



SUMMARY OF THE BVS REPORT FOR THE YEARS 2004-2009

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ADDRESS BY THE GENERAL DIRECTOR

At the end of 2003, after the previous period of preparations, a change in the position of shareholder, as well as a change in the shareholder structure, of the Bratislavská vodárenská spoločnosť took place. The National Property Fund was replaced by towns and villages from the Bratislava Region and from the Záhorie part of both Trnava and Trenčín Regions.

The ambition of the summary report for the period of years 2004 – 2009 is to generally document - in figures, tables and graphs - the development during almost two terms of office of the BVS shareholders, who took over the company shares during the time when it was not a state enterprise, but when nevertheless it did function as a state enterprise (organizational structure, organisation of work, corporate culture...).

The foremost task of the management and company organs was to centralize management and to prepare the vision and strategy of transition of the firm from production-sales to a customer-oriented commercial company. Besides the effort for centralisation of management it was inevitable to create completely new organisational units, such as e.g. a commercial division, marketing units, customer centres and others.

Based on an effected complex audit, BVS in the following years oriented itself consequently to its main subjects of activity, to its so called core business – the production and distribution of drinking water, disposal and treatment of communal waste. BVS purposely detached support and service activities outside its organization structure and created 100% daughter companies. Thus it was on the one hand able to come as an enterprise of network industry in conformity with regulatory principles, but on the other hand this enabled it to concentrate all attention and force to those activities representing the main line of its business. Successful implementation of transformation measures became evident among others in the simplification of its management scheme, an increase in labour productivity added value, as well as in a notable restriction of number of employees. In water-supply engineering, the company thus practically implemented a similar transformation model as other Slovak energy and telecommunication enterprises did.

A considerable part of development capacities were tied to the change of corporate culture associated with the change of mission, vision and overall strategic route. The company has gradually increased pressure towards a change in behaviour of its employees, it started implementing a new corporate design, corporate dress-code, and ethical code. It created new working positions and set up a project of further training of employees. In 2005, the company articulated for the first time its expectations

towards its own social responsibility and towards the social responsibility of its employees. A flash-point of company endeavours can be seen in the public award for the support of regions, given to the company by the Club of Corporate Donors in 2008.

The company from its very beginning has defined itself as open in the sense of entrepreneurship and commerce. Great emphasis is laid upon the performance of internal and external audit, which is evidenced by working through standard local audit companies up to internationally recognized auditors - IB Grant Thornton, Deloitte, PriceWaterHouseCoopers. From 2006, BVS has been a constituent part of the rating and appraisal system by the rating company Moody's Central Europe. Despite the fact that global, as well as the Slovak, economies underwent economic turbulence in recent years, BVS has managed to keep its high rating appraisal.

BVS proceeds from 2005 according to the Strategy of water system infrastructure modernization.

An important element is the centralisation and concentration of water supply sources with emphasis on delivery from large water supply sources on Rye Island and the gradual damping-down and conservation of smaller sources. During the last few years, the company has been able to finish important civil engineering projects despite a problematic regulatory policy. One of the reasons for regulatory office creation was also forming conditions for development of enterprises within network industries. With a certain time frame it can be said that because of incorrectly implemented regulatory policy, the Regulatory Office for Network Industries (ÚRSO) became one braking element in the development of the water supply industry. BVS, as a consequence of pressure of the regulatory office, does not create profit as an inevitable source for the complex development of the company. The company was, despite longstanding ambition to avoid commercial credit, forced to accept this source of financing for investments into the modernization of WWTP, where it absurdly does not fulfil plans of its own,

but those of the state. One of the negative consequences of credit financing is medium-term limitation of financing for reconstruction of its own water supply infrastructure.

It is necessary to continue further on in the implementation of the intentions of the company. It is necessary to finish with transformation, concentrate business intentions on core activities and separate the auxiliary ones. The strategic goal in collaboration with the Association of Water Supply Companies is to achieve changes in the regulatory Act of law and in the direction of regulatory policy in SR. Without achieving this goal the projected plans are shifted away towards more distant horizons.

Proceeding forward and achieving company successes was possible only thanks to the mutual understanding of shareholders and their support for the strategic intentions, which were defined by the management of the company. Thanks is also due to the employees, who understood the intentions of the company, and who managed to identify themselves with those intentions. The management of the company came to the belief that its orientation towards production and distribution of drinking water, as a beverage to be a competitive non-alcoholic beverage in relation to the customers on the relevant market, is inevitable. Changes, following from this routing, will be demanding, but without their achievement there is the danger that the company will be gradually squeezed out into the position of a distributor of service water.

Ing. Daniel GEMERANGeneral Director



ADDRESS BY THE CHAIRMAN OF THE SUPERVISORY BOARD

Year after year, in the month of June, the Board of Directors of Bratislavská vodárenská spoločnosť, a.s., submits to our shareholders at the General Assembly the report on the condition of our joint stock company, a report on the results of the economy of the company, a report on the prepared investment plan for future periods as well as other relevant documents. For the period of 2006 up to 2008 the submitted results were heart-warming. Shareholders of our company expressed in the years 2006, 2007 and 2008 their satisfaction with the results of the economy of the company. I suppose that the facts which document that the company year after year has produced profit from its very beginning, the equity of the company reports a trend of permanent growth, the company yearly reports an increase in property ownership and the trend of investment is ever growing, are convincing enough for the shareholders, in the sense that the company is sound and it is developing according to their conceptions.

The aforementioned results could be achieved not only through the honest work of the company employees, members of management and Board of Directors, but also because of good decision making by the shareholders, consisting from the founding of the company first of all in using the yearly profit of the company for investment purposes. In particular for this decision acknowledgement is due to our shareholders. Use of the whole created profit enabled the management of the company to accept strategic decisions of large investment actions concerning modernisation of our equipment, which created the prerequisites for the good management of the company also into the future.

For the period 2005 up to 2009 large and important investment actions were carried out as well as a number of smaller actions, amounting in financial expression to the value of approx. 5 billions Sk. Implementation of such a large volume of investments has required a lot of effort from all involved employees of BVS as well as from suppliers. Sincere thanks to all who took part in these civil engineering projects.

In the year 2009 the company then achieved but a negligible profit, so that there are no more resources from profit for extended reproduction investment actions. As early as in 2007 both the Board of Directors and Supervisory Board of the company announced that the regulated price of water rates and sewage rates would not gradually enable the company to create an adequate profit, from which it would be possible to finance the necessary magnitude of investments for infrastructural and technological investments. Revenues of the company from the sales of water rates and sewerage rates



to consumers, even despite the high extent of austerity measures, do not cover justifiable costs for the production and distribution of water, as well as for its sewerage and purification anymore. If the behaviour of the regulator of the prices of water rates and sewerage rates (ÚRSO) remains unchanged, it will be necessary to gain supplementary sources to finance larger investment actions.

Before shareholders and management of the company there are difficult decisions and tasks for the time to come, how to ensure sufficient sources for the financing of required large investments first of all in the segment of drainage and purification of waste waters. I do firmly believe and I am convinced of the fact, that our shareholders and management of the company will find the right solutions.

To conclude, let me once more express thanks to the shareholders of our company, to all company workers, as well as to the company Board of Directors and top management for the job well done in the period of years 2004 up to 2009. May I wish to all of us involved a great deal of success in years to come.

Ing. Karol KOLADAChairman of the Supervisory Board



I am pleased to use this opportunity to address just at this place all those who are aware of the immense need for water, one of the most wide-spread and at the same time most vulnerable natural resources. I consider water to be an undervalued raw material, which is often uselessly wasted. And at the same time the world increasingly feels the shortage thereof. A substantial part of water supplies is namely useless without prior treatment. Clean ground water is therefore an important prerequisite for a sufficiency of clean drinking water.

ADDRESS BY THE MAYOR OF THE CITY OF BRATISLAVA

Because of circumstances of its development, administrative-cum-societal and cultural functions typical for a metropolis have been interconnected with demanding industrial production in Bratislava in recent decades. In comparison with other European large cities we are therefore all the more obliged to occupy ourselves with the ecological side of every production in our territory.

The capital city of Slovakia is – besides other particularities – one of the few big European towns which have just on its territory water sources with sufficient capacity of water in corresponding quality and above with excellent gustative properties. The Bratislava public water pipeline, to which today 99.9 per cent of Bratislava dwellers are connected, is built as a unified system with a water pipeline distribution network, which enables transport of drinking water among particular city zones so, that even in case of larger fall-out of one of the water sources, it is able to deliver water to any place in the city. All drinking water customers, regardless of in which city borough they live, have water in sufficient quantity and in suitable quality. Bratislava is luckily better off with water than many other towns, municipalities or regions in Slovakia.

Despite this, mainly in the central city part of Bratislava, there is lots of work awaiting us in the coming years, because the network is relatively old. The City of Bratislava invested markedly into the water pipeline and sewerage network just through Bratislavská vodárenská spoločnosť during the last years, not only directly in Bratislava, but also in other towns of the region. Water is a strategic source for the city and the water company is one of the decisive tangible properties.

Our common aim continues to be first of all securing a reliable supply of a sufficient quantity of drinking water for Bratislava dwellers and for consumers in surrounding regions in the highest possible quality, but at the same time also drainage and securing of clarification of waste water from their producers. That is why BVS continuously reconstructs unsuitable water pipelines and sewerage pipes or associated objects, which leads to restrictions in water losses and failure rate of the equipment of the public water pipeline and public sewerage. These reconstructions concern mainly pipelines which are on the threshold of their life time.

Another task is finishing construction of public water pipelines and public sewerages in surrounding towns and communities and with it a connected rise of the ratio of inhabitants supplied with drinking water from the public water pipeline, and/or living in houses connected to public sewerage. I am very glad that, besides this, BVS has started with the construction of public water pipelines and public sewerages in sites where there is no such equipment at the present time.

Bratislava, the Capital City of SR, as a majority shareholder of the company, is completely aware of its responsibility towards the further development and proceeding forward of the company. Our aim is a well functioning, modern and customer-oriented company. I am glad that we have succeeded in it during previous years. Let me therefore thank the company management as well as all of its employees for the high-quality job they have done.

May I wish them that also the following period of time brings along such challenges, with which the Bratislavská vodárenská spoločnosť will be able to cope with honourably. I am fully convinced that it will succeed in it

Ing. Andrej ĎURKOVSKÝMayor of Bratislava, the Capital City of SR



IMPORTANT MILESTONES IN THE DEVELOPMENT OF THE COMPANY

Year 2004

Centralisation of management

Beginning of restructuring and transformation of the company

Entering into the Association of Water Companies

Approval of a programme for a reduction of water leakage (losses) and illegal connections to the network

New corporate design and elements of corporate culture – logo, design manual, web site

Beginning of communication with the public thorough media, web site and free phone line

Year 2005

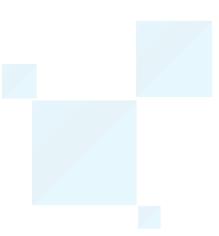
Rating appraisal Aa2.sk by the company Moody's Central Europe for the year 2005

Beginning of implementation of the Integrated system of the process management project

Supplying of the town of Malacky from Bratislava water resources

Introduction of price reduction on sewage rates for the watering of gardens

Enhancement of care for employees – programme of further training, ethical code



Year 2006

Orientation towards the build up of sections of sales, marketing and strategic management

Nomination for the Pontis Award for the financial and non-financial assistance and support of non-profit organizations

Issuing of the representative publication "120 Years of the Bratislava Waterworks 1886 – 2006"

Establishing the BVS Water Museum to mark the 120th anniversary of the first city waterworks' founding

Reconstruction and modernisation of the central technological supervisory service (control centre)

Increase of communication standard with customers by creation of the Call centre department

Defined and approved mission and vision of the BVS

Reconstruction and extension of WWTP Myjava, supported from EU funds

Finalisation of the civil engineering project of water supply line in group for 4 municipalities supported from EU funds

Year 2007

Moody's Central Europe awards the BVS the long-term rating Aa2sk/Baa2 on the national and international scale for the year 2007

Founding of the daughter company Infra Services, a.s.

Finishing of implementation of the Integrated system of the process management project

Introduction of the customer information system

Extension of storage tank at Brečtanová street in Bratislava

Finishing of the civil engineering project of reconstruction of sewerage collector at Rožňavská street and inspection shafts of the New Bridge in Bratislava

Year 2008

Obtaining of the certificate Secure enterprise by the Ministry of labour, social affairs and family for the introduction of an effective system of occupational safety and health protection for the required level of occupational safety and health protection and for the enhancement of work culture

Obtaining of a certificate on accreditation of drinking water and waste water laboratories by the Slovak National Accreditation Service

Senior partner and guarantor of the international educational project Stockholm Junior Water Prize

 $Obtaining 2nd \ place \ in \ the \ chart \ of \ Donors \ Forum \ and \ Trend \ weekly \ Top \ corporate \ philanthropist \ in \ the \ category \ of \ support \ of \ the \ region$

Founding of Foundation Voda (Water)

Founding of company internet magazine BVSvet

First place in the competition 'Building of the Year' with the civil engineering project Extension of the storage tank at Brečtanová street in Bratislava Finishing of technical audit on water losses

Finishing of the civil engineering project sewerage of the town boroughs – Senica, Čáčov, Kunov

Finishing of civil engineering project of water treatment unit for the municipalities Hamuliakovo, Kalinkovo, complying with the requirements of RÚVZ

(Regional Public Health Authority) for the quality of drinking water

Year 2009

Founding of daughter company Bionergy

Implementation of the Change of remuneration system project

Introduction of dress code in the company

Creation and preparatory works on the educational marketing project Blue School

Finishing of the Small Carpathians collector project – interconnection of Bratislava and foothill networks

Finishing of reconstruction in the structure of water production and within the zone of Sihot' Island

INTENTIONS AND GOALS

- The company from its founding concentrated itself on the transformation, transition to process management and orientation towards the customer. It concentrated itself and continues to be concentrated on the development of its main line of business.
- As a starting point, the proposal of intentions and goals serves the continuing economic and financial consolidation in European as well as Global standards.
- The company is interested in the re-evaluation of strategic company documents company vision and mission and working out of derived company documents.
- What it wants is to complete works on the reorganisation of the system of employee's remuneration (amendments in the area of the motivation component of salary, enumeration and re-evaluation of the system of financial as well as non-financial benefits for employees, reorganisation of the system of providing extraordinary premiums) with the aim of their being introduced from 1st of January 2010. It wants to discuss and approve the changes with the representatives of employees.

The new remuneration system will contribute towards the enhancement of effectiveness in treating the financial means of the company and it will become an important instrument in the management of labour productivity and an increase of value added in the company.

- The company will continue with the support of entrepreneurial plans of daughter companies and with creating favourable conditions for them. It will strive towards exploiting synergy effects from the actions of those enterprises within the framework of BVS. The BVS group of companies will concentrate itself on projects supporting the interests of Bratislava, the capital city of SR, as its majority shareholder. It will be preparing further projects for detaching non-core businesses outside the framework of BVS.
- Also continuing will be the reorganisation of units within the company directorate and analyses of the possibilities for further reorganisation of production and distribution divisions will be carried out.
- In the year 2010 we expect to finish investment preparation and start building strategic civil engineering projects like WWTP Vrakuňa, WWTP Petržalka, WWTP Holíč and WWTP Senica. A prerequisite for success is obtaining financial means from European funds and securing the most favourable conditions possible for credit from selected commercial banks in order to co-finance civil engineering projects.
- We expect a gradual handing over of the reconstructed and modernized premises in the administrative building at Prešovská street.
- The company will continue, albeit in a limited scale, with financial support of its Foundation Voda (Water), of towns and municipalities and non-governmental organisations.

COMPANY PROFILE

Bratislavská vodárenská spoločnosť is a producer and supplier of drinking water as well as operator of water pipelines and sewerages in Bratislava Region, in part of Trnava Region (Districts Skalica, Senica) and part of Trenčín Region (District Myjava). Its main activities are supplying the population, industry, agriculture, and other consumers with drinking water, disposal of waste water by public sewerage and their purification. Besides this, BVS administers and maintains public water system equipment and secures water systems and technical development and investment construction.

Identification data:

Business name: Bratislavská vodárenská spoločnosť, a. s. Registered seat: 826 46 Bratislava, Prešovská 48 Identification number (IČO): 35 850 370 Date of entry: 7. January 2003 Legal form: Joint-stock company

Line of business:

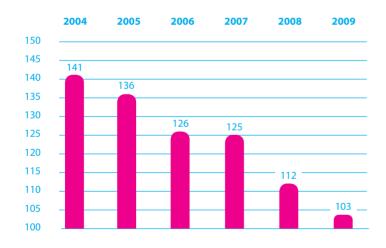
From its beginning, Bratislavská vodárenská spoločnosť, a.s. has carried out various activities within the framework of its business. However, because the company concentrates itself on carrying out core business and is detaching itself gradually from such activities that do not fall within its main line of business, its present-day line of business is as follows:

- Operation of public water pipelines of the category I. up to III. (from: 24.02.2005)
- Operation of public sewerages of the category I. up to III. (from: 24.02.2005)
- Carrying out of physically-chemical, biological and microbiological analyses of surface, drinking and waste waters within the scope of free licence. (from: 24.02.2005)
- Business in the area of disposal with other than dangerous waste (from: 24.02.2005)
- Engineering activity in civil engineering purveyance activity in civil engineering (from: 24.02.2005)
- Production and distribution of electricity from renewable resources (from: 15.08.2007)
- Performance of simple civil engineering projects, small buildings and their changes (from: 15.08.2007)

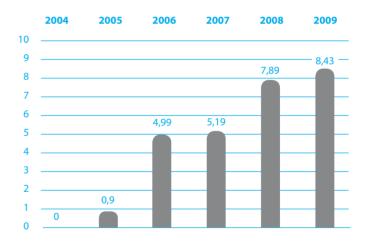
Ownership structure (shareholders):

Bratislavská vodárenská spoločnosť, a.s. consciously and purposely has reduced the number of shareholders, which is beneficial for the

company itself.







BVS shares ratio (% of shares)

Nominal value, number, type, form and shape of the shares

Height of registered capital	281 365 934,89 € (8 477 431 000 Sk)
Nominal value of one share:	33,19 € (1 000 Sk)
Number of shares:	8 477 431
Type of shares:	Common
Form of shares:	Nominative shares
Shape of the shares:	Book-entry

Other legal facts:

Joint-stock company Bratislavská vodárenská spoločnosť, Prešovská 48, Bratislava was established in accordance with the decision No. 853 on privatisation, issued by the Ministry of Administration and Privatisation of National Property of the Slovak Republic dated 2.10.2002, file No. KM–1306/2002 and namely by the insertion of the whole property of the dissolved state enterprise Vodárne a kanalizácie Bratislava, with registered seat Prešovská 48, Bratislava and a part of the property of the dissolved state enterprise Západoslovenské vodárne a kanalizácie, with registered seat Trnavská 32, Bratislava – branch Bratilava – province, branch Senica, production-operational centre of long-distance water lines Šamorín, part of the company directorate, according to the privatisation project filed under No. 2276.

Joint-stock company Bratislavská vodárenská spoločnosť took over assets and liabilities, rights and obligations (also unknown) after dissolved state enterprises, including rights and obligations from labour-management relations (excepting rights according to Art. 16 of the Act No. 92/1991 Z. z.).

On 22nd of December, 2007 Bratislavská vodárenská spoločnosť, a.s. inserted one part of the enterprise into daughter company Infra Services, a.s., in the form of a non-monetary deposit and it has 100% capital participation in it.

On 31st of December, 2009 Bratislavská vodárenská spoločnosť, a.s. inserted one part of the enterprise into daughter company BIOENERGY, a.s., in the form of a non-monetary deposit and it has 100% capital participation in it.



ORGANIZATIONAL STRUCTURE

During the year 2004, Bratislavská vodárenská spoločnosť was organizationally arranged as a functionally-oriented organization. In this period of time a complex structural audit /analysis was carried out by an independent external commercial company with the aim of identifying necessary changes in the company with their subsequent implementation following the building up of a new modern customer-oriented commercial company.

During the year 2004, Bratislavská vodárenská spoločnosť was organizationally arranged as a functionally-oriented organization. In this period of time a complex structural audit /analysis was carried out by an independent external commercial company with the aim of identifying necessary changes in the company with their subsequent implementation following the building up of a new modern customer-oriented commercial company.

With the aim of building up of a new modern, customer-oriented commercial company, a transformation from hitherto functionally-oriented organization towards process-oriented organization started in Bratislavská vodárenská spoločnosť in the period of the year 2005. The Board of Directors of the company approved the new organizational structure of the company, effective from 01.07.2005, which was created on the basis of the TO-BE process model of organization and on the conclusions of the project of Complex structural audit/analysis carried out in the previous period of time. Subsequently, for the purpose of effective operation, managing and possibility of monitoring of further optimizing and improvement in the process map of identified processes and their partial activities, the creation of their set-up and quantification in new organizational and managing standards was started in the second half of II 2005. At the beginning of the year 2006, with the aim of securing complex management of financial flows, human resources, administrative and operational processes including processes and activities connected with the providing

of services, with an impact on an increase of economic efficiency as well as improvement of provided services, the implementation of the integrated system of management was started in the commercial company. At the same time there was also a continued deepening of implementation of process management which had started in the previous period of time.

In the next period of years, 2007 up to 2009, the building of BVS as a modern customer -oriented commercial company, first of all by further separation of service activities from core activities, further deepening of implementation of process management and continuing of the implementation of an integrated system of management was carried out. With the aim of further separation of service activities from core activities and the creation of an objective, optimal economic model of the core activities of the company, which are directly associated with the production and distribution of drinking water and with the disposal and treatment of waste waters, after the prior consent of the General Assembly, on 11.12.2007 the Board of Directors founded a daughter commercial company with 100% capital participation of the Bratislavská vodárenská spoločnosť, with business name Infra Services, a.s., with its main line of business being plumbing and heating engineering, performance of civil engineering projects and their changes, earthmoving works, leasing of transport vehicles, interstate freight road transport and mechanical cleaning of sewerage networks in the scope of free licence.

Subsequently with the same goal, after the prior consent of the General Assembly, on 27th of November 2009, the Board of Directors of the company founded another daughter commercial company with 100% capital participation of the Bratislavská vodárenská spoločnosť, with the business name Bioenergy, a.s., with its main line of business being in the area of disposal with other than dangerous waste and production and supply of electricity with production equipment with a total installed capacity of up to 1 MW.

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SUPERVISORY BOARD

BOARD OF DIRECTORS

Deepening of the implementation of the process management, continuing implementation of integrated system of management as well as founding of daughter commercial companies Infra Services, a.s., and Bioenergy, a.s., initiated in the particular seasons of the year the necessity of changes in the set-up processes and activities concerning various areas of management in the Division of General Director, in the Division of Marketing and Sales, in the Financial Division, in the Technical Division as well as in the Production and Distribution Division. Changes and their setup were consequently projected in particular concerned periods in the organizational structure of the company.

GENERAL DIRECTOR

GENERAL DIRECTOR SECTION

FINACIAL SECTION

TECHNICAL SECTION

PRODUCTION-DISTRIBUTION SECTION

untill 2009 Production section

MARKETING AND SALES SECTION

formation in 2007

Organizational structure

Company bodies Company directorate

MANAGEMENT OF THE COMPANY



Ing. Daniel Gemeran (12. 2. 1956)
General Director



Ing. Peter Vojtaššák (7. 8. 1958) Financial Director



Ing. Jaroslav Néma (2. 12. 1962) Technical Director

Education:

STU Bratislava (SVŠT), specialisation water constructions and water management

Working positions

- Chief designer and chief project engineer, leader of the centre of hydrotechnological civil engineering projects – Hydroconsult Bratislava, state enterprise
- Designer at the planning of waterwork Gabčíkovo-Nagymaros
- Various positions in private companies specialising in hydrotechnical and hydrogeological projects and studies
- Expert of the Union of Towns and Cities for infrastructure. From the year 1996 concerned himself with the issue of transformation of state enterprises of waterworks and sewage plants

Beginning of term of office in BVS management: 11/2003

Education:

School of Economics, Faculty of National Economy

Working positions

 Various positions within the framework of financial management in the banking institutions – Ľudová banka, Slovenská kreditná banka, Komerčná banka, Slovenská sporiteľňa, OTP banka

Beginning of term of office in BVS management: 11/2004

Education:

Technical University in Nitra, specialisation: meliorations

Working positions

- Acted in the enterprise Hydromeliorácie Topoľčany works
- Leader of the unit of investment construction and property settlement in the company COOP Topol'čany
- Acted in the Association of Towns and Municipalities of Slovakia

Beginning of term of office in BVS management: 11/2003



Ing. Ján Rafajdus (16. 1. 1952) Production Director



Ing. Juraj Hagara (20. 4. 1958) Commercial Director

Education:

STU Bratislava (SVŠT), Faculty of Mechanical Engineering

Working positions

- Assistant of hydrology at the Water Research Institute
- Designer at the Welding Research Institute
- Individual specialist worker at the division of hydrology in the Slovak Hydrometeorological Institute
- Leader of the Department of Internal
 Administration at the City Hall of Bratislava, the capital City of SR

Beginning of term of office in BVS management: 11/2003

Education:

STU Bratislava, Faculty of Electrical Engineering
Working positions

- Director of AutoCont, Ltd with registered seat in Žilina
- Director of HW Division of the company PosAm Bratislava, Ltd.
- Key Account Manager for the area of Industry and Utility in the company Compaq Computer Slovakia, Ltd.
- Sales Business Unit Director for the area of Financial
 Services in the company CSC Computer Science, Ltd.
- Hewlett-Packard Slovakia, Ltd. Public Account Manager

Beginning of term of office in BVS management: 4/2009

BOARD OF DIRECTORS



Ing. Daniel Gemeran (12. 2. 1956) Chairman of the Board of Directors and General Manager of BVS

Education:



RNDr. Oto Nevický (30. 5. 1963)Vice-Chairman of the Board of Directors
Executive head of the company O.S.N. Real, Ltd.



Ing. Jaroslav Néma (2. 12. 1962) Member of the Board of Directors and Technical Director of BVS

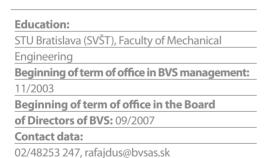
STU Bratislava (SVŠT) – Stavebná fakulta, odbor
vodné stavby a vodné hospodárstvo
Beginning of term of office in BVS management:
11/2003
Beginning of term of office in the Board
of Directors of BVS: 09/2007
Contact data:
02/48253 127, gemeran@bvsas.sk

Education:	
/Š UK – Faculty of Natural Sciences,	
eleven years of practice in the area	
Beginning of term of office in the Bo	ard
of Directors of BVS: 09/2007	
Contact data:	
nevicky@nextra.sk	

Education:	
Technical University in Nitra, specialisation:	
meliorations	
Beginning of term of office in BVS management	
11/2003	
Beginning of term of office in the Board	
of Directors of BVS: 09/2007	
Contact data:	
02/48253 246, nema@bvsas.sk	

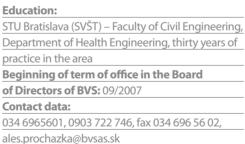


Ing. Ján Rafajdus (16. 1. 1952)Member of the Board of Directors and Production Director of BVS





Ing. Aleš Procházka (18. 3. 1953) Member of the Board of Directors Leader of the operation of production of water Holíč and Myjava BVS





Ing. Peter Čecho (27. 10. 1960) Member of the Board of Directors FREQUENTIS s. r. o., Project Leader

TU Bratisla	va (SVŠT), Faculty of Mechanical
ngineering	, twentythree years of practice
Beginning (of term of office in the Board
of Directors	of BVS: 09/2007
Contact dat	a:
02/6920210	7, peter.cecho@frequentis.com



Ing. Peter Lenč (6. 4. 1964)
Member of the Board of Directors
Deputy of the Mayor of City Borough Bratislava
– Karlova Ves

Education:

STU Bratislava (SVŠT), Faculty of Civil Engineering, twenty years of practice of designer - statics

Beginning of term of office in the Board of Directors of BVS: 09/2007, at the same time member of the Supervisory Board of the company with 100% participation of Bratislava, the Capital City of SR – KSP Ltd.

Contact data:

02/653 142 51, 0905 525 299

Ing. Jozef Tarič, Member **Ing. Pavel Závadský,** Vice-Chairman

SUPERVISORY BOARD



Ing. Karol Kolada Chairman of the Supervisory Board



JUDr. Tomáš KorčekVice-Chairman of the Supervisory Board
Deputy Mayor of Bratislava, the Capital City of SR,
executive head of the company EUROADVICE, Ltd.



PaedDr. Milan Trstenský Member of the Supervisory Board Head of the Department of Schools, Youth, Culture and Sports of the City Borough Dúbravka

Education:	
STU Bratislava (SVŠT), Faculty	y of Electrical
Engineering in Bratislava	
Beginning of term of office	in the Supervisory
Board of BVS: 06/2007	
Contact data:	
deltes@ba.sknet.sk	

Education:
VŠ UK – Faculty of Law
Beginning of term of office in the Supervisory
Board of BVS: 06/2007
Contact data:
02/593 562 41, namkor@bratislava.sk

Educ	ation:
Facult	ry of Education of CU in Bratislava
Begir	nning of term of office in the Supervisory
Board	d of BVS: 06/2007
Conta	act data:
02/64	5 304 88, 0903 411 431,
trsten	sky@dubravka.sk

Ing. Vladimír Bajan, Member **Štefan Burian,** Member RNDr. Milan Cílek, Member Ing. Ladislav Dobos, Member

Ing. Andrej Ďurkovský, Chairman **Ing. Stanislav Fialík,** Member



Ing. Katarína OtčenášováMember of the Supervisory Board
Bratislava Self Governing Region, Department of
Administration and Evidence of Property

Education:

STU Bratislava (SVŠT) – Faculty of Civil Engineering, specialisation geodesy and cartography, sixteen years of practice in the area

Beginning of term of office in the Supervisory
Board of BVS: 06/2007

Contact data:

02/482 644 17, kotcenasova@region-bsk.sk



Ing. Gabriel KosnáčMember of the Supervisory Board
Head of Department at City Borough
Bratislava-Karlova Ves

Education:

STU Bratislava (SVŠT), Faculty of Chemical Technology

Beginning of term of office in the Supervisory

Board of BVS: 06/2007

Member of Administrative Board of the Society for housing development n.o. from 02/2007

Contact data:

02/602 592 09, 0903 479225, gabriel.kosnac@karlovaves.sk



Ing. Anna Strápková Member of the Supervisory Board Director of the Office of President of National Property Fund of SR

Education:

Faculty of Commerce, University of Economics in Bratislava

Beginning of term of office in the Supervisory
Board of BVS: 06/2006

Contact data:

0903 213 376, strapkova@natfund.gov.sk

Ing. Igor Grošaft, Member **Doc. PhDr. Branislav Hochel CSc.,** Member

Ing. Peter Huňor, Member **Ing. Karol Kolada,** Chairman

Jozef Kvetan, Member **Ing. Ivan Mitošinka,** Member



Ing. Dagmar BlahováMember of the Supervisory Board
Head of the Laboratory of Drinking Waters



Peter Hurban Member of the Supervisory Board Head of WWTP Modra

Education:



Pavol Šťastný Member of the Supervisory Board Head of the operation of water distribution

Education:	
STU Bratislava (SVŠT), Faculty of Chemical	
Technology	
Beginning of term of office in the Superviso	ory
Board of BVS: 04/2008	
Contact data:	

02/4949 14 15, dagmar.blahova@bvsas.sk

Secondary technical education in mechanics in	
Trnava, specialisation assembly of machines and	
equipment	
Beginning of term of office in the Supervisory	
Board of BVS: 04/2008	
Contact data:	
033/6473 841, peter.hurban@bvsas.sk	

Education:
Full secondary professional education
in mechanics
Beginning of term of office in the Supervisory
Board of BVS: 04/2008
Contact data:
034/6908824, pavol.stastny@bvsas.sk

Ing. Ján Odzgan, Member **JUDr. Mária Paučová,** Member

Ing. Radoslav Paulovič, Member **Ing. Štefan Pétery,** Member

Jozef Šafárik, Member **Ing. Boris Šramko,** Member



VISION AND MISSION

Vision

We are responsibly aware of our strategic position in securing the necessities of life for society. Water is and will be one basic component and an inevitable prerequisite for life.

We contribute towards the enhancement of quality of life in society, as well as towards protection of the environment, by means of extension and reconstruction of water and sewerage networks, by introducing more effective technologies of water treatment, by rational exploitation of energy sources, as well as by reconstruction of old and the building of new water treatment plants.

After transformation from a state enterprise, we underwent significant changes, leading towards a greater efficiency of processes and activities, with the aim of increasing quality of provided services and products to our customers. We are willing to listen to and fulfil the requirements and needs of both great companies and individuals as well. We want to be able to foresee these needs and to create solid and long-term relations with our customers. In order to fulfil our vision we changed ourselves to a commercial-marketing company.

We create conditions for increasing the quality and labour performance of our employees. We motivate them and we build relations with them based on fellowship and loyalty towards the company.

Our goal is to increase the value of the property for our shareholders. What we strive after is an increase in added value in all areas of our activity.

We perceive the importance of our water resources not only within the framework of Slovakia, but also within the framework of the European Union, and that is why we want - as a recognized and respected enterprise - to play an important role in the building of a healthy, clean and well-content society.

Mission

It is our mission to supply customers with quality water and to sewer and ecologically purify waste waters. We provide quality and reliable services in other areas of our activity as well. We do care for the quality of life of people and therefore we support activities focused on the protection of health, waters and the environment.

The aim of our business is to also continuously increase in value the property of the company for the shareholders and achieve satisfactory financial results and dividends

Through sales of our key product, drinking water, we strive to achieve a competitive level on the market of soft drinks.



DAUGHTER COMPANY INFRA SERVICES, A. S.

Basic data on the company

Business name: Infra Services, a. s.

Registered seat: 821 05 Bratislava, Hraničná 10

Identification number (IČO): 43 898 190 Day of origination 22. December 2007

Entered into Business register of the District Court Bratislava I,

section: Sa insert no. 4365/B Legal form: Joint-stock company

Z Line of business:

- Plumbing and heating engineering
- Cleaning and maintenance of communications
- Performance of civil engineering projects and their changes
- Engineering activity purveyance services in civil engineering
- Leasing of machines, appliances, equipment, means of transport and computer equipment
- Business in the area of disposal with other than dangerous waste
- Locksmith engineering
- Mechanical cleaning of sewerage networks
- Repairs of reserved technical equipment
- Repairs and assembly of measuring instruments of flown-through quantities of water
- Verification of assigned measuring equipment
- Calibration of measuring instruments of flown-through quantities of cold and warm water

Statutory organs

Board of Directors

Ing. Daniel Gemeran Ing. Jaroslav Néma

Róbert Paulen (do 7.7.2008)

Ing. Jaroslav Paulický (od 7. 7. 2008)

Supervisory Board

Ing. Karol Kolada Peter Juriga

Juraj Kečkeš

Shareholders:

The sole shareholder of the company

is Bratislavská vodárenská spoločnosť, a.s.

Number of shares: 100 %

Nominal value, number, type, form and shape of the shares:

Height of registered capital: 6 970 723 € (210 000 000 Sk)

Nominal value of one share: 33,19 € (1 000 Sk)

Number of shares: 210 000 pcs

Type of shares: Common

Form of shares: Nominative shares Shape of the shares: In paper form

Other legal facts

The General Assembly of Bratislavská vodárenská spoločnosť, a.s., which took place on 6th of December 2007, accepted and approved the proposal for the founding of the commercial company Infra Services, a.s., with registered seat at Hraničná 10, 821 05 Bratislava with 100% capital participation of BVS. The company was founded by foundation charter written up by means of notary memorandum on 11th of December 2007 in compliance with corresponding stipulations of Act. No. 513/1991 Coll.. Subsequently it was entered into the Business register of the District Court Bratislava I, section: Sa insert no. 4365/B

On the day of origination, on 22nd of December 2007, the employees of the Division of Service Activities went over with all rights and obligations under the newly founded company.

At the founding of the company also movable as well as real property was transferred into its ownership in the total value of 8 141 ths. € (245,248 ths. Sk), out of which 6 971 ths. € (210 000 ths. Sk) formed the basic capital and 1 170 ths. € (35 248 ths. Sk) the reserve fund. The height of the non-monetary deposit was assessed by expert opinion. Real property consists of buildings and grounds at Hraničná street and at Na Šajbách street, and of the premises at Toplianska street.

Human resources

The company Infra Services, a.s. (later on only INS) was founded on 22.12.2007. As even during the course of following months of the year 2008 all personal matters concerning hiring of employees, termination of labour relations as well as the whole employee care system were under the administration of BVS, so the status of employment only became monitored internally from 1st of August 2008.

Average evidence number of employees in the year 2008 was 309. Average adjusted number of employees for the year 2009 was 351.

Training of employees

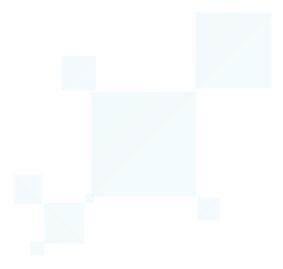
The company provides care for the increase of professional level and education of employees and that namely by securing and organizing professional training courses, regular repeated retrainings as well as by participation in expert seminars and conferences. Training courses are secured by the personnel department in cooperation with heads of units in the following areas:

- Compulsory basic cyclically repeated training courses resulting from the regulations on security and vocational health protection as well as fire regulations
- Trainings concentrated on the securing of a basic professional aptitude
- Training concentrated on increasing professional aptitude and qualification
- Unrepeated seminars and training courses
- Trainings of drivers of personal cars

Employee care

The company INS secures for its employees:

- Allowance for food according to Art. 152 of the Labour Code to the level of 55% of board-money,
- Providing of social aid in case of long-term sickness absence,



- Providing allowance for individually secured holiday sojourns for the children of employees in the age up to finishing compulsory school attendance,
- Allowance for pension assurance of the employee
- Organizing events for the pensioners former employees
- Providing premiums to people at important working anniversaries

Reasons for creation of the company

BVS, because of securing high quality and effectiveness of core activities, decided to detach supportive and service activities into the external environment. It founded a commercial company, INS, which it personally equipped with employees of the Division of service activities (DSČ), service division of BVS, and deposited into it one part of its property as well as material and technical equipment.

Goals of the company

The years 2008 and 2009 were marked by the improvement of service activities provided by BVS on the basis of a Framework agreement on providing services – SLA.

The providing of these services on the water pipelines and sewerage networks in the highest qualitative level remains henceforth a priority also for the following periods of time with the emphasis on the expansion of areas of mutual cooperation.

The main routing of future activities of the company INS is contained in the Strategic plan of development up to the year 2012, which was prepared by the management of the company towards the end of the year 2009 and it expects as carrier activities for future periods of time the development of civil engineering activity concentrated also on the external environment and a complex administration of commercial activities connected with measuring instruments of water outflow. At the same time it expects more important involvement in the logistic processes within the framework of the whole group of companies which fall under BVS.

Future cooperation within the framework of companies covered by BVS will be concentrated on the improvement of mutual communication with the aim of achieving higher level of services provided for the customers and also the maximizing of synergy effects, which result from this cooperation.

DAUGHTER COMPANY BIONERGY, A. S.

Basic data on the company

Business name: BIONERGY, a.s.

Registered seat: 826 46 Bratislava, Prešovská 48

Identification number (IČO): 45 322 317

Day of origination: 31.12.2009

Entered into: Business register of the District Court Bratislava I,

section: Sa , Insert No. 4932/B Legal form: Joint-stock company

Z Line of business:

- Business in the area of disposal with other than dangerous waste
- Activity of entrepreneurial, organizational and economic consultants
- Purchase of goods for the purposes of their sale to the end consumer (retail trade) or for the purposes of its sale to other operators of licence (wholesale trade).
- Intermediary activity in the area of trade
- Intermediary activity in the area of production
- Intermediary activity in the area of services

Statutory organs

Board of Directors

Ing. Daniel Gemeran Ing. Peter Čecho Ing. Peter Lenč

Supervisory Board

Ing. Gabriel Kosnáč Ing. Oto Nevický Gejza Ivanič

Shareholder:

The sole shareholder of the company is Bratislavská vodárenská spoločnosť, a.s.

Nominal value, number, type, form and shape of the shares

Height of registered capital: 43.000.000 € Nominal value of one share: 1.000.000 €

Number of shares: 43 Type of shares: Common Shape of the shares: Book-entry

Other legal facts

The General Assembly of Bratislavská vodárenská spoločnosť, a.s., which took place on 29th of October 2009, accepted and approved a proposal for the founding of commercial company BIOENERGY, a.s. (later on only BNG) with registered seat at Prešovská 48, 826 46 Bratislava, with 100% capital participation of BVS. The company was founded by foundation charter written up by means of notary memorandum on 30th of November 2009 in compliance with corresponding stipulations of Act. No. 513/1991 Coll.. Subsequently on 31st of December 2009 it was entered into the Business register of the District Court Bratislava I, section: Sa, insert 4932/B.

On the day of origination the employees of sludge and gas management of the Division WWTP on the operations at Vrakuňa, Petržalka, Devínska Nová Ves and Senica went over with all rights and obligations into the newly founded company BNG.

At the founding of the company movable as well as real property was transferred into its ownership in the total value of 48 mil. €, out of which 43 mil. € formed the basic capital of the company and 5 mil. € the reserve fund. The height of the non-monetary deposit was assessed by expert opinion. Real property consists of buildings and grounds connected to the sludge and gas management in the premises of WWTP at Vrakuňa, Petržalka, Devínska Nová Ves and Senica.

Human resources

To the company BMG were transferred 36 employees at its origination, with all rights and obligations, who form the basic pillar of the production-technical division of the company.

Training of employees

BNG as an employer perceives the quality of its employees, that is their knowledge, dexterity and first of all attitudes and behaviour as being the most important capital, which forms company culture. The intention behind the training of employees is achieving permanent changes, first of all in knowledge, dexterity and attitudes, which support and increase the performance of the employee at fulfilling his tasks and goals resulting from the strategy and needs of our company.

Employee care

To the main benefits, which the company provides to its employees, belongs allowance for food according to Art. 152 of the Labour Code in the height of 55% of board-money. To the other advantages belongs the provision of social aid in the case of long-term sickness absence. In the sense of Collective labour agreement, the company provides allowances for individually secured holiday sojourns for the children of employees in the age up to finishing compulsory school attendance. Allowance for pension assurance of the employee as well as providing premiums to those persons with important working anniversaries.

And last but not least, to employee care also belong allowances from the social fund for culture and sports.

Reasons for the creation of the company

BVS has concentrated in the past, besides core activities, which are production, supply of drinking water and disposal and purification of waste water, on a number of auxiliary activities. With the aim of increasing quality and effectiveness of the provided core activities services it started to systematically attend to and orient primarily towards its core activities.

To these activities belong also performances connected with the processing of mixed sludge and its further exploitation, which were realized mostly on the WWTPs. Because of their position towards the main line of BVS business, these activities were given less attention and thus they were secured less effectively, which had and unfavourable economic impact on the very company BVS.

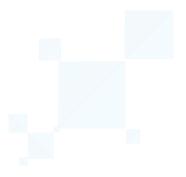
Moreover, developing activities in this area started to require larger financial resources. This status, but also the fact that the company did not use the whole capacity of its technological equipment available on WWTP, provoked the thinking about and subsequent de facto detachment of these activities into the 100% daughter company BNG.

The company BNG by concentrating to the line of its business, which is:

- Treatment of raw sludge as well as treatment of other biologically degradable waste
- Production and distribution of electric energy and heat
- Providing of energy services

as well as by expansion into the external environment, manages to make use of its own capacities more effectively and thus reduces direct costs to BVS.

Besides the direct positive economic impact to BVS, the company BNG can also positively influence the solution of the communal issue of handling biologically degradable waste, and in the area of production and distribution of electric energy directly lower the costs not only to BVS, but also of other communal companies.



Goals of the company

Treatment of raw sludge

The goal of the company, within the line of business which is prevalent at present, is securing continuous treatment, increasing effectiveness of production processes and thus restricting costs for the treatment of sludge. To achieve this goal, it is also necessary, besides systemic measures, to secure sufficient investment resources required for the reconstruction, modernizing and intensification of existing equipment.

Biologically degradable waste

The founding of the company was also a reaction to the changing legislature in the area of waste liquidation and to the need resulting from it for Bratislava, the Capital City of SR, to solve the issue of handling biologically degradable waste, which is a constituent part of the solid communal waste.

From above mentioned it can be seen, that the aim of the company is to secure the treatment and valorisation of relevant biologically degradable waste produced on the territory of Bratislava, produced as a part of solid communal waste, but also produced by large producers. For the fulfilment of this goal it is inevitable to finalize construction of technologies inevitable for the complete treatment and valorisation of this type of waste, through which the issue of valorisation of sludge dry matter as a waste of treatment of raw sludge could also be solved.

Production and distribution of electric energy and heat

The goal in the area of electric energy production for the near future is the expansion of administered production equipment for electric energy from renewable sources, from the present-day 1,5 MWe of installed capacity to 10MWe up to the year 2011.

Thanks to the fact that the company owns sufficient expert capacities in the area of trading with electric energy, it plans to penetrate the market of trading with electrical energy by the year 2012, and gradually place itself among the top suppliers of electric energy in Slovakia.

By this solution BVS together with daughter company BNG realistically proves its positive attitude towards the environment and also one way how to behave ecologically and at the same time economically.



COMMERCIAL DATA

Price of drinking water

Price and pricing in the water supply branch has besides several elements of product mix of the companies also some specifics of non-market, and/ or partially market – regulated character.

In pricing of the regulated activities of water companies, so-called cross-subsidies were common. In the water supply branch it meant different pricing approaches towards two groups of consumers - households and other consumers. In the year 2005 the prices for production and supply of drinking water through public water pipelines for these two segments of consumers were determined by office as unified.

Removal of cross-subsidies was accompanied by a rise in prices for production and distribution of drinking water for households and prices for other producers had a declining trend compared to the prices for households.

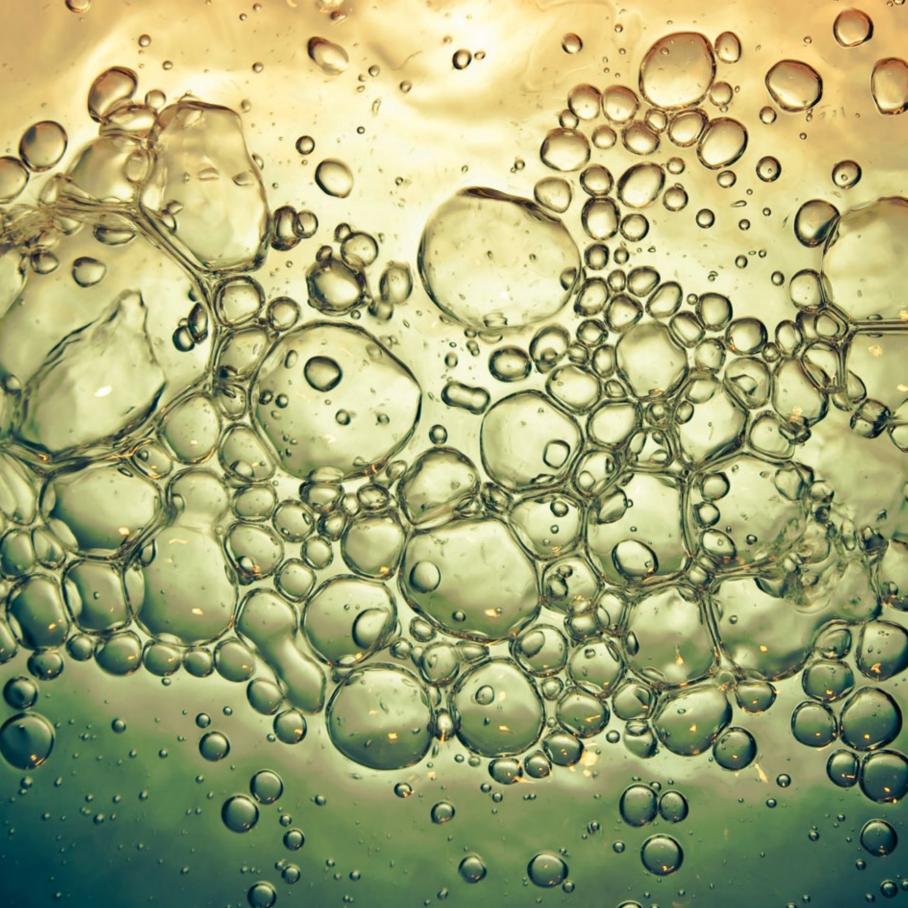
Price of waste water

In the pricing of disposal and purification of waste water so-called cross-subsidies were also common. In the water supply branch it meant a different pricing approach towards two groups of consumers - households and other consumers. In the year 2006 the prices for disposal and purification of waste water through public sewerage for these two segments of customers were determined by the office as unified. Removal of cross-subsidies was accompanied by a rise in prices for disposal and purification of waste water for households and prices for other producers had a declining trend compared to the prices for households.



Overview of the water rate (€/m³) 7 Households 7 Others





STRUCTURE OF CUSTOMERS

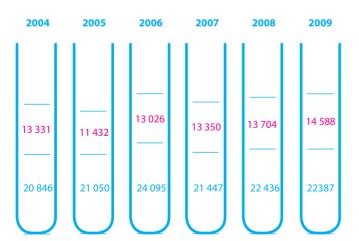
Customers of BVS form three basic segments – households, other customers and other operators or owners of public water pipelines. Revenues for the sales of drinking water in the segment of households are decreasing, while revenues for the sales of drinking water to other customers are rising. In both segments the revenues are rising, despite a decrease in consumption of drinking water.

Changes in consumer behaviour (households and others) lead towards a saving in drinking water from various reasons, e.g. rise in price of water rate, increase of ecologic consciousness.

Reasons for a decrease in water consumption in HOUSEHOLDS:

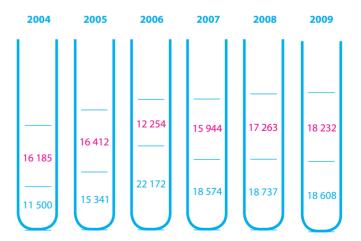
☑ Building of proprietary water sources (wells)

Because the geographic area of activity of BVS is characteristic with a high level of ground water, it is easy and financially convenient to build a well. Although the year 2007 with building boom brought a rise in the construction of family houses in this area, consumption of water has not risen just because of the above mentioned reason. There is also a tendency towards building wells in already existing end-user sites, by which the consumption of drinking water declines.



Development of revenues for the sales of drinking water according to particular customer segment (ths. EUR)

Households Others



In the area of sewerage water, the ratio of household revenues compared to that of other producers was the following: (ths. EUR)

Households Others

Household appliances

Households buy more economical (ecological) household appliances connected to water. There is characteristic growth in the purchase of dishwashing machines (which are more saving than the manual washing of dishes) and washing machines, that are more and more saving.

Sanitary appliances

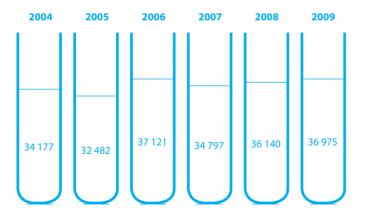
Saving shower heads, saving fittings for the flushing of toilets.

Hygienic habits of customers

Preferring showers to baths.

Appliances for the heating of water (heating technology)

a) family houses – sales of saving appliances for the heating of water grow b) housing cooperatives – are equipped with furnaces connected to drinking water (not to hot service water).



Development of revenues for the sales of drinking water (in ths. EUR)

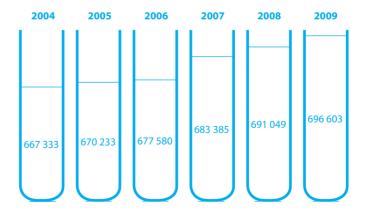
That is why the consumption of drinking water is shifted from heat producing companies to the end users, who better economize with it by means of saving water-heating equipment.

Building of home WWTP's

Waste waters are clarified in the home WWTP, whereby cleaned service water also originates besides solid sludge, and this water can be used e.g. for watering etc., so again the consumption of drinking water declines.

Drinking regime

Sales of packaged drinking water is on the rise, which means the inhabitants prefer packaged water to tap water from public water lines. Reasons may be various: ignorance of the quality of drinking water, as well as hygienic demands required from it, disinformation about correct drinking regimes, etc.



Development of number of inhabitants connected to public water pipelines on the territory of BVS activities.

Reasons for a decrease in water consumption with OTHERS:

■ Building of proprietary water sources (wells)

Because the geographic area of activity of BVS is characteristic with a high level of ground water, it is easy and financially convenient to build a well, to which also other consumers are inclining (mainly enterprises with a high consumption of water, which they use mainly for technical/production/industrial purposes).

Sanitary appliances

Into the reconstructed buildings, operations and the like are being incorporated also saving fittings for the flushing of toilets.

Appliances for the heating of water (heating technology)

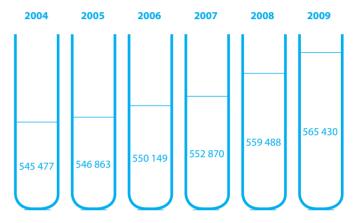
Furnishing with furnaces which are connected to drinking water (not to hot service water). That is why the consumption of drinking water has shifted from heat producing companies to the end users, who better economize with it by means of saving water-heating equipments.

Building of home WWTP's

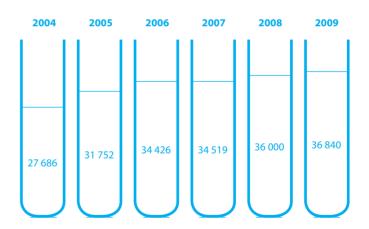
Waste waters are clarified in the home WWTP, whereby cleaned service water also originates besides solid sludge, and this water can be used e.g. for technical/production/industrial purposes.

Drinking regime

Sales of packaged drinking water is on the rise, especially water dispensers, which means that industrial enterprises, operations, administrative buildings secure the drinking regime of their employees through packaged water, which is why the consumption of drinking water from public water pipelines declines.



Development of revenues for sewerage and purification of waste water on the territory of BVS activities



Development of revenues for sewerage water (in ths. EUR)

Expressive increase of revenues for sewerage water in the segment of other producers for the last three years was achieved by signing contracts with towns and municipalities for disposal of waters from surface runoff from public open spaces which are their property and/or are in their administration.

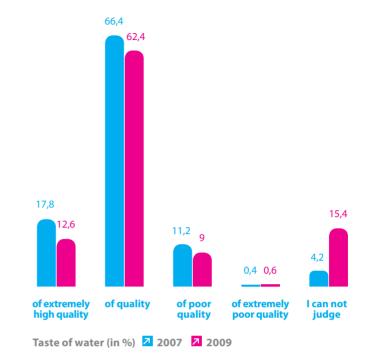
TOP CUSTOMERS

Development of Top 10 customers from the year 2004:

2004		7	2005
C-Term, s. r. o.			C-Term, s. r. o.
Bratislavská teplárenská, a. s	S.		Bratislavská teplárenská, a. s.
Rajo, a. s.			Fakultná nemocnica s poliklinikou Bratislava
Železnice Slovenskej repub	liky		Bytový podnik Petržalka
Slovenská technická univer	zita		Slovnaft, a. s.
Bytový podnik Petržalka			Rajo, a. s.
Prvá ružinovská spoločnosť	?, a. s.		Železnice Slovenskej republiky
Slovnaft, a. s.			Prvá ružinovská spoločnosť, a. s.
Stavebné bytové družstvo o	občanov so sídlom v Pezinku		Stavebné bytové družstvo občanov so sídlom v Pezinku
Spokojné bývanie, s. r. o.			Bytové družstvo Petržalka

2006	2007
C-Term, s. r. o.	Bratislavská teplárenská, a. s.
Bratislavská teplárenská, a. s.	C-Term, s. r. o.
Bytové družstvo Petržalka	Dalkia, a. s.
Slovnaft, a. s.	Hlavné mesto SR Bratislava
Fakultná nemocnica s poliklinikou Bratislava	Fakultná nemocnica s poliklinikou Bratislava
Bytový podnik Petržalka	Bytový podnik Petržalka
Slovenská technická univerzita	Železnice Slovenskej republiky
Prvá ružinovská spoločnosť, a. s.	Rajo, a. s.
Stavebné bytové družstvo Bratislava II.	Stavebné bytové družstvo občanov so sídlom v Pezinku
Okresné stavebné bytové družstvo Senica	Prvá ružinovská spoločnosť, a. s.

2008		2009		
Dalkia, a. s.		Dalkia, a. s.		
Bratislavská teplárenská, a. s.		Bratislavská teplárenská, a. s.		
Bytové družstvo Petržalka		Bytové družstvo Petržalka		
Slovnaft, a. s.		Slovnaft, a. s.		
Fakultná nemocnica s poliklinikou Bratislava		Fakultná nemocnica s poliklinikou Bratislava		
Železnice Slovenskej republiky		Stavebné bytové družstvo občanov so sídlom v Pezinku		
Stavebné bytové družstvo občanov so sídlom v Pezinku		Železnice Slovenskej republiky		
Okresné stavebné bytové družstvo Senica		Prvá ružinovská spoločnosť, a. s.		
Prvá ružinovská spoločnosť, a. s.		Okresné stavebné bytové družstvo Senica		
Slovenská technická univerzita		Rajo, a. s.		



REFERENCES ON CUSTOMER SATISFACTION

Comparison of customer satisfaction (households) was performed in the years 2007 and 2008. The results of the survey from the year 2009 were not markedly different from those of the year 2007. Significant differences were as follows:

Taste of water. Respondents in both years considered water from the point of view of taste as of quality.

Composition of water. The year 2009 importantly increased the ratio of respondents, who consider the water from public water pipeline to be of quality from the point of view of its composition.

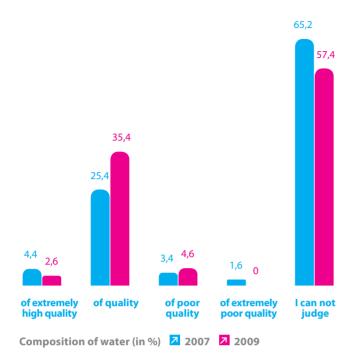
Period of invoicing. The year 2009 considerably increased the ratio of respondents who do not care about the period of invoicing and on the other hand considerably decreased the ratio of respondents who are content with the period of invoicing (either absolutely or partially).

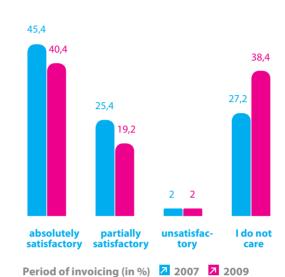
Assessment of the worker outside the seat of BVS

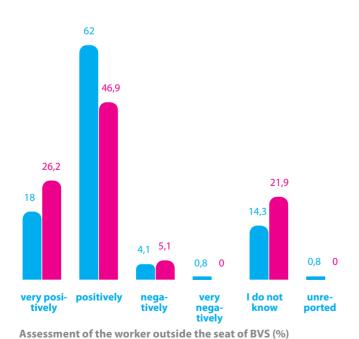
The year 2009 considerably decreased the ratio of respondents who considered the behaviour of the worker positively and on the other hand increased the ratio of those who considered him very positively or who were not able to consider his behaviour.

Communication through mail

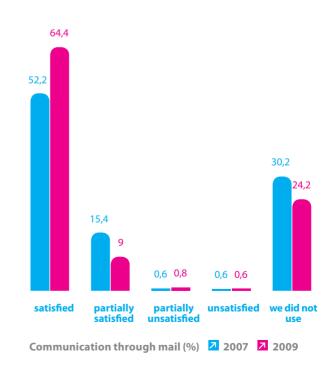
The year 2009 considerably increased the ratio of respondents who were satisfied with communication through mail.







2007 2009



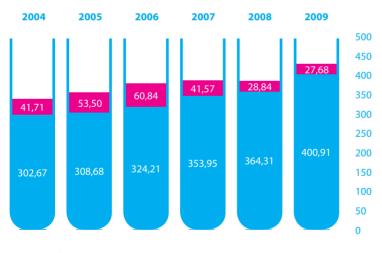


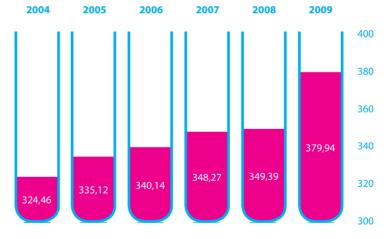
FINANCIAL ANALYSIS

Production of water, operation of public water pipelines and sewerages is a network industry with a high demand on the volume of fixed assets. The total assets of the company record permanently increase with considerable permanent increase of the value of long-term assets.

The equity of the company increases every year by the profit, which remains after distribution of profit by the General Assembly of shareholders in the company, to secure investment process. The equity of the company increased during six years by 55 480 ths. \in . For one share of the basic capital there was in the year 2009 equity in the height of 44,82 \in , which represents an increase from the year 2004 of 6,55 \in .

The company belongs to the 200 non-finance companies with the best economic results. The most important criterion of the assessment are revenues achieved.



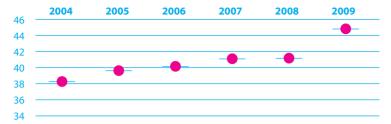


Assets of the company (in EUR)

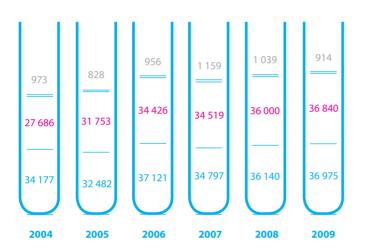
✓ value of non-short-term assets
✓ total assets

Equity (in ths. EUR)

Financial analysis	2004	2005	2006	2007	2008	2009
Value of non-short-term assets (EUR)	302 674 866	308 679 280	324 205 637	353 954 393	364 313 149	400 911 054
Value of short-term assets (EUR)	41 708 855	53 501 924	60 845 681	415 701 73	28 837 880	27 679 372
Total assets (EUR)	344 383 721	362 181 204	385 051 318	395 524 566	393 151 029	428 590 426
Equity (EUR)	324 462 823	335 115 248	340 139 846	348 271 528	349 393 642	379 943 597



The development of equity per share (in EUR)



The development of revenues (in ths. EUR)

☑ invoiced water ☑ sewerage water ☑ other services



Productivity of BVS, j.s.c. employees 2004 - 2009 (in ths. EUR)



53 149

Added value - BVS (in ths. EUR)

☑ Added value Added value per an employee

Added value

The added value indicator shows what value the company produced within the relevant period. It can be seen from the chart that the added value increased in 2005 compared to 2004 as the proportionate drawing of costs compared to the revenues had a positive effect. Although the development of revenues shows a year-on-year increase, this does not reflect the creation of resources sufficiently because the sale in technical units (m3) decreased significantly since 2004. The impact of the decrease in cubic meters was alleviated especially by the increase in water and sewerage prices.

On the other hand, the production consumption has increased since 2006 – especially in the item of services which was reflected in the added value and economic result.

The comparison of development in recent periods i.e. from 2007 to 2009 points to a significant fall in the revenues since 2007 and as it was said before, in other years, the revenues increased but not sufficiently (for the reasons mentioned already) compared to the growth in production consumption. These impacts were also reflected in the added value development in recent years.



Development of selected financial indicators (in ths. EUR)

BITDA depreciation profit after taxation

Positioning of the BVS in the chart TREND TOP place in the chart

EBITDA

The EBITDA means the profit before **interest**, **taxation**, **depreciation** and **amortisation of company's tangible and intangible assets**.

EBITDA reflects the net operating activities without the impact of items the non-expenditure nature of which (depreciation) is known before. The consequence of the management and co-ordination of production and operating activities is the amount of EBITDA, i.e. the indicator expresses the development of the corporate efforts without the impact of external factors (interest and taxes).

The development of EBITDA just as the added value was influenced by drawing of production and operating costs (especially of services) at the decrease in sales in technical units.

Position of BVS according to economic weekly TREND

Slovak prestigious economic weekly Trend publishes every year a sequence of 200 companies in Slovakia with the best economic results. Trend Top 200 statistics is compiled from the published economic results and assesses more categories. Bratislavská vodárenská spoločnosť achieved during the years 2005 up to 2009 very good economic results, which are a reflection of a summary of internal procedures and measures and external factors which influenced the business of the company in the period of time in question. Based on these results BVS improved its position in the category of non-financial companies acting in Slovakia against the year 2005 by about 23 places.



PERSPECTIVES OF MODERNIZING THE INFRASTRUCTURE OF BVS

Water supply infrastructure in the territory of the present-day activity of BVS was created during the last period of time before the beginning of the time period in question 2004 – 2009 by two water enterprises – VaK, š.p. Bratislava and ZsVAK, š.p. Bratislava. This organizational model, pertaining to several decades, imprinted its seal into the concepts and technical solutions of water supply and sewerage systems of these two independent subject in the given territory. Mentioned concepts and technical solutions were influenced by various factors, such as e.g. the geographical and hydrological status of the territories, or economic possibilities of particular water works. So relatively large systems for supplying water and sewerage were gradually built.

Because of the already mentioned territorial activity of the waterworks enterprises at that time, these two systems were separated. They were interconnected only in sporadic cases. For example, sewerage in the community Ivanka pri Dunaji was connected to ÚČOV Bratislava (Central WWTP Bratislava), water intake from the water supply source Šamorín was connected to water premises Podunajské Biskupice, and water intake from Lamač to the southern edge of the Záhorie zone.

While the water supply system of Bratislava City was built on water resources with excellent quality and with resource yields exceeding the need, on the other territory it was necessary to use also resources with an unsatisfactory quality of water requiring sometimes demanding treatment (and/or without treatment – at the expense of quality of water). Similarly, while on the territory of Bratislava relatively generous capacities of water supply and sewerage equipment were built, on the other territory they were not infrequently absented, and/or did not reach sufficient capacities. The beginning of the subject-matter period 2004 – 2009 may be characterised - as far as water supply infrastructure on today's territory of BVS scope of activity is concerned -, as having on a good level built public

water pipeline in Bratislava having quantitatively as well as qualitatively suitable water resources at its disposal, with sufficient accumulations, distribution capacities and a high percentage of number of inhabitants supplied by water from public water pipeline which is approaching total saturation. On the other territory they were single and group water pipelines, not infrequently built on water resources with inferior quality and insufficient capacity, with the need of water treatment. The level of supply corresponded to the whole-Slovakia average, but in some regions it lagged behind.

In the area of water supply to the territory within the scope of activities of BVS, it may be said that the main shortcoming consisted in an unbalance of the levels of systems in Bratislava and in the other territory, hitherto unexploited possibilities of resources of quality for the deficit areas (first of all Záhorie), and absence of transit distribution capacities for securing the maximal effectiveness, reliability and security of water supply. Similarly, in the area of sewerage, while in Bratislava sufficient sewerage systems were built, with satisfactory waste water treatment plants, securing a ratio of inhabitants living in houses connected to the public sewerage, approaching complete saturation, on the other territory the sewerages were only in former district towns and in several bigger communities. Simultaneously, considerable shortage of water treatment capacities became evident, with a negative impact on possibilities to connect new producers, but also on the environment. Similarly to the case of water supply, the level of sewerage corresponded to the whole-Slovakia average, but in some regions it lagged behind. Moreover, this level lagged considerably behind the level of water supply in the said region, which was not true for Bratislava, where – as has already been mentioned – both reached almost full saturation.

In the area of drainage of the territory within the scope of activity of BVS, it may be said that the main shortcoming consists in considerable atomization of sewerage systems in the territory outside Bratislava, which

					2004 05	06 07 08 9
2004 06 7 8 9						
3 1 8 8 7 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8		2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2				2816 km 2886 km 2930 km 2958 km
Length of networks (km)	2004	2005	2006	2007	2008	2009
Water pipeline network	2666	2740	2816	2886	2930	2958
Sewerage network	1166	1168	1232	1260	1297	1342

Length of networks

✓ Water pipeline network
✓ Sewerage network

becomes evident through the higher number of smaller waste water treatment plants with negative consequence on the operation (economy, reliability) as well as environment (recipients not aqueous enough). Last but not least a shortage of capacities (concerning cleaning sewerage systems outside the territory of Bratislava) must be stated, which prevents possibilities of connecting new waste water producers.

BVS, a.s. disposed of the above mentioned status of concept and technical solutions of water supply infrastructure at the beginning of the subject-matter period of time 2004 – 2009. BVS evaluated the aforementioned status without delay and elaborated a framework concept of modernizing water supply infrastructure which was incorporated into the Strategy of modernizing BVS water supply infrastructure (later on Strategy), and approved as a decisive strategic document. Strategy has marked out basic directions, which were worked out into more detailed solutions in further tasks. These basic directions were oriented towards achieving a high quality of supplied water, towards achieving sufficient cleaning of waste waters, towards operational reliability and security of water supply and sewerage and towards achieving sufficient capacities for securing developmental intentions from the point of view of water-supply engineering.

Concepts determined in the Strategy were gradually tested and developed more in detail in concept documents, from which studies of supplying with water of the area of Záhorie, along with Senica group water pipeline, Foothill group water pipeline, eastern area of Bratislava (Podunajské Biskupice – Pezinok Grinava – Rača), Záhorská Bystrica and Marianka, Limbach, Stupava must be mentioned; next, also studies concerning optimal usage of springs or analysis of processes and system elements of supplying with water. In the area of sewerages there were studies of waste water treatment plants (Central WWTP Vrakuňa, WWTP

Petržalka and WWTP Devínska Nová Ves in Bratislava, WWTP Holíč, WWTP Hamuliakovo), next studies of sewerage networks, such as collector E, F, sewerage in the locality Bratislava Matador, in the regions of Small Carpathians and Senec.

With the aim of using an always up-to-date Strategy, the same was year after year updated, up until the present.

The goals determined in the Strategy and concepts and solutions leading towards them were subsequently being fulfilled by implementation of water supply buildings modernisation.

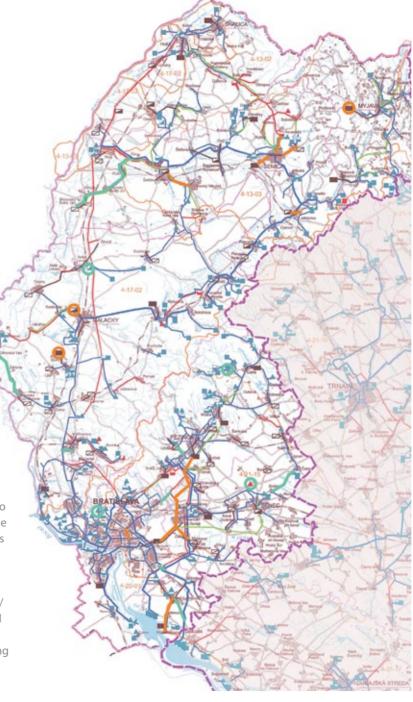
For the purpose of achieving high quality water supplied to the place of consumption, water intakes into the group water pipeline Suchohrad – Záhorská Ves and into the group water pipeline Čataj – Báhoň were effectuated; the mentioned water pipelines had unsuitable resources from the point of view of quality (exceptions for the quality of supplied water were granted up to that time). Quality of water was also a subject of other tasks and subsequent adaptations, which were solving turbidity in the water pipeline system Plavecký Štvrtok – Malacky or in the area of Gbely. Extended through modernisations were water pipeline and sewerage networks, out of which the more important were in Bratislava in City boroughs Jarovce, Rusovce, Čunovo, Vajnory, later e.g. on the streets Vlárska, Sliačska, Lopenícka, Krahulčia, Tupého, Prístavná and/or outside Bratislava e.g. in Stupava, at Rohožník, Záhorská Bystrica, Marianka, in Skalica, at Gbely and Vinosady.

By further modernisations new water pipelines and sewerages in the communities were realised, such as e.g.: Kuklov, Borský Svätý Jur, Sekule and Moravský Svätý Ján, in Senica Čáčov and Kunov, at Rovensko. Suitable quantitative and qualitative parameters of equipment and optimising with the consequence of effectiveness, reliability, security and sufficient capacity of this infrastructure were achieved by modernisation



of the water pipeline and sewerage systems. As far as water pipelines are concerned, concretely by implementation of important distribution adaptations, such as e.g. interconnection of water pipeline systems in the junction Podunajské Biskupice, finishing of water intake from Bratislava (Lamač) to Záhorie, new water storage tank of the IV. pressure zone of Bratislava at Koliba, water intake from Vajnory to the area of Čierna voda, water intake to Dunajská Lužná, to Limbach, adaptation of system of water supply for the town Senec, community Ivanka pri Dunaji, Hamuliakovo and Kalinkovo, Stupava, water treatment from water resource Hamuliakovo and adaptations at the water treatment plant at Veľké Leváre.

As far as sewerages are concerned, modernisation of the sewerage systems of Pezinok, Bernolákovo and Ivanka pri Dunaji was finished, which secured drainage of waste waters to the Central WWTP Bratislava Vrakuňa, further modernisation of WWTP Myjava, Malacky, Hamuliakovo, Plavecký Štvrtok and partially Senec and Senica, but also other operational intensification adaptations implemented outside the process of investment. Foundations of sewerage in some communities were laid – e.g. Zálesie, Borský Mikuláš. Another modernising adaptations were done on the sewerage in Senec, in river basin of WWTP Hamuliakovo, on the collector F, C in Bratislava. Through investigative study and selection of an optimal solution, and/ or subsequent decision, the location of a central technological control centre was determined and following this the central technology control centre was built. The control centre, even by nowadays' existing scope, secures the integrated system of management, whereupon it constantly extends itself.





INVESTMENT CONSTRUCTION

The basic prerequisite for providing water system services of quality is the good state of public water pipelines and sewerages and their suitable capacity. But the achievement of such a good status and suitable capacities is not possible without the reconstruction and modernisation of property.

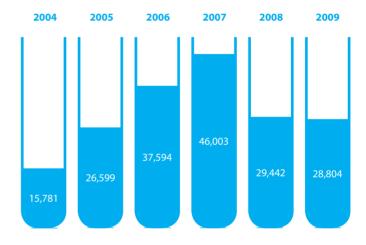
BVS uses a certain scope of tangible property (equipment of public water pipelines and public sewerages). The strategic intention of BVS is to take care of this property of the company, to keep it in good status, as well as augment and develop it.

Investment construction starts from existing operational status and from the development intentions of 155 towns and municipalities and 17 City boroughs of Bratislava, for whom our company carries out the expert activity of supplying drinking water, and the draining and cleaning of waste waters.

For enhancing the quality of process management of production and commercial activities of the company, there is a new technological information system of management being realized on all civil engineering projects.

By realizing development investments and reconstructions of existing networks and structures of WWTP, the development of supplying drinking water and draining of the BVS regions is gradually being fulfilled, and losses in the water pipeline network are decreasing in accordance with its plan.

Lower fulfilment of plan of investments and investment construction in the years 2008 and 2009 was caused by such a reason, that on certain civil engineering projects - because of problems and complications with project preparation - the implementation had not begun.



Fulfilment of plan of investments and investment construction (in ths. EUR)

Year 2004. 36 civil engineering projects were finished, out of which the most important were:

Rebuilding Galvaniho Street, trans-laying of pressure pipelines DN 800 and DN 1200

Sewerage of the communities Jarovce, Rusovce, Čunovo, III., IV. and VI. phase Ľudová štvrť, reconstruction of sewerage and water pipeline, II. civil engineering project

Obchodná street, reconstruction of sewerage

Block "D" – reconstruction of structure, sewerage and adjacent premises, Prešovská street.

Year 2005. 43 civil engineering project were finished out of which with higher priority:

Pribinova street, reconstruction of sewerage collector
Bajkalská street - Tomášikova street, reconstruction of water pipeline DN 400
Mierová street, reconstruction of water pipeline, I. phase
Obchodná street - Hedukova street, re-laying of water pipeline DN 600
Embankment of General L.Svoboda, reconstruction of pressure water
pipeline DN 500, which was carried out in coordination with the City
Hall of Bratislava, the capital city of SR

Dunajská street, reconstruction of water pipeline and sewerage Vrančovičova, Rajtákova, Rácova street, sewerage, communications, reconstruction of water pipeline

Záhradnícka street, reconstruction of sewerage

Žilinská street, reconstruction of water pipeline and sewerage

Water resource Maruša, reconstruction and access communication Borský Mikuláš, pressure sewerage, I. phase

Year 2006. 41 civil engineering projects were finished, out of which first of all:

1. civil engineering projects from EU structural funds:

SV Senica, supplying drinking water to the communities Kuklov, Borský Sv.Jur, Sekule and Moravský Sv. Ján

Myjava, reconstruction and extension of WWTP

2. other civil engineering projects:

Bulharská street, reconstruction of water pipeline and sewerage Adaptation of water ditch into pedestrian zone, revitalisation of reading room Červený rak – water pipeline and sewerage

Miletičova – Košická, modernisation and reconstruction of water pipelines and sewerage gutters

Mierová street, reconstruction of water pipeline DN 200, II. phase Skalica, Námestie Slobody, reconstruction of water pipeline Vysoká pri Morave – Záhorská Ves – Suchohrad, intake of water

Year 2007. 32 civil engineering project were finished, out of which first of all:

Vajnorská – Rožňavská street, reconstruction of sewerage collector "C"

New Bridge, reconstruction of inspection shafts, Vajanského

Embankment, reconstruction of water pipeline

Rača, reconstruction of collector "F" and rain storage tank

Námestie SNP, reconstruction of sewerage DN 300/450

ÚV Water Tretament Kúty, modernizing of calcium management

Water Treatment Holič, deposit of hydrochloride acid, reconstruction

Tupého street, reconstruction and extension of water pipeline

Small Carpathians region, sewerage, leg Central WWTP – VČS Ivanka pri Dunaji

Svätý Jur, Pumping Station and storage tank - reconstruction

Koliba, Brečtanová street, extension of storage tank IV. pressure zone.

Year 2008

In the year 2008, a set of civil engineering projects was finished, which were of priority and as a whole they form the sewerage of the Small Carpathians area from the town of Pezinok up to the Central WWTP Vrakuňa in Bratislava. The length of pressure pipeline is 17,7 km. In the town of Pezinok, its further development was thus secured, which was up to that time inhibited because of insufficient capacity of WWTP Pezinok; based on this BVS, a.s. was giving disapproval standpoints towards new connections and towards disposing of waste waters into the sewerage. Besides the town of Pezinok, also the communities Viničné, Slovenský Grob, Ivanka pri Dunaji and Chorvátsky Grob, including Čierna Voda were allowed to connect to the sewerage. To the main pressure discharge from the town Pezinok to Bratislava was at Ivanka pri Dunaji also connected the newly-built sewerage pressure discharge from Bernolákovo with the length of 3,2 km, based on which there will be no necessity to operate the WWTP Bernolákovo anymore. Total costs for the set of four civil engineering projects were 437,187 ths. Sk.

Other finished civil engineering projects are first of all:

Senec, reconstruction of water pipeline and sewerage network – main part Senica, Čáčov, Kunov, sewerage of the town boroughs VZ Hamuliakovo, water treatment

Myjava – Fajnory, reconstruction of pumping station

Vápencová street, reconstruction of sewerage

Streets Na vŕšku, Kapitulská, Klariská, Farská, Prepoštská street,

reconstruction of water pipeline

Marianka, sewerage

Year 2009. 20 civil engineering projects were finished, out of which first of all:

WWTP Hamuliakovo, reconstruction, modernisation and build-up of new structures

Mýtna street, reconstruction of water pipeline and sewerage

WWTP Malacky, reconstruction and modernisation

WWTP Plavecký Štvrtok, reconstruction and extension

Bojnická street, reconstruction of water pipeline DN 1200 and DN 150

It is necessary to say that during the period of years 2004 – 2009, altogether 199 civil engineering projects were realised in the value of 131,723 ths. € (3,968,287 ths. Sk) which were secured by a small team of 14 employees of the Department of Investment in close cooperation with particular Divisions and the Financial section.



EUROPROJECTS

In the area of conceptions of development of water system infrastructure, BVS proceeds in accordance with the document "Strategic intentions of BVS in the area of water system infrastructure." From the document there follow priorities of investment policy taking into account the fulfilment of obligations of SR in accordance with access negotiations and the agreement with the European Community, i.e. up to the year 2010 at the agglomerations of more than 10 000 equivalent inhabitants to fulfil criteria in the quality of disposed waste waters, which means keeping limits according to EU Directive No. 91/271/EEC on the cleaning of communal waste waters as amended by Directive No. 98/15/EEC. For this purpose the following projects were realised:

Group water pipeline Senica – supply of municipalities Kuklov, Borský sv. Jur, Sekule and Moravský Sv. Ján with drinking water

Investor: Bratislavská vodárenská spoločnosť, a.s.

Building site: Kuklov, Borský Svätý Jur, Sekule and Moravský Svätý Ján

Operator: Bratislavská vodárenská spoločnosť, a.s

Contractor: Consortium DOPRASTAV, a.s. AQUASTAV, a.s. – based on

public tender with total price of 93,112,801.30Sk **Realisation dead-line:** 20.5.2005 - 30.9.2006

Myjava, reconstruction and extension of WWTP

Investor: Bratislavská vodárenská spoločnosť, a.s.

Building site: Myjava – Turá Lúka

Operator: Bratislavská vodárenská spoločnosť, a.s.

Contractor: Vodohospodásrke stavby, a.s. Tomašikova 19,

Bratislava – based on public tender with total Price of 56,949,964.03 Sk

Realisation dead-line: 26. 09. 2005 - 30. 08. 2007

Expert assistance in the preparation of projects of the Cohesive Fund for Bratislavská vodárenská spoločnosť, a.s.

Place of realisation: Bratislava

Supplier: Združenie pre prípravu projektov Kohézneho fondu pre BVS a.s. Bratislava, Sewerage of Danubian part of Bratislava Region consisting of the members Aquaplus WA GmbH, Entsorgungsbetriebe Simmering GmbH and Hydrocoop, Ltd. based

on public tender with total price of 1,092,617.24 Sk Realisation dead-line: 10. 03. 2005 - 30. 06. 2009



COMPANY RATING

Year after year from 2006, BVS has been given a long-term international rating of the issuer from the prestigious rating company Moody's Central Europe at the level of Baa2. Granted global rating is projected into the local rating Aa2 on the national rating scale. Both ratings express the ability of BVS to fulfil its obligations in time and to the fullest extent. It means that no subject entering into cooperation with the company need be worried about BVS' ability to fulfil its obligations.

The agency Moody's positively rates the good financial profile of BVS with continually high, albeit decreasing cash reserves, and without financial debts. Besides this, BVS has, up until now, always been in a position to finance all of its investment expenditures from its own cash-flow. Because of the non-indebtedness of the company, no debt servicing or principal instalments are required and the strategy of the owners consists in not paying out dividends supports even more the excellent liquidity position.

Annex No. 1 Rating Moody's, page 104



HUMAN RESOURCES

BVS after transformation from a state enterprise in the year 2003 underwent important changes directed towards increasing the effectiveness of the processes and activities with impact on development of employment, mainly in the years 2004-2005. The process of further organizational changes focused on the strengthening of customer approach, detaching of service and auxiliary activities outside the mother firm, introduction of ISM into the system, and last but not least also organizational changes concentrated on energetic valorisation of wastes that originate with the purification of waste waters, continued also in the following years 2006-2009. The aforementioned changes reflected themselves, of course, also in the personnel policy in the area of employment.

BVS recorded on the date 1.1.2004 altogether 1,176 employees as natural persons; by the end of the year there were 1,085 employees. The physical state of the employees on 31.12.2009 was, in total, 682 employees, which is 494 less than at the beginning of the considered period.

Position of women in the company

In BVS there worked on 21.12.2009 altogether 187 women, which is 27.42 % from the total number of employees of the company. From the above mentioned number, 23 women worked in management positions, which represented 15.65 % from the total number of 147 employees of the management. In previous years of the considered period the average annual number of employed women was 187.

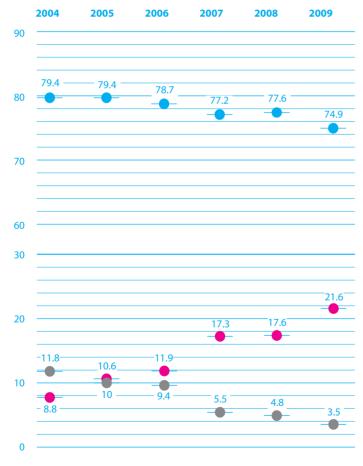
Number and structure of employees

Development of employment in the years 2004-2009, structure of employees from the point of view of highest attained education and age structure of the employees are expressed in the following graphical charts:

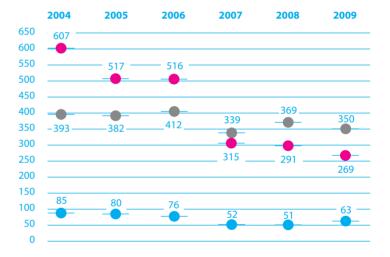


Development of number of employees

☐ THZ ("white collar") ☐ R ("blue collar")







Age structure of BVS employees. 2 up to 30 31-50 over 50

The average age of the employees in the company in the year 2009 was 47 years, which is in comparison with the year 2004 with its value of 51, for 4 years less. Average age of men in 2009 was 48, that of women was 43 years. Both sexes continue gradually to decrease in average age.

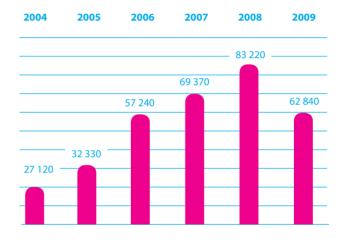
Personnel policy

The mission of BVS is to supply customers with drinking water of quality, sewerage and ecological purification of waste waters, qualitative and reliable provision of services also in other areas of our activity. BVS cares for the quality life of people and therefore we support activities focused on the protection of health, waters and the environment.

The aim of our business is also to continuously increase in value the property of the company for the shareholders and achieve satisfactory financial results.

From the above mentioned goals and principles our human resources policy also begins. Because human resources are an important element in the process of strategic management of the company, we are fully aware that in order to provide services of higher quality to our clients and towards fulfilling the goals of our company, we need to employ, and/or on the labour market look for the best people, to keep them the longest possible time and motivate them towards the highest possible performance. That is why the endeavour of the company in the area of human resources is concentrated first of all on the following:

- Increasing the level of stabilisation of the employees
- Reconsidering and improving the level of the adaptation process of the employees
- Increasing the level of motivation and loyalty of the employees
- Increasing the educational level of the employees (development of communication skills, development of managerial skills, development of professional knowledge in the area of operation of public water pipelines and sewerages and increase of qualification of the employees)
- Increasing knowledge of foreign languages by the employees



Costs for education in ths. €

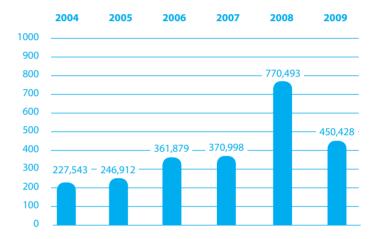
BVS in the period of years 2004 up to 2009 dedicated due attention to the need of education of the employees and it invested for these purposes yearly on the average $55,367 \in (1,668 \text{ ths. Sk})$.

Employee benefits

The aim of the social policy of the company and employee care is to create optimal conditions for the employees for their working performance, for protection of their health and for improvement of the health status of the employees, for increasing their satisfaction, stabilisation, loyalty and fellowship. The programme of the BVS social policy is materialised mainly in the company Collective labour agreement for the particular year. In it there are anchored above-standard employee benefits beyond the framework of the Labour Code, which are provided to the employees by the company from its social fund. Other benefits are provided by the company outside the framework of the Collective labour agreement from the operational costs of the company (such as e.g. company car, company phone, participation of the employee in language education etc.).

In the period of years 2004 – 2009 the company provided to the employees the following:

- Allowance for supplementary pension assurance
- Allowance for regeneration of workforce
- Allowance for food
- Premiums at the working anniversaries of 20,25,30,35,40 years
- Social aid in the case of long-term sickness absence
- Social aid to employees and their family members in extraordinary situations in life
- Allowance for the recreation of the children of employees
- Allowance for blood donors
- Allowance for societal, cultural and sports activities for the employees
- Preventive health care including preventive inoculation against encephalitis, jaundice of the type A and B and against influenza
- Allowance, and/or remuneration of study costs, for increasing qualifications and relief and time off from work in connection with increasing qualifications



Drawn means from the social fund in ths. €

Next, the company provided, at the cost of the company from the wage funds compensation money, retirement benefits and free days beyond the framework of the Labour Code.

The company in the year 2009 spent from the social fund on employee care financial means in total the sum of $227543,19 \in$.

A survey of drawing the funds for employee care from the social fund in the period of years 2004 – 2009 is expressed in the graph.

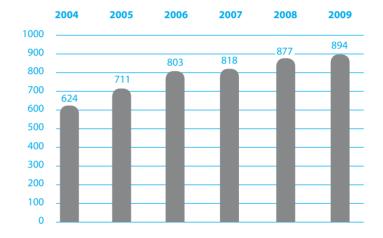
Remuneration and motivation of employees

The company after transformation from state enterprise to a joint stock company in the year 2003, and subsequent complex entering audit and realisation of structural changes in the company in the years 2004-2005 started to deal with an increasing in the efficiency of its employees and with their motivation.

The intention of the company to increase the efficiency of its employees, to achieve personal involvement in economic results and to enhance the level of motivation of the employees, resulted in the year 2006 in the preparation of the project "Proposal of the System of remuneration" and subsequent realisation of the project of the system of remuneration in the years 2008 – 2009. The basic element of the new system of remuneration was the transition from a one-component wage to a two-component one, with the emphasis on the second motivational component of the wage, paid out in connection with the fulfilment of goals determined in advance.

For BVS, mainly 2009 was important in the area of remuneration, when the new remuneration system started to be implemented and the new directive Remuneration of the employees came into force. In connection to this stage of execution of the new system of remuneration in the year 2009, preparatory analytical works for the introduction of a new system of providing employee benefits also started, as part of an integrated system of employee remuneration. The aim of the company at the introduction of the new system of granting employee benefits is to create a system which will be motivating, maximally cost effective, taking into account enhancement of quality and quantity of labour of the employees, their loyalty and fellowship.

The expected date of introduction of the new system into force is 1. 1. 2011.



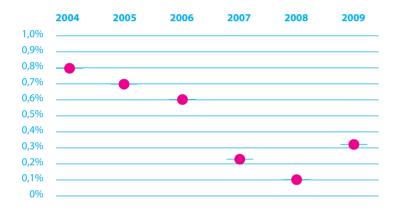
Average salary of BVS employees (EUR)

HUMAN RESOURCES SECURE ENTERPRISE

Taking care of the security and health protection at work as well as of working conditions of employees is one inseparable part of fulfilling employment assignments. Responsible for the fulfilment of duties in the area of security and protection of health at work are managing employees of BVS at all management levels, as well as all other BVS employees.

Actions and activities in the area of security and health protection at work and improvement of working conditions were in the years 2004 up to 2009 carried out in accordance with the plans of particular divisions and other organizational units of BVS. These actions and activities were carried out in close cooperation with the departments of BOZP and PO 1050, which performs for BVS in accordance with the stipulations of Parliament Act No. 124/2006 Coll. on security and vocational health protection as amended by later acts the security-technical service in a complex manner. As evidence of successfully carrying out these activities by departments BOZP and PO, there was a decrease in occupational accidents in the period 2004 up to 2009.

BVS was given, on basis of fulfilment of criteria of the programme "Secure enterprise" and on the proposal of the governing commission of the programme BP of National Labour Inspectorate on 2.10.2008, the Certificate SECURE ENETRPRISE under No. 002/2008. This certificate confirms that our company introduced an effective system of management of safety and health protection at work and it reached the required level of care about the working conditions of employees. This certificate binds BVS to continually improve labour conditions, labour relations, labour environment, increased level of security and health protection at work as well as culture of labour.



Frequency of accidents in the period 2004 - 2009

With the aim of keeping the certificate SECURE ENTERPRISE, the main priority in the area of security and protection of health at work was to carry out preventive measures. To these belong first of all the carrying out of control of particular workplaces, declared risk workplaces, controls of all kinds of reserved technical appliances including their complete technical documentation, securing of removal of ascertained shortcomings, carrying out and securing of trainings on safety and health protection and fire protection, expert preparations, leading and upkeep of complete documentation on security and health protection and fire protection in accordance with the issues of fact and the like. Systematic carrying out of prevention is the basic prerequisite for the permanent upkeep of a qualitatively high level of status of security and protection of health at work in BVS with the possibilities of further improvement and gradual introduction of new, more effective systemic elements of management of security and health protection in the company.

Annex No. 2 Certificate Secure enterprise, page 105

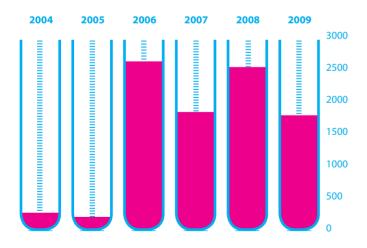


INFORMATION TECHNOLOGIES

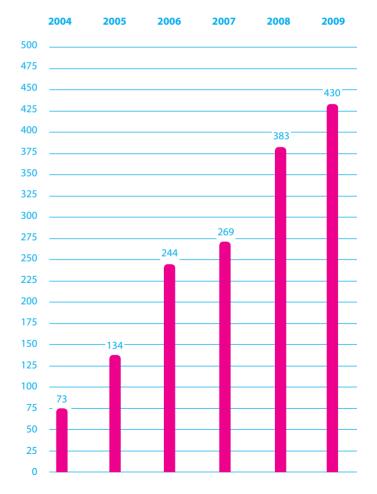
In today's world of automation and information technologies we are also aware of the necessity of being abreast of times. Because of this our company invests not only into the development of water pipeline and sewerage networks, but also into the development of information and communication networks.

The graph outlines a considerable leap forward in investments in the year 2006 and this was caused by the launch into operation of the integrated system of management (ISM).

The concept of integrated management represents a basic framework for management, which covers the area of technologies and processes in the company with priority on usage of information and communication means.



Investment in IT (in EUR)



Number of terminals in the BVS environment

Integrated system of management (ISM).

ISM consists of the following systems:

- Central technological control centre CTD
- Automated Measurement and Regulation technologies and Automated systems of management of technological processes (ASRTP).
- Security and access system
- Economic system, Customer system, Service system and Management information system, Geographical information system
- Communication system
- Task management and administration
- Documents content and information administration
- Technological laboratory system

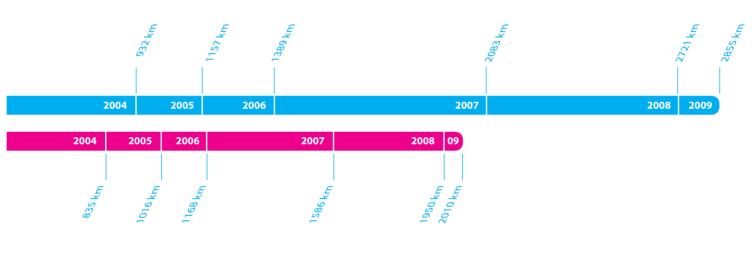
By introducing ISM the following happened:

- Personal costs decreased number of mechanics and supervisors was lowered because of automation
- Management gained on speed centralisation enabled acceleration of reaction to failures or situations
- Predictive management was enabled
- Security of property was increased increase in number of centrally monitored structures
- Process ambiguity at customer invoices processing was removed
- Flow of incoming mail is more transparent
- Level of data security increased
- Environment for implementation of low tariff projects, water losses restriction project and a project of EU funded trans-boundary cooperation was created.

For our communication with the customers as well as for the possibility of offering them relevant information on our water pipeline and sewerage networks, it is important to have these networks documented and information on them accessible as fast as possible. For this purpose serves the Geographic Information System (GIS), which we try to improve every year as well as enrich it with further documented networks.

Besides ISM introduction within the framework of ICT, the following were also implemented:

- Making the ICT Department processes more transparent for users (internal customers)
- Substitutability by solving user support
- Complete exchange of computers there are no PCs older than 4 years, through which service costs were lower by 90%.
- Creation of autonomous position for ICT security.
- Increased level of data security and accessibility communication between BVS branches is encrypted, company data back-up is geographically detached, use of SPAM filter, log-in monitoring, definition of rules for work with computers and data, regular update of computer software.
- Rules were defined for the purchase of computer equipment, which brought unification of hardware and thus also simplification of administration and cost savings.



Networks surveyed in GIS

Water pipeline networks

Sewerage networks



PUBLIC RELATIONS AND COMMUNICATION

Transformation and new image

With new company management, basic and far-reaching changes started to be gradually implemented in BVS in the year 2003. BVS was transformed from a production-sales state enterprise into a modern commercial open and customer-oriented joint-stock company. Management was centralised and process-oriented and in connection with this the organisational structure was adjusted according to needs. A background for communication with internal and external environments was created.

The company spends every year considerable effort and allocates financial means for strengthening good relations with the public and with its own employees. In the space of years 2004 – 2009 it organized several tens of events, on which it secured a drinking regime with the aim of persuading participants of the events and at the same time consumers on the quality and good taste of drinking water, it presented itself as a socially responsible firm which builds up a positive reputation in public. Through marketing and communication activities, the scope of which is stabilised at present, BVS builds up its new image and tries to positively influence employees and the public with the aim of gaining their loyalty.

The first important and visible step towards a new perception of the company was the presentation of a new logo and company design. BVS has gradually created a new company culture, which should contribute towards positive perception by internal as well as external customers. The first important anniversary, which it commemorated with employees and partners, was the 120th anniversary of the founding of Bratislava Waterworks. On this occasion, in the year 2006, it founded the Water Museum of BVS and presented its basic exposition. The

anniversary was supported by the first release of the documentary film on the city waterworks' history. At the occasion of the 5th anniversary of BVS, a.s.' founding, in the year 2008, the employees took part for the first time in the theatre performance in SND.

Marketing activities

Communication of the company is systemically set up and carried out in coordination with the departments of marketing policies, marketing management, communication and press department, as well as personnel department. Marketing departments assemble information, assess it and create a base for marketing decision-making from it. They cover branch analysis, which completely monitors and analyzes the microenvironment of the water system branch and not only in Slovakia. They balance sales, set up a chart of important customers, monitor its development and also the development of consumption in particular communities, into which BVS distributes drinking water. They prepare segmentation of customers on the basis of which they will be able to monitor the development of water consumption, the development of a number of new customers, and to more precisely react to ascertained changes and adjust communication according to this fact.

The principles of communication with customers are the basic instructions for contact workers on how to communicate. Marketing departments secure control of compliance with it through mystery-shopping and polls. The results show the level of communication skills of contact workers and serve as a barometer for further procedure. They also are a measuring instrument on customers' satisfaction and a source of knowledge on them, as well as inspiration by extending and deepening the quality of the scope of services provided by the company.

Marketing departments prepare, implement and control all component parts of corporate culture (design, ethical code, communication skills, customer information system etc). They process information designated to various target groups from employees, through customers up to the shareholders. For the external as well as internal customer (employee) they prepare programmes of care, the contents of which are optimal awareness, satisfaction with services of quality (customer centre, call centre, customer information system, web, FAQ ...) as well as good working conditions, possibilities for professional development of a differentiated personnel policy.

Internal communication

Relations with employees are an important instrument of corporate culture, they influence the running and level of internal communication in the company. Internal communication in BVS directs itself from the year 2005 by Communication strategy, supplied by an external agency. The relations between employees and basic model of structuring of the company is defined in the Organizational Structure of the Company. Internal communication is organized by and implemented through a manager for internal communication, who takes care of awareness of the employees by several forms of communication. The favourite informal events for employees are company sports and social day, bowling tournament organized twice yearly in coordination with Trade Unions, Christmas Eve meeting or theatre performance visit connected with a banquet at the occasion of the anniversary of the company's founding. The most frequently used formal communication instruments are:

- Meetings
- Internal rules of the company
- Regulations of the General Director, directives, internal memoranda,
- Information boards, notice boards
- Electronic communication
- Training programmes

- Training of employees
- Yearly reports,
- Questionnaires, internal surveys,
- Box for ideas and suggestions.

From the year 2008 the company has issued its own internal magazine named BVSvet, which appears quarterly. It is primarily intended for company employees and their family members. It brings employees information about events in the company, intensifies internal as well as external proactive communication, provides space for feedback. In the magazine there are published author contributions by the members of the editorial staff, external contributors and employees. The company communicates with its employees also non-verbally, by acting, through mission and vision, plans, successes, rating, remuneration of employees or by adhering to rules and symbols. To the official documents, regulating these forms of communication, belong vision, mission of the company, design and manual.

In the year 2009 the company introduced a corporate Dress Code, regulating dress in the working place. By its introduction the rules of dress and external appearance of employees were defined. The strictest rules are set up for the workers of the first contact. The company thus expresses its professional image and attitude towards customers.

External communication

BVS communicates with the public through over-line (commercial) and under-line methods (PR, articles, information leaflets, educational projects sponsoring,...) and with the shareholders and expert public by means of conferences, seminars, yearly report, and web site. As a communication instrument the Water Museum is used for educational and social purposes. The Senior Aqua Club creates a background for communication of former workers and water branch fans. Water branch periodicals of the Association and BVS are another carrier of information for employees and the public.

BVS prepares activities regularly on the occasion of World Water Day under the name "BVS week of open doors", through which it aims to bring close to the public its activity and at the same time present itself as an open company oriented towards the customer. One of the events, which enjoys great interest from the public, was free analysis of water samples for the presence of nitrates from household wells of private persons. Open doors to the public are also at other water structures, such as the Water Museum, to protected source of drinking waters at the island Sihot, into the premises of waste water treatment plants in Bratislava and outside it. During the week of open children doors children are not forgotten, as the company organizes entertainment-educational events for them.

The most attractive events for the public are the Bratislava Marathon – ČSOB City Marathon, city festival Bratislavský majáles, open doors days organized by City Hall of Bratislava, capital city of SR – Bratislava for all, Supermarathon and the summer event Bratislava Inline.

Through the Water Museum, BVS connects itself to the European project Night of museums and galleries by organizing social and expert programmes and environmental workshops for children and parents. It supports this event also in the form of a financial donation to the Slovak National Museum, with which it cooperated with in the founding of the Water Museum.

BVS and the Association of Water Companies (AVS) with its seat in Bratislava, are from the year 2005 organizers of the international expert conference with the name "Today and the future of water companies in Slovakia".

Thematically it is targeted on economics, marketing and trade. In the year 2009, on the occasion of the 5th year of the conference, to the co-operators and partners of AVS thank-you letters and memorabilia were handed over.

Media Relations

In the year 2009 BVS, for the second time, took part in the expert competition Building of the year, in which it gained as an investor the Prize of Slovak

Chamber of Civil Engineers for the best project solution. It gained this appraisal for the unique project of sewerage of the Small Carpathians Region. Intensive and successful communication is runs in the environment of BVS through the Communication and Press Department. The speaker of the company, securing communication with the media, organizes regularly press talks, conferences, breakfasts, informal meetings with newspaper people, roundtables or visits to the water supply structures and premises, where the representatives of the media gain up-to-date information on the course of events and activities of the company and at the same time they gain background for their contributions.

Annex No. 3 Construction of the year, page 106

Educational projects

BVS exerts activities also in the area of youth education. Form the year 2007 it has been a senior partner and expert guarantor of the international event Stockholm Junior Water Prize – Prize BVS for best student water system project. The project, oriented towards the development of knowledge and skills of the young in natural, technical and social sciences, which is carried out by the civil association Young Scientists of Slovakia, is dedicated to secondary school students. The winner of the international competition proceeds to the world finals and receives the unique possibility to take part at the conference – World Water Week in Stockholm.

From the year 2008 BVS has built its own long-term educational marketing project Blue School, oriented primarily towards enhancing knowledge about the product drinking water and about the activities and services of BVS. It is focused on children of pre-school and school age, and on students of secondary schools and universities. The aspiration of BVS is for Blue School, which is carried out in the form of emotional education, to bring it to the school curricula and further expand from the territory where it is doing business, into other parts of Slovakia and later also abroad.



ACTIVITY OF THE WATER MUSEUM OF BVS

WM opening and events in the year 2006

BVS in the year 2006 commemorated 120 years since the founding of the city waterworks. By this occasion it festively opened on the BVS premises at Devínska cesta No. 1 the Water Museum.

To the public the museum was presented for the first time on 20th of May 2006, within the framework of an event named "Night of museums and galleries", which took place on the occasion of the International Day of Museums. The Water Museum was visited by more than 200 visitors. For those interested there was a historical bus available, which ran on the route Slovak National Museum – Water Museum.

Events in the year 2007

Besides educational and social events also activities of other subjects took place on the premises of the museum in the year 2007.

- To the prestigious belonged the event of the company Siemens named Werner von Siemens Award 2007. With the presence of 60 guests, best works of young scientists from Slovakia were appraised, which were nominated by the company Siemens.
- On the Wetlands Day a press conference was held in the museum by the representatives of Bratislava regional protectionist association.
- In the museum, Tatiana Hrnčiarová held a presentation of the book "Country and ecological conditions of development of Bratislava", which was published by the publisher Veda SAV.
- The company AVON presented a new collection of its cosmetic products.
- Agency Forza organized, in the Water Museum, a fashion show of the mark Quelle.
- Night of museums and galleries 2007

Events in the year 2008

- BVS Open doors day (1st year)
- Night of museums and galleries
- Quelle fashion show hairdressing show
- Conferences,
- Congress of young explorers Stockholm Junior Water Prize, in which BVS is a senior partner
- Children's Day in BVS
- St. Nicolas festivity for BVS employees
- Carnival and Christmas sitting for BVS employees.

Events in the year 2009

- Week of Water, H20 Art . varnishing day of free creative artists
- Night of museums and galleries
- International Women's Day for female employees, 6. 3.
- Trainings
- General Assembly of BVS
- Day of Open Doors
- Expert conference AWC, 5th anniversary
- "Better World" Ball
- Competition SJWP
- Exposition "Water for the future" and assessment of artistic competition of the Blue School programme.
- Blue School Press conference.
- Extraordinary General Assembly.
- Exercises of emergency supplying of the population with drinking water.
- Workshop Broz.
- Conferences
- St. Nicolas soiree BVS
- Christmas soiree for contemporary and former BVS employees.
- Handing over of prizes for the winners of essayist competition Blue School.
- Excursion delegation from Hungary
- Excursions maternity, elementary and secondary schools.



SOCIAL RESPONSIBILITY

One part of business of every firm is also social involvement in public affairs. BVS started a trend of helping those who need help from the year 2005, when it distributed 2% of profit tax to selected non-profit organizations, which sent it their applications. It continues to cooperate with the majority of them up to now and develops cooperation also through other means than solely financial form.

Non-profit sector

BVS supports first of all health service premises (Oncology ward of Children Faculty Hospital in Bratislava, Better World for the Disadvantaged Association, Andreas Autistic Centre, Organisation of Muscular Dystrophics, Autistic Hospice Plamienok Congregation of Daughters of St. Fr. Of Assisi) and charitable institutions (Spiš Catholic Charity, Holy Order of Lesser Conventualist Brethren – Minorists, Institute of Sisters of most holy Jesus´ Heart).

Education

The company is involved also in cooperation with schools, to which it enables within the framework of environmental education entrance into the structures and secures expert lectures on activities it carries out. A financial donation was approved by the organs of BVS for the support of scientific activity and of events of the Department of Health and environmental engineering at the Faculty of Civil Engineering of STU, for the issuance of a representative publication of the Museum of the Town of Bratislava, the text-book History of ethical thinking, activities of Slovak National Museum (Night of Museums and Galleries) and some sports institutions (Sports club Karate, Water Sports Club Iuventa, Sports Club Lokomotíva).

Support of regions

BVS dedicates a certain financial sum to cultural and social events and festivities of towns and municipalities (Bratislava, Skalica, Senica, Myjava, Modra, Senec, Štrba, Malacky). By financial donations it helped in the construction of drinking fountains in the centre of Bratislava and in the town forest park Partizánska lúka.

BVS contributes to the securing of top events of the year for inhabitants and

visitors of Bratislava – New Year's Eve Festivities in the centre of the town; it also cooperates with the Foundation Bratislava and Small Carpathian community foundation REVIA.

✓ Non-financial help

Our company helps organisations also in another ways than financing, for example:

- Conferring of the premises of Water Museum,
- Lending of technology,
- Providing expert personnel
- Securing of a drinking regime at public events,
- Involvement in voluntary events.

From the year 2009, in an effort to contribute towards increasing the quality of the environment, employees and their family members take part in Spring cleaning of the forest on Rye Island, where there are drinking water sources. The company expects that the employees will be able to prove with their attitude not only towards work, but also outside it, that they are able to take over one part of the company's social responsibility. Towards this should also help a new activity of the company, free blood donation, which has been organized by BVS from the year 2009.

TOP Financial Philanthropist Award

A pleasant satisfaction for our effort of several years was the granting of an award by the Association of Forum of Donors within the framework of TOP Firm Philanthropist chart, in which we placed ourselves in the year 2008 at the 2nd place in the category Support of the region.

Annex No. 4 Top Financial Philantropist Award, page 107

Founding of Foundation BVS

Because of the yearly decreasing profit and ever more complicated situation in the area of support of good things, BVS management in the year 2008 decided to start a foundation which will develop planned and intensive effort in the areas of welfare help.



BVS AND THE ENVIRONMENT

Protection of the environment is necessary for securing quality of life for contemporary, but also for future generations. BVS is characterized by its sensitive attitude towards the environment, which respects laws and ecological standards. Incessantly we lay stress upon achieving a balance between demand for water and care about drinking water as one of the most basic components of the environment. The aspiration of BVS by handling with water is effectiveness in all phases of its exploitation as well as the obligation to return it back to the natural environment in its cleanest possible form.

Projection of these principles means in practice for BVS:

- Securing of satisfactory status of water supply sources, protection of resources, following an evaluation of their ecological stability including their protection bands.
- Securing of corresponding disposal and purification of waste waters to required qualitative degrees by their disposal into recipients.
- Securing of corresponding handling with wastes, which originate first of all in the processes of waste waters purification and treatment of drinking water.

Care about environment protection is a constant component part of company activity. BVS is prepared to fulfil the programme of environmental goals for achieving a good state of waters, which is incorporated in the European Water Framework Directive.

To the most important activities in this area belong at present reconstructions and intensifications of waste water treatment plants, which considerably increase the quality of the process of waste waters purification. An important innovation element is also the building of co-generation units which use produced biogas for the production of electric energy and heat, which besides economic contribution also have a considerable environmental effect.

In the second half of 2009 the process of preparation for introduction of the system of environmental management in BVS started. By improving environmental behaviour it wants to express obligation towards the protection of the environment. From the effective system of environmental management it expects a decrease in impact of activities to the environment, improve effectiveness of operational activities, identification of opportunities for further savings and a decrease in costs connected with responsibility for the protection of environment.

The company in recent years supported and also will be further supporting non-profit organizations concerned with the protection of nature, water resources, wetlands and birds. This help consists in consultancy, as well as in direct financial allowances.

Implementation of strategic development plans of public water pipelines and public sewerages has as a goal improving quality of care about water resources and related water management infrastructure by simultaneous increase of living comfort as well as standard of living of BVS customers.

Quality and environment

Od roku 2009 je BVS vo fáze zavádzanie systému manažérstva kvality podľa ISO 9001:2009 a environmentálneho manažérskeho systému podľa ISO 14001:2005, ktoré slúžia na zabezpečenie a dosiahnutie kvality a zlepšenie systematického prístupu k ochrane životného prostredia vo všetkých aspektoch podnikania.

Annex No. 5 Certificate QISO-Slovakia, page 108

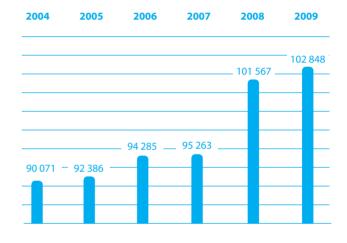


PRODUCTION AND DISTRIBUTION OF DRINKING WATER

The company administers and operates at present altogether 19 public water pipelines in 114 communities, 175 water resources with an overall capacity of 6,277 l/s, 112 water storage tanks with a total volume of 320 ths. m³, 242 water pumping stations and 9 ground water treatment plants with a total capacity of 2,160 l/s. By public water pipelines with a total length of distribution water pipeline network 2,958 km it supplies through 103 ths. water pipeline connections altogether 697 ths. inhabitants with drinking water. The communal area represents at present 61% of all consumers. In the first year of the considered period of time the quantity of water determined for realisation reached the value of 70,450 ths. m³, in the last 72 477 ths. m³ of drinking water, which represents an increase of 2.9%.

From public water pipelines within the scope of activity of the company there were towards 31st. of December 2009, supplied altogether 95.50 % of inhabitants. From the water pipeline on the territory of Bratislava there were 99.9 % of supplied inhabitants, on the territory of Bratislava - province there was 88.2% of all inhabitants and on the territory of Senica there was 90.4 % of inhabitants from the total number of inhabitants of municipalities, where there is pubic pipeline.

In the course of the whole period there was recorded a positive development of technical parameters of the public water pipeline directly connected with its development. An increase in the total length of water pipeline network, setting up of new end-user sites and thus also an increase in the number of inhabitants supplied with drinking water has direct correlation with gradual increase of the quantity of water determined for realisation and subsequently supplied to consumers.



Number of end-user sites

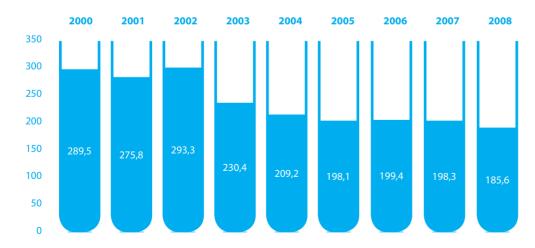
WATER LOSS

Water loss represents the difference between the volume of water which is determined for realisation and the volume actually invoiced to the particular consumers. This difference is usually to a greater extent caused by physical leakage of water from defects on the pipeline network and other structures. Also not to be forgotten are so called fictive losses of water. They are caused by illegal off-takes, by inaccuracies of measurement, falsely reported values about proper consumption and by other factors. Percentage of losses of water for the last few years has an increasing character.

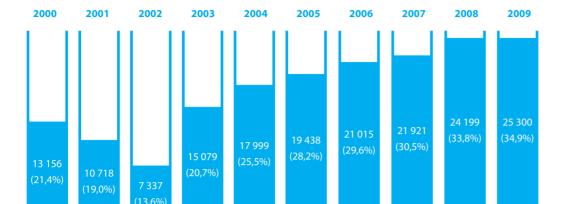
For the last period of time, there is an evident decrease of water consumption per inhabitant. In the year 2002 there was supplied on average 293 litres of water per person per day. In the period of the year 2008 it was only 186 litres per one person per day, which represents a decrease of about 37%. The decrease is depicted in the graph:

It is necessary to understand that the decrease of consumption has no influence on decrease of volume of water losses, because it is necessary to keep the whole water pipeline network under the required pressure. So far as the physical status of the network is without change, the total volume of physical water losses is also constant regardless of the consumption. It is evident that the percentage ratio of water losses is dependent on consumed volume of water and on the status of the water pipeline network (to the status of the water pipeline network is included also the volume of illegal off-takes).

The total status of the water pipeline network in view of losses can be valued by the ratio of total losses per given period of time to the length of the water pipeline network. In the year 2003 the unit leakage represented the value of 5.8 m3/km/year and in the year 2008 it reached the level of 8.3 m3/km/year. The course of water losses per unit of length in the BVS network is depicted in the following graph:



Average consumption (I/pers./day)

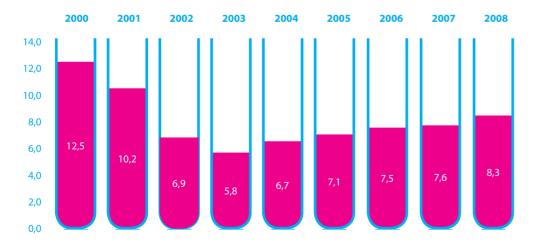


Water losses (ths. m³)

Water losses (ths. m³)	2004	2005	2006	2007	2008	2009
uninvoiced water	19 483	20 455	21 689	22 428	24 878	26 068
	27,6 %	29,7 %	30,5 %	31,2 %	34,7 %	36,0 %
water losses in pipeline network	17 999	19 438	21 015	21 921	24 199	25 300
	25,5 %	28,2 %	29,6 %	30,5 %	33,8 %	34,9 %

It is necessary to be aware of the fact that the percentage of water losses in the BVS water pipeline network does not exert influence only on the worsening status of the network, but it is also considerably influenced by decreasing consumption and the increasing length of the water pipeline network. In the half of the year 2009 an updated programme of water losses decreasing was started. Its main goal is to increase effectiveness of decreasing of water losses to an economically acceptable level.

For effective decrease of the losses it is inevitable to determine areas where they originate. For this reason the BVS water pipeline network was divided into so called measuring precincts. Just such a division and evaluation of the BVS network is one of the main keys towards effective decrease of water losses. Determination of areas with the biggest water losses unequivocally shows where there is necessity to carry out activities towards their closer inspection and repair.



If the consumption by the populace remained at the level of the year 2003 with volume of water losses reaching real value, in the year 2008 the water losses would have been on the level of approximately 25 %.

Unit leakage (m³/km/year)



DISPOSAL AND TREATMENT OF WASTE WATERS

Disposal and treatment of waste waters is the realisation of treatment of waste waters so that the environment and water resources are not contaminated through water returned after being used by human beings back to nature.

Disposal of waste waters

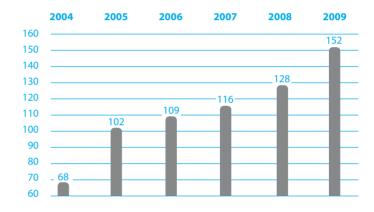
Operation of sewerage networks was in the period of years 2004 up to 2009 continuous, without any serious operational problems. There were only common failures. Individual operations DOOV Bratislava, Modra and Senica have repaired such failures on sewerage pipelines and pumping stations continuously. All works were secured through subcontractor, mostly though with Infra Services, a.s. At the same time every year there were done within the framework of repairs and maintenance changes of shaft uptakes, shaft hatches and repairs of damaged sewerage pipelines.

During the monitored period of time the number of pumping stations has risen by 84 pieces, i.e. up to 152 pumping stations.

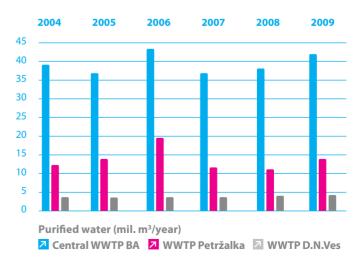
Purification of waste waters

Waste waters being brought into the waste water treatment plants under administration and operation of BVS were, according to technological composition WWTP, purified with maximal emphasis on achieving values of discharged contamination in concentration and balance indicators. Consistent observance of technological discipline by purification of waters and treatment of products of purification form the side of the WWTP Division was the basic criterion of WWTP process management. Chemical and technological monitoring of intake and discharge values of treated waters, processed sludge, biogas produced and biological picture of activated sludge in the biological steps of WWTP enabled operative interventions into the regime of waste waters treatment. This fact reflected itself in the minimizing of non-standard situations within processes for particular treatment plants.

Trends of hydraulic and material load of treatment plants on the territory of Bratislava in the years 2004 – 2009 are documented in the following graphs.



Number of pumping stations





ENERGETIC EFFECTIVENESS

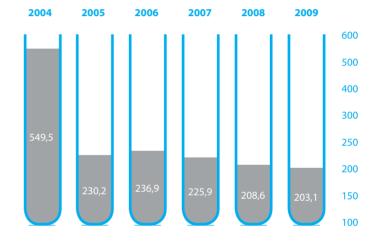
Significant economic contribution had the building of cogeneration units taking advantage of produced biogas for the production of electric energy and heat.

During the years 2004 up to 2009 the number of pumping stations rose more than twofold, but despite this the consumption for structures securing drainage and purification of waste water had a decreasing tendency, which was a result of optimising measures and of the building of the aforementioned co-generation units.

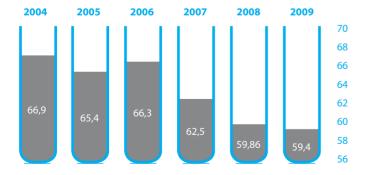
For aforementioned reasons there was also a decrease in the consumption of electric energy per m³ of cleaned waste water.

Besides pumping stations and waste water treatment plants, BVS uses other end-user sites for electric energy. For these structures, BVS purchases electric energy from ZSE Energia and at the same time it produces energy for its own consumption in the co-generation units. Purchase of electric energy per one end-user site has a decreasing character.

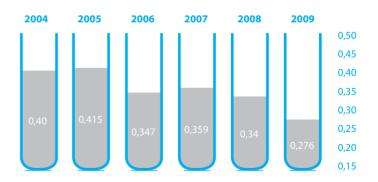
The reason for a significant decrease in the year 2005 was that in the year 2004 there were only taken into account small power consumption sites within the framework of Bratislava.



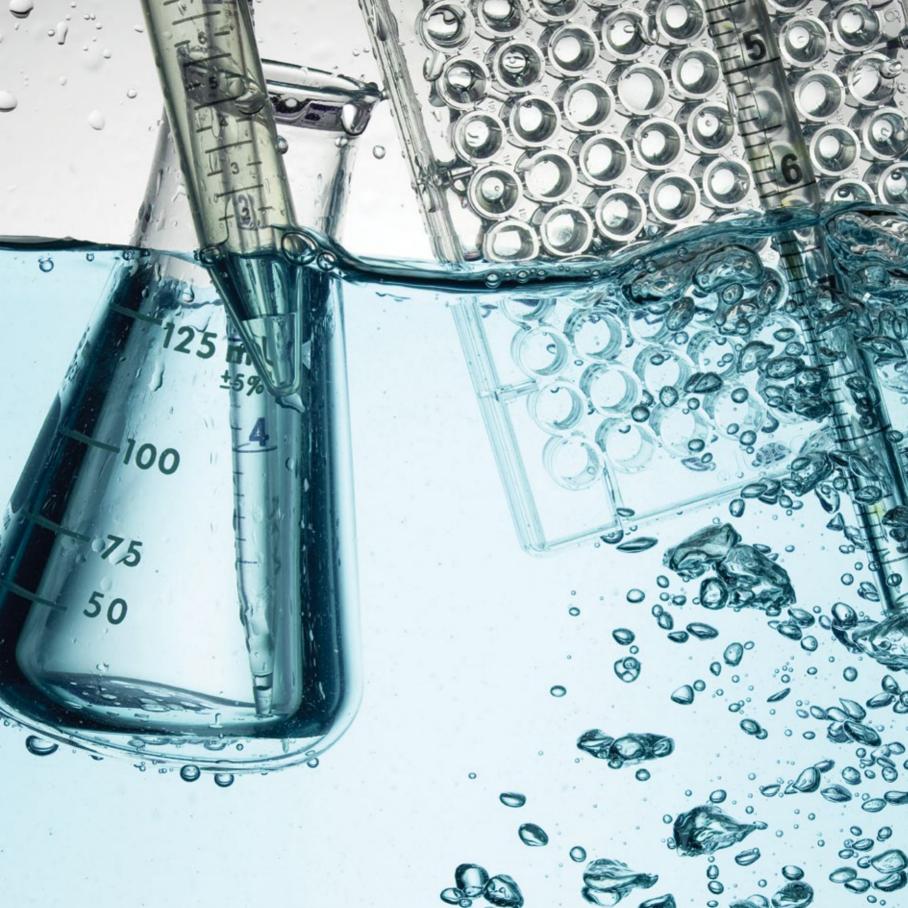
Quantity of purchased electric energy per one end-user site (ths. kWh)



Electric energy consumption per PS and WWTP (mil. kWh)



Consumption of el. energy per m³ of purified water (kWh/m³)



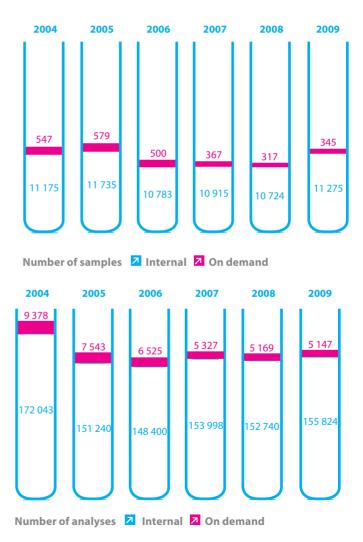
LABORATORY ACTIVITY

The division of chemical, technological and laboratory activities carried out, over the course of years 2004 – 2009, operational control of quality of drinking waters in all structures of public water pipelines operated by the company from water sources up to the end user. By a similar process, control of quality of drained and purified waste water was also carried out in all structures of public sewerages, from sewerage intakes through particular technological steps of water treatment plants, up to purified waste water taken off from sewerage outlets of WWTP into surface waters.

Besides the monitoring of drinking and waste waters for the company's needs, the laboratory used its free capacity for carrying out water analyses also for external customers on demand.

In the period of years 2004 – 2009 the division CHLČ underwent significant changes, leading to increased effectiveness and quality of services being provided, to which also contributed centralisation of laboratory activity in the year 2004 into Bratislava, gradual modernisation of laboratory equipment and introduction of a quality management system. The ability to effectuate laboratory tests impartially and in a trustworthy manner through complying with requirements of the standard ISO/IEC 17 025:2005 was certified in the year 2008 by the Slovak National Accreditation Service in a Certificate of accreditation of testing laboratory No. S-235.

In April of the year 2009 construction of the CHTLČ Division laboratories' new building began. Construction is carried out in two phases – construction of drinking water laboratory and administrative building in the 1st phase and construction of the building of technological background (dressing-rooms, furnace room, archive) and laboratory of waste waters in the 2nd phase with the expected date of finishing the



whole construction in October 2010. By the mentioned construction the activity of the CHTLČ division will become more effective and will be of higher quality, to which also more effective management activity of testing laboratory management concentrated in one place should contribute. Considerable improvement of working conditions for employees will reflect itself not only in improvement of testing laboratory performance through mainly a higher number of analyses being carried out for external customers, but also thanks to the ever increasing quality of provided services.

Survey of performance of the testing laboratory in y. 2004 – 2009:

The Total number of samples represents the total number of analysed samples of drinking and waste waters. In the area of drinking waters their number follows from the yearly Programmes of operational control of drinking waters, being worked out according to presently valid public notices and regulations of government and approved every year by territorially competent Regional Public Health Authorities, as well as from the needs of the company by the monitoring of water sources and operation of public water pipelines. In the area of waste waters their number follows from yearly programmes of operational and inspection monitoring for the control of public sewerage, being worked out according to notice of the Ministry of Health of SR No. 315/2004 Coll., as well as from momentary needs in the operation of WWTP and sewerage network.

Total Number of analyses represents the total number of effectuated analyses of indicators of drinking water or waste water quality, i.e. total number of effectuated laboratory tests. In the BVS laboratories, laboratory tests are carried out on all indicators of quality of drinking waters and waste waters in accordance with valid legislature with the exception of radiochemical ones, which are secured in a subcontractor manner in the accredited testing laboratory of the Water Research Institute in Bratislava.

Annex No. 6 Certificate of accreditation, page 109

ANNEXES

1) Company rating

Year after year from 2006, BVS has been given a long-term international rating of the issuer from the prestigious rating company Moody's Central Europe at the level of Baa2. Granted global rating is projected into the local rating Aa2 on the national rating scale. Both ratings express the ability of BVS to fulfil its obligations in time and to the fullest extent. It means that no subject entering into cooperation with the company need be worried about BVS' ability to fulfil its obligations.

2) Secure enterprise

BVS was given, on basis of fulfilment of criteria of the programme "Secure enterprise" and on the proposal of the governing commission of the programme BP of National Labour Inspectorate on 2.10.2008, the Certificate SECURE ENETRPRISE under No. 002/2008. This certificate confirms that our company introduced an effective system of management of safety and health protection at work and it reached the required level of care about the working conditions of employees. This certificate binds BVS to continually improve labour conditions, labour relations, labour environment, increased level of security and health protection at work as well as culture of labour.

3) Construction of the year 2009

In the 15th annual national public non-anonymous competition Construction of the year 2009 Bratislava Water Company won the price of the Slovak Chamber of Civil Engineers for the best design solution. Prize was awarded for a unique project sewerage of the Small Carpathian region. Specific purpose of this project was to design the optimal concept of wastewater diversion from agglomerations of the Small Carpathian region represented by the town of Modra, Pezinok and Svätý Jur and surrounding villages. The main aim for sewerage and sewage treatment was to an attempt to eliminate or minimize pollution of local flows and consequently river Danube from different currently existing sources of pollution so as to comply with the requirements of EU directive on urban wastewater treatment plants and to improve the quality

of water in local flows according to the government edict, establishing surface water quality objectives and limit values of indicators of wastewater pollution.

4) Top Corporate Philanthropist

Bratislava Water Company has been long supported non-profit civil organizations and associations devoted to public service activities in the field of health, education and charity. In 2008, for these efforts was awarded second place in the prestigious ranking of top corporate philanthropist (category supporting the region), which compiles the Donors Forum in cooperation with the weekly Trend. In this work we will continue, not only because we care about our reputation, public relations, but particular, we are not indifferent to social problems and want to contribute at least in small ways to solve them.

5) Quality and Environment

Since 2009, BVS is in phase of implementation of Quality Management System according to ISO 9001:2009 and Environmental Management System according to ISO 14001:2005, which serve to ensure and maintain the quality and improvement of systematic approach to environmental protection in all aspects of business.

6) Certificate of accreditation of testing laboratory BVS

7) Best Annual Report

Bratislava Water Company is regularly involved in the nationwide competition for the best annual report, organized by the Institute for Economic and Social Reform (INEKO). In 2008 BVS was awarded third place in the category "Printed Annual Report "and awarded for quality annual report in category" Electronic Annual Report ". In 2009 we successfuly continued in the defense of third place in single category of the competition - the best electronic annual report.

Nº 0112/5

Moody's Central Europe

priznáva spoločnosti

Bratislavská vodárenská spoločnosť, a.s.

Rating
Aa2.sk / Baa2

V Prahe dña 23. marca 2009

vedúci analytik

Moody's Central Europe

výkonný riaditeľ

Moody's Central Europe

Rating v udelenej výške je platný ku dňu udelenia. Tento rating však môže byť na základe rôznych udalostí zmenený alebo ukončený.



Moody's Central Europe a.s.

Annex No. 1

Ministerstvo práce, sociálnych vecí a rodiny Slovenskej republiky

udeľuje

na základe splnenia kritérií programu "BEZPEČNÝ PODNIK" a návrhu Riadiacej komisie programu BP Národného inšpektorátu práce

organizácii

Bratislavská vodárenská spoločnosť, a. s. Bratislava

O S V E D Č E N I E (Certifikát) č. 0 0 2 / 2 0 0 8

BEZPEČNÝ PODNIK



Toto osvedčenie potvrdzuje, že organizácia zaviedla efektívny systém riadenia bezpečnosti a ochrany zdravia pri práci a dosiahla požadovanú úroveň starostlivosti o pracovné podmienky zamestnancov.

Osvedčenie zaväzuje organizáciu k sústavnému zlepšovaniu pracovných podmienok, pracovných vzťahov a pracovného prostredia, k zvyšovaniu úrovne bezpečnosti a ochrany zdravia pri práci a k zvyšovaniu kultúry práce.

- 2 -10 - 2008

V Bratislave, dňa ...

Viera Tomanová ministerka

ODBORNÁ POROTA S MEDZINÁRODNOU ÚČASŤOU SCHVÁLENÁ VYHLASOVATEĽMI

ZDRUŽENIE PRE ROZVOJ SLOVENSKEJ ARCHITEKTŪRY A STAVEBNĪCTVA - ABF SLOVAKIA - MINISTERSTVO VÝSTAVBY A REGIONÁLNEHO ROZVOJA SR - MINISTERSTVO DOPRAVY, POŠT A TELEKOMUNIKĀCIĪ SR - ZVĀZ STAVEBNÝCH PODINKATECOV SLOVENSKA - SLOVENSKÁ - KOMORA STAVEBNÝCH NIŽNIEROV - SLOVENSKÁ - SLOVENSKÁ - KOMORA STAVEBNÝCH NIŽNIEROV - SLOVENSKÁ KOMORA ARCHITEKTOV - SPOLOK ARCHITEKTOV SLOVENSKÁ KOMORA ARCHITEKTOV - SPOLOK ARCHITEKTOV SLOVENSKÁ - STU V BRATISLAVE, STAVEBNÁ FAKULTA - TECHNICKÝ A SKÚŠOBNÝ ÚSTAV STAVEBNÝ, N. O. - PRVÁ STAVEBNÁ SPORTIEĽAKÁ, A. S., - V TOMAVITEKTOV EUROSTAV, S. R. O.

15. ROČNÍKA

CELOŠTÁTNEJ VEREJNEJ NEANONYMNEJ SÚŤAŽE

STAVBA ROKA 2009

UDEĽUJE

CENU SLOVENSKEJ KOMORY STAVEBNÝCH INŽINIEROV

ZA NAJLEPŠIE PROJEKTOVÉ RIEŠENIE

INŽINIERSKEMU DIELU

ODKANALIZOVANIE MALOKARPATSKÉHO REGIÓNU

REKONŠTRUKCIA, NOVOSTAVBA

KÚ MIEST PEZINOK, MODRA, SV. JUR A OBCÍ IVÁNKA PRI DUNAJI, BERNOLÁKOVO, CHORVÁTSKY GROB SLOVENSKÝ GROB, VINIČNÉ, VINOSADY, DUBOVÁ, BRATISLAVA III

Autor architektonického riešenia:

Ing. Peter Slezák

Hlavný projektant: HYDROCOOP, spol. s r. o.

Hlavní zhotovitelia

DOPRASTAV, a. s, SKANSKA BS, a. s., COMBIN Banská Štiavnica, spol. s r. o.

VODOHOSPODÁRSKE STAVBY, a. s., TUBAU Žilina, a. s

Stavebník: Bratislavská vodárenská spoločnosť, a. s.





Stavba roka - celoštátna súřaž kvality komplexnej realizácie stavebného diela, t. j. kvalita na všetkých úrovníach irwestičného procesu jeho výstavby. Výhlasuje sa pre pozemné stavby a inžinierske stavby - novostavby, rekonštrukcie - na podpou kvality ako súčasti uceleného štátneho štátneho systému jej zabezpečovania v odvetví architektúry a stavebníctva s cieľom doslahnutia európskych štandardov v reálnom čase.

Jedným z gestorov tohto systému je Ministerstvo výstavby a regionálneho rozvoja SR a garantmi kvality jeho realizácie sú Slovenská komora architektov a Slovenská komora stavebných inžinierov.

was Ing. arch. Juraj Šujan

mus Prof. Ing. Dušan Majdúch, PhD.



Ing. arch. Pavel Šrubai

Ing. Mária Brichtová eľov súťaže a jej organi entka Zóruženia ABF Sk



Annex No. 3

TOP FIREMNÝ FILANTROP

2008

Fórum donorov oceňuje

Bratislavskú vodárenskú spoločnosť, a.s. za 2. miesto v rebríčku TOP firemný filantrop 2008 v kategórii podpora regiónu.

Rebriček TOP firemný filantrop poskytuje prehľad o firemných podporovateľoch verejnoprospešných projektov. Každoročne ho zostavuje a zverejňuje Fórum donorov.







QISO-SLOVAKIA, s.r.o

vydáva

OSVEDČENIE

Spoločnosti

Bratislavská vodárenská spoločnosť, a.s. Prešovská 48, 826 46 Bratislava 29 IČO: 35 850 370 DIČ: 2020263432 IČ DPH: SK2020263432

ktorá je vo fáze zavádzania systémov manažérstva kvality podľa STN EN ISO 9001:2009 a STN EN ISO 14001:2005 odbornej pripravy dokumentácie a predcertifikačného auditu. Na túto činnosť má vyššie uvedená spoločnosť podpísanú zmluvu o dielo.

> QISO-SLOVAKIA, s.r.o. Hybeilova 3, 831 (95 Bratisleva Mr. 102/4457 1205, fatr (02/4464 6145 IČO: 3586445.1°C DRH/ SKO01755879 e-molt cho (3050 Mr. www.clso.sk

Barbora Bláviková

V Bratislave dňa 4.júna 2009.

Speločnosť QISO-SLOVAKIA, s.r.o. zapísaná v Obchodnom registri Okresného súdu Bratislava I, odd. Sro, vložka čislo: 30031/B



SLOVENSKÁ NÁRODNÁ AKREDITAČNÁ SLUŽBA

Karloveská 63, 840 00. Bratislava 4, Slovenská republika



OSVEDČENIE O AKREDITÁCII

č. S-235

Slovenská národná akreditačná služba osvedčuje, že

Bratislavská vodárenská spoločnosť, a.s.

Prešovská 48, 826 46 Bratislava Divízia chemicko-technologických a laboratórnych činností Skůšobné laboratórium

je spôsobilé vykonávať chemické, fyzikálne, fyzikálne-chemické, biologické a mikrobiologické skúšky pitných vôd; chemické, fyzikálne, fyzikálne-chemické skúšky odpadových vôd a odbery vzoriek pitných a odpadových vôd podľa rozsahu akralitácie uvedeného v prílohe tehto osvedčenia.

Sposobilosť vykonávať skúšky nestranne a dôveryhodne laboratórium preukazuje plnením požiadaviek normy ISO/IEC 17025:2005.

V mene akreditovaného laboratória koná a za správnosť skúšobných protokoľov zodpovedá Ing. Eva Spáčová – vedúca skúšobného laboratória.

Osvedčenic nadobúda platnosti dňom jeho vydania a platí do 9, 6, 2011,

Bratislava 9, 6, 2008



Ing. Jozef Obernauer



Diplom

NAJLEPŠIA ROČNÁ SPRÁVA 2008 V KATEGORII PRINTOVÝCH ROČNÝCH JPRAV OBCHODNÝCH SPOLOČNOSTÍ

Bratislavská vodárenská spoločnosť, a.s., Bratislava

INEKO

Petrol Gotus









AMEOP HEVER





Diplom

KVALITNÁ ROČNÁ SPRÁVA 2008
v rategorii elektronických ročných správ obchodných spoločnosti

Bratislavská vodárenská spoločnosť, a.s., Bratislava

An for-





AMROF HIVER



Annex No. 7



Annex No. 7

CONTACT

Bratislavská vodárenská spoločnosť, a. s. Prešovská 48 826 46 Bratislava 29 Tel.: call centrum 0850 123 122 Fax: 02/482 52 233

E-mail: sluzby@bvsas.sk

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