



Stredoslovenská vodárenská
prevádzková spoločnosť, a.s.

ANNUAL REPORT



Stredoslovenská
vodárenská
prevádzková
spoločnosť, a. s.

contents

2015

Annual Report // StVPS, a. s. // 2015

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basic data

Trade name:
Stredoslovenská
vodárenská prevádzková
spoločnosť, a. s.

Company seat:
Partizánska cesta 5
974 01 Banská Bystrica

Legal form:
Joint-stock company

Identification No: 36 644 030

VAT reg No: SK 2022102236

Capital stock: € 34,000.00

Trade register
of District court
in Banská Bystrica,
section: Sa,
Insert No: 840/S

Registered on:
January 1, 2006

object of activities

- operation of the public water supply systems of 1st up to 3rd categories,
- operation of the public sewer systems of 1st up to 3rd categories,
- consulting, technical and professional assistance in the area of production, treatment and supply of drinking and industrial water, operation of the water supply systems, sewer systems and wastewater treatment plants,
- cleaning of water pipelines and sewer lines,
- execution of inspections of sewer systems by instrumental techniques,
- detection of hidden water leaks by correlation and electro-acoustic techniques,
- setting of water supply and sewer systems and armatures, a determination of contact points for connecting of instrumental techniques,
- measurement of wastewater volumes on measuring objects and sewer systems with the determination of immediate or cumulative flow by instrumental techniques,
- physical-chemical, radiological, microbiological and hydro-biological analyses of drinking, industrial and waste waters, including technological analyses of water,
- execution of water tightness tests of water management objects and equipment,
- business activities in the area of disposal of non-dangerous waste,
- execution of technical inspections of pipelines,
- repairs and installations of water meters,
- task designs, solutions and evaluation of hydro-geological survey, engineering-geological survey and geological environment survey,
- electricity production in small hydroelectric power station with the output up to 5 MW,
- power distribution
- purchase of goods for the purpose of its sale to other trade license holders (wholesale trade),
- purchase of goods for the purpose of its sale to final consumer (retail trade),
- intermediation in trade and services,
- elaboration of documentation and projects of simple buildings, small buildings and changes of these buildings,
- realization of simple buildings, small buildings and their changes
- realization of buildings and their changes,
- execution of water management and engineering,
- realization of activities of a site manager,
- realization of building inspection activities,
- engineering construction,
- supply and installation of chlorine equipment and dosing devices for chemicals,
- repairs, service, maintenance and execution of professional inspections and professional testings of chlorine equipment and dosing devices for chemicals,
- rental of machines, instruments and equipment,
- public procurement,
- national freight road transport,
- rental of real estates
- repair and servicing of all types of pumps
- realisation of revisory and pressure tests of pressure tanks
- repair, installation, maintenance and service of electrical equipment
- carrying out of technical inspections and testing of specified electrical equipment
- organizing of training courses and seminars
- carrying on training courses and seminars
- fire safety engineer
- accommodation and catering service in these accomodation establishments

**THE COMPANY HAS
NO ORGANIZATIONAL
UNIT ABROAD.**

profile of the company

statutory bodies

of the company December 31, 2015



Board of Directors

CHAIRMAN OF THE BOARD OF DIRECTORS

Philippe Guitard

MEMBERS OF THE BOARD OF DIRECTORS

Ing. Martin Bernard, MBA
Ing. Róbert Tencer
JUDr. Soňa Šáliová
Ing. Peter Martinka

SUPERVISORY BOARD

Tomáš Paclík
Ing. Pavol Badinský
Etienne Petit
Ing. Jozef Hegeduš
Ing. Dušan Gregorčok
JUDr. Katarína Macháčková

Executive management of the company

MANAGING DIRECTOR

Ing. Peter Martinka

ECONOMIC DIRECTOR

Ing. Peter Dobrý

DIRECTOR FOR PRODUCTION-OPERATING ACTIVITIES

Ing. Robert Javorčík

COMMERCIAL DIRECTOR

Ing. Mária Vicianová

DIRECTORS OF PLANTS

Ing. Pavol Badinský
plant 01 Banská Bystrica

Ing. Ladislav Solkový
závod 02 Lučenec

JUDr. Vladimír Andrejovský
plant 03 Prievidza

Ing. Branislav Jurík
plant 04 Rimavská Sobota

PaedDr. Zoltán Balla
plant 05 Veľký Krtíš

Ing. Milan Vlček
plant 06 Zvolen, Žiar nad Hronom

key data

(December 31, 2015)

Turnover of the Company	€ 58,006,629
Profit after taxation	€ 2,692,325
Number of supplied residents	656,933
Number of employees	1,088

Total production of own water	40,620 th. m ³
Length of operated water supply system	4,477 km
Number of water preparation plants	22
Purified sewage water in th. m ³ /year	49,170
Length of operating sewerage network	979.9 km
Number of wastewater treatment plants	41
Number of contracted customers	114,174
Number of phone calls via Customer Line (monthly average)	1,653



Eedi to rial

Dear **shareholders,**
business partners
and **customers,**

We present you the annual report of Stredoslovenská vodárenská prevádzková spoločnosť, a.s., which is a mirror of our work, the most important events and achievements in 2015..

I would characterize the year at a glance as a year of stabilization and gradual expansion of the service portfolio.

In addition to our main activity that is a supply of drinking water and a sewerage provision, we pay more and more attention to increasing the share of services for our external customers. In 2015, the troubleshooting department checked 1,615 km of the water networks, localized 1,003 defects and carried out the surveying work in the amount of € 3,439 for our external customers. We implemented a number of construction projects for our external customers in 2015, as example the six constructions were realized for C-BAU Company in a total sum of € 485 thousands. Our flexibility, engagement and ability to deal with critical situations have again been checked by the weather influences. Comparing the previ-



ous year, there was a slight increase of the failures in the water distribution network. There were altogether 2,516 failures eliminated, of which 1,715 were on the supply and distribution pipelines. We are concerned with the prevention, so we have invested in the first-rate technology. Within the bounds of prevention, the regular monitoring of the minimum night consumption and direct search of hidden leaks were implemented in the terrain. For monitoring of the critical sections of the water distribution network, forty three XilogPlus Data loggers were set. They are used mainly for an early detecting of possible defects and for monitoring the amount of the water supply. We continue with a trend of improving the customer services. Since 2015, we have been offering the possibility to send billing invoices electronically to our customers, which is another service that simplifies customer access to payment of them. We also issue a magazine Water for you (Voda pre vás). Stredoslovenská vodárenská prevádzková spoločnosť, a.s. carries out its main activities in close cooperation with towns

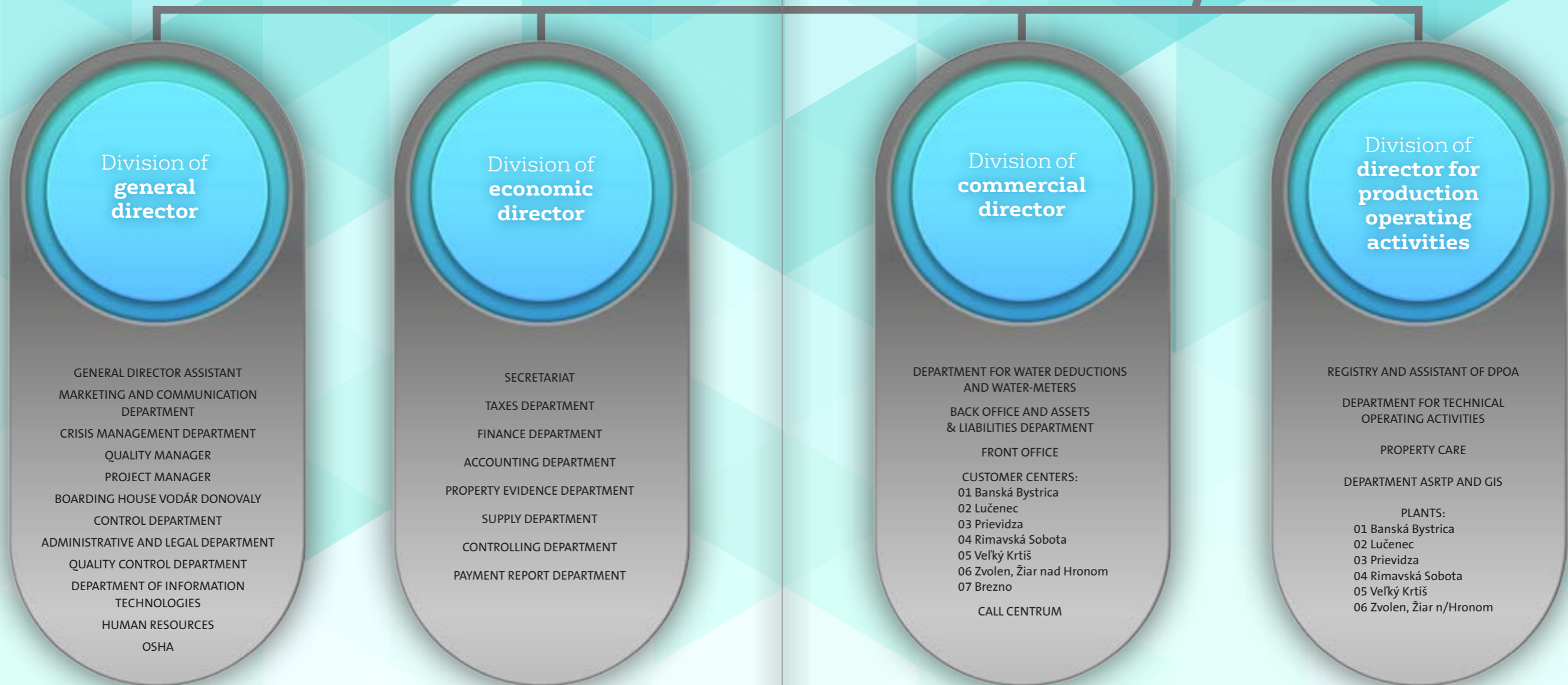
and municipalities. An important part of this cooperation is mutual sharing of information, so we published a new publication in 2015, which is designated for their representatives. Besides the basic information on the activities of the company, it provides a transparent list of finished repairs, maintenance and investments in the region. In 2015, we did not fall behind with the activities dedicated to the environment protection. By using of renewable sources in the production of electricity from biogas CHP units in wastewater treatment plants Banská Bystrica, Zvolen and Lučenec in the amount of 1,907,570 MW, the energy independence increased from 6.09 % to 6.45 %. Promoting biodiversity is one of our long-term commitments of the sustainability in the environmental protection. Therefore, we started with the implementation of a unique project named „Biodiversity Conservation on the grounds of StVPS, a.s.“ that is focusing on the adjustment of our premises, in order to increase natural diversity. In the past year, in the area of human resources, the main objective was maintaining stable employment, modern-

izing and increasing employee care. I am pleased to say that we succeeded in it. The external authorities evaluated our company in the area of health and safety at work as a prominent company with rising OSH. The programme named The Employee Grants has encountered success and together with Foundation Fund Veolia, the total amount of € 6,000 was distributed to employees for the implementation of the public projects. We have managed to meet all the objectives which had been set for 2015. We performed a lot of work, for which I thank all co-workers, colleagues, business partners and shareholders. I appreciate the permanent support of the members of the boards and I believe that I will evaluate the year of 2016 with the same pride as the year of 2015.



Ing. Peter Martinka
general director StVPS, a. s.

Organizational structure



our services

Stredoslovenská vodárenská prevádzková spoločnosť, a.s., provides services for 114,174 contractual customers.

Our main object of the activities is a supply of drinking water and sewage treatment. The quality of the drinking water and sewage water is regularly monitored and evaluated by the accredited laboratories. We provide regular maintenance, repairs, prevention and also the water and sewerage system fault detection.

water production

- ▶ The total amount of water production in all facilities represents 40,620 thousand m³ of drinking water, of which 12,419 thousand m³ was the surface water and 28,201 thousand m³ groundwater. Comparing the year of 2014, there was a production increase by 664 thousand m³ which is related to the increase of supplied and charged water by the supplier. The quality of drinking water was provided by water treatment plants for surface water and groundwater. Mainly the large water treatment plants in Hriňová, Málinec, Klenovec and Tuček were used to treat the surface water for the drinking water supplies. The ground water sources (springs) were used for the supply of Pohronsky water supply system, where there was no need for water treatment. According to the needs, some smaller water treatment plants were also used for watercourses as well as in the case when the quality of groundwater was insanitary. The total amount of the treated water in the water treatment plants was 14,656 thousand m³.

water management

- ▶ In the year 2015, consumption of the charged water increased and this fact has influenced other indices of the water production and water supply. Comparing the previous year of 2014, there was a rise in water charges by 2.3 % in the year 2015. The volume of the charged water signified the specific consumption of the water in the household as one of the other indices. In the year of 2015, the real specific consumption was 72.3 l for a person and a day, that represents an increase by 1.4 l /person/ a day, compared to 2014.

main indicators of the production and supply of drinking water

Length of the water distribution network, in km	4,477
Number of the water junctions	115,580
Length of the water junctions, in km	765
Number of pumping devices	228
Number of water treatment plants	22
Number of supplied residents	656,933
Water for implementation, in thousand m ³	40,511
Water invoiced, in thousand m ³	25,723
Water uninvoiced, in thousand m ³	14,788
Water losses in the pipe network, in th. m ³	13,331
The share of water loss from the water for realization in%	33.9

water losses

Reducing the water losses is one of the priorities of our company because in the long term they represent the biggest volume of water which is not charged. The company was mainly focusing on the repair of the conduits because the water losses are frequently located on the old ones. The biggest share of water losses is represented by hidden water leaks. Their detecting is complicated and requires the use of the latest technology and methods for the most accurate localization. The centralized search management of hidden water leaks and the purchase of the top technical equipment in 2007 had a large share in the process of decreasing of water losses. This activity is carried out by 6 working groups within the Search disorder department. After the localization of water leaks by the workers from Fault localization Department, the defects were mended according to their importance. In 2015, the workers from the department checked 1,615 km of the conduits and localized 1,003 malfunctions. The leak finding for the external customers was made in the amount of €3,439.

water system breakdowns

In 2015, there was a slight increase of the number of breakdowns in the water distribution network when comparing the previous year. There were altogether 2,516 breakdowns eliminated, of which 1,715 were on the supply and distribution pipelines and 801 on the junctions. Within the bounds of breakdown prevention, a monitoring of the minimum night flows and a direct search of the hidden water leaks have been implemented in the terrain. To alert some possible hidden water leaks, the monitoring of the water distribution network in another exposed district of the town of Banská Bystrica has been proceeding with the use of remote transmission for dispatching. For monitoring of other critical sections of the water distribution network in 2015, forty three XilogPlus Data loggers with remote communication options were set. Their function is, apart from monitoring, the amount of the water supply and also the early detection of the potential breakdowns.

water meters

UP TO 31/12/2015, 117,008 PIECES OF THE BILLING WATER-METERS WERE SET.

In 2015, water-meters were changed in a total amount of 20,075 pieces, of which the periodic changes represent 19,406 pieces and 669 pieces were changed for the other reasons, as a meter damage, unworkable water meter, exchange on the customer request and others. Thirty pieces of the water meters were sent to official examination on the customers' request, of which 25 were sufficient and 5 failed to meet the proper function. In 2015, a total amount of 15,192 pieces of water-meters were repaired, of which the amount of 9,208 pieces was repaired by the external contractor and 5,984 pieces were our own repairs. In 2015, our company did not use the water meters with a remote control for billing purposes.



collecting and treatment of waste water

There are 412,556 inhabitants connected to the sewerage with a total length of 979.9 km. When comparing the year of 2014, some differences were recorded in the amount of purified water, with an annual decrease of 6,933 thousand m³, that represents 12.36 %. The decline was caused mainly due to the extremely dry year with low rainfall.

main indicators of collecting and treatment of wastewater

Length of sewer system in km	979.9
Number of sewer laterals	33,865
Length of sewer system in km	241.3
Number of pumping stations	39
Number of wastewater treatment plants	41
Number of inhabitants connected to the sewer system	412,556
Number of inhabitants connected to WWTP	393,020
Invoiced wastewater in thousand m ³ /year	21,683
Treated wastewater in thousand m ³ /year	49,170

survey and measurement of the sewer network

In a field of survey of the sewer networks and detection of connected producers, the technology of smoke testing has been successfully used. This technology enables to detect breakdowns of the sewer pipes and sewer facilities, and it also enables to localize unauthorized estate adjunctions and rainwater adjuncs. In 2015, both of two TV camera systems for the survey of the technical condition in the sewer pipelines were used in the operating and approved buildings. The new system IPEK was efficient, which provides the measurement of the pipeline inclination and deformation of flexible pipelines. The older Rausch TV system was renovated with a digital camera system. Within the preparation for the reconstruction of the aeration chambers on the sewer networks, the measuring of the actual flow in these objects was carried out for the designers.



sewage system breakdowns

The most common cause of the breakdowns on the sewerage network were seals that emerged in the winter and spring months as a result of washing off the grit on the roads, and also because of some producers, who had thrown some materials and objects which did not belong to the public sewer system. Other reasons for breakdowns were leaks that occurred as a result of damage of the pipeline network, which were caused by the load of the traffic and by poor quality work during the construction of the sewerage system. In 2015, there were 892 breakdowns solved, of which 559 were directly in the sewers, 123 at the sewerage junctions, 210 in the buildings of the sewerage system. From the total number, 529 seals were removed.





water quality

drinking water

- ▶ The quality of the drinking water is controlled by the accredited laboratories according to ISO/IEC 17025:2015 that meets the requirements of the current legislation. In addition to the basic physical and chemical, microbiological, biological indexes, the presence of the metals, pesticides and organic substances are monitored in drinking water according to Slovak technical standards. Health safety of drinking water is ensured not only by controlling the quality, but also by a control system of the water resources by protection of the water objects and their regular treatment. In 2015, 3,953 samples for microbiological and biological analyses and 4,158 samples for monitoring the physical and chemical parameters were taken in the laboratories of the Quality management department. There were performed altogether 118,736 biological and microbiological analyses at the consumer's outflows from the reservoirs and water treatment. At the same time, 2,050 samples were taken from the water resources, where 64,890 analyses were implemented. In the long - term condition, the quality of the water supplied by our company, has been improved. In 2015, the number of analyses that were exceeded represents 0.29%.

wastewater

- ▶ The implementation of the program of monitoring the quality of wastewater treatment in the sewers and sewage treatment plants in the maintenance of StVPS a. s. are provided by the accredited laboratories in Zvolen, Banská Bystrica and Lučenec in accordance with ISO/IEC 17025:2015. In 2015, 8,583 samples were taken at various stages of the WWTP and on the untreated outlets. We carried out of 52,709 analyses. During the year 2015, the reconstruction of WWTP in Podbrezová, Halič, Poltár, Divín, Prievidza were carried out. Some exceeded limits were recorded mainly on the untreated outlets, which had the regulations with the same limits as for the wastewater treatment plants and could not meet the limits without the treatment. The number of the taken samples on the untreated outlets was 840 with 4,161 analyses.

realisation of investments

- ▶ The construction works carried by Stredoslovenská vodárenská prevádzková spoločnosť, a.s. are also for external customers. This is called „Small investment“. A planned profit from such activities had been set at €2,006 thousands, while the actual amount of revenue for 2015 reached €2,221.8 thousands, which represents 110.8% fulfilment of the annual plan. The higher revenue was mainly due to the execution of works not only for the company ownership (Stredoslovenská vodárenská spoločnosť, a.s), but also for the company C-Bau, which is a member of Veolia. The amount of work realized for Stredoslovenská vodárenská spoločnosť, a.s. was €1,736 thousands in ten projects, of which the most important were: „Tajov water inlet from the DVZ Tajov“, „Badin, a reconstruction of the water network“, „Divín, a sewerage system and WWTP - Phase 2“ and „Rimavská Sobota - ul. Mládeže, a reconstruction of the sewerage system“. We managed to finish the most of the projects in 2015. „Tajov water inlet from the DVZ Tajov“, „Valaska water network, a state of emergency“ and „Bzenica water system reconstruction phase I“ were in the process of realization in 2016. We executed six constructions for the C-Bau Company in the total amount of €485 thousands, and the most important were as follows: „The reconstruction of the external distribution systems of the Rozkvet circuit in Dobšiná“, „The reconstruction of the heat distribution in the town of Žiar nad Hronom“, and „The reconstruction of the industrial water distribution - discharge line Žiar nad Hronom“. While implementing the construction work, a trend of increasing the share of outsourcing contracts for external companies continued.

customers

Stredoslovenská vodárenská prevádzková spoločnosť, a.s. focuses on the customer. Our approach to the customer has become our primary value. Our contracted customers are individual consumers (103,741), households, residential buildings (2,307) and companies (the rest – 8,126).

structure of the customers

	January	February	March	April	May	June	July	August	September	October	November	December	Average	Total
The number of customers	113,270	113,284	113,304	113,354	113,483	113,585	113,678	113,834	113,970	114,110	114,187	114,174	113,686	113,686
households - individual customers	102,828	102,845	102,867	102,907	103,029	103,129	103,218	103,363	103,494	103,625	103,704	103,741	103,229	90.80 %
households - apartment buildings, cooperatives	2,305	2,305	2,302	2,306	2,305	2,305	2,303	2,304	2,304	2,303	2,309	2,307	2,305	2.03 %
others	8,137	8,134	8,135	8,141	8,149	8,151	8,157	8,167	8,172	8,182	8,174	8,126	8,152	7.17 %

electronic BILLING

Stredoslovenská vodárenská prevádzková spoločnosť, a.s. have been offering an electronic submission of invoice billing for water and sewer since 2015, with an interest of improving and expanding the services. The electronic invoice billing is another service that simplifies the customers their access to the payment of invoices. The customers who previously activated the sending of the invoices electronically via „Zelenapošta“, they still have the option of sending invoices this way, or they can use the service offered by the water supplier. The activation of the service is very simple. All that is needed to do is complete and sign the form „Consent to receive electronic billings for water/sewer“ directly on the website or write to any Customer Center. If the successful activation of the service „Email Billing“ is done, the customer receives their invoices for water and sewage electronically to the e-mail address.

10

largest customers in 2015

1

Housing Association in Banská Bystrica

2

Housing owners according to the delivery point rep. by Housing Association in Zvolen

3

District Housing Association in Prievidza

4

District Housing Association in Rimavská Sobota

5

Housing Association in Lučenec

6

Housing Association in Žiar nad Hronom

7

F. D. Roosevelt Faculty Hospital and Polyclinics, Banská Bystrica

8

BYTOS - Housing Authority PRIEVIDZA, Ltd.

9

SPOOL, a. s. Lučenec

10

SBD Brezno

Billing Water + Sewerage (in EUR incl. VAT)

	Name	Company ID
1	Housing Association in Banská Bystrica	00170071
2	Housing owners according to the delivery point rep. by Housing Association in Zvolen	00222054
3	District Housing Association in Prievidza	00173801
4	District Housing Association in Rimavská Sobota	00173916
5	Housing Association in Lučenec	00171816
6	Housing Association in Žiar nad Hronom	00176192
7	F. D. Roosevelt Faculty Hospital and Polyclinics, Banská Bystrica	00165549
8	BYTOS - Housing Authority PRIEVIDZA, Ltd.	36313009
9	SPOOL, a. s. Lučenec	31586392
10	SBD Brezno	00170143

10 largest customers of StVPS, a.s., in 2015

	Name	Company ID	Period				Total 2015
			1Q/2015	2Q/2015	3Q/2015	4Q/2015	
1	Housing Association in Banská Bystrica	00170071	595,652.95	590,699.75	561,154.24	570,284.29	2,317,791.23
2	Housing owners according to the delivery point rep. by Housing Association in Zvolen	00222054	437,834.83	412,586.91	417,752.34	390,892.97	1,659,067.05
3	District Housing Association in Prievidza	00173801	371,042.36	357,839.79	368,197.43	346,605.61	1,443,685.19
4	District Housing Association in Rimavská Sobota	00173916	292,661.11	264,986.75	294,652.25	246,703.50	1,099,003.61
5	Housing Association in Lučenec	00171816	221,305.21	208,242.09	211,111.34	194,965.79	835,624.43
6	Housing Association in Žiar nad Hronom	00176192	208,515.65	198,228.15	209,061.39	180,728.55	796,533.74
7	F. D. Roosevelt Faculty Hospital and Polyclinics, Banská Bystrica	00165549	178,426.39	176,147.39	171,950.32	156,191.89	682,715.99
8	BYTOS - Housing Authority PRIEVIDZA, Ltd.	36313009	173,109.84	167,240.43	172,040.96	161,910.53	674,301.76
9	SPOOL, a. s. Lučenec	31586392	150,862.33	156,523.49	158,583.26	154,754.68	620,723.76
10	SBD Brezno	00170143	162,244.01	150,696.57	152,356.83	146,103.42	611,400.83



call centres »

Customer service is provided in eight customer centres in Banská Bystrica, Zvolen, Žiar nad Hronom, Prievidza, Lučenec, Rimavská Sobota, Veľký Krtíš and in Brezno. The main activity of the call centre is arranging the business contracts and their amendments, changes in the advanced payments and invoices, handling customer complaints, cash payments and information about other services provided by the supplier.

The customer service is available on the telephone number **0850 111 234**

and provides the standard information of a general and commercial nature. The line also serves as a dispatch centre for reporting the faults, and it is available 24 hours a day.

Data about all contacts per month in the matter of:

water supply, sewerage, pressure, water quality and damage	545	7.13 %
connections and water meters	606	7.39 %
contracts	2 268	26.18 %
billing	2 399	32.53 %
up to now not mentioned issues	1 923	26.77 %
TOTAL	7 741	

Data about all calls per month in the matter of:

water supply, sewerage, pressure, water quality and damage	392	23.70 %
connections and water meters	105	6.33 %
contracts	166	10.02 %
billing	528	31.97 %
up to now not mentioned issues	462	27.98 %
TOTAL	1 653	

communication »

We try to inform the customers about the supply of drinking water and the sewerage systems, but also on the need for water protection, water resources and about the environment in general.

We issue regularly a customer magazine named *Voda pre vás* (Water for you), we update the website pages on www.stvps.sk. Stredoslovenská vodárenská prevádzková spoločnosť, a.s. carry out its main activities in close cooperation with towns and

municipalities. An important part of this cooperation is mutual sharing of information, so we published a new publication in 2015, which is designated for their representatives. Besides the basic information on the activities of

the company, it provides a transparent list of finished repairs, maintenance and investments in the region. We publish newsletters, which are available at all customer service centres.

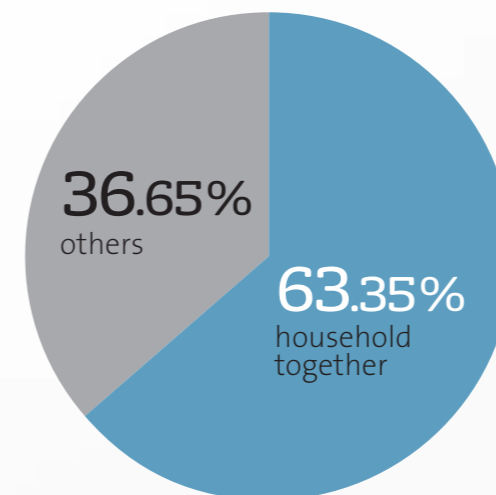
customer satisfaction survey

Average customer contacts per month: 7,741
 Average customer visits per month: 4,579
 Average customer calls to the call center per month: 1,653
 Average billing water meters per month: 116,042

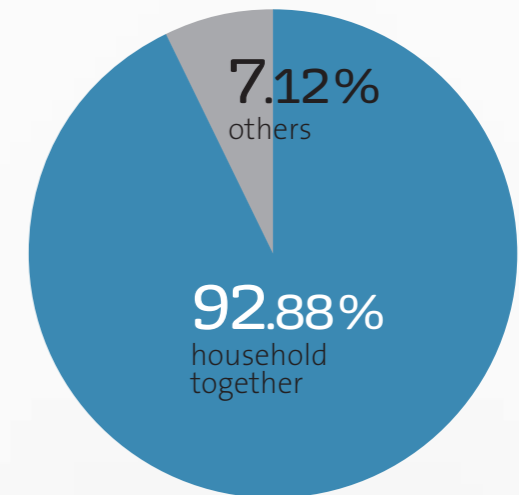
We verify the quality of the customer services by regular satisfaction surveys. We carry out the internal survey of the customer satisfaction with the services provided by the method of completing a questionnaire at our eight customer centres.

The questionnaire serving for data collecting is available at every client centre and it consists of three closed questions. Customers put their completed questionnaires into the sealed box. The sample of the respondents is made by the customers, who have visited the client centre and filled the questionnaire. At the end of 2015, the questionnaire is available on the website of the company. The survey has shown that 99.83% of all respondents were generally satisfied with the approach and professionalism of our employees. They are interested mainly in the information about the contracts, changes of ownership or changes in the advanced payments (42.89%) and about the prices of the water and sewage (26.76%).

Structure according to the volumes of sales



Structure according to the amount of customers



	A number of the customer		Proportion	
	to December 31, 2015	%	invoiced (€)	%
The number of customers altogether	114,174	100%	53,977,080	100,00%
thereof the households - individual customers	103,741	90,86%		
thereof the households - housing associations	2,307	2,02%		
thereof households together	106,048	92,88%	34,192,501	63,35%
thereof the others	8,126	7,12%	19,784,579	36,65%

responsibility

Stredoslovenská vodárenská prevádzková spoločnosť, a.s. behave responsibly with their customers, employees and business partners under the Code of Ethics and Managerial Ethics, we adhere to the ISO standards and safety at work. Social responsibility and environmental protection are the basis of the company philosophy.

The year 2015 was, from the viewpoint of human resources in Stredoslovenská vodárenská prevádzková spoločnosť, a.s., a year of maintaining stable employment, modernizing and improving the care of employees. Throughout the year, we maintained a stable level of employment, which was one of the priorities of human resource management for 2015. The Company management focused on

employees

increasing the satisfaction of their employees with the promotion of employee share ownership – Sequoia 2015. Similarly, in the context of human resource management, we managed to significantly increase the withdrawals from the social fund by using a system cafeteria. On 31st December 2015, we employed 1,088 employees.

number of the employees from the year 2011



This course is the result of the staff rationalization and streamlining the business processes.

employee structure of the working categories



age structure of the employees:

Age	Female	Male	Together
up to 17	0	0	0
18-25	6	19	25
26-30	8	28	36
31-35	12	41	53
36-40	32	98	130
41-45	43	147	190
46-50	54	158	212
51-55	55	128	183
56-59	43	136	179
over 60	15	65	80
Total	268	820	1,088

The educational structure of the company resulting from the production nature and its summary is contained in the following table.

educational structure of the employees:

Education	Female	Male	Together
Not-Completed Education	1	13	14
Primary Education	5	22	27
Secondary Vocational Education	14	401	415
Second. Education without A level	1	4	5
Full Secondary Professional	14	142	156
Full Secondary General	10	17	27
Full Secondary A level	157	151	308
Higher Vocational	0	1	1
University Degree	66	66	132
Scientific Education	0	3	3
Total	268	820	1,088

internal communication

Mutual exchange of information and a relation between the company management and employees, understanding and cooperation for shared objectives help to build confidence, improve relationships and have a great impact on the entire company. We publish the employees' magazine Voda je život (Water is life) four times a year in cooperation with Podtatranská vodárenská prevádzková spoločnosť, a.s., where we inform about the news and current events at both companies and we also issue some information from the VEOLIA group. The source of latest information is a company's intranet. The project named The Employee Grants has encountered success, where we together with Foundation Funds VEOLIA have distributed the total amount of €6,000 for the implementation of the public projects. With the support of The Employee Grants, we have rebuilt the playground for the children in the Kindergarten, the children in the orphanage have a new classroom, some children could participate in a summer camp who could otherwise not afford the camp, we provided a meeting of families with a baby who suffers from cancer. We also supported the renovation of the street in the centre of the town of Banská Bystrica from The Employee Grants. Křížna street got a new look thanks to the volunteers who painted the walls of the building, remove graffiti and painted the paving blocks on the pavement with colours. The project also involved some employees of StVPS, a.s. The second step was the street art painting of the silhouettes of Banská Bystrica. The project was awarded as the best volunteering project of the week.

training of employees

Within the human resource development, we devote much attention to the professional and personal growth of our employees, which is provided by means of company training. Each job position requires a specific approach for selecting the proper educational activities to get improvement and upgrading of the skills of our staff. We understand that we have to invest in the development of the skills of the employees, if we want to achieve our planned goals. We consider the proper identification of

the training needs of the staff as crucial, so for that reason we support the targeted use of assessment interviews throughout the year. It is this method that helps us to create an individual development plan for each employee with the needs of the company. Apart from the training focused on specific positions, we try to develop the language skills of the staff, therefore we provide English language education in the form of group or individual courses.

health and safety

of the employees

Today, one of the evaluation criteria of a modern company is the issue of safety and continual improvement in this area. Stredoslovenská vodárenská prevádzková spoločnosť, a.s. (StVPS, a.s.) was evaluated on the issues of safety at work by the external authorities as a prominent company with rising OSH. The safe behaviour of our employees is a part of the challenging daily work of our water supply activities. The safety and health in StVPS, a.s. is not only the fulfilment of the standardized safety norms, it is a complex solution and systematic improvement of the care of the employer in the ensuring of the safe work and creating some favourable conditions in this important area. On the other hand, all employees should understand properly the importance and need for the health and safety at work and follow the rules precisely and it is also our contribution to the development of the rules for the prevention, participation in detecting of occupational risks and reducing them and having such approach to our consistent and demanding diverse work to avoid the endangering the health.

Fulfilling this role, the work of the health and care department staff, managers, employees, trade unionists is required, as well as a number of activities that lead to a favourable outcome of OSH. In 2015, our company puts enormous emphasis on educational and training activities provided by the head employees. We understood the process of improving as the basis of the overall concept of OSH policies in StVPS, a.s. that closely followed with the high quality and appropriate personal protective equipment and an elaboration of the safe working practices.

Similarly, the enhancement and extension of appropriate work equipment must follow, especially in the field of safety systems at work in the trenches, in the sewer pipes and in the field of the work at heights.

In 2015, nine occupational accidents occurred at StVPS,a.s. with total 454 days of sick leave. Despite the fact that in neither one case there was not a serious injury (slight injuries as hitting the knee, hand injuries, sprained ankle, etc.), the OHS Department has taken the measures that are aimed at the maximum eliminating of the number of occupational accidents in the future. A part of health and safety at work is also a protection against fire, where no serious deficiency was registered in 2015, and the state fire inspection evaluated our company highly positively.

The established system of management of health and safety at work in StVPS, a.s. is helpful in the transparency and responsibility of the tasks of work safety and on the basis of audit bodies, we can be proud of the ascending quality system of management and realizing safety in our company. The year of 2015 within VEOLIA group was marked under the slogan „ALWAYS SAFE“, which meant a number of activities aimed to highlight the importance of health and safety at work, pointing out the increase in safety at our workplaces, perhaps a critical view of the shortcomings in this area and, last but not least, a demonstration of the safety and health at work as a part of the fundamental value of Veolia policy.

social dialogue

In cooperation with our social partner, as in previous years, we managed to find a social settlement in collective negotiations, which resulted in the consent of a Collective Agreement in 2015. The most significant change agreed in the social dialogue was the valorisation of wages on the level of 2.5 % of the planned average salary for the year 2014. A part of the collective agreement is the Supplement no. 1 - Rules on the use of social funds.

The social fund is one of the basic sources of applied social policy in the company. The creation of the social fund is fixed at the maximum legal limit of 1,5 % of accounted gross wages and the company manifests a social responsibility to its employees with such adjusting of the social fund. In 2015, the social fund achieved the amount of € 134 thousands.

A detailed overview of creation and spending of the **SF in 2015**

Social Fund Budget of StVPS, a.s.	Plan for 2015	Draw in € 31/12/2015
Initial status to the date of 1. 1. 2015	70,806.46	70,806.46
Social fund creation (1,5%)	134,697.09	133,549.22
Incomes in 2015 (from profit in 2014)	0.00	43,238.27
Creation in total	134,697.09	176,787.49
One-time non-refundable aid	1,660.00	498.00
Contribution to catering	81,825.00	78,406.80
Contribution for blood-donors	500.00	681.00
Contribution for plasma donors	500.00	0.00
Programme Benefit Plus	70,000.00	40,040.62
Total expenses	154,485.00	119,626.62
Reserve/presumptive balance 31/12/2015	51,018.55	127,967.33

protecting the environment and responsibility

The main activity of Stredoslovenská vodárenská prevádzková spoločnosť, a.s. is closely linked with the environment and therefore the environmental strategies are the pillars of our social responsibility.

protection of biodiversity

A new project supporting the environmental efforts is the project of „Protection of Biodiversity in the premises of StVPS, a.s“. Promoting biodiversity is one of our long-term commitment to sustainability of the environment. The aim of the project is to regulate water management sites within the program for the promotion of the natural variety and biodiversity. We and author collective from the Technical University in Zvolen (UNESCO department and the protection of biodiversity) put together the publication „The areas of sewage treatment plants: Oases of biodiversity in urbanized and agricultural land“ where we analysed in detail the different habitats of the selected sewage and we proposed solutions to protect and promote biodiversity in these biotopes. In addition, the publication contains some general information on the subject of biodiversity (the importance of biodiversity, Natural protected areas, legislation, etc.). The actual realisation of the proposed solutions in the premises is planned for 2016 with our employees and also in collaboration with students of the Technical University in Zvolen. We can already be proud of an interesting project Včelojemy in the area of the water reservoirs of Križmanovo and Dubravka (Brezno) which is focused on beekeeping at the natural building as it is in the nature in a tree hollow or rock. The main emphasis is put on the health status of bees, not on the yield. Bees are also kept in the premises of reservoirs in Dudince.

education and training, educational activities

We regularly organize our own educational projects and we also familiarize the theme of protecting water and water resources to the general public.

In 2015, we implemented a number of actions:

- » lecturing for teachers on the subject of water in the „Eco-footprint project (organized by SAŽP),
- » a school educational project „Following the Water II“
- creation of small scale school projects aimed at water protection,
- » informative campaign „We care about the world's resources“,
- » contributions to the media on topics - drinking water resources, water quality,
- » events to the World Water Day for the public and schools
- presentations, an exhibition „Water is life“ and lectures,
- » participation in the information campaign of the Water Companies Association-
„Join us! Let's care about the water resources“ (raising awareness about the importance of environmentally friendly disposal of wastewater by connecting to the public sewer)

protection of the air

As a result of increasing the amount of air pollution from the stationary sources is producing 39 tons of emissions that is an increase by one ton compared 2014.

Our company operates 34 medium sized stationary air pollution sources and 44 small stationary sources of air pollution. In terms of legislation in the field of the air protection, we comply with the reporting and fee obligation.

In terms of legislation in the field of environmental protection, we have fulfilled the reporting obligation of ensuring the financial coverage of liability for environmental damage. It also includes the estimated cost of the corrective action and corrective measures to a remedy of the environmental damage that can be caused by work activities of the operator.

waste management

In relation to the environmental policy of our company, we guaranteed the waste recovery, which had been previously liquidated through landfill. The saved finances were reused to improve the environment, particularly in the area of storage waste in our facilities.



Other activities in the field of waste management were focused mainly on strict separation of waste and on the improvement of the opportunities to gather the waste in our plants.

The company's priority is an energy recovery from sludge that emerged in connection with the treatment of sewage.

The aim of this activity was besides the economic effect, the reduction of the environmental burden caused by the extraction of fossil fuels and natural gas, and waste reduction - the sludge from the urban waste water treatment.

We managed to get from the produced biodegradable waste:

» QUANTITY OF ELECTRICITY PRODUCED:	1,908 MWh
» QUANTITY OF GENERATING HEAT:	10,322 GJ
» QUANTITY OF BIOGAS:	1,740,788 m ³

The total cost of the disposal of waste and sludge, including transport costs, amounted to € 1,030 thousand in 2015. For the purpose of more efficient waste management, the relevant district authorities issued a consent for a refuse collection suitable for use in households for 14 districts and a consent to operate three WTP as facilities for waste recycling.

In 2015, they produced 7,356 tonnes of sludge, which is considered as a by-product according to the valid decision of the District Authority in Banská Bystrica. In terms of legislation in the field of waste management, we have fulfilled the reporting obligation and compulsorily levied fees.

Total waste production in 2015 was 30,000 tons:

Hazardous waste:	5 t
Other waste:	29,995 t
of these, the sludge:	
total production of sludge:	16,893 t
sludge from wastewater treatment:	16,295 t
sludges from water clarification	598 t

Another 10 types of waste from production:

excavated soil:	6,344 t
waste from grit catchers:	1,384 t
bituminous mixtures:	652 t
rakes from bar screens:	443 t
waste from the sewage cleaning	436.25 t
mixtures of municipal waste:	62.32 t
plastics:	62 t
mixed waste from construction:	41 t
grease & oil mixture from separator:	13.6 t
bottom ash, slag and boiler dust:	1.5 t



the **quality** policy

The Managers of Stredoslovenská vodárenská prevádzková spoločnosť, a.s. endeavour to build a company with a high level of the quality of the customer services related to drinking water supply and sewage. At the same time, they pay constant attention to the environmental protection and put significant emphasis on safety and health at work of all employees, internal as well as external.

The company has established Integrated Management System (IMS), which consists of the quality management system - ISO 9001, the Environmental Management System - ISO 14001 and the management system Health and safety at work - OHSAS18001. The combining multiple management systems into a single integrated system is a very effective way of creating a management system that takes into a consideration not only the quality of the products and services, but also an approach to the environment, health and safety at work. In addition, the system approach assures the orientation in the legislative requirements and their fulfilment, it decreases the administrative burden and saves the financial resources.

In 2012, we implemented an energy management system according to the requirements of the standard STN 50001, which is maintained separately due to some technical specifications.

In 2015, Stredoslovenská vodárenská prevádzková spoločnosť, a.s. successfully passed the supervisory audit of the quality management system and recertification audits on the environmental management, safety and health management system and energy management system. The audit reviewed some selected articles of ISO, OHSAS, and once again the compliance of our system with official requirements was confirmed. The audits were conducted in the plants and facilities of Lučenec and Rimavská Sobota.

Our company demonstrates its commitment to support the responsible entrepreneurship by purchasing and using PEFC certificated paper. This commitment was accepted by signing the „Memorandum of the support for the permanent, sustained forest cultivability“ and we are declaring it by our environmental policy. The logo of the association PEFC Slovakia is used on our printed materials.

The management systems are now an integral part of our managerial control of the company and we have been using it in all production processes and activities. These systems have become an essential and progressive element in relation to the customers and also the base for continuous improvement.



innovations

Our guarantee of the quality of drinking water is one of the main activities of Stredoslovenská vodárenská prevádzková spoločnosť, a.s. Therefore, the innovations in the field of drinking water supply and in operation of the drinking water purification plants among the most important.

water treatment plants

In 2015, we implemented the following measures and innovations in the technology and operation of drinking water treatment plants (WTP):

- » The preparation work of the reconstruction of WTP Klenovec and WTP Málinec developed.
- » The reconstruction of WTP Behynce was completed, which significantly improved the quality of treated water in the indicators of the manganese, iron and bromate.
- » The preparation work for the complex reconstruction of WTP Hriňová started, the testing of the proposed technologies and the engineering and geological survey were carried out.
- » The monitoring of the occurrence of cyanobacteria has continued in the water reservoirs of Turček, Málinec, Hriňová, Klenovec in co-operation with RÚVZ (Regional Department of Public Health) The ecotoxicity tests were carried out as well as a generic representation of living organisms. Some arrangements have been made in the WTP Turček to prevent a presence of cyanobacteria in the treated water.
- » Some innovations were implemented in WTP Hriňová with an aim to modernize the automatic control systems for technological processes, enhancing the quality of the discharged wastewater from the sludge fields, and stopping the discharges of the sewage by a construction of an impermeable cesspool.
- » Some measures were realized at the Pohronský Group Water Supply System to limit the increased formation of bromate, WTP Hriňová and WTP Behynce.
- » An innovation of the continuous monitoring of total organic carbon was implemented in the water supply Tunnel in Pohronský Group Water Supply System.
- » Within the collective project of StVS a.s., StVPS a.s. and RÚVZ Banská Bystrica „The quality of drinking water and disinfection byproducts“. In 2015, the verification of the possibilities to minimize or stop the water disinfection continued in a public water system in Kordíky and Osrblie. The project continues in Osrblie in 2016.
- » The alkalization of the water supply from Turček WT continued, which guaranteed the quality of supplying water.
- » The adjustments of ozone production and dosing were implemented at WTP Čierny Balog – air dehumidification, adjustment of the air suction and blowing, exchange of the sorption filling, a control of temperature conditions, mode of operation.
- » The outdated equipment for chlorine gas metering were replaced with the modern automatic metering and data transfer devices at WTP Motyčky, CHS Harmanec and WTP Málinec.

sewage treatment plants

In the wastewater treatment technology and operation of wastewater treatment plants (WWTP) in 2015, the following measures and innovation were implemented:

- » The reconstruction of „WWTP Podbrezová – intensification“ was completed and put into a trial operation. The new technological line of WWTP ensures the quality of treated wastewater in compliance with the current legislation.
- » The reconstruction of „WWTP Divín, supplementing the reducing of the load, mechanical pre-treatment and tertiary level“, where a new degree of reducing and new mechanical pretreatment was built and the biological level was intensified.
- » The construction of „Halič – the sewage system and WWTP extension“ was carried out, which aimed to complete the sewerage system in the village of Halič, the sewerage of the village of Stará Halič, increase the capacity of WWTP in Halič and ensuring the quality of treated water in accordance with legislative requirements. The construction was co-financed by the EU.
- » The construction of „Poltár – the sewage system and WWTP intensification“ was carried out, where the overflows on a network and an intensification of WWTP with the aim of removing the nutrients was rebuilt. The construction was co-financed by the EU.
- » In 2015, the realisation of the building of „Krupina - sewage system and WWTP“, where the construction of new reducing buildings on the sewage system, the construction of new sewer sections and building of a new WWTP for the town Krupina. The construction was co-financed by the EU.
- » The project named „System for sewerage and waste water treatment in the district of Prievidza - Phase I“ was proceeding, in which the sewage system was built in the villages Kocurany, Opatovce nad Nitrou and the biological level of Prievidza WWTP was intensified with the aim to increase a capacity and nutrient removal. The construction was co-financed by the EU.
- » The intensification of the aeration system at Donvaly WWTP started in 2016.
- » In 2015, the project documentation was prepared. It resolves the change of the concept of stabilization of sludge on the WWTPs in Handlová and Veľký Krtíš.
- » Within the solving of the collection and treatment of wastewater in agglomerations, the project documentation was worked up, which solves the collection and treatment of wastewater from the municipalities in Nemecká, Očová, Zvolenská Slatina, Žarnovica.
- » The construction of the WWTP for the industrial park in Vígláš was proceeding. After the completion of the construction WWTP will be operated by StVPS, a.s.
- » The contractual technical assistance continued with the operation of the Water management and PSA Peugeot WWTP in Trnava for the SLOVEO Company.



pumping stations and reservoirs

In the process of innovation and modernization of the pumping stations and reservoirs, the following activities have been implemented:

- » The repairs of the building of the water reservoirs Banská Bystrica (Radvaň I), Tornaľa, Hnúšťa, Studená, Rimavské Janovce, Sušany, Vinica and the pumping station in Donovaly (Bully).
- » The repairs of electric installations in the water reservoir in Rimavská Sobota (Vyšná Pokoradz, Mojín) and in the municipalities Veľký Blh, Hostišovce, Hrachovo, Jesenské and Lukovištia.
- » The replacement, modernization and repair of the pumps at the pumping stations in Jergaly, Priechod, Lehota pod Vtáčnikom, Vinica, Horné Plachtince, Dobrá Niva, Podzámčok, Cerovo, Banský Studenec and the water reservoir in Lukovištia.
- » The replacement, modernization and repair of the pumps at the pumping stations in the municipalities Šumiac, Kyjatice, Rovné, Petrovce, Rimavská Sobota (Bokorová), Jesenské and Hostišovce.
- » Fitting the new automatic dispenser of the disinfectant composition in the water reservoir in Želovce.
- » The replacement of the pressure vessel in the water reservoir in Lukovištia.
- » Securing the water tightness (waterproofing) of the wet chambers in the water reservoir in Banská Štiavnica.
- » Building a new road to the water reservoir in Banská Bystrica (Radvaň II).
- » Building a new ATS in municipalities Oravce and Badín and the beginning of the construction of a new pumping station in Čierny Balog, in a district of Fajtov.

information systems and automatic process control system

- » In 2015, the company implemented a complex technical information system (TIS), which also includes emergency management (registration of accidents and management of repairs).
- » The system of dispatching management included a water reservoir and water meter shaft in Horná Ždaňa, and a pumping station in Oravce and a pumping station in Badín.
- » At present, the central dispatch server connects 281 objects, another 56 buildings are connected via a radio network to the local dispatches.
- » Connecting the WWTP Podbrezová within the intensification to the central dispatch server.
- » The first phase of the modernization of the control system for the wastewater treatment plant in Rimavská Sobota was completed.
- » The implementation of the visualization of the dispatching centre at the WWTP in Brezno.
- » The implementation of a remote connection of 10 overflows in Prievidza for the central dispatching server was realized.
- » It was realized a connecting of the additional overflows to a central data collection -
- » 3 units in Klenovec, 1 unit in Rimavská Sobota, 2 units in Žiar nad Hronom, 10 units in Prievidza 8 units in Detva and 14 units in Lučenec.
- » Within the innovation, the implementation of a remote access to the control systems of the WWTP with the purpose of remote monitoring in a total of 11 pieces

sewerage network

The company tries to minimize the impact of their activities on the individual components of the environment, whether using new technologies or a responsible and safe operation of the existing facilities.

In cooperation with the owner (STVS, a.s.), we started preparing the works and implementing the reconstruction of the overflow facilities on the sewer networks. This will lead to an increase of the ratio of the treated wastewater at WWTP to the wastewater relieved. The reconstruction of the overflow facilities situated on the public sewerage in Prievidza, Lučenec, Detva, Rimavská Sobota, Klenovec, Žiar nad Hronom and Divín has started. The preparation of the project documentation for the next stage facilities in Banská Bystrica, Veľký Krtíš, Dudince, Valaská.

energy

The company managed the consumption of electricity and natural gas in 2015 in accordance with the commercial agreements and trade contracts based on the price offers. In order to improve energy efficiency and reduce energy-intensive processes in the observed period, the particular tasks were accepted that resulted from the short-term and long-term energy objectives, corrective and preventive measures, focusing mainly on:

- » Replacement of the outdated pumps for the pumps with higher efficiency and continuous control - at the pump stations Podzámčok, Banská Belá, Kozelník, Hrabov Potok, Teplý vrch, Dubno, Priechod, Horná Mičiná and at the WWTPs in Veľký Krtíš and Brezno.
- » The optimization of exterior lighting – exchanges of the inefficient lamps after their lifespan at WWTP Veľký Krtíš, Halič, Divín, Tisovec, Hnúšťa, Rimavská Sobota, AB Rimavská Sobota, Doprava Zvolen and at Turček TP.
- » Maximum use of sewage gas from the waste treatment plants to produce electricity and heat – at the WWTPs in Banská Bystrica, Zvolen, Lučenec, Brezno and Prievidza.
- » Refurbishing of the central compensation of electrical equipment
- » at the WWTPs in Banská Bystrica, Prievidza and TP Behynce.
- » Periodic verification of the terms and product selection for all the supply points of electricity, gas and heat at the all venues in the management of StVPS, a.s.
- » Reduction in fixed charges for the amount of a reserved capacity MW and the current value of the circuit breakers before billing.

THE SHARE OF THE TOTAL ENERGY COSTS AND FUELS:

- 90.5% electric power
- 8.9% natural gas and heat
- 0.6% other fuels

The consumption of the electric energy and natural gas in Stredoslovenská prevádzková spoločnosť, a. s. in the year of 2015 was, according to the business contracts made on the basis of the financial offer.

In 2015, the company fulfil the tasks under the regular external and internal energy audits, ISO 50001 that are focused on the management of energy media. Specific efficient projects have been incorporated into the plan of repairs and investment of StVPS, a.s.

By a tendering procedure of an indicated price of the power electricity for 2015 in the amount of € 44.99/MWh that represents the reduction of the purchase price for electricity compared to 2014, an average of € 10.20/MWh. In 2015, the cost savings from the supply of electricity represent around € 282,172.00. The use of renewable energy in the electricity production from biogas cogeneration units at the WWTPs in Banská Bystrica, Zvolen and Lučenec in the amount of 1,907,570 MW has brought the cost savings on the electricity consumption about € 219,370.00 and an increase of the energy independence from 6.09 % to 6.45 % compared to 2014.



financial part

Comments on financial results for 2015

The economic result of our company after taxation has increased compared to 2014 by 24.53%. The reason for the increase was mainly the increase in revenues of 5.7% compared to 2014. The company has achieved a positive economic result after taxation for 2015 in the amount of € 2,692 thousand. The company has achieved the economic result on the total revenue in the amount of € 58,899 thousand and total expenses of € 55,390 thousand. The income tax payable was in the amount of € 1,553,70 thousand, the deferred tax was in the amount of € -738 thousand. In 2015, the largest expense items were other services € 22,579.56 thousand, of which the largest part consisted of hiring the infrastructure and subcontracting. Another major expense items were the personnel expenses € 16,194.75 thousand, material costs € 4,292.73 thousand, energy consumption € 3,573.91 thousand and the cost for repairs and maintenance € 3,233.95 thousand. Within the group, the company has reported the cost on a brand name and management costs (i.e. Management fees). The total assets of the company were € 20,465.65 thousand, of which the non-current assets accounted for € 4,627.15 thousand in the residual value. The investment in the amount of € 1,312 thousand was directed to modernization of the tangible and intangible assets in order to increase customer satisfaction. The company draws on the

medium-term loan € 4,600 th. from Veolia Environnement Finance Paris. It is intended for the payment of dividends on the results of previous years. The overall financial situation was stable during the year and the company has complied with all its obligations properly and on time. These were mainly the commitments to employees, private and public institutions, partners and other suppliers. Despite the positive financial result, the decrease in equity was due to the payment of dividends to shareholders. The registered capital of the company remained unchanged at the amount of € 34 thousand.

The General Assembly will decide the distribution of the economic upturn for the financial year 2015, the profit of € 2,692,325. The statutory body proposes the General Assembly the payment of dividends to the shareholders in the amount of € 2,638,478 and the allocation to the social fund € 53,847. After December 31, 2015, no occurrence has happened that would have a significant effect on the faithful presentation of the facts, which are subject to the bookkeeping. In 2015, the company was not active in the field of research and development. The company did not acquire its own shares, temporary certificates, business shares and shares, interim certificates and shares of the parent entity during the year 2015.

comment about maximum prices for the year 2015

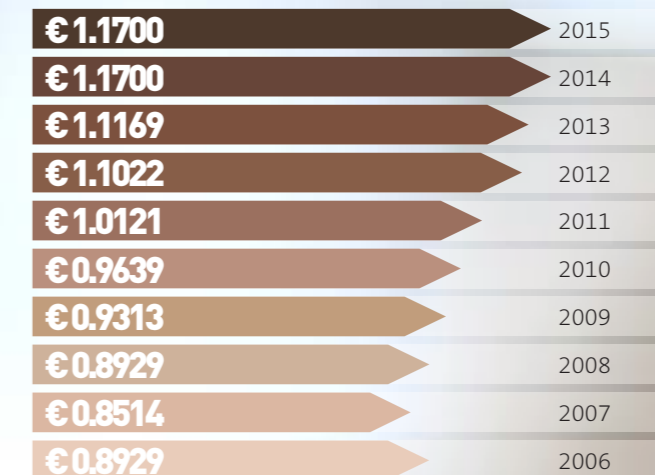
During the whole year of 2015, a maximum price for the production and supply of drinking water through public water supply and drainage and treatment of wastewater by public sewerage was valid in the following amounts (excluding VAT):

» Maximum price for production and supply of drinking water by means of public water networks	€ 1.1700 €/m³
» Maximum price for producing and distributing drinking water by means of public water	€ 0.6622 €/m³
» Maximum price for the disposal and treatment of waste water by public sewerage	€ 1.0983 €/m³

These prices were determined by the Regulatory Office for Network Industries by Decision No. 0088/2014/V dated 21/11/2013 and later Decision No. 0136/2014/V dated 23/07/2014 adjusting a price only for drinking water.

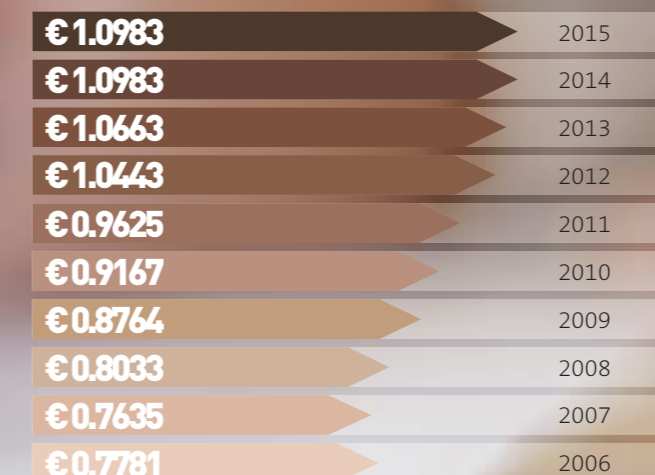
development of water prices

excluding VAT
in the years **2006 - 2015**



development of wastewater prices

excluding VAT
in the years **2006 - 2015**



BALANCE SHEET 31st December 2015 (in EUR)

Code	ASSETS	Line	Current Accounting Period Immediate		Previous Accounting Period
			Gross- Part 1 Correction- Part 2	Nett 2	Nett 3
a	b	c	1		
	Total assets l. 02 + l. 33 + l. 74	01	32,440,428 11,974,775	20,465,653	19,787,865
A.	Total long-term intangible fixed assets (l. 04 to l. 10)	02	14,942,742 10,315,589	4,627,153	4,827,938
A.I.	Long-term intangible fixed assets sum (l. 04 to l. 10)	03	1,849,583 1,266,473	583,110	523,003
2.	Software	05	1,799,667 1,266,473	513,194	523,003
6.	Procure intangible fixed assets	09	69,916	69,916	
A.II.	Long-term intangible fixed assets in acquisition (l. 12 to l. 20)	11	13,086,135 9,049,116	4,037,019	4,296,301
2.	Buildings	13	7,050 2,695	4,355	4,943
3.	Individual movable assets and sets of movable assets	14	13,079,085 9,046,421	4,032,664	4,013,286
7.	Tangible fixed assets	18			2,717
8.	Advance payments for fixed assets	19			275,355
A.III.	Non-current financial assets total (l. 22 to l. 29)	21	7,024	7,024	8,634
A.III.1	Shares and participations in subsidiaries	22	2,024	2,024	3,634
2	Shares and ownership interests with substantial influence	23	5,000	5,000	5,000
B.	Current assets l. 34 + l. 41 + l. 53 + l. 66 + l. 71	33	17,421,371 1,659,186	15,762,185	14,850,983
B.I.	Inventory total (l. 35 + l. 40)	34	603,405 35,504	567,901	575,970
B. I.1.	Material	35	601,995 35,504	566,491	575,572
6.	Advance payments for inventory	40	1,410	1,410	398
B.II.	Long-term receivables total (l. 42 + l. 46 + l. 52)	41	635,676 0	635,676	5,782
B.II.1.	Trade accounts receivable (l. 43 + l. 45)	42	5,982	5,982	5,782
1.c.	Other trade accounts receivable	45	5,982	5,982	5,782
8.	Deferred tax assets	52	629,694	629,694	
B.III.	Current receivables total (l. 54 + l. 58 + l. 65)	53	13,403,210 1,623,682	11,779,528	11,737,769
B.III.1.	Trade accounts receivable (l. 55 to l. 57)	54	13,356,521 1,623,682	11,732,839	11,687,884
1.a.	Trade accounts receivable	55	1,045,596 18,904	1,026,692	
1.c.	Other trade accounts receivable	57	12,310,925 1,604,778	10,706,147	11,687,884
2.	Net value of contract	58	29,978	29,978	
7.	Deferred tax assets	63			21,969
9.	Other receivables	65	16,711	16,711	27,916
B.V.	Total financial accounts (l. 72 to l. 73)	71	2,779,080	2,779,080	2,531,462
B.V.1.	Cash	72	19,259	19,259	15,824
2.	Bank accounts	73	2,759,821	2,759,821	2,515,638
C.	Total accruals and deferrals (l. 75 to l. 78)	74	76,315	76,315	108,944
C.1.	Long-term prepaid expenses	75	2,116	2,116	3,481
2.	Short-term prepaid expenses	76	74,199	74,199	105,463

Code	EQUITY AND LIABILITIES	Line Number	Current accounting period	Immediately preceding accounting period
			4	5
a	b	c		
	TOTAL EQUITY AND LIABILITIES l. 80 + l. 101 + l. 141	79	20,465,653	19,787,865
A.	Equity capital l.81+l.85+l.86+l.87+l.90+l.93+l.97+l.100	80	5,986,848	7,245,417
A.I.	Total registered capital (l.82 to l.84)	81	34,000	34,000
A.I.1.	Registered capital	82	34,000	34,000
A.II.	Share premium account	85		
A.III.	Other capital funds	86	4,444,123	4,444,123
A.IV.	Legal reserve fund (l.88+l.89)	87	10,120	10,120
A.IV.1.	Legal reserve fund, indivisible fund	88	10,120	10,120
A.V.	Other funds from profit (l.91+l.92)	90		
A.VI.	Revaluation differences sum (l.94+96)	93	-1,193,720	-1,192,110
A.VI.1.	Revaluation differences of assets and liabilities	94	-1,193,720	-1,192,110
A.VII.	Profit/Loss from previous years l.98 + l.99	97		1,787,374
A.VII.1.	Previous years retained profit non-devided	98		1,787,374
A.VIII.	Profit for the period after taxation (+/-) l.01 - (l.81+l.85+l.86+l.87+l.90+l.93+97+101+141)	100	2,692,325	2,161,910
B.	Liabilities l. 102+118+121+122+136+139+140	101	14,472,221	12,536,861
B.I.	Provisions total (l. 103+107 to 117)	102	4,727,967	4,778,712
B.I.1.	Long-term trade payables (l. 104+l. 106)	103		
3.	Other liabilities to affiliated accounting units	108	4,600,000	4,600,000
9.	Social fund liabilities	114	127,967	70,807
12.	Deferred tax liabilities	117		107,905
B.IV.	Short-term liabilities total (l.123+127 to 135)	122	8,271,104	6,219,689
B.IV.1	Trade payables sum (l. 124 to 126)	123	4,741,927	3,639,632
1.a.	Liabilities to affiliated accounting units	124	251,012	
1.c.	Other trade payables	126	4,490,915	3,639,632
2.	Net value of contracts	127		6,029
6.	Liabilities to employees	131	761,916	855,795
7.	Social insurance payables	132	562,035	525,439
8.	Tax liabilities and subsidies	133	2,084,309	986,421
10.	Other payables	135	120,917	206,373
B.V.	Short-term reserves (l.137+138)	136	1,473,150	1,538,460
B.V.1.	Statutory reserves	137	43,489	966,947
2.	Others reserves	138	1,429,661	571,513
B.VI.	Current bank loans	139		
C.	Total accruals and deferrals (l. 142 to l. 145)	141	6,584	5,587
2.	Short-term deferred expences	143	6,280	5,283
4.	Short-term deferred revenues	145	304	304

Profit and Loss Account Statement to 31st December 2015 (in EUR)

Code	Item	Line Number	Real status	
			Current accounting period	Immediately preceding accounting period
a	b	c	1	2
*	Net turnover (part acc. 6 under the Law)	01	58,006,628	55,725,027
**	Revenues from economic activity Total Total (I. 03-09)	02	58,897,476	55,724,831
I.	Revenue from sale of goods	03	618,850	
III.	Revenues from services	05	57,387,779	55,495,560
V.	Activating	07	24,008	22,705
VI.	Sales of fixed intangible assets tangible fixed assets and materials	08	7,229	14,736
VII.	Other revenues from economic activity	09	859,610	191,830
**	Operating expenses in total I.11+12+13+14+15+20+21+24+25+26	10	55,262,349	52,864,874
A.	Costs incurred to acquire the goods sold	11	618,850	
B.	Consumed material, energy and other non-inventory items	12	9,392,018	9,250,255
C.	Adjusting items to provisions	13	32,228	15,773
D.	Services	14	25,884,569	24,623,691
E.	Personnel costs total	15	16,194,748	15,785,865
E.1.	Wages and salaries	16	11,092,574	10,907,376
2.	Remuneration of board and co-operative members	17	102,902	98,254
3.	Social insurance cost	18	4,088,832	3,925,116
4.	Social costs	19	910,440	855,119
F.	Taxes and charges	20	1,505,607	127,812
G.	Depreciations and rectifying items to long-term intangible and long-term tangible fixed assets (I.22+23)	21	1,233,143	1,290,287
G.1.	Depreciation of intangible and tangible assets	22	1,233,143	1,290,287
H.	Net book value of fixed assets and inventory sold	24	6,993	262
I.	Provisions for receivables	25	120,005	196,741
J.	Other operating expenses	26	274,188	1,574,188
***	Profit from operations (I. 02 to I. 10)	27	3,635,127	2,859,957
*	Added value (I.03+04+05+06+07) – (I.11+12+13+14)	28	22,102,972	21,628,546
**	Expenses from financial activities in total (I.30+31+35+39+42+43+44)	29	1,334	196
XI.	Profit taxes (I. 40 + I. 41)	39	1,293	184
2.	Other profit taxes	41	1,293	184
XII.	Foreign exchange gain	42	41	12
**	Income from financial activities in total (I.46+47+48+49+52+53+54)	45	128,032	32,727
N.	Interest expenses (I.50+51)	49	109,851	9 598
N.1.	Interest expense to related entities	50	109,851	5 283
2.	Other interest expense	51		4 315
O.	Exchange losses	52	739	891
Q.	Other expenses on financial activities	54	17,442	22,238
***	Profit / loss from financing activities (from I. 29 to I. 45)	55	-126,698	-32,531
****	Economic result for the period (+/-) (I. 27 + I. 55)	56	3,508,429	2,827,426
R.	Income tax (I. 58 + I. 55)	57	816,104	665,516
R.1.	Income tax payable	58	1,553,703	658,114
2.	Income tax deferred	59	-737,599	7,402
****	Profit / loss from extraordinary activities after taxation	61	2,692,325	2,161,910

Cash Flow Statement to 31st December 2015 (in EUR)

	2015 (EUR)	2014 (EUR)
CASH FLOW FROM OPERATIONAL ACTIVITIES		
Cash flow from the operation	5,996,696	6,393,379
Interests paid	-109,851	-9,598
Interests received	1,293	184
Income tax paid	-707,735	-458,423
Dividends payment	-3,906,046	-4,455,497
Cash flow before exceptional items	1,274,357	1,470,045
Income from exceptional items	0	0
Net cash flow from operational activities	1,274,357	1,470,045
CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of long-term assets	-1,033,968	-1,582,190
Receipts from sale of long-term assets	7,229	14,474
Net cash flow from investment activities	-1,026,739	-1,567,716
CASH FLOW FROM FINANCIAL ACTIVITIES		
Incomes from credits-group	0	4,600,000
Incomes from credits	0	0
Net cash flow from financial activities	0	4,600,000
(Decrease) increase of cash and cash equivalents	247,618	4,502,329
Cash and cash equivalents at the beginning of the accounting year	2,531,462	-1,970,867
Cash and cash equivalents at the end of the accounting year	2,779,080	2,531,462
NET PROFIT		
(before deduction of interests, taxes and extraordinary items)	3,616,988	2,836,840
Adjustments by non-cash transactions:		
Depreciations of long-term tangible and intangible assets	1,233,143	1,290,287
Rectifying item to receivables	71,301	196,741
Rectifying item to inventories	32,228	15,773
Reserves	-65 310	-949,253
Other non-cash items	-7 229	-14,474
Profit from current activities before change in working capital	4,881,120	3,375,914
Change in working capital:		
Decrease (increase) of receivables from business relation and other receivables (including accruals and deferrals of assets)	-80,631	1,088,608
Decrease (increase) of inventories	-24,159	15,320
(Decrease) increase of liabilities (including accruals and deferrals of liabilities)	1,220,366	1,913,537
Cash flow from current activities	5,996,696	6,393,379

Independent Auditor's Report



KPMG Slovensko spol. s r. o.
Dvořákovo nábrežie 10
P.O. Box 7
820 04 Bratislava 24
Slovakia

Telephone +421 (0)2 59 98 41 11
Fax +421 (0)2 59 98 42 22
Internet www.kpmg.sk

Independent Auditor's Report

To the Shareholder, Supervisory Board and Board of Directors of the Company Stredoslovenská vodárenská prevádzková spoločnosť, a. s.:

We have audited the enclosed financial statement of the Company Stredoslovenská vodárenská prevádzková spoločnosť, a. s. ("Company"), which contains the balance sheet of December 31st, 2015, the profit and loss statement for the year ending on December 31st 2015 and the notes.

Responsibility of the statutory body of the Company

The statutory body of the Company is responsible for the preparation of the financial statement which provides a true and faithful description in accordance with the Slovak accounting act and for the internal controls considered to be necessary for the preparation of the financial statement, which does not contain any significant errors, either in consequence of a fraud or a mistake.

Responsibility of the auditor

Our responsibility is to express the opinion on this financial statement based on our audit. We have conducted our audit in compliance with the International standards on auditing. According to these standards we are obliged to observe the ethical requirements, to plan and perform the audit so that we become sure that the financial statement does not contain any considerable errors. The part of the audit is to make the realization of procedures aimed at acquisition of audit evidence about the amounts and data showed in the financial statement. The selected procedures depend on the auditor's judgement, including the consideration of risk of considerable errors in the financial statement, either in consequence of a fraud or a mistake. By consideration of this risk the auditor takes into account the internal controls relevant for the preparation of the financial statement, in order to be able to elaborate the audit procedures reasonable under the given circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the accounting entity. The audit also includes the evaluation of the appropriateness of the applied accounting principles and accounting methods and the reasonableness of significant accounting assumptions realised by the statutory body of the company, as well as the evaluation of the presentation of the financial statement as a whole.

We are convinced that the audit evidence we have obtained is sufficient and appropriate as a basis for our conditional verdict.

KPMG Slovensko spol. s r. o., a Slovak limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Obchodný register Slovenska
súdi Bratislava I, vkladný list,
voľba E. 4994/B
Commercial register of District
court Bratislava I, section Sln,
file No. 4884/B

ICU/Registration number:
31 348 238
Evidenčné číslo licence
auditora: 96
Licence number
of statutory auditor: 96



Reasoning of our Verdict

As stated in Part E of the notes of the financial statement, the Company has depreciated a value of goodwill Eur 24,661 thousand all at once in expenses in tax period 2010. In our view, the given procedure is not in compliance with the Slovak accounting act, which determines that goodwill has to be depreciated over the estimated period of using according to the corresponding consumption of the future economic benefits from the assets. The estimated time of having economic benefits is twenty-six years, what is based on the period of the rental and the operating contract for the water and sewage infrastructure, and of which valuation arose the goodwill of the Company. By using this lifetime the annual amount of depreciation would amount to Eur 948.5 thousand. Taking into account the necessary adjustments, the value of intangible long-term assets and equity would be increased of the amount of Eur 18,970 thousand and a profit would be reduced by the annual depreciation by the amount of Eur 948.5 thousand on 31st December, 2015.

Conditional Verdict

In our opinion, apart from the effects on the financial statements referred in the part Reasoning of our view, the financial statements give a true and accurate image of the financial position of the Company on 31st December 2015 and the results of its operations for the year ended on 31st December 2015 in full compliance with the Slovak accounting act.

29th March 2016
Bratislava, Slovak Republic

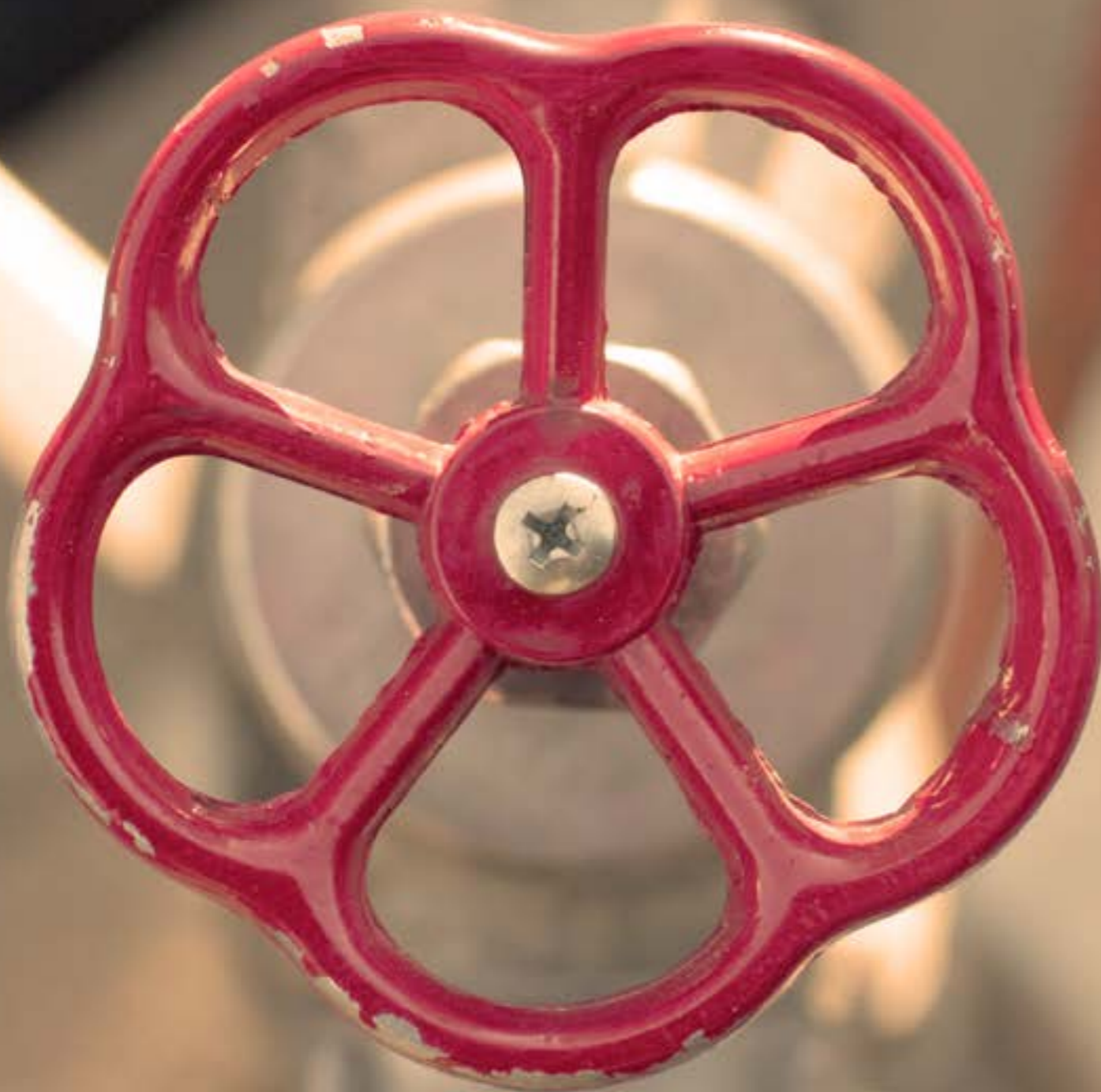


Auditing company:
KPMG Slovakia spol. s r.o.
Licence SKAU n. 96

Responsible auditor:
Ing. Marek Žuffa
Licence UDVA n. 1086

Report by the supervisory board

2015



REPORT OF SUPERVISORY BOARD OF THE COMPANY StVPS, a. s.

The Supervisory Board examined at its meeting in the compliance with the § 198 of the Commercial Code and the Article XII, Clause 4 of the company statutes the regular financial statement and evaluated the proposal of the annual report of the company for the year 2015.

After the examination of the Annual Financial Statement and the Independent Auditor's Report of the company, KPMG Slovakia, Ltd., the Supervisory board declares that the company conducts the accounting system in compliance with the accounting act and the internal regulations. It is as well aware of the conditional auditor's opinion about the only depreciation of the goodwill value made on the basis of the decision of the only one shareholder and we declare that no objections were found restraining the approval of the annual financial statement and the annual report of the company for the year 2015.

In the year 2015, the company made a profit after taxation in the amount of EUR 2,692,325.

The Supervisory board has also discussed a proposal of the board of directors for the profit distribution. The supervisory board makes no objections against this proposal and recommends to the general assembly the annual financial statement, the annual report and the proposal for distribution of profit to authorise.

In Banska Bystrica, on July 20, 2016.

Tomáš Paclík
Chairman of the Supervisory Board



Stredoslovenská vodárenská prevádzková spoločnosť, a. s.

Partizánska cesta 5, 974 01 Banská Bystrica

Tel.: 048/ 4327 111, e-mail: info@stvps.sk, www.stvps.sk

Call centrum
0850 111 234

e-mail: cc@stvps.sk | fax: +421 48 4327 888

www.stvps.sk

Customer Centers

Banská Bystrica

Partizánska 73, 974 01 BB

Prievidza

V. Clementisa 52, 971 55 PD

Lučenec

Komenského 4, 984 53 LC

Rimavská Sobota

Duklianskych hrdinov 42, 979 01 RS

Veľký Krtíš

Banícka 39, 990 01 VK

Brezno

Sekurisova 4, 977 01 BR

Žiar nad Hronom

SNP 125, 965 01 ZH

Zvolen

L. Štúra 2208/15, 960 01 ZV

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