

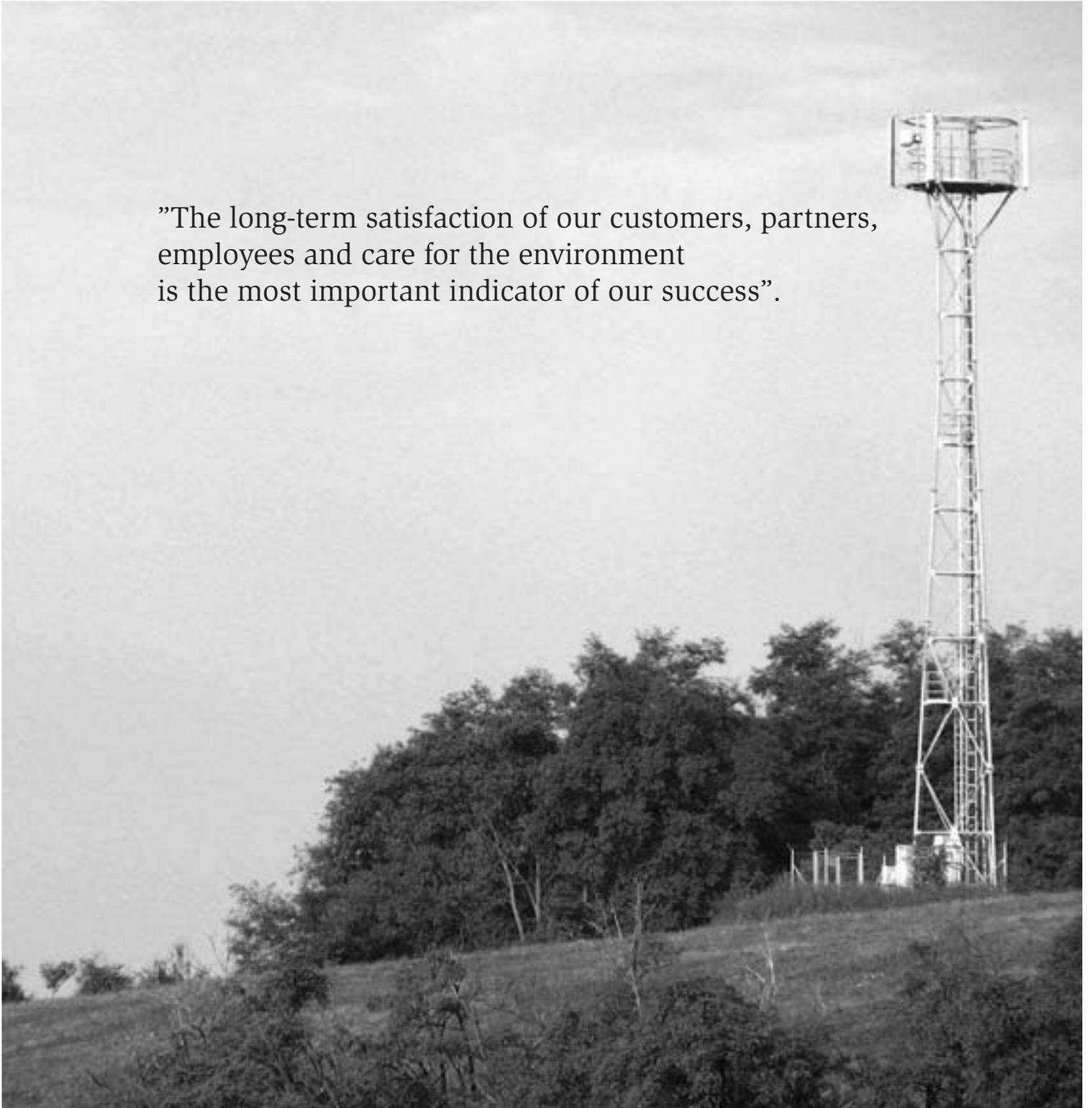
Annual Report of NEVITEL, a. s. | 2005



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”The long-term satisfaction of our customers, partners, employees and care for the environment is the most important indicator of our success”.



Foreword by the Chairman of the Board of Directors



| Ing. Alexander Néveri

Ladies and gentlemen,

In 2005, we entered our company's 15th year of existence. Just a brief look back to the past shows that the decision we made ten years ago, to enter the mobile communication market, was correct. I admit that when I considered the perspectives in the construction of mobile telephone networks for companies such as Nevitel at that time, I assumed the possibility of successful operation as lasting for a maximum of five years. It's a good job that I do not live from making prognoses. To excuse my incorrect estimation I have to say that, halfway through the nineties, not even professional prognosticators expected such a dynamic development of mobile communication in Slovakia or globally as we can see happening at present. After ten years of operating in this field I still see the future of our company as optimistic. We can still feel heavy market pressure on operators as regards the development of their networks, the introduction of new technologies for new services, and an increase in the capacity and reliability of their networks, as well as in connection with the provision of better quality services to customers. To help operators to achieve these goals, Nevitel was and always will be ready to act as a reliable partner and key supplier of telecommunication infrastructure, components and the products necessary for operating and maintaining mobile and other telecommunication networks in the Slovak market. It is a standard in our field that what applied yesterday does not necessarily apply today. The conditions and character of our work changes from day to day. In 2006, our company faces extensive changes in many areas. We plan to radically modify the organizational structure of the company, considerably

strengthen project-oriented management and to introduce new products in the operation and maintenance of telecommunication networks. During the last ten years of our participation in creating these networks we gained valuable attainments and experience, which we would like to utilize when introducing and selling new products. We consider the customer's satisfaction to be the source of success in business. To achieve the highest possible level of such satisfaction we need qualified and ambitious colleagues, who are targeted at increasing the quality of our products. In the near future, we plan to motivate our employees towards increasing their qualifications. We are therefore prepared to morally, as well as financially, support their extramural studies in high-schools or universities, their participation in language courses or in other forms of in-service courses that help them to gain higher qualifications. We are ready to offer better job opportunities to those colleagues who show their interest in gaining higher education and have the ambition to move forward in their careers. In the new organizational structure, we plan to emphasize the partner relationship between employees and management rather than the relation of subordinates and superiors. In 2005, we separated the functions of the Managing director and of the chairman of the Board of Directors. We believe that this step will also contribute to the improvement of our efficiency and ability to make correct decisions as regards strategic issues, as both of these areas require an individual person. We entered the year 2006 full of optimism and energy, awaiting the further progress and development of our activities.

Ing. Alexander Néveri
Chairman of the Board of Directors





Foreword by the Managing director



| Ing. Alexander Kürthy

2005 could be considered to have been a successful year for NEVITEL, a.s. in which the company achieved positive results. We managed to accomplish all of the main tasks and to gain a positive economic result. We are pleased to state that all of our departments achieved an inter-yearly growth in turnover compared to the previous year. The total turnover of the entire company thus achieved a 10% inter-yearly growth and the profit of the company before tax, depreciation and interests (EBITDA) increased by 38%. These results allow us to be even more ambitious with regard to our future plans. 2005 was also a breakthrough year for our company. During the first half of the year, we mainly completed classic telecommunication structures and built new base stations, as in previous years. But during the second half of the year, both Slovak operators (T-Mobile Slovensko, a.s. and Orange Slovensko, a.s.) implemented certain changes in their operation and began preferring their investments in the reconfiguration of existing networks and in data transmission technologies. We also began cooperating with a new perspective operator in the data transmission area (WiMax Telecom Slovakia, s.r.o.). The performance of works in this new structure was a challenge to us and inspired us to even higher achievements. We were, however, able to react flexibly and well. Of course, we realize that our success is a common result of the efforts of all company employees. We are pleased that our timely investment in human resources in the area of technological works has been shown to have been correct. Maintaining good results and ensuring the further growth of the company is not an easy task, so we are therefore delighted that our added value

is increasing year by year. Of course, we would like to continue in such a trend. The previous year was a year of growth and a year of creating value for our shareholders. 2006 is challenging to us as we need to maintain the stable and dynamic growth of our company. I believe that the oncoming year will bring as much success as the foregoing year, and that we will be further able to meet the expectations of our investors.

Ing. Alexander Kürthy
Managing director



Basic key values of the company

Mission

- Understand the customers' needs.
- Solve all customers' requirements with responsibility.
- Continuously improve the level of supplies and services provided.
- Protect nature and the surrounding environment.
- Be a reliable and affordable partner for our customers.
- Fulfil agreements and promises.
- Motivate, develop and offer attractive opportunities to efficient and enthusiastic workers.
- Remunerate workers with high performances.

Vision

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

Company values

- Material, intellectual and market value of the company.
- The company name guarantees the quality of the supplies and services offered.
- Primarily respecting the customers' needs upon solving supplies with respect to the environment.
- Mutual respect between employees of our company.

Objectives

Maintain the goodwill of the company. This means the continuous development of activities, procedures and efforts in order to satisfy the needs of our customers, and the stabilization and extension of our customer base. To increase the efficiency and quality of the personnel structure and its motivation towards the highest performance. To strengthen the company's position in the market by increasing the company's market share and profitability and by achieving the satisfaction

of customers with minimum intervention to the environment. To contribute to the development of the entire company by sponsoring schools, culture and health care.

In the current competitive environment, the key aspect of success for every company lies in its ability to establish and maintain good relations with its business partners. On the basis of this knowledge, we put great emphasis on establishing and building strong and healthy business and partner relations, which is beneficial for our company as well as for our partners. Our success, at the same time, is the success of our business partners.

Codes

We know that an interaction exists between the economic, ethical and political environments. Ethics is very important and in the company it is formed in the mutual interaction of formal and informal rules. Ethics also relates to all segments of the company as such. It is a necessary aspect in the diversity of individual or group interests, agreement and balance between groups. It is a complicated transformation process, which includes the coordination and agreement of rules. The point of it is to prevent conflicts and to serve the public interest.

Acceptance of the code of ethics by company personnel is the basis for successful cooperation according to the principles and rules adopted. By observing the provisions of the code of ethics the company becomes a trustworthy partner for customers as well as employees. In addition, it helps to form the corporate culture of the company, while representing a complex of main values admitted by the company and used as a keystone of the company. It defines the basic ethical principles and includes specific practical guides and forms of conduct to be followed by employees upon the performance of their activities. It describes external and internal values that the company equally applies towards its external partners and customers, as well as towards its employees.



Company profile

Identification data

Business name: NEVITEL, a.s.
Registered office: Ul. Biskupa Kondého 18
929 01 Dunajská Streda
Legal form: Joint-stock company
Registration: B.R. Trnava Dist. Co., sec.: Sa, file No. 10178/T

Branches

Dunajská Streda, Banská Bystrica, Košice

Subsidiary

NEVITEL ČR, s.r.o., Brno-Slatina, Czech Republic

Contacts

E-mail: nevitel@nevitel.sk
Website: www.nevitel.sk
Tel.: 00421/31/590 21 10
Fax: 00421/31/551 64 11

NEVITEL, a.s.

NEVITEL, a.s. is a key supplier of telecommunication constructions for the two most significant mobile network operators in Slovakia, as well as for other telecommunication operators. The company is able to quickly react to changes in the market and accommodate to new requirements and conditions. It considers the satisfaction of customers to be the most significant parameter of quality, while putting considerable emphasis on the environment. The most significant capital of the company is represented by the abilities and attainments of its employees and their loyalty towards the company. It also does not omit customers using fixed networks. The company carries out complex offers, including the supply, installation and

service of digital branch exchanges, copy machines and faxes, and telephone and computer distribution systems. It also provides for the sale of terminal telephone devices, devices with digital recorders and wireless telephones.

Line of business

Engineering, preparation and acquisition activities related to the construction of GSM and UMTS base stations:

- selection of appropriate lands within localities identified by customers,
- development of projects for planning procedure purposes,
- development of acquisition reports, including technology distribution schemes,
- provision of rental contracts and handling of legislative affairs related to rental,
- provision of planning permissions and all other necessary permits related to construction,
- issue of audit reports and protocols for individual sub-supplies,
- provision of pilot operation permits after the completion of constructions,
- provision of certificates of building approval.

Design activity carries out and provides for complete project documentation necessary for telecommunication structures, such as:

- radio-relay points,
- GSM and UMTS base stations, technical documentation of the construction parts, structural architecture, design of technology for the extension of the existing stations,
- static calculation for the placement of telecommunication structures to existing objects,
- replacement of technology, complementing or implementation of new technology,
- energy supplies, distributions and connections,
- electronic security signalling,
- air-conditioning,
- steel structures (auxiliary and telecommunication masts)
- development of construction works projects and protective zones projects



Construction of GSM and UMTS base stations:

- installation of operator's technology, installation of containers or BTS, respectively aerial radiators and high-frequency cables,
- assembly of radio-relay links, including parameterization,
- construction of foundations for telecommunication masts, from the takeover of construction sites up to concreting of foundations,
- construction of steel structures, from production up to the placement of assembled steel structures on anchor units,
- construction of electrical supply main: construction of connections, grounding systems, revisions of electric equipment and delivery of electrical supply mains to customers.

Telecommunication constructions:

- telecommunication masts,
- base stations on the roofs of high buildings,
- special structures (base stations on chimneys or water-towers),
- implementation of optical cable routes,
- electrical connections to base stations.

Sale, installation and service of telecommunication devices:

- delivery, installation and repair of telecommunication devices,
- delivery and installation of digital branch exchanges for small and medium-size companies through modules, as well as the maintenance and service of them,
- computer network distribution,
- terminal telephone devices and wireless telephone devices, office equipment, fax machines, copy machines,
- service, assembly, installation and configuration of telecom. devices based on customers' requirements,
- warranty and post-warranty repairs and contracted maintenance of branch telephone exchanges.

History of the company

- 1991** Foundation of the company by Ing. Alexander Néveri. Installation and service of branch telephone exchanges, sale of telecommunication and office equipment.
- 1992** Sale of NMT mobile telephones and installation of car voice sets.
- 1996** Transformation of the company's legal form to a limited company. Nevitel became one of the suppliers of works for Slovtel, later Globtel and currently Orange - the first GSM network operator in Slovakia, within the construction of base stations, including acquisition

and engineering activities. Authorized partner in the sale of EuroTel services.

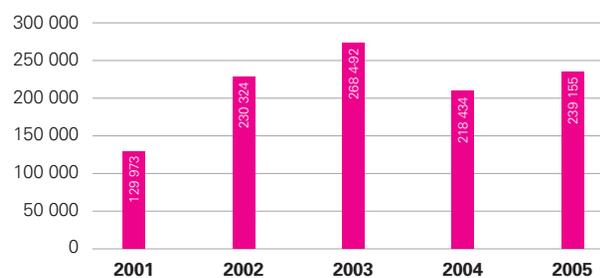
- 1997** The most successful supplier of constructions for Globtel. Commencement of cooperation with EuroTel in the area of GSM constructions.
- 1998** Commencement of the production and assembly of company-produced masts.
- 1999** _Foundation of Nevitel ČR with the intention of taking part in the construction of a network for Czech Mobile – Oskar, engineering and construction activities for Ericsson, as a technology supplier for Bohemia and Moravia.
- 2000** Implementation and certification of a quality management system. Establishment of the company's own project group. Purchase of special measuring technology. Increase in the number of telecommunication technology outlets. Significant supplier of telecommunication constructions for both GSM operators in Slovakia.
- 2001** Transformation to a joint-stock company – Nevitel, a.s. Sale of mobile telephones was transferred to Mobilmarket, s.r.o. Development of a new type of mast with a round platform and its introduction to the market. Establishment of a branch in Košice for the eastern region of Slovakia.
- 2002** Modification and reconstruction of warehouse premises. Renewal of the company car fleet. Establishment of a branch in Banská Bystrica for the central region of Slovakia. Dissolution of NEVITEL Hungary, Kft.
- 2003** Changes in the company organisation, formation of computer technology, sales and marketing-oriented groups. Establishment of the company's own electricians' workshop and commencement of metal-working. Purchase of special tools for working with waveguides. Commencement of non-technological maintenance of GSM stations for Orange. Re-certification according to ISO 9001:200 standard and declaration of new quality policy. Nevitel became the key supplier for both Slovak mobile telephone network operators. The company achieved the highest turnover in its history – SKK 267 million.
- 2005** The company focused on the increased quality of the supplied work.
- 2006** Plans: Transition from the construction of new GSM sites to the implementation of UMTS sites in a high number through reconfiguring or complementing the technology of the existing sites. Organizational changes in the company. Organizing the operation of the Hotline service, surveillance centre (Call Centre) and the introduction of new products for mobile network operators.



Key performance indicators

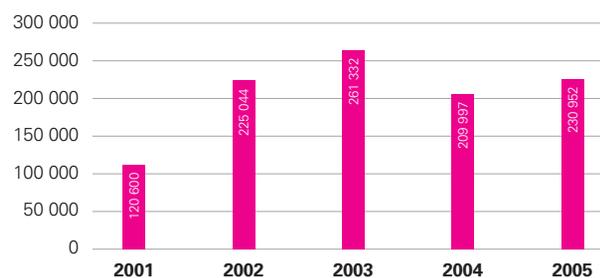
Total revenues (in tsd. SKK) (except for reserves)

2001	2002	2003	2004	2005
129 973	230 324	268 492	218 434	239 155



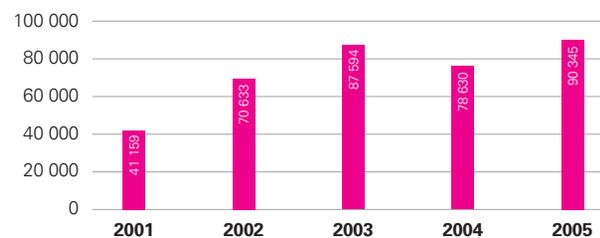
Production (in tsd. SKK)

2001	2002	2003	2004	2005
120 600	225 044	261 332	209 997	230 952



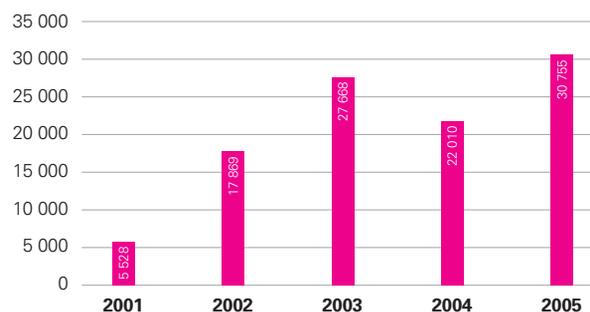
Added value (in tsd. SKK)

2001	2002	2003	2004	2005
41 159	70 633	87 594	78 630	90 345



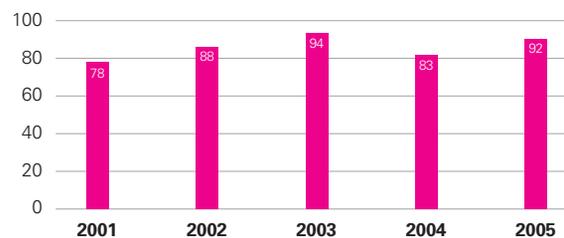
After-tax profit (in tsd. SKK)

2001	2002	2003	2004	2005
5 528	17 869	27 668	22 010	30 755



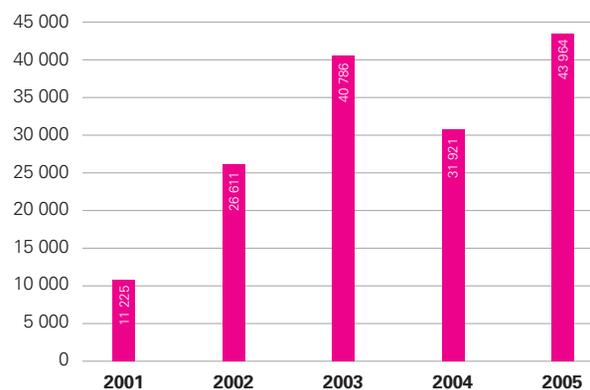
Number of employees

2001	2002	2003	2004	2005
78	88	94	83	92



EBITDA (in tsd. SKK) (profit before interest, tax and depreciation)

2001	2002	2003	2004	2005
11 225	26 611	40 786	31 921	43 964



Structure of shareholders, supervisory bodies and management of the company

Membership in organisations

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
Ing. Imre Tóth	Member of the Board of Directors

Supervisory Board

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

Company Management

Ing. Alexander Néveri	Chairman of the Board of Directors
Ing. Alexander Kürthy	Managing director
Ing. Imre Tóth	Head of the Construction Preparation Division
Ing. Jozef Libárdi	Head of the Constructions Division
Ing. Tibor Füzik	Head of the Service Division
Ing. Gustáv Pálos	Head of the Material Supply Division
Judit Bögy	Head of the Economic Division
Ing. Szabolcs Horváth	Head of the IT Division
Ing. Roman Riedl	Key Customer Manager (Orange Slovensko, a.s.)
Ing. Štefan Andrassy	Key Customer Manager (T-Mobile Slovensko, a.s.)
Ing. Norbert Melicher	Head of External Deliveries Group
Ing. Arpád Domonkos	Head of Internal Deliveries Group
Ing. Szabolcs Donč	Head of Technical Group
Alexander Johancsik	Head of Service Group for Telecommunication Facilities

Shares in the stock capital

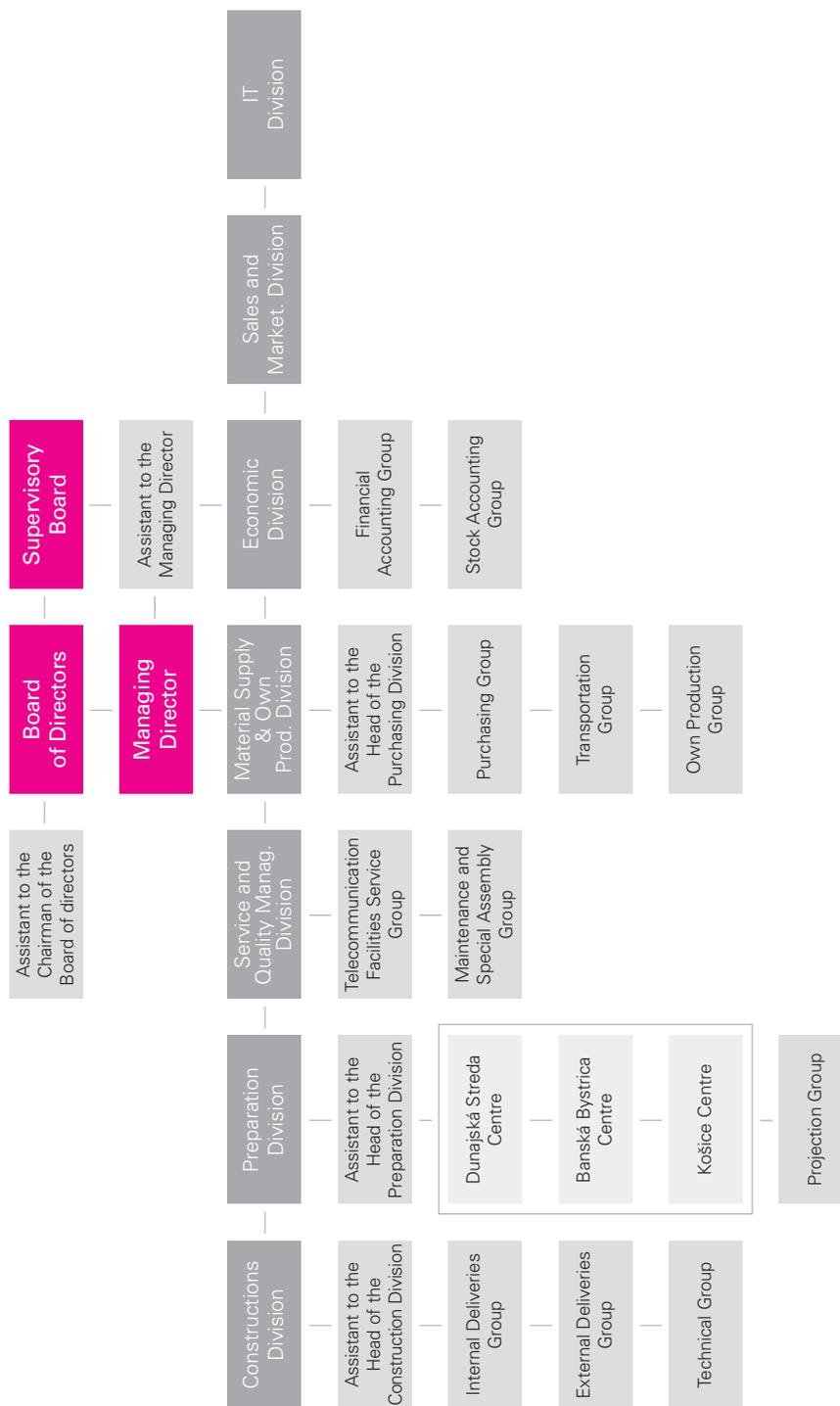
Ing. Alexander Néveri	81.033%
Ing. Alexander Kürthy	7.310%
Ing. Imre Tóth	5.197%
Ing. Roman Riedl	1.272%
Ing. Gustáv Pálos	1.038%
Ing. Tibor Füzik	1.038%
Judit Bögy	1.038%
Ing. Štefan Andrassy	1.038%
Alexander Johancsik	1.038%

The shares are not marketable in any markets.

The latest General Meeting took place on 18 May 2005.
The next General Meeting is planned to take place on 12 May 2006.



Organisational structure of NEVITEL, a.s.



Organisational structure of NEVITEL, a.s. and characteristic of individual company divisions

Board of directors

Ing. Alexander Néveri

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 at the district level. In 1991, he founded Nevitel and became the majority shareholder of the company. During the company's existence he has participated considerably in the development of its strategy, visions and objectives. Since the foundation of the company he has gradually acted as the company executive and from 2001 as managing director. Since 2005, he has acted exclusively as Chairman of the Board of Directors.

Ing. Alexander Kürthy

Managing director and Member of the Board of Directors

Graduated from the Agricultural University in Nitra, Faculty of Mechanisation in 1985. In 1986 he began to teach at the Secondary Agricultural School in Dunajská Streda. For the last two years of his teaching career, he held the position of Deputy Director of the school. In 1991, he ran a business in the area of trade and international transportation. In 1996 he began to work in our company as head of the Constructions Division. Since 2001, he has been a member of the board of directors and he has been the Managing Director of the company since 1 May 2005.

Ing. Imre Tóth

Head of the Construction Preparation Division and Member of the Board of Directors

Completed his engineering study at the Slovak Technical University in Bratislava. During his practise he worked as a construction manager, construction supervisor and as head of the investment division. He also worked at the building office, later as a head of the state building administration department and principal of the District Environmental Office in Šamorín. Since 1996, he acted in Nevitel as Head of the Construction Preparation Division, which includes the complete project design and engineering of constructions. He has been a member of the Board of Directors since 2001.

Supervisory Board

Ing. Vincent Mikolai

Chairman of the Supervisory Board

Graduated at the Economic University in Nitra, in the field of Operating Economics and successfully completed his study in 1979. During 1979 – 1992, he worked as a chief economist at the Agricultural Cooperative Veľký Meder. During 2000 – 2001, he held the position of financial director in Nevitel. Since 2001, he has acted as the Chairman of the Supervisory Board and this became external. Before joining and leaving the company, he ran his own business in the area of trade.

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 at the District Construction and Housing Association in Dunajská Streda. In 1991, she joined the newly established District Office of Environmental Protection in Dunajská Streda as Head of the Economic Department. Since 2000, she has worked in Nevitel as Head of the Economic Division. She graduated in Financial Management at the City University in Bratislava. She is currently studying at the Economic University in Bratislava, Faculty of Economic Informatics, in the field of accounting.

Ing. Gustáv Pálos

Head of the Material Supply Division and Member of the Supervisory Board

Graduated from the Poly-technical University in Budapest, Hungary. In 1980, he obtained the title of diploma engineer in the field of construction and planning of engineering technology. After his study, he began to work at the ZMV plant (manufacturing small motorcycles) and gradually he held positions as head of the tool room, head of division and head of the technical department. He started to work in Nevitel in 1999, since when he has held the position of Head of the Material Supply Division and Own Production. He is responsible for the manufacture of steel structures.



Individual company divisions

Constructions Division

Scope of division activities:

- construction of foundations based on orders, from the takeover of construction sites up to the concreting of foundations,
- construction of steel structures, from production up to their placement and assembly on an anchor unit,
- assembly of technologies taken over, from orders up to the assembly of a container or BTS, respectively aerial radiators and cables,
- construction of electrical mains supply: construction of PSS connections, grounding systems, revision of PTS electrical equipment and delivery of the electrical supply main to the customer.

The division is divided into two main work groups, specifically to:

- Internal Deliveries Group,
- External Deliveries Group.

Internal Deliveries Group

Through the Internal Deliveries Group and from its own resources, the company builds:

- masts located in residential areas and outside of them, as well as in mountain areas,
- roof-type stations, technological room in a building or on a roof,
- other specific constructions, such as water towers, existing masts, as well as land works and excavations related to the preparation of construction sites,
- delivery of technological containers,
- complete assembly of steels structures and aerial holders,
- complete assembly and technologies for particular stations,
- issue of revision reports and protocols for individual sub-supplies,
- fencing and land works for maintaining the original state of the surrounding of constructions.

External Deliveries Group

The mission of the External Deliveries Group is to harmonize the construction activities and to ensure their continuance

through the acquisition of sub-supplies. The group is also responsible for the monitoring of potential sub-suppliers, evaluation of their professional abilities and correct selection, as well as the control and coordination of work.

The main reason for its existence is the rationalization of costs.

The year 2005 was exceptionally demanding on the Constructions Division. In cooperation with the internal and external deliveries groups we implemented many projects. In the first half-year, we continued with the construction of station foundations for the mobile operators Orange Slovensko, a.s., and T-Mobile Slovensko, a.s. Construction mainly included new base stations on newly-built masts and on existing objects. In the second half of the year, we faced a new challenge when we began building access parts of the 3rd generation networks for both operators. The character of construction changed, as we were mainly reconstructing and reconfiguring the existing base stations, but in a greater number. This type of construction requires a higher share of technological jobs. By the end of the year, we extended our activities for the construction of base stations for WiMAX Telecom Slovakia, s.r.o., a holder of the FWA licence on the 3.5 GHz frequency band.

Division of the implemented constructions according to their type:

New base station on a new mast	36
New base station on an existing object	44
Reconst., reconfiguration on a base station	97
Reconst. of a base station to UMTS and Flash-OFDM	79
Other small constructions	80

Plans and visions:

In the near future, we plan to extend our implementation capacities through strengthening our team with technicians for technological assemblies and by involving new suppliers. Our effort is to achieve further positive changes in the protection of health and safety at work. Our target is to reduce the number of injuries and accidents through changing the individual approach of all employees. Our strategic target is to increase the quality of our products.

Preparation Construction Division

This division represents a group of qualified and respected professionals with long-term experience and specialized knowledge. We believe that the quality, effort and professionalism of our work represent our greatest contribution to the added value of all our activities.

Scope of division activities:

- acquisition activities,
- obtaining planning permission,
- provision of certificates of building approval,

The division is divided into two main work groups, specifically:

- Legislation Group,
- Projecting Group.

Legislation Group

The responsibilities of this work group include:

- development of acquisition reports, together with technology distribution schemes,
- provision of rental contracts and handling of legislative affairs related to rental,
- provision of planning permissions,
- provision of other necessary permits related to constructions,
- provision of pilot operation permits after the completion of constructions,
- provision of certificate of building approval.

Projecting Group

The responsibilities of this work group include:

- selection of appropriate lands within localities identified by the customer for constructing a base station,
- preparation of projects for planning procedure purposes.

Complete project documentation for the resultant base stations is secured through the company's own resources: radio-relay point, base station, energy supply main, ss and js energy distributions, electronic security signalling, air-conditioning, steel structures such as auxiliary masts, construction works projects and protective zones projects.

In 2005, the construction preparation division continued in providing traditional activities for T-Mobile Slovensko, a.s., and for pre Orange Slovensko, a.s. The division also carried out several significant constructions of telecommunication

networks for both of these mobile operators. In the second half-year, the division commenced a significant construction for WiMax Telecom Slovensko, s. r. o., specifically the construction of a telecommunication network in the 3.5 GHZ band.

2005 could be globally evaluated as demanding, but also as exceptionally successful.

Visions, plans and objectives:

- to satisfy the challenging requirements of our customers,
- to use of our knowledge and capacity to the maximum extent,
- to optimize and improve the key processes in our company, as well as in our division,
- to maintain our position at our business partners in the telecommunication market,
- to extend the number of business partners and investors and to find new opportunities in other areas of building industry and telecommunications.



Service Division

From the service division's point of view, 2005 could be globally evaluated to be demanding, but also exceptionally successful.

The most important works carried out by the division included:

- renewal of an extensive telecommunication network and replacement of a telephone exchange in Komárno Hospital,
- performance of non-technological maintenance on more than 200 GSM base stations operated by Orange,
- gaining new significant clients: Tramico, Gebrüder Weiss, Sibamac, Hygesia, Pedrazzoli Galanta, Orchidea Hotel, Jókai Theatre in Komárno and Howe Slovensko,
- construction of a radio-communication point for DAMOVO Slovakia on the Bogota heights, with a 52 m high mast and NERA SDH technology,
- establishment in the large investments market - FM logistic Sered.

The Service Division is divided into two groups:

- Telecommunication Facility Service Group,
- Maintenance and Special Assembly Group.

Telecommunication Facility Service Group

The activity of this division is currently focused on the assembly, maintenance and repair of digital branch exchanges. The telecommunication market was lately extended by few operators providing a range of customer-attractive services. Customer requirements for telecommunication networks also increased because of the need for the transmission of several protocols and services.

In the near future, the group must undergo deep qualification changes so that it is able to react to the introduction of NGN networks and IP technologies in the area of services and local networks.

Maintenance and Special Assembly Group

The activity of this group is currently focused on the maintenance of GSM stations, assembly and the repair of new facilities in the area of GSM and wireless data networks. The number of requirements for special and low-volume works is currently increasing, as well as requirements for securing the functionality of equipment or sets of equipment through outsourcing.

In the near future, this group plans to carry out new types of activities and be strengthened because of the difficulty of such activities in terms of qualified personnel.

Plans, visions and priority objectives

The service division currently faces a structural change to its profile, whereas the fast development of telecommunication technology requires changes to be made in the facilities used. These activities require continuous monitoring of the market and the ability to provide qualified offers and professional consulting. This challenge concerns both groups and results in the following requirements:

- changes in the qualification of division employees to new technologies in voice and data transmission (VOIP, optical networks, etc.),
- performance of new activities within the company in connection with changes to the company portfolio,
- extension of the technical and software facilities for the division's employees,
- orientation towards the complexity of assembly deliveries through extending activities by the installation of security equipment (alarms) for customers,
- increase capacities in the area of non-technological maintenance through the formation of two, two-member groups (by taking on two new employees),
- create centres concerning four kinds of service interventions for the hotline service of WiMax Telecom Slovakia, a.s.,
- form a complex group with a surveillance centre (Call Centre) for the management and operation of the hotline service,
- focus on the maintenance of technological part through the increase of qualification and extension of facilities for the non-technological maintenance groups.



Material Supply and Own Production Division

The division includes 11 employees and uses 5 N1 vehicles.

This division takes care of:

- material and technical supplies necessary for constructions,
- maintenance, renewal and development of the company car fleet,
- export, import and warehousing of purchased and technological (external) material,
- production of electrical and technological boxes,
- production of steel constructions through outsourcing, as well as through the company's own capacities.

The Head of the Material and Technical Supply and Transportation:

- cares for company assets (i.e. buildings, low-value, short-term assets, such as hand tools and reels),
- deals with issues related to the company car fleet,
- organizes the purchase and operation, renewal and maintenance, technical condition and certificates of motor vehicles (i.e. technical certificate and provision of technical inspection),
- checks incoming invoices and handles orders according to internal regulations,
- checks driver's books, observance of internal instructions, handles the insurance of the car fleet and manages insured events, controls and checks the purchase of fuel,
- checks the assembly of steel structures performed through the company's own capacities.

Division structure:

- Material and Technical Facility Group,
- Transportation Group,
- Own Production Group.

The Material and Technical Facility Group deals with:

- purchase and warehousing of material purchased and external material, preparation of all material and its expedition to individual construction sites.

The Transportation Group secures:

- delivery of all material to and from the warehouse to individual constructions by company vehicle, or by outsourcing,

- loading and unloading of vehicles by crane or high-lift trucks,
- alternative vehicles and the removal of technical obstacles in their operation (regular service, failure, insured incidents, technical inspection).

The Own Production Group secures:

- production of distributors and technological boxes (as well as the purchase of components),
- production of steel structures and construction maintenance (incl. the purchase of metallurgical material).

The Own Production Group only produces products for the needs of the company's construction activities, within its own workshop.

In 2005, the division carried out:

- production of 503,767.15 kg of zinc-plated steel by outsourcing and 35,090.00 kg using its own capacities,
- production of 323 units of electric boxes,
- transportation of 550,000.00 kg of non-technological material to the company warehouse and subsequently to individual construction sites all over Slovakia,
- maintenance, renewal and development of the company car fleet, which includes 48 vehicles,.

Visions and future plans:

- create new warehouse premises (construction of a new building, or reconstruction),
- provide for the registration of material (including external), monitor, register and order material through a single program interconnected with the economic division,
- create a guarded (protected) car park for the company car fleet,
- install a monitoring system for each vehicle,
- only employ workers with school-leaving exams.



Economic Division

This division is responsible for the provision and keeping of:

- financial and payroll accounting,
- operational and technical records,
- cash desk records,
- stock registration,
- personnel and payroll registration,
- statistical records,
- reporting,
- planning.

The division is divided into three work groups:

- Financial accounting
- Stock management
- Human resources, wages (PAM) and assets.

The economic division

supports the entire operation of the company.

Sales and Marketing Division

Since January 2004, this division has operated as an independent organisational unit within the organisational structure. The division is responsible for searching out new business opportunities in the area of telecommunication facilities and low-current distributions, respectively in the area of care for existing customers. Our sales representatives secure the entire course of individual business cases, from identifying the customer's needs through preparing a price offer and concluding a contract for work, providing for delivery and assembly, up to final invoicing. The daily work of this division is supported by the business information system "Business Report", which helps to track the complete course of individual business cases, recording communication with customers and tasks resulting from individual activities. This system of work results in the increasing and long-term satisfaction of our customers.

Projects implemented during 2005:

Branch exchanges:

Municipal Office	Veľký Meder
Pedrazzoli East Europe, s.r.o.	Galanta
Gebrüder Weiss, s.r.o.	Senec
Sibamac, a.s.	Trnava
Tramico Slovakia, s.r.o.	Senec

Madnet, a.s.	Veľký Meder
Eurokids, s.r.o.	Dunajská Streda
Techagra, s.r.o.	Šaľa
Hygesia, s.r.o.	Galanta
Rača Municipal Office	Bratislava
Hospital with Clinics	Komárno
Microcomp, s.r.o.	Nitra
Fritech, s.r.o.	Šaľa
Howe, a.s.	Košice
Pneumat International, s.r.o.	Dunajská Streda
Mikro K, s.r.o.	Komárno
Schola Privatae Gutaiensis	Kolárovo
Housing Association	Veľký Meder
Orchidea Hotel, s.r.o.	Veľký Meder
Edel Vent, s.r.o.	Levice
Cash Global, s.r.o.	Komárno
Jókai Theatre	Komárno
Apnet, s.r.o.	Levice
Jávorka Architect's Studio	Šamorín
High-school	Dunajská Streda

Low-current distributions

(structure cabling, optical networks, electronic security signalling, electronic fire signalling, acoustic)

Howe, a.s.	Košice
Guest-house	Štúrovo
FM Logistic	Sereď
Pedrazzoli East Europe, s.r.o.	Galanta
Gebrüder Weiss, s.r.o.	Senec
Sibamac, a.s.	Trnava
Relax 2000, s.r.o.	Komárno
Tramico Slovakia, s.r.o.	Senec
Termál, s.r.o.	Veľký Meder
Hygesia, s.r.o.	Galanta

Plans and priority objectives:

- co-participation in significant investment projects carried out by construction companies in the SR,
- further development of business activities in the area of public tenders and the search for new business opportunities for NEVITEI,
- continuation of the professional development of company sales representatives,
- implementation of a system in the communication between sales and service divisions through extending the Business Report application by a service module,
- further increase in the turnover of the sales and marketing division.



Information Technologies Division

The IT Division provides for the installation, maintenance and administration of operating systems and application software on servers, work stations, software connection to LAN and Wi-Fi networks, connection to WAN networks, management and setup of the corporate computer network, monitoring of operation and the elimination of failures in the network. The division also provides for the systemic and network operation of database servers, print servers and WWW servers, as well as for the anti-virus protection of systems, application of safety patches to operating systems and installing updates of applications. The division is also responsible for the provision of analyses and designs for sub-systems of information systems, analyses and designs of single-purpose independent programs, for the introduction of new information systems for various application purposes, trouble-free operation of the corporate information systems and for consulting and counselling activity for the staff of Nevitel regarding the use of information systems at all work sites. The IT Division employees regularly participate in training and presentations regarding new solutions and technologies.

The largest projects running during 2005:

- modernization of technical facilities in the sales division, management and economic division, by supplying HP computers and Toshiba notebooks,
- internal training focused on the use of computer technology and the ERP system SAP,
- extension of functions of the InOffice corporate information system by a management document (for commentary and approval process),
- assistance to the service division upon the installation of repeaters,
- donation of stored, de-mounted and discarded PCs to non-profit organizations,
- provision of external access for users to the InOffice system,
- innovation of the CRM system Business Report for the sales division,
- search for software solutions for the implementation and use of registry rules,
- development and implementation of a new e-mail notification system,
- transition from GPRS to EDGE technology for employees using mobile facilities,

- connection of the Banská Bystrica branch to the Internet through DSL line and modernization of computer technology,
- implementation of GPS navigation systems with employees working in terrain and their practical training in the use of these systems,
- strengthening the safety policy system,
- active cooperation upon the implementation of the EPR system SAP BO,
- cooperation with the service division upon the development of computer networks for external customers,
- analysis of corporate processes for the purpose of developing a new module designed to register the progress of constructions.

Plans and objectives:

- examination of new technologies and of the possibility of their use for the company benefit,
- modernization of technical facilities in the service division, preparation and Constructions Divisions, by supplying notebooks within HP operative leasing,
- innovation of photo technology,
- application of new backup methods, e.g., synchronization through the Internet,
- introduction of a new server in the Košice branch,
- extension of the functionality of the SRM system Business Report by a service module in order to improve communication between the sales and service divisions,
- implementation of software for registering the progress of constructions,
- increase of safety in the communication between branches through the development of VPN networks,
- selection of a software solution for the registry office,
- increase of safety in the e-mail communication,
- support to other divisions.

All company divisions exert maximum effort in order to fully satisfy customers, along with protecting the environment.



Personnel policy, employees and development of human resources

Like all other companies, we realise the value of labour. We know that the success or failure of a company is based on people. It is very important to employ theoretically and practically skilled people at all levels within the company and to create a space for the application of their abilities. The employees of NEVITEL, a.s. represent one of its most important resources and the key factor for gaining and keeping its competitive position. With their personal contribution and respect for the company principles, each employee has an influence on the assurance of quality. The satisfaction of our employees is based on three pillars of motivation: wages, professional growth and social activities. We try to create appropriate work conditions in the area of remuneration, as well as in the area of professional development and social benefits. Thanks to our employees, we succeed in keeping our position of one of the largest and most attractive employers in the region of Dunajská Streda. Nevitel is a stable employer, which ensures that each employee can feel secure about his work position and adequate remuneration for his work. We need to prepare our colleagues for new challenges and to maintain or increase the level of their motivation and loyalty towards the company. We continue with the implementation of company values, where the priority is the customer.

Remuneration

Our aim is that the remuneration system is based on internal justice. We reward loyal employees, who have worked in the company for a longer time, and use a motivational system of remuneration.

Education of employees

The challenging requirements of the market demand quality and well-trained people, who are able to work efficiently in a European format company. The company puts emphasis

on the efficient management of human resources. The company management is aware of the necessity of education and professional development of all employees. In 2005, the company invested resources amounting to 872 thousand SKK for education and training. We organized several training and seminars.

Training in the field of construction:

- training on the protection of health and safety at work,
- training for drivers,
- training for load binders,
- training for electrical mechanics,
- training in mountaineering,
- training for operators of land and construction machines,
- training on visual welds checking technique according to EN970, with a certificate,
- training on NEC technology,
- training on construction manager skills,
- Visual welds checking.

A total amount of 108, 275 SKK was invested in organising training in this field.

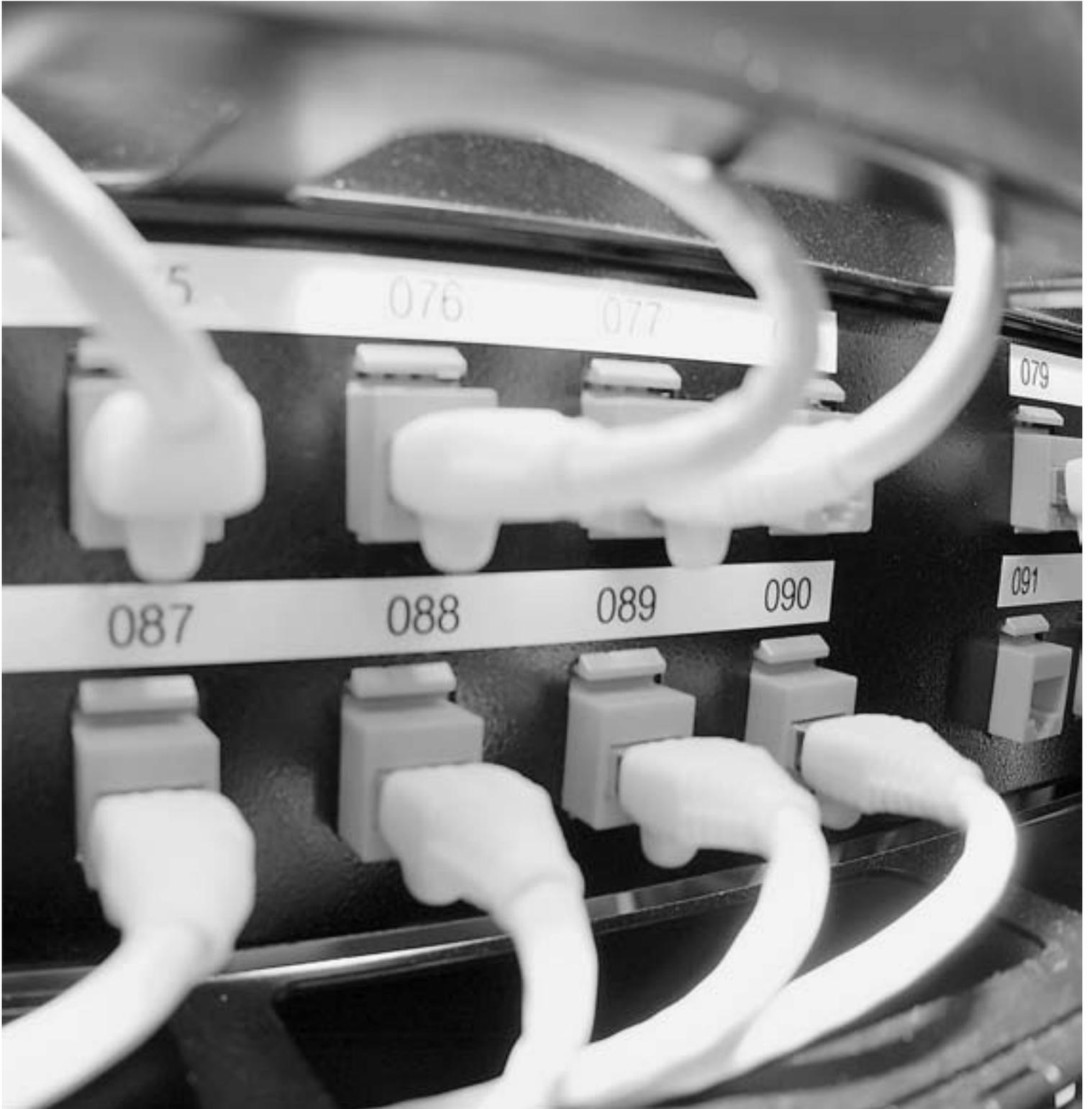
Training in the area of construction preparation was organized in the amount of 13,817.73 SKK.

Training in the field of installation, service and maintenance of branch exchanges:

- specialized preparation – telephone branch exchanges Ericsson and Siemens,
- specialized preparation – training on wireless networks,
- internal specialized training on radio communication and telecommunication facilities organized by the Head of the Service Division,
- certification training on Solarix and Signamax,
- training on ultrasound measuring technology

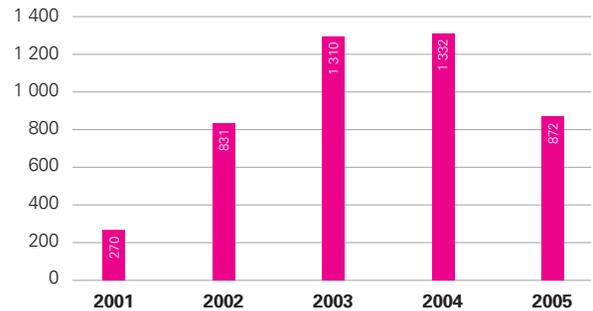
The total amount invested in training represented 66,522.70 SKK.

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Costs of preparation and education of employees (in thousand SKK)

2001	2002	2003	2004	2005
270	831	1 310	1 332	872



Training in the economic field:

- specialized training – labour-legal relations,
- specialized training – payroll issues,
- training on taxation,
- specialized economic training

The total amount invested in the training was 20,193 SKK.

Training in the field of sales:

Investments in the amount of 14,857.60 SKK.

Training in the field of administration:

Investments in the amount of 63,170.97 SKK.

Language courses:

English language:

- Intermediate II.,
- Upper-Intermediate,
- Pre-Intermediate I.,
- Individual course.

German language:

- Leicht Fortgeschrittene II.,
- Fortgeschrittene I.,
- Individual course.

In this year, English and German language courses for the employees were again fully covered from the company resources, in the amount of 580,163 SKK.

Social policy

Our aim is to continuously extend the system of employee benefits through which we try to compensate for the high demands on employees related to work overload and to allow them relax and gain new energy to more easily master their further duties.

Financial resources were granted for:

- visiting theatre performances, – the total amount reached 33,450 SKK,
- participation in concerts – 18,076 SKK,
- visiting the baths in Velký Meder – 21,000 SKK,
- health purposes, medical examinations – 3,500 SKK,
- regeneration – 30,888 SKK.

The company traditionally celebrates the end of the year with its employees in an evening party. This year, the company also invited the employees' spouses and partners. IN 2000, the company took out a life insurance policy with ING Nationale Nederlanden that is being continuously paid for our employees, in a fixed monthly amount. The total value of this company contribution in 2005 reached the amount of 883.365 SKK (all year round for 71 employees, for 7 employees until their departure and for 24 employees after their admission to the company).

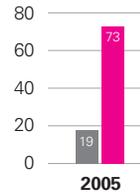
58 employees decided to take out insurance in the complementary pension insurance company POKOJ. For this purpose, the company granted a financial contribution in the amount of 413,284 SKK. Great attention is also paid to the protection of health and safety at work and to the improvement of employee working conditions. For special purposes, employees are equipped with quality work aids and materials.

The resources invested in 2005 for the protection of the health of employees reached 325,000 SKK. Financial support from the social fund is fairly distributed among the company employees. Men and women are equally entitled to the contributions, season-tickets and benefits provided from the company social fund. Men and women have also equal work opportunities, which correspond to their physical abilities. The company uses a flexible work time regime. The company is also prepared to employ people with the health impairments. In 2005, the company employed two people with health impairments, who were as equally beneficial to the company as other employees and, in 2006, one such employee. Our achievements reflect the effort, toughness and motivation of our employees. We therefore strive to care for them and to provide all of the conditions necessary for the trouble-free mastering of their duties in a favourable environment.

19 employees of the total number of employees (92) hold managing positions. The company employs 16 women.

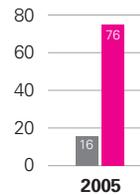
Structure of employees

Managing employees	Other employees
19	73



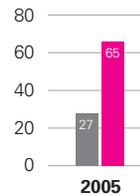
Structure of labour force

Women	Men
16	76



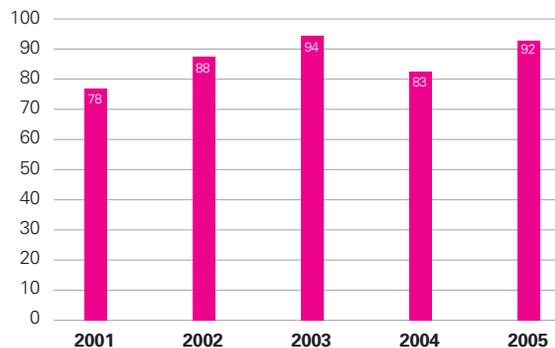
Level of education of employees

University education	Secondary education
27	65



Development in the number of full-time employees

2001	2002	2003	2004	2005
78	88	94	83	92



Environment-oriented activities and waste management scheme

With its activity, the company produced wastes, which are stored in the company area until their disposal. The company produced waste classified according to the "Waste Catalogue" as other waste "O" and hazardous waste "N". Waste is collected in reserved and marked places, which are secured against the leakage of dangerous substances to the environment. Hazardous waste is collected separately from other wastes, in tanks or cases designed for this purpose (plastic bags, containers, steel barrels) and appropriately identified as dangerous. In the case of an emergency the company proceeds according to its emergency plan in accordance with Article 41 of Regulation No. 283/2001 Coll. Other waste are collected according to individual types, usually in large-volume containers or other cases, or stored free without cases if the character of the waste allows it, if the waste does not endanger the environment and if it does not interfere with the aesthetics of the area. The company, as a waste originator, keeps and archives records regarding the types, quantity, recycling and disposal of its waste, in accordance with Act No. 223/2001 Coll. on waste and on the amendments of certain laws.

Assumed kinds of waste produced:

- 06 04 04** – waste containing mercury,
- 08 03 17** – discarded printer toner containing hazardous substances,
- 08 04 10** – discarded glues and sealing materials, other than defined in 08 04 09,
- 05 01 10** – cases containing remains of hazardous substances or contaminated with hazardous substances,
- 17 04 11** – cables other than defined in 17 04 10,
- 17 05 04** – earth and stones other than defined in 17 05 03,
- 07 05 06** – excavated earth other than defined in 17 05 05,
- 17 06 04** – insulation materials other than defined in 17 06 01 and 17 06 03,
- 17 09 04** – miscellaneous waste from constructions and demolitions other than defined in 17 09 01, 17 09 02 and 17 09 03,

- 20 01 36** – discarded electric and electronic appliances other than defined in 20 01 21, 20 01 23 and 20 01 35,
- 20 03 01** – mixed communal waste, etc.

Facilities used for the revaluation, treatment and disposal of waste:

No facility for revaluation, treatment or disposal of hazardous and non-hazardous waste exists in the company. All wastes produced by the company are processed in facilities designed for this purpose and approved by the state administration bodies competent in waste management.

The wastes produced by the company are delivered to the following facilities:

Type of facility	Name and seat of the operator	Type of waste
Waste dump	For non-hazardous waste Dolný Bar	20 03 01, 17 06 04, 17 09 04
Treatment	Romag metal, s.r.o. Železničná 1, Senec	17 04 11
Utilization	Zberné suroviny, a.s. Dun. Streda	12 01 02, 15 01 01

The principles of the company's waste management are in compliance with the waste management plan of the Dunajská Streda District and with Act No. 223/2001 Coll. on waste.

The company's waste management is designed to:

- prevent the occurrence of waste and to limit its creation through the development of technologies that save natural resources, and through the production of products that do not increase the quantity of waste and reduce the pollution of the environment as much as possible,

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- reduce waste through recycling, reuse or through other processes allowing the retrieval of secondary materials, if the occurrence of waste cannot be prevented,
- use the wastes as a source of energy, if material revaluation is not possible,
- discard the waste by means that do not endanger human health or cause damage to the environment.

Targeted goals of the disposal of waste in the company

Goal	Measures
Material revaluation. Increase the total material revaluation of waste	The company ensures the revaluation of all metal and plastic waste produced, except for communal waste, through contracted partners.
Energy revaluation. Increase the total energy revaluation of waste	Create appropriate technical and economic conditions for the energy revaluation of waste instead of its disposal
Disposal through incineration. Increase the disposal through incineration	Create appropriate conditions for incineration of waste, and prefer it instead of its storage in waste dumps.
Disposal of communal waste. Increase the quantity of separated and recyclable types of waste from communal waste	Create conditions for separating communal waste directly at the point of its occurrence and provide for the separated components to be collected. Join the separated collection system, if established by the town.
Reduce the quantity of biologically decomposed components of communal waste destroyed by	Prefer composting of this waste instead of dumping, if appropriate conditions are created by the town.

The company considers the VZN and POH of Dunajská Streda in its own waste management program through the following measures:

- as regards the collection and liquidation of communal waste, the company will further use the services provided by the company, with which the town entered into a contract for the purpose of the collection, transportation and disposal of communal waste,
- provide for prompt separation of part of communal waste that will be shortly secured by the town, and subsequently ensure the effective revaluation of communal waste by recycling (paper, cardboard, plastic).

The company considers the protection of its employees, as well as of the environment, to be of great importance.



Humanitarian activities, sponsoring and charity

Our company realizes the necessity of supporting certain areas in which the market environment does not create appropriate conditions for sufficient self-financing. Positive development of our economic results allows us, and awareness of our moral obligation makes us, engaged in areas that promote dignified life and health and develop education and sport. Our company mainly provides financial, as well as material assistance to individuals, institutions, organizations and civil associations acting in Žitný ostrov (Rye Island)

During this year, we supported:

- Town Culture Centre of Dunajská Streda,
 - Premiere of the “Világszám” film by the amount of 15,000 SKK,
- PRO CIVIS Association, Štvrtok na Ostrove
 - organizing of a cultural event “Minority Days” in the amount of 10,000 SKK,
- development of the Youth Centre, a non-profitable organization in Veľký Meder, in the amount of 50,000 SKK (within the humanitarian activity in 2004, our company was a co-founder of this non-profitable organization, which in its attractive environment, promotes the development of information services, access to the Internet and the development of talented young people in the area of informatics.

In addition, this centre also contributes to the formation, development and protection of spiritual and cultural values and, last but not least, also to the overall regional development and employment),

- Béla Bartók Elementary school with Hungarian as the teaching language, in the amount of 50,000 SKK for the completion of a sport area
- municipality of Abrahám, in the amount of 30,000 SKK.

Financial resources invested in the promotion and development of individual fields:

Year	Health service	Education	Culture	Sport	General charity	Total
2001		5.000,-		5.000,-	10.000,-	20.000,-
2002	2.000,-		25.000,-	6.000,-	2.000,-	35.000,-
2003	100.000,-	80.000,-		10.000,-	35.000,-	225.000,-
2004	100.000,-	8.000,-	25.000,-		50.000,-	183.000,-
2005		50.000,-	25.000,-		80.000,-	155.000,-

Codes and quality management system

Code

Nevitel follows the code from its origin, as it contains recommendations and information related to everyday work in the company. A high level of ethics and professional behaviour is of essential importance for achieving the company strategic tasks and goals. The company relies on the sound judgement of its employees and expects that they will always act honestly and in compliance with the law, so as to always protect its reputation. The corporate culture is based on trust and mutual respect. These aspects allow and affect the prosperity of the company and the fulfilment of the common objective; being honest, successful business.

According to the Code of Ethics, a company employee is obliged to:

- behave honestly and sincerely,
- respect one's colleagues and follow the principles of mutual trust and cooperation,
- act as a team, where appropriate,
- be aware that his/her personal behaviour represents the company externally,
- follow the principles of trade and business policy,
- never forget that the customer always comes first,
- act so as to protect the interests of the company, colleagues and business partners, and, at the same time, the environment,
- not to abuse the position in the company for his/her own interests or the interests of third parties,
- not to abuse confidential information obtained at work for his/her own business activity or for the business activity of third parties,
- not to abuse company facilities for his/her own needs,
- perform a similar activity or use company facilities for his own purposes only with the written consent of the employer,
- not to accept any presents or benefits from third parties or business partners, who try to become partners of the company,

- carry out business dinners or meetings approved by his/her superior and in a way that does not exceed the level adequate to his/her position in the company and to the significance of the matter discussed,
- prevent any threat of damage to the company, according to his/her own options and abilities, or to report such problem to his/her superiors or other persons, who are able to prevent or mitigate such damage.

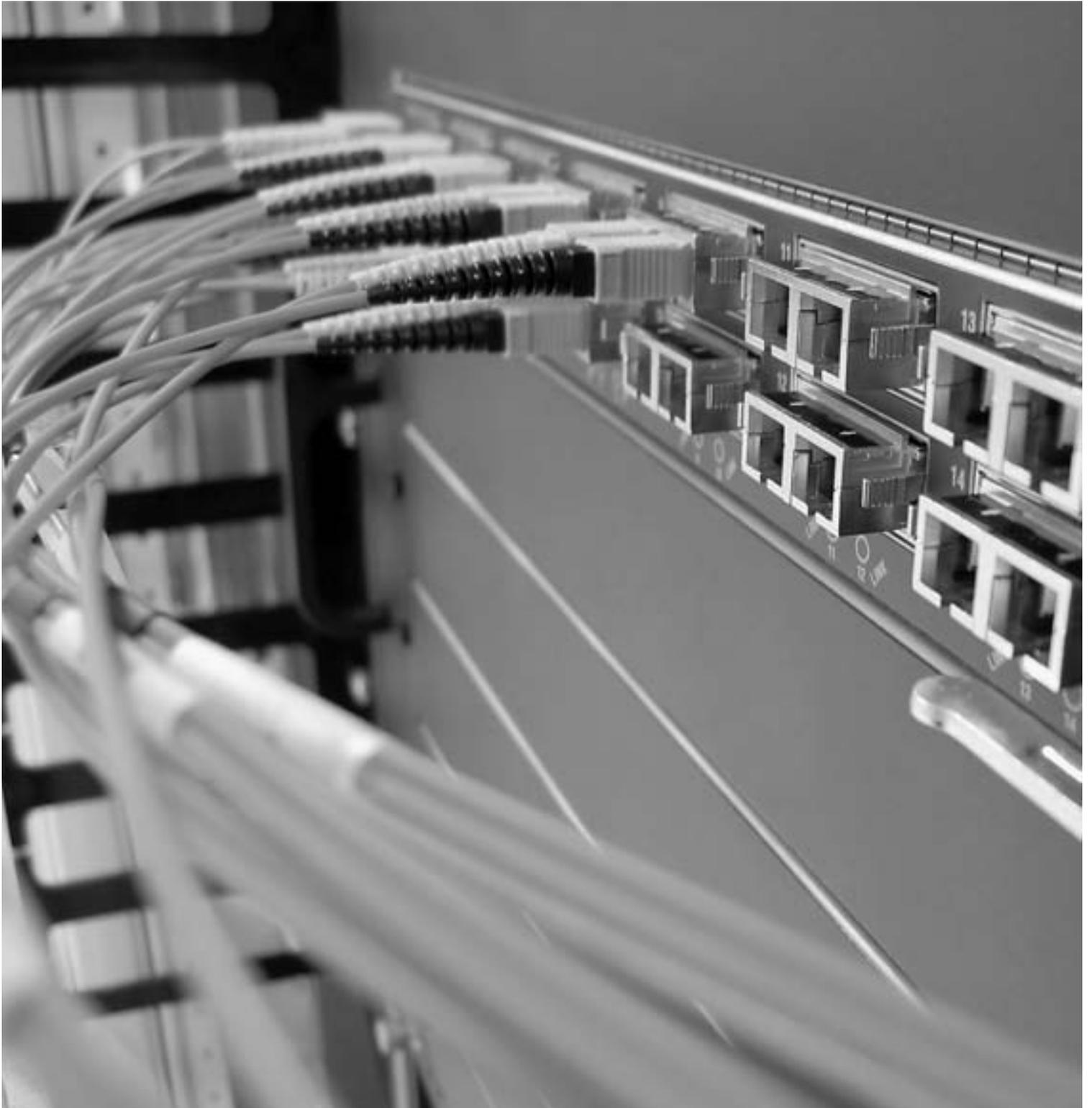
Obligations of the company include:

- faithfulness towards customers and employees, care for them, securing their safety, correctness, provision of exact information, suitable environment, quality and services and the respecting and protection their personal data,
- fulfilment of its liabilities in due and timely manner,
- offering equal work opportunities to all potential and existing employees, regardless of their age, sex or race,
- achievement of the best possible results for its shareholders.

Managing employees shall:

- be an example for others,
- care for, give help to and support employees and always be available,
- monitor the employees' observance of the rules,
- solve any cases related to a breach of rules.

The company agrees to meet the highest level of honest, moral and respectable business behaviour and to carefully follow the above-mentioned principles. Any violation of the Code of ethics could mean serious implications for the company.



Quality

The quality management system with its methods and instruments became an inseparable part of the managerial practices applied at all management levels of our company. Requirements on the quality of products and services are equal for all plants, firms and companies. The reason is that quality guarantees the satisfaction of the customer and the prestige of the company. We started to develop the quality management system in 2000 and in March of the following year it was successfully certified in accordance with ISO 9001:1994. Re-certification was already accomplished in March 2003. The quality management system was harmonized with the new ISO 9001:2000 standard, which

compared to the previous one, is based on procedural management. In practice it means that the entire system of processes in the company becomes more transparent, which allows the discovery of any potential defects or low efficiency. The application of this procedural approach leads to more effective utilization of resources, and the reduction of costs and time necessary for achieving requested results. Moreover, each employee is considered to be an internal customer, i.e. a supplier and consumer in one. The successful re-certification of the system convinced us that we have made the right decision. Certification is just an instrument for us and not a goal. Equally, quality assurance is a long-term and never ending process, which is firmly linked to the permanent increase of customers' requirements.



Financial management

The economic results achieved by the company in 2005 show that the strategic and principal decisions made by the company management were correct, and entitle us to assume that the following period will be equally successful. In the foregoing year 2005, NEVITEL, a.s. achieved a turnover in the value of 237,234 million SKK, which represents an inter-yearly growth of 9.93%. The added value, showing the inter-yearly growth of 14.9% and reaching 90.345 million SKK, represents the most considerable improvement and the highest product ever achieved by the company. In 2005, the company operated with net profits amounting to 30.755 million SKK, which represents an increase of 39.73% compared to the net profit of 2004. On the basis of favourable tax reforms, the management decided to create a remuneration fund upon profit distribution, from which rewards were paid to the management. The same as in other years, a contribution from the net profit to the company social fund was approved in the amount of 1 million SKK. The profit before tax, depreciation, interest and amortization (EBITDA) as of 31 December 2005 reached a value of 43.964 million SKK, showing an inter-yearly growth of 37.73%. According to the inter-yearly comparison, total company assets increased by 17.84%, while the greatest increase was recorded in the value of liabilities. The development in receivables from business relations showed a growth of 48.99% and increased to 91.642 million SKK. This development resulted from the implementation and subsequent invoicing of orders at the end of the accounting period. The inter-yearly decrease in financial resources by 76.6% did not affect the overall financial management of the company. A bank overdraft in the amount of 30 million SKK during the entire year allows the company the possibility to maintain a favourable balance of payments. An increasing development trend could be seen in the return on sales, which represented 13% in the foregoing year.

Company liabilities towards the state and other organizations

NEVITEL, a.s. realizes its social responsibility, so it pays all of its liabilities on the due dates. It pays special attention to

the payment of employees' wages and all type of taxes and contributions. The fulfilment of liabilities towards suppliers represents the main condition of stable and efficient customer-supplier relations. During the entire period of its existence, the company did not take part in any lawsuit. Legal proceedings commenced in 2005 with respect to the recovery of an outstanding receivable in the amount of 186 thousand SKK. Through insurance policies with reputable insurance companies, the company is covered for the risk of damage to property and liability for damage. NEVITEL, a.s. established a subsidiary in the Czech Republic, NEVITEL ČR, s.r.o., which is seated in Brno-Slatina. NEVITEL, a.s., holds a 100% share in the registered capital of this subsidiary, in a total value of 1 million CZK. In accordance with the Accounting Act, the company is not obliged to compile consolidated financial statements.

Perspectives and tendency of company development

The economic results achieved by NEVITEL, a.s. indicate the correct application of human resources development and the enhancement of internal processes implemented within the company in 2005.

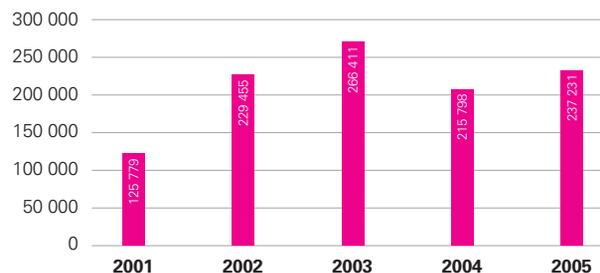
The company's ambition is to maintain the positive and steady development in the key economic parameters and to strengthen its market position.

By using its financial and production potential, NEVITEL, a.s. will strive to strengthen its position as a respected partner for its customers. NEVITEL, a.s. currently achieves its excellent results in a steady macroeconomic and business environment, which supports economic growth. In future years, we also expect the telecommunication market to grow even more, which guarantees the further growth and development of our company.

In the near future, the company faces an important goal, which is to maintain the excellent level and return on sales and to increase the company output through the diversification of business activities.

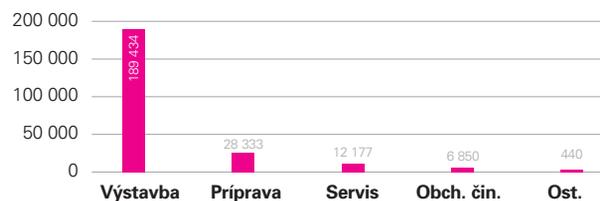
Turnover in thousand SKK

2001	2002	2003	2004	2005
125 779	229 455	266 411	215 798	237 234



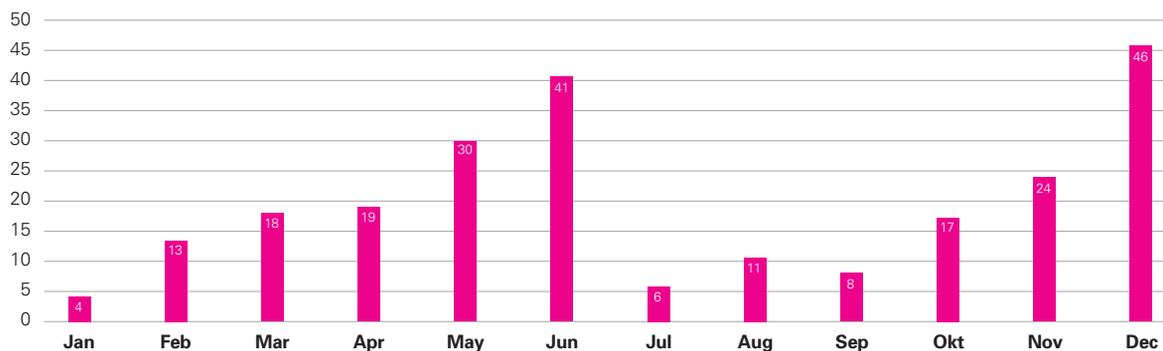
Turnover of individual divisions and their share in the total turnover of 2005 in thousand SKK

Construct.	Preparation	Service	Sales	Others
189 434	28 333	12 177	6 850	440



Monthly revenues in 2005 in million SKK

January	February	March	April	May	June	July	August	September	Oktober	November	December
4	13	18	19	30	41	6	11	8	17	24	46



Financial indicators

		2001	2002	2003	2004	2005	2005/04 change %
Total revenues (except for reserves)	in tsd. SKK	129 973	230 324	268 492	218 434	239 155	9,49
Total expenses (except for tax)	in tsd. SKK	121 205	205 910	230 762	198 562	208 346	4,93
Turnover (revenues from sal. of goods + prod.)	in tsd. SKK	125 779	229 455	266 411	215 798	237 234	9,93
Revenues from sales in total	in tsd. SKK	123 755	211 462	281 947	218 971	234 762	7,21
thereof:							
revenues from sal. of goods		5 179	4 411	5 079	5 801	6 282	8,29
revenues from sal. of own prod. and ser.		118 576	207 051	276 868	213 170	228 480	7,18
Production	in tsd. SKK	120 600	225 044	261 332	209 997	230 952	9,98
Added value	in tsd. SKK	41 159	70 633	87 594	78 630	90 345	14,90
Pre-tax profit	in tsd. SKK	8 787	24 415	37 729	27 516	38 355	39,39
After-tax profit	in tsd. SKK	5 528	17 869	27 668	22 010	30 755	39,73
Assets in total	in tsd. SKK	39 924	94 869	95 746	104 289	122 897	17,84
thereof:							
long-term assets		5 176	4 577	6 925	11 838	13 735	16,02
short-term assets		30 465	84 223	82 606	87 534	106 101	21,21
Share capital and liabilities in total							
thereof:							
share capital	share capital	24 003	38 732	61 823	72 289	80 765	11,73
liabilities	liabilities	15 575	55 668	33 832	32 000	37 121	16,00
Average number of employees		78	88	94	83	92	10,84
Productivity of value added per employee	in tsd. SKK	528	803	932	947	982	3,66
Pre-tax profit per employee	in tsd. SKK	113	277	401	332	417	3,63
EBITDA (profit bef. interests, tax and depreciation)	in tsd. SKK	11 225	26 611	40 786	31 921	43 964	37,73
ROA (return on assets)	in %	13,85	18,83	28,90	21,10	25,00	
ROE (return on equity)	in %	23,03	46,13	44,75	30,45	38,10	
Return of cost	in %	4,40	8,40	9,80	10,00	13,00	
Current liquidity	in %	4,50	8,40	11,50	10,80	14,20	
Total debt		2,22	1,68	3,19	3,75	3,64	
Interest coverage ratio	in %	34,43	52,91	35,34	30,68	30,20	
Solvency ratio		48,13	66,63	340,90	290,65	150,82	
Indicator of financial independent	in %	60,12	40,83	64,57	69,32	65,70	
Average turnover of receivables	in days	62	60	55	77	143	
Turnover of inventory	in days	16	40	11	18	11	

Balance sheet (in thousand SKK)

		2001	2002	2003	2004	2005	
	Assets in total (line 002+003+032+062)	001	39,924	94,869	95,746	104,289	122,897
A.	Receivables for equity subscribed	002	0	0	257	0	0
B.	Non-current assets (line 004 + 013 + 023)	003	5,176	4,577	6,925	11,838	13,735
B.I.	Long-term intangible assets in total (line 005 to 012)	004	250	106	47	941	656
B.I.1.	Start-up (incorporation) expenses	005					
2.	Activated development expenses	006					
3.	Software	007	250	106	47	563	278
4.	Valuable rights	008					
5.	Goodwill	009					
6.	Other long-term intangible assets	010					
7.	Acquired long-term intangible assets	011	0	0	0	378	378
8.	Advanced payments for long-term intangible assets	012					
B.II.	Long-term tangible fixed assets in total (line 014 to 022)	013	2,817	2,359	5,363	9,076	11,521
B.II.1.	Lands	014				1,186	1,186
2.	Constructions	015				769	729
3.	Individual current assets and collection of current assets	016	1,767	1,112	1,359	934	9,438
4.	Cultivated units of permanent vegetation	017					
5.	Livestock and draught animals	018					
6.	Other tangible fixed assets	019	1,050	1,247	4,004	6,187	0
7.	Actual long-term tangible fixed assets	020					
8.	Advance payments for long-term tangible fixed assets	021	0	0	0	0	168
9.	Adjustment to property acquired	022					
B.III.	Long-term financial assets total (line 024 to 031)	023	2,109	2,112	1,515	1,821	1,558
B.III.1.	Securities and shares in a controlled entity	024	1,859	1,862	1,265	1,271	1,308
2.	Securities and shares in enterprises with significant interest	025					
3.	Other long-term securities and shares	026					
4.	Loans to the accounting unit in the consolidated group	027					
5.	Other long-term financial assets	028	250	250	250	550	250
6.	Loans with a due date of maximum 1 year	029					
7.	Long-term financial assets acquired	030					
8.	Advance payments for long-term financial assets	031					
C.	Current assets (line 033+041+048+056)	032	30,465	84,223	82,606	87,534	106,101
C.I.	Inventories in total (line 034 to 040)	033	5,474	23,508	7,931	10,816	7,071
C.I.1.	Material	034	2,434	1,875	1,947	8,179	2,223
2.	Unfinished production and semi finished products	035	2,191	20,184	4,661	1,488	3,960
3.	Job-order production with presumed completion longer than 1 year	036					
4.	Products	037					
5.	Livestock	038					

		2001	2002	2003	2004	2005	
6.	Goods	039	849	1,449	1,323	1,149	888
7.	Advance payments for inventories	040					
C.II.	Long-term receivables in total (line 042 to 047)	041	0	0	19	0	164
C.II.1.	Receivables from business relations	042					
2.	Receivables towards a controlled and controlling entity	043					
3.	Other receivables in the consolidated group	044					
4.	Receivables towards partners, members and associations	045					
5.	Other receivables	046					
6.	Deferred tax receivables	047	0	0	19	0	164
C.III.	Short-term receivables in total (line 049 to 055)	048	21,716	35,593	40,456	47,325	91,988
C.III.1.	Receivables from business relations	049	21,133	34,935	39,899	44,898	91,642
2.	Receivables towards a controlled and controlling entity	050					
3.	Other receivables in the consolidated group	051					
4.	Receivables towards partners, members and associations	052	540	540	0		
5.	Social security	053					
6.	Tax receivables	054	0	2	0	2252	0
7.	Other receivables	055	61	116	557	175	346
C.IV.	Financial accounts in total (line 057 to 061)	056	3,257	25,122	34,200	29,393	6,878
C.IV.1.	Cash	057	2,111	2,728	639	1296	759
2.	Bank accounts	058	1,146	22,394	33,561	28,097	6,119
3.	Bank accounts fixed for longer than 1 year	059					
4.	Short-term financial assets	060					
5.	Short-term financial assets acquired	061					
D.	Accruals and deferrals (line 063 and 064)	062	4,301	6,069	5,958	4,917	3,061
D.1.	Deferred expenses	063	2,317	2,327	2,320	1,557	1,466
2.	Accrued revenues	064	1,966	3,742	3,638	3,360	1,595
<i>Control number total (001 to 064)</i>		888	155,413	373,407	376,512	412,239	488,527
TOTAL LIABILITIES AND EQUITY (line 066+086+116)		065	39,924	94,869	95,746	104,289	122,897
A.	Share Equity (line 067+071+078+082+085)	066	24,003	38,732	61,823	72,289	80,765
A.I.	Capital stock in total (line 068 to 070)	067	11,200	11,200	21,300	21,300	21,300
A.I.1.	Basic stock	068	11,200	11,200	21,300	21,300	21,300
2.	Treasury stock and capital shares	069					
3.	Additions to basic stock	070					
A.II.	Capital funds in total (line 072 to 077)	071	0	0	340	346	267
A.II.1.	Share premium	072					
2.	Other capital funds	073					
3.	Statutory reserve account (indivisible fund) from capital deposits	074	0	0	267	267	267
4.	Gains or losses from the revaluation of assets and liabilities	075	0	0	73	79	0
5.	Gains or losses from investments	076					
6.	Gains or losses from revaluation upon merger or division	077					
A.III.	Funds from profit in total (line 079 to 081)	078	1,384	1,937	3,174	3,993	3,993
A.III.1.	Legal reserve fund	079	1,384	1,937	3,174	3,993	3,993

		2001	2002	2003	2004	2005	
2.	Non-distributable fund						
3.	Statutory and other funds						
A.IV.	Economic results from previous years (line 083+084 082)	082	5,891	7,727	9,341	24,640	24,450
A.IV.1.	Retained earnings from previous years	083	5,891	7,727	9,341	24,640	24,450
2.	Accumulated losses from previous years	084					
A.V.	Income from operation for the accounting period + -	085	5,528	17,868	27,668	22,010	30,755
B.	Liabilities (line 87+91+102+112)	086	15,575	55,668	33,832	32,000	37,121
B.I.	Total reserves (line 088 to 090)	087	1,830	5,513	7,645	7,546	5,702
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	5,702
B.II.	Long -term liabilities in total (line 092 to 101)	091	0	129	287	1,143	2,286
B.II.1.	Long-term liabilities from business relations	092					
2.	Long-term non-invoiced supplies	093					
3.	Long-term liabilities towards the controlled and controlling entity	094					
4.	Other long-term liabilities within consolidated group	095					
5.	Long-term advanced payments received	096					
6.	Long-term bills to be reimbursed	097					
7.	Issued bonds	098					
8.	Social fund liabilities	099	0	129	286	222	336
9.	Other long-term liabilities	100				921	1,950
10.	Deferred tax liability	101			1		
B.III.	Short-term liabilities in total (line103 to 111)	102	13,745	50,026	25,900	23,311	29,133
B.III.1.	Liabilities from business relations	103	6,818	38,505	10,854	13,866	15,011
2.	Non-invoiced supplies	104			126	173	879
3.	Liabilities towards the controlled and controlling entity	105					
4.	Other liabilities within consolidated group	106					
5.	Liabilities towards partners and association	107	31	16	16	16	97
6.	Liabilities towards employees	108	2,361	3,016	2,877	3,516	1,518
7.	Social security liabilities	109	1,160	1,386	1,514	1,573	1,411
8.	Tax liabilities and donations	110	3,341	6,779	10,133	4,040	8,632
9.	Other liabilities	111	34	324	380	127	1,585
B.IV.	Bank loans and accommodations in total (line113 to 115)	112					0
B.IV.1.	Long-term bank loans	113					
2.	Current bank loans	114					
3.	Short-term accommodations (short-term)	115					
C.	Accruals and deferrals total (line117 and 118)	116	346	469	91		5,011
C.1.	Accrued expenses	117	55	185	91		
2.	Deferred revenues in the future	118	291	284	0		5,011
<i>Control number total (line 065 to 118)</i>			153,822	361,139	355,225	395,146	455,822

Profit-and-loss statement (in thousand SKK)

		2001	2002	2003	2004	2005	
I.	Revenues from the sale of goods (604)	01	5 179	4 411	5 079	5 801	6 282
A.	Cost invested for the acquisition of goods sold (504)	02	4 482	3 454	4 135	4 417	4 645
+	Gross margin line 01-02	03	697	957	944	1 384	1 637
II.	Production line 05+06+07	04	120 600	225 044	261 332	209 997	230 952
II.1.	Revenues from the sale of own products and services (601, 602)	05	118 576	207 051	276 868	213 170	228 480
2.	Changes in inter-company inventory (+/- account group 61)	06	2 024	17 993	-15 536	-3 173	2 472
3.	Capitalization (account group 62)	07					
B.	Production consumption line 09+10	08	80 138	155 368	174 682	132 751	142 244
B.1.	Consump. of mat., ener. and ot. non-stor. supplies (501, 502, 503)	09	32 775	68 135	82 522	69 786	71 753
B.2.	Services (account group 51)	10	47 363	87 233	92 160	62 965	70 491
+	Added value line 03 + 04 + 08	11	41 159	70 633	87 594	78 630	90 345
C.	Total labour expenses (line13 to 16)	12	31 178	42 353	37 738	45 703	45 604
C.1.	Wages (521, 522)	13	23 333	33 395	27 992	35 587	34 375
2.	Royalties (523)	14	220	355	240	390	1 190
3.	Social security expenses (524, 525, 526)	15	7 167	8 087	8 875	8 873	9 286
4.	Social expenses (527, 528)	16	458	516	631	853	753
D.	Taxes and fees (account group 53)	17	710	852	970	999	910
E.	Depreciation of long-term intangible and tangible assets (551)	18	2 272	1 825	2 946	4 309	5 353
III.	Revenues from sale of long-term assets and materials (641, 642)	19	1 514	170	714	884	1 049
F.	Net book value of long-term assets and material sold (541, 542)	20	664	24	0	46	210
IV.	Use and cancellation of reserves to revenues from economic operations and accounting for deferred expenses (652654, 656)	21	0	0	0	7 645	7 546
G.	Addit. to res. for econ. act. and acc. for defer. expen. (552, 554, 555)	22	0	0	7 644	7 546	5 702
V.	Acc. for and cancel. of adjust. to reven. from econ. operations	23					
H.	Additions to adjustments to expenses for economic operations	24	0	0	0	0	990
VI.	Other revenues from economic operations (644, 645, 646, 648)	25	450	247	61	980	606
I.	Other expenses for economic operations	26	947	1 142	1 534	2 553	2 237
VII.	Transfer of operating revenues	27					
J.	Transfer of operating expenses	28					
*	Operating profit	29	7 352	24 854	37 537	26 983	38 540
VIII.	Revenues from the sale of securities and shares	30					
K.	Securities and shares sold	31					
IX.	Revenues from on long-term financial assets (line 33 + 34 + 35)	32	624	0	0	0	0
IX.1.	Revenues from securities and shares in the controlled entity in the company with substantial influence	33	624	0	0	0	0
2.	Revenues from other long-term securities and shares	34					
3.	Revenues from other long-term financial assets	35					
X.	Revenues from short-term financial assets	36					
L.	Expenses for short-term financial assets	37					
XI.	Revenues from revaluated securities and derivative operations	38					

		2001	2002	2003	2004	2005
M.	Expenses for revaluated securities and derivative operations	39				
XII.	Interest revenues	40	13	17	227	145
N.	Interest expenses	41	186	372	111	256
XIII.	Foreign exchange gains	42	156	28	92	121
O.	Foreign exchange losses	43	627	463	149	48
XIV.	Other financial revenues	44	0	0	214	0
P.	Other financial expenses	45	0	0	853	147
XV.	Use and cancel. of reserves to revenues from financial oper.	46	26	1	40	0
Q.	Additions to reserves for financial operations	47	1	42	0	0
XVI.	Acc. for and cancel. of adjust. to revenues from financial oper.	48				
R.	Additions to adjustments to financial expenses	49				
XVII.	Transfer of financial revenues	50				
S.	Transfer of financial expenses	51				
*	Profit/loss from financial operations	52	5	-831	-540	501
T.	Income tax on ordinary income line 54+55	53	2 837	6 447	9 879	7 600
T.1.	-due	54	2 837	6 447	9 865	7 764
2.	-deferred	55	0	0	14	-164
**	Economic result from ordinary operation line 29+52-53	56	4 520	17 576	27 118	30 755
XVIII.	Extraordinary revenues	57	1 410	406	732	33
U.	Extraordinary expenses	58	0	15	0	0
V.	Income tax on extraordinary income (line 60+61)	59	402	98	182	6
V.1.	-due	60	402	98	182	6
2.	-deferred	61				
*	Economic result from extraordinary operation	62	1 008	293	550	27
Z.	Transfer of operating profit sharing to partners	63				
***	Economic result for the accounting period	64	5 528	17 869	27 668	30 755
<i>Control number total (line 01 to 64)</i>			<i>550 464</i>	<i>1 003 440</i>	<i>1 173 998</i>	<i>975 624</i>
				<i>1 080 894</i>		

Statement of the Supervisory Board of NEVITEL, a.s.

The Supervisory Board has reviewed the annual financial statements of NEVITEL, a.s. for 2005 and states that they were produced in accordance with the Accounting Act. The financial reports and other grounds within the regular closing of books are complete, and the data shown for the year ending on 31 December 2006 truly reflect the economic results. The Supervisory Board states that the regular closing of books was examined by the auditing company, KPMG Slovensko spol. S.r.o., licence SKAU No. 96. After obtaining the audit report, the Supervisory Board certified the correctness of the economic results.

In accordance with the above-mentioned facts, the Supervisory Board of NEVITEL, a.s. recommends the General Meeting to approve the annual financial statements of the company for 2005, as well as the proposal for the settlement of the company profit for 2005, submitted by the Board of Directors.

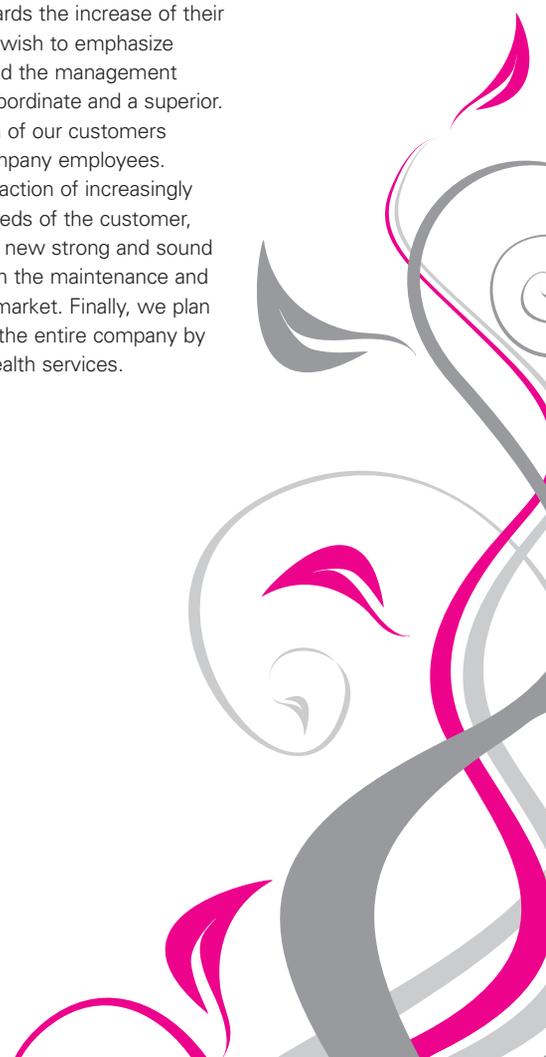


Ing. Vincent Mikolai
Chairman of the Supervisory Board

In Dunajská Streda, on 28 April 2006

Perspective for the following years

The company plans to accede to radical changes in its organisational structure, try to strengthen the project-oriented management, and introduce new products concerning the operation and maintenance of telecommunication networks. Our aim is to ensure the continuous optimisation and improvement of key processes and the efficient use of company capacities. We also plan to exert maximum efforts in increasing the quality of our products, technical, technological and software facilities and the development of our activities, procedures and endeavours, along with the protection of the environment. Our ambition is to maintain good economic results and ensure the steady and dynamic growth of the company. We also plan to implement positive changes regarding the protection of health and safety at work. We intend to motivate our employees and to support them morally, as well as financially, as regards the increase of their qualification and language skills. We wish to emphasize the partnership between the staff and the management instead of the relation between a subordinate and a superior. We never forget that the satisfaction of our customers reflects the common effort of all company employees. We put great emphasis on the satisfaction of increasingly challenging requirements and the needs of the customer, on the establishment and building of new strong and sound business and partner relations and on the maintenance and strengthening of our position in the market. Finally, we plan to contribute to the development of the entire company by sponsoring education, culture and health services.





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Information about the audit of the annual report

In accordance with Accounting Act No. 431/2002 Coll., Article 20 of the Act on auditors and SKAU 466/2002 Coll., as well as in compliance with the International Audit Standards, we have carried out an examination of the company annual report for 2005 and found that the data included in it complies with the financial statements and that the financial statements are complete.

In accordance with the above-mentioned facts, we agree that the audit report with respect to the audit of the enclosed financial statements is included in the annual report.

27 April 2006
Bratislava, Slovak Republic

Audit Company:
KPMG Slovensko, spol. s r.o.
SKAU Licence No. 96



Authorized auditor:
Ing. Ľuboš Vančo
SKAU Licence No. 745

Contacts

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The report is delivered to each business partner and to all interested persons upon request, free of charge, by mail in the form of a publication or CD. The annual report is available at the company seat and on the company website: www.nevitel.sk.

Comments to the financial statements of 31 December 2005 form a separate annex to the annual report.

Directory, legend of terms and masthead

This material was prepared on the basis of information obtained from the company Board of Directors, Supervisory Board, heads of divisions, employees, and on the basis of documentation from previous annual reports for 2003 and 2004, as well as from the information about Nevitel available on the Internet.

This material includes information from the following publications:

- Financial and Non-financial Communication Strategy of Companies, KPMG Slovensko spol. s.r.o., INEKO - Institute for Economic and Social Reforms, edition: January 2005,
- Professional and Ethical Code in accordance with the provisions of Article 406 letter i) of the Sarban Oxley Act of 2002 and with the provisions of Article 406 letter ii) of the Rules Proposed by the Committee for Stock Exchanges.



Comments