

2011

NEVITEL Annual Report



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Introduction

Owner's letter

General Director's
letter



Owner's Letter

Dear Business Partners, Employees and Friends,

Nevitel has been a reliable business partner operating in the Slovak telecommunications market for over 20 years. This is deemed to represent a considerable success, as NEVITEL, a.s. has gone through the period full of interesting innovations and professional cooperation with many different partners. Our company has outlived most of its competitors, even in those times which Nevitel, a.s. found more challenging than full of opportunities.

The year 2011 was hardly a bed of roses for the telecommunications sector. Just like anywhere else, companies in our region continued experiencing the impact of the current recession and NEVITEL was no exception.

Our activities largely depend on our customers' investment preferences. Our clients' (i.e. telecommunications operators') revenues depend on the solvency of their customers, whose financial opportunities are limited. Moreover, an operator's income is also influenced by different regulations issued by the European Union, and they are continuously forced to improve the technological background of the services they provide. Unfortunately, the 2011 financial indicators do not give us any reason to be happy. This can be not only attributed to the above-stated factors but also to our strategic objectives, as these represented a large portion of our 2011 costs. One of our goals was to participate in projects such as swapping or replacing the technology in old Hungarian base stations with new systems for Telenor and Vodafone.



Even though the projects did not bring us any financial benefits, we gained important experience that will be beneficial for our company in years to come.

The year 2011 was also a breakthrough year for us in some other aspects. It is a matter of general knowledge that telecommunications is one of the most dynamically growing fields.

The market environment is changing dramatically. The character of the telecommunications sector requires its participants to constantly adapt to its changes. To be able to do so, Nevitel, a.s. has decided on radical and substantial changes, by implementing finance-related adjustment measures and re-assessing the organisational structure of the company to make it more effective. Our long-term experience has proved that changes in life and business activities bring actual results. Our new management took an uncompromising and responsible approach when introducing unpopular yet extremely important tasks. The company hired new capable and ambitious people, for whom the achievement of the set-up goals is a challenge and an opportunity for their personal self-fulfilment. I would like to thank all of our ex-colleagues for their cooperation and I wish the new members of our team good luck with the professional challenges that they are to solve! The company can only succeed when it has passionate, loyal and strong-minded employees.

The company will continue strengthening the NEVITEL Group, to maintain its stability and market position in years to come. Our long-term goal is to become a reli-

able, professional and stable partner even for the most significant telecommunications companies in this uncertain economic environment.

For me, as the company founder and its owner, the former goal is the priority. I believe that our existing and new business partners will appreciate the high-quality and reliable work resulting from our long-term professional experience and represented by our ambitious and flexible employees.



Ing. Alexander Néveri,
Founder and owner of NEVITEL, a.s.

General Director's Letter

Dear Partners, Ladies and Gentlemen,

2011, our company had to face many different changes. We started foreign projects dedicated to network modernisation. To qualify for these projects, we had to deal with many requirements related to our employees' qualifications and organisation.

The above projects have been the reason why we established a subsidiary in Hungary, hired a new and young team of technicians and extended the number of our suppliers. Despite the initial difficulties, we have successfully accomplished all of our projects in neighbouring countries and thus gained valuable experience in a new field of technological activities that will shortly reach the Slovak market.

The company, however, also had to adjust its internal requirements and conditions to the lasting adverse situation in the telecommunications market. These measures have been reflected in organisational changes that arose from our goal to increase the efficiency of our own capacities.

The main goal of the company management was, in connection with each and every change, even adverse ones, to ensure the fulfilment of our goals through the active cooperation of all of the employees. We are fully aware of the fact that without the contribution of each of us it would not be possible to manage during the current economic situation.



We further decided to focus on the maintenance of long-term and successful cooperation with our major customers through high-quality services and a constant search for new business opportunities. We do not rely on good luck for the achievement of these aforementioned objectives, but, first and foremost, on the quality of our employees and suppliers.



Ing. Ildikó Manczalová
General Director of NEVITEL, a.s.

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About Nevitel, a.s.

NEVITEL, a.s.

Company Profile

Key Performance Indicators

The NEVITEL Group

Organisation Structure

Company Management



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Activities

NEVITEL, a.s. is engaged in the development and maintenance of infrastructure for telecommunications operators and in supplying telecommunications and IT companies. The company provides the design and construction of telecommunications base stations, radio nodes, telecommunications lines and data centres, and the installation of technologies. It also provides engineering activities and the maintenance of mobile and fixed line networks and data networks.

Vision

To be a preferred partner of all major companies operating in the telecommunications and IT market and dealing with the design, construction and maintenance of telecommunications infrastructures; to provide companies with high-quality services aimed at the provision of long-term mutually beneficial cooperation; to be a group of professionals able to monitor the needs of its partners and introduce new and valuable design proposals.

Mission

The mission of NEVITEL, a.s. is to give telecommunications operators and their partners – technological companies and system integrators – assistance in the construction and maintenance of functioning and trouble-free network infrastructures that enable them to provide high-quality services to their clients.

Values

- Customer satisfaction – quality of supplies and services guaranteed by our goodwill
- Material, intellectual and market value of the enterprise
- The environment – high-quality supply and services performed in an environmentally friendly manner
- Employees who are proud to be a part of the NEVITEL, a.s. team

Objectives and Strategy

To constantly develop activities and procedures and make positive efforts to meet the needs of our customers; to increase the efficiency and level of our employees' professional skills and motivate our employees to high performance; to strengthen our position in the market by increasing our market share with an emphasis on high-quality and efficient activities; to contribute to the development of society as a whole by sponsoring schools, culture and health care.

Company Profile

Identification data

Business name: NEVITEL, a.s.
Registered office: Kračanská cesta 40
929 01 Dunajská Streda
Legal form: Joint-stock company
Entered in: the Commercial Register
maintained by the District
Court Trnava, Part: Sa.,
Entry No.: 10178/T
Branches: Dunajská Streda, Banská
Bystrica, Košice

Company shareholders and members of corporate bodies

Board of Directors:

Ing. Ildikó Manczalová

*Chairwoman of the Board of Directors and General Director
(as of 1st July, 2011)*

Ing. Július Varga

Director of Client and Business Department

Supervisory Board:

Ing. Vincent Mikolai

Chairman of the Supervisory Board

Ing. Judit Bögi

Member of the Supervisory Board

Ing. Gustáv Pálos

Member of the Supervisory Board

Shareholders' interest in the company capital

Ing. Alexander Néveri 100 %

The company shares are not traded in any market.

Subsidiaries

NEVITEL, a.s.

NEVITEL SOLUTIONS, s.r.o.
(51%)

NEVITEL UK, LTD
(100%)

NEVITEL HUNGARY, Kft.
(100%)

NEVITEL VÝSTAVBA, s.r.o.
(68,1%)

PlanNev, s.r.o.
(85%)

Company Profile

Projects

In 2011, Nevitel, a.s. implemented the following projects for its key customers:

Slovak Telekom, a.s. | (mobile network construction) 8 new telecommunications structures, modification of 138 telecommunications structures

Slovak Telekom, a.s. | (construction and maintenance of fixed networks); as well as activities concerning network and the maintenance of customers' equipment, two major projects in the construction of optical FTTh networks were carried out in Šaľa and Dunajská Streda

Telefónica O2 Slovakia, s.r.o. | 23 new telecommunications structures, modification of 67 telecommunications structures

Orange Slovakia, a.s. | 9 new telecommunications structures, modification of 78 telecommunications structures

Soitron | Project aimed at the supply and replacement of EPS systems for a Soitron customer (in cooperation with Nevitel Solutions, s.r.o.)

Competence in Communication GmbH | modernisation of a mobile operator's network in Austria

ENKOM Ingenys AG | modernisation of a mobile operator's network in Switzerland

GTS Slovakia, s.r.o. | designing a new data centre in 2010 and 2011 and participation in its implementation in 2011

Other Projects:

Slovenský plynárenský priemysel, a.s. | modification of its radio network in cooperation with TEMPEST, a system integrator | service activities

HB-Reavis Management, s.r.o. | utility diversion for Airport Košice construction

Temporary utility diversion for construction in Bratislava

Mesto Komárno | implemented optical connection

VIZADA Networks, s.r.o. | emergency servicing of its telecommunications network

Wimax Telecom Slovakia, s.r.o. | emergency servicing of FWA network base stations

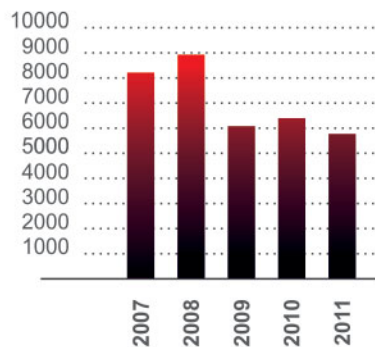
Fulfilment of Obligations Imposed by the State and Other Organisations

NEVITEL, a.s. observes all of its obligations imposed by the state and other organisations in a due and timely manner. The company pays particular attention to the payment of employees' wages and contributions to social, health care and national retirement funds. NEVITEL, a.s. takes a very responsible approach to the payment of all types of taxes that the company is required to pay. No bankruptcy proceedings have been initiated against the company and it is neither bankrupt nor in liquidation.

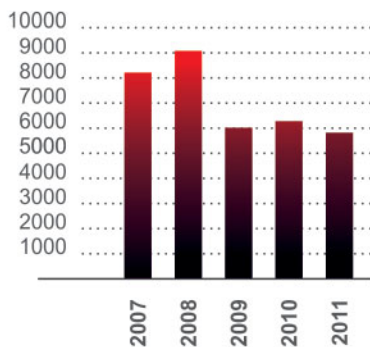
The fulfilment of the company's obligations towards its suppliers is the key prerequisite for its stable and functioning supplier-customer relations. The company has entered into insurance policies with well-known insurance companies in order to cover the risks of damage to property and liability to damages.

Key Performance Indicators (EUR thousands)

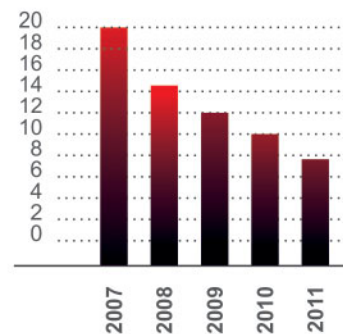
Turnover



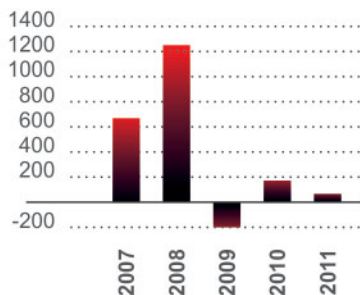
Revenues



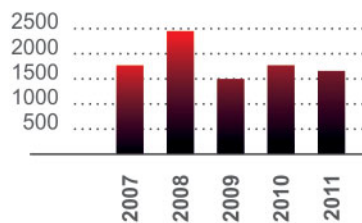
Average revenues per major customer order



EBITDA



Added value



The NEVITEL Group

NEVITEL HUNGARY, Kft.

In January 2011, NEVITEL HUNGARY, Kft., a subsidiary of the company in Hungary, was established to support a project aimed at the modernisation of Telenor's mobile infrastructure in cooperation with ZTE Hungary, Kft., its technological partner. Over a very short period of time, they were able to establish a project team that contributed hugely to the successful preparation of the project documentation. In addition, the company successfully managed the demanding logistics tasks related to the project implementation. The project involved surveying 598 sites and performing 128 replacements. This success can be considered to represent a first-rate entrance into a foreign market. Exchange rate fluctuation risks, however, have distorted the success of the project as a whole. In the middle of 2011, NEVITEL HUNGARY, Kft. signed a co-operation agreement with Huawei, based on which the infrastructure for the operator Vodafone was replaced.

As a part of the project, 52 sites were surveyed and 26 replacements performed by the end of the year.

The year 2011 has shown that this new branch of the parent company can be successful and valuable in connection with the implementation of foreign projects assigned to the parent company or the entire NEVITEL Group

NEVITEL SOLUTIONS, s.r.o.

The company was founded in 2006, when it was spun off from the parent company's organisational structure. It provides a comprehensive portfolio of activities: sales, installation and servicing of private branch exchanges and installation of structured cabling. Turn-key solutions for fire communication and fire alarm systems, electric security systems or surveillance camera systems – reliable and high-quality solutions for the above are one of the company's top-priority activities. Nevitel Solutions, s.r.o. offers comprehensive services in the field of light-current electronics and technology, assembly and installation of selected facilities, training, inspection and warranty and post/warranty services.

The goal of NEVITEL SOLUTIONS, s.r.o. is to meet the needs of its customers, who are mainly represented by general site suppliers, including global suppliers, in a fast, timely and high-quality manner. Close cooperation flourishes amongst the NEVITEL Group members, which guarantees reliable professional solutions even for the most demanding clients.

The NEVITEL Group

PlanNev, s.r.o.

The company was established in December 2008. It was created by spinning the Project Department off the parent company. Its main activity is the preparation of projects concerning telecommunications, residential and civil structures.

The project preparation activities of the company focus on all of the project stages of building document preparation, starting with the preparation of an investment plan, through the draft and study of a concept, project documentation for zoning, building permits and implementation, and ending with successful completion accompanied by final building approval. The company project service also includes active supervision of the on-going construction sites, with the exception of telecommunications structures, the documentation and technical supervision of which is carried out by the parent company, i.e. NEVITEL, a.s.

In 2011, PlanNev, s.r.o. most closely cooperated with its parent company NEVITEL, a.s., for which it produced 67% of the total volume of work performed. The largest volume of work related to the projects involving Slovak Telekom's telecommunications structures. In the field of residential and civil structures, the company prepared 70% of its project documentation for residential houses, private investors and state administration and 30% of its project documentation for general purpose and other buildings.

This company tries to constantly increase the percentage of its work related to projects for residential buildings, office or general purpose buildings and public welfare buildings, as well as family houses.

NEVITEL UK, Ltd.

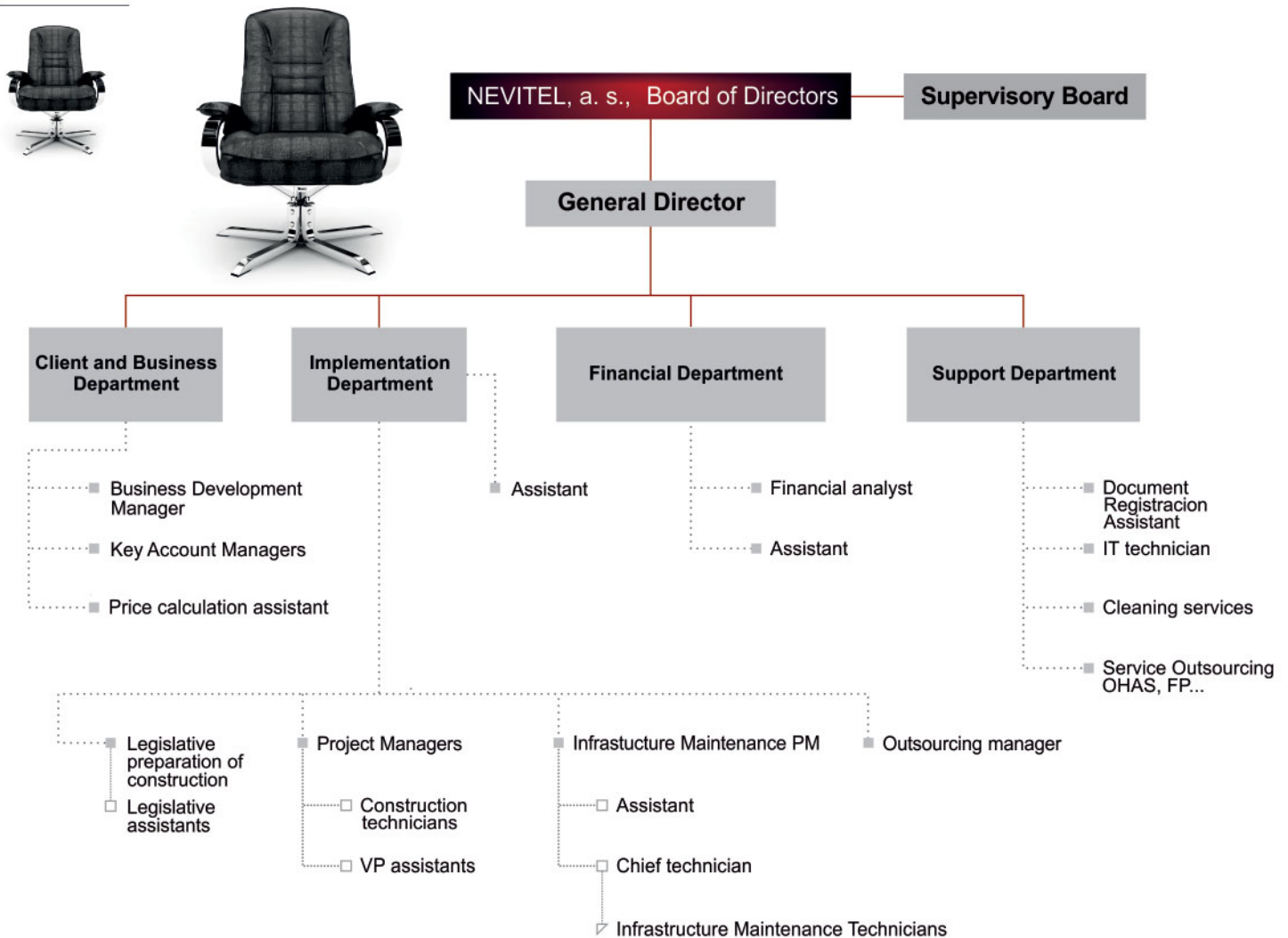
This foreign subsidiary headquartered in London was founded in order to perform market research and prepare activities falling in Britain's sphere of interest.

NEVITEL VÝSTAVBA, s.r.o.

This subsidiary used to deal with the installation of telecommunications structures. Its activities are currently being reduced and outsourced.



Organisational Structure



Company Management



Ing. Alexander Néveri

Company founder and owner

In 1986, Néveri completed his studies in the Technical Operation of Telecommunications at the Technical College of Transport and Communications in Žilina. For six years, he worked for Slovenské Telekomunikácie, where he held various positions related to the operation and maintenance of district-level telephone exchanges and networks.

In 1991, he founded the company NEVITEL as a self-employed person, and in 1996 he changed its legal form into a limited company. In 2001, the limited company was transformed into NEVITEL, a.s., a joint-stock company, of which he was initially a majority and later the only owner. He took up the positions of Managing Director/Executive, General Director and the Chairman of the Board of Directors in the above companies. As someone who is actively engaged in a range of social affairs, he has founded several non-profit organisations and supported the domestic civil sector. When he was elected the mayor of Veľký Meder, he entrusted the company's new managers with the management of Nevitel, a.s. However, he has remained the company owner and his participation in the specification of company strategy, objectives and direction is still substantial.



Ing. Ildikó Manczalová

General Director and Chief
Financial Officer

Following the completion of her studies at the University of Economics in Bratislava, Manczalová started her career with T-Mobile Slovensko, a.s. as a junior consultant. In 2003, she became a financial analyst for UPC Broadband, s.r.o., a cable operator, where she was responsible for financial planning and monthly book closing. Together with the Corporate Finance and IT Department, she was involved in the implementation of HFM. Later, she was appointed to the role of Financial Planning and Reporting Manager, managing a team of analysts, preparing monthly financial statements and financial plans and updating such plans throughout the year. She participated in a number of projects including the implementation of Sarbanes-Oxley requirements. In March 2010, she started working for NEVITEL, a.s., holding the office of Chief Financial Officer and, since 1st July, 2011, she has also been the General Director and the Chairwoman of the Board of Directors.

Company Management



Ing. Július Varga

Deputy Chairman of the Board of Directors and Director of the Client and Business Department

Varga completed his studies at the Electrical Engineering Faculty, Technical University in Bratislava in 1989. From the completion of his studies to the end of 1998, he held various positions such as IT administrator, telecommunications technician, project manager and technical director. In 1999, he became the Technical Director of Nextra, s.r.o., an international telecommunications company belonging to the Telenor Group (Norway). From 1999 until the end of October 2006, he worked as the Technical Director of GTS Nextra, a.s.

He started to work for NEVITEL, a.s. in 2007 as its Business Development Manager. From August 2008 to July 2011, he simultaneously held the office of Chief Executive Officer and Business Director. He has been a member of the Board of Directors since December 2008. Since July 2011, he has been the Business Director and is responsible for the development of company business strategy.



Ing. Peter Simon

Director of the Implementation Department

Simon studied at the Faculty of Civil Engineering, Slovak University of Technology in Bratislava in 1999. Following the completion of his studies, he started working as a telecommunications station designer for NEVITEL, a.s.: to be more precise, for its then-new design office. Later on, when establishing a design office for NEVITEL's subsidiary in Brno, he used the knowledge he had acquired as a designer. In order to gain international experience, he took a break from his work for the company in 2004. He worked for a short time in Sweden, then went to New Zealand, where he worked as a design engineer for the Telco Department at Harrison Grierson Consultant Ltd. from 2005. In 2008, he was offered the opportunity of managing a design team at the third biggest operator in New Zealand, Aurecon. He worked there as a project manager until 2009. When he returned to Slovakia, he returned to NEVITEL, a.s. As a project manager, he coordinated the work in Hungary and managed NEVITEL HUNGARY, Kft. and since September 2011, he has been the Director of the Implementation Department.

Company Management



Mgr. Szabolcs Horváth

Director of the Support
Department

Horváth completed his studies in Mathematics and Information Technology at the Faculty of Natural Sciences of Constantine the Philosopher, Nitra University. While a student, he taught mathematics at the Elementary School in Horný Bar. Following the completion of his studies, he worked as an IT network administrator in an international trading company where he gained much experience related to Linux and Novell operation systems.

In 2000, he started working for NEVITEL as a member of its IT group. Later on, he became the group leader and, in 2002, he was appointed the Head of the Information Technology Department.

In 2006, he was appointed the Director of the Support Department



3

Telecommunications Market

Business
Enviroment

Company Market Position
and Rating



Business Environment

The money spent on telecommunications in Eastern and Central Europe in 2011 was reduced compared to the amount spent in 2010. The above applies to household spending as well as that of corporate and state organisations. As regards corporate clients, this trend was mainly connected with negotiations concerning new conditions and it led to reduced operating costs. Despite positive prognoses in 2010, the market has not yet fully recovered from the recession. Fixed lines and mobile voice services have remained “the weakest link”. This trend is the result of changes in roaming fees, clients’ tendency to swap fixed lines for mobile phones and clients’ preference for cheap tariffs and packages. Naturally, the operators tried to compensate for this reduction by investing in the field of fixed and mobile broadband internet, digital television, various ICTs (Information and Communication Technologies) and comprehensive solutions.

The Slovak telecommunications sector was not any different from the rest of the European Telco market. The biggest Slovak mobile operators experienced first a reduction in the historical mobile network revenues, mainly owing to international and local regulations. The reduction was also the result of a high level of market saturation and strong competition. Because of increasing interest in mobile data services, all of the mobile operators decided to widen their 3G networks, which enable their customers to use very fast internet connections

Mobile Communications Market

In 2011, rumours about another operator potentially entering the mobile communications market started to swirl. Operators were interested in 800 MHz (i.e. digital dividend) and 2,600 MHz band frequencies that the Telecommunications Regulatory Authority of the Slovak Republic (RASR) planned to allocate in a tender. One of those interested in these frequencies was a major Asian operator.

In 2011, 2.2 GHz band frequencies were allocated via a tender. These were used for the retransmission of television channels through MMDS systems by UPC Broadband Slovakia, s.r.o. (UPC).

Just like Orange and Telefónica in 2010, Slovak Telekom was granted a permit from the Telecommunications Regulatory Authority of the Slovak Republic for testing data services using LTE/FDD technology in a 2.6 GHz frequency band in Banská Bystrica in 2011. This was an important milestone for testing new technology for another mobile operator, even though the actual deployment of this technology in Slovakia is not expected earlier than 2014 or 2015. The LTE (Long Term Evolution) technology is designed to provide substantially faster data transmission than the speed of 3G networks.

As regards the coverage of the Slovak territory with a digital television signal, in 2011, Towercom, a.s. applied for and was granted a permit for the operation of new DVB-T broadcasters, using MPEG-2 and MPEG-4 source coding system.

Optical Networks

In 2011, Slovak Telekom and Orange focused on the completion of the projects they had started in the field of optical network construction and did not plan any other major investment in this field. Their goal was to concentrate on the sales of services in the locations already provided with the networks in question. The strategy of UPC was to continue purchasing local cable operators and to reconstruct their networks in order to provide comprehensive triple-play service. Based on various comparisons, it can be said that optical networks in district towns are operated by big market players to the same extent as by small local electronic service providers often distributing their signal via air lines. The above solutions, however, often result in disputes that must be decided by court. Large telecommunications companies blame small-sized providers for breaching the law and thus distorting the business environment. Subsequently, other companies cannot compete with the price offered by small-sized operators since their cost for legal network construction (ground lines) is significantly higher.

Apart from well-known players in the field of optical networks, another company, namely Towercom, has been trying to establish itself in the market and, in September 2011, it announced that it was planning to construct new optical networks via its subsidiary, Towercom Infrastructure, which would then be rented to other telecommunications service providers for wholesale prices.

Stabilisation in the Sector of Alternative Telecommunications Operators

The alternative operator market showed signs of on-going stabilisation. Slovanet bought Wimax Telecom, an operator that had been in the Slovak market for over six years and had held permits for the operation of electronic communications networks and the provision of electronic communications services in the licensed band frequency of 3.5 GHz all over Slovakia. Thanks to this strategic merge, Slovanet firstly gained new customers and secondly got its hands on technologies successfully used by its competitors, i.e. GTS Slovakia and SWAN, and designed to connect corporate clients to the internet or to implement virtual private networks via air lines in those areas with insufficient telecommunications infrastructure.

Data Centres

In June 2011, Slovak Telekom, opened a large data centre covering 1,200 m², through which it offers server-housing services to its clients. In the future, the company would also like to provide virtualisation services and cloud computing. Just like Slovak Telekom, GTS Slovakia also continued its development in the field of data centre services and, in November, opened a data centre consisting of two data rooms covering a net area of 1,100 m² in Petržalka, Bratislava. In 2012, another company, DCBA, also opened a data centre, called DATACUBE, offering solely the services of a TIER III standard data centre in Bratislava and enabling customers to choose their telecommunications service provider (i.e. carrier neutral).

Company Market Position and Rating

Establishing Internet Connections for Society

At the end of 2011, a tender was announced by the National Agency for Network and Electronic Services (NAS-ES) related to Design and Engineering services forming a part of the Operating Programme Informatisation of Society, which should be used to cover “white spots”, i.e. spots without any signal coverage, thus helping to improve broadband internet access for all households, commercial organisations and public administration. This year, more than 4,000 km of fibre wires are to be designed and their installation to be approved in order to cover more than 660 small sized municipalities or villages.

Company Market Position and Rating

NEVITEL, a.s. is seen as a major partner of all of the three mobile operators supplying telecommunications structures and providing technological and other maintenance of network infrastructures all over Slovakia. Based on available information, it can be stated that key telecommunications operators rank our company among their top partners in Western Slovakia and among their partners of significant importance in the rest of the Slovak regions. Nevitel, a.s. has repeatedly become one of 11 top strategic partners of Slovak Telekom, a.s. (fixed networks) (“Recommended Partner” rating).

Thanks to positive references from companies operating in the Slovak market, we won and implemented a project concerning technology replacement for a Hungarian mobile operator, in cooperation with ZTE, one of Nevitel's

technological partners. In addition, we have also established ourselves in other national markets, to be precise, in Austria and Switzerland, where we took part in similar projects concerning the modernisation of mobile technologies and cooperated with local partners. Despite the continuously decreasing margins involved, the company won the tender and installed FTTh networks in two West Slovak towns for Slovak Telekom. Nevitel, a.s. was also a partner of GTS Slovakia for the purpose of data centre construction, thanks to which it gained more experience in this field.



4

Year 2011

Assessment of Year
2011



Assessment of Year 2011

Clients and Business

In 2011, the Clients and Business Department mainly focused on searching for new activities. The company paid most attention to foreign markets, in which, at that time, new projects of mobile network modernisation aimed at future faster data transmission and deployment of technologies designed for LTE (Long Term Evolution) were taking place. In the area of business development, the company also looked for projects requiring cooperation with system integrators and alternative operators.

Just like in previous years, Nevitel, a.s. continued giving prominence to cooperation with its strategic partners, i.e. mobile operators. The company tries to maintain good relations with all three key players in the Slovak market, with which it has concluded cooperation framework agreements. Despite our close long-term cooperation, the volume of scheduled work related to the installation of telecommunications structures was reduced compared to previous years, which logically resulted in reduced turnover in this field. The reason was less money available in the operators' budget assigned to network construction and more money needing to be spent on network modernisation or technology modification. They decided to order comprehensive or turn-key solutions, i.e. the delivery of new technologies, including the replacement of network elements and integration, from technological partners, who, based on these arrangements, pressed their suppliers to reduce their prices. Under these unfavourable conditions, our company decided not to participate in this field. The company's strategy proved to be successful, and its positive effect became evident as early

as at the end of the year, when we were assigned work directly from one of the operators.

The operator decided to stop its cooperation with its technological partner and its new and inexperienced suppliers and opted for NEVITEL a.s., as a proved and experienced partner.

Regarding the installation of optical fibre-based networks, we won two major projects assigned by Slovak Telekom, a.s., as a part of which we have installed FTTh (Fibre-To-The-home) networks in two West Slovak towns.

In order to gain new customers, Nevitel, a.s. started to cooperate with the system integrator, Soitron, for whose customers the company and its subsidiary NEVITEL SOLUTIONS, s.r.o. solved the delivery and replacement of EPS systems. .

In 2011, we also established a business partnership with the company Competence in Communication GmbH, Austria, and helped it to modernise the network of a mobile operator in Austria. Nevitel, a.s. started a similar cooperation with ENKOM Ingenys AG, Switzerland. In both cases, the cooperation was based on the combination of good local market knowledge and Nevitel's experience in the field of mobile network establishment.

We also continued our cooperation with GTS Slovakia, with which we worked on the design of a new data centre in 2010 and 2011. In the second half of 2011, we became involved in the implementation this data centre, which was subsequently opened in November, 2011.

Assessment of Year 2011

Thanks to the above work, the company gained new references related to data centre design and implementation.

In 2011, we were able to provide innovative services for our long-term partner Orange Slovensko, a.s. related to the optimisation and analysis of the QoS (Quality of Service) and QoE (Quality of Experience) parameters of mobile networks. The results of the analysis were applied so as to optimise new technology and to successfully deploy that technology within the network.

Nevitel's priority is to continue to gain new business opportunities and to establish ourselves in other technological areas, in order to diversify our sources of revenue for the years to come. This requires significant business development based on creativity, ideas and, of course, on stronger than usual relationships with our potential partners.

The Client and Business Department has set out to establish a lasting competitive advantage for the company and to ensure the revenues required for the further growth of the company and the development of its employees over a short period of time. Nevitel, a.s. would like to become a stable and preferred partner of the key players of the Slovak and Central European telecommunications sector.

Implementation Department

In 2011, the most distinctive efforts of the Implementation Department were made in strengthening its team and its own capacities. The company's employees have gone through different types of technology-related training and

tests in order to improve their level of professional skills and ensure the continued high quality and professionalism of Nevitel's activities. A major emphasis has been placed on the improvement of their English and German language skills. With a view to increasing efficiency and competitiveness in the market, the Department has optimised its work procedures and reduced its operating costs so as to maintain its project orientation with an emphasis on the application of quality management to the work of the project team when attending to individual tasks.

The implementation of projects related to building, extending and maintaining the infrastructure of mobile and fixed operators in Slovakia and abroad has remained the main activity of the Department. The key projects, mainly those focusing on the extension of UMTS and GMS coverage, were carried out for the company's long term partners, Slovak Telekom, a.s. (T-Mobile), Telefónica O2 Slovakia, s.r.o. and Orange Slovensko, a.s.

In the same year, Nevitel, a.s. also expanded abroad. The company, its technological partner ZTE Hungary, Kft. and Nevitel's closely cooperating subsidiary, NEVITEL HUNGARY, Kft, successfully cooperated in a project to replace mobile infrastructure elements for Telenor in Hungary. The company, Huawei and NEVITEL HUNGARY also took part in the project to replace infrastructure for Vodafone in Hungary. Nevitel, .a.s subsequently used its acquired knowledge and skills in Switzerland in the second half of 2011, when they cooperated with ENKOM Ingensys AG in the modernisation of the Orange network and in Austria, where they carried out MW swaps for T-Mobile and Orange.

Assessment of Year 2011

The result of cooperation between the Implementation Department and Client and Business Department was successful projects such as the replacement of the radio network for Slovenský Plynárenský Priemysel, a.s. carried out in cooperation with the system integrator, TEMPEST; infrastructure diversion during the Aupark Košice construction, carried out for HB-Reavis Management; and participation in the implementation of a new data centre for GTS Slovakia.

Apart from repairs to the metal-based and optical network and thanks to a strong internal section managing defect elimination, work establishment and specialised work task fulfilment, the Department has successfully installed a FTTH network in Šaľa and Dunajská Streda as part of the capital projects of Slovak Telekom, a.s.. In Komárno, the company and Datalan, a.s. have implemented an optical connection for SANET and carried out the servicing of VIZADA Networks, s.r.o. and Wimax Telecom Slovakia, s.r.o.

For the Implementation Department, 2011 can be regarded as demanding and, at the same time, successful. Through its participation in foreign projects, Nevitel, a.s. proved it has a professional team, and is able to compete with foreign companies in terms of the high-quality and reliable work it can produce. Working on interesting new projects concerning mobile and fixed networks in Slovakia and abroad and gaining experience with the latest technologies available in the market, has helped the company to be confident of the future. The company believes that its activities will continue to expand to the countries around Slovakia in the years to come, bringing satisfaction to its customers and suppliers.

Financial Department

In 2011, the company continued its improvement of its financial processes started in 2010. Constant changes in our key activities and identified insufficiencies triggered changes in accounting and reporting and other financial processes. Thanks to cooperation with an external accounting company, the company consolidated the reporting and accounting of its subsidiaries and their parent company. An established foreign subsidiary and foreign activities have also brought about many financial tasks. An increased level of stock movement needed tracking and control, for which a process of stock and stock movement recording has been implemented. In order to match accounting and physical states, the Department cooperated with other organisational units and implemented a new stock management information system.

Just like in previous years, the main role of the Financial Department for the year to come will be the effective financial management of the company. The highest priority will be to provide management with qualified controlling and reporting, thus helping the decision making process related to the company's future development

Support Department

Just like every year, the most important role of the Support Department in 2011 was to support the activities of the individual divisions and to ensure the functionality of NEVITEL's equipment.

Assessment of Year 2011

In 2011, we continued putting emphasis on the modernisation and increased efficiency of the company's internal IT systems. The activities of our Department correspond with the philosophy of the NEVITEL Group. That is why it is necessary for the company to keep up with the latest trends related to the field of information technologies. This has led to the implementation of a new stock management system, modernisation of the company's PCs, and to the update of its operating programs and software. The above measures have improved working conditions for Nevitel's employees and have contributed to increased work efficiency. The Department has come up with a high quality technical background for its newly opened Hungarian branch. This involved the establishment of an internal network and server for document sharing, all with a direct connection to the network in Dunajská Streda.

Data security has been an integral attribute of the telecommunications sector. In order to maximise data protection, the Department is now using an extra server for safe back-up storage in a geographically remote location. The Department has thus achieved synchronised security of all crucial data in the triangle of places that are distant from each other.

The key roles of the Support Department related to document registration were to make work with registered documents more effective, especially their storage, protection and disposal, and the modification of the document registration centre premises. Another important project related to archiving, marking and inspecting documents prepared for individual construction activities that Nevitel, a.s. carries out within the Department's sphere of activities.

As a part of the car fleet modernisation, the company sold our outdated vehicles and new and more environmentally friendly vehicles have been procured by operative leasing to support technicians and management and strengthen service teams.

The company's enhanced website, www.nevitel.sk does not only look more up to date but is also more transparent and provides customers with access to a partner zone directly from the home page. The partner zone is designed to inform Nevitel's customers and suppliers and provide a direct connection with our internal InOffice system.

Continuous data flow, i.e. the receiving, processing and distribution of received and sent mail, is ensured by GArchive and workflow systems, with the help of which employees receive the required information in electronic form.

By the end of the year, the Department had finished taking an inventory of the company's physical and document assets, the result of which was the annual retirement of damaged or worn-out electronic devices performed by an authorised company. The Department has also introduced a detailed and transparent system designed to register objects provided to employees.

The most important mission of the Support Department remains the same, i.e. to use specified measures to ensure the continuous operation of company systems.

5

Business Relations

Business Partners



Business Partners

Business Partners

Since its establishment, NEVITEL, a.s. has been strengthening and deepening business relations with our customers and suppliers in the telecommunications market. The company has entered into partnership and framework agreements which govern successful cooperation with the majority of the business partners, with whom the company works in order to implement our customers' projects.

NEVITEL's subsidiaries, namely NEVITEL SOLUTIONS, s.r.o. and PlanNev, s.r.o. also rank amongst the most significant suppliers of the parent company.

The company appreciates the appropriate conduct of our suppliers, with whom it has also entered into framework cooperation agreements.



Business Partners

Key customers:

The largest telecommunications operators in the Slovak market:

Orange Slovensko, a.s.

Slovak Telekom, a.s. (fixed and mobile network)

Telefónica O2 Slovakia, s.r.o.

Technological partner:

ZTE Hungary Kft.

Alternative operator:

GTS Slovakia, a.s.

System integrator:

Soitron, a.s.

TEMPEST, a.s.

Foreign partners in the field of mobile network modernisation:

Competence in Communication GmbH., Rakúsko

ENKOM Ingenys AG, Švajčiarsko

Real-estate agencies:

HB REAVIS MANAGEMENT, s.r.o.

Nevitel, a.s. is proud to be one of the most crucial, reliable and long-term suppliers for the largest telecommunications operators in Slovakia. Moreover, the company is also amongst the most reliable partners of several alternative operators running their business in Slovakia.



6

Employees

Human Resources Policy

Employee Training
and Education



Human Resources Policy

Human Resources Policy

Throughout its twenty years of existence, Nevitel, a.s. has always relied on the professionalism, ambition and loyalty of its employees. This fact has also been reflected in the company's human resources policy, which is based on an effort to provide employees with suitable working conditions, a pleasant working atmosphere and further potential training and education.

The professional, reliable and high quality work of an individual forming part of a work team represents a great competitive advantage compared to other companies in the current difficult economic conditions. Great attention has been therefore paid to the maintenance and monitoring of the work climate and employee satisfaction while focusing on their performance. It is equally important to monitor the situation in the labour market in order to engage the new and prospective generation. The company has undertaken long-term cooperation with secondary schools and universities, mainly those with a technical, electronic and economic orientation. Each year, Nevitel, a.s. gives talented and strong-minded young people, who may later become the company's long-term employees, special work experience.

The last year was also full of organisational changes, the main goal of which was the efficient use of internal labour to improve our business potential. The company has been systematically trying to provide its employees with continuous training and education, especially in the fields of telecommunications and electrical engineering. The training

has focused on revision technicians, employees working at heights and using climbing equipment, and service teams.

Moreover, the company's employees attended language classes focusing mainly on the improvement of their English and German language skills.

In 2011, NEVITEL, a.s. employed on average 53 people, of whom 12 were women and 41 men. This, naturally, was the reflection of the labour market and character of company activities. This year, Nevitel's employees worked not only in Dunajská Streda, the company's headquarters, but also in its two branches, in Banská Bystrica and Košice.

Almost half of the company employees have completed university studies involving a first or second degree. Seventeen per cent of its employees have completed secondary studies and 36 per cent attended secondary vocational schools. In 2011, just like any other year, the company supported the enhancement of employees' qualifications in many forms, one of which is distance learning. In addition, the employees have been continuously motivated to take part in special training courses and other training formats that contribute to their personal growth and will help NEVITEL, a.s. to be better prepared to overcome the challenges of the dynamically changing telecommunications sector.

And again, just like any other year, in 2011, the company employed a team of young, prepared and experienced employees. That year, the average age of our employees was 26. Based on the age structure of the team, more than half of our people belong to this highly productive age group.

Employee Training and Education

NEVITEL, a.s. has a proven system of employee benefits and perks, the goal of which is to motivate employees and to help them to perform better.

The company has been trying to adjust its system of employee benefits and perks to the current needs of its employees, the latest requirements of the telecommunications sector, the business environment and its financial capabilities.

The employee recognition system consists of different combinations of the following benefits:

- Incentive scheme
- Education in the form of special training, courses and seminars
- Use of company mobile phone for personal purposes
- Part payment of supplementary retirement insurance
- Social fund used to fund sports, cultural, leisure time, health care and educational activities
- "Sick Days" benefit

Human resources are considered to be key and the goal of any human resources policy is to gain and maintain high quality labour and to ensure its satisfaction with the working conditions.

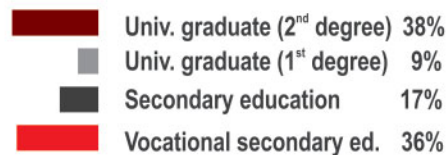
Employee structure



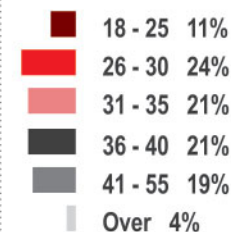
Employee Training and Education

NEVITEL, a.s. has paid great attention to the education and training of its own employees. In 2011, most employees took part in different educational and training activities. These mainly related to updating of electrical technicians' certificates, certificates authorising working at heights, occupational health and safety, social policy and legal changes related to personal data protection. Company employees took part in different (mainly English and German) language courses so as to improve their language skills. A group of employees has been retrained in the use of new software for asset management and control and warehouse management. Each professional driver has been retrained in their professional qualifications. All of the employees, newcomers included, have been retrained in Occupational Health and Safety, Fire Protection, first aid, working at heights and the Environmental Management System (SEM, ISO 14000) with emphasis on waste management, preparedness for accidents, chemical handling and the environment-based management of suppliers.

Breakdown of employees by the completed level of education



Employee age structure



7

Quality and Social Responsibility

Code of Ethics

Charity

Occupational Health
and Safety

The Environment

Integrated Management
System

Quality



Code of Ethics

Code of Ethics

The Code of Ethics obliges each employee of the company to uphold the principles of business ethics and accept moral liability for his actions, and adhere to the rules of fair competition. Ever since its inception, NEVITEL, a.s. has complied with the Code. It contains recommendations and information relating to day-to-day work in the company. A high level of morals and professional conduct is essential for the company to achieve its strategic tasks and goals. The company relies on the common sense of its employees and assumes that they will always act in accordance with the law and honestly, so as to protect the good reputation of the company. Corporate culture is based on mutual trust and respect towards all employees of the company. These factors can ensure the prosperity of the company and fulfilment of the common aim, which is the fair and successful conduct of business.

In relation to all stakeholders, we are aware of the corporate social responsibility which is linked to our business, and we assume moral responsibility for the consequences of our decisions and conduct.

The Code of Ethics details the obligation of each employee:

To behave in a fair and honest manner; to respect his colleagues and apply the principles of mutual trust and cooperation; to behave like a team, as far as possible; to be aware that, by his personal conduct, he represents his company; to uphold the principles of commercial and business ethics; to remember that service to the customer is the highest value; to behave in a way that will protect the interests of the company, his colleagues, business partners and, at the same time, protect the environment; not to abuse his position in the company for an employee's personal interests or the interests of third parties; not to abuse confidential information obtained at work for his own business activity; not to use equipment and facilities for private use (the above mentioned activities or use of equipment can only be carried out subject to the written approval of the employer); not to keep presents or accept any advantages from third parties or business partners that wish to become partners of the company; to make sure that business dinners and meetings do not exceed the extent corresponding to the position of the employee in question within the company and the importance of the discussed matter, and they must be approved by a superior; in the case of danger of damage to the company to try, to the extent that he is able and it is possible, to avert the damage; if this is not possible, to notify his superior staff members of this danger, or other persons that are able to prevent or at least mitigate such damage.

Code of Ethics and Charity

Obligations of the company:

To be faithful to its customers and its employees, caring about its employees, providing for their safety, integrity, provision of exact information, a suitable environment, quality, services, respecting and protecting their data; to fulfil its obligations in a due and timely fashion; to provide equal work opportunities for each applicant and employee regardless of age, gender and race; to achieve the best possible economic results for its shareholders.

Managers:

Serve as a model for others; take care of their subordinates; ensure that everybody follows the rules; deal with each breach of the rules.

The company commits to adhering to the highest possible level of integrity and moral business behaviour and to comply with the said principles. A breach of the code could have serious consequences for the company.

Charity

In 2011, Nevitel, a.s. provided EUR 1,100 for philanthropic purposes. This sponsorship supported:

- a six-member family, whose child, Nicolas Mészáros, suffers from autism
- a student summer camp organised by Diákhálózat - Študentská sieť, a youth organisation

Occupational Health and Safety

Occupational Health and Safety

One of the areas to which long-term attention has been paid in Nevitel, a.s. is the working environment.

This is the environment in which the employee spends most of their creative life and which substantially influences employee occupational health and safety.

Occupational health and safety influences the management of each and every enterprise or organisation. If a company wants to have well performing employees, it has to invest in their occupational health and safety, even though this investment in the future might seem to bring nothing in return. This investment mainly covers the following:

- Initial, preventive and final medical checks
- Personal protective equipment
- Improved technical tools and instruments and reduced risk of occupational injuries caused by tools
- Educational and training activities

The occupational safety strategy is aimed at minimum or, if possible, no instances of serious or fatal occupational injuries and occupational diseases.

In 2011, the company did not record any occupational injuries.

Employees are motivated to observe Occupational Health and Safety based on their managers' example, i.e. by the observance of a work schedule set up to avoid stressful situations, by regular meetings focused on discussion of potential occupational health and safety improvements carried out by employees, and by creating an enjoyable working environment. Through the company intranet, employees have access to all relevant documents (general principles of OHAS and PO principles, prescribed personal protection equipment and frequency of their provision, OHAS news, motivational examples from practice accompanied by photos, etc.).

The updating of the company OHAS policy is crucial for the correct functioning of its management system. It specifies intents, goals, implementation methods and condition-improving resources. Moreover, it declares the company's approach to its employees and occupational health and safety and determines its strategy for continuous progress.



The Environment

NEVITEL a.s. belongs amongst those companies focusing on environmental protection and pollution prevention. This is the reason why the company decided to implement ISO 14001: 2004 standard requirements in 2009.

In October 2009, a certification audit was carried out, during which all areas having direct or indirect influence on the environment were inspected in detail. During the audit, conformance to individual articles of the ISO 14001:2004 standard with the method of their internal application was assessed.

On the basis of the above certification audit carried out by the renowned DET NORSKE VERITAS, Nevitel, a.s. was given a certificate proving its conformance with the ISO 14001:2004 standard requirements in December 2009.

In 2010, the company started and successfully completed the process of integrating its two management systems into a single integrated management system.

At the end of 2010, the company started to gradually introduce ISO 14001:2004 standard requirements into its system and the intention is to carry on the application on an on-going basis.

Integrated Management System

Integrated Management System

Nevitel, a.s. has applied ISO 9001, ISO 14001 and OH-SAS 18001 standard requirements to its management system.

The company has held certification for ISO 9001 and ISO 14001 issued by the renowned DET NORSKE VERITAS for several years.

Just like in the past, the priority of NEVITEL, a.s. for 2011 was to maintain a high quality in the goods and services provided. As regards “telecommunications construction”, the company closely monitored current trends and applicable law so as to meet even the most demanding requirements of our customers.

In 2011, the company focused on the improvement of the supplier management system in relation to quality and environmental protection or OHAS. The focus was mainly on the areas identified in 2010 as key in terms of quality provision, maximum operating safety and environmental protection. This mainly includes the identification of environmental aspects and dangers and the assessment of risks and their regular update so as to identify and eliminate the causes of such events occurring at our suppliers, who substantially influence our final product.

Nevitel, a.s. understands that it is important that the company and its employees act responsibly towards the environment and maintain safety. This, however, is not enough. It is equally important that such a company

leads its suppliers to do the same.

That is why in 2011, Nevitel, a.s. prepared Binding Occupational Health and Safety and Environmental Protection Instructions for its suppliers, obliging them to observe the Instructions in question.

The goal of Nevitel, a.s. is to provide services meeting the requirements and needs of our customers in the long run. In order to meet this intention, the company undertakes to observe the following principles:

- Continuously improve all processes in order to achieve further company development, maintain our valuable position and goodwill while focusing on the improvement of customer satisfaction so as to have all processes running effectively and in accordance with applicable law and requirements imposed by state authorities and involved parties, and minimise potential negative impacts on the environment, and health and safety of employees.
- Comprehensiveness, professional consulting services, promptness and background – these are values Nevitel’s customer can rely on.
- Enhance the qualification and safety awareness of employees. Taking care of company employees is as crucial as taking care of customers. The company understands that a continuous educational and training process is a source of its progress that builds the employee awareness of environmental care and occupational safety.

Quality

- Establish mutually beneficial relations with suppliers based on trust, integrity, high quality of provided services, environmental care and Occupational Health and Safety.
- Ensure environmental protection and compliance with legal and other requirements.
- As regards negative impacts on the environment, the company applies a principle of prevention, which is reflected in our environmental objectives. By the observation of applicable legal and other requirements, the company aims to prevent any damage to the environment and to the health and safety of our employees while taking into consideration the requirements of parties involved.
- Improve the integrated management system of the company and constantly increase its effectiveness and integrity in accordance with the ISO 9001 and 14001 standards and other requirements

Quality

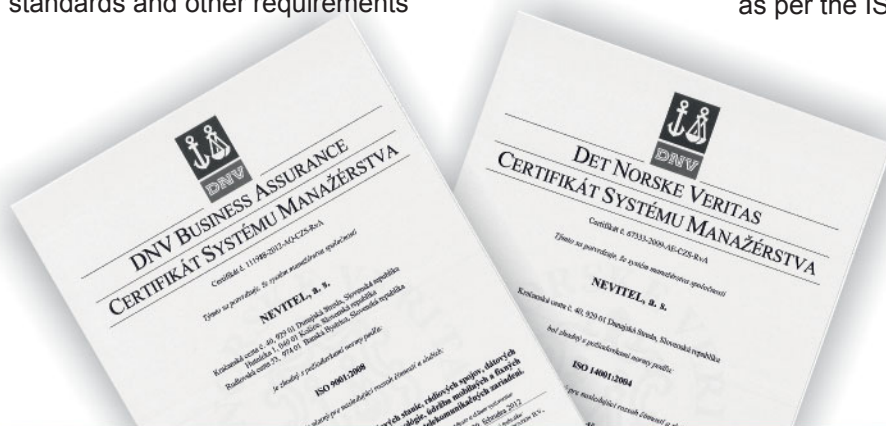
The priorities of NEVITEL, a.s.:

- Satisfied customers, the prerequisite of which is to listen to them and offer them solutions corresponding with their individual needs
- Responsible business and high-quality solutions and services proved by European quality management certificates ISO 9001:2008 and ISO 14001:2004

Since 2002, an integrated and effective quality management and control system has been in place at NEVITEL, a.s.

In 2003, the company's quality management system was certified by the renowned DET NORSKE VERITAS in accordance with the ISO 9001: 2000 standard. In 2009, the quality management system was successfully re-certified as per the ISO 9001:2008 standard.

The areas of certificate application: design and construction of telecommunications base stations and linear radio structures, engineering activities, technology installation, maintenance of mobile and landline telephone networks; delivery, assembly and servicing of telecommunications facilities.



8

Finance

Balance Sheet

Financial Statement

Selected Indicators

Auditor's Report and
Supervisory Board's
Standpoint



Balance Sheet

Balance Sheet | EUR

			2009	2010	2011
	ASSETS				
	TOTAL ASSETS line 002+ line 031+ line 061	001	5 467 126	4 941 475	4 409 962
A	Non-current assets line 003+ line 011 + line 021	002	532 696	285 915	183 709
A.I.	Non-current intangible assets – total (line 04 to 010)	003	66 672	39 600	18 998
A.I.1.	Capitalised development cost	004			
2	Software	005	5 730	2 925	1 098
3	Valuable rights	006	48 396	36 675	17 900
4	Goodwill	007			
5	Other non-current intangible assets	008			
6	Acquisition of non-current intangible assets	009	12 546	0	0
7	Advance payments for non-current intangible assets	010			
A.II.	Non-current tangible assets - total (line 012 to 020)	011	233 221	157 827	107 142
A.II.1.	Land	012			
2.	Structures	013			
3.	Individual movable assets and sets of movable assets	014	233 221	157 827	107 142
4.	Perennial crops	015			
5.	Livestock	016			
6.	Other non-current tangible assets	017			
7.	Acquisition of non-current tangible assets	018			
8.	Advance payments for non-current tangible assets	019			
9.	Value adjustment to acquired assets	020			
A.III.	Non-current financial assets – total (line 022 to 029)	021	232 803	88 488	57 569
A.III.1.	Shares and ownership interests in a subsidiary	022	224 505	80 190	57 569
2.	Shares and ownership interests with substantial influence over enterprises	023			
3.	Other long-term shares and ownership interests	024			

Balance Sheet

			2009	2010	2011
4.	Intercompany loans	025			
5.	Other non-current financial assets	026	8 298	8 298	0
6.	Loans with maturity of up to one year	027			
7.	Acquisition of non-current financial assets	028			
8.	Advance payments for non-current financial assets	029			
B.	Current assets line 031+line 038+line 046+line 055	030	4 896 792	4 639 028	4 213 255
B.I.	Inventory – total (line 032 to 037)	031	80 878	32 850	71 972
B.I.1.	Material	032	25 853	32 850	71 972
2.	Work in progress and semi-finished products	033	55 025		
3.	Finished products	034			
4.	Animals	035			
5.	Goods	036			
6.	Advance payments for inventory	037			
B.II.	Non-current receivables – total (line 041 to 046)	038	4 790	2 860	20 639
B.II.1.	Trade receivables	039			
2.	Order net value	040			
3.	Receivables from a subsidiary or a parent	041			
4.	Other intercompany receivables	042			
5.	Receivables from participants, members and association	043			
6.	Other receivables	044			
7.	Deferred tax assets	045	4 790	2 860	20 639
B.III.	Current receivables – total (line 047 to 054)	046	4 369 544	4 591 347	4 116 359
B.III.1.	Trade receivables	047	3 155 880	3 549 550	2 658 711
2.	Order net value	048		73 206	210 692
3.	Receivables from a subsidiary or a parent	049	1 051 115	934 388	1 243 270
4.	Other intercompany receivables	050			

Balance Sheet

			2009	2010	2011
5	Receivables from participants, members and associations	051			
6	Social security	052			
7	Tax assets	053	123 280	32 977	214
8	Other receivables	054	39 269	1 226	3 472
B.IV.	Financial Accounts – total (line 056 to 060)	055	441 580	11 971	4 285
B.IV.1.	Cash in hand	056	10 652	8 613	2 415
2.	Bank accounts	057	430 928	3 358	1 870
3.	Bank accounts with notice period exceeding one year	058			
4.	Current financial assets	059			
5.	Acquisition of current financial assets	060			
C.	Accruals/deferrals – total line 062 and line 065	061	37 638	16 532	12 998
C.1.	Prepaid expenses – long-term	062			
2	Prepaid expenses – short-term	063	14 503	16 532	12 955
3	Accrued income – long-term	064			
4	Accrued income – short-term	065	23 135	0	43
EQUITY AND LIABILITIES					
	TOTAL EQUITY AND LIABILITIES line 067+line 088+line 121	066	5 467 126	4 941 475	4 409 962
A.	Equity line 068+line 073+line 080+line 084+line 087	067	2 792 208	2 004 038	1 812 288
A.I.	Share capital – total (line 069 to 072)	068	1 300 000	1 300 000	1 300 000
A.I.1.	Share capital	069	1 300 000	1 300 000	1 300 000
2.	Own shares and own ownership interests	070			
3.	Change in share capital	071	0	0	0
4.	Accounts receivables for subscribed share capital	072			
A.II.	Capital funds – total (line 074 to 079)	073	-113 524	-155 475	-140 526
A.II.1.	Share premium	074			

Balance Sheet

			2009	2010	2011
2.	Other capital funds	075			
3.	Legal reserve fund (Non-distributable fund) from capital contributions v	076	8 848	8 848	0
4.	Differences from revaluation of assets and liabilities	077	-122 372	-164 323	-140 526
5.	Investment revaluation reserve	078			
6.	Differences from revaluation in the event of a merger, amalgamation into a separate accounting entity and demerger	079			
A.III.	Funds from profits – total (line 081 to 083)	080	214 945	1 263	0
A.III.1.	Legal reserve fund	081	214 945	1 263	0
2.	Non-distributable fund	082			
3.	Statutory funds and other funds	083			
A.IV.	Net profit/loss from previous years line 085+line 086	084	1 604 469	954 469	768 360
A.IV.1.	Retained earnings from previous years	085	1 604 469	954 469	854 469
2.	Accumulated losses from previous years	086		0	-86 109
A.V.	Net profit/loss for current accounting period	087	-213 682	-96 219	-115 546
B.	Liabilities line 89+line 94+line 106+line 117+line 118	088	2 650 792	2 937 420	2 597 546
B.I.	Provisions – total (line 090 to 093)	089	37 947	35 138	26 286
B.I.1.	Legal provisions – long-term (451A)	090			
2	Legal provisions – short-term (323A, 451A)	091	37 947	35 138	26 286
3	Other long-term provisions	092			
4	Other short-term provisions	093			
B.II.	Non-current liabilities – total (line 095 to 105)	094	91 313	42 786	17 810
B.II.1.	Non-current trade liabilities	095	0	0	0
2	Order net value (316A)	096			
3	Non-invoiced long-term supplies	097			
4	Non-current liabilities to a subsidiary and a parent	098			
5	Other non-current intercompany liabilities	099			
6	Long-term advance payments received	100			

Balance Sheet

			2009	2010	2011
7	Long-term bills of exchange to be paid	101			
8	Bonds issued	102			
9	Social fund liabilities	103	8 902	1 240	2 467
10	Other non-current liabilities	104	82 411	41 546	15 343
11	Deferred tax liability	105			
B.III.	Current liabilities – total (line 107 to 116)	106	1 354 707	1 968 846	1 637 232
B.III.1.	Trade liabilities	107	1 084 188	1 539 147	1 350 696
2	Order net value (316A)	108		91 271	26 037
3	Non-invoiced supplies	109	4 145	5 675	-3 126
4	Liabilities to a subsidiary or a parent	110			
5	Other intercompany liabilities	111			
6	Liabilities to partners and association	112	645	39 053	35 080
7	Liabilities to employees	113	67 928	88 424	48 324
8	Social security liabilities	114	33 047	37 289	26 826
9	Tax liabilities and subsidies	115	118 867	125 730	123 382
10	Other liabilities	116	45 887	42 257	30 013
B.IV.	Short-term financial assistance	117	0	0	0
B.V.	Bank loans (line 119 + r 120)	118	1 166 825	890 650	916 218
B. V.1.	Long-term bank loans	119			
2.	Current bank loans	120	1 166 825	890 650	916 218
C.	Accruals/deferrals – total (line 122 to 125)	121	24 126	17	128
C. 1.	Accrued expenses – long-term	122			
2.	Accrued expenses – short-term	123		17	7
3	Deferred income – long-term	124			
4	Deferred income – short-term	125	24 126	0	121

Financial Statement

Financial Statement | EUR

			2009	2010	2011
I.	Revenue from the sale of merchandise (604, 607)	1			
A.	Cost of merchandise sold (504.505A)	2	0	0	14 916
+	Trade margin line 01-line 02	3	0	0	-14 916
II.	Production line 05+line 06+line 07	4	6 058 009	6 381 337	5 709 962
II.1.	Revenue from the sale of own products and services (601, 602, 606)	5	6 037 705	6 399 732	5 709 962
2.	Changes in internal inventory (+/- account group 61)	6	20 304	-18 395	0
3.	Own work capitalised (account group 62)	7			
B.	Production line 09+line 10	8	5 053 789	5 105 249	4 526 199
B.1.	Consumption of materials, energy and other non-inventory suppliers (501, 502, 503, 505A)	9	1 490 133	1 176 517	775 434
B.2.	Services (account group 51)	10	3 563 656	3 928 732	3 750 765
+	Added value line 03+line 04-line 08	11	1 004 220	1 276 088	1 168 847
C.	Personnel expenses – total (line 13 až 16)	12	1 095 848	1 038 686	1 038 021
C.1.	Wages and salaries (521, 522)	13	810 388	761 560	717 204
2.	Remuneration of board members of a company or a cooperative (523)	14	9 960	9 960	9 960
3.	Social security expenses (524, 525, 526)	15	248 327	243 689	259 297
4.	Social expenses (527, 528)	16	27 173	23 477	51 560
D.	Taxes and fees (account group 53)	17	51 258	26 291	47 723
E.	Amortisation and value adjustment to non-current intangible assets and depreciation and value adjustment to non-current tangible assets (551, 553)	18	100 723	110 013	90 411
III.	Revenue from the sale of non-current assets and materials (641, 642)	19	51 017	137 311	71 729
F.	Net value of non-current assets and materials sold (541, 542)	20	60 638	108 595	51 123
G.	Creation and reversal of value adjustments to receivables +/- 547	21	-5 403	9 659	-5 268
IV.	Other operating income (644, 645, 646, 648, 655, 657)	22	757 814	8 340	5 742
H.	Other operating expenses (543, 544, 545, 546, 548, 549, 555, 557)	23	765 153	23 183	30 598
V.	Transfer of operating income (-) (697)	24	0	0	0

Financial Statement

			2009	2010	2011
I.	Transfer of operating expenses (-) (597)	25			
*	Profit/loss from operations line 11-line 12-line 17-line 18+line 19-line 20-line 21+line 22-line 23+(-line 24)-(-line 25)	26	-255 166	105 312	-6 290
VI.	Revenue from the sale of securities and shares (661)	27	0	0	0
J.	Securities and shares sold (561)	28	0	0	0
VII.	Income from non-current financial assets line 30+line 31+line 32	29	133 460	0	10 388
VII. 1.	Income from securities and ownership interests in a subsidiary and from securities and ownership interests with substantial influence over enterprises (665A)	30	133 460	0	10 388
2.	Income from other long-term securities and shares (665A)	31			
3.	Income from other non-current financial assets (665A)	32			
VIII.	Income from current financial assets (666)	33			
K.	Expenses related to current financial assets (566)	34			
IX.	Gains on the revaluation of securities and income from derivative transactions (664,667)	35			
L	Loss on revaluation of securities and expenses related to derivative transactions (564,567)	36			
M	Creation and reversal of value adjustments to financial assets +/- 565	37	0	157 364	56 503
X	Interest income (662)	38	175	1 242	8 883
N.	Interest expense (562)	39	55 159	20 890	39 355
XI.	Exchange rate gains (663)	40	1 723	10 425	691
N.	Exchange rate losses (563)	41	1 694	11 151	29 897
XII	Other income from financial activities (668)	42	30 997	20	0
P.	Other expenses related to financial activities (568,569)	43	65 532	21 883	21 236
XIII	Transfer of financial income (-) (698)	44			
R.	Transfer of financial expenses (-) (598)	45			
*	Profit/loss from financial activities line 27-line 28+line 29+line 33-line 34+line 35-line 36-line 37+line 38-line 39+line 40-line 41+line 42-line 43+(-line 44)-(-line 45)	46	43 970	-199 601	-127 029
**	Profit/loss from ordinary activities before tax line 26+line 46	47	-211 196	-94 289	-133 319

Financial Statement

			2009	2010	2011
S.	Income tax on ordinary activities line 49+line 50	48	2 486	1 930	-17 773
S.1.	- current (591,595)	49		0	6
2.	- deferred (+/- 592)	50	2 486	1 930	-17 779
**	Profit/loss from ordinary activities after tax line 47-line 48	51	-213 682	-96 219	-115 546
XIV	Extraordinary income (account group 68)	52			
T.	Extraordinary expenses (account group 58)	53			
*	Profit/loss from extraordinary activities before tax line 52 - line 53	54	0	0	0
U	Income tax on extraordinary activities line 56+line 57	55			
U.1.	- current (593)	56			
2.	- deferred (+/- 594)	57			
*	Profit/loss from extraordinary activities after tax line 54 - line 55	58	0	0	0
***	Profit/loss for the accounting period before tax (+/-) (r 47- r54)	59	-211 196	-94 289	-133 319
V	Transfer of net profit/loss shares to partners (+/- 596)	60			
***	Profit/loss for the accounting period after tax (+/-) (line 51+ line 58 - line 60)	61	-213 682	-96 219	-115 546

Selected Indicators

Selected Financial Indicators | EUR

		2007	2008	2009	2010	2011
Total income (provisions excluded)		8 423 548	11 088 084	7 033 195	6 538 675	5 807 395
Total cost (tax excluded)		8 010 754	10 264 226	7 246 877	6 634 894	5 922 941
Turnover (return on the sales of goods and products)		8 271 324	8 920 478	6 058 009	6 381 337	5 709 962
Added value		1 790 347	2 439 300	1 004 220	1 276 088	1 168 847
EBITDA (profit before interests, tax and depreciation)		654 505	1 244 626	(195 036)	173 302	69 129
Profit/loss before tax		412 794	1 028 855	(211 196)	(94 289)	(133 319)
Profit/loss after tax		323 887	823 858	(213 682)	(96 219)	(115 546)
Total assets		5 965 843	6 215 570	5 467 126	4 941 475	4 409 962
Total accounts receivable		4 923 156	4 572 675	4 374 334	4 521 001	4 136 998
Total liabilities		3 826 163	2 613 042	2 650 792	2 937 420	2 597 546
Average number of employees		57	61	55	54	56
EBITDA margin	%	7,8	11,2	(2,8)	2,7	1,2
ROA (Return on Assets)	%	5,4	13,3	(3,9)	(2,0)	(2,6)
ROS (Return on Sales)	%	3,9	9,0	(3,5)	(1,5)	(2,0)
Total liquidity		1,37	2,05	1,94	1,66	1,62
Total debt	%	64,13	42,04	48,00	58,00	58,90
Solvency ratio	%	34,42	57,96	51,00	40,56	41,10
Average collection period for trade receivables	Days	212	123	164	198	167
Average collection period for trade liabilities	Days	66	67	56	85	83

Auditor's Report and Supervisory Board's Standpoint

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 2011 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 the indicated data for the year ended December 31, 2011 truthfully reflect the results presented by the management.

The Supervisory Board states that the regular closing of books has been examined by BMB Leitner Bratislava s.r.o., licence SKAU n. 245. 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 2011 to the General Meeting for confirmation as well as the proposal of the company's economic results settlement for the year 2011 submitted by the Board of Directors.



Ing. Vincent Mikolai
Chairman of the Supervisory Board

In Dun. Streda, 15.05.2012

INDEPENDENT AUDITOR'S REPORT

To the shareholder, supervisory board and board of directors of NEVITEL. a.s.

We have audited the accompanying financial statements of the company NEVITEL, a.s. which comprise the balance sheet, the income statement and the notes as at December 31, 2011.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Slovak Accountancy Act and relevant legislation. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to

Auditor's Report and Supervisory Board's Standpoint

obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2011, and of its financial performance and its cash flows for the year then ended in accordance with the Slovak Accountancy Act and relevant legislation.

BMB Leitner Bratislava, s.r.o.
Zamocka 32, 811 01 Bratislava
SKAU license no. 245
Marian Novak
responsible auditor
SKAU license no. 549



Bratislava, March 23, 2012

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