabilities in days	40	85	33	38
Turnover of inventory in days	16	40	10	18
Altman's score /new/-financial health	4,38	3,54	4,94	3,64

Expected future perspectives

We can declare, that during the last year the company kept and strengthened its position in the strong competitive area and achieved remarkable financial results.

Strategic decisions of the management will be focused on the increasing rate of technological tasks, which outlines significant development in the sphere of telecommunications.

The main financial goal is to increase the turnover and share in the market, though our most essential task is the satisfaction of the customer and service enhancement.



Financial statements

Balance in thousands of SKK			2001	2002	2003	2004
PROPERTY TOTAL line 002+003+032+062	001		39,924	94,869	95,746	104,289
A. Receivables for subscribed equity	002		0	0	257	
B. Non-current assets line 004+013+023	003		5,176	4,577	6,925	11,838
B.I. Long-term intangible assets total (line 005 to 012)	004		250	106	47	941
B.I.1. Startup (incorporation) expenses	005					
2. Activated development expenses	006					
3. Software	007		250	106	47	563
4. Licenses, know-how, copyright and other valuable rights	008					
5. Goodwill	009					
6. Other long-term intangible assets	010					
7. Actual long-term intangible assets	011					378
8. Advanced payments on account of long-term intangible assets	012					
B.II. Long-term tangible fixed assets total (line 014 to 022)	013		2,817	2,359	5,363	9,076
B.II.1. Lands	014					1,186
2. Constructions	015					769
3. Individual current assets and collection of current assets	016		1,767	1,112	1,359	934
4. Cropper units of perennials	017					
5. Livestock and draught animals	018					
6. Other tangible fixed assets	019		1,050	1,247	4,004	6,187
7. Actual long-term tangible fixed assets	020					
8. Advance payments on account of long-term tangible fixed assets	021					
9. Adjustment to gained property	022					
B.III. Long-term financial assets total (line 024 to 031)	023		2,109	2,112	1,515	1,821
B.III.1. Sharing securities and shares in controlled entity	024		1,859	1,862	1,265	1,271
2. Securities and shares in enterprises with significant interest	025					
3. Other long-term investments and shares	026					
4. Loans to accounting unit in the consolidated Group	027					
5. Other long-term financial assets	028		250	250	250	550
6. Loans with due date no more than 1 year	029					
7. Gained long-term financial assets	030					
8. Advance payment of long-term financial assets	031					

Balance in thousands of SKK			2001	2002	2003	2004
C.	Current assets line 033+041+048+056	032	30,465	84,223	82,606	87,534
C.I.	Inventories total (line 034 to 040)	033	5,474	23,508	7,931	10,816
C.I.1.	Material	034	2,434	1,875	1,947	8,179
2.	Work in progress and semi finished goods	035	2,191	20,184	4,661	1,488
3.	Bespoken production with presumed deadline longer than 1 year	036				
4.	Products	037				
5.	Livestock	038				
6.	Merchandise	039	849	1,449	1,323	1,149
7.	Advance payments on account of inventories	040				
C.II.	Long-term receivables total (line 042 to 047)	041	0	0	19	
C.II.1.	Accounts receivable	042				
2.	Receivables from controlling and controlled entities	043				
3.	Other receivables in the consolidated Group	044				
4.	Accounts receivable from related parties and syndicate members	045				
5.	Other receivables	046				
6.	Deferred tax receivables	047	0	0	19	
C.III.	Short-term receivables total (line 049 to 055)	048	21,716	35,593	40,456	47,325
C.III.1.	Accounts receivable	049	21,133	34,935	39,899	44,898
2.	Receivables from controlled and controlling entities	050				
3.	Other receivables in the consolidated Group	051				
4.	Accounts receivables from related parties and syndicate members	052	540	540	0	
5.	Social security	053				
6.	Tax receivables	054	0	2	0	2252
7.	Other receivables	055	61	116	557	175
C.IV.	Cash and cash equivalents total (line 057 to 061)	056	3,257	25,122	34,200	29,393
C.IV.1.	Cash	057	2,111	2,728	639	1296
2.	Bank accounts	058	1,146	22,394	33,561	28,097
3.	Bank accounts with liability of more than 1 year	059				
4.	Short-term financial assets	060				
5.	Gained short-term financial assets	061				
D.	Accruals line 063 and 064	062	4,301	6,069	5,958	4,917
D.1.	Deferred (future) expenses	063	2,317	2,327	2,320	1,557
2.	Deferred cash receipts	064	1,966	3,742	3,638	3,360
Control number total (001 to 064)		888	155,413	373,407	376,512	412,239

Balance in thousands of SKK			2001	2002	2003	2004	
TOTAL LIABILITIES AND EQUITY line 066+086+116			065	39,924	94,869	95,746	104,289
A.	Equity line 067+071+078+082+085	066	24,003	38,732	61,823	72,289	
A.I.	Capital stock total (line 068 to 070)	067	11,200	11,200	21,300	21,300	
A.I.1.	Basic stock	068	11,200	11,200	21,300	21,300	
2.	Treasury stock and capital shares	069					
3.	Changes in basic stock	070					
A.II.	Capital funds total (line 072 to 077)	071	0	0	340	346	
A.II.1.	Capital in excess of par value	072					
2.	Other capital funds	073					
3.	Statutory reserve account/indivisible account from contribution of capital	074	0	0	267	267	
4.	Adjustments to assets and liabilities	075	0	0	73	79	
5.	Adjustments to capital investments	076					
6.	Adjustments to assets	077					
A.III.	Funds from profit total (line 079 to 081)	078	1,384	1,937	3,174	3,993	
A.III.1.	Legal reserve fund	079	1,384	1,937	3,174	3,993	
2.	Non-distributable fund	080					
3.	Statutory and other funds	081					
A.IV.	Economic results from previous years line 083+084	082	5,891	7,727	9,341	24,640	
A.IV.1.	Retained earnings from previous years	083	5,891	7,727	9,341	24,640	
2.	Retained earnings deficit from previous years	084					
A.V.	Income from operation for the accounting period + -	085	5,528	17,868	27,668	22,010	
B.	Liabilities line 87+91+102+112	086	15,575	55,668	33,832	32,000	
B.I.	Reserves total (line 088 to 090)	087	1,830	5,513	7,645	7,546	
B.I.1	Legal reserves	088					
2.	Other long-term reserves	089					
3.	Short-term reserves	090	1,830	5,513	7,645	7,546	

Balance in thousands of SKK			2001	2002	2003	2004
B.II.	Long -term liabilities total (line 092 to 101)	091	0	129	287	1,143
B.II.1.	Long -term liabilities from trade relations	092				
2.	Long-term non-invoiced supplies	093				
3.	Long-term liabilities to controlled and controlling entities	094				
4.	Other liabilities to consolidated Group	095				
5.	Long-term deposits received	096				
6.	Long-term bills to be reimbursed	097				
7.	Issued bonds	098				
8.	Social fund payable	099	0	129	286	222
9.	Other long-term liabilities	100				921
10.	Deferred taxes (payable)	101			1	
B.III.	Short-term liabilities total (line103 to 111)	102	13,745	50,026	25,900	23,311
B.III.1.	Trade liabilities	103	6,818	38,505	10,854	13,866
2.	Non-invoiced supplies	104			126	173
3.	Liabilities to controlled and controlling entities	105				
4.	Other liabilities in the consolidated Group	106				
5.	Accounts payable to related parties	107	31	16	16	16
6.	Payroll payable	108	2,361	3,016	2,877	3,516
7.	Social security payable	109	1,160	1,386	1,514	1,573
8.	Tax liabilities and donations	110	3,341	6,779	10,133	4,040
9.	Other liabilities	111	34	324	380	127
B.IV.	Bank loans and borrowings total (line113 to 115)	112				
B.IV.1.	Long-term bank loans	113				
2.	Current bank loans	114				
3.	Trade notes payable (short-term)	115				
C.	Accruals total (line117 and 118)	116	346	469	91	
C.1.	Future expenses	117	55	185	91	
2.	Gains in the future	118	291	284	0	
<i>Control number total (line 065 to 118)</i>			153,822	361,139	355,225	395,146

Profit and loss statement in thousand SKK			2001	2002	2003	2004
I.	Sales revenue on merchandise	01	5,179	4,411	5,079	5,801
A.	Cost of merchandise sold	02	4,482	3,454	4,135	4,417
+	Gross margin line 01-02	03	697	957	944	1,384
II.	Production line 05+06+07	04	120,600	225,044	261,332	209,997
II.1.	Sales of own products and services	05	118,576	207,051	276,868	213,170
2.	Changes in inventory	06	2,024	17,993	-15,536	-3,173
3.	Activation	07				
B.	Cost of used in manufacturing line 09+10	08	80,138	155,368	174,682	132,751
B.1.	Raw material, energy and manufacturing material consumption	09	32,775	68,135	82,522	69,786
B.2.	Services	10	47,363	87,233	92,160	62,965
+	Value added line 03+04-08	11	41,159	70,633	87,594	78,630
C.	Wages and salaries total (line13 to 16)	12	31,178	42,353	37,738	45,703
C.1.	Payroll (wages and salaries)	13	23,333	33,395	27,992	35,587
2.	Management bonuses	14	220	355	240	390
3.	Social security expenses	15	7,167	8,087	8,875	8,873
4.	Fring benefits	16	458	516	631	853
D.	Taxes and fees	17	710	852	970	999
E.	Amortization of long-term intangible and tangible property	18	2,272	1,825	2,946	4,309
III.	Moneys received from sale of fixed assets and raw material	19	1,514	170	714	884
F.	Net book value of disposed long-term fixed assets and material	20	664	24	0	46
IV.	Cancellation of reserves from economic operations and clearing of pre-paid expenses	21				7,645
G.	Creation of reserves for economic activities and clearing of complex pre-paid expenses	22	0	0	7,644	7,546
V.	Clearing of adjustment to financial gains	23				
H.	Creation of adjustments to expenses	24				
VI.	Other revenues	25	450	247	61	980
I.	Miscellaneous expenses	26	947	1,142	1,534	2,553
VII.	Transfer of gains	27				
J.	Transfer of expenses	28				
*	Operating profit	29	7,352	24,854	37,537	26,983
VIII.	Moneys received from sale of securities	30				
K.	Purchase price of securities	31				
IX.	Gains on long-term current liquid assets line 33+34+35	32	624	0	0	0

Profit and loss statement in thousand SKK

2001

2002

2003

2004

IX.1.	Gains on securities in related parties with significant influence and controlled entity	33	624	0	0	0
2.	Gains on other securities and investments	34				
3.	Gains on other long-term current financial assets	35				
X.	Gains on short-term financial assets	36				
L.	Expenses on short-term financial assets	37				
XI.	Gains on overcharged securities and derivative operations	38				
M.	Expenses on overcharged securities and derivative operations	39				
XII.	Interest income	40	13	17	227	724
N.	Interest expenses	41	186	372	111	95
XIII.	Exchange rate gains	42	156	28	92	15
O.	Exchange rate losses	43	627	463	149	38
XIV.	Other financial gains	44	0	0	214	
P.	Other financial expenses	45	0	0	853	105
XV.	Utilization and cancellation of reserves from financial activities	46	26	1	40	
Q.	Creation of reserves for financial operations	47	1	42	0	
XVI.	Clearing and cancellation of gains on assets to operating revenue from fin. oper.	48				
R.	Creation of adjustments for financial expenses	49				
XVII.	Transfer of financial gains	50				
S.	Transfer of operating expenses	51				
*	Profit/loss from financial operations	52	5	-831	-540	501
T.	Income tax from current operation line 54+55	53	2,837	6,447	9,879	5,501
T.1.	-due	54	2,837	6,447	9,865	5,483
2.	-deferred	55	0	0	14	18
**	Economic result from ordinary services line 29+52-53	56	4,520	17,576	27,118	21,983
XVIII.	Unusual gains/income	57	1,410	406	732	33
U.	Unusual expenses	58	0	15	0	0
V.	Income tax from unusual income line 60+61	59	402	98	182	6
V.1.	-due	60	402	98	182	6
2.	-deferred	61				
*	Economic result from unusual activity	62	1,008	293	550	27
Z.	Income distribution to partners	63				
***	Economic result for accounting period	64	5,528	17,869	27,668	22,010
Control number total (line 01 to 64)			550,464	1,003,440	1,173,998	975,624

Overview of cash flow in thousands of SKK

2003

2004

Cash flow from operating activities

Z/S	Economic results before taxation (+/-)	37,729	27,517
A.1.	Non monetary operations affecting the profit from current activities before taxation by income tax	9,492	3,876
A.1.1	Depreciations on long-term assets (+)	2,946	4,309
2.	Net book value of liquidated or donated long-term assets (+)	224	183
3.	Reserves (+/-)	7,604	-99
4.	Adjustments (+/-)		
5.	Changes in accruals	-452	950
6.	Profit (-) loss (+) from disposition of long-term assets	-714	-838
7.	Gains on long-term current liquid assets (-)		
8.	Interest income (+) and expenses (-)	-116	-629
A.2	Influence of changes in working capital of economic results, differences between current assets and short-term liabilities except cash and cash equivalent current assets	-13,273	-11,468
A.2.1.	Changes in receivables from preventive activities (-/+)	-4,882	-6,850
2.	Changes in liabilities from preventive activities (+/-)	-23,968	-1,733
3.	Changes in inventory (-/+)	15,577	-2,885
4.	Changes in short-term current financial assets except those, which are cash and cash equivalent assets (-/+)		
	Peňažné toky z prev.činnosti s výnimkou príjm. a výd., ktoré sa uvádzajú osobitne v iných častiach prehľadu peň.tokov (+/-) (súčet Z/S+A.1+A.2)	33,948	19,925
A.3.	Interests received except financial operations (+)		
A.4.	Moneys paid out for acquitted interest, except financing activities (-)		
A.5.	Moneys paid out for income tax, except those which are incorporated in investment or financial activities	-10,061	-5,507
A.6.	Ost.príjmy vzťahujúce sa na prev.činnosť (+)	73,448	1,191
A.7.	Other expenses referring to preventive operations (-)	-80,145	
A	Net cash flow from preventive operations (total A.1.to A.7)	17,190	15,609

Overview of cash flow in thousands of SKK

2003

2004

Cash flow fro investment activities

B.1.	Expenses for actual long-term assets	-4,550	-10,385
2.	Incomes from disposition of assets (+)	714	884
3.	Interest received, except preventive operations (+)	227	724
4.	Incomes from dividends, except preventive operations (+)		
5.	Expenses for income tax		
6.	Other incomes reffering to investments (+)		
7.	Other expenses referring to investments (-)		
B	Net cash flow from investments (total B.1to B.7)	-3,609	-8,777

Cash flow from financing activities

C.1.	Cash flow in equity	-4,392	-11,544
C.2.	Moneys paid out for acquitted interest, except preventive activities(-)	-111	-95
C.3.	Paid dividends on earnings		
C.4.	Expenses on income tax if they can be incorporated in financing operations		
C.5.	Other incomes referring to financing activities (+)		
C.6.	Other expenses referring to financing activities (-)		
C	Net cash flow from financing activities (total C.1 to 6.)	-4,503	-11,639
D	Net increase/decrease of cash (+/-) (total A+B+C)	9,078	-4,807
E	Cash and cash equivalent balance in the beginning of the accounting period	25,122	34,200
F	Cash and cash equivalent balance at the end of the accounting period	34,200	29,393

Statement of the auditor

Statement of the auditor for the General Meeting of NEVITEL, a.s. accounting entity.

We conducted the annual audit of the closing of books of NEVITEL, a.s., Dunajská Streda for the year ended December 31, 2004. The audit comprises the balance prepared to December 31, 2004, related profit-and-loss statement and comments as well. The management of the joint-stock company is responsible for the closing of books. Our responsibility is to give judgment to this closing of books according to our audit.

The audit was accomplished in accordance with the International auditing standards ISA. According to these standards, the audit has to be planned and accomplished so that to be sure the closing of books does not comprise significant inaccuracies. The audit includes the certificate of accounts, which sustains amounts and other data occurred in the closing of books. Furthermore, the audit comprises the evaluation of applied accounting principles and the evaluation of remarkable assessments carried out by the management for the evaluation of closing of books' presentation en bloc. We are convinced that our audit provides adequate resource for our judgment.

We hereby confirm that data indicated in the closing of books for the year ended December 31, 2004 veraciously reflect the results of the management. The closing of books was carried out according to the Slovak law of accounting in force.

Ing. Irena Vaššová
Auditor, license SKAU 31

In Nové Zámky, 27.4.2005

Audit Opinion

Audit Opinion

We have conducted an audited annual financial statement of the accounting entity NEVITEL, a. s. Dunajská Streda, up to December 31st 2004, in accordance with the International Standards of Auditing.

We confirm that the data listed in the Annual Report for the year 2004 are in conformance with the data listed in the Annual Financial Statement to December 31st, 2004.

Ing. Irena Vaššová
auditor, Slovak Chamber of Auditors, license number 31




Nové Zámky, 8.8.2005

Statement of the Supervisory**Statement of the Supervisory Board of NEVITEL, Inc.**

The Supervisory Board has reviewed the annual closing of books of Nevitel, Inc. for the year of 2004 and states that it was carried out according to the law of accounting in force. Account reports and other legal grounds within the regular closing of books are complete, and indicated data for the year ended December 31, 2004 veraciously reflect the results of the management.

The Supervisory Board states that the regular closing of books has been examined by Ing. Irena Vaššová, of permanent residence in Nové Zámky, license SKAU n. 31. After obtaining the audit report, the Supervisory Board affirms the management results.

In accordance with the above mentioned facts, the Supervisory Board of Nevitel, Inc. submits the annual closing for the year 2004 to the General Meeting for confirmation as well as the proposal of the company's economic results settlement for the year 2004 submitted by the Board of Directors.


Ing. Vincent Mikolai
Chairman of the Supervisory Board

In Dun. Streda, 05.05.2005

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The annual report is available at the residence of the company and in electronic form on the web page www.nevitel.sk.

The report is delivered by mail, free of charge in a form of publication or CD to each business partner and by request to each person interested.

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