

ELEKTRO MARIBOR D.D. ANNUAL REPORT 2009



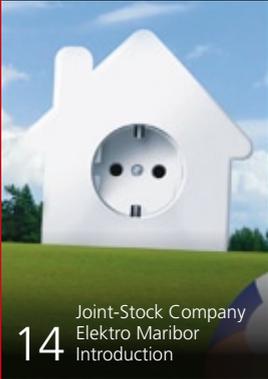
Energija zame!



ELEKTRO MARIBOR



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“We are not just a company, but above all we are people. People who constantly take care so that more than 185,000 households and 20,000 business customers can enjoy an undisturbed distribution and supply of electricity. Professional competence in the electricity trade is being improved with the development of customer-tailored services.”

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ANNUAL
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ELEKTRO MARIBOR





Nature gives us the energy and we are gratefully returning the favour with responsible environmental management and consistent compliance with legal and other requirements. This is also our mission for the future.

INTRODUCTION

1.1 ACHIEVEMENTS OF THE JOINT-STOCK COMPANY ELEKTRO MARIBOR

Key Data of Operations

Deta	2007	2008	2009
Net profit or loss in EUR	2,150,768	1,463,451	1,431,493
EBIT (Operating profit and loss) in EUR	588,112	2,960,199	-1,150,057
EBITDA (Operating profit and loss + write-downs in value) in EUR	19,373,591	24,340,212	20,756,088
Cash flow in EUR	24,867,122	26,593,451	26,230,512
Net sales in EUR	184,711,475	181,280,285	185,014,426
Net sales on employee from hours in EUR	215,778	218,450	226,862
Added value in EUR	41,600,176	48,331,390	44,561,955
Added value on employee from hours in EUR	48,597	58,241	54,641
Assets at 31.12. – in EUR	303,043,957	321,405,893	325,829,965
Capital at 31.12. – in EUR	222,681,275	222,565,470	223,996,963
Investments in EUR	26,289,374	31,776,183	21,322,048
Paid dividend per share in EUR	0.02	0.03	0.00
Electricity sold in MWh:	2,288,481	2,000,818	1,900,932
– household customers	708,305	750,286	741,110
– business customers	1,580,176	1,250,532	1,159,822
Number of electricity customers	205,047	201,331	201,935
MWh sold based on the number of customers	11.16	9.94	9.41
Distributed electricity in MWh	2,091,867	2,164,069	2,078,193
Market share in electricity sales	22.49 %	20.91 %	19.59 %
Number of employees at 31.12.	849	837	821
The share of women in the total number of employees at 31.12.	15.2 %	15.2 %	15.1 %
Average age of the employees at 31.12.	41.8	41.9	42.4
Average gross monthly salary of employees	1,489	1,606	1,675

1.2 MORE NOTABLE EVENTS IN 2009

Reception for business partners

In January, we organised a reception for our business partners. The purpose of the event was to strengthen personal relations which are crucial in business. The sole form of the event – socialising in an informal, pleasant, and cultural atmosphere – gave something extra to the whole thing.

Donation on Mother's Day

On Mother's Day, at the charitable dinner in the Rožmarin restaurant we gave a donation in the amount of 450 EUR to the Mother's Home, Maribor. Because we are well aware of our social responsibility to the people and environment in which we are working, we donated money to the Mother's Home, Maribor on their fifth anniversary to pay for the electricity for March, April, and May.

The fifth photovoltaic power plant of the Joint-Stock Company Elektro Maribor

From mid April, there has been a photovoltaic power plant with the installed power of 25.2 kWp working on the roofs of the workshops and office building at RU Elektro Murska Sobota. In the Joint-Stock Company Elektro Maribor, we are placing great emphasis on environmental protection and the energy supply from renewable energy sources. Thus, we are placing on the roofs of our office buildings in our territory units small photovoltaic power plants with which we are trying to raise public awareness and at the same time promote energy supply from renewable energy sources.

Individually tailored, economical and environmentally-friendly energy

In June and July, we performed the communication action "Individually tailored, economical and environmentally-friendly energy!". Within the framework of the action, a great prize-winning contest was organized. With the performed activities, we wanted to present and inform our loyal customers and the general public that we are a traditional, friendly, innovative, and reliable electricity supplier.

Money order payments without commissions in the framework of the City Cash Register

With concern for our customers, we joined companies and organisations which in the framework of the City Cash Register, offer the citizens of the Municipality of Maribor, money order payments without commission. This is one of the benefits that we in the Joint-Stock Company Elektro Maribor are offering to our customers. Furthermore, we are offering bank standing order operations which means payments are made without having to think about them or considering the deadlines of the payments due. An updated web application eStoritve (Eng. eServices) enables our customers to settle everything from home, at any time, 24 hours a day, seven days a week and without queuing.

New Supervisory Board

In April, the mandate of the current members of the Supervisory Board ended, so new members of the Supervisory Board – the equity representatives were appointed: Roman Ferenčak, Matjaž Madžarac, Peter Grubelnik and Srečko Kokalj.

Frozen prices until the end of 2011

In the Joint-Stock Company Elektro Maribor, we have prepared a special action price for all our customers with electricity purchase and sale contracts until the end of 2010, and with electricity purchase and sales contracts for an unlimited period, with a yearly consumption of up to 500,000 kWh. To all who have returned a signed Annex by the deadline set we have enabled unchanged prices of electricity until 31.12.2011.

The Agriculture and Food Fair in Gornja Radgona

On the Agriculture and Food Fair in Gornja Radgona, we presented our company to the interested public with the emphasis on energy which is offer under the slogan: Individually tailored, economical and environmentally-friendly energy! For the visitors of the fair, we also prepared a prize-winning contest "Answer and Win".

New Chairman of the Management Board

In November, the Chairman of the Management Board of the Joint-Stock Company Elektro Maribor Stanislav Vojsk resigned from his position. Temporarily, the Chairman of the Supervisory Board Peter Grubelnik replaced him in the function of the Chairman of the Management Board.

INTRODUCTION

1.3 THE MANAGEMENT BOARD REPORT

The entire European electricity industry is in the last few years witnessing large environmental and organisational challenges. Moreover, the year 2009 has also been full of changes and new demands. Electricity distribution companies are continually modernising our networks and adjusting them to new needs and demands which numerous dispersed renewable energy sources are bringing. Furthermore, the electricity market is steadily opening to new providers and is adjusting to new needs and challenges of its users.

In 2009, the preparations for the establishment of smart electricity distribution networks were initiated which means new quality in electricity distribution, as well as additional possibilities for supplying customers with new services. Already in the second half of 2010, the first results of our efforts will be visible.

“The business year 2009 was strongly influenced by the global economic crisis which was also reflected in the quantity of electricity sold.”

The Joint-Stock Company Elektro Maribor in 2009 sold 1.9 TWh of electricity which is 5 % less than the previous year. Despite this, we have realized a total revenue in the amount of 202,359,760 EUR which is 2.9 % more than in the year 2008. Smaller amounts of electricity were sold and lower differences in price were also reflected in the poorer profit or loss. Despite losses, we managed to establish a positive profit in the amount of 1,431,493 EUR due to other revenues.

Due to the consideration of the needs and expectations of our customers, we succeeded in retaining our key customers. Already in 2010, we are planning somewhat higher electricity sales which is especially due to the credit of obtaining some new clients. With favourable leasing of electricity at the end of 2009 and at the beginning of 2010, we also ensured the competitiveness of our offer for 2011 and 2012.

In 2009, we finished a great investment objective, this being the great TS Ptuj Breg. Before the end of 2009, it started operating. A lot of work and funds will be needed for the establishment of the operating conditions of the almost finished TS Mačkovci.

The business year 2009 was strongly marked by numerous catastrophes in the weather. Despite the considerable damage they inflicted on the distribution network, we managed to provide a reliable electricity supply. In 2009, the indicators of supply reliability, SAIDI and SAIFI, fell sharply. Thus, we are going to invest in the renovation and modernisation of the distribution network in 2010. In the coming year, we are planning to construct the two-way power supply of the already operational TS Koroška vrata also from the direction of TS Pekre. With this, the greatest investment in 2010, we are going to ensure a reliable electricity supply for the entire left bank of Maribor. The objective of the investments and maintenance in 2010 is to ensure our clients a reliable and quality electricity supply and an improvement of indexes of supply reliability. Our objective in 2010 is to lower the SAIDI index to under 100 minutes on a client yearly and lowering the SAIFI index under three unplanned interruptions yearly.

In 2009, we stepped bravely on the photovoltaic system market and prepared developmental foundations of our key competitive advantages in this segment of operation. Moreover, we are proud of the acquisition of the business to design the electrification of the eastern part of the Slovenian railway infrastructure.

A relatively successful operation in 2009 was the joint success of all the employees in the Joint-Stock Company Elektro Maribor. We are aware of the meaning that competent, motivated and loyal co-workers have for the successful performance and operation of a company. Considering the increasing complexity of the working process, we are therefore going only to employ suitably educated and well-qualified co-workers in the future.

Company representative:
Peter Grubelnik

1.4 REPORT FROM THE CHAIRMAN OF THE SUPERVISORY BOARD

In 2009, on the basis of the competences and powers set out with the statutory provisions and with the statute of the company, the Supervisory Board of the Joint-Stock Company Elektro Maribor regularly monitored and controlled the operation of the company.

The Supervisory Board was until 31.8.2009 managed by the following people: Rajko Fajt – Chairman, Slavko Visenjak – Vice-Chairman, Milan Mendaš – member, Matjaž Rutar – member, Miroslav Pečovnik – member, Anton Jaušovec – member. Due to the end of mandate of equity representatives, there were new equity representatives appointed at the 13th regular assembly of the company on 31.8.2009.

The newly appointed representatives were: Peter Grubelnik – Chairman until 16.11.2009, from 17.11.2009 the representative of the company, M.Sc. Matjaž Madžarac – Vice-Chairman until 16.11.2009, from 17.11.2009 Chairman, Srečko Kokalj – Vice-Chairman from 17.11.2009, Roman Ferenčak, replaced the previous equity representatives Rajko Fajt, Slavko Visenjak, Milan Mendaš, and Matjaž Rutar.

Operation of the Supervisory Board and control over the operation of the company

The operation and control of the company were content-related to the monitoring of the realisation of the company's development and investments. The Management of the company reported to the Supervisory Board on a quarterly basis the business results, the broader conditions of operation and more important events in the company.

Thus, the Supervisory Board dealt with and concluded the following important decisions at its ten regular and eight corresponding sessions:

- it dealt with the economic plan for 2009,
- it dealt with the annual report of the company for the year 2008,
- it dealt with the proposal of the Management of the company for the distribution of profit for appropriation for 2008,
- it dealt with the amending budget of the economic plan for 2009,
- it gave consent to concluding the contracts on electricity purchase,
- accepted the resignation of the Chairman of the Management,
- appointed the representative of the company,
- it dealt with the second amending budget of the economic plan for 2009.

The Position of the Supervisory Board Regarding the Annual Report and the Revision Report

The Management submitted to the Supervisory Board the Annual Report which the Supervisory Board dealt with at its

session on 4.5.2010. The revision of the Annual Report of the Joint-Stock Company Elektro Maribor for 2009 was done by the revision company Auditor d.o.o., which issued a favourable opinion of the Annual Report of the Joint-Stock Company Elektro Maribor.

On the basis of the review of the Annual Report of the company and the enclosed Revision Report, the Supervisory Board identified the following:

- that the Annual Report is clear, transparent and prepared in accordance with the provisions of the Companies Act,
- that the Annual Report enables an accurate examination of the financial outcome of the economic outturn,
- that the financial statements are according to the reviser a truthful and honest reflection of the financial state of the Joint-Stock Company Elektro Maribor on 31.12.2009, together with its operating results and cash flow for the year 2009 in accordance with the Slovenian Accounting Standards.

The Position of the Supervisory Board Regarding the Use of the Profit for Appropriation

The Supervisory Board agreed with the proposal of the distribution of the net profit of the business year 2009 and the profit for appropriation for 2008 which the Management proposed. The proposal will be presented at the general meeting.

“On the basis of all the stated conclusions and the favourable opinion of the reviser, the Supervisory Board has confirmed the Annual Report of the Joint-Stock Company Elektro Maribor.”

Chairman of the supervisory board:

mag. Matjaž MADŽARAC



Every day is something special and we are aware of that. For more than 90 years, we have been ensuring our customers a reliable and safe electricity supply with favourable prices.



JOINT-STOCK COMPANY ELEKTRO MARIBOR INTRODUCTION

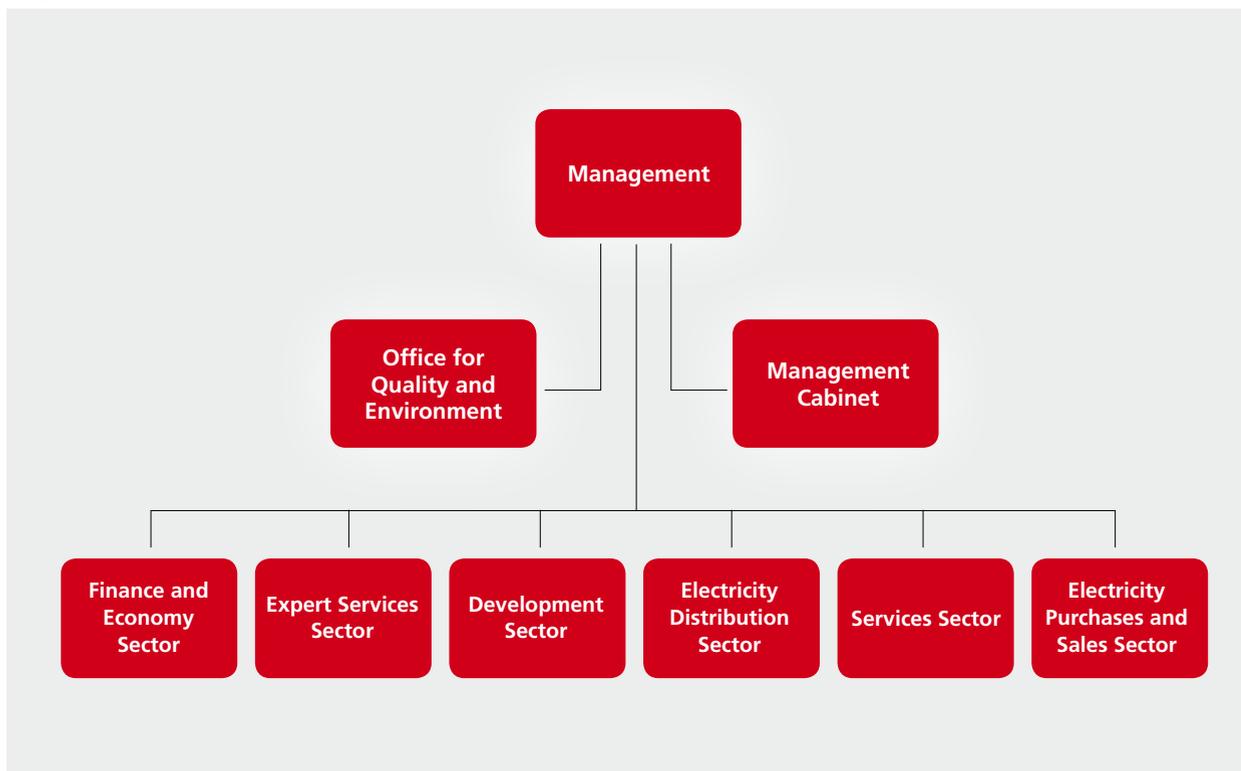
2.1 COMPANY PROFILE

Corporate name:	Elektro Maribor, podjetje za distribucijo električne energije, d.d.
Abbreviated name:	Elektro Maribor d.d.
Registered headquarters:	Vetrinjska ulica 2, 2000 Maribor
Company ID:	5231698
Tax number:	46419853
IBAN:	SI56 0451 5000 0570 965
Share capital on 31.12.2009	139,773,510.27 EUR
Entry into the register of companies:	Registered at the District Court in Maribor, file number 1/00847/00
Number of employees on 31.12.2009:	821
Supply area:	north-eastern Slovenia
Size of the supply area:	3,992 km ²

2.2 ORGANISATION

The Joint-Stock Company Elektro Maribor has been a joint-stock Company since 1998 and is part of the electro-energetic system of the Republic of Slovenia, as well as one of the five companies for the distribution of electricity in the Republic of Slovenia. Until 30.6.2007, we had, besides its market activities (the purchase and selling of electricity and services), performed two regulated activities, i.e. Public Utility Service (PUS) of the System Operator of the Distribution Network (SODO) and the PUS of the Tariff Customer Electricity Supply (TCS).

In 2009, there were no changes in the organizational structure of the Joint-Stock Company Elektro Maribor.

Organisational structure of the Joint-Stock Company Elektro Maribor on 31.12.2009


In the framework of individual organizational units, fundamental business functions and activities are being performed: managing the distribution network, distribution, purchases and sales of electricity, performing services, finances, accounting and economics, informatics, staff, legal and general services, safety and health at work, together with fire safety and quality assurance.

For reaching short-term and long-term objectives of the company, there are lower organisational units organised within the framework of the sectors: service and regional units, services and departments with precisely distributed and defined tasks, competences and responsibilities, as well as objectives that are operatively defined in the economic plan of the company.

In the framework of the electricity distribution sector, five regional units (RU) are organized:

- RU Elektro Maribor z okolico,
- RU Elektro Ptuj,
- RU Elektro Slovenska Bistrica,
- RU Elektro Gornja Radgona,
- RU Elektro Murska Sobota.

In the framework of the service sector, two sector units (SU) are organised:

- SU Elektro Gradnje in remont Maribor,
- SU Elektro Gradnje Ljutomer.

The business of the company is defined in Article 2 of the Statute of the Joint-Stock Company Elektro Maribor of 26.8.2008. The provision of the Statute of the Company is in conformity with the Decree on the Standard Classification of Activities (Official Journal RS, No. 69/2007, 17/2008).

The most important activities of the company are:

- distribution of electricity (35.130),
- trading with electricity (35.140),
- construction of buildings for the electricity and telecommunication infrastructure (42.220).

Among the main objectives of the company are the reliable and safe electricity supply to our clients, care for the development of the network, and a competitive position on the electricity market. The quality implementation of the general tasks of the company is subject to regular maintenance of the electricity network, long-established planning of the network development and implementation of the accepted plans. All this is enabled by our employees with their knowledge and quality work.

The company has the following quality systems:

- system of quality management (ISO 9001:2000),
- system of environmental protection (ISO 14001:2004)
- system of quality in the measuring laboratory (ISO/IEC 17020:2004),
- system OHSAS 18001:2007.

2.3 VISION, MISSION, VALUES, AND STRATEGY

Vision

The Joint-Stock Company Elektro Maribor is the second largest distribution company in the Republic of Slovenia and because of its marketing, socio-economic and internal environments, will be recognized as a reputable, successful, dynamic, innovative, trustworthy, customer- and sustainability-oriented company.

Mission

In the Joint-Stock Company Elektro Maribor, we are on the supply area of the company ensuring the following:

- ensuring a reliable and quality supply of electricity to all clients in accordance with the legislation and standards,
- increasing the network customer satisfaction of buyers of electricity and our services,
- listening and responding to the demands of various interest groups of employees, buyers of electricity, and business partners,
- strengthening the responsibility to environmental protection and promoting the rational use of available energy sources with consideration of the principle of sustainable development.

Values

The values of the company are:

- respecting the legal order of the Republic of Slovenia and the European Union in all the fields of the company's operation,
- responsibility to our customers, business partners, owners, employees, and company as a whole,
- the consistent and reliable realisation of employees' expectations in the way that we are providing their safety and care for their motivation to reach the set objectives,
- care for the environment with the long-term planning and selection of environmentally-friendly technologies.

Strategy

- considering, following, and co-designing of the national and European energetic policy;
- meeting contractual obligations which are defined in the Contract on leasing the electricity distribution infrastructure and the performance of services for the System Operator of the Distribution Network;
- construction and maintenance of the infrastructure which will enable a quality and reliable electricity supply;
- responding to the demands of various interest groups – stakeholders, employees, buyers, and business partners;
- promotion of production and supply from the renewable energy sources (RES) and efficient energy use (EEU);
- ensuring the sustainable development of the company with the emphasis on the employees, employment, and social responsibility.

2.4 MANAGING THE COMPANY

Managing the Joint-Stock Company Elektro Maribor is based on a two-way management system. The company is managed by its management and is supervised by the Supervisory Board. The management of the company is based on legislative provisions, the Statute as the fundamental legal act of the company and internal regulations which are prepared in accordance with the standards of the International Organization for Standardization (ISO).

The Joint-Stock Company Elektro Maribor, despite the fact that its shares are not quoted on the stock exchange, follows the provisions of the Corporate Governance Code which was designed and adopted by common agreement by the Ljubljana Stock Exchange, the Supervisory Board Member Association and the Manager Association.

Considering the consensual rules on the management of the company and its supervision contributes to the promotion of a transparent and effective management which is directed towards creating the long-term values of the company, increasing the responsibility of individual interest groups, improving the economic environment, and increasing the competitive competence of the company.

Management

The Joint-Stock Company Elektro Maribor is managed by the management autonomously and takes on its own responsibility. The management represents and presents the company. The Statute of the company defines that the management is one which is appointed and dismissed by the Supervisory Board of the company. The mandate of the management is 4 years and shall be renewable.

The management is responsible for reaching the objectives of the business strategy and decides on all questions on the organization and management of the company, as well as implementing the decisions that are adopted by the Assembly. The management regularly reports and consults the Supervisory Board about relevant questions in accordance with the regulations and provisions of the Statute of the company.

The Chairman of the Management, Stanislav Vojsk resigned on 16.11.2009 so the Joint-Stock Company Elektro Maribor is from 17.11.2009 onwards represented by the company's representative Peter Grubelnik.

Supervisory Board

The Supervisory Board has six members; four members are the representatives of shareholders and two members are the workers' representatives. The Supervisory Board is appointed by the Assembly of Shareholders with a simple majority vote of the shareholders present in person, except for the members elected by the Works Council. The members of the Supervisory Board are elected for a period of 4 years and shall be renewable after the mandate. The supervisors elect among their own members the Chairman and Vice-Chairman.

2.5 THE OWNERSHIP STRUCTURE AND SHARES

On 28.8.2009, there was the 13th regular Assembly of the company held at the company's registered headquarters and it determined that on 31.8.2009 the mandate of the current members of the Supervisory Board, representatives of the shareholders, shall expire, so new members of the Supervisory Board were appointed.

Equity representatives (until 31.8.2009):

- Rajko Fajt – Chairman,
- Slavko Visenjak – Vice-Chairman,
- Milan Mendaš,
- Matjaž Rutar.

Equity representatives (from 31.8.2009):

- Peter Grubelnik – Chairman until 16.11.2009, from 17.11.2009 the representative of the company,
- M.Sc. Matjaž Madžarac – Vice-Chairman until 16.11.2009, from 17.11.2009 Chairman,
- M.Sc. Srečko Kokalj,
- Roman Ferenčak.

Workers' representatives:

- Miroslav Pečovnik,
- Anton Jaušovec.

The Supervisory Board supervises the management of the company's operations. The task of the Supervisory Board is to control and monitor the management's operations. Furthermore, it appoints the Chairman of the Management. The members of the Supervisory Board monitor operations, annual and semi-annual plans, and the strategy of operating activities. Moreover, they examine the annual report and the proposal of the management for the use of profit for appropriation. They publicly report their work in the Report on Supervisory Board Operating Activities which is in the Annual Report and accessible to all employees.

Assembly

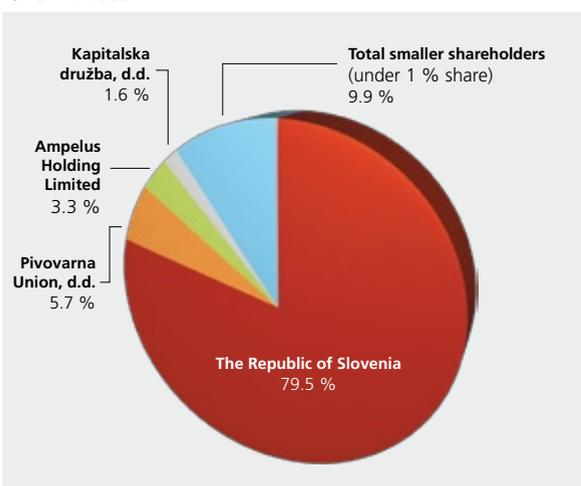
Shareholders realize their rights with regard to the company at the Assembly. The Assembly is convened by the management of the company on their own initiative, on the initiative of the Supervisory Board or on the initiative of the shareholders of the company who represent at least 5 % of the share capital of the company. Shareholders are informed about the operating activities and all important events on a regular basis with the help of annual reports and the Internet.

The shareholders of the Joint-Stock Company Elektro Maribor met in 2009 at the 13th regular session of the Assembly of the Joint-Stock Company Elektro Maribor which was held on 28.8.2009. At the Assembly, there were 30,767,860 votes present out of a possible 33,495,324 or 91.5 % of all votes.

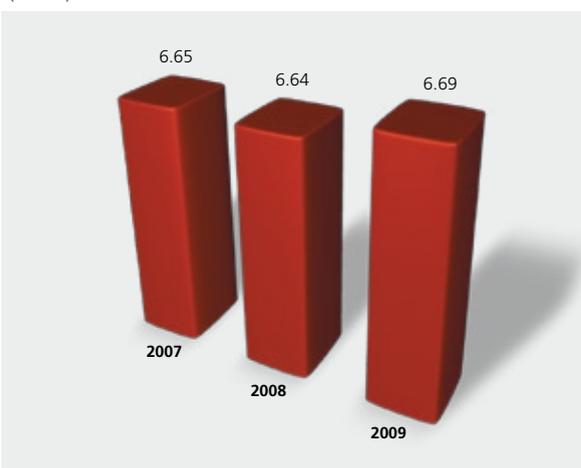
The share capital of the Joint-Stock Company Elektro Maribor is 139,773,510.27 EUR and is distributed in 33,495,324 ordinary stocks. Each stock has an equal share and a related sum in share capital. Stocks of the company are not traded on the regulated market.

At the end of 2009, the company had 1,354 shareholders, and at the end of 2008, there were 1,341 shareholders. The largest shareholder is the Republic of Slovenia with a 79.5 % share. Four shareholders have more than a 1 % share.

Equity ownership structure
on 31.12.2009



Changes in the book value of a share
(in EUR)







Each company is developing in its own way and presents a unique challenge. The growth and success of the company are the result of the employees, business partners and also the broader environment. Only active cooperation at the local and national levels can contribute a positive energy for everyone.



MANAGEMENT REPORT

3.1 MARKET SITUATION AND OPERATIONS

Unstable economic conditions, the recession, and shortages in business activities were the most important factors which influenced operating activities in 2009. The electricity market reacted to the recession with a significant fall in prices. These, in comparison with the prices in the middle of 2008, fell by half. Such a fall in prices had a considerable negative demonstrational effect on those customers who had ensured themselves electricity for 2009 in the period of constant growth in prices with rate agreements before the autumn of 2008. Those customers demanded a change in the contracted prices and some of them who were forced by the recession into a reduction of production, significantly reduced their consumption. All this called for the preparation of amending the budget of the company for 2009.

The price level on the current market and prices of electricity for 2010 were during the entire time under 50 EUR/MWh. In this way, a possibility appeared of lowering the prices for our customers after a period of several years of increasing prices and in this way adjust to the conditions on the purchase side. All customers who had not concluded time-limited contracts in the period before the fall in prices received lower prices.

In 2009, the competitiveness for household and smaller business customers increased because a business person who had a cost-effective electricity source on the one hand and favourable market conditions on the other became extremely active in these segments.

The financial crisis and the decrease in economic activities which came with it, also had an effect in the field of construction, and a direct influence on the services in the field of constructing energy production facilities. Regardless of all this, we can optimistically await the future because the wide assortment of various electricity-connected services and the implementation of new services, together with the development of partner relations are a good start for a successful business now and also in the future.

3.2 THE PURCHASING AND SELLING OF ELECTRICITY

3.2.1 The Purchase of Electricity

In 2009, the key features in purchases and sales were the following:

- significant fall in prices,
- energy excess on the market and in our portfolio, and
- fall in prices for cross-border transfer capacity under 1 EUR/MWh.

The key problem with which we had to cope was the energy excess which was due to the fall in consumption with our end customers. Because there were rate agreements for electricity purchase concluded in the previous period almost simultaneously with equal sales contracts, unplanned excesses appeared due to the smaller consumption with some key customers. We were forced to change our business plan and adjust it to the prevailing conditions.

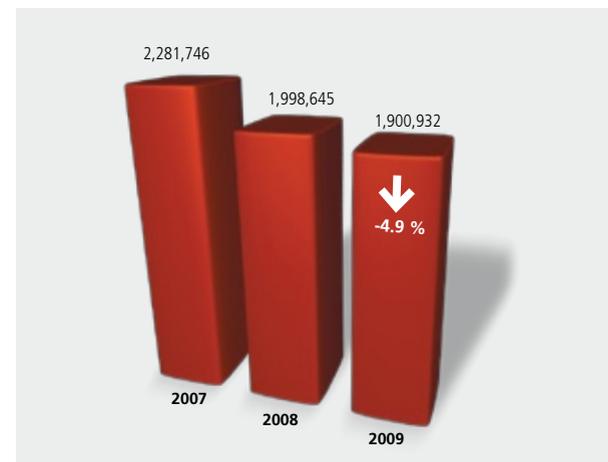
Addressing the problems was done on two levels:

- with suppliers negotiating for a change of disadvantageous prices and
- with the sale of daily excesses to the most favourable provider.

In the second half of the year, a correction of prices in contracts for household customers that were concluded at the end of 2008 was achieved. In this way, we lowered the average purchase price and our operational result somewhat improved.

During the entire year, we were performing forward purchases for the period 2010-2013 and in this way tried to take advantage of favourable price conditions for a partial improvement of already performed purchases for this period in the past.

Changes in the purchased quantity of electricity without the purchase of electricity for losses
(in MWh)



In 2009, the purchase of electricity was 1,900,932 MWh which is by 0.1 % more than the planned quantities and by 4.9 % less than in the previous year. The costs of purchasing electricity were 0.3 % lower than the planned ones and that is the result of a lower average purchase price. In comparison with the previous year, the costs of electricity purchase were 9 % higher which was the result of a higher average purchase price.

Deviation from the schedules was decreased by more than 40 % in 2009 in comparison with 2008 and this was achieved on the basis of more accurate data of the previous consumption and more experience in predicting. Real prices for the deviation were calculated by the market organiser (Borzen).

3.2.2 The Sale of Electricity

In 2009, the following were the main features in the sale of electricity to end users:

- drop in consumption in the metal processing industry and the construction material industry,
- changing – worsening of the power consumption diagram,
- pressures for lowering the prices,
- declining of payment discipline,
- liquidations and bankruptcies, and
- aggressive marketing activities of a new competitor in the category of households.

In such circumstances, we were forced to cope with risk management which stem from the smaller sales in the category of bigger business clients, excesses due to liquidations and bankruptcies of companies, and pressures on the selling prices. The main actions were the following:

- transfer of part of the financial liabilities from contracts in the periods after the validity of contracts with the binding of clients,
- compensation claims and actions for compensation in cases of unjustified termination of contracts,
- intensive sales activities: offers and public tenders,
- intensification of recovery, and
- progressive adjustment of selling prices to those clients who have a contract for an indefinite duration.

We were focused especially on regular sending offers and other data to our customers and in this way presenting them with the market situation. For the implementation of the "Frozen prices" action for small business clients in the time of the Gornja Radgona Fair, we had with a great response received the confirmation that our clients still trusted us.

Business clients have in the last quarter of the year significantly increased their consumption in comparison with the average from the first three quarters of the year and thus caused the above-stated derogation.

In 2009, we sold to all clients (household, business, and other balance sheet categories) 1,900,932 MWh of electricity which is 0.3 % more than the planned quantities and 5 % less than in the previous year. We have reached a 0.1 % higher revenue from electricity sales than planned and this is the result of

greater quantities sold. In comparison with the previous year, we have reached a 5.7 % higher revenue from sales and this is the result of the higher average selling price.

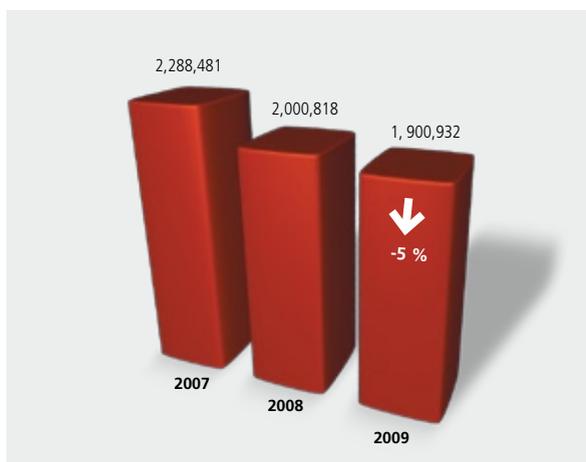
The sale of electricity was in the category of business clients significantly lower than in 2008, 262 GWh lower. The key reasons for this are the following:

- termination of supply in some public tenders,
- liquidations, bankruptcies and judicial compositions, and
- reduction of consumption in industry.

Because of the reduction in consumption by business clients, we have in 2009 increased the sale of electricity to other balance sheet categories.

The expectations and desires of our customers, as well as the responses to competitors' activities, are going to direct our activities in the future. This means that we are going to introduce new products in the category of household customers, and with consultancy or with additional information establish a higher level of cooperation with our business customers (especially in the field of predictions and derogations).

Change in quantity sale of electricity
(in MWh)



MANAGEMENT REPORT

3.3 THE DISTRIBUTION OF ELECTRICITY AND ADDITIONAL SERVICES

Since 1.7.2007, the company has been performing tasks of electricity distribution pursuant to the Electricity Distribution Infrastructure Lease and Service Contract for SODO (hereinafter referred to as The Contract) to which the Government of the Republic of Slovenia has awarded a works concession for performing activities of a public utility service, and system operator of the electricity distribution network (OJ RS, No 39/07). Pursuant to the Contract, the Joint-Venture Company Elektro Maribor is performing tasks especially from the fields of: development, planning and investing into the electricity infrastructure, preparation and management of investments, maintenance of the electricity infrastructure and the organisation of day-and-night duty, management and operation of the network, monitoring and identification of the supply quality, measuring electricity, access to the distribution network, ensuring data to the network users etc

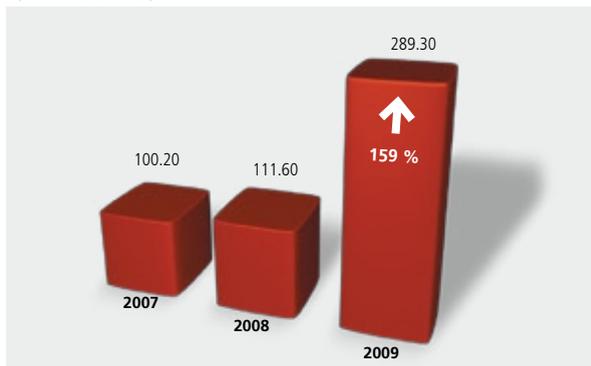
3.3.1 Distribution Network Operations

Distribution network operations were in 2009 performed in accordance with the objectives from the economic plan and with the bases of the business policy and operating objectives of the company – ensuring a reliable and quality electricity supply to all clients in the supply area of the company in accordance with the standard demands, increasing customer satisfaction, optimisation of operating costs, and improvement of business processes.

In 2009, the supply reliability (SAIDI and SAIFI indicators) was worse than the set objectives which was especially the consequence of extensive damage to the electricity network which was caused by extensive snowing in January 2009.

The SAIDI indicator (average duration of unannounced interruptions per customer) was in 2009 159 % worse than in 2008 and 154 % worse than planned for 2009.

SAIDI – average duration of unplanned interruptions, longer than three minutes, per customer
(in min/customer)



The SAIFI indicator (average number of unannounced interruptions per customer) was in 2009 43 % worse (higher) than in 2008.

The voltage quality which we monitor with stationary monitoring in TS 110/x kV has in the last year on the level of HV completely complied with the standard SIST EN 50160, while there was in the field of MV only the TS Slovenska Bistrica that deviated from the standard in 43 weeks.

3.3.2 The Electricity Payment

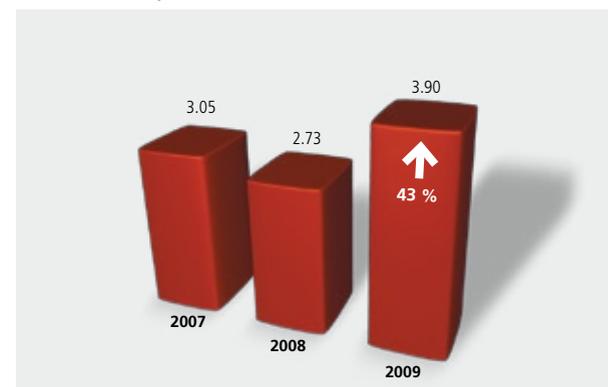
The electricity payment includes:

- the performance of electricity payment and other services and charges for all contractual customers of the Joint-Venture Company Elektro Maribor,
- the performance of network charges, extras to the network charges and contribution payments for all customers connected to the network of the Joint-Venture Company Elektro Maribor,
- urgent supply, emergency supply, unjustified supply payment, together with the payment due to incorrect registration of measuring data,
- control and distribution of invoices to customers from the first three bullet points,
- management of sales statistics for the purpose of reporting to external and internal information users,
- development and management of the online portal eStoritve (Eng. eServices),
- sending out account data to the suppliers.

The payment process is a complex process in all sectors where there are great numbers of customers and services on offer, so it is important that we are constantly developing and following the market and legislation demands. Here are listed more important achievements in 2009:

- In the field of online electronic services, we have updated the online portal eStoritve (Eng. eServices) where the main innovation is applying to receive an electronic invoice without an invoice in paper form. The use of eStoritve (Eng. eServices) is increasing. In 2009, there were 9,440 registered users together with 10,600 measuring locations, which is 34 % more than in 2008;

SAIFI – average number of unplanned interruptions, longer than three minutes, per customer



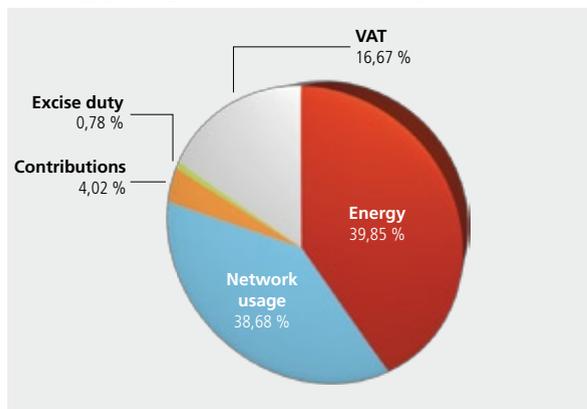
- We are preparing a new, modern payment system which is going to support the payment process, i.e. the payment, data preparation for printing and issuing of invoices, archiving of invoices, data preparation for the finance-bookkeeping and data required by external institutions;
- We are enabling the payment of network and electricity usage at the measuring locations without the measured power with remote control reading the watt-hour meter indication for the period of the first and the last day in a month. In 2009, there were 29,400 measuring locations in the payment system on the basis of the remote control watt-hour meter indication which is 47 % more than in 2008 and represents 14 % of all measuring locations without measured power. Because there is enabled a daily remote control watt-hour meter indication, the customers are receiving and paying invoices according to their actual watt-hour meter indication. Monitoring of costs on the measuring location is thus facilitated for the customer. With this, customers also avoid possible supplementary payments and overpayments, and more easily plan their actions for the rational consumption of electricity.

In accordance with the legislation, items on invoices were presented separately (energy, network usage, charges, excise duty). An electricity invoice in 2009 was composed of:

- the price of energy which defines the supplier;
- network usage where the electricity consumer pays for the electricity distribution through the electricity network to their delivery point. The network usage includes network charges, which are defined by the Energy Agency of RS, and extras to the network charges, which are defined by the Government of RS. Network charges are intended for the performance of the System Operator of Distribution Network activities (SODO) and the System Operator of Transmission Network activities (ELES), as well as for covering costs of system services (ELES). Extras to the network charges are intended to cover the costs of the Energy Agency RS operations and recording of concluded contracts for electricity supply (Borzen);
- the contribution for ensuring the support to the electricity production in a combined production with a high utilisation rate and from renewable sources and which is calculated pursuant to Article 64.r of the Energy Act. The contribution is set by the Government of RS;
- the contribution for ensuring a reliable supply with the use of domestic primary energy sources for the electricity production which is calculated pursuant to Article 15 of the Energy Act. The contribution is set by the Government of RS;
- excise duties which are calculated pursuant to the Excise Duty Act. Excise duty is set by the Government of RS;
- value added tax (VAT) which is calculated pursuant to the Value Added Tax Act. VAT is set by the Government of RS.

The structure of the invoice for an average household customer at the end of 2009

(basic supply II, usage 155 VT, 155 MT, settlement power 7 kW)



3.3.3 Network Access

Access to the distribution network is ensured or enabled to the electricity producers and end users pursuant to the applicable legislation, especially the provisions of the Energy Act (OJ RS, No 27/2007 – official consolidated text, and No. 70/2008) and the General conditions for electricity supply and consumption from the distribution network (OJ RS, No 126/2007).

Services of the network access include:

- ensuring access to the distribution network for electricity producers,
- ensuring access to the distribution network for end customers,
- performing procedures regarding the change of electricity supplier,
- exchange of data with suppliers regarding the performance of tasks for SODO which are necessary for electricity market operations,
- development and management of the online portal Perun, which enables the exchange of data among suppliers and contractors for SODO, like for example:
 - performance of the change of supplier,
 - transfer of data to the suppliers for the preparation of offers,
 - provision of information about the acquired and lost measuring locations when changing the supplier (monthly),
 - examination of data by the supplier for the measuring locations with which the supplier has a valid contract or authorisation of the network user, and
 - informing suppliers in accordance with the provisions of the General Conditions of Electricity Supply and Consumption (GCESC).

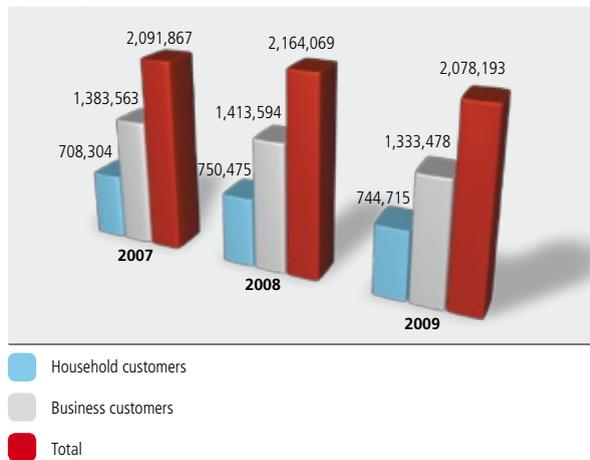
3.3.3.1 Network Usage

In 2009, there were 2,078,193 MWh of electricity distributed at the 210,434 measuring locations which are connected to the network of the Joint-Stock Company Elektro Maribor, which is 1.1 % more than planned. The price of the charged network charges for the distribution network is 48,333,505 EUR. In comparison with 2008, 4 % less electricity was distributed

which is especially due to the smaller consumption of business customers which could be the result of the economic crisis.

In 2009, we charged the network users the network usage in the amount of 78,367,588 EUR which is 9 % more than in 2008. The increase is a result of the increase in prices for

Change in the quantity of distributed electricity
(in MWh)



system services and new contributions (DVE and OVE contributions) which replaced the item of privileged dispatching from 2008. The DVE contribution is a contribution for the assurance of a reliable electricity supply with the use of domestic primary energy sources. The OVE contribution is a contribution for the assurance of support to the electricity production in a combined production with a high utilisation rate and from renewable sources.

Charged network usage

Elements	2009	Structure
Network charges		
– Network charges for the mobile network	11,502,251	14.7 %
– Network charges for the distribution network	48,333,505	61.7 %
– Network charges for system services	8,645,204	11.0 %
– Network charges for special system services	391,366	0.5 %
Extras to network charges		
– Extras for the operation of the Energy Agency of RS	305,492	0.4 %
– Extras for the recording of concluded contracts (Borzen d.o.o.)	270,165	0.3 %
Contributions in accordance with the Energy Act		
– Contribution OVE	7,205,740	9.2 %
– Contribution DVE	1,713,865	2.2 %
Total	78,367,588	100.0 %

3.3.3.2 The purchase of Electricity for the Needs of SODO d.o.o.

The act on defining the methodology for network charges payment and the methodology for network charges definition and the criteria for eligible cost determination for electricity networks defines that the eligible costs for the purchase of electricity for losses in the network are 6.8 % of the distributed energy to end customers. So SODO d.o.o. has taken into account in the calculation of rent and services in 2009, 6.8 % of loss on the basis of the price from the contract with the electricity supplier for the losses.

The actual purchase of electricity for covering losses was in 2009, 119,599 MWh which means 5.44 % of quantities in the network, in the amount of 7,983,201 EUR.

In the framework of the purchase for the needs of SODO d.o.o., the company has also performed purchases for emergency supply, urgent supply, unjustified consumption and purchase for cases of incorrect registered measured data, which was 2,373 MWh in the amount of 158,381 EUR.

3.3.4 The Measurement of Electricity and the Provision of Data

The measuring of electricity at the measuring network users' locations and the delivery points with the network of the System Operator of Mobile Network (SOPN) includes:

- watt-hour meter indication and transfer of measurement data for the needs of electricity suppliers, payment for the network use and establishing the energy network balance of the Joint-Stock Company Elektro Maribor,
- establishing the actual consumption and actual presentation of the individual balance sheet category or the balance sheet sub-category for the needs of the identification of discrepancies from the timetables,
- maintaining the measuring and other equipment on measuring locations,
- introduction of system solutions and modern systems for measuring electricity.

More important achievements in this field were:

- we have computerised and automated the process of notifying the users about the replacement of measuring and steering devices pursuant to provisions of GCESC;
- we have performed the pilot project "Remote control disengagement" which is especially important in the process of recovery for more inaccessible measuring locations;
- in the framework of the construction plan of the AMM/AMI (Advanced Metering Management / Advanced Metering Infrastructure) system we have installed in household and small business customers 11,275 new system meters and exceeded the annual plan by more than 5 %;
- in 29,400 household and other business customers that are included in the advanced measuring system, we have established conditions for further actions of Demand Side Management (DSM). Moreover, we enabled them the payment of electricity used according to actual measured quantities, and a one- or two-tariff mode of electricity measurement;

- with network users who are included in the industrial AMR (Automatic Meter Reading) or AMM/AMI system, we have included in the measuring system, where the measuring device enables event monitoring, a module for event monitoring at measuring locations and prepared demands for the development of information tools for their processing;
- altogether we have replaced 19,491 measuring devices. Thus, the annual plan of replacements was realised by more than 98 %. The still operational measuring devices were serviced and re-certified.

3.3.5 Maintenance

Maintenance works were performed on all voltage levels of the system in accordance with the objectives set in the amending budget of the economic plan for 2009, which means the dispersal of maintenance works on the entire territory of the Joint-Stock Company Elektro Maribor. We are noticing that preventative maintenance is being replaced by curative maintenance in the maintenance process which means repairing and eliminating deficiencies.

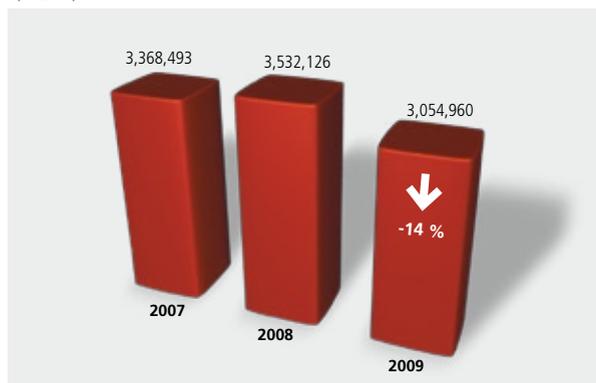
Despite smaller available funds, we have on 110 kV facilities performed all necessary and planned maintenance works. Because of rationalization of costs, we have reduced the scope of work on the medium voltage level.

During the year, unplanned but urgent interventions on electricity installations were performed. In January, the heavy snowfall and the weight of snow damaged more than 6,000 km of overhead medium and low voltage power lines. Because of this, 35,000 customers in Kozjak, Slovenske gorice, Haloze, Prlekija and Goričko remained without electricity. In extremely harsh working conditions our employees showed exceptional commitment, perseverance, professional competence, diligence, and showed a sense of belonging to the company. In a relatively short time, they ensured a renewed electricity supply to our customers. The damage was estimated at 2,600,000 EUR. The repair of damaged installations was performed during the entire 2009, so no other planned regular maintenance works were done and these are planned for the year 2010.

To ensure the safe and reliable operation of the electricity system we have in 2009 also realized the following actions:

- testing the safety equipment (indicators, earthings),
- organising a day-and-night duty for repairing defects on

Change in maintenance costs
(in EUR)



the entire power supply territory of the company where the efficiency is reflected in the response time of up to 1 hour,

- maintaining the telecommunication installations and information technology for enabling an optimal operation and availability of the control system.

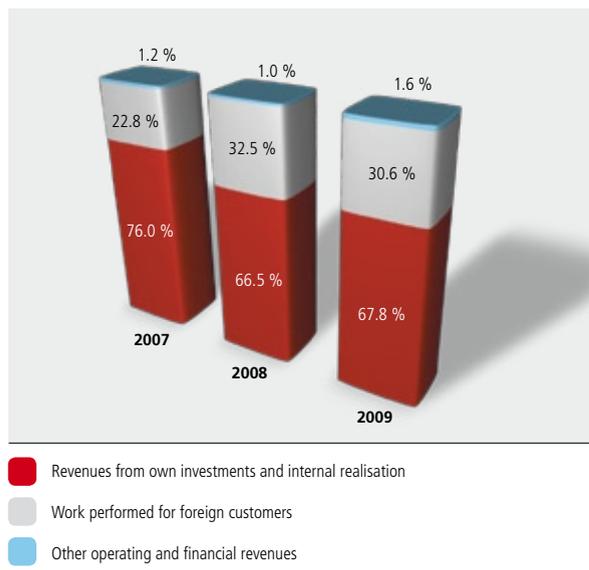
For controlling the telecommunication and tele-information network, we have in this period performed activities in the field of investments and regular maintenance in accordance with the objectives set in the amending budget of the economic plan. We have upgraded and extended the telecommunication network for the needs of process and business informatics. We have installed new radio transport video cameras for videotaping radio communications of electricity system operations. We have installed the UPS power supply systems (TS Murska Sobota) to ensure the reliable operation of telecommunication devices and perform regular checks of telecommunication installations.

3.3.6 Services on the Distribution Network and Services for Foreign Customers

In 2009, we have also performed regular maintenance works on electricity installations in the service sector and performed construction works on new constructions and reconstructions of electricity installations in accordance with the planned dynamics of the investment plan implementation of the Joint-Stock Company Elektro Maribor. Thus, we have realised the revenue from investments on the company's account and internal realisation in the amount of 9,376,379 EUR which is 20 % less than in the previous year and is the result of smaller investments in 2009.

In the service sector, we are also producing revenue with extra services to supplement the offer to our electricity buyers and several other electricity installation services which we enriched with engineering services. Beside performing electricity installation work, there is a measuring laboratory successfully operating in the service sector and performing tasks in the fields of controlling and verification of measuring instruments for electricity payment taking into consideration the SIST EN ISO/IEC 17020:2004 standard and granted accreditation by the Office for Metrology.

The revenue structure of the service sector



Revenues from the sale of services in the service sector were 4,235,267 EUR and are 26 % lower than the ones realised in 2008; however, they exceed the planned ones by 17 %. The increase in revenues from the sale of services in comparison with the planned ones can be attributed especially to a greater number of turnkey solar power plants, performance of works in the field of public lighting (motorway section Slivnica – Draženci), maintenance of foreign electricity installations and engineering services. The increase in the scope of the stated services is the result of an appropriate pricing policy and the active promotion to potential clients of our services with the emphasis on our competitive advantages, especially the knowledge and experience of our professional staff in acquiring new clients, as well as in performing works.

In the field of electricity installation services, we have reached all the objectives set in the economic plan 2009 with the exception of works on high-voltage power lines. Because of a halt in the realisation of the public procurement for supplying the 110 kV cable, the realisation of the cable conduit 110 kV TS Koroška vrata – TS Pekre.

In the measuring laboratory, we have adjusted the existent single-phase control measuring system for controlling single-phase electricity meters with terminals and succeeded in the acquisition of an extended accreditation by the measuring laboratory. Because of the extension of the restrictions of the Republic of Austria regarding crossborder services which are valid until March 2011, we were not able to expand our operations on the Austrian market.

3.4 INVESTMENTS

The company's investment plan for 2009 was prepared on the basis of the Electricity Distribution Network Development Plan of the Republic of Slovenia for a period of 10 years – in the geographic area of the Joint-Stock Company Elektro Maribor which was confirmed by the Government of RS. In this document, investments for the period of 2009 to 2018 are defined and are justified with the analysis of the state of the equipment, installations, and power lines, as well as with the studies on the electricity distribution network, and in 27,239,700 EUR with the planned indebtedness in the amount of 15,000,000 EUR. The granted amount of indebtedness from the Ministry of Finance was 10,400,000 EUR. Because of the expected harsher operating conditions, we limited the investments to 17,500,000 EUR. On the basis of the operating results, the Supervisory Board of the Joint-Stock Company Elektro Maribor on 22.9.2009 adopted a decision about additional funds for investments into the electricity installations in the amount of 2,700,000 EUR and on 16.11.2009 also for additional 341,000 EUR, so the total sum for planned investments in the second amending plan budget was 20,541,000 EUR.

From the more important investments, the construction of a 110 kV cable conduit of TS Koroška vrata – TS Pekre was excluded in the amending plan budget of investments in 2009 and was planned for 2010.

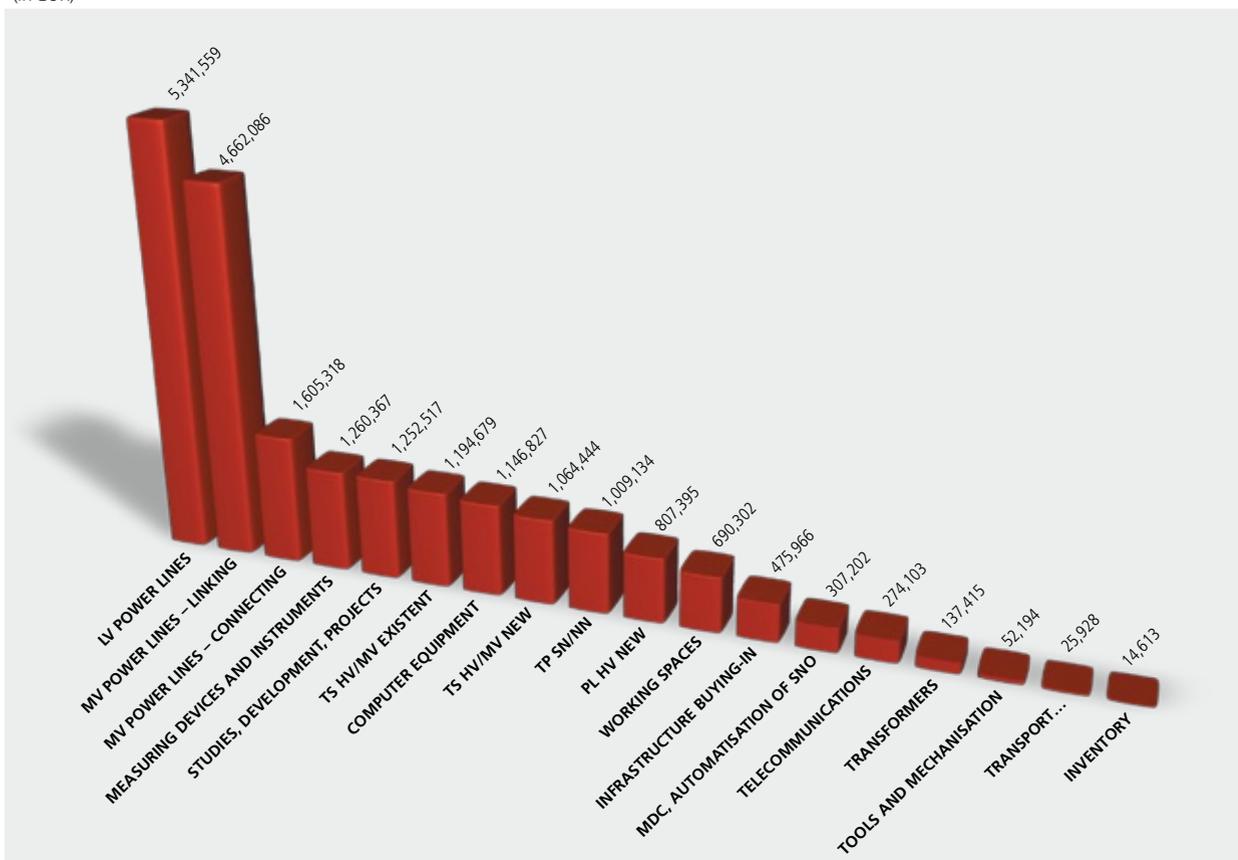
The realisation of investments in 2009 was 21,322,048 EUR and was 3.8 % higher in comparison with the planned investments.

A higher realisation of investments from the one planned was especially in the following investment categories:

- LV power lines – because of greater intervention investments into the electricity installations, especially in the renovation of the low-voltage networks as part of the damage repair after storms in January and August and also because of the increase of power with a greater amount of investment activity by the investors in our supply area where we must ensure a primary public electricity network,
- studies, development, and projects –the acquisition of investment documentation was in progress for constructing buildings in the following years,
- buying-in of the infrastructure – the electricity infrastructure was bought on the basis of agreements and applicable contracts,
- TS HV/MV new – because of finishing the constructing of TS Ptuj-Breg and its inclusion in the 110 kV network.
- transformers (operational reserve) – urgent purchase of necessary transformers for the supplementation of the operational reserve,
- equipment and mechanisation – purchase of necessary equipment in the service sector for the performance of works.

The company ensures the funds for investments from depreciation and other own resources, with long-term loans, and repayments for new connections to the network.

Investment realisation according to investment categories (in EUR)



The most important investment in the company was finishing TS Ptuj-Breg and its connection into the 110 kV network with connective overhead electrical power lines.

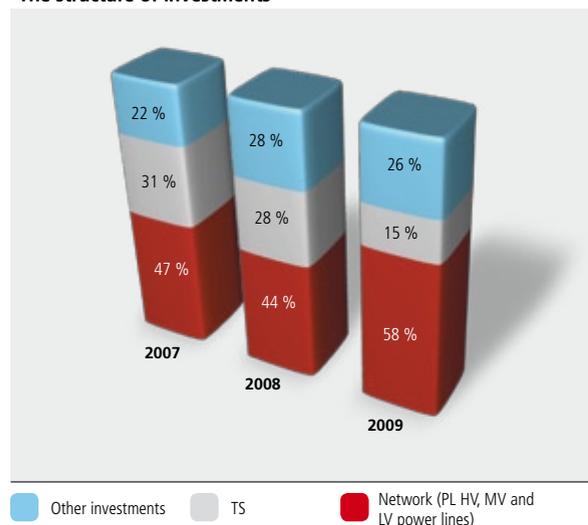
We have continued with the construction of TS 110/20 kV Mačkovci, which was stopped due to lack of funds and the amending budget of the investments plan and is going to continue in 2010.

We have finished the renovation of TS 110/10 kV Tezno – renovation of the 110 and 20 kV juncture. We have started with the replacement of electricity transformers in TS Slovenska Bistrica and TS Slovenske Konjice and it will be concluded in 2010.

With the realisation of other investments in 2009, we placed special emphasis on the renovation of the low-voltage and medium-voltage network, which were damaged in January and August 2009 due to storms, the construction of low-voltage and medium-voltage power lines and transformer stations MV/0.4 kV with the connection into the MV network, with the programme of improving poor voltage conditions, ensuring greater operating reliability, satisfying the needs for greater power, and monitoring the development and spatial plans of the municipalities. In the framework of these investments, we have constructed and renovated 55 km of MV electrical power lines, constructed 29 km of new LV electricity power lines, renovated 129 km of LV power lines, constructed 23 new TS MV/LV, and renovated 13 TS MV/LV.

In the structure of the investments, a large proportion is in acquiring investment documentation (5.9 % of the entire investment plan realisation) for electricity installations which are in our plans to be constructed in the following years on the basis of long-term development plans of the Joint-Stock Company Elektro Maribor.

The structure of investments



3.5 BUSINESS SUCCESS OF THE COMPANY

The year 2009 was most certainly marked by a deep economic crisis which also affected operations in the electricity industry. Direct consequences were less visible, but were noted through the decrease in the demand for electricity, unforeseen changes of prices for electricity on the sales and on the purchasing side, electricity companies were forced to limit and decrease some of the investment projects.

Some problems with supply in 2009 were caused by adverse weather conditions, but hard working maintenance teams managed to eliminate the errors as soon as possible. Because of fierce operating conditions, we adjusted the objectives defined in the company's economic plan during the year with the adoption of two amending budgets of the economic plan (EP) of the company for 2009.

In 2009, the most important external factors which influenced the operations of the company were:

- the reduction of quantitative demand for electricity – by 5 % in comparison with 2008, and a consequently smaller increase in revenues from electricity sales,
- smaller quantities of distributed electricity – by 4 % in comparison with 2008, and consequently smaller revenues from SODO d.o.o.,
- a smaller approved amount of a long-term loan for investments into the electricity infrastructure by the Ministry of the Economy, and consequently a smaller plan of investments and smaller revenues from our own investments,

- recognised compensated revenue from the network use is based on the regulation and prices from 2008, because the regulator EARS for 2009, which should have been the first year of a new regulation period, did not exercise the bases, criteria and parameters for defining the network charges for electricity network,
- increased number of nonpayers of electricity and consequently higher revaluating operating expenses and increased credit and liquidity risk,
- decreasing the economic activities in the field of construction, and consequently smaller revenues from the sale of construction services on the market.

Despite all this, the company finished the year 2009 efficiently and successfully, and exceeded the planned profit and increased its assets. We have exceeded the planned net operating result by 72.9 % which is mainly the result of a higher positive difference between the revenues from electricity sales and the cost of electricity purchases. The operating loss is smaller from the planned one by 39.9 % which is also the result of a higher positive difference between the revenues from electricity sales and the cost of electricity purchases. The added value per employee is 2.4 % higher than the planned one.

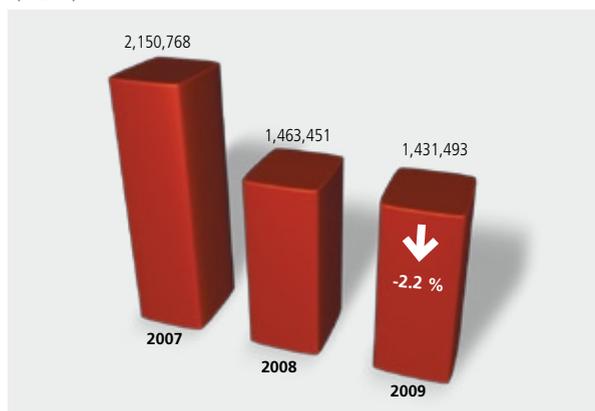
Business Success of the Company

Elements	2 nd amending budget GN 2009	2009	Deviation from the 2 nd amending budget GN 2009
Net profit or loss in EUR	827,978	1,431,493	72.9 %
EBIT (Operating profit and loss) in EUR	-1,914,503	-1,150,057	39.9 %
Added value on employee from hours in EUR	53,353	54,641	2.4 %
Investments in EUR	20,541,000	21,322,048	3.8 %
Sold electricity in MWh	1,894,316	1,900,932	0.3 %

3.5.1 Net Operating Result

The net operating result (IPI 20.) of the company was 1,431,493 EUR, which is 2.2 % less than in 2008 and is the result of smaller revenues from SODO d.o.o.

Net operating result (in EUR)



Elements	in EUR			Change 2009/2008
	2007	2008	2009	
Operating profit and loss	588,112	2,960,199	-1,150,057	-138.9 %
Financial result	269,766	163,559	80,780	-50.6 %
Result of other operations	1,292,890	-1,660,307	2,500,770	250.6 %
Net profit or loss	2,150,768	1,463,451	1,431,493	-2.2 %

Company's revenues

Elements	in EUR			Change 2009/2008
	2007	2008	2009	
Operating revenues	198,852,233	194,670,645	198,719,695	2.1 %
Financial revenues	683,364	1,066,415	718,180	-32.7 %
Other revenues	1,366,704	990,045	2,921,885	195.1 %
Total revenues	200,902,301	196,727,105	202,359,760	2.9 %

Costs and expenses of the company

Elements	in EUR			Change 2009/2008
	2007	2008	2009	
Operating costs and expenses	198,264,121	191,710,446	199,869,752	4.3 %
Financial expenses	413,598	902,856	637,400	-29.4 %
Other expenses	73,814	2,650,352	421,115	-84.1 %
Total costs and expenses	198,751,533	195,263,654	200,928,267	2.9 %

The company's revenues (IPI 1.+3.+4.+9.+10.+11.+15.) were 202,359,760 EUR, which is 2.9 % more than in the previous year and is the result of higher revenues from electricity sales and other revenues from claims received.

The costs and expenses of the company (IPI 5.+6.+7.+8.+12.+13.+14.+16.) were 200,928,267 EUR, which is 2.9 % more than in the previous year and is the result of the higher costs of electricity purchase.

3.5.2 Operating Profit or Loss

Operating profit or loss (IPI 1.+3.+4.-5.-6.-7.-8.) is a loss in the amount of 1,150,057 EUR. In the previous year, we reached an operating profit due to reaching a greater positive difference between revenues from electricity sales and the cost for electricity purchases.

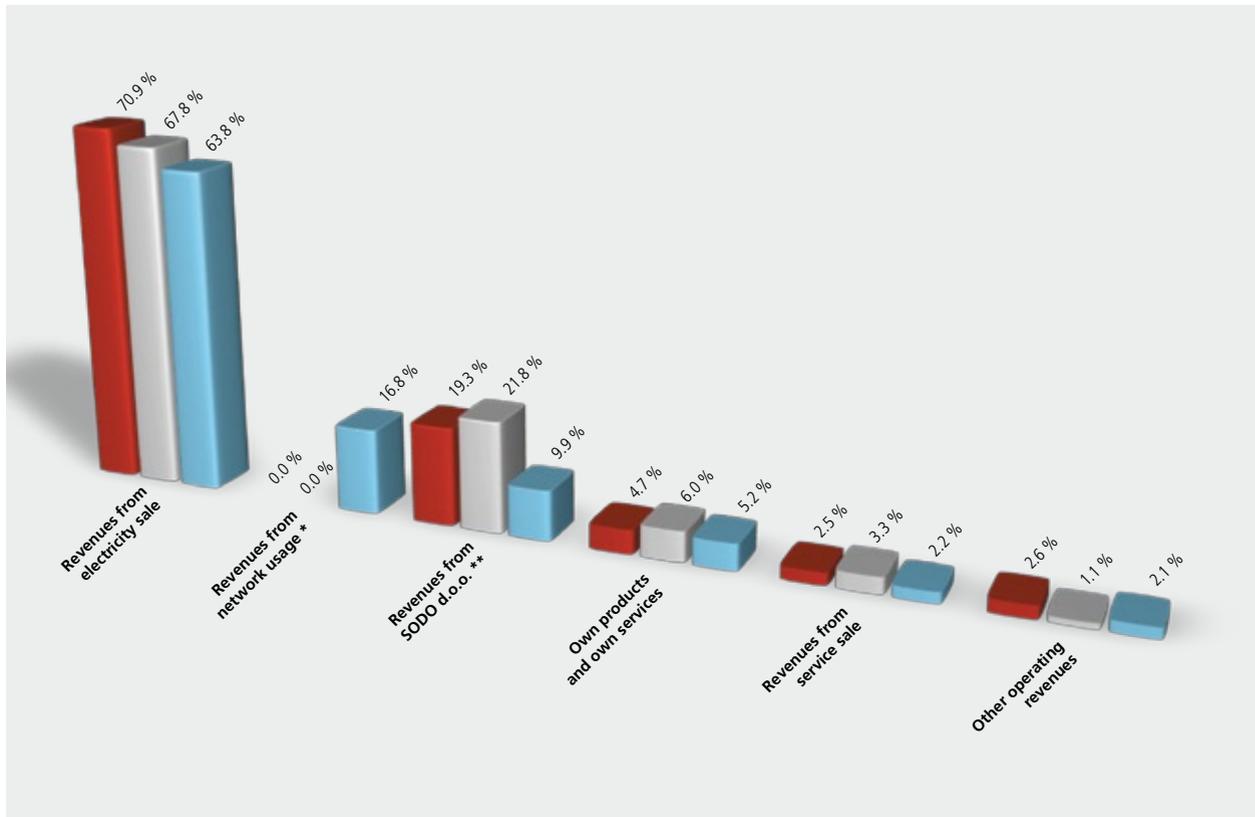
3.5.2.1 Operating revenues

Operating revenues (IPI 1.+3.+4.) were 198,719,695 EUR, which is 98.2 % of all revenues of the Joint-Stock Company Elektro Maribor.

Net sales (IPI 1.) of the company were 185,014,426 EUR, which is 2.1 % more than in the previous year and is the result of higher revenues from electricity sales to customers. Among the net sales are the following:

- **revenues from electricity sales** (IPI part 1.) were 140,911,449 EUR, which is 7 % more than in the previous year and is the result of an 11.6 % higher average selling price of electricity;
- **revenues from SODO d.o.o.** (IPI part 1.), concerning the rent for the electricity infrastructure and services performed for SODO d.o.o., were 38,444,558 EUR and are 9 % small-

The structure of operating revenues



■ 2009 ■ 2008 ■ 2007

* Revenues from the network usage are due to the foundation of the SODO d.o.o. Company realized only until 1.7.2007.
 ** Revenues from SODO d.o.o. are due to the foundation of the SODO d.o.o. Company realized only from 1.7.2007 onwards.

er than in the previous year especially because of a decrease in distributed electricity by 4 % and the changed methodology for charging rent and services done;

- **revenues from the sales on the market** (IPI del 1.), which were realised in the amount of 4,899,469 EUR which is 23 % less than in the previous year and is the result of lower revenues in the field of construction works.

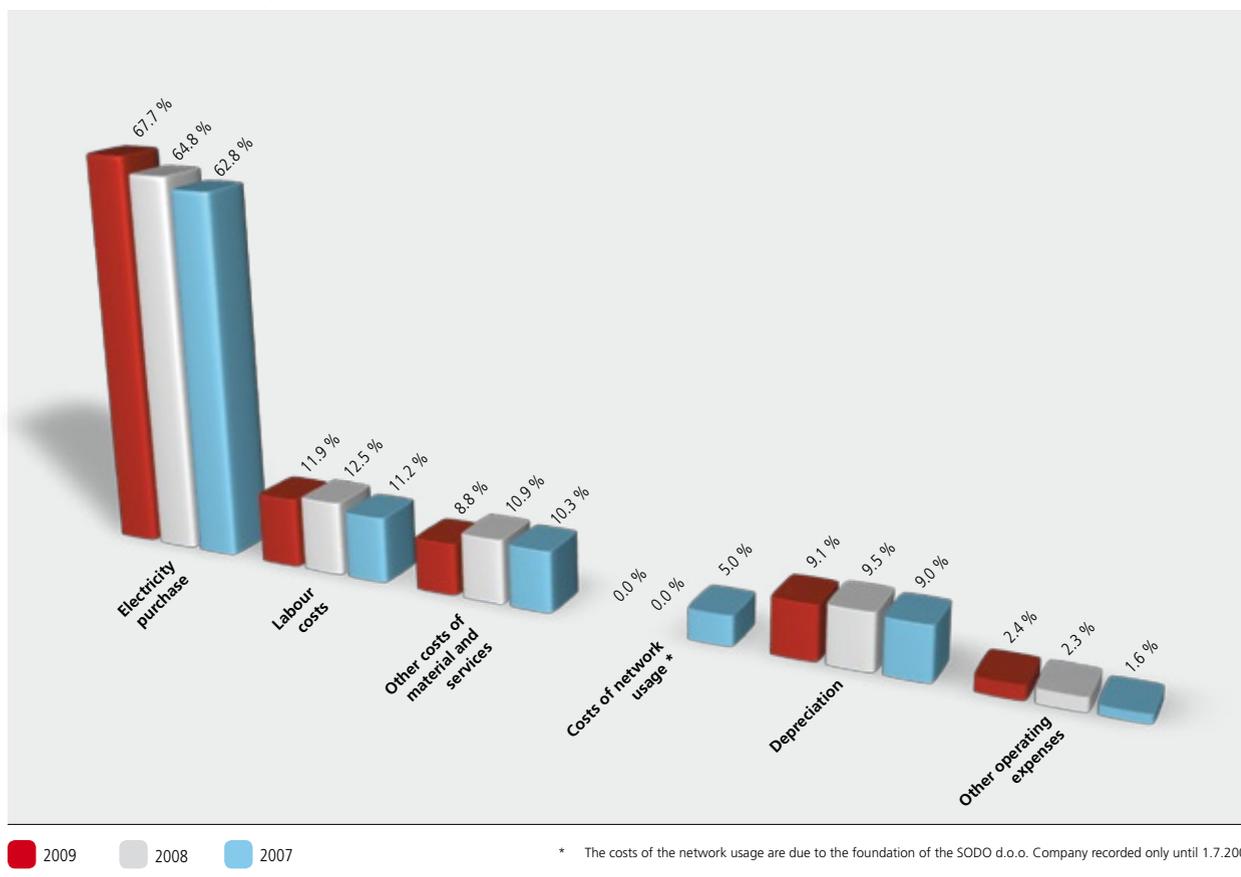
Revenues from own products and own services (IPI 3.) were realised in the amount of 9,376,379 EUR which is 20 % less than in the previous year and is the result of smaller investments in 2009.

Other operating revenues (IPI 4.) which were realised in the amount of 4,328,890 EUR and are 156 % higher than in the previous year which is the result of the higher recovery of electricity claims.

3.5.2.2 Operating Costs and Expenses

Operating costs and expenses (IPI 5.+6.+7.+8.) were 199,869,752 EUR, which is 99.5 % of all costs and expenses of the Joint-Stock Company Elektro Maribor.

The structure of costs and expenses



Acquisition price of goods sold and costs of materials used (IPI 5a.) were in the amount of 144,166,980 EUR, which is 6 % more than in the previous year and is the result of higher costs for electricity purchase. Among these costs are the following:

- **costs of the purchase of electricity** (IPI part 5a.) which were 135,309,672 EUR and were in comparison with the previous year 9 % higher which was the result of a higher average purchasing price of electricity of 14.2 %.
- **costs of material at investments** (IPI part 5a.) which were 3,683,089 EUR which is 41 % less than in the previous year and was the result of the smaller scope of the investments, because of which the costs of material at investments were smaller, as well.

Costs of services (IPI 5b.) were in the amount of 8,807,404 EUR and were in comparison with the previous year 0.5 % higher which was the result of the higher costs of services for further payment which are related to the repair of damage.

Labour costs (IPI 6.) were 23,805,866 EUR which is 1 % less than in the previous year and is the result of the suspension of taxes for employment income. In 2009, we complied with the provisions of the Collective Agreement on the interim salary harmonisation with the changes in the cost of living.

Write-downs in value (IPI 7.) were in the amount of 21,906,146 EUR which is 3 % more than in the previous year and is the result of higher revaluation of claims due to doubts about payment. Among these costs are the following:

- **depreciation costs** (IPI 7a.) in the amount of 18,241,670 EUR,
- **Revaluated operating expenses associated with current operating assets** (IPI 7c.) in the amount of 3,580,589 EUR which relate to the revaluation of claims due to doubts about payment.

Other operating expenses (IPI 8.) in the amount of 1,183,356 EUR were 8 % smaller than in the previous year which is the result of the fact that we do not have provisions for liability of the transfer of the excess of revenue earmarked funds on the costs from the extra for the obligatory purchase of electricity from qualified consumers from the period of 2002 to the end of 2008, to the Centre for support.

3.5.3 Financial Result

Financial result (IPI 10.+11.-13.-14.) was positive and in the amount of 80,780 EUR which is 50.6 % less than in the previous year and was the result of smaller revenues from deposits given.

Financial revenue from loans given (IPI 10.) were 183,556 EUR and are related to revenues from deposits given (short-term tied funds with business banks) which is 65 % less than in the previous year.

Financial revenue from the operating receivables (IPI 11.) in the amount of 534,624 EUR are related especially to revenues from interests for electricity and are 0.1 % higher than in the previous year.

Financial expenses from financial liabilities (IPI 13.) were 619,080 EUR and are related especially to interests from long-term loans and were 31 % less than in the previous year.

Financial expenses for operating liabilities (IPI 14.) in the amount of 18,320 EUR and are related especially to expenses for late payment interests.

3.5.4 The Result of Other Operations

The result of other operations (IPI 15.-16.) was positive and in the amount of 2,500,770 EUR. In the previous year, we operated with a loss from other operations because we included the fine from the Competition Protection Office of RS.

Other revenue (IPI 15.) in the amount of 2,921,885 EUR is related especially to revenues from the insurance payments received for cases of damage on electricity installations and were 195 % higher than in the previous year.

Other expenses (IPI 16.) in the amount of 421,115 EUR were 84 % less than in the previous year because we included the fine from the Competition Protection Office of RS in the amount of 2,561,720 EUR.

3.5.5 Operations by Activities

The EDS activity operated with a profit in the amount of 772,867 EUR which is 33 % less than in 2008 and was influenced by the lower revenues from SODO d.o.o.

The Purchase and selling of electricity activity reached the profit in the amount of 658,626 EUR which is for 108 % more than in 2008 and was the result of lower other costs in 2009.

Operating result by activities

Activity	in EUR		
	2007	2008	2009
EDS	-725,425	1,146,780	772,867
Purchases and Sales	2,876,193	316,671	658,626
Total	2,150,768	1,463,451	1,431,493

3.5.6 Financial State

The balance sheet presents the scope and structure of the long-term and short-term assets on a specific day, and the scope and structure of their financing..

Changes of the balance sheet sum

	in EUR		
	31.12.2007	31.12.2008	31.12.2009
Assets	303,043,957	321,405,893	325,829,965
Long-term assets	251,328,156	266,869,271	272,379,756
Current Assets	51,601,521	54,475,336	53,426,966
Short-term deferred costs and accrued revenue	114,280	61,286	23,243
Liabilities	303,043,957	321,405,893	325,829,965
Equity	222,681,275	222,565,470	223,996,963
Reservations and long-term accrued costs and deferred revenue	29,834,108	33,300,816	38,221,959
Long-term liabilities	8,512,966	16,312,604	18,778,908
Short-term liabilities	41,868,051	45,727,181	39,818,037
Short-term accrued costs and deferred revenue	147,557	3,499,822	5,014,098

The assets and liabilities of the company were on 31.12.2009, 325,829,965 EUR (assets BS A+B+C and liabilities BS A+B+C+Č+D) and increased since the beginning of the year by 4,424,072 EUR or by 1 %.

The long-term assets increased in comparison with the previous year (assets BS A) by 5,510,485 EUR especially due to new investments into tangible and intangible fixed assets.

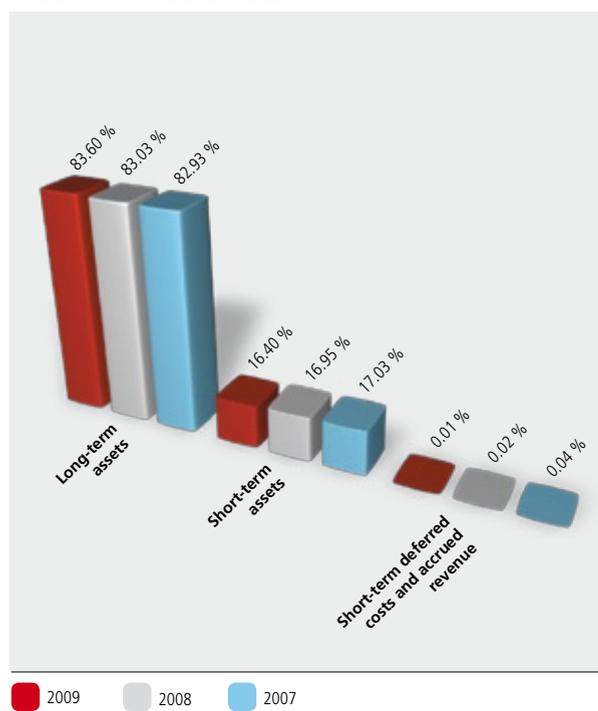
The assets intended for investing into fixed assets of the company were in 2009 in the amount of 21,322,048 EUR and changed in the last three years as presented in the following table:

	in EUR		
	31.12.2007	31.12.2008	31.12.2009
Assets value	248,692,889	264,257,079	269,751,089
The amount of investment into fixed assets (intangible FA, tangible FA and investments in real estate)	26,289,374	31,776,183	21,322,048

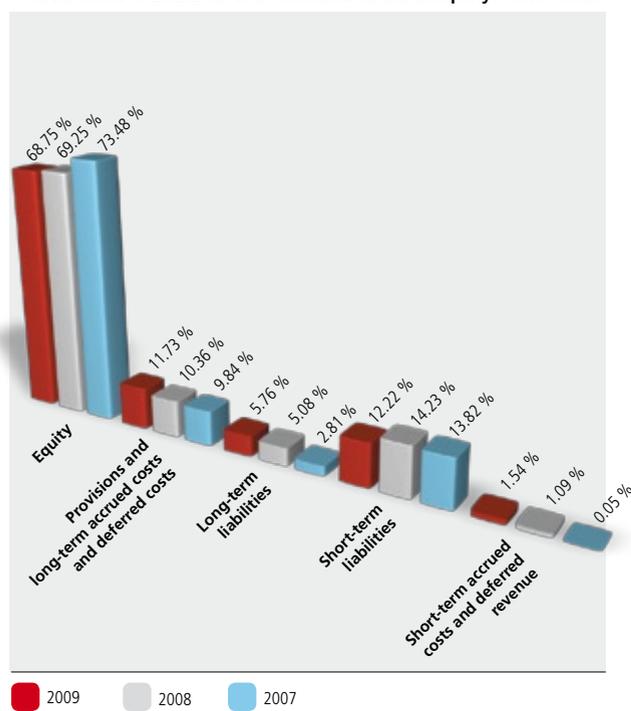
The short-term assets of the company were on 31.12.2009, 53,426,966 EUR and were smaller by 1,048,370 EUR than in the previous year.

The change in short-term assets in the shown years from the company's operations is presented in the following table:

The Structure of the Resources



The Structure of Liabilities with Reference to the Company's Own Funds



	in EUR		
	31.12.2007	31.12.2008	31.12.2009
Inventories	2,014,828	1,873,433	2,206,769
Short-term financial investments	2,002,596	1,645	0
Short-term operating receivables	44,701,105	41,454,133	43,824,263
Cash	2,882,992	11,146,125	7,395,934
Total current assets	51,601,521	54,475,336	53,426,966

Among the short-term assets, the material inventories increased the most, by 333,336 EUR, and also the short-term operating claims due from others by 2,987,515 EUR, especially because of claims for the unjustified termination of contracts for electricity supply. A smaller amount of cash, which has in comparison with the state at the end of the previous business year, decreased by 3,750,191 EUR, which influenced the decrease in short-term assets.

The ratio between the short-term and long-term assets in the structure of the assets to some extent changed in favour of long-term assets because its share increased by 0.56 percentage points and was 83.6 %.

The short-term deferred costs and accrued revenue were in comparison with the identical period from the previous year reduced by 62 % which was especially due to the smaller amounts of subscriptions and tuition fees paid in advance.

Liabilities represent the method of financing assets which are at the company's disposal on a specific day.

The company's equity was on 31.12.2009, 223,996,963 EUR (liabilities BS A) and was higher than in 2008 by 1,431,793 EUR. The profit for the current year in the amount of 1,431,493 EUR affected its increase.

Provisions and long-term accrued costs and deferred revenue increased by 4,921,143 EUR (liabilities BS B). Long-term accrued costs and deferred revenue increased the most, which was mostly due to free-of-charge house connections and other fixed assets and assets gained from the average costs of connection to the network and co-financing of electricity installations.

Long-term liabilities increased due to a newly raised loan in 2009 for financing new investments in the electricity infrastructure.

The change in the borrowing in the years concerned is presented in the following table:

	in EUR		
	31.12.2007	31.12.2008	31.12.2009
Loans (long-term + short-term part)	11,506,163	21,652,966	26,199,270
Index	226	188	121

Short-term liabilities decreased by 5,909,144 EUR (liabilities BS Č), which was especially due to the decrease in liabilities to suppliers for fixed assets and for purchased material for constructing and finishing.

Short-term operating liabilities changed in the periods concerned as shown in the following table:

	in EUR		
	31.12.2007	31.12.2008	31.12.2009
Short-term operating liabilities	38,872,928	39,800,612	32,386,924
Index	134	102	81

Short-term accrued costs and deferred revenue are in the amount of 5,014,098 EUR (liabilities BS D) and represent a 43 % increase in comparison with the previous business year. The increase mostly concerns the cost provisions from unused annual leaves to 2009 and from short-term deferred revenues for claims due to the termination of contracts.

3.5.7 Monetary Result

The strict macroeconomic situation substantially influenced the operation of the Joint-Stock Company Elektro Maribor. The excess of the operating cash flow in 2009 was substantially smaller than in 2008. The two principal reasons were, higher claims from operating activities and a deterioration in corporate liquidity.

The widespread economic crisis also had consequences for investments in the electricity infrastructure. The excess of cash flow from investment activities in 2009 in comparison to the years 2008 and 2007 was smaller due to smaller investments in tangible fixed assets.

The excess of cash flow from financing activities was lower in 2009 due to higher expenses for repayments of long-term loans which were raised with the intention of financing long-term investments in the electricity infrastructure.

The closing balance of cash in 2009 was positive in the amount of 7,395,934 EUR which was less than in 2008.

Items from the cash flow statement

	in EUR		
Items	2007	2008	2009
Excess of operating cash flow or excess of operating expenditures	14,564,299	21,668,237	10,953,725
Excess of cash flow from investment activities or excess of expenditures from investment activities	-20,270,512	-21,700,828	-18,041,490
Excess of cash flow from financing activities or excess of expenditures from financing activities	5,375,003	8,295,724	3,337,574
Closing cash balance	2,882,992	11,146,125	7,395,934

The liquidity situation did not change significantly in 2009 in comparison with 2008 which can be seen in the graphs presented below.

The debt share in financing increased in 2009 as well and this was the result of raising new long-term loans for the construction of electricity facilities and devices to enable a proper and reliable electricity supply to our customers.

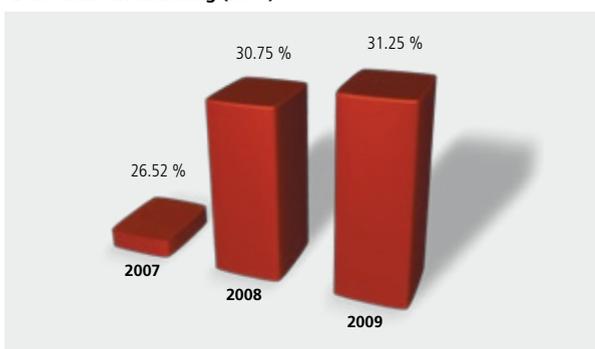
The long-term assets ratio has in every year been greater than 1 which is positive and shows that we go by the golden balance sheet rule about the financing of long-term assets with long-term sources. Long-term sources are being increased

with new long-term debts with the intention of increasing the value of the tangible fixed assets.

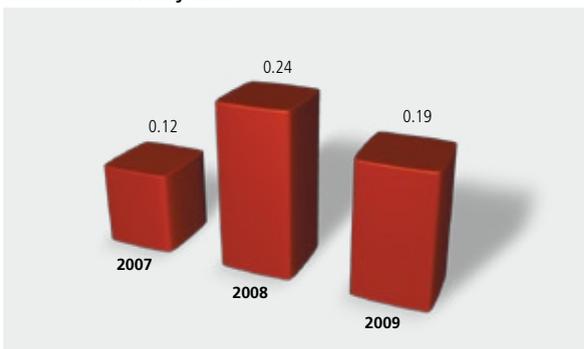
The short-term liabilities ratio (immediate solvency ratio) to some extent decreased in 2009 which means that the company has a somewhat smaller coverage of short-term debts with liquid assets.

In the last three years, the current ratio has been greater than 1 which means that short-term assets are financed with short-term liabilities.

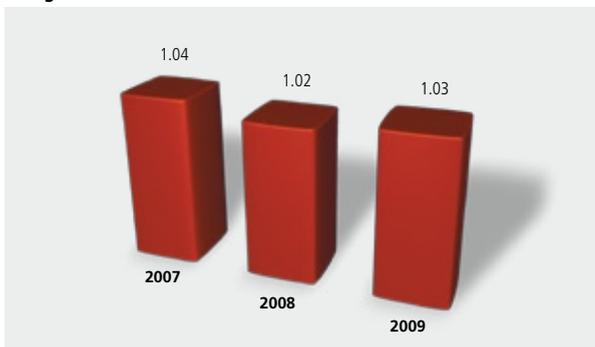
Debt share in financing (in %)



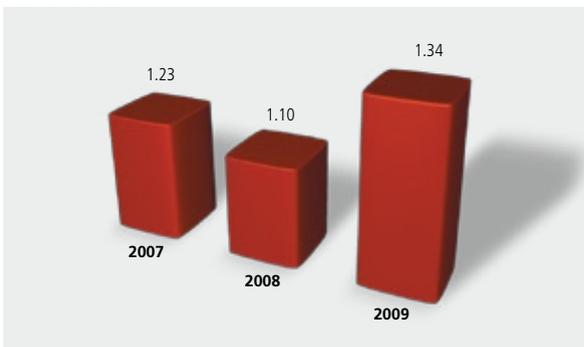
Immediate solvency ratio



Long-term assets ratio



Current ratio



3.5.8 Operations Indexes

The effectiveness of the company's operating activities are measured with the operation's indexes:

- indexes of financing activities are directed towards the analysis of the company's financing activities;
- indexes of investment activities with which we analyse the structure of the assets;
- indexes of financial solvency with which the credit status of the company is determined;
- indexes of operating successfulness with which we can determine the profitability of assets, equity and revenues;
- indexes of the horizontal financial structure with which we can assess the matching of assets with liabilities;
- indexes of economy which explain the operating results achieved in relation to the contributions necessary for their creation;
- indexes of profitability with which we can determine the relation between the specified return and average investments;
- indexes of profitability with which we can assess and study the participation of the employees, the State, funders and companies in revenues and the calculated average net salary.

	2007	2008	2009
I. INDEXES OF FINANCING ACTIVITIES			
Rate of the ownership of the financing activities in % = equity / liabilities	73.48	69.25	68.75
Rate of the long-termness of the financing activities in % = capital + long-term debts + reservations + long-term accrued costs and deferred revenue / liabilities	86.14	84.68	86.24
Rate of basic equity in % = capital	62.77	62.80	62.40
Quality of the net current operating assets = short-term assets (without short-term financial investments) – short-term investments – short-term accrued costs and deferred revenue / average long-term liabilities + reservations and long-term accrued costs and deferred revenue	0.23	0.12	0.16
II. INDEXES OF INVESTMENT ACTIVITIES			
Rate of basic investment activities in % = fixed assets / assets	81.83	81.98	82.56
Rate of the long-termness of investment activities in % = fixed assets and long-term deferred costs and accrued revenue + long-term financial investments + investments in real estate + long-term operating receivables / assets	82.93	83.03	83.60
III. INDEXES OF THE HORIZONTAL FINANCIAL STRUCTURE			
Capital coverage of fixed assets ratio = capital / fixed assets	0.90	0.84	0.83
Direct coverage of short-term liabilities ratio (immediate solvency ratio) = liquidity assets / short-term liabilities	0.12	0.24	0.19
Accelerated coverage of short-term liabilities ratio (accelerated ratio) = liquidity assets + short-term claims / short-term liabilities	1.18	1.15	1.29
Short-term coverage of short-term liabilities ratio (current ratio) = short-term assets / short-term liabilities	1.23	1.19	1.34
IV. ACTIVITY INDEXES			
MWh Sold per number of customers = quantity of electricity sold / number of clients	11.27	9.94	9.41
Maintenance costs per km of network = maintenance costs / km of network	211	217	187
V. ECONOMY INDEXES			
Economy of operating activities index = business revenue / business expenditure	1.00	1.02	0.99
Total economy index = total revenue / total expenditure	1.01	1.01	1.01
VI. PROFITABILITY INDEXES			
Equity profitability (ROE) in % = net operating result / average equity (without net operating result)	0.97	0.66	0.64
Assets profitability (ROA) in % = net operating result / average assets	0.74	0.47	0.44
Operating revenue profitability rate in % = operating result / operating revenue	0.28	1.52	-0.58
Net operating revenue profitability rate in % = net operating result / operating revenue	1.08	0.75	0.72
Capital dividends in % = sum of dividends / average capital	0.48	1.13	0.00
VII. CASH FLOW INDEXES			
Net operating revenue rate in % = excess of operating revenue / operating revenue	7.32	11.13	5.51

Rate of the ownership of financing activities

The company finances itself mainly from its own sources. The capital share in financing was 68.75 % and is smaller than in the previous year which is the result of the higher value of long-term accrued costs and deferred revenue and the higher value of long-term and short-term financial liabilities to banks.

Rate of the long-termness of financing activities

The company finances 86.24 % of its own assets with long-term sources. In comparison with the previous year, the company has a higher level of long-term financing.

Rate of basic equity

The equity share of the company's equity was 62.40 % and was lower than in the previous year due to the higher capital (especially net profit).

Quality of net current operating assets

The quality of the net current operating assets represents the ratio between the part of the current operating assets which was financed with long-term sources and long-term debts. The higher value in 2009 shows that the participation of long-term debts in the financing of net current operating assets was lower than in 2008.

Rate of basic investment activities

The share of fixed assets in all the company's assets was 82.56 % and was higher in comparison with the previous year due to the higher value of the tangible fixed assets.

Rate of the long-termness of investment activities

The share of long-term assets in all the company's assets was 83.60 % and was higher than the previous year.

Capital coverage of the fixed assets ratio

The capital coverage of the fixed assets is the ratio between the capital and the fixed assets. The value of the index was 0.83 which means that a large proportion of the most insolvent assets was financed with capital.

Immediate solvency ratio

The immediate solvency ratio shows that the company has a smaller coverage of short-term debts with solvent assets (short-term financial investments and cash) in comparison with the previous year which is the result of smaller amounts of cash.

Accelerated ratio

The accelerated ratio shows that the company has a higher coverage of short-term debts with solvent assets and short-term claims than in the previous year which is the result of higher short-term claims and lower short-term operating liabilities.

Current ratio

The company finances all its short-term assets with short-term sources. The ratio is higher than in the previous year which is the result of lower short-term operating liabilities.

MWh sold per the number of customers

The MWh sold per the number of customers were smaller in 2009 than in the previous year which is the result of smaller quantities of electricity sold in 2009.

Maintenance costs per km of network

The maintenance costs per km of network were smaller in 2009 than in the previous year which is the result of lower maintenance costs in 2009.

Economy of operating activities ratio

The economy of operating activities ratio was 0.99 which means that the company made on every 100 EUR of operating costs 99 EUR of operating revenue.

Total economy ratio

The total economy ratio was 1.01 which means that the company made on every 100 EUR of operating costs 101 EUR of total revenue.

Equity profitability (ROE)

The equity profitability shows that the company made on every 100 EUR of invested capital 0.64 EUR of profit.

Assets profitability (ROA)

Assets profitability shows that the company made on every 100 EUR of all assets 0.44 EUR of profit.

Operating revenue profitability rate

The operating revenue profitability rate shows that the company made on every 100 EUR of operating revenue 0.58 EUR of operating loss.

Net operating revenue profitability rate

The net operating revenue profitability rate shows that the company made on every 100 EUR of operating revenue 0.72 EUR of net profit.

Capital dividends

On a proposal from the management and Supervisory Board of the company to the Assembly of shareholders, the balance sheet profit of the business year 2009 was distributed to other profit reserves.

Net operating revenue rate

The net operating revenue rate is calculated as the ratio between the excess of operating income and operating revenue. The index value was 5.51 % and shows that on every 100 EUR of operating income the company created 5.51 EUR of mark-up on the operating revenue.

3.6 RESEARCH AND DEVELOPMENT

The Development of the Electricity Distribution Network

In the field of the development of the electricity distribution network, the Electricity Institute Milan Vidmar has in the framework of the five-year project of developmental studies of electricity distribution networks in Slovenia (REDOS 2035) in 2009 for the area of the company, prepared developmental studies of the electricity distribution network with a related transformation of 110/20 kV until the year 2035 for the area of Maribor and neighbouring areas, for the area of Dravska dolina, and for the area of the distribution unit Slovenska Bistrica.

In researches in the fields of management and operation of the electricity distribution system, management of the infrastructure, influences of dispersed sources and users of electricity to the distribution networks, technology selection for switchgears and protection from bias, some of the tasks from the contractual period 2008/2009 were finished.

In the developmental department, we have done an electricity analysis for Murska Sobota, and an electricity analysis for Slovenska Bistrica is being prepared. Beside the stated, the argumentations for electricity conduits and buildings from the ten-year plan and studies REDOS 2035 for 2010 and 2011 were prepared. The analysis of an optimal number of built-in remote-control switches in the MV networks is being prepared and is going to be finished in the first half of 2010.

In the previous year, the amount of issued data, consent for connection and contracts on connections for electricity producers, especially for solar power plant and biogas co-generations. The number of issued documents for producers, especially analyses for connection, increased by 135 % in 2009 in comparison with 2008, and the number of issued documents by 25 %.

When the system operation instructions for the distribution network enters into force, and together with them the instructions for connecting and operating power plants of up to 10 MW, the analyses for the connection of dispersed sources are going to need spreading.

In the framework of the project of introducing the geographic information system to the general public, the entry of low-voltage networks on transformer stations MV (0.4kV) is in progress. Until mid December 2009, the entry of low-voltage networks of 478 transformer stations was realised out of the planned 669 transformer stations.

In the framework of the renewal of the information system, we cooperated with the user working group for a customer lifecycle. In the previous year, process diagrams were prepared for the preparation of guidelines, opinions, project conditions, consents to project solutions, consents for connections and contracts on connections. The company, Informatika d.d. prepared an application for issuing guidelines and opinions which

was also tested by the users. In 2010, the project continues with the preparation of applications for the preparation of other documents in the process of connecting users.

Development on Other Areas of Company's Activities

In the Joint-Stock Company Elektro Maribor, we are following the recommendations of the EU directives on the promotion of electricity production from renewable sources, on the promotion of measures for an efficient use of energy and the National Energy Efficiency Action Plan. We are aware that the company needs to follow the changes in operating conditions, because technology and productivity continue to improve and new business opportunities are emerging. We can answer new challenges only with an efficient and innovative developmental policy, considering the principles of social responsibility based on commitment to an ethical conduct, economic development, improvement of the quality of life of the employees, local community and society in general.

We would like to highlight the following among the developmental projects:

- the building of the system of advanced measurement with the use of smart meters which represents a new information infrastructure and will with the upgrade enable the optimal implementation of efficiency energy use measurement (32,000 business customers and households are already included in it),
- adjustment of software for the introduction of a multiple-tariff measurement of supplied electricity,
- preparation of a project for the introduction of more tariffs for electricity sales which are directed towards the additional promotion of efficient energy use and decreasing the peak power in the system.

Special attention is also being paid to photovoltaics, one of the sustainable technologies of electricity production in which we see excellent business opportunities, because the needs of this market are increasing from one year to the next. In 2009, we constructed numerous photovoltaic power plants with the total power output of 0.6 MWp, and in the following years, we are planning a significant increase.

Furthermore, special attention is being given to the placing of electricity power lines in areas where we are trying to preserve the appearance of the landscape and improve the living environment for the inhabitants in our supply area.

With constant improvement of internal processes and the development of new additional services, we are trying to meet the expectations of our business partners with the emphasis on the development of partnership relations that are based on long-term cooperation, mutual understanding and respect.

3.7 INFORMATION SUPPORT IN OPERATIONS

With information technologies and applicative solutions, we are enabling quality management of business processes. Moreover, we are ensuring the safety of the information capital in accordance with the regulations, legislation and organizational regulations in the field of information technologies.

The integrated information system (IIS) represents the central information system and operational support to all five companies for electricity distribution.

The content of the IIS renewal was defined in the action plan for 2009. The programme of the IIS renewal covers the majority of the company's operations and is based on the following essential requirements:

- the renewal of the information system needs to be built on reliability and a prospective technological infrastructure,
- the quality of programme solutions and the chance of upgrading (especially from the perspective of flexibility to changes of business processes) need to be ensured.

The coordination of the projects is extremely complex, the organisation of work the most complex part of the project as far as the number of participants and various legal subjects are concerned. In 2009, the documents needed for setting-up all our projects were designed and these are the result of planning the projects. Beside the technological and organisational projects, we started implementing the activities in the fields of common entities, payments and the connection of customers. Also, an important achievement is has been the introduction of the project management system which enables the preparation and implementation of renovation projects in accordance with the generally accepted standards.

In 2009, we also implemented some supplementations to the existent IIS and there were some smaller local applications developed. In the field of hardware, we changed the technologically outdated equipment and made some other changes in the field of server and communication equipment operations: the development of a highly-available virtualisation system on Windows Server 2008 R2 Hyper-V, physical server virtualisation (the beginning of the consolidation of servers and removal of older servers), transfer to the domain going from a Windows Server 2003 R2 to a Windows Server 2008 R2, the consolidation of the DB2 servers, and the implementation of network bandwidth tests.

3.8 THE SYSTEM OF QUALITY CONTROL

The successful operation of the company and meeting the needs and expectations of our customers, clients and business partners, and on the other hand the awareness of the employees about the meaning of continuous work for the quality assurance was in 2001 upgraded with the implementation of a quality system in accordance with the ISO 9001:2000 standard. In 2006, we had with regard to the SIST EN ISO/IEC 17020:2004 standard implemented the quality system in the measuring laboratory and accredited it at the Slovenian Accreditation Institute as the Supervisory Body. In providing a quality electricity supply, we have with the implementation and certification of the environmental protection system according to the ISO 14001:2004 standard in 2006, our care also transferred to the environmental field. By complying to legal and other demands, we are presenting our social responsibility. In 2008, we implemented and certified the system of health and safety at work according to the OHSAS 18001:2007 standard, and merged it into a uniform management system fulfilling the requirements of all stated standards.

In 2009, the improvement of the management system was performed by stimulating the employees to give their opinions for changes that would directly lead to the improvement of the management system or the performance of the basic activities, and the improvement of the management system according to the requirements of the new ISO 9001:2008 standard, as well as redefining the processes in the Joint-Stock Company Elektro Maribor.

With the desire for a better quality and more efficient work in the future, we are going to continue with our activities in 2010 and these will be directed towards the supplementation of the existent management system. Thus, we are going to start with the implementation of the system of information security according to the ISO/IEC 27001:2005 standard and the implementation of the Family-friendly company standard. At the Joint-Stock Company Elektro Maribor, we are certain that the supplementation of the quality management system in the sense of the implementation of the system of business excellence, with the preparations on the implementation of the self-evaluation system, is going to contribute to the strengthening of the competitive advantage of the company.

3.9 RISK MANAGEMENT

At the Joint-Stock Company Elektro Maribor, we are successfully recognising and managing risks which can threaten the successfulness of the operations. For recognizing and managing risks, the Chairman of the company's management and managers of individual sectors are responsible.

In our operations, we have noticed the following more significant risks which are presented in the following table.

Risk area	Risk description	Mode of risk management	Exposure	Amount of damage
1. Financial risks				
– credit risk	risk of non-payments from customers	credit ratings and insurance instruments, recovery from non-payers	high	great
– liquidity risk	financial insolvency	coordinated planning of liquidity assets needs	medium	moderate
– risk of the interest rate change	change in the financing conditions and raising loans	monitoring financial markets and a possibility of early loan repayment	small	moderate
2. Marketable risks				
	insolvent and nontransparent upstream market price risk decrease of economic activity and demand in the field of civil engineering	concurrent closing of the sales and purchase portfolios combined with various suppliers clear rules and suitable choice of insurance spreading of additional and existent activities and offering full services – engineering, at competitive prices	high	great
3. Operating risks				
– process performance	disturbances of the business process performance	the system of quality management ISO 9001, internal and external system operation assessment	low	low
– property of the company and the employees	exposure to environmental and weather influences	insuring the property and responsibility for the performance of activities, as well as insurance of people with a collective accident insurance; the OHSAS 18001 system for the field of health and safety at work	high	great
– personnel	lack of professionally qualified staff	granting scholarships, outsourcing, annual developmental debates, organisational climate measurements, stimulations for additional education, suitable awarding and internal communication systems	high	moderate
– inaccessibility of measuring locations	problems with recovery and disconnections	measures in accordance with the provisions of the General Requirements for electricity supply and consumption from the distribution network additional communication with the consumer installation of a meter with a remote-controlled circuit breaker	medium	great
– the overload of the calling centre	increased number of contacts with consumers longer response time discontent of consumers and poorer reputation of the company	transfer of consumers to other information channels (e-services, website)	medium	moderate
4. Regulatory risk				
	dependence on the bases of economic network charges and eligible costs regulations	active cooperation in the preparation of the Network Charges Methodology Act and criteria for determining eligible costs for the electricity network and network charges payment methodology; rationalisation of service performance costs and costs of maintenance for the distribution network	high	moderate
5. Information risk				
	disturbances in information support of business process performance	maintaining the existent information system and renewing the system	high	great

Financial Risks

Because of the harsh macro-economic situation in 2009, we placed great emphasis on financial risks which can in the case of poor management severely influence the business strategy of reaching the set objectives. Efficient financial risk management enables the company the following:

- greater predictability of cash flows and with this, facilitated financial planning,
- a higher rating or credit rating which enables the company facilitated borrowing with a lower interest rate and lower costs of credit approval and at the same time promoting a greater trust of the customers, suppliers and owners of the company,
- less exposure to payment uncertainty of the customers,
- less influence of various financial shocks which could threaten the achievement of business objectives.

In the insecure economic crisis situations, we were substantially dealing with **credit risk** management where a high exposure existed which could have had serious consequences for the company's operations. We tried to limit the exposure to credit risk with the following sets of measures:

- with the developed monitoring system of business partner rating which provides us the information about the insurance mechanism which we must include in the contract before the business is concluded to provide insurance in case of the customers' inability to satisfy contractual obligations,
- with constant monitoring of the payment index or late payments,
- with systematic and active control processes over the state of claims which provide us with the information about the state and structure of claims according to age, organisational units and individual customers which enables immediate action,
- with debt recovery in accordance with the system procedure on the debt recovery of electricity, network charges and interest,
- with recovery through judicial channels for more difficult claims with a high risk of limitation,
- with regular meetings and taking measures in the framework of various organisational services.

The risk of financial solvency or **liquidity risk** includes risks connected to the deficit of available financial sources and consequently with the inability of the company to meet its liabilities in the agreed deadlines. The exposure to liquidity risk was decreased with the following:

- with an up-to-date harmonisation and planning of cash flows on a weekly and monthly bases,
- with a short-term framework loan, we covered the deficit from the current operations and at the same time invest the surplus of cash into the solvent short-term financial investments,
- we are trying to reach the longest possible payment deadline with our suppliers and at the same time the quickest possible payment with our customers.

In 2009, we tried to decrease the long-term liquidity risk by raising a long-term credit which was intended for the construction of electricity installations and devices.

The exposure to the **interest rate risk** includes the possibilities of an increase in financing costs of sources tied to the changing interest rate because of the interest rate change on the market and is a reflection of commercial legality in the financial environment. We tried to avoid this risk by constantly monitoring the interest on the financial markets and with the possibility of early loan repayment without additional costs in the case of a disadvantageous change in the floating interest rate EURIBOR.



We are experts for the most demanding products and services. With the construction of photovoltaic systems, we are offering our customers a new, nature-friendly source of electricity production.



4.1 EMPLOYEES

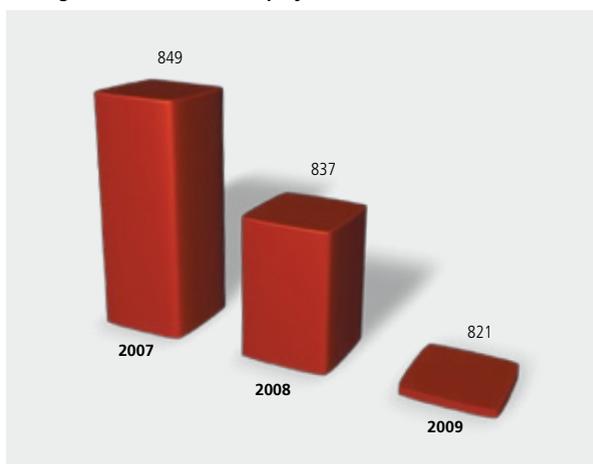
Employee movement

The number of employees is decreasing from year to year. Co-workers retire and not all are replaced with new workers. This reduction in staff is solved by internal reassignment and when installers retire, we employ new co-workers. During last year, we employed six installers and five graduate electrical engineers. The number of employees also decreased because of terminations of employment by common agreement, retirements due to invalidity and workers' deaths. Each year, we also employ our scholarship holders who after the traineeship remain in our company. In 2009, we employed six of our scholarship holders

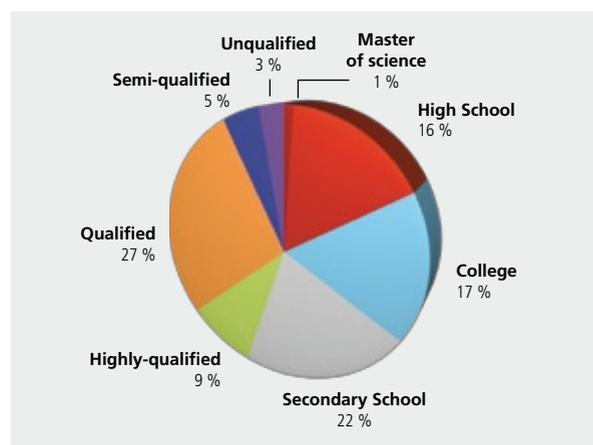
For several years the average age has been from 41 to 42 years, because the majority of our workers were born from 1962 to 1968. The average period of employment is related to the age of workers, so the average period of employment is 22 years.

	2007	2008	2009
Average age of the employees (in years)	41.8	41.9	42.4
Average period of employment of the employees (in years)	21.3	21.6	22.0

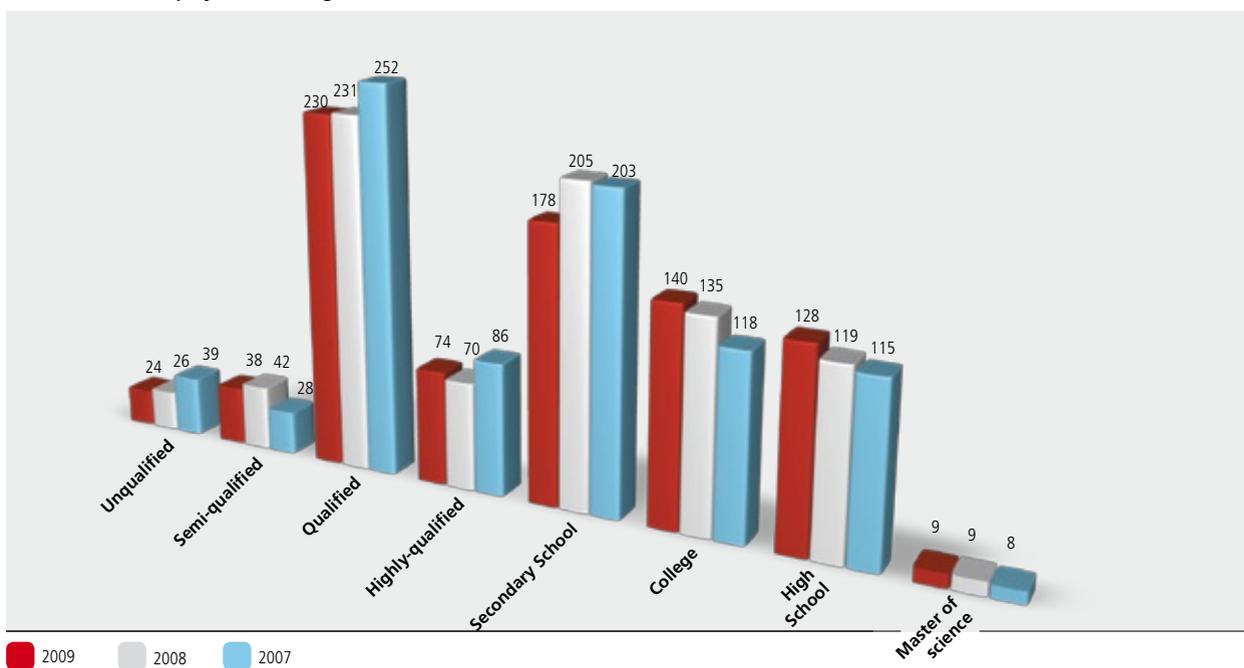
Change in the number of employees



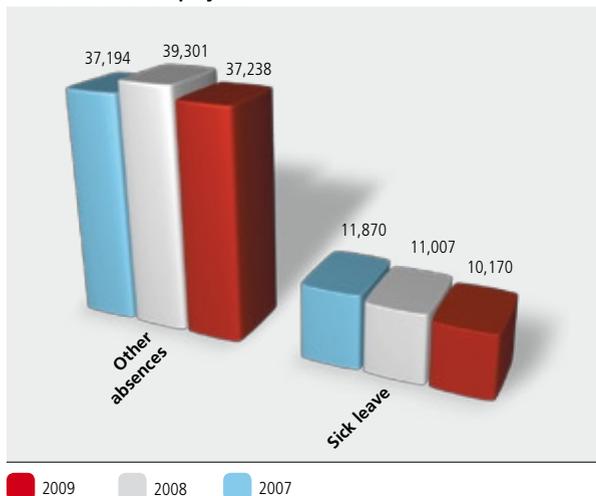
The structure of employees according to the level of education on 31.12.2009



The number of employees according to education



The absence of employees



Because of investing in development and new facilities and because of the competitiveness in the market, the number of employees with a higher level of education has increased.

In 2009, the absence of workers in comparison with the previous year was higher due to sick leave absences; however, in other absences (annual leave, paternity leave, absence from work with compensation), it was smaller.

Granting Scholarships

We encourage an interest for employment in our company by granting company scholarships for energetic and power electrical engineering. Each year, we grant ten scholarships, four for a secondary school electrical engineering programme and six for power electrical engineering, three for higher education and three for university programmes. Exceptionally, we granted ten

scholarships only for the secondary school electrical engineering programme. We enable our scholarship holders traineeship after their completed education and also further employment.

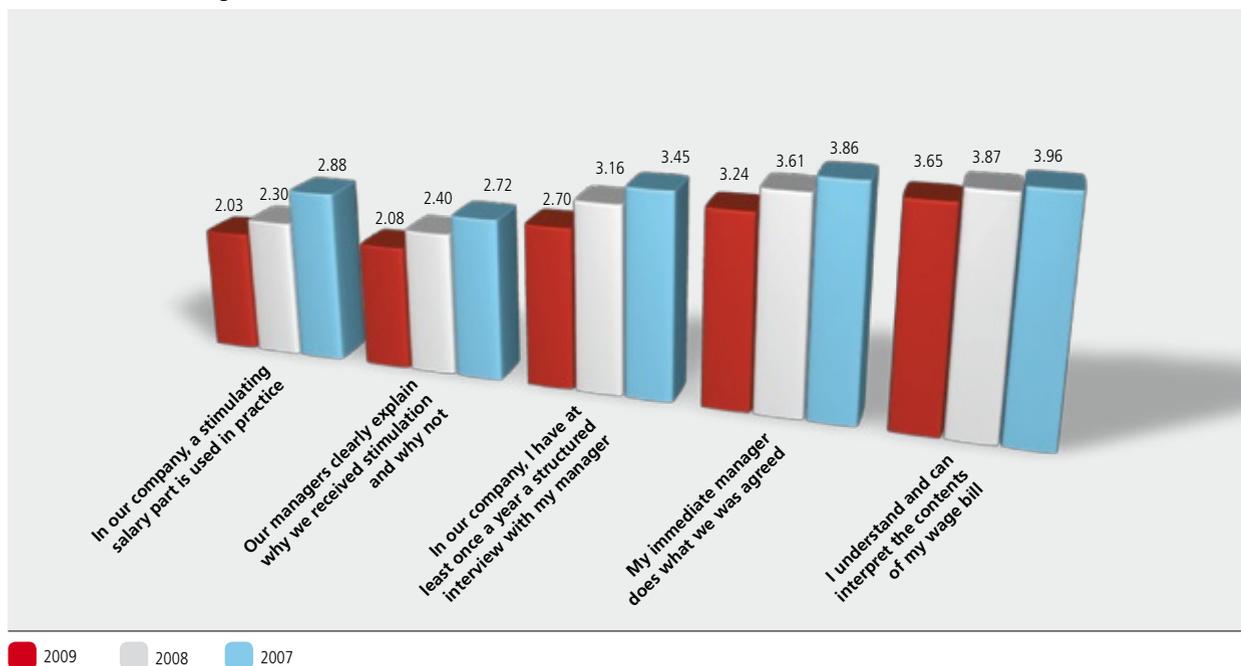
Education

Education and training of our employees represents the development of employees in the sense of discovering and broadening their inner potential and with this development in the area of work and their personal development. The result of this is that the employees can with the new or additionally gained knowledge broaden their expertise and creativity at work and with this reach the set objectives for the benefit of their own satisfaction and the company's. Because of this, we place great emphasis on the education or training of our employees. The employees' education is carefully planned and implemented according to the internal needs, set objectives or according to the development of the company and is adjusted to the current conditions in the labour market. We need to mention the fact that the development of employees is one of the most important motivational factors, so in our company, we place a great deal of emphasis on this.

Employee Satisfaction

Employees are the key factor for the development of the company and being able to reach our set business objectives. Because of this, caring for our employees is one of the most important objectives of our company. In 2009, we made an assessment of the organisational climate with the intention of determining the employees' satisfaction. The organisational climate analysis showed somewhat poorer results than in 2008. This information has told us that in 2010, we need to establish a better organisational climate and employees's satisfaction at all levels. For the business year 2010, we are planning the implementation of activities, education, trainings, various projects, and the use of suitable tools for the comprehensive improvement of the organisational climate and employees' satisfaction.

Measurement of the organisational climate



Our employees represent the Joint-Stock Company Elektro Maribor to our customers. Because of the large size of our company and the operations are at various locations, we are trying to bring the employees closer to each other, so that they spend time together and cooperate in various ways. This enables more efficient work and quality relations. In addition to help build better relations between the employees, we are organizing sporting events, excursions, and other events.

People with Disabilities

In the Joint-Stock Company Elektro Maribor we also have people with disabilities due to health problems and who have a lower work capability among our employees. We are ensuring suitable treatment and their needs are met in accordance with the Vocational Rehabilitation and Employment of Disabled Persons Act.

The Vocational Rehabilitation and Employment of Disabled Persons Act imposes on employers the responsibility for employing a certain number (quota) of persons with disabilities. We fulfil the quota in whole or also exceed it, because we have almost 10 % of persons with disabilities employed (the quota is 6 %). Because of the exceeded quota of persons employed with disabilities, we are entitled to receive funds or bonuses which are intended for the improvement of the working conditions of persons with disabilities and training and education (prequalification) for meeting the conditions of a suitable job.

The strategy which was already set in 2008 and which is going to be realised in 2010 was the founding of the company (a subsidiary company in the full ownership of the Joint-Stock Company Elektro Maribor) in which co-workers with disabilities are going to be employed. In this company, the workplaces are going to be specially adapted and safeguarded, and the working environment is going to be better for the workers with disabilities. Co-workers will have all the rights and bonuses which they had in the parent company. In 2009, the project with this theme was implemented and all the necessary activities for the founding and operating of the subsidiary company have been implemented.

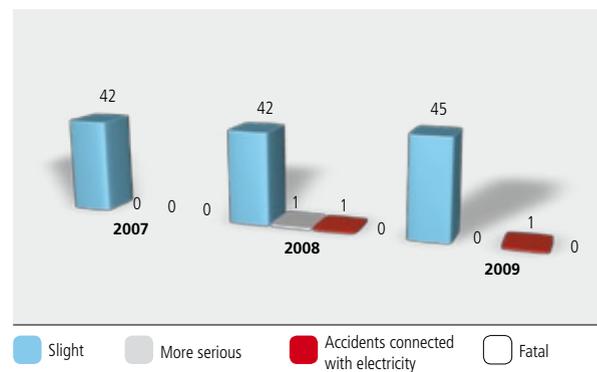
Safety at Work

In the Joint-Stock Company Elektro Maribor we are very much aware of our responsibility to ensure health and safety at work for our employees and all other persons who work under the supervision of the Joint-Stock Company Elektro Maribor. Our constant task is to perform all our work in accordance with the legislation and the OHSAS 18001 standard, which is the process support to the management of health and safety at work, as well as fire safety and ensures a systematic approach to the prevention of injuries at work and health issues, and to the constant improvement of the management system and the effect of the health and safety at work, and this enables us the internal and external revisions of the system according to the OHSAS 18001 standard.

The basic operating indicators of the successfulness in this field are the data about occupational accidents. On average, the number of accidents remained on the level of previous years and no special derogations were not noticed in 2009.

In 2009, no serious occupational accident with electricity happened, and also no other serious occupational accident as the result of a working process, because workers consider and meet the prescribed safety measures. The responsibility of the employees for their own safety is stimulated with education and training and with the implementation of preventive health examination programmes.

The number of occupational accidents



In the graph, the changes of slight accidents, more serious accidents, accidents connected with electricity and fatal occupational accidents are presented. There were no fatal occupational accidents in the last three years.

Communication with the Employees

We are aware that the employees are exceptionally valuable for the successful operation of the entire company. Thus, communication with the employees takes place via written and oral media and events. In 2009, we issued four issues of the internal newspaper Infotok, in which we wrote about company events, and the employees were able to find many other interesting topics. Notice boards are the other important information medium. Furthermore, the employees use the Intranet and electronic mail for communication and information exchange.

4.2 COMMUNICATION WITH THE ENVIRONMENT

One of the criteria of the company's success is also establishing and preserving good and proper relations with the environment. For the management of such a relationship, we need to know in detail our environment and the stakeholders.

Social Responsibility

We are aware of the importance of our social and environmental responsibility and it is because of this that we actively support cultural and sporting institutes and events. We pay special attention to events and projects in energetics.

Our work, the company's activities, its growth and successes influence our customers, employees and business partners the same as they influence the broader environment in which we perform our activities. Thus, we actively cooperate and communicate with the local communities in the areas where we work.

In the company, we manage the corporate trademark 'Elektro Maribor' and its image, and we are also developing the OVEN trademark and other specific services which form the whole image and services of the company. With sponsored projects and donations, we wish to improve the reputation and visibility of the Joint-Stock Company Elektro Maribor, the OVEN trademark, and other company services. With them, we are also strengthening our relations with our key customers and benefit from the promotional and sales possibilities at various events.

In 2009, sponsor funds were intended for local, cultural and sporting activities, and to institutes and activities in the field of energetics.

Part of the funds is also intended for support to various organizations and societies that need such help. These are educational institutions, health institutes etc.

Communication with the Media

For suitably informing the public, proper cooperation with the media is very important. At important events, we prepare suitable material for the media. We provide them with up-to-date and proper answers and explanations and recommend to them appropriate discussion partners for more accurate and professional explanations and answers.

Communication with Customers and Shareholders

In the Joint-Stock Company Elektro Maribor, we offer our customers complete, timely and accurate data they need for their decisions and are of key importance for a good relationship and the trust of the customers. With the aid of various communication channels, we recognise the needs and wishes of our customers and adapt to them. We are aware that satisfied customers are the key to our success.

Relations with our customers and other business partners were strengthened and developed at the after-New-Year meeting at the of Agriculture and Food Fair in Gornja Radgona. The emphasis was on the energy we are offering under the slo-

gan: "Individually tailored, economical and environmentally-friendly energy!"

We have also been regularly updating our website with all the up-to-date information which is important for our customers.

We informed our shareholders via our website and with the annual report which was prepared and sent to them in Slovenian or English languages.

Customer Relations

Informing our customers was performed via the call centre, customer visits in the information offices at RU and the company's management, via regular mail and electronic mail, info@elektro-maribor.si, via invoices, on the reverse side of invoices and annexes to invoices, as well as via the web portal eStoritve (Eng. eServices) which is accessible at <http://www.elektro-maribor.si>.

We offered a 24-hour service for notifications about defects and interruptions in the electricity supply, and for receiving information and informing about:

- defects or disturbances on the network,
- defects in the network users' measuring devices,
- quality of supplied electricity.

Moreover, we informed our customers about:

- valid prices and actual energy consumption,
- prices of other services,
- eServices where the customer can make a control payment, information about the state of the meter for the payment of the actual consumption, receive data about their consumption by periods, and register for the eRačun (Eng. elnvoice) etc.,
- the possibilities of saving energy,
- procedure of an invoice complaint,
- possible ways of invoice payment,
- contact numbers for the notification of defects and interruptions,
- interruptions because of planned maintenance works,
- efficient energy use with the note to receive the booklet "Efficient Energy Use",
- the creation of primary sources for electricity production,
- created emissions and radioactive waste on the produced kWh,
- comparison of the energy consumption of a customer with the energy consumption in the same period in the previous year,
- comparison with the average normalised or reference energy consumer from the same consumer category,
- data about legal and natural persons who offer data about efficient use and renewable energy sources.

In the table below, we have presented the number of contacts with the customers about basic data which we handled through various communication channels. We have established that the number of contacts about basic data increased and was 8 % higher than in 2008. At the least such a trend is expected in the following years, because the customer demands for additional data will be sure to increase.

Total number of contacts (except for defect notifications) about general data in 2009

Seq. No	Type of contact	2008	2009	Indeks
1.	Calls on the telephone number – basic data (115)	60,934	65,215	107
2.	Personal customer visits to the information offices and our visits of customers	69,566	79,197	114
3.	Calls to the management (switchboard N.C. 22 00 000)	38,293	37,801	99
4.	Electronic mail (info@elektro-maribor.si)	3,206	4,504	140
5.	Written mail from the management dispatch centre	5,911	5,658	96
6.	Total contacts – basic data	177,910	192,375	108

Communication with customers via e-mail: info@elektro-maribor.si increased substantially. Because of an increasing number of Internet users and our quick response, the number of these contacts increased by 40 %. Also the use of the free-of-charge web application, eStoritve (Eng. eServices) is increasing. In 2009, there were 9,440 registered users together with 10,600 measuring locations, which is 34 % more than in 2008.

After the introduction of a up-dated call centre in March 2009, we also started registering the time to eliminate a defect, which meant that traceability of the entire process, from the received phonecall to the elimination of the defect was enabled. With this, we will ensure all demands of the legislation with regard to the Act concerning the reporting of data on quality of electricity supply are met.

4.3 ENVIRONMENTAL CARE

With the establishment of the system of environmental management according to the ISO 14001:2004 standard, which was established in 2006, the Joint-Stock Company Elektro Maribor became even more active in the process of environmental problem solving. The inclusion and understanding by all employees in the system of environmental management is of key importance for its implementation.

In 2009, work in the field of environmental protection included three major areas. With the identification of the influences the company's activities have on the environment, a renewed evaluation of the influences was made via the register of environmental aspects. We place special attention to the prevention of danger for people, animals, plants and the contamination of the land, water and air.

In the area of waste management, we increased the revenues from the sale of waste material and realised the set objectives. In 2009, in the Collection, Separation and Processing Centre of used equipment, we implemented the technological supplementation by purchasing working tools that enable faster, safer and more efficient work.

To ensure the set objectives of the environmental policy of society, certain activities have been formed. Thus, the evaluation of the environmental organisation will be introduced in 2010 on specific locations of buildings which will contribute to the raising of environmental awareness among our employees.

With our efforts to preserve the appearance of the living environment or landscape and on the basis of electricity distribution system guidelines of the Joint-Stock Company Elektro Maribor, the company has surpassed its objective, i.e. relation between underground and overhead power lines in the proportion 35:65. At the end of 2009, 37.2 % of underground power lines out of the total number of power lines were owned by the Joint-Stock Company Elektro Maribor.

We are adding our contribution to the protection of the environment also on the global level. In the service sector, we are successfully constructing turnkey solar power plants. On the basis of the choice of optimal locations, we have in 2009, installed them on business buildings of the Joint-Stock Company Elektro Maribor (RU M. Sobota, RU Ptuj), on the Secondary School of Electrical Engineering building in Ptuj (upgrade; finished in 2010) and by individual business subjects and natural persons. The largest power plant for a foreign client has the power of 441.6kWp and in this, 1,190 modules are integrated. The total power of all constructed power plants is 561.8kWp and the stipulated minimum annual production is 589,890kWh. In this way, we are going to contribute to the reduction of emissions of greenhouse gasses (CO₂) by 707 tonnes.



Let us take care of our world. Energy efficiency is the most economic and also the fastest way of reducing or at least limiting the increase in energy use.



ACCOUNTING REPORT

5.1 RESPONSIBILITY STATEMENT OF THE MANAGEMENT

The management of the Joint-Stock Company Elektro Maribor is responsible for preparing and presenting to the interested public the financial statements so that they provide an accurate and honest presentation of the financial conditions and operating results of the company.

It is responsible for maintaining appropriate records which at all times present accurately the financial condition of the company. Moreover, it is responsible for the implementation of measures with which it ensures the preservation of the property value of the company and for the prevention and identification of irregularities within the company's operating activities.

The management of the company declare:

- that all financial statements of the company are prepared in accordance with the code of conduct of the profession and laws in the field of operating activities, accountancy, taxes, and finances,
- that the financial statements of the company are prepared in accordance with all the provisions of the Slovene Accounting Standards 2006 with suitable positions and explanations,
- that financial statements are prepared assuming that the company is going to proceed with its operating activities in the future,
- that it strictly uses the selected accounting policies and that any possible changes in the accounting policies are disclosed,

- that the accounting estimates are prepared according to the principle of precaution and good management,
- that the annual report of the company represents an accurate and honest presentation of the operating results and financial state of the company,
- financial statements do not contain significant or insignificant errors done to present selected operating activities.

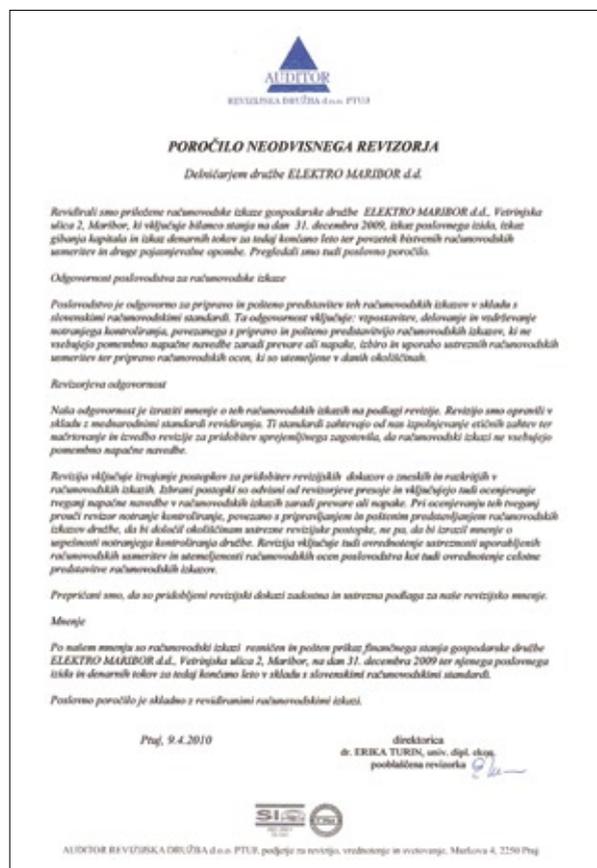
On 31.12.2010, the management of the company confirmed and accepted the financial statements and explanations or accounting policies to the financial statements and the presented annual report for 2009.

Maribor, 31.3.2010

Company representative
Peter Grubelnik



5.2 AUDITOR'S REPORT



Independent Auditor's Report

to the shareholders of Elektro Maribor d.d.

We have audited the financial statements of the joint-stock company Elektro Maribor, Vetrinjska ulica 2, Maribor, consisting of the balance sheet as of 31st December 2009, the profit and loss statement, the cash-flow statement and the annex to the financial statements for the year that ended, as well as the summary of essential accounting policies and other explanatory notes. Furthermore, we have revised the business report.

The responsibility of the management for the financial statements

The management is responsible for a true and fair presentation of these financial statements in accordance with the Slovene Accounting Standards. This responsibility includes: the establishment, operation and maintenance of internal controlling connected with the preparation and fair presentation of financial statements which are free from material mis-statements due to fraud or mistake, the selection and use of suitable accounting policies and the preparation of accounting estimates which are justified in the given circumstances.

Auditor's responsibility

Our responsibility is to express opinions about these financial statements on the basis of an audit. The audit was conducted in accordance with the International Auditing Standards. These standards require that we meet the ethical requirements, plan and perform our audit, to obtain a reasonable assurance as to whether the financial statements are free from material mis-statements.

The audit includes the implementation of procedures to gain revision evidence on amounts and disclosures in the financial statements. The selected procedures depend on the auditor's judgment and also include the assessment of risks of mis-statements in the accounting statements due to fraud or mistake. When assessing these risks, the auditor examines internal controlling connected with the preparation and fair presentation of financial statements of the company to determine the audit procedures suitable for the circumstances, not to express the opinion about internal controlling of the company. Furthermore, the audit includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial presentation.

We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements referred to above, give a true and fair view of the financial position of the joint-stock company ELEKTRO MARIBOR, Vetrinjska ulica 2, Maribor, up to 31st December 2009, the results of its operations and its cash flow for the year then ended, in conformity with the Slovene Accounting Standards.

The business report is in conformity with the audited financial statements.

Ptuj, 4th March 2010

CEO
Ph.D. Erika Turin, BSc (Econ.)
Certified Auditor

ACCOUNTING REPORT

5.3 INTRODUCTORY NOTES TO THE FINANCIAL STATEMENT PREPARATION

The financial statements of the company are prepared in accordance with the accounting and reporting requirements of the Slovene Accounting Standards 2006 (hereinafter referred to as SAS), in accordance with the provisions of the Companies Act, in accordance with the requirements of the Energy Act and legislation from the field of taxes and finances.

5.3.1 Accounting rules, policies, and valuation methods

The financial statements are prepared in EUR, rounded to the unit and the business year which corresponds to a calendar year.

Under the criteria of Article 55 of the Companies Act, the company is placed among the large companies and is thus compelled to have the revision of its financial statements.

The company has 100 % ownership of its subsidiary Joint-Stock Company OVEN Elektro Maribor; however, in accordance with clause 8 of Article 56 of the Companies Act, no consolidation is done because this is not important for an accurate and true presentation of the company's operating activities. The Joint-Stock Company Elektro Maribor maintains an important, but not dominant influence.

The following two accounting assumptions were taken into account in the preparation of the financial statements:

- consideration of the occurrence of a business event and
- consideration of a going concern basis of the company's operating activities,

and quality characteristics of accountancy which are:

- comprehensibility,
- suitability,
- reliability and
- comparability.

For all periods, presented in the enclosed financial statements, identical accounting policies were used. Comparative data are harmonised with the presentation of data in the current year, except when comparative data had to be adjusted so that they were in accordance with the presentation of data in the current year.

The Companies Act imposes on the company the commitment that the financial statements with notes and the annual report must present an accurate and true presentation of the assets and liabilities of the company and its financial state and operating activities.

In the balance sheet and the income statement, the items are presented separately and in the same sequence as defined by the Companies Act. The values of individual items which are insignificant for an accurate and true presentation of the assets and income statement of the company were combined and suitably explained in Annexes to the financial statements.

The business books are managed according to the double entry accountancy system where the account framework for the main book, according to the Slovenian Revision Institute and in agreement with the ministers for economy and finance, is used.

The Energy Act imposes on the company separate accounting for every energy activity in the field of electricity supply. Accounting of business events is ensured for the activities of EDS and PAS.

The criteria used for the distribution of assets and liabilities and incomes and expenses are defined in the Regulations about internal sharing relations of the company and are also confirmed by the EARS.

5.3.2 Valuation Background

With the reporting and valuating of items in the financial statements, we directly used the provisions of SAS, except with the valuation of items where the SAS give the chance of selecting among various methods of valuation. In these cases, the company has the methods of valuation defined in the Accounting Regulations, Fixed Assets and Depreciation Regulations, or the company's management has defined them with a decision.

The annexes to the accounting statements are elaborated and clarified. All transactions with associated persons are presented and suitably clarified. All types and operating purposes of the company's activities which will influence the financial state of the company are suitably clarified and presented in the balance sheet of the company, or are presented as events after the balance sheet date.

The company started in 2009 with the evaluation of the asset utility period. It determined that the utility period of some assets significantly changed and because of this it changed the depreciation rates which are in accordance with the SAS and are considered as a change in the accounting estimate. The effect of change is presented and clarified in the notes to the financial statements.

In accordance with the precautionary principle, all potential liabilities for which it can with certainty be assumed that they will have to be met, were calculated in the financial statement for the business year.

The Joint-Stock Company Elektro Maribor is subject to the monthly value added tax return in accordance with the Value Added Tax Act, as well as taxable persons in accordance with the Corporate Income Tax Act.

5.3.3 Events after the Balance Sheet Date

Events that happened after the balance sheet date have no significant influence on the financial statements of 2009, but are important for the presentation of a truthful picture of the company's operating activities.

Important business events after the balance sheet date until the date of the preparation of the annual report (31.3.2010):

- on 1st January 2010, the Supplementation Act of the Act on defining the methodology for network charges payment and the methodology for the network charges definition and the criteria for determining the eligible cost for the electricity networks (OJ RS, No 113/2009), entered into force;
- on 1st January 2010, the Regulation on energy savings ensured to final customers (OJ RS, No 114/2009) entered into force, according to which persons liable must by 1.2.2010 start collecting from the final customers the contributions for the increase of the efficient use of electricity in the amount of 0.05 EUR/kWh. As an electricity supplier, the Joint-Stock Company Elektro Maribor, according to the criteria set by this Regulation, gained the status of a large taxable person. On the basis of the provisions of this Regulation, there will have to be at least 1 % energy savings from the supplied electricity to the final customers reached with the implementation of programmes for the improvement of energy efficiency in 2010;
- in the beginning of 2010, the Supervisory Board of the company founded an Audit Committee that performs the tasks defined in Article 280 of Companies Act;
- on 25.2.2010, the Government of the RS gave its consent to Annex 2 to the Contract on leasing the electricity distribution infrastructure and the performance of services for the System Operator of the Distribution Network between SODO d.o.o. and the Joint-Stock Company Elektro Maribor. Until the preparation of the financial statement for 2009, Annex 2 had not been signed, so no off-sets were made for the years 2008 and 2009, because they are based on the regulation framework of both years;
- on the basis of the decision of the Supervisory Board on 2.3.2010, a job vacancy notice for a Chairman of the company's management was published in the newspaper Delo;
- on 8.3.2010, the National Assembly adopted the Act Amending the Energy Act. Among the key amendments of the act was the facilitation of the procedure for small power plant operations on buildings, the regulation of the energy accountancy and the annual objectives of energy efficiency in the public sector, defining measures for the efficient supervision of the energy market and the elimination of confusion with the positioning of the buildings for energy purposes in the environment.

5.3.4 Relations with Associated Companies

Financial statements of the Joint-Stock Company Elektro Maribor and its subsidiary company OVEN Elektro Maribor do not consolidate in accordance with paragraph 8 of the Article 56 of the Companies Act, because this is not significant for an accurate and true presentation of the operating results, financial state, cash flows and the capital movement of the company.

Individual items are significant for an accurate and true presentation of the operations of the group as a whole when the subsidiary company:

- creates with the electricity sale to the parent company more than 2 % of the income of the parent company, or
- the balance sheet sum of the subsidiary company exceeds 2 % of the balance sheet sum of the parent company.

All investments are placed in the group for the sale of available financial assets.

The Joint-Stock Company Elektro Maribor has long-term financial investments with more than a 20 % share in:

- the company OVEN Elektro Maribor d.o.o.,
Vetrinjska ul. 2, Maribor
100.00 %,
- the company Moja energija d.o.o.,
Jadranska cesta 28, Maribor
33.33 %,
- the company Eldom d.o.o.,
Vetrinjska ul. 2, Maribor
25.00 %,
- the company Informatika d.d.,
Vetrinjska ul. 2, Maribor
22.00 %.

The management of the Joint-Stock Company Elektro Maribor assesses that in relation to the controlling companies, no businesses transactions were concluded which would deprive the company in any way.

Operations of joint companies in 2009

in EUR

	Equity	Asset value	Operating result	Revenue amount
OVEN Elektro Maribor d.o.o., Vetrinjska ul. 2, Maribor	3,098,348	3,219,030	379,863	1,087,215
Moja energija d.o.o., Jadranska cesta 28, Maribor	848,982	6,083,379	77,801	5,458,280
Eldom d.o.o., Vetrinjska ul. 2, Maribor	208,491	434,743	-9,116	1,018,479
Informatika d.d., Vetrinjska ul. 2, Maribor	2,093,083	5,864,944	91,153	12,413,063

ACCOUNTING REPORT

5.4 FINANCIAL STATEMENTS

Balance sheet

in EUR

	Item	Notes	31.12.2009	31.12.2008
A.	Long-term Assets (I-VI)		272,379,756	266,869,271
I.	Intangible fixed assets and long-term deferred costs and accrued revenue (1 to 6)	1	1,181,159	677,473
	1. Long-term ownership rights		1,181,159	677,473
II.	Tangible fixed assets (1 to 6)	2	267,821,117	262,813,505
	1. Land and buildings (a + b)		201,644,974	195,772,221
	a. Land		7,397,855	7,429,626
	b. Buildings		194,247,119	188,342,595
	2. Production devices and machinery		62,466,847	63,939,356
	4. Acquired tangible fixed assets (a + b)		3,709,296	3,101,928
	Tangible fixed assets in course of construction		3,709,296	3,101,928
III.	Investments in real estate	3	748,813	766,101
IV.	Long-term investments (1 to 2)	4	2,587,460	2,560,453
	1. Long-term investments, excluding loans (a to ĉ)		2,587,460	2,560,453
	a. Investments in shares and stocks in companies within the group		1,691,967	1,691,967
	b. Investments in shares and stocks in associated companies		672,776	629,230
	c. Other long-term investments in stocks and shares		56,594	73,133
	ĉ. Other long-term investments		166,123	166,123
V.	Long-term operating receivables (1 to 3)	5	41,207	51,739
	3. Long-term operating receivables due from others		41,207	51,739
B.	Current Assets (I – V)		53,426,966	54,475,336
II.	Inventories (1 to 4)	6	2,206,769	1,873,433
	1. Material		2,206,769	1,873,433
III.	Short-term investments (1 to 2)		0	1,645
IV.	2. Short-term loans (a to c)		0	1,645
	b. Short-term loans to others		0	1,645
V.	Short-term operating receivables (1 to 3)	7	43,824,263	41,454,133
	1. Short-term operating receivables due from companies within the group		42,236	412,203
	2. Short-term operating trade receivables		37,338,391	37,585,809
	3. Short-term operating receivables due from others		6,443,636	3,456,121
V.	Cash	8	7,395,934	11,146,125
C.	Short-term Deferred Costs and Accrued Revenue	9	23,243	61,286
	A S S E T S (A + B + C)		325,829,965	321,405,893
	Off-balance sheet assets		42,853,777	30,526,331

in EUR

	Item	Notes	31.12.2009	31.12.2008
A.	Equity	10	223,996,963	222,565,470
I.	Called-up capital (1 to 2)		139,773,510	139,773,510
	1. Share capital		139,773,510	139,773,510
II.	Capital reserves		75,121,586	75,121,586
III.	Profit reserves (1 to 5)		7,590,461	6,838,927
	1. Statutory reserves		945,746	874,171
	5. Other reserves		6,644,715	5,964,756
IV.	Revaluation surplus		119,553	119,553
V.	Carry-forward of net profit or loss for the period		711,894	16,755
	1. Carry-forward of net profit from the previous years		711,894	16,755
VI.	Net profit or loss for the period		679,959	695,139
	1. Net profit for the period		679,959	695,139
B.	Provisions and Long-term Accrued Costs and Deferred Revenue (1 to 3)	11	38,221,959	33,300,816
	2. Provisions for pensions and similar liabilities		4,372,512	4,332,761
	3. Long-term accrued costs and deferred revenue		33,849,447	28,968,055
C.	Long-term Liabilities (I to III)	12	18,778,908	16,312,604
I.	Long-term financial liabilities (1 to 4)		18,778,908	16,312,604
	2. Long-term financial liabilities to banks and companies		18,778,908	16,312,604
Č.	Short-term Liabilities (I to III)	13	39,818,037	45,727,181
II.	Short-term financial liabilities (1 to 4)		7,431,113	5,926,569
	2. Short-term financial liabilities to banks and companies		7,420,362	5,340,362
	4. Other short-term financial liabilities		10,751	586,207
III.	Short-term operating liabilities (1 to 8)		32,386,924	39,800,612
	1. Short-term operating liabilities to companies within the group		69,474	121,616
	2. Short-term operating liabilities to suppliers		19,120,262	28,534,439
	4. Short-term operating liabilities for the foreign account		9,431,253	8,396,147
	5. Short-term liabilities to employees		2,101,628	1,568,569
	6. Short-term liabilities to the State and other institutions		947,135	328,682
	7. Short-term operating liabilities on the basis of advances		484,915	571,965
	8. Other short-term operating liabilities		232,257	279,194
D.	Short-term accrued costs and deferred revenue	14	5,014,098	3,499,822
	LIABILITIES (A to D)		325,829,965	321,405,893
	Off-balance sheet liabilities	15	42,853,777	30,526,331

Profit and loss account

in EUR

Item	Notes	I-XII 2009	I-XII 2008
1. Net sales (a + b)	16	185.014.426	181.280.285
a. On the domestic market		185.014.426	181.280.285
3. Own products and own services	17	9.376.379	11.701.471
4. Other operating revenues (with revaluated operating revenues)	18	4.328.890	1.688.889
5. Costs of goods, material, and services (a + b)	19	152.974.384	145.051.237
a. Acquisition price of goods sold and costs of materials used		144.166.980	136.285.303
b. Costs of services		8.807.404	8.765.934
6. Labour costs (a + b + c + d)	20	23.805.866	23.991.178
a. Payroll costs		16.769.318	16.856.956
b. Costs of supplementary pensions for the employees		887.512	848.158
c. Costs of employer's contributions and other benefits from salaries		2.806.632	2.999.102
d. Other labour costs		3.342.404	3.286.962
7. Write-downs in value (a + b + c)	21	21.906.146	21.380.013
a. Depreciation and amortisation expenses		18.241.670	18.208.218
b. Revaluated operating expenses associated with tangible and intangible fixed assets FA		83.887	49.815
c. Revaluated operating expenses associated with current operating assets		3.580.589	3.121.980
8. Other operating expenses	22	1.183.356	1.288.018
9. Financial revenue from shares and interests (a + b + c + ĉ)		0	13.994
c. Financial revenue from shares and interests in other companies		0	13.994
10. Financial revenue from loans given (a + b)	23	183.556	518.395
b. Financial revenue from loans, given to others		183.556	518.395
11. Financial revenue from the operating receivables (a + b)	24	534.624	534.026
b. Financial revenue from the operation receivables due from others		534.624	534.026
13. Financial expenses from financial liabilities (a + b + c + ĉ)	25	619.080	900.571
b. Financial expenses for loans		600.978	900.170
ĉ. Financial expenses for other financial liabilities		18.102	401
14. Financial expenses for operating liabilities (a + b + c)	26	18.320	2.285
b. Financial expenses for trade payables and bills payable		10.914	1.545
c. Financial expenses for other operating liabilities		7.406	740
15. Other revenue	27	2.921.885	990.045
16. Other expenses (a + b)	28	421.115	2.650.352
17. PROFIT OR LOSS FROM ORDINARY ACTIVITIES BEFORE TAXATION	29		
(1 + 2 + 3 + 4 - 5 - 6 - 7 - 8 + 9 + 10 + 11 - 12 - 13 - 14 + 15 - 16)		1.431.493	1.463.451
20. PROFIT OR LOSS FOR THE PERIOD			
(1 + 2 + 3 + 4 - 5 - 6 - 7 - 8 + 9 + 10 + 11 - 12 - 13 - 14 + 15 - 16 - 17 - 18 + 19)		1.431.493	1.463.451

Cash-flow Statement

in EUR

Item	Notes	I-XII 2009	I-XII 2008
A. Cash flow from operating activities	30		
a) Operating income		331,856,205	330,284,987
aa) Income from products and service sales		327,509,245	328,006,373
ab) Other operating income		4,346,960	2,278,614
b) Operating expenditures		-320,902,480	-308,616,750
ba) Expenditures on material and services		-290,595,987	-276,934,145
bb) Expenditures on salaries and employees' share profits		-14,047,480	-13,933,861
bc) Expenditures on taxes of any kind		-14,833,417	-16,337,706
bd) Other operating expenditures		-1,425,596	-1,411,038
c) Excess of operating cash flow or excess of operating expenditures (a + b)		10,953,725	21,668,237
B Cash flows from financing activities	31		
a) Cash receipts from investing activities		817,789	2,525,101
aa) Interest and dividends received from investing activities		248,453	455,642
ac) Cash receipts from disposal of tangible assets		569,336	37,559
ae) Cash receipts from disposal of long-term investments		0	31,900
ae) Cash receipts from disposal of short-term investments		0	2,000,000
b) Cash payments from investing activities		-18,859,279	-24,225,929
ba) Cash payments to acquire intangible assets		-995,852	-912,897
bb) Cash payments to acquire tangible assets		-17,813,427	-23,313,032
bc) Cash payments to acquire long-term investments		-50,000	0
c) Net cash from financing activities (a+b)		-18,041,490	-21,700,828
C Cash flows from financing activities	32		
a) Cash receipts from financing activities		18,700,000	61,898,000
ab) Cash receipts from the increase of long-term financial liabilities		10,400,000	14,600,000
ac) Cash receipts from the increase of short-term financial liabilities		8,300,000	47,298,000
b) Cash payments from financing activities		-15,362,426	-53,602,276
ba) Interest paid on financing activities		-638,106	-868,903
bc) Expenditures on payment of long-term financial liabilities		-5,853,697	-4,453,199
bd) Expenditures on payments of short-term financial liabilities		-8,300,000	-47,298,000
be) Expenditures on payment of dividends and other share profit		-570,623	-982,174
c) Net cash from financing activities (a + b)		3,337,574	8,295,724
Č Closing balance of cash		7,395,934	11,146,125
x) Net cash flow for the period (sum total of net cash/disbursements under Ac, Bc and Cc)		-3,750,191	8,263,133
+			
y) Opening balance of cash		11,146,125	2,882,992

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Statement of changes in equity

in EUR

	Year 2009	Called-up capital		Profit reserves			Legal reserve	Retained earnings	Total
		Share capital	Capital reserve	Statutory profit reserve	Other profit reserves	Surplus from revaluation	Transferred net profit	Net profit	
		I/1	II	III/1	III/5	IV	V/1	VI/1	
A. Initial position in the period		139,773,510	75,121,586	874,171	5,964,756	119,553	711,894	0	222,565,470
B. Movements into capital		0	0	0	0	0	0	1,431,493	1,431,493
d) The entry of the yearly results								1,431,493	1,431,493
f) Entry of the amount of special capital revaluation									
C. Movements in capital		0	0	71,575	679,959	0	0	-751,534	0
a) Allocation of net profits as a part of capital in accordance with the decisions of the management and the supervisory board				71,575	679,959			-751,534	
b) Allocation of net profits for additional reserves in accordance with the decisions of the Assembly									
Č. Movements from capital		0	0	0	0	0	0	0	0
a) Payment of dividends							0		
D. Final position in the period		139,773,510	75,121,586	945,746	6,644,715	119,553	711,894	679,959	223,996,963

in EUR

	Year 2008	Called-up capital		Profit reserves			Legal reserve	Retained earnings	Total
		Share capital	Capital reserve	Statutory profit reserve	Other profit reserves	Surplus from revaluation	Transferred net profit	Net profit	
		I/1	II	III/1	III/5	IV	V/1	VI/1	
A. Initial position in the period		139,773,510	75,121,586	800,998	5,269,617	119,553	1,596,011	0	222,681,275
B. Movements into capital		0	0	0	0	0	0	1,463,451	1,463,451
d) The entry of the yearly results								1,463,451	1,463,451
f) Entry of the amount of special capital revaluation									
C. Movements in capital		0	0	73,173	695,139	0	0	-768,312	0
a) Allocation of net profits as a part of capital in accordance with the decisions of the management and the supervisory board				73,173	695,139			-768,312	
b) Allocation of net profits for additional reserves in accordance with the decisions of the Assembly									
Č. Movements from capital		0	0	0	0	0	-1,579,256	0	-1,579,256
a) Payment of dividends							-1,579,256		
D. Final position in the period		139,773,510	75,121,586	874,171	5,964,756	119,553	16,755	695,139	222,565,470

The Assessment of the Profit for Appropriation and Its Suggested Usage

	in EUR	
PROFIT FOR APPROPRIATION	2009	2008
a) Net profit or loss for the period	1,431,493	1,463,451
b) Any carry-forward of profits	711,894	16,755
č) Increase of profit reserves under the management board decision	71,575	73,173
Statutory reserves	71,575	73,173
d) Increase of profit reserves under the management and supervisory board decision	679,959	695,139
Other profit reserves	679,959	695,139
PROFIT FOR APPROPRIATION IN 2009 (a + b + č + d)	1,391,853	711,894

The Joint-Stock Company Elektro Maribor Assembly decided at its session on 28.8.2009 on the distribution of the profit for appropriation for the business year 2008. The Company's Assembly adopted the management and Supervisory Board's proposal and distributed the profit for appropriation of 2008 in the amount of 711,894.41 EUR for the transfer to the following year.

The company is constantly striving to reach a high business standard and is thus directing its operating policy towards meeting the needs and expectations of its customers, suppliers, owners and general public.

The management board of the company has therefore decided to use a portion of the net profit from 2009 in the amount of 1,431,492.78 EUR, which is, after deductions for statutory reserves in the amount of 71,574.64 EUR, 1,359,918.14 EUR, for other reserves in the amount of 679,959.07 EUR.

Profit for appropriation in the amount of 1,391,853.48 EUR, which is composed of the carry-forward of profit in the amount of 711,894.41 EUR and profit for appropriation of the business year in the amount of 679,959.07 EUR, is subject to the distribution proposal at the shareholders' assembly of the company.

On a proposal from the management and the Supervisory Board of the company to the Assembly of shareholders, the profit for appropriation of the business year 2009 in the amount of 1,391,853.48 EUR is distributed to other profit reserves.

5.5 IMPORTANT ACCOUNTING POLICIES

Intangible assets

For measuring all categories of intangible assets, the company uses the model of purchase price.

At initial recognition, the purchase price is evaluated in which all purchase dues after the deduction of trade and other discounts and all directly attributable expenses for the preparation of assets for use are included.

In the business books, their purchase price and their revaluation are stated separately. In the balance sheet, these assets are stated according to their accounting value which is the difference between the purchase price and its revaluation.

In the company, the intangible assets are depreciated individually, according to the straight-line depreciation method. An intangible asset is depreciated as soon as it is available for use.

Intangible fixed assets have a finite utility period.

Intangible assets are revaluated because of impairment when their accounting value exceeds the amount recoverable. The net sale value or value at use, the one which is greater, is considered as the amount recoverable.

Tangible fixed assets

For measuring all categories of tangible fixed assets, the company uses the purchase price model in which all expenses that can be attributed to the asset's preparation for use are included.

The purchase price of a tangible fixed asset, constructed and produced in the company, is all the expenses which are caused by the construction or production of the asset and all indirect expenses.

In the business books, there are for tangible fixed assets separately stated the amounts of purchase prices and the amounts of revaluations, where the revaluation represents their cumulative write-downs as the result of depreciation. In the balance sheet, these assets are stated according to their accounting value.

If the purchase price of a fixed asset is large, it is distributed to its parts. If these parts have different utility periods which are important in connection with the entire purchase price of the tangible fixed asset, each part is treated separately.

Depreciation is charged individually according to the straight-line depreciation method.

Investments into fixed assets are delimited on the basis of system rule for delimitation of investments into fixed assets and maintenance costs which is the Annex to the Fixed Assets and Depreciation Regulations.

The company does not have any fixed assets which were acquired using financial leasing. All fixed assets are in the ownership of the company and there are no mortgages on them.

Investments in real estate

Real-estate investment is real estate owned to provide rent and thus increase the value of the long-term investment.

The company measures investments in real estate according to the purchase price model and in depreciation, the straight-line depreciation method is used.

In the business books, purchase prices of investments in real estate and revaluations are stated separately. In the balance sheet, these assets are stated according to their accounting value.

Real estates that are being built or implemented for future use as real-estate investments, the company considers as the ownership use of the real estates. When construction and development are finished, these real estates are defined as real-estate investments.

Profits or losses from the disposal of investments in real estate are established as the differences between net profits at the disposal and accounting asset value and are acknowledged in the operating result.

The company's management actively monitors market activities and evaluates that there was no objective evidence in 2009 about the factors that suggested the need to impair fixed assets.

Depreciation

Depreciation of intangible and tangible fixed assets and investments in real estate is calculated until the value which is the basis of depreciation calculation is replaced completely. When the value which is the basis of depreciation calculation is replaced, the depreciation is no longer calculated, regardless of whether the fixed asset is still being used for operating activities or not.

The company has all its fixed assets arranged in depreciation categories. Depreciation is charged individually according to the straight-line depreciation method.

Fixed assets in the process of acquisition, land and works of art are not depreciated.

The company independently determines the utility period of individual fixed assets. The utility period is assessed by a special commission.

The company started in 2009 with the evaluation of the asset utility period. It determined that the utility period of some assets significantly changed and because of that it changed depreciation rates which are in accordance with the SAS considered as the change in the accounting estimate.

The following levels were used by the company in depreciation:

	2009	2008
Buildings and construction parts of the buildings	20 – 50 years	20 – 50 years
Equipment	5 – 35 years	5 – 35 years
Motor vehicles	7 – 12 years	7 – 12 years
Computer equipment	3 years	3 years
Intangible fixed assets	3 years	3 years

Financial investments

Financial investments are a component part of the financial instruments of the company and are financial assets with the returns of which the Joint-Stock Company Elektro Maribor increases its financial revenues.

After the initial recognition, the financial investment is evaluated according to its fair value. Business costs which come directly from the purchase or issuing of the financial asset are added to the initial recognised value. The fair value of a financial investment is its published value on an operating securities market.

The company has all financial investments categorised in the category of available finance assets sale.

The company has long-term financial investments in the capital of subsidiary companies and they are valued according to their purchase value. The profit share of the subsidiary company is stated in the profit or loss of the controlling company when it gains the right to the participation payment.

The company evaluates on every balance sheet day whether impartial evidence about the potential impairment of financial investments exist. If such evidence exists, the financial investment must be revaluated. The company recognises the changes of a fair value of financial investments in equity as the increase or decrease of revaluation surplus.

Inventories

At the initial recognition, the quantity unit of material stock is valued according to its purchase price which is composed of the purchase price, other non-refundable charges and direct purchase costs. The purchase price is reduced for the obtained discounts.

The capitalisation of inventories is performed according to the purchase principle. When valuating the material stock, the company uses the moving average inventory method.

The inventories are revaluated due to impairment if their accounting value exceeds the net realisable value. The value of inventories is reduced also because of the write-down of unused material.

Operating receivables

The operating receivables are originally presented with amounts from reliable accounting statements and assuming that they are going to be paid. Original receivables can later on increase or, according to a received payment or other settlement, decrease for each amount justified with a contract.

The company regularly examines the suitability of presented receivables.

Receivables for which it is assumed that they are not going to be settled or are not settled in due time are presented as doubtful and disputed.

The company reevaluates its claims due to the impairment when the impartial evidence exist that the previous accounting value of the claim is greater than the current value of expected future cash flows.

With the formation of revaluations for doubtful and disputed claims, the company uses an individual approach which mean that the revaluation is formed for the entire value of the claim to the customer, regardless of the realisation rate. The company forms the revaluation of the claim also when the data about the initiated force settlement procedures, bankruptcies or lawsuits are in its possession.

In the balance sheet, claims are presented in the net value which means that they contain revaluations for disputed and doubtful claims.

The company does not form the claims for deferred taxes because it is not expected to receive available taxable profit which could be used for the possible deductible temporary differences.

Cash

The cash of the company is the money on bank accounts and cash equivalents – investments which can quickly be transformed into the cash amount known in advance.

At initial recognition they are presented in the amounts stemming from a suitable document and after checking that it is of such a nature.

In the balance sheet, there are under the item of Cash jointly presented the funds on bank accounts and deposits redeemable.

Short-term accruals and deferrals

Short-term deferred costs and accrued revenue are liabilities and other assets which are going to appear in the period of one year and the appearance of which is probable and the extent reliably evaluated.

At their appearance, these are the amounts which do not yet debit the operating activities of the company and do not influence the profit or loss of the company. In the balance sheet, the items are presented in real amounts and do not include hidden reserves.

Short-term accrued costs and deferred revenue include encalculated costs (expenses) and short-term deferred revenues.

These can be used only for items for which they were initially recognised. In the balance sheet, these are recognised in the amounts which are evaluated with certainty and do not contain any hidden reserves.

Equity

The equity of the company is composed of the share capital, capital reserves, profit reserves, carry-forward of net profit from the previous years, revaluation surplus and provisionally also the undistributed net profit.

It is recognised at the appearance of cash or non-cash contributions in the company and provisionally also at the appearance of claims due from the equity registers. All components of equity outside the share capital belong to the owners of the share capital in proportion with their ownership share.

The share capital is kept in EUR. It is the equity which is registered in the register of companies and is distributed to 33,495,324 of ordinary stocks. Ordinary stocks give their owners the right to participate in the company's management, the right to receive part of the profit (dividends) and the right to a suitable part of the rest of the assets after the liquidation or bankruptcy of the company. All the stocks are the stock of one class and are paid in full. They are issued in book-entry form and are kept at the KDD – Central Securities Clearing Corporation in accordance with the regulations.

The profit reserves are recognised with the decision of the management, Supervisory Board and Assembly of the company.

The carry-forward of net profit from the previous years is recognised with the decision on the profit distribution of an individual business year, reduced for the amounts intended for reserves.

The revaluation surplus is recognised on the basis of the performed revaluation of investments at the end of a business year.

The provisionally undistributed net profit of a business year is recognised on the basis of the necessary calculations for a business year.

The changes in equity items are presented by the company in the statement of changes in equity.

Provisions and long-term accrued costs and deferred revenue

The company forms reservations in the form of encalculated costs or expenses with the intention of collecting amounts which are going to enable the coverage of costs or expenses that are going to appear in the future.

The reservations include reservations for severance grants and reservations for long-service awards. They are formed on the basis of the calculation of an authorized actuary according to the state at the beginning and end of the business year. The calculation of an actuary is based on the Unit Credit method and is performed at the end of every business year when the company harmonises the value and state of reservations.

The accounting value of a reservation is identical to its original value, reduced for the used amounts, until the need for its increase or reduction appears.

Long-term accrued costs and deferred revenue are formed by the company from the encalculated costs and charged

contributions for pension and disability insurance in accordance with the Vocational Rehabilitation and Employment of Disabled Persons Act. The company uses these revenues for costs which arose for the improvement of working conditions of persons with disabilities.

Furthermore, the company forms long-term accrued costs and deferred revenue from free-of-charge fixed assets taken, from average connection costs and from the contributions for co-financing. They are intended for covering the costs of depreciation of the stated assets.

Liabilities

Liabilities are long-term and short-term, as well as financial and operating liabilities.

The long-term and short-term liabilities of all types are in the beginning presented with amounts from suitable documents and assuming that the creditors claim their repayment. The liabilities are later on increased with the attributable returns (interests, other compensations) for which there is a contract with the creditor. They are reduced for the already paid amounts and possible other types of settlement in agreement with the debtor.

Long-term liabilities are recognised liabilities regarding the financing of own assets which must be returned in the period longer than one year.

The accounting value of long-term liabilities is identical to their original value, reduced for their repayment and transfers among the short-term liabilities.

Short-term liabilities are financial and operating liabilities. Financial liabilities present the short-term part of long-term liabilities from financing activities. The operating part of short-term liabilities present the liabilities for suppliers, employees, state institutions and other.

The accounting value of short-term liabilities is identical to their original value and changes only in the case of their increases or reductions, in accordance with the contracts with debtors.

In the balance sheet, long-term and short-term liabilities are presented separately, and in their framework also financial and operating liabilities.

The company at least once a year, at the time of the preparation of accounting statements, assesses the fair value of liabilities and in the case when the accounting values are smaller than the established fair values, it makes a compulsory reinforcement. The company does not determine nor present the impairment of liabilities.

Off-balance sheet items

Off-balance sheet items comprise the promissory notes given for the loans received, of given and received guarantees, of amounts of potential liabilities for payment and of amounts of small tools in use.

Revenues and expenditures

The revenues are the increases of economic benefits in the accounting period in the form of increases of assets or re-

ductions of debts who via the profit or loss of the company influence the quantity of equity. Their increase can be measured reliably. Revenues are recognised when it is legitimately expected that they are going to lead to remunerations if they have not already been realised at their appearance.

Among the revenues, there are operating, financial and other revenues.

Operating revenues are revenues from sale which present the sale values of sold products, services and material in the accounting period. They are measured on the basis of the selling prices stated on invoices and other documents, reduced for discounts at sale, and later also for the values of returned quantities and later on granted discounts.

Revaluated operating revenues also appear at the disposal of tangible fixed assets and intangible long-term assets, as well as when claims for which the revaluation was formed in the previous years are paid.

Financial revenues are revenues from investment activities. They appear in connection with long-term and short-term financial investments, as well as in connection with claims in the form of charged interests, profit shares and as revaluated financial revenues.

They are recognised at the time of the statement preparation, according to the revenues, if no reasonable doubt regarding their amount, due payment date and their repayment. Interests are charged in proportion with the period passed, the unpaid principal part and valid interest rate.

Other revenues are unusual items and other revenues which increase the profit or loss of the company.

Expenses are recognised if the reduction of economic benefits in the accounting period is connected with the reduction of an asset and with the increase of debt and this reduction can be measured reliably.

Among the expenses, there are operating, financial and other expenses.

Operating expenses are recognised when the costs are no longer in the value of product inventories. In principle, these are identical to the encalculated costs of the accounting period.

Revaluated operating expenses are recognised when a suitable revaluation is performed and appear in connection with tangible fixed assets, intangible long-term assets and short-term assets due to their impairment.

Financial expenses are expenses from financial liabilities and expenses from operating liabilities. They are recognised at the time of the statement preparation, regardless of the payments that relate to them.

Revaluated financial expenses appear in relation to the financial investments due to their impairment.

Among **other expenses**, there are unusual items and other expenses which are reducing the profit or loss of the company.

Labour costs and other costs related to the employees

The Joint-Stock Company Elektro Maribor expresses the following among the labour costs:

- employees' salaries,
- employees' salary compensations,
- costs of supplementary pensions for the employees,
- costs of contributions and other benefits from salaries,
- other costs, such as: accrual, material costs, solidarity help and other.

Labour costs and labour-related costs are chargeable and paid in accordance with the legislation, electricity industry collective agreement and entrepreneurial collective agreement.

Among the labour costs, the company records also calculated costs from the unused annual leaves of the employees.

Taxes

The Joint-Stock Company Elektro Maribor is a taxable person subject to the Value Added Tax Act and Corporate Income Tax Act.

The corporate income tax is charged on the basis of revenues and expenses which are presented in the income statement with regard to the provisions of the Corporate Income Tax Act. Such a tax is expected to be paid from the taxable profit of the business year in accordance with the rates of tax which are in force on the reporting day.

The company does not have liabilities for the payment of the corporate income tax in 2009, because the liability from the statement was covered by the uncovered tax loss from the previous years.

The company's management cannot reliably estimate whether the company is going to create taxable profits high enough in the future, so that it could enforce claims for deferred taxes, so they were not recognised in the financial statement of 2009.

Furthermore, the company has in 2009 not recognised the liabilities for deferred taxes because the amounts were not substantial and their omission did not have an influence on the business decisions of the users..

5.6 NOTES TO THE FINANCIAL STATEMENTS

Principles underlying the financial statements

The principles underlying the financial statements are the statutory and expert rules of accounting and orientations, policies and rules which are consistently used throughout all reporting periods. Comparative data were mainly harmonised with the presentation of data in the current year. When it was necessary, the comparative data were adjusted so that they were in accordance with the presentation of data in the current year.

The importance of disclosures

The company defined the importance of disclosures in financial statements with internal acts for each category of assets and liabilities, as well as revenues and expenses, separately.

5.6.1 Notes to the Balance Sheet

Data about the principles underlying the balance sheet and special accounting orientations and methods used with the business event registering in the company are presented below in the explanations of state and changes in assets and liabilities.

The balance sheet is the fundamental financial statement which presents those assets and liabilities that relate to the operating activities of the company. It has the form of a consecutive multi-stage statement, elaborated in accordance with SAS 24.4, and the values are presented for the current and the previous year. Items in the balance sheet are presented according to the carrying amount as the difference between the purchase price and its revaluation. In the preparation of the balance sheet, the principle of individual asset and liability valuation was taken into account.

The company does not have any additional data which would be significant for a fair presentation of the company and these items are not laid down in the balance sheet form.

Intangible assets

(Note 1)

	in EUR
	2009
Purchase value	
Balance at 1.1.2009	2,825,288
Increases	995,853
Balance at 31.1.2009	3,821,141
Write-downs in value	
Balance at 1.1.2009	2,147,815
Transfers	0
Depreciation	492,167
Balance at 31.1.2009	2,639,982
Carrying amount	
Balance at 1.1.2009	677,473
Balance at 31.12.2009	1,181,159

Among the intangible assets, the company has long-term property rights in the amount of 1,181,159 EUR from investing into licences of system and applicative software, the utility period of which is 3 years.

The increase of these assets in 2009 was 995,853 EUR and was from investments into the upgrading of applicative software.

Tangible fixed assets (Note 2)

The state of tangible fixed assets on 31.12.2009 was 267,821,117 EUR and was for 2 % higher than in the beginning of the business year. Among all the assets, they represent the 82 % share.

The company has in 2009 intended 21,322,048 EUR for investments into fixed assets.

State and changes in tangible fixed assets in 2009

	Land	Buildings	Equipment	Ongoing investments	Tangible fixed assets total
in EUR					
Purchase value					
Balance at 1.1.2009	7,429,626	601,078,414	138,843,783	3,101,928	750,453,751
Increases	68,011	15,110,563	4,141,466	23,967,610	43,287,650
Reductions	-99,782	-553,578	-968,091	-23,360,242	-24,981,693
Transfer	0	39,165	-39,165		0
Balance at 31.12.2009	7,397,855	615,674,564	141,977,993	3,709,296	768,759,708
Write-downs in value					
Balance at 1.1.2009		412,735,819	74,904,427		487,640,246
Transfers		39,571	-39,571		0
Reductions – write-downs		-520,408	-869,113		-1,389,521
Reductions – renewals		-2,834,294	-203,161		-3,037,455
Depreciation		12,006,757	5,718,564		17,725,321
Balance at 31.12.2009		421,427,445	79,511,146		500,938,591
Carrying amount					
Balance at 1.1.2009	7,429,626	188,342,595	63,939,356	3,101,928	262,813,505
Balance at 31.12.2009	7,397,855	194,247,119	62,466,847	3,709,296	267,821,117

Greater increases relate to:

- construction works in the amount of 15,110,563 EUR, out of which 5,918,052 EUR for the construction of the network, 4,842,637 EUR for the construction of cable conduits and 1,607,217 EUR for the construction of overhead electrical power lines,
- equipment in the amount of 4,141,466 EUR, out of which the purchase of equipment in TS in the amount of 2,137,257 EUR and meters, measuring and control devices in the amount of 1,153,613 EUR.

A part of the increase in tangible fixed assets from reconstructions is presented as the revaluation increase in the amount of 3,037,455 EUR.

The greater reduction of equipment relates to the exclusions of energy transformers in the amount of 378,755 EUR and transport assets in the amount of 184,351 EUR.

Fixed assets which are not qualified for use are registered in the amount of 3,709,296 EUR.

The level of write-downs of construction works is 68.4 percent and the level of write-downs of equipment is 56 percent.

State and changes in tangible fixed assets in 2008

	in EUR				
	Land	Buildings	Equipment	Ongoing investments	Tangible fixed assets total
Purchase value					
Balance at 1.1.2008	7,359,471	578,388,486	128,650,750	7,397,360	721,796,067
Increases	70,155	22,504,020	12,034,210	33,830,903	68,439,288
Reductions		-20,945	-1,603,089	-38,126,335	-39,750,369
Transfer		206,853	-238,087		-31,234
Balance at 31.12.2008	7,429,626	601,078,414	138,843,784	3,101,928	750,453,752
Write-downs in value					
Balance at 1.1.2008		402,683,527	71,344,689		474,028,216
Transfers		50,017	-73,077		-23,060
Reductions – write-downs		-17,091	-1,548,447		-1,565,538
Reductions – renewals		-2,350,154	-189,108		-2,539,262
Depreciation		12,369,520	5,370,371		17,739,891
Balance at 31.12.2008		412,735,819	74,904,428		487,640,247
Carrying amount					
Balance at 1.1.2008	7,359,471	175,704,959	57,306,061	7,397,360	247,767,851
Balance at 31.12.2008	7,429,626	188,342,595	63,939,356	3,101,928	262,813,505

The Joint-Stock Company Elektro Maribor leased in accordance with the Electricity Distribution Infrastructure Lease and Service Contract for SODO the electricity distribution infrastructure to the company SODO d.o.o. This is on the basis of the provisions of the Energy Act and concession contract the only holder of a concession for the performance of the public utility service of a system operator of the distribution network.

The value of leased electricity distribution infrastructure on 31.12.2009 was 240,789,253 EUR.

State and changes in electricity distribution infrastructure

	in EUR			
	Land	Buildings	Equipment	Total
Purchase value				
Balance at 1.1.2009	4,468,722	575,874,981	117,376,470	697,720,173
Increases	11,463	14,690,102	3,538,997	18,240,562
Reductions			-378,756	-378,756
Balance at 31.12.2009	4,480,185	590,565,083	120,536,711	715,581,979
Write-downs in value				
Balance at 1.1.2009		402,692,436	59,736,276	462,428,712
Reductions		-2,793,462	-553,929	-3,347,391
Depreciation		11,530,944	4,180,461	15,711,405
Balance at 31.12.2009		411,429,918	63,362,808	474,792,726
Carrying amount				
Balance at 1.1.2009	4,468,722	173,182,545	57,640,194	235,291,461
Balance at 31.12.2009	4,480,185	179,135,165	57,173,903	240,789,253

Investments in real estate

(Note 3)

State and changes in investments in real estate

	in EUR
	Investments in real estate
Purchase value	
Balance at 1.1.2009	1.398.092
Increases	6.895
Reductions	0
Transfer	
Balance at 31.12.2009	1.404.987
Write-downs in value	
Balance at 1.1.2009	631.991
Depreciation	24.183
Balance at 31.12.2009	656.174
Carrying amount	
Balance at 1.1.2009	766.101
Balance at 31.12.2009	748.813

Among investments in real estate, the company has vacation facilities and apartments. With renting apartments, the company created 9,566 EUR and with vacation facilities 108,866 EUR of revenues in 2009.

Long-term financial investments

(Note 4)

The company has long-term financial investments in the company's share in the group, in associated companies and in other companies which are treated according to the principle of purchase price.

The investment in the company's share in the OVEN d.o.o. group, which is in its full ownership, is 1,691,967 EUR. The investment in the share of the associated company Eldom d.o.o. is in the amount of 235,246 EUR, in the company Informatika d.d. in the amount of 437,530 EUR and in the company Moja Energija d.o.o. in the amount of 42,158 EUR, for which the full revaluation is prepared.

Changes in long-term financial investments

	Balance at 1.1.2009	Reductions	Increases	Balance at 31.12.2009
Investments in shares and stocks in companies within the group	1,691,967	0	0	1,691,967
Investments in shares and stocks in associated companies	629,230	6,454	50,000	672,776
Other long-term investments in stocks and shares	73,133	16,539	0	56,594
Other long-term investments	166,123	0	0	166,123
Total	2,560,453	22,993	50,000	2,587,460

The company has on 7.7.2009 provided the capital increase to the associated company Eldom d.o.o. in the amount of 50,000 EUR.

Long-term operating receivables

(Note 5)

Long-term operating receivables were in the amount of 41,207 EUR and are reduced for the part which must be paid within one year. They include receivables from the apartment sale to employees in accordance with the Housing Act and which maturity is 10 – 15 years.

	in EUR	
	2009	2008
Long-term operating receivables	52,211	63,579
Short-term part of long-term operating receivables	-11,004	-11,840
Total	41,207	51,739

Inventories

(Note 6)

Material stock is in the amount of 2,206,769 EUR and does not exceed the net realisable value. It is composed mainly of material stock for installation in own investments and spare parts for maintenance of fixed assets.

The company wrote down 131,975 EUR of material stock on 31.12.2009, because it had no useful value for the performance of company's activities.

On 31.12.2009, the company had 14,217 EUR of stock and there was no change in the period from 1.1.2006 to 31.7.2009 because it is defined as the stock of operational reserve.

The stocktaking of material in 2009 showed no inventory deficits and inventory excesses.

	in EUR	
	2009	2008
Material and small tools	2,206,769	1,873,433
Total	2,206,769	1,873,433

Short-term operating receivables

(Note 7)

	in EUR	
	2009	2008
Short-term operating receivables due from companies within the group	42,236	412,203
Short-term operating trade receivables	37,338,391	37,585,809
Short-term operating receivables due from others	6,443,636	3,456,121
Total	43,824,263	41,454,133

The state of short-term operating receivables on 31.12.2009 was 43,824,263 EUR which is 6 % more than on 31.12.2008.

Among the short-term operating receivables, the short-term operating trade receivables present the 85 % share. Among these are above all the following:

- receivables for the sold electricity and network usage in the amount of 31,453,309 EUR,
- receivables for renting and services from the company SODO d.o.o. in the amount of 4,499,154 EUR,
- receivables for the sold services in the amount of 991,545 EUR,
- receivables for late payment interest for electricity, network usage and services performed in the amount of 241,788 EUR.

Short-term operating receivables to others are higher than in the previous year, especially because of registered receivables for claims in the amount of 2,677,669 EUR.

Change in short-term operating receivables

	Balance at 1.1.2009	Reductions	Increases	in EUR Balance at 31.12.2009
Short-term operating receivables due from companies within the group	412.203	723.839	353.872	42.236
Short-term operating trade receivables	37.585.809	319.894.527	319.647.109	37.338.391
Short-term operating receivables due from others	3.456.121	211.199.171	214.186.686	6.443.636
Total	41.454.133	531.817.537	534.187.667	43.824.263

For disputable and doubtful operating receivables, the company has in accordance with the Regulations prepared an allowance in the amount of 3,430,205 EUR which relates to the claims for electricity sold and network usage.

Change in allowances for short-term operating receivables

	Balance at 1.1.2009	Reductions	Increases	in EUR Balance at 31.12.2009
Allowances for operating receivables	4.805.770	2.703.162	3.432.075	5.534.683
Total	4.805.770	2.703.162	3.432.075	5.534.683

The company has claims to buyers of electricity and services insured with promissory notes.

The company does not have any claims to the management and Supervisory Board, except for regular invoices for electricity.

A breakdown of short-term operating receivables according to their due date

	31.12.2009	Structure in %	31.12.2008	Structure in %
Receivables not due	37.675.880	85,9	35.559.469	85,8
Overdue up to 30 days	4.245.453	9,7	3.949.405	9,5
Overdue 31 to 60 days	1.080.953	2,5	957.426	2,3
Overdue 61 to 90 days	515.999	1,2	735.810	1,8
Overdue over 90 days	305.978	0,7	252.023	0,6
Total	43.824.263	100,0	41.454.133	100,0

The structure of receivables has not substantially changed in 2009 in comparison with the structure in the previous year.

In 2009, total short-term receivables increased for 5.7 % which can be attributed to the global economic crisis which reduced financial solvency of the companies which are large consumers of electricity.

The greatest part of receivables represent receivables for electricity and network usage – 69.4 % in 2009 and 67.2 % in 2008.

Cash (Note 8)

	2009	2008
Funds on bank accounts	12.029	3.964
Deposits redeemable	7.383.905	11.142.161
Total	7.395.934	11.146.125

Short-term deferred costs and accrued revenue

(Note 9))

	in EUR	
	2009	2008
Short-term deferred costs or expenses	22,388	52,724
Securities	855	8,562
Total	23,243	61,286

Among the short-term deferred costs are tuition and subscription fees paid in advance.

Equity

(Note 10)

Company's equity which is registered in the register of companies is 139,773,510.27 EUR and is distributed to 33,495,324 of ordinary stocks.

	in EUR	
	2009	2008
Share capital	139,773,510	139,773,510
Capital reserves	75,121,586	75,121,586
Statutory reserves	945,746	874,171
Other profit reserves	6,644,715	5,964,756
Revaluation surplus	119,553	119,553
Carry-forward of net profit or loss for the period	711,894	16,755
Net profit or loss for the period	679,959	695,139
Total	223,996,963	222,565,470

The company had in 2009 the profit in the amount of 1,431,492.78 EUR which was according to the management decision on 31.12.2009 used for statutory reserves in the amount of 71,574.64 EUR and for other profit reserves in the amount of 679,959.07 EUR.

Profit for appropriation is presented in the Annex to the Statement of changes in equity for 2009.

The accounting value of one stock is 6.69 EUR.

The company paid the dividends in the amount of 570,623 EUR in 2009 which came from the undistributed profit from 2006 and had to be paid in accordance with the decision of the courts.

Provisions and long-term accrued costs and deferred revenue

(Note 11)

Reservations for long-service awards and severance grants for retirement were on 31.12.2009 4,372,512 EUR and were as presented in the following table:

	in EUR				
	Balance at 1.1.2009	Expenditure	Elimination	Increases	Balance at 31.12.2009
Reservations for long-service awards	1,494,520	211,280	0	466,391	1,749,631
Reservations for severance grants	2,838,241	164,663	62,329	11,632	2,622,881
Total	4,332,761	375,943	62,329	478,023	4,372,512

The company reduced the stated reservations according to the actually paid liability to employees, and increased them for additional liabilities to employees on 31.12.2009 which was gained on the basis of the calculation of an authorized actuary. The elimination of reservations stems from the amounts for over-charged severance grants in the amount of 62,329 EUR.

Long-term accrued costs and deferred revenue were 33,849,447 EUR on 31.12.2009 and are formed from the free-of-charge fixed assets taken and from co-financing. The

company uses the stated long-term accrued costs and deferred revenues for covering depreciation costs with the annual depreciation rate of 3 %.

The assets from average connection costs, which are charged since 1.7.2007 in the name and for the company account of SODO d.o.o., are used for covering depreciation costs on the basis of actually charged depreciation of these assets.

Changes in long-term accrued costs and deferred revenue

	in EUR			
	Balance at 1.1.2009	Reductions	Increases	Balance at 31.12.2009
Long-term deferred revenue from free-of-charge house connections	13,236,353	532,547	1,503,864	14,207,670
Long-term deferred revenue from free-of-charge FA	3,141,263	138,502	1,141,697	4,144,458
Long-term deferred revenue from average connection costs	5,260,080	178,523	0	5,081,557
Long-term deferred revenue from co-financing	3,766,473	131,587	150,124	3,785,010
Long-term deferred revenue from average connection costs of SODO d.o.o.	3,336,379	71,967	1,576,583	4,840,995
Long-term deferred revenue from contribution exemptions for persons with disabilities	227,507	225,253	111,318	113,572
Long-term deferred revenue from claims	0	0	1,676,185	1,676,185
Total	28,968,055	1,278,379	6,159,771	33,849,447

Long-term liabilities

(Note 12)

On 31.12.2009, the company has long-term financial liabilities in the amount of 18,778,908 EUR.

	in EUR	
	2009	2008
Long-term financial liabilities to banks	26,199,270	21,652,966
Short-term part of long-term financial liabilities to banks	-7,420,362	-5,340,362
Total	18,778,908	16,312,604

The increase of long-term financial liabilities to banks in 2009 is the result of a loan in the amount of 10,400,000 EUR which was raised by the company for the financing of investments.

The maturity of the raised loans is 5 years, the interest rate is between 1- and 3-month EURIBOR increased by the bank's margin. All loans are secured by promissory notes.

Short-term liabilities

(Note 13)

Short-term financial liabilities include the amounts of short-term part of long-term loans which are due for repayment in the period of one year from the day of the balancing. The state of these on 31.12.2009 was in the amount of 7,420,362 EUR. Other short-term financial liabilities include the amount of liabilities for unpaid dividends, which remained from the previous year, in the amount of 10,751 EUR.

Short-term operating liabilities are in the amount of 32,386,924 EUR and are in comparison with the previous year for 19 % lower.

	in EUR	
	2009	2008
Short-term operating liabilities to companies within the group	69,474	121,616
Short-term operating liabilities to suppliers	19,120,262	28,534,439
Short-term operating liabilities for foreign account	9,431,253	8,396,147
Short-term operating liabilities to employees	2,101,628	1,568,569
Short-term operating liabilities to the State and other institutions	947,135	328,682
Short-term operating liabilities on the basis of advances	484,915	571,965
Other short-term operating liabilities	232,257	279,194
Total	32,386,924	39,800,612

Short-term operating liabilities to the companies within the group represent liabilities for the purchase of electricity and are in comparison with the previous year 43 % smaller. The reduction is the result of the Government RS Regulation which transferred the competence for collecting premiums for qualified production on the company BORZEN d.o.o. from 1.1.2009 on.

Short-term operating liabilities to suppliers are in comparison with the state in 2008 33 % lower, especially because of a less intensive investment activity.

Short-term liabilities for the foreign account are in the amount of 9,431,253 EUR and include the state of outstanding liabilities to the company SODO d.o.o. for network usage. Furthermore, average connection costs are charged to the company SODO d.o.o.

Changes in short-term operating liabilities

	in EUR			
	Balance at 1.1.2009	Reductions	Increases	Balance at 31.12.2009
Short-term operating liabilities to companies within the group	121,616	1,078,028	1,025,886	69,474
Short-term operating liabilities to suppliers	28,534,439	213,310,331	203,896,154	19,120,262
Short-term operating liabilities for foreign account	8,396,147	174,745,816	175,780,922	9,431,253
Short-term operating liabilities to employees	1,568,569	38,993,259	39,526,318	2,101,628
Short-term operating liabilities to the State and other institutions	328,682	187,868,130	188,486,583	947,135
Short-term operating liabilities on the basis of advances	571,965	3,703,529	3,616,479	484,915
Other short-term operating liabilities	279,194	2,761,728	2,714,791	232,257
Total	39,800,612	622,460,821	615,047,133	32,386,924

Short-term accrued costs and deferred revenue

(Note 14)

The state of short-term accrued costs and deferred revenue on 31.12.2009 was 5,014,098 EUR. Among these, the company records the following:

- calculated costs for fines from the Competition Protection Office of RS in the amount of 2,561,720 EUR,
- short-term deferred incomes from claims because of unjustified termination of contracts for electricity purchase in the amount of 937,196 EUR.
- calculated costs from unused annual leaves in the amount of 602,840 EUR,
- calculated costs for coverage of derogations in electricity purchase and sale in the amount of 375,854 EUR.

Off-balance sheet items

(Note 15)

Off-balance sheet items of the company comprise the promissory notes given for the loans received, of given and received guarantees, of amounts of potential liabilities for payment and of amounts of small tools in use.

	in EUR	
	2009	2008
Securities for payment insurance – guarantees	2,216,068	2,392,410
Securities for payment insurance – promissory notes	26,199,270	21,652,966
Claims for bank quarantees	3,237,991	1,596,033
Potential liabilities for claim payments	10,092,545	3,823,304
Small tools in use	1,107,903	1,061,618
Total	42,853,777	30,526,331

Securities for payment insurance include promissory notes given for long-term loans received. The amount of potential liabilities for claim payments presents the amount of the received invoice of the company Satus z.b.o. in the amount of 9,739,716 EUR on which the company made its objection.

5.6.2 Notes to the Income Statement

The income statement of the company includes the revenue and expenses which incurred in the accounting period of the company. It has a form of a consecutive statement in stages, written according to Version 1 as defined in SAS 25. The values are presented for the current and the previous period.

Annex to the income statement

	in EUR	
	2009	2008
Net sales	185,014,426	181,280,285
Capitalised own products and own services	9,376,379	11,701,471
Production expenses of the operating effects sold	188,505,394	181,935,956
Gross operating result from sale	5,885,411	11,045,800
Expenses for sales	3,312,739	2,610,215
Expenses of basic activities	8,051,619	7,164,275
– normal expenses of basic activities	4,387,143	3,992,480
– revaluated operating expenses for intangible long-term and tangible fixed assets (7201, 7200)	83,887	49,815
– revaluated operating expenses associated with current operating assets (7210, 11)	3,580,589	3,121,980
Other operating expenses	4,328,890	1,688,889
Operating Profit or Loss	-1,150,057	2,960,199

Net sales

(Note 16)

	in EUR	
	2009	2008
The sale of electricity	140,911,449	132,056,308
Services charged	5,008,334	6,439,603
Rents charged	24,702,404	33,612,449
The sale of waste material	61,152	55,984
SODO d.o.o. services according to the contract	14,331,087	9,115,941
Total	185,014,426	181,280,285

Revenues from electricity sales are 7 % higher than in the same period of the previous year. All revenues are the result of higher average prices of electricity.

The company produced revenues from service sales with the sale of construction, design and other services to foreign clients. In 2009, revenues from service sales were 22 % lower, especially due to a larger scope of works in the field of damage repair which happened in the beginning of the business year.

The charged rents include revenues from renting the electricity distribution infrastructure. In 2009, the methodology for the calculation of rents to the company SODO d.o.o. changed, so there were 28 % smaller revenues on this part and consequently 57 % higher revenues from services performed for the company SODO d.o.o.

Capitalised own products

(Note 17)

Capitalised own products include revenues from own investments in the amount of 8,919,166 EUR and revenues of internal services in the amount of 457,213 EUR.

	in EUR	
	2009	2008
Own products and own services	9,376,379	11,701,471
Total	9,376,379	11,701,471

Other operating revenues

(Note 18)

Other operating revenues with revaluated operating revenues were in the amount of 4,328,890 EUR and relate to the following:

- revenues from the reversal of reservations in the amount of 96,938 EUR,
- revenues from drawing of long-term accrued costs and deferred revenue in the amount of 1,332,538 EUR, and
- revenues from profit from fixed asset sale and recovery of claims for electricity, network usage and service performed in the amount of 2,899,414 EUR.

Costs of goods, material, and services

(Note 19)

Costs of goods, material, and services are in the amount of 152,974,384 EUR and are 5 % higher than in the same period in the previous year.

	in EUR	
	2009	2008
Costs of material	144,166,980	136,285,303
Costs of services	8,807,404	8,765,934
Total	152,974,384	145,051,237

The most significant cost of material is the cost of purchase of electricity which was in the amount of 135,309,672 EUR.

Significant costs of services are costs of the maintenance of fixed assets in the amount of 1,733,117 EUR, costs of informatics in the amount of 1,754,252 EUR, costs of insurance premiums in the amount of 1,046,135 EUR and costs of services for further settlement in the amount of 1,340,895 EUR.

The company has in 2009 recorded the following expenses for the revisor:

- revision of financial statements in the amount of 9,830 EUR,
- other revision services in the amount of 6,220 EUR.

The company had in 2009 the costs of advisory services in the field of taxes in the amount of 12,705 EUR.

Labour costs

(Note 20)

	in EUR	
	2009	2008
Labour costs	16,769,318	16,856,956
– cost labour provisions for unused annual leaves included	602,840	589,662
Costs of supplementary pensions for the employees	887,512	848,158
Costs of employer's contributions and other benefits from salaries	2,806,632	2,999,102
Other labour costs	3,342,404	3,286,962
Total	23,805,866	23,991,178

Other labour costs are the following:

- accrual for annual leave in the amount of 1,248,152 EUR,
- transport allowance and food costs in the amount of 1,913,586 EUR.

	in EUR
Gross salaries of employees on individual contracts	563,343
– basic gross salary	491,529
– paid long-service bonus	57,167
– paid Christmas bonus or 13 th salary	14,647
Reimbursements of business travel expenses	2,560
Reimbursements of other expenses (accrual for food and transport costs)	18,956
Voluntary pension insurance	23,527
Accrual	13,565
Calculated labour costs from unused annual leaves	10,373
Bonuses	26,116
– company vehicle use	19,630
– collective accident insurance	1,457
– reimbursement of transport costs	5,029
Charged contributions from bonuses	4,205

	in EUR
Gross salaries of the company's management	91,413
– basic gross salary	82,215
– paid long-service bonus	8,618
– paid Christmas bonus or 13 th salary	580
Reimbursements of business travel expenses	51
Reimbursements of other expenses (accrual for food and transport costs)	3,530
Voluntary pension insurance	2,236
Accrual	1,322
Calculated labour costs from unused annual leaves	2,047
Bonuses	3,718
– company vehicle use	1,662
– collective accident insurance	156
– reimbursement of transport costs	1,900
Charged contributions from bonuses	598

In the gross salary costs of the company's management are the salary of the Chairman of the company's management Mr Stanislav Vojsk for the period from 1.1.2009 to 16.11.2009 in the amount of 84,846 EUR and the salary of the company's representative Mr Peter Grubelnik for the period from 1.12.2009 to 31.12.2009 in the amount of 6,567 EUR.

The company did not approve advance payments and loans, neither did it guaranteed payment of their liabilities to the management of the company, members of the Supervisory Board and company's workers, contractual employees.

In the period from 1.1.2009 to 31.12.2009, the Chairman of the company's management received income in the amount of 102,143.58 EUR.

Remunerations which the members of the Supervisory Board received in the business year are the following:

	in EUR
Surname and First Name	Gross attendance fee
Fajt Rajko (Chairman from 1.1.2009 to 15.9.2009)	7,207,20
Mendaš Milan (member from 1.1.2009 to 15.9.2009)	4,356,00
Visenjak Slavko (member from 1.1.2009 to 15.9.2009)	4,884,00
Rutar Matjaž (member from 1.1.2009 to 15.9.2009)	5,544,00
Jaušovec Anton (member – workers' representative)	8,184,00
Pečovnik Miroslav (member – workers' representative)	8,184,00
Grubelnik Peter (Chairman from 16.9.2009 to 16.11.2009)	2,560,80
Madžarac Matjaž (member from 16.9.2009 to 17.11.2009, Chairman from 17.11.2009 to 31.12.2009)	2,897,40
Ferenčak Roman (member from 16.9.2009 to 31.12.2009)	1,980,00
Kokalj Srečko (member from 16.9.2009 to 31.12.2009)	2,640,00
Total	48,437,40

	in EUR
Attendance fee	Gross
Regular and extraordinary session for the President of SB until 15.9.2009	858,00
Regular and extraordinary session for the member of SB until 15.9.2009	660,00
Corresponding session for the President of SB until 15.9.2009	686,40
Corresponding session for the member of SB until 15.9.2009	528,00
Regular and extraordinary session for the President of SB until 16.9.2009	429,00
Regular and extraordinary session for the member of SB until 16.9.2009	330,00
Corresponding session for the President of SB until 16.9.2009	343,20
Corresponding session for the member of SB until 16.9.2009	264,00

Supervisory Board attendance fee expenditure in 2009

	in EUR
Attendance fee expenditure	48.437,40
Taxes	2.906,24
Total	51.343,64

Write-downs in value

(Note 21)

	in EUR	
	2009	2008
Depreciation	18,241,670	18,208,218
Revaluated operating expenses for intangible and tangible fixed assets	83,887	49,815
Revaluated operating expenses associated with current operating assets	3,580,589	3,121,980
Total	21,906,146	21,380,013

The amount of write-downs in value in 2009 was 21,906,146 EUR. In total costs and expenses of the company, this represents 11 % of the structure ratio.

The company started in 2009 with the evaluation of the asset utility period. It determined that the utility period of some assets significantly changed and because of that it changed depreciation rates which are in accordance with the SAS considered as a change in the accounting estimate.

The influence of change in the accounting estimate

	in EUR				
Depreciation category	Previous rate	New rate	Depreciation according to previous rates	Depreciation according to new rates	Difference
Overhead power lines MV, timber poles	3.33 %	3.00 %	1,249,742	1,133,196	116,546
Cable conduit MV with XHP and EHP	4.00 %	3.00 %	839,436	632,730	206,706
Overhead power line LV and CR, with timber poles	3.33 %	3.00 %	3,190,557	2,894,750	295,807
Masthead TS on a timber pole	3.33 %	3.00 %	10,994	9,923	1,071
Outdoor adaptations, roads etc.	3.33 %	3.00 %	36,537	32,917	3,620
Wooden buildings	3.33 %	3.00 %	764	689	75
Typewriter and calculating devices	25.00 %	20.00 %	455	374	81
Mobile phones	25.00 %	20.00 %	5,275	4,265	1,010
Total			5,333,760	4,708,844	624,916

Revaluated operating expenses associated with current operating assets mainly represent the allowances for operating receivables from electricity and network usage sale with late payment interests 3,085,203 EUR.

Other operating expenses

(Note 22)

	in EUR	
	2009	2008
Other operating expenses; for	1,183,356	1,288,018
– reservations for pensions, long-service awards and severance grants	478,023	289,577
– reservations for covering other liabilities from the previous excise duty operations	78,453	0
– reservations for covering other liabilities from the previous operations of the company Borzen d.o.o.	0	311,840
– other taxes and expenditure (building land, charges, legal expenses)	304,200	291,137
– other expenses	322,680	395,464

The company formed reservations for severance grants at retirement in the amount of 11,632 EUR and reservations for long-service awards in the amount of 466,392 EUR which had to be harmonised in accordance with the calculation of an authorized actuary.

Furthermore, the company formed reservations for assets which it will most certainly have to pay in accordance with the decision of the Customs Office because of insufficiently charged excise duty from the sold electricity.

Financial revenue from loans given (Note 23)

Financial revenue from loans given was generated from the deposited excess of assets at business banks in the amount of 183,556 EUR.

	in EUR	
	2009	2008
Financial revenue from loans, given to others	183,556	518,395
Total	183,556	518,395

Financial revenue from the operating receivables (Note 24)

	in EUR	
	2009	2008
Financial revenue from the operation receivables due from others	534,624	534,026
Total	534,624	534,026

Financial revenues are realised in the amount of 534,624 EUR and are related to the charged late payment interests from unpaid or late paid electricity, network usage and service claims.

Financial expenses from financial liabilities (Note 25)

	in EUR	
	2009	2008
Financial expenses for loans	600,978	900,170
Other financial expenses from other financial liabilities	18,102	401
Total	619,080	900,571

Financial expenses for loans show debt interests from long-term loans received in the amount of 449,258 EUR and interests from short-term loans received in the amount of 151,719 EUR. Lower expenses for interests in comparison with 2008 were the result of more favourable interest rates.

Financial expenses for operating liabilities (Note 26)

	in EUR	
	2009	2008
Financial expenses for trade payables	10,914	1,545
Other financial expenses for other operating liabilities	7,406	740
Total	18,320	2,285

Financial expenses for trade payables are relating to the liabilities for late payment interests.

Other revenue (Note 27)

	in EUR	
	2009	2008
Claims received	2,884,696	964,236
Other revenue	37,189	25,809
Total	2,921,885	990,045

Claims received from the insurance company were in the amount of 2,872,655 EUR and are the result of damages due to storms in the beginning of this business year when there was a shortfall on more than 60 % of the supply area of the company because of heavy snowfalls. Because the company has its assets insured, it received compensations for that.

Other expenses (Note 28)

Among other expenses, there are unusual items and other expenses which are reducing the profit or loss of the company.

	in EUR	
	2009	2008
Financial sanctions, fines and claims	418,314	2,619,119
Other expenses	2,801	31,233
Total	421,115	2,650,352

Other expenses are 84 % smaller than in 2008, because we included the fine from the Competition Protection Office of RS in the amount of 2,561,720 EUR. Compensations present the amounts paid because of the damage crops and agricultural land.

Net profit or loss before taxation (Note 29)

Net profit of the company before taxation was in the amount of 1,431,493 EUR.

The company is not liable to pay the corporate income tax because of covering the tax loss from the previous year.

	in EUR	
	2009	2008
Operating result	-1,150,057	2,960,199
Financing Result	80,780	163,559
Result of other revenue and expenses	2,500,770	-1,660,307
Total	1,431,493	1,463,451

The operating result of the company is for the period concerned 31,958 EUR smaller than in the same period of the previous year.

If the company revalued the equity with the consumer price index growth rate (1.8 %) for 2009, it would have a net loss (without considering the influence on corporate income tax return) in the amount of 2,600,452 EUR.

Item	Equity amount in the beginning of period	% of growth	Calculated effect	Increase/decrease of equity during the year		Calculated effect	Net profit or loss before the calculation	Net profit and loss after the calculation
					% of growth			
EQUITY – all categories except current profit	222,565,470	1,80	4,006,178	1,431,493	1,8000	25,767	1,431,493	-2,600,452

5.6.3 Notes to the Cash Flow Statement

The Joint-Stock Company Elektro Maribor presents the cash flows in accordance with the SAS 2006 according to the direct method (Version I).

Cash flow from operating activities

(Note 30)

The difference between operating cash flow and expenses is in this period positive in the amount of 10,953,725 EUR. Excess of operating cash flow is for 49 % smaller than in 2008.

The greatest share of operating cash flow is the revenues from electricity sale and network usage (81 %) which are 0.4 % higher than in 2008. Among other operating cash flows are the compensation claims which are 216 % higher than in 2008, this being the result of damage to the network due to large amounts of snow.

Operating expenditures are in comparison with 2008 higher by 4 %. Higher expenditures are the result of higher purchase prices on the electricity market. In the entire operating expenditure structure, the expenditures for electricity purchase and network usage present 81 percent share.

Cash flows from investment activities

(Note 31)

Cash receipts from investment activities are 68 % lower than in 2008 which is the result of the fact that in 2009 there were no cash receipts from the disposal of short-term investments.

Expenses for the acquisition of tangible fixed assets are 24 % lower than the previous year. Expenses for the acquisition of tangible fixed assets which are 9 % higher than the previous year, are emphasised. Cash payments from investment activities include the capital increase of the associated company Eldom d.o.o. in the amount of 50,000 EUR.

Cash flows from financing activities

(Note 32)

In March 2009, we had to raise a short-term loan in the amount of 8,300,000 EUR for liquidity management and it was returned in September 2009.

For the payment of liabilities of investments, we raised a long-term loan in the amount of 10,400,00 EUR for a period of 5 years with the floating rate EURIBOR, increased for a mark-up.

Interests for the repayment of short-term and long-term loans were 638,106 EUR and are 27 % lower in comparison with the previous year which is the result of the fall in interest rates on the financial markets. Expenses for repayments of long-term financial liabilities are 31 % higher than last year which is the result of raising a new long-term loan.

The company paid in 2009 the dividends in the amount of 570,623 EUR.

On 31.12.2009, the balance of long-term loans was 26,199,270 EUR.

REPORTING BY ACTIVITIES

The balance sheet and profit and loss account are for the individual activity composed according to the following assumptions:

- business events which can be defined without ambiguity to the activity they are relating to, are listed to the associated activity at the time of their appearance;
- business events with joint characteristics or which cannot be suitably defined at the time of their appearance, are listed on the same level as joint services;

- stock of assets and liabilities, as well as revenues, expenses and expenditures which are listed on the level of joint services, are allocated to activities in accordance with the criteria set in the Regulations about internal sharing relations of the Joint-Stock Company Elektro Maribor which was confirmed by the Energy Agency of the Republic of Slovenia.

Sub-balance sheets are conditioned by the selection of suitable criteria and with their limited expressive power.

Balance sheet by activities

Item	in EUR		
	EDS	PAS	Total
A. Long-term assets	272,272,260	107,496	272,379,756
I. Intangible fixed assets and long-term deferred costs and accrued revenue	1,181,159	0	1,181,159
1. Long-term ownership rights	1,181,159	0	1,181,159
II. Tangible fixed assets (1 to 6)	267,767,735	53,382	267,821,117
1. Land and buildings (a + b)	201,644,116	858	201,644,974
a. Land	7,397,851	4	7,397,855
b. Buildings	194,246,265	854	194,247,119
2. Production devices and machinery	62,414,323	52,524	62,466,847
4. Acquired tangible fixed assets (a + b)	3,709,296	0	3,709,296
Tangible fixed assets in course of construction	3,709,296	0	3,709,296
III. Investments in real estate	748,662	151	748,813
IV. Long-term financial investments	2,534,220	53,240	2,587,460
1. Long-term investments, excluding loans	2,534,220	53,240	2,587,460
a. Investments in shares and stocks in companies within the group	1,657,153	34,814	1,691,967
b. Investments in shares and stocks in associated companies	658,933	13,843	672,776
c. Other long-term investments in stocks and shares	55,429	1,165	56,594
č. Other long-term investments	162,705	3,418	166,123
V. Long-term operating receivables (1 to 3)	40,484	723	41,207
3. Long-term operating receivables due from others	40,484	723	41,207
B. Current Assets	15,045,164	38,381,802	53,426,966
II. Inventories (1 to 4)	2,192,090	14,679	2,206,769
1. Material	2,192,090	14,679	2,206,769
IV. Short-term operating receivables (1 to 3)	10,672,135	33,152,128	43,824,263
1. Short-term operating receivables due from companies within the group	12,455	29,781	42,236
2. Short-term operating trade receivables	8,424,707	28,913,684	37,338,391
3. Short-term operating receivables due from others	2,234,973	4,208,663	6,443,636
V. Cash	2,180,939	5,214,995	7,395,934
C. Short-term deferred costs and accrued revenue	7,145	16,098	23,243
A S S E T S (A + B + C)	287,324,569	38,505,396	325,829,965
Off-balance sheet assets	40,743,247	2,110,530	42,853,777

in EUR

Item	EDS	PAS	Total
A. Equity (I-VI)	206,403,481	17,593,482	223,996,963
I. Called-up capital (1 to 2)	130,270,890	9,502,620	139,773,510
1. Share capital	130,270,890	9,502,620	139,773,510
II. Capital reserves	70,014,382	5,107,204	75,121,586
III. Profit reserves (1 to 5)	5,089,841	2,500,620	7,590,461
1. Statutory reserves	659,902	285,844	945,746
5. Other profit reserves	4,429,939	2,214,776	6,644,715
IV. Revaluation surplus	116,536	3,017	119,553
V. Carry-forward of net profit or loss for the period	544,720	167,174	711,894
1. Carry-forward of net profit from the previous years	544,720	167,174	711,894
VI. Net profit or loss for the period	367,112	312,847	679,959
1. Net profit for the period	367,112	312,847	679,959
B. Provisions and Long-term Accrued Costs and Deferred Costs (1 to 3)	36,493,564	1,728,395	38,221,959
1. Provisions for pensions and similar liabilities	4,320,501	52,011	4,372,512
3. Long-term accrued costs and deferred revenue	32,173,063	1,676,384	33,849,447
C. Long-term Liabilities (I - III)	18,778,908	0	18,778,908
I. Long-term financial liabilities (1 to 4)	18,778,908	0	18,778,908
2. Long-term financial liabilities to banks and companies	18,778,908	0	18,778,908
Č. Short-term Liabilities (I - III)	24,663,387	15,154,650	39,818,037
II. Short-term financial liabilities (1 to 4)	7,430,892	221	7,431,113
2. Short-term financial liabilities to banks and companies	7,420,362	0	7,420,362
4. Other short-term financial liabilities	10,530	221	10,751
III. Short-term operating liabilities (1 to 8)	17,232,495	15,154,429	32,386,924
1. Short-term operating liabilities to companies within the group	0	69,474	69,474
2. Short-term operating liabilities to suppliers	4,940,026	14,180,236	19,120,262
4. Short-term operating liabilities for foreign account	9,431,253	0	9,431,253
5. Short-term liabilities to employees	2,043,387	58,241	2,101,628
6. Short-term liabilities to the State and other institutions	556,832	390,303	947,135
7. Short-term operating liabilities on the basis of advances	33,117	451,798	484,915
8. Other short-term operating liabilities	227,880	4,377	232,257
D. Short-term accrued costs and deferred revenue	985,230	4,028,869	5,014,098
EQUITY AND LIABILITIES (A + B + C + Č + D)	287,324,569	38,505,396	325,829,965
Off-balance sheet liabilities	40,743,247	2,110,530	42,853,777

Profit and loss account by activities

		in EUR		
	Item	EDS	PAS	Total
1.	Net sales (a + b)	45,255,679	139,758,747	185,014,426
	a. On the domestic market	45,255,679	139,758,747	185,014,426
3.	Capitalised own products and own services	9,376,379	0	9,376,379
4.	Other operating revenues (with revaluated operating revenues)	2,194,677	2,134,213	4,328,890
5.	Costs of goods, material, and services (a + b)	15,772,697	137,201,687	152,974,384
	a. Acquisition price of goods sold and costs of materials used	8,714,367	135,452,613	144,166,980
	b. Costs of services	7,058,330	1,749,074	8,807,404
6.	Labour costs (a + b + c + d)	22,431,463	1,374,403	23,805,866
	a. Payroll costs	15,760,390	1,008,928	16,769,318
	b. Costs of supplementary pensions for the employees	839,582	47,930	887,512
	c. Costs of employer's contributions and other benefits from salaries	2,649,662	156,970	2,806,632
	d. Other labour costs	3,181,829	160,575	3,342,404
7.	Write-downs in value (a + b + c)	19,124,398	2,781,748	21,906,146
	a. Depreciation and amortisation expenses	18,159,630	82,040	18,241,670
	b. Revaluated operating expenses associated with tangible and intangible fixed assets OS	83,216	671	83,887
	c. Revaluated operating expenses associated with current operating assets	881,552	2,699,037	3,580,589
8.	Other operating expenses	1,008,806	174,550	1,183,356
10.	Financial revenue from loans given (a + b)	149,231	34,325	183,556
	b. Financial revenue from loans, given to others	149,231	34,325	183,556
11.	Financial revenue from the operating receivables (a + b)	109,203	425,421	534,624
	b. Financial revenue from the operation receivables due from others	109,203	425,421	534,624
13.	Financial expenses from financial liabilities (a + b + c + ĉ)	453,435	165,645	619,080
	b. Financial expenses for loans	449,259	151,719	600,978
	ĉ. Financial expenses from other financial liabilities	4,176	13,926	18,102
14.	Financial expenses for operating liabilities (a + b + c)	10,878	7,442	18,320
	b. Financial expenses for trade payables and bills payable	10,241	673	10,914
	c. Financial expenses for other operating liabilities	637	6,769	7,406
15.	Other revenue	2,904,650	17,235	2,921,885
16.	Other expenses (a + b)	415,275	5,840	421,115
17.	PROFIT OR LOSS FROM ORDINARY ACTIVITIES BEFORE TAXATION			
	(1 + 2 + 3 + 4 - 5 - 6 - 7 - 8 + 9 + 10 + 11 - 12 - 13 - 14 + 15 - 16)	772,867	658,626	1,431,493
20.	PROFIT OR LOSS FOR THE PERIOD			
	(1 + 2 + 3 + 4 - 5 - 6 - 7 - 8 + 9 + 10 + 11 - 12 - 13 - 14 + 15 - 16 - 17 - 18 + 19)	772,867	658,626	1,431,493

Expenses of functional groups by activities

PRODUCTION EXPENSES

	in EUR		
	EDS	PAS	Sales expenses
Costs of material	8,555,638	135,333,197	143,888,835
Costs of services	6,211,161	33,070	6,244,231
Depreciation	18,106,929	66,477	18,173,406
Labour costs	19,460,283	0	19,460,283
Other operating expenses	738,639	0	738,639
Total	53,072,650	135,432,744	188,505,394

SALES EXPENSES

	in EUR		
	EDS	PAS	Sales expenses
Costs of material	63,749	97,569	161,318
Costs of services	145,004	1,554,498	1,699,502
Depreciation	52,701	15,563	68,264
Labour costs	449,328	794,346	1,243,674
Other operating expenses	22,417	117,564	139,981
Total	733,199	2,579,540	3,312,739

COSTS OF MANAGEMENT

	in EUR		
	EDS	PAS	Costs of management
Costs of material	94,980	21,847	116,827
Costs of services	702,165	161,506	863,671
Depreciation	0	0	0
Labour costs	2,521,852	580,057	3,101,909
Other operating expenses	247,750	56,986	304,736
Total	3,566,747	820,396	4,387,143

TOTAL EXPENSES

	in EUR		
	EDS	PAS	Total expenses
Costs of material	8,714,367	135,452,613	144,166,980
Costs of services	7,058,330	1,749,074	8,807,404
Depreciation	18,159,630	82,040	18,241,670
Labour costs	22,431,463	1,374,403	23,805,866
Other operating expenses	1,008,806	174,550	1,183,356
Total	57,372,596	138,832,680	196,205,276



INTRODUCTION
JOINT-STOCK COMPANY ELEKTRO MARIBOR
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CONTACTS WITH THE JOINT-STOCK COMPANY
ELEKTRO MARIBOR

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BASIC INFORMATION

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Service Units

SU Elektro gradnje Ljutomer

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SU Elektro gradnje in remont Maribor

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Abbreviations Index

DCAR	Deferred Costs and Accrued Revenue
AMI	Advanced Metering Infrastructure
AMM	Advanced Metering Management
AMR	Automatic Meter Reading
BS	Balance sheet
MDC	Management Distribution Centre
EDS	Electricity Distribution System
TCS	Tariff Customer Supply
PL	Power line
EU	European Union
EURIBOR	Euro Interbank Offered Rate
PUS	Public Utility Service
PLA	Profit and Loss Account
ISO	International Organization for Standardization
EARS	Energy Agency of the Republic of Slovenia
PAS	Purchase and Sale
LV	Low Voltage
SB	Supervisory Board
RU	Regional Unit
OHSAS	Occupational Health and Safety Advisory Services
FA	Fixed Assets
RES	Renewable Energy Sources
ACDR	Accrued costs and deferred revenue
DEDNS	Development of Electricity Distribution Network of Slovenia
RS	The Republic of Slovenia
TS	Transformer Station
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SU	Service Unit
SIST	Slovenian Institute for Standardization
MV	Medium Voltage
SODO	System Operator of Distribution Network
GCESC	General Conditions of Electricity Supply and Consumption
SAS	Slovenian Accounting Standards
TS	Transformer Station
CPO	Competition Protection Office of RS
HV	High Voltage
CA	Companies Act

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