

A large graphic consisting of a red, irregular, teardrop-like shape. Inside this shape is a white circle with a subtle gradient. The text "NEVITEL, a.s | ANNUAL REPORT" is written in a grey, sans-serif font, following the upper curve of the circle. The year "2013" is written in a larger, bold, grey, sans-serif font in the center of the circle.

NEVITEL, a.s | ANNUAL REPORT

2013

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Majority Shareholder's Letter



Dear Business Partners, Employees and Friends,

The year 2013 was one of the toughest years of our existence. Following the period of economic recession, we entered a new stage in the development and direction of our company at the beginning of 2013. The new management that was elected on 1st January 2013 decided to initiate the optimisation of company internal processes and to streamline the company organisational structure in order to improve the quality and „restart“ the proactive functioning of the company. Apart from the consolidation of financial expenditures, the energy and efforts of the top management also focused on the identification of new business opportunities in Slovakia, the Czech Republic and other countries.

The situation in the telecommunications market is still uncertain. The dynamics of market development, capital expenditure-related decisions of our strategic partners and rapidly changing conditions of economic competition put us in a difficult position. Every action has a reaction, which often needs to appear before any change occurs. Therefore, it is extremely important to adjust our management, processes, functioning and thinking to be able to continuously improve our performance in terms of flexibility, adaptability, creativity and innovative ingenuity.

Despite the fact that there have been more challenges than opportunities in the last few years, I believe that our company is a strong player in the telecommunications market. We have more than twenty years of know-how. Our company is a respectable rival for its domestic and foreign competitors. We are open to change and we have enough ambitions, enthusiasm and power to be successful.

The vision of NEVITEL, a.s. is to strengthen its market position and play a leading role in relation to telecommunications infrastructure suppliers and operators. Our aim is to become a preferred partner for all companies and consortiums engaged in the telecommunications and IT field. I am convinced that any common goal can only be achieved through transparent business policy, a fair corporate culture and by sharing the same values.

A handwritten signature in blue ink, consisting of a stylized 'A' followed by 'lexander Néveri'.

Ing. Alexander Néveri
Company Owner

General Director's Letter



Ladies and Gentlemen,

We live in a time of digital revolution. The demand and expectations of today's people are constantly increasing. They want to be connected to the Internet, social media and their home security camera systems or to attend online courses regardless of the amount of data downloaded, at any time and any place, e.g. when travelling on a bus. This social and economic transformation is often compared, in terms of its significance, with the construction boom of railways and motorways in the past centuries. The reliability of wireless and cable networks and ultra-fast data transfer are becoming users' absolute priority.

For NEVITEL, a.s., the year 2013 was full of challenges and opportunities. Moreover, it also brought plenty of unpredictable changes and events that have had a dramatic impact on the running of the company. The operation of our company has been most notably affected by the changes in the shareholder structure of company's major business partners and the revaluation of framework contracts, new business terms and conditions and tough competition.

Despite the adverse conditions in the telecommunications market, we are looking ahead and focusing on the future. Thanks to over twenty years of professional experience in the field of network establishment and maintenance, and thanks to our appropriate business policy and the enthusiasm and professional knowledge of our workers, we still believe in our strength and ability to overcome any crisis period. We know what we are capable of.

I would like to conclude my letter by thanking all of our business partners on behalf of NEVITEL, a.s. for the trust that they put in us in 2013. We appreciate our clients' business and we will continue in our efforts to be a professional and respectable partner in all supplier-customer relations. Our great thanks go to our employees and external co-workers for their commitment and for their trust in our values.

Ing. Juraj Kočíško
General Director

1. Company Profile



NEVITEL, a.s.

We started to run our business in 1996, when France Telekom entered the Slovak market as the first foreign investor in the field of GSM mobile networks. Thanks to strong commitment and huge efforts, NEVITEL, a.s. became the most successful partner in the project to establish GMS stations and gained recognition, respect and trust in the field of telecommunications facilities and services.

Considering its history and current position in the telecommunications market, NEVITEL, a.s. has been one of the crucial infrastructure suppliers for telecommunications operators, both in Slovakia and abroad. In addition to establishing and maintaining telecommunications infrastructure, we also design and install telecommunications base stations, radio nodes, telecommunications lines and data centres, install technologies, maintain mobile and fixed phone and data networks and provide engineering activities.

Looking ahead

Our strategy of growth and the performance of business activities mostly focuses on the markets that, because of their geographical location, meet the criteria for prospective cooperation or have the professional and language-related preconditions for the successful implementation of projects: the Slovak Republic, the Czech Republic, Hungary and Austria.

The vision of NEVITEL, a.s. is to become a leader in its sphere of business, in terms of professional experience, qualifications, promptness and creative approaches to problem solving. We want to be an unequivocally preferred partner for all of the crucial companies engaged in the telecommunications and IT business in Central Europe. We want to play an active part in the transformation and establishment of new networks and the introduction of new, revolutionary technologies that will help to improve the quality of life of a large number of people.

We share the same values:

- Customer satisfaction - our priority
- Material, market and mental growth of the company
- A pleasant working environment and proud and loyal employees
- High-quality and professional work
- Responsible business operations that are considerate of the environment

Mission

We must have an open, proactive and, most importantly, creative approach to our customers' requirements - especially to those of telecommunications operators. Our goal is to provide our business partners with high-quality technical support that is based on our long-term experience and professional knowledge. At the same time, we are establishing a corporate culture in which a friendly and fair approach by employees is preferred, trust and team work is supported, a work atmosphere with a positive impact on our employees' performance is created and common goals are achieved.

Company Shareholders and Members of Corporate Bodies

- Board of Directors:
Ing. Juraj Kočíško - Chair of the Board of Directors and General Director as of 15th January 2014
Mgr. Szilvia Néveri Varagya - Chair of the Board of Directors and General Director
from 1st January 2013 to 15th January 2014
Ing. Július Varga - Deputy Chair of the Board of Directors
- Company Supervisory Board
Mgr. Szilvia Néveri Varagya - Chair of the Supervisory Board as of 15th January 2014
Ing. Juraj Kočíško - Chair of the Supervisory Board from 1st January 2013 to 15th January 2014
Ing. Vincent Mikolai - Member of the Supervisory Board
Ing. Judit Bögi - Member of the Supervisory Board
- Shareholders' interest in the company capital
Ing. Alexander Néveri 100%

The company's shares are not traded in any market.

In 2013, the company did not come into possession of any own shares or temporary certificates.

NEVITEL Group

The NEVITEL Group consists of the parent company, i.e. NEVITEL, a.s. and its subsidiaries, which were established in order to carry out the work more effectively and separate individual activities. Cooperation between the parent company and the subsidiaries is carried out on purely business-based principles and under market conditions. Throughout 2013, a new organisational unit headquartered in Prague was founded in order to make cooperation with one of our most important partners, O2 Czech Republic a.s., more effective and support its activities related to its strategic expansion in the Czech territory.

Subsidiaries

- | | |
|----------------------------|-------|
| • NEVITEL HUNGARY Kft. | 100 % |
| • NEVITEL VÝSTAVBA, s.r.o. | 100 % |
| • NEVITEL UK. Ltd. | 100 % |
| • PlanNev, s.r.o. | 85 % |

Organisational unit:

- NEVITEL, a.s., organizační složka, Česká republika (established on: 16th September 2013)

Companies with substantial influence over enterprises:

- | | |
|----------------------|---------|
| • MEDIAL Net, s.r.o. | 28,57 % |
|----------------------|---------|

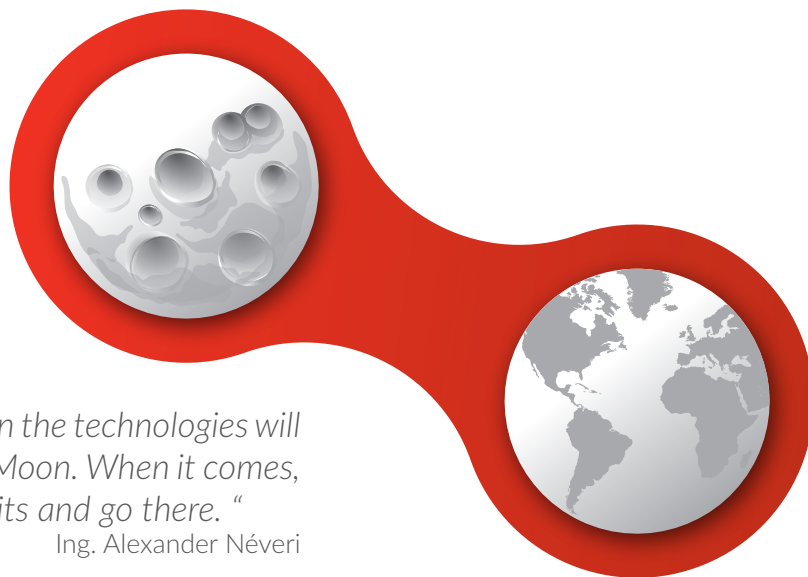
Fulfilment of Obligations Imposed by the State and Other Organisations

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. In 2013, our company did not spend any money on research and development.

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 for damages.

Events of Significant Importance

On 15th January 2014, the new Chairman of the Board of Directors of NEVITEL, a.s. was elected - Ing. Juraj Kočíško. No other matters are known to have occurred following the date of preparation of the financial statement that would, in any significant manner, influence the results of the 2013 financial statements or the activities of the company in the accounting periods to come.



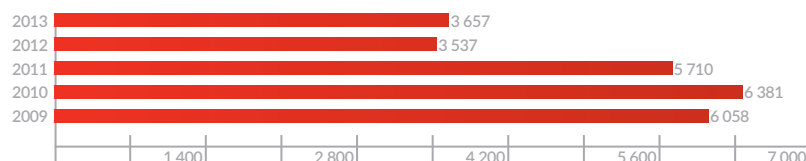
„The day will come when the technologies will also be needed on the Moon. When it comes, we will put on spacesuits and go there. “

Ing. Alexander Néveri

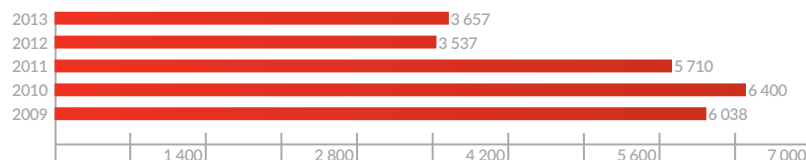
Key Performance Indicators (EUR thousands)

KPI	2009	2010	2011	2012	2013
Turnover	6 058	6 381	5 710	3 537	3 657
Revenues	6 038	6 400	5 710	3 537	3 657
Added value	1 004	1 276	1 169	782	544
EBITDA	-55,31	36,61	-3,55	10,28	-239,14
Number of mobile network-related projects	368	429	326	441	591
Revenues related to 3 mobile operators	4 368	4 227	2 545	2 449	3080
Average revenues per major costumer order	11,87	9,85	7,81	5,55	5,21

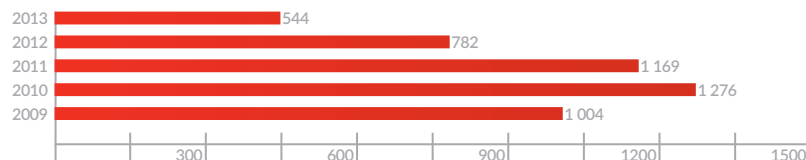
Turnover



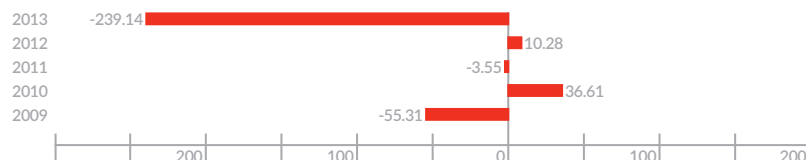
Revenues



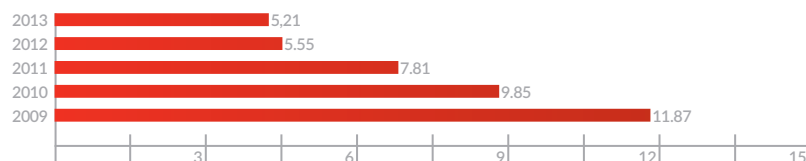
Added value



EBITDA



Average revenues per major costumer order



Selected Indicators

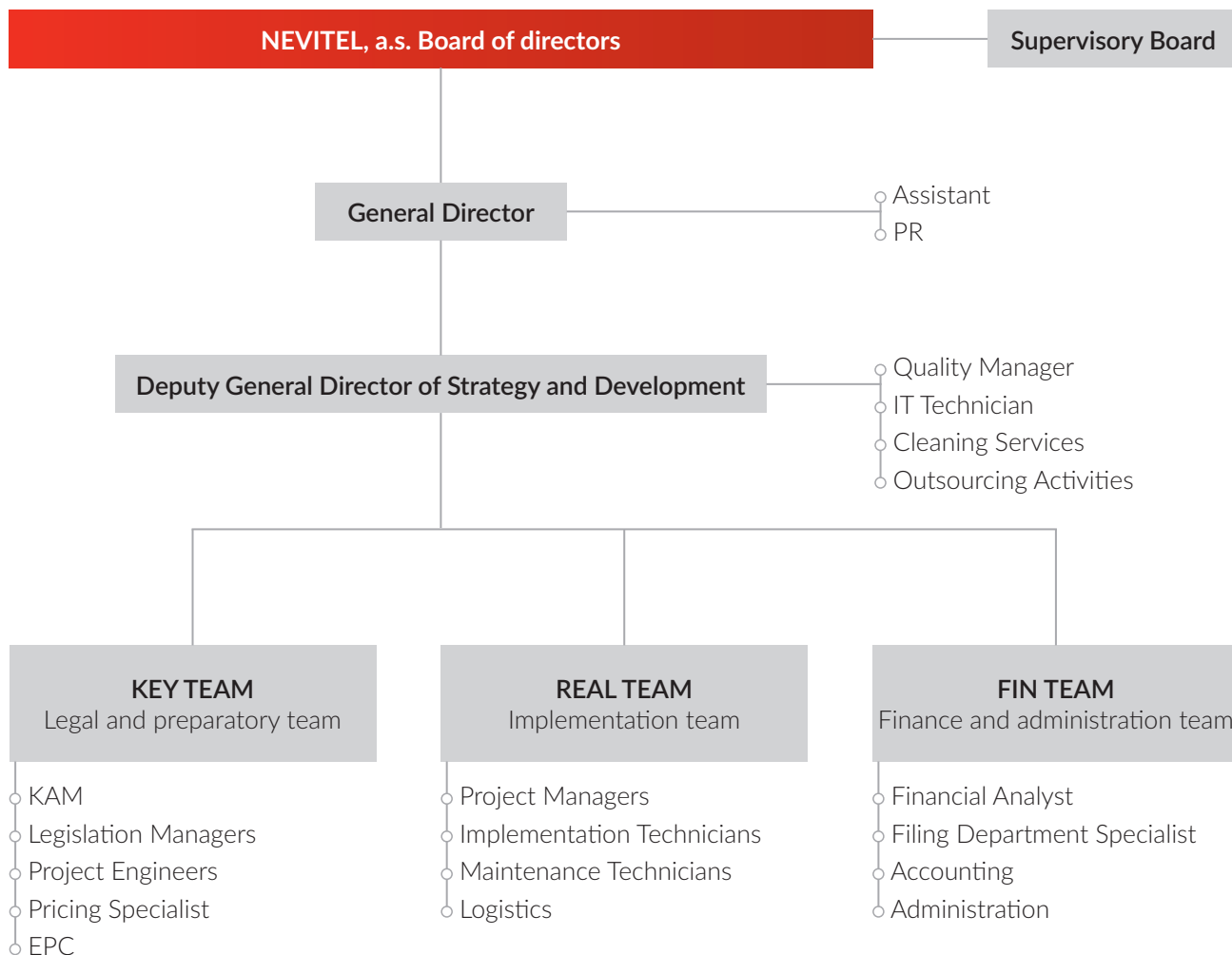
Selected indicators (EUR)	2009	2010	2011	2012	2013
Total income (provision exclude)	7 033 195	6 538 675	5 807 395	3 683 425	3 798 004
Total cost (tax excluded)	7 246 877	6 634 894	5 940 714	3 765 348	4 105 385
Turnover (return on the sales of goods and products)	6 058 009	6 381 337	5 709 962	3 537 120	3 656 844
Added value	1 004 220	1 276 088	1 168 847	781 800	543 977
EBITDA (profit before interests, tax and depreciation)	(55 314)	36 614	(3 553)	10 281	(239 141)
Profit/loss before tax	(211 196)	(94 289)	(133 319)	(81 923)	(307 381)
Profit/loss after tax	(213 682)	(96 219)	(115 546)	(81 923)	(307 381)
Total asset	5 467 126	4 941 475	4 409 962	3 920 546	3 799 750
Total account receivable	4 374 334	4 521 001	4 136 998	3 724 294	3 623 780
Total liabilities	2 650 792	2 937 420	2 597 546	2 255 197	2 499 358
Average number of employees	55	54	55	35	30
EBITDA margin %	(0,8)	0,6	(0,1)	0,3	(6,3)
ROA (Return on Assets) %	(3,9)	(2,0)	(2,6)	(2,1)	(8,1)
ROS (Return on Sales) %	(3,5)	(1,5)	(2,0)	(2,3)	(8,4)
Total liquidity	1,94	1,66	1,62	1,68	1,48
Total debt (%)	48,00	58,00	58,90	57,52	65,78
Solvency ratio (%)	51,00	40,56	41,10	42,48	34,22
Average collection period for trade receivables (days) *	164	198	167	225	230
Average collection period for trade liabilities (days) **	56	85	83	93	78

The 2013 financial result, i.e. the loss of EUR 307,381.00, was balanced out by its transfer to the following account upon the decision of NEVITEL's only shareholder made on 21st May, 2014: 429 - Outstanding losses from previous years.

* Average debt collection period = Trade accounts receivables, balance sheet, line No. 047 / Total revenues * 365

** Average liability payment period = Trade accounts payables, balance sheet, line No. 107 / Cost before tax * 365

Organisational Structure



Company Management

Ing. Alexander Néveri, Company Establisher and Owner

Alexander Néveri has been in the field of telecommunications since 1986, when he 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 (Slovak Telecommunications) on the regional level. 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 the position of Executive/Managing Director, General Director and Chairman of the Board of Directors.

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 mayor of Veľký Meder at the end of 2010, he entrusted the company's new managers with the management of Nevitel, a.s.. However, he has remained the company owner and he stays involved in the specification of company strategy, objectives and direction.

Ing. Juraj Kočiško, MBA, General Director

Juraj Kočiško became the General Director of NEVITEL, a.s. in January 2014. At that time, he had had over 10 years of experience in the management of projects, processes and work teams in international companies, mostly involved in the telecommunications sector.

He has a degree in Electrical Engineering (FEI STU). He undertook further studies at prestigious schools abroad (Telecom Bretagne, France & The University of Chicago Booth School of Business, USA). During his years in the telecommunications sector, he has managed to work for several renowned companies in Slovakia and abroad. He has excellent management skills and a wide range of expertise at the operational and strategic level. The above qualities and his financial expertise predestine him to manage even the most demanding tasks that might face him.

Ing. Július Varga, Deputy Chairman of the Board of Directors and Deputy General Director of Strategy and Development

Július Varga completed his studies at the Electrical Engineering Faculty, Technical University in Bratislava in 1989. Until the end of 1998, he worked as an IT administrator, telecommunications technician, project manager and technical director. For seven years, he held the position of technical director at a multinational telecommunications company.

He started to work for NEVITEL, a.s. in 2007 as its Business Development Manager. He has been a member of the Company Board of Directors since December 2008.

2. Telecommunications Market



Evaluation of the Year and the Business Environment

The year 2013 has brought many changes in the telecommunications market, which have had a direct impact on our operational and strategic management and, as in consequence, on the company's business results.

Globally, the telecommunications industry operated at slow pace of development and economic growth, with European countries achieving a smaller growth or none at all compared with the developing countries. The use of LTE (4G) networks has substantially expanded and the increase in this field is estimated to be 150% compared to 2012. Based on the global mobile data traffic forecast presented by CISCO, key importance is given to LTE networks and their users. In 2012, LTE devices represented as little as 1% of mobile connections. However, they generated up to 14% of the global data traffic. In 2017, LTE connections should represent 10% of the global connections and should cover approximately 45% of data transfers as per the prognosis.

The Slovak telecommunications market has shown a decreasing trend in revenues since 2008 and its market value in 2013 was reduced by almost 6% compared to 2012. These adverse conditions are the result of the influence of several factors, such as low economic growth, competitors' price reductions, regulation and law-related changes.

The major telecommunications operators in Slovakia and other countries openly talk about the outsourcing of services to technological partners. This is mostly connected with the field of infrastructure establishment and maintenance. This measure has been, for instance, introduced by Slovak Telekom, which introduced its outsourcing plan in 2013. On one hand, this meant a certain loss of direct contact with the mobile operator for NEVITEL, a.s. On the other hand, however, it brought the possibility of establishing new partnerships with technological companies such as Ericson, Siemens, Huawei, Alcatel, etc.

One of the most important events was a call for tenders announced as part of the Informatisation of Society Operational Programme (OPIS) advised by the National Agency for Network and Electronic Services (NASES) at the end of 2012. The area covered by the order was designing and engineering services and construction work connected with the establishment of networks for high-speed Internet to cover 700 villages (300,000 inhabitants) in the Slovak Republic. Our company also submitted a request to participate in this tender, worth 213 mil. EUR and, as a managing member of the consortium with a renowned foreign partner, we prepared a project, that was evaluated as a best one in the 1st round of the online auction. The tender announcer has not closed the tender yet.

Market Position and Rating

NEVITEL, a.s. is seen as a prominent partner of all of the mobile operators running their business in the Slovak territory. Our profile focuses on the delivery of telecommunications facilities and our goal is to be a professional partner for the technological and non-technological maintenance of network infrastructure across Slovakia. In West Slovakia, we have been a key partner of the major telecommunications operators, and we are also present in the rest of the Slovak regions.

Our total estimated market share in Slovakia is 20%. Concerning the Telefónica Group, we cover over 50% of their orders in Slovakia. In the Czech Republic, this coverage is about 20%, taking into consideration the share of our Czech business partner. Concerning Slovak Telekom, a.s., we cover 15% of their orders (establishment and maintenance of the mobile infrastructure). In the case of Orange Slovensko, a.s., this coverage represents 10%.

3. Year 2013



Projects Implemented

In 2013, we continued to cooperate with renowned telecommunications companies, mostly on the basis of framework contracts and the content and character of our activities were as follows:

- **Slovak Telekom, a.s.** (Mobile networks)
 - Acquisition, engineering and implementation related to the construction of 2G, 3G and 4G mobile networks
- **Slovak Telekom, a.s.** (Fixed networks)
 - Maintenance of fixed networks, creation of customer connections and fixed metallic and optical networks (complete implementation of external and internal distribution lines), installation of satellite equipment and servicing
 - Construction and electronics work related to fixed networks in West Slovakia, partner for solving customer migrations to the next-generation network technologies
 - Connecting customers to be able to use „MagioSat“ service
- **Telefónica O2 Slovakia, s.r.o.**
 - Acquisition, engineering, designing and implementation related to construction of a mobile network
 - Revision of steel structures of the base stations across Slovakia
- **Orange Slovensko, a.s.**
 - Engineering and implementation related to construction of a mobile network
 - Mast assembly and installation across Slovakia;

A few other important and successfully implemented projects in 2013:

- **Cisco Systems**
 - IP Core system for the LTE technology implemented for the mobile operator in the Slovak Republic
- **SLOVNAFT MONTÁŽE A OPRAVY, a.s.**
 - Signing of a framework contract concerning the maintenance of long-distance cables
- **GTS Slovakia, s.r.o.**
 - Servicing partner - maintenance of the FWA network in selected locations

Our activities in outline numbers:

Slovak Telekom, a.s. (Mobile networks)

Acquisition, engineering and designing of 21 facilities, implementation work carried out on 215 points

Telefónica Slovakia, s.r.o.

Acquisition, engineering and designing of 65 facilities, implementation work carried out on 150 points

Orange Slovensko, a.s.

Acquisition, engineering and designing of 24 facilities, implementation work carried out on 40 points;

In the Czech Republic, we (as a member of a consortium) carried out acquisition, engineering, designing and installation activities related to the construction of a mobile network on the basis of a framework contract concluded with **O2 Czech Republic a.s.**

In Austria, we cooperated with two Austrian partners in order to establish an LTE network for two mobile operators.

4. Business Relations



Professional Partner to our Customers

Thanks to our long-term experience in the field and our clear and transparent business policy, the NEVITEL, a.s. has become a reliable, reputable and proven supplier of the largest telecommunications operators in Slovakia and alternative operators and companies engaged in business in the area of Slovak Republic.

Key customers in the telecommunications market in 2013:

- Orange Slovensko, a.s.
- Slovak Telekom, a.s.
- Telefónica O2 Slovakia, s.r.o.

Other spheres of activity:

- HB REAVIS MANAGEMENT, s.r.o.

Fair Approach to Suppliers

We understand that the strength and stability of our supplier-customer relations are key points for the success of both business partners. We promote fair business practices, honesty, ethics and equal opportunities towards all of our suppliers. At the same time, we put the accent on mutual respect and trust and on the possibility of effective long-term cooperation.

With the majority of its business partners, NEVITEL, a.s. has concluded partnership and framework contracts forming a basis for successful cooperation. The agreed terms and conditions of each contract are strictly observed and respected.

5. Employees



Human Resources Policy

The human resources policy of NEVITEL, a.s. is based on our company's values, goals and strategy. We have a team of professionals who believe in the power of organisation and manage their daily work activities to achieve good results and success of the company as a whole.

Quality on all levels of management: individual, team, management

The main goals of our company's human resources policy is to have professionals at all levels of management. It is also important to have a stable and developing work team. When managing human resources, we apply the principles of equality, professional knowledge and skills, creativity and being consistent. We understand that human capital is one of the key factors that influence company's competitive advantage. Our employees are expected to have a professional and loyal approach and to comply with the ethical principles of the company.

A pleasant working environment

The quality of interpersonal relationships is of special importance to us. We prefer open and constructive communication with employees in order to establish a creative and pleasant working environment. We put the accent on professional growth, careers and high-quality induction training.

We respect and appreciate the commitment of our employees and offer them different financial and non-financial benefits. We have developed our own system of employees' benefits that is adjusted to their requirements and needs and to the character and criteria of the telecommunications sector.

A young, dynamic team

Our company shows a high level of education, as the majority of our employees have a first or second level university degree. Almost one third of our labour force are women and more than 40% of the total number of employees are young and ambitious people of up to 35 years of age.

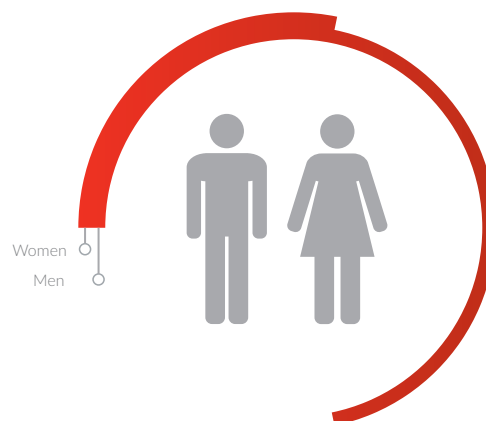
At the beginning of 2013, a new company management team was elected, which has resulted in changes in the company's organisational structure. The structure has been streamlined in order to make competences more transparent, strengthen team cooperation throughout the company and motivate employees by creating a constructive work atmosphere and conditions for personal self-fulfilment.

Education and Training – The Path to Competitive Advantage Establishment

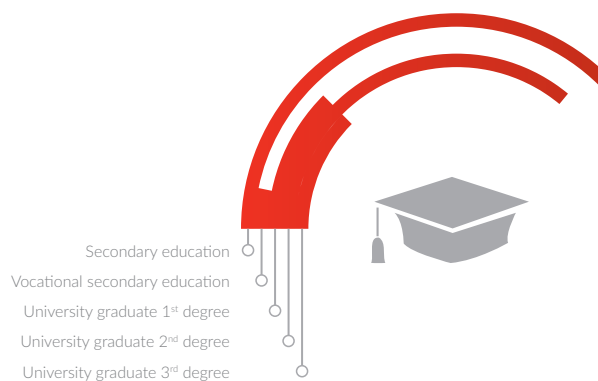
Our training programmes are reflecting actual needs and are related to professional knowledge, improvement of work performance, employee effectiveness and occupational safety. Training sessions are arranged in a deliberate and goal-orientated manner and are always following the organisation's needs.

In 2013, we retrained our employees in occupational health and safety and in giving first aid. Our employees took part in several professional workshops and training sessions concerning law and quality/related requirements on their work. Because of the cross-border cooperation with our Austrian business partners, we took part in training conducted by the Slovak-Austrian Chamber of Commerce.

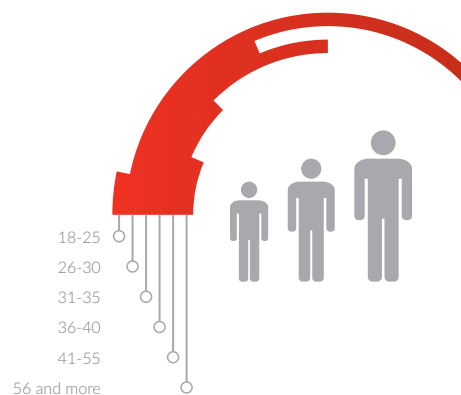
Employee structure		
Men	26	72 %
Women	10	28 %
All	36	100 %



Breakdown of employees by the completed level of education		
Elementary education	0	0 %
Secondary education	13	36 %
Vocational secondary education	4	11 %
University graduate 1 st degree	4	11 %
University graduate 2 nd degree	14	39 %
University graduate 3 rd degree	1	3 %
All	36	100 %



Employee age structure		
18-25	2	6 %
26-30	4	11 %
31-35	9	25 %
36-40	6	17 %
41-55	14	39 %
56 and more	1	3 %
All	36	100 %





1991



Initiation of Alexander Néveri's
business activities

NEVITEL

1996

Construction of mobile
networks for **Globtel
Slovensko, a.s.**
(Orange)

Establishment
of **NEVITEL s.r.o.**

1999

Establishment
of **NEVITEL ČR**

A SNAPSHOT OF NEVITEL MILESTONES

Construction of mobile
networks for **EuroTel
Slovensko, a.s.**
(T-Mobile)

1998

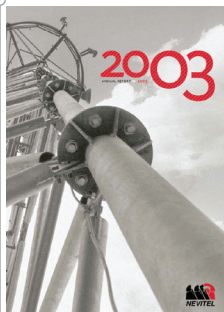
Transformation
into
NEVITEL, a.s.

Košice and
Banská Bystrica
branches

2001



2003



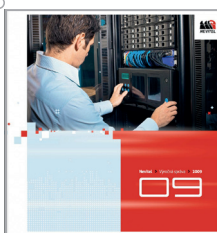
2005



2007



2009



2011



2013



2004



2006



2008



2010



2012



nevitel

7. Quality and Social Responsibility



Code of Ethics

Corporate culture is based on mutual trust and respect for all company employees. In relation to internal and external partners and stakeholders, we are aware of the corporate social responsibility linked to our business and we take moral responsibility for the consequences of all our decisions and conduct.

Through the Code of Ethics, we convey the fact that the ethics forms an inseparable part of our business activities to our employees, business partners and others. When strengthening the company reputation, we make sure that the highest level of fair, moral and upstanding business conduct is observed.

The key principles of conduct upheld in our company are:

- Honesty, uprightness, transparency
- Mutual trust, cooperation and mutual respect amongst employees
- Team thinking and team communication
- Clear commercial and business policy
- Customer satisfaction as our priority
- Taking care of employees, business partners and the company as a whole
- Environmental protection

Occupational Health and Safety

Business entities cannot become successful if they do not take care of their employees, their occupational health and safety and their working environment and conditions. The company management considers the principles of the occupational health and safety (OHS) policy to be of high importance and binding for all the employees. The fundamental occupational health and safety-related priorities and goals include the observance of all legal regulations and standards related to OHS, and the identification as well as minimization of safety risks through training of the employees and through the introduction of new technologies, etc.

Our company has introduced an OHS. This system is based on non-compulsory international standards e.g. the British standard BS 8800 or the Standard of the Association of Certification Institutions OHSAS 18000. The introduction of an effective management system at Nevitel, a.s. was also initiated by the international MOP Directive for OHS management systems in 2001.

Our management activities in this field consist of the continuous verification and evaluation of OHS system efficiency and annual internal audits followed by corrective and preventive actions as required.

Environment

NEVITEL a.s. is a company which is aware of its responsibility for environmental protection concerning its operations. When establishing telecommunications points in non-urban areas (e.g. the countryside or protected areas) it is extremely important to limit intervention in nature to the smallest amount possible.

Since the beginning of 2009, we have applied the rules and requests arising from the ISO 14001:2004 standard and their compliance with international standards was confirmed by issuing a certificate in December 2009. In 2010, the original as well as new management systems were included in the integrated management process. The observance of the principles and requirements of this standard are continuously monitored and evaluated through regular internal audits.

Our environmental policy consists of the following principles:

- Meeting legal and other requirements related to environmental protection
- Ensuring a safe working environment
- Deciding on investment projects and their implementation with consideration of the environment
- Managing and directing employees so as to respect the environmental policy of the company
- Creating conditions for an environmentally friendly approach of the employees
- Acting responsibly in connection with risk prevention and the occurrence of situations with a negative impact on the environment
- Regular maintenance of all vehicles, machinery and equipment
- Complying with the principles of the environmental policy, including the company's business partners

Social Responsibility

In accordance with the policy of proper conduct, NEVITEL, a.s. continues to support different groups, organisations and individuals that are active in the region.

In 2013, the company supported many young and talented people, especially in the field of sports, education and culture. For instance, we sponsored the Mestský stolnotenisový klub mládeže (City Table Tennis Youth Club) in Veľký Meder, and the Detská psychiatrická liečebňa (Children's Mental Hospital). We also supported some cultural activities of the Študentská sieť (Student Network), namely the summer camp at Krásnohorské Podhradie that is organised each year. This event is a combination of a camp, a festival and a summer school and brings together many young people and students.

Last year, we continued the tradition of internship programmes and enabled prospective and skilled students of telecommunications and tele-informatics brand of Slovak and foreign universities to participate on our internship programme. The goal of this programme is to enable young and talented people to gain valuable experience and knowledge in their field so as to have better chances of getting a job and to make the telecommunications sector appear more interesting and attractive.

Quality

The high quality of offered services is a key factor for competitive success in the business.

NEVITEL, a.s. has based its policy of customer satisfaction on the professionalism, technical excellence, efficiency and safety of its supplies.

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. It was recertified in 2012 for the following fields as per the ISO 9001:2008 standard:

- Design and construction of telecommunications base stations and linear radio structures
- Engineering activities, technology installation
- Maintenance of mobile and landline telephone networks and data networks
- Delivery, assembly and servicing of telecommunications facilities

The quality management system clearly specifies the duties and responsibilities of all employees and, at the same time, helps to improve customers' trust.



8. Finance



ASSETS		Line no.	Gross 2013	Correction 2013	Nett 2013	Preceding accounting period
Total assets line 002 + line 030 + line 061		001	4 547 719	747 969	3 799 750	3 920 546
A.	Non-current assets excluding non-current receivables I. 003 + I. 011 + I. 021	002	842 124	740 191	101 933	128 243
A.I.	Non-current intangible assets - total (lines 004 to 010)	003	125 379	125 379	0	6 768
A.I.1.	Capitalised development costs (012) - /072, 091A/	004				
2.	Software (013) - /073, 091A/	005	54 762	54 762	0	0
3.	Valuable rights (014) - /074, 091A/	006	70 617	70 617	0	6 768
4.	Goodwill (015) - /075, 091A/	007				
5.	Other non-current intangible assets (019, 01X) - /079, 07X, 091A/	008				
6.	Acquisition of non-current intangible assets (041) - 093	009				
7.	Advance payments made for non-current intangible assets (051) - 095A	010				
A.II.	Non-current tangible assets (lines 012 to 020)	011	436 825	381 146	55 679	55 354
A.II.1.	Land (031) - 092A	012				
2.	Buildings and constructions (021) - /081, 092A/	013				
3.	Separate movable items and groups of movable items (022) - /082, 092A/	014	436 825	381 146	55 679	55 354
4.	Permanent growth (025) - /085, 092A/	015				
5.	Livestock (026) - /086, 092A/	016				
6.	Other non-current tangible assets (029, 02X, 032) - /089, 08X, 092A/	017				
7.	Non-current tangible assets in progress (042) - 094	018				
8.	Advance payments made for property, plant and equipment (052) - 095A	019				
9.	Value adjustment to acquired assets (+/- 097) +/- 098	020				
A.III.	Non-current financial assets - total (lines 022 to 029)	021	279 920	233 666	46 254	66 121
A.III. 1.	Investments in subsidiaries (061) - 096A	022	241 664	215 410	26 254	46 121
2.	Investments in associates (062) - 096A	023	20 000	0	20 000	20 000
3.	Other non-current securities and shares (063, 065) - 096A	024				
4.	Loans within the group of companies (066A) - 096A	025				
5.	Other non-current financial assets (067A, 069, 06XA) - 096A	026	18 256	18 256	0	0
6.	Loans with maturity up to one year (066A, 067A, 06XA) - 096A	027				
7.	Non-current financial assets in progress (043) - 096A	028				

ASSETS		Line no.	Gross 2013	Correction 2013	Nett 2013	Preceding accounting period
8.	Advances granted for non-current financial assets (053) - 095A	029				
B.	Current assets + non-current receivables line 031 + line 038 + line 046 + line 055	030	3 698 808	7 778	3 691 030	3 784 510
B.I.	Inventory total (lines 032 to 037)	031	62 887	1 799	61 088	52 615
B.I.1.	Raw material (112, 119, 11X) - /191, 19X/	032	62 887	1 799	61 088	52 615
2.	Work in progress (121, 122, 12X) - /192, 193, 19X/	033				
3.	Finished goods (123) - 194	034				
4.	Animals (124) - 195	035				
5.	Merchandise in stock and retail stores (132,133 13X, 139) - /196, 19X/	036				
6.	Advance payments provided on inventory (314A) - 391A	037				
B.II.	Non-current receivables total (lines 039 to 045)	038	20 639	0	20 639	20 639
B.II.1.	Trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - 391A	039				
2.	Net value of the contract (316A)	040				
3.	Receivables from subsidiaries and a parent company (351A) - 391A	041				
4.	Other intercompany receivables (351A) - 391A	042				
5.	Receivables from partners, members and associations (354A, 355A, 358A, 35XA) - 391A	043				
6.	Other receivables (335A, 33XA, 371A, 373A, 374A, 375A, 376A, 378A) - 391A	044				
7.	Deferred tax asset (481 A)	045	20 639	0	20 639	20 639
B.III.	Current receivables total (lines 047 to 054)	046	3 609 120	5 979	3 603 141	3 703 655
B.III.1.	Trade receivables (311A, 312A, 313A, 314A 315A, 31XA) - 391A	047	2 399 031	5 979	2 393 052	2 272 989
2.	Net value of the contract (316A)	048	45 910	0	45 910	265 387
3.	Receivables from subsidiaries and a parent company (351A) - 391A	049	1 025 486	0	1 025 486	1 164 635
4.	Other intercompany receivables (351A) - 391A	050				
5.	Receivables from partners, members and associations (354A, 355A, 358A, 35XA, 398A) - 391A	051	138 593	0	138 593	0
6.	Receivables from social security (336) - 391A	052				
7.	Tax receivables (341, 342, 343, 345, 346, 347) - 391A	053				
8.	Other receivables (335A, 33XA, 371A, 373A, 374A, 375A, 376A, 378A) - 391A	054	100	0	100	644
B.IV.	Current financial assets total (lines 056 to 060)	055	6 162	0	6 162	7 601
B.IV.1.	Cash (211, 213, 21X)	056	4 393	0	4 393	5 508
2.	Bank accounts (221A, 22X +/-261)	057	1 769	0	1 769	2 093

ASSETS		Line no.	Gross 2013	Correction 2013	Nett 2013	Preceding accounting period
3.	Bank time deposits with period over one year 22XA	058				
4.	Current financial assets - securities (251, 253, 256, 257, 25X) - /291, 29X/	059				
5.	Acquisition of current financial assets (259, 314 A) - 291	060				
C.	Accrued assets (lines 062 to 065)	061	6 787	0	6 787	7 793
C.1.	Non-current prepaid expenses (381A, 382A)	062				
2.	Current prepaid expenses (381A, 382A)	063	6 787	0	6 787	7 793
3.	Non-current accrued income (385A)	064				
4.	Current accrued income (385A)	065				

LIABILITIES AND EQUITY		Line no.	Current accounting period	Preceding accounting period
Total equity and liabilities line 067 + line 088 + line 121		066	3 799 750	3 920 546
A.	Equity line 068 + line 073 + line 080 + line 084 + line 087	067	1 300 392	1 665 349
A.I.	Registered capital total (lines 069 to 072)	068	1 300 000	1 300 000
A.I.1.	Registered capital (411 or +/- 491)	069	1 300 000	1 300 000
2.	Own shares or own participating interests (/-/252)	070		
3.	Changes in registered capital +/- 419	071		
4.	Receivables related to unpaid registered capital (/-/353)	072		
A.II.	Capital funds total (lines 074 to 079)	073	-145 678	-143 102
A.II.1.	Share premium (412)	074		
2.	Other capital funds (413)	075		
3.	Legal reserve fund (Non-distributable fund) from capital contributions (417, 418)	076	0	0
4.	Differences from revaluation of assets and liabilities (+/- 414)	077	-145 678	-143 102
5.	Revaluation of capital participation (+/- 415)	078		
6.	Merger or division revaluation (+/- 416)	079		
A.III.	Funds created from profit total (lines 081 to 083)	080	0	0
A.III.1.	Legal reserve fund (421)	081	0	0
2.	Non-distributable fund (422)	082		
3.	Statutory funds and other funds (423, 427, 42X)	083		
A.IV.	Net profit/loss of previous years line 085 and line 086	084	453 451	590 384
A.IV.1.	Retained earnings of previous years (428)	085	737 038	792 038
2.	Uncompesated losses of previous years (/-/429)	086	-283 587	-201 654

LIABILITIES AND EQUITY		Line no.	Current accounting period	Preceding accounting period
A.V.	Net profit/loss for the accounting period /+ -/ line 001 - (line 068 + line 073 + line 080 + line 084 + line 088 + line 121)	087	-307 381	-81 933
B	Liabilities line 89 + line 94 + line 106+ line 117 + line 118	088	2 499 358	2 255 197
B.I.	Provisions total (lines 090 to. 093)	089	31 645	25 313
B.I.1.	Non-current Legal provisions (451A)	090		
2.	Current Legal provisions (323A, 451A)	091	31 645	25 313
3.	Other non-current provisions (459 A, 45XA)	092		
4.	Other current provisions (323, 32X, 451A, 459A, 45XA)	093		
B.II.	Non-current liabilities total (lines 095 to 105)	094	9 781	1 527
B.II.1.	Non-current trade payables (321A, 479A)	095		
2.	Net value of the contract (316A)	096		
3.	Non-current deliveries not invoiced (476A)	097		
4.	Non-current payables to subsidiaries and a parent company (471A)	098		
5.	Other non-current intercompany liabilities (471A)	099		
6.	Long-term advance payments received (475A)	100		
7.	Long-term notes payable (478A)	101		
8.	Bonds issued (473A/-/255A)	102		
9.	Social fund liabilities (472)	103	831	1 527
10.	Other non-current liabilities (474A, 479A, 47XA, 372A, 373A, 377A)	104	8 950	0
11.	Deferred tax liability (481A)	105		
B.III.	Current liabilities total (lines 107 to 116)	106	1 128 208	1 212 358
B.III.1.	Trade payables (321, 322, 324, 325, 32X, 475A, 478A, 479A, 47XA)	107	874 145	957 114
2.	Net value of the contract (316A)	108	70 106	97 190
3.	Deliveries not invoiced (326, 476A)	109	9 003	16 644
4.	Payables to subsidiaries and a parent company (361A, 471A)	110		
5.	Other intercompany liabilities (361A, 36XA, 471A, 47XA)	111		
6.	Payables to partners and association (364, 365, 366, 367, 368, 398A, 478A, 479A)	112	15 988	6 215
7.	Payables to employees (331,333,33X,479A)	113	33 968	29 350
8.	Social security payable (336, 479A)	114	23 249	18 586
9.	Tax payables (341, 342, 343, 345, 346, 347, 34X)	115	95 110	83 961
10.	Other current payables (372A, 373A, 377A, 379A, 474A, 479A, 47X)	116	6 639	3 298

LIABILITIES AND EQUITY		Line no.	Current accounting period	Preceding accounting period
B.IV.	Current financial assistance (241, 249, 24X, 473A, /- /255A)	117	0	0
B.V.	Bank Loans line 119 + line 120	118	1 329 724	1 015 999
B.V.1.	Non-current bank loans (461A, 46XA)	119		
2.	Current bank loans (221A, 231, 232, 23X, 461A, 46XA)	120	1 329 724	1 015 999
C.	Accruals total (lines 122 to 125)	121	0	0
C.1.	Non-current accrued expenses (383A)	122		
2.	Current accrued expenses (383A)	123		
3.	Non-current Deferred income (384A)	124		
4.	Current deferred income (384A)	125		

FINANCIAL STATEMENT EUR		Line no.	Current accounting period	Preceding accounting period
I.	Revenue from the sale of merchandise (604, 607)	01		
A.	Cost of merchandise sold (504, 505A, 507)	02	990	-14 916
+	Trade margin line 01- line 02	03	-990	14 916
II.	Production line 05 + line 06 + line 07	04	3 656 844	3 537 120
II.1.	Revenue from sale of own products and services (601, 602, 606)	05	3 656 844	3 537 120
2.	Changes in internal inventory (+/- account group 61)	06		
3.	Capitalisation (account group 62)	07		
B.	Consumption from operation line 09 + line 10	08	3 111 877	2 770 236
B.1.	Consumed raw materials, energy consumption, and consumption of other non-inventory supplies (501, 502, 503, 505A)	09	279 747	386 101
2.	Services (account group 51)	10	2 832 130	2 384 135
+	Added value line 03 + line 04 - line 08	11	543 977	781 800
C.	Personnel expenses total (lines 13 to 16)	12	722 030	760 969
C.1.	Wages and salaries (521, 522)	13	494 785	540 246
2.	Remuneration of board members of company or cooperative (523)	14	3 600	7 840
3.	Social insurance expenses (524, 525, 526)	15	183 346	189 095
4.	Social expenses (527, 528)	16	40 299	23 788
D.	Taxes and fees (account group 53)	17	30 980	15 788
E.	Amortisation, depreciation and value adjustments to non-current intangible and tangible assets (551, 553)	18	29 777	59 740
III.	Revenues from non-current assets and materials sold (641, 642)	19	113 132	105 333

FINANCIAL STATEMENT EUR		Line no.	Current accounting period	Preceding accounting period
F.	Net book value of non-current assets and materials sold (541, 542)	20	103 803	106 501
G.	Creation and use or reversal of value adjustments to receivables (+/- 547)	21	-976	3 377
IV.	Other operating income (644, 645, 646, 648, 655, 657)	22	2 683	4 438
H.	Other operating expenses (543, 544, 545, 546, 548, 549, 555, 557)	23	18 249	12 081
V.	Transfer of operating income (-) (697)	24		
I.	Transfer of operating expenses (-) (597)	25		
*	Profit/loss on operating activities line 11 - line 12 - line 17 - line 18 + line 19 - line 20 -line 21+ line 22 - line 23+(- line 24) -(-line 25)	26	-244 071	-66 885
VI.	Revenue from the sale of securities and shares (661)	27	16 929	0
J.	Securities and shares sold (561)	28	16 929	0
VII.	Income from non-current financial assets line 30 + line 31 + line 32	29	0	16 929
VII.1.	Income from securities and shareholdings in subsidiaries and associates (665A)	30	0	16 929
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 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 use or reversal of value adjustments to financial assets +/- 565	37	0	9 841
X.	Interest income (662)	38	7 386	9 074
N.	Interest expense (562)	39	38 463	32 464
XI.	Exchange rate gains (663)	40	1 030	10 531
O.	Exchange rate losses (563)	41	9 413	1 453
XII.	Other income from financial activities (668)	42		
P.	Other expenses related to financial activities (568, 569)	43	23 850	7 814
XIII.	Transfer of financial income (-) (698)	44		
R.	Transfer of financial expenses (-) (598)	45		

FINANCIAL STATEMENT EUR		Line no.	Current accounting period	Preceding accounting period
*	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	-63 310	-15 038
**	Profit/loss from ordinary activities before tax line 26 + line 46	47	-307 381	-81 923
S.	Income tax on ordinary activities line 49 + line 50	48	0	10
S.1.	current (591,595)	49	0	10
2.	deferred (+/-592)	50		
**	Profit/loss from ordinary activities after tax line 47 - line 48	51	-307 381	-81 933
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
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
***	Profit/loss for the accounting period before tax (+/-) [line 47+line54]	59	-307 381	-81 923
V.	Transfer of net profit/net loss shares to partners (+/-596)	60		
***	Profit/loss for the accounting period after tax (+/-) [line 51 + line 58 - line 60]	61	-307 381	-81 933

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 2013 and states that it was carried out according to the law of accounting in force. Account reports and other legal grounds within the regular closing of books are complete, and indicated data for the year ended December 31, 2013 veraciously reflect the results of the management.

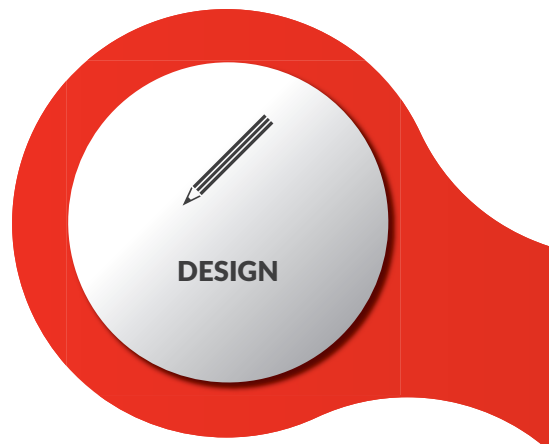
The Supervisory Board states that the regular closing of books has been examined by BMB Leitner Bratislava, s.r.o., license SKAU n. 245. After obtaining the audit report, the Supervisory Board affirms the management results.

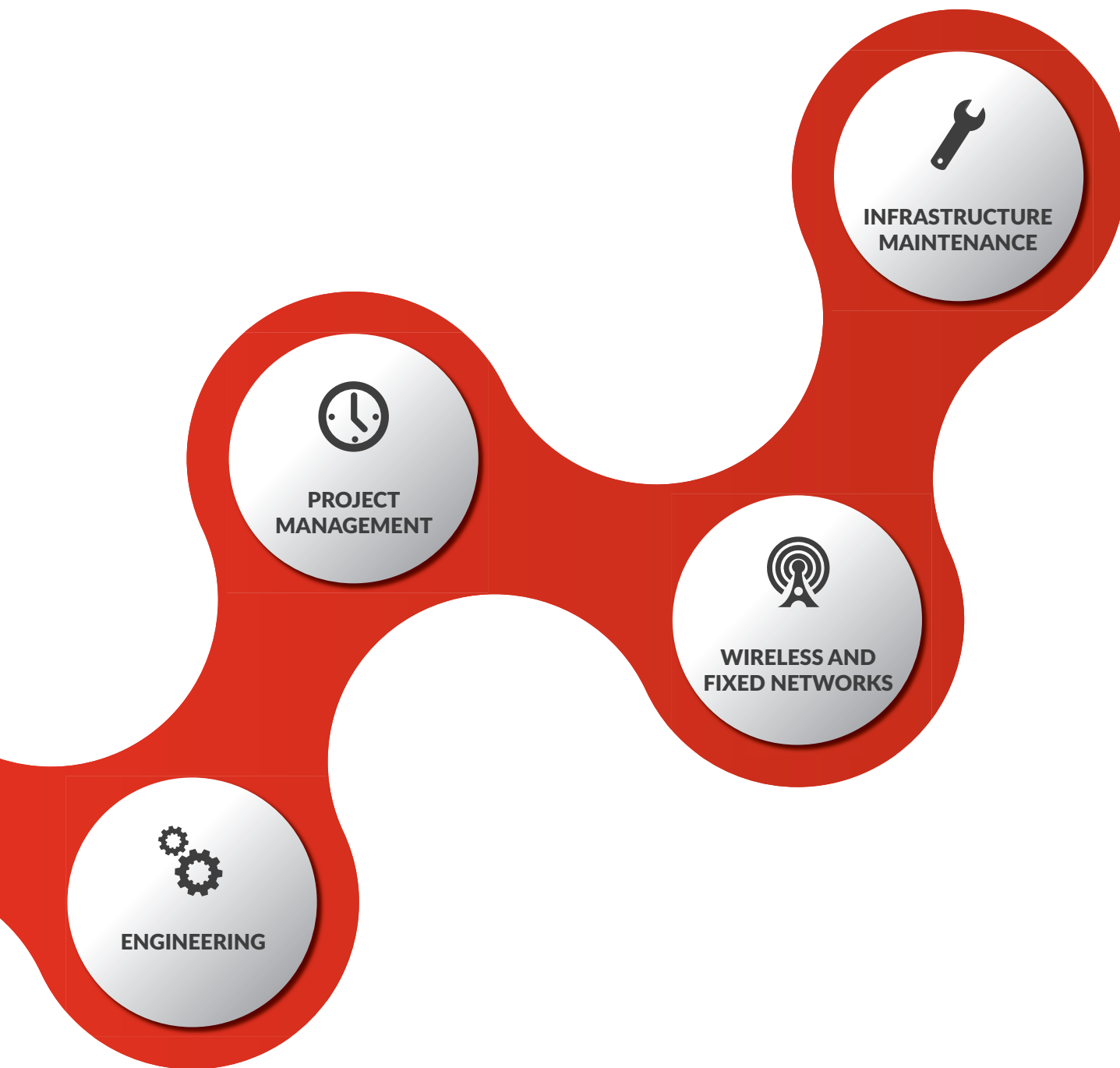
In accordance with the above mentioned facts, the Supervisory Board of Nevitel, Inc. submits the annual closing for the year 2013 to the General Meeting for confirmation as well as the proposal of the company's economic results settlement for the year 2013 submitted by the Board of Directors.



Mgr. Szilvia Néveri Varagya
Chairman of the Supervisory Board

In Dun. Streda, 21.05.2013





Addendum to the Auditor's Report

on verification of the compliance of the Annual Report and the Financial Statements
as per Act No. 540/2007 of Coll. § - u 23, Paragraph

To the shareholder, Supervisory Board and the Board of Directors of NEVITEL, a.s.

- I. We have verified the financial statements of NEVITEL, a.s. as at 31st December 2013, to which we provided an auditor's report with the following wording on 7th April 2014:

Independent Auditor's Report

To the shareholder, Supervisory Board and the 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 2013.

Statutory Body's Responsibility for the Financial Statements

The statutory body is responsible for the preparation and fair presentation of these financial statements in accordance with the Slovak Accountancy Act and relevant regulations. Its responsibilities include: 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 (ISA). These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that 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 the evaluation of the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the company management, as well as the evaluation of presentation of the financial statements as a whole. 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 2013, and of its financial performance and its cash flows for the year then ended in accordance with the Slovak Accountancy Act and relevant legislation.

- II. We have also evaluated the compliance of the annual report with the above-mentioned financial statements. The company's statutory body is held responsible for the preparation of annual reports. Our task is to provide our verification-based opinion on the compliance of the annual report with the financial statements.

The verification has been carried out in accordance with the International Standards on Auditing. The standards require from the auditor to plan and perform the verification so as to obtain reasonable assurance that the information stated in the annual report and presented in the financial statements is, in all material respects, in accordance with the relevant financial statements. The information stated in the annual report has been evaluated in relation to the information stated in the financial statements as at 31st December 2013. Anything other than the accounting-relevant data and information taken from the financial statements and ledgers has not been verified. We are convinced that the verification carried out forms a reasonable basis for the auditor's opinion.

In our opinion, the mentioned financial statements present, in all material respects, a true and sound picture of the financial statements as at December 31 2013, and are in accordance with the Slovak Accountancy Act (Act No. 431/2002 of Coll. as amended).



BMB Leitner Bratislava, s.r.o.
Zámocká 32, 811 01 Bratislava
Licencia SKAU č. 245
Bratislava, 09.09.2014



Marián Novák
Auditor
Licencia SKAU č. 549



The annual report is delivered free of charge to our business partners and those interested in a printed or electronic form upon their request. It is also available on the company's web site.