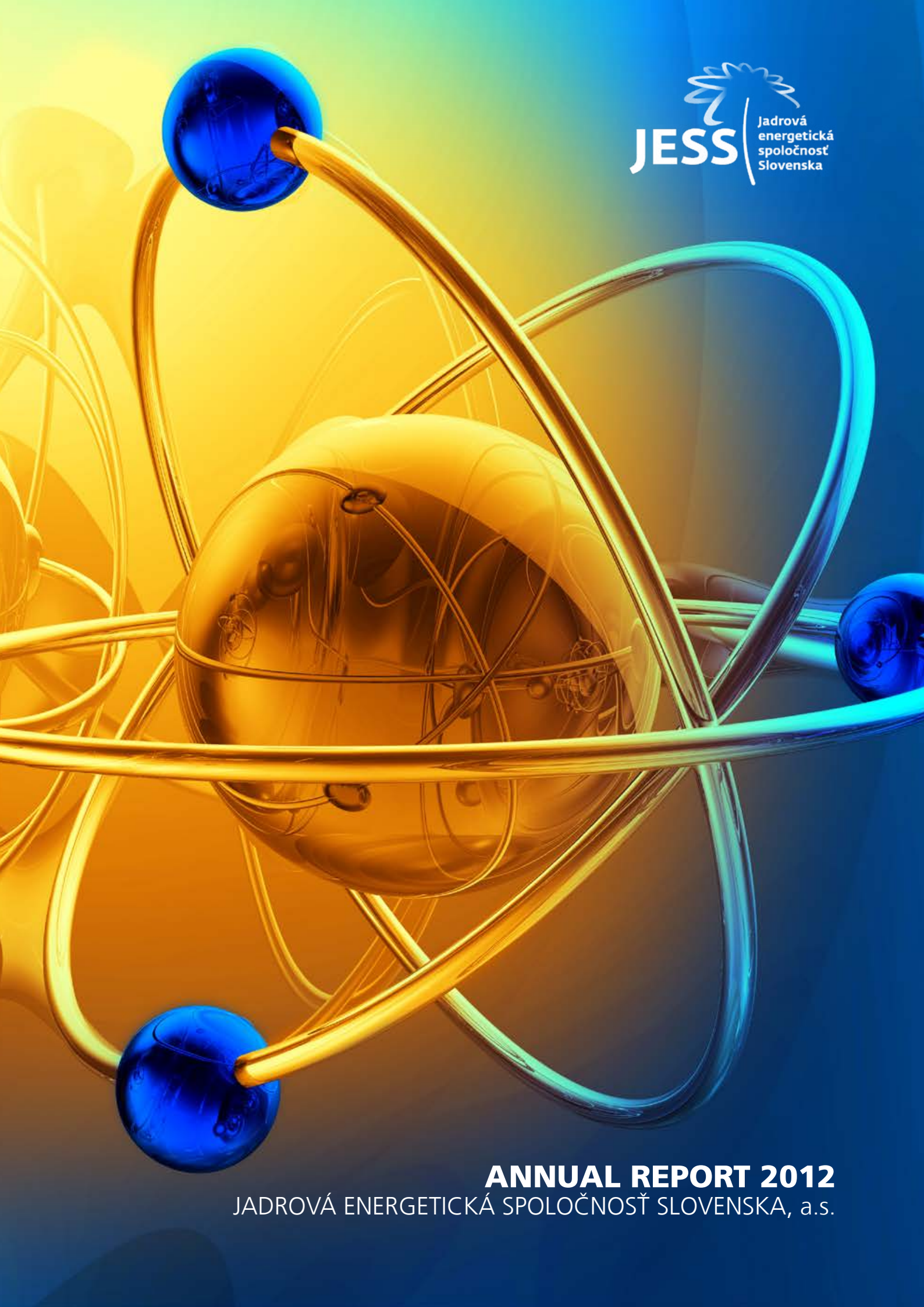

ANNUAL REPORT 2012

JADROVÁ ENERGETICKÁ SPOLOČNOSŤ SLOVENSKA, a.s.

OBSAH

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SPEECH

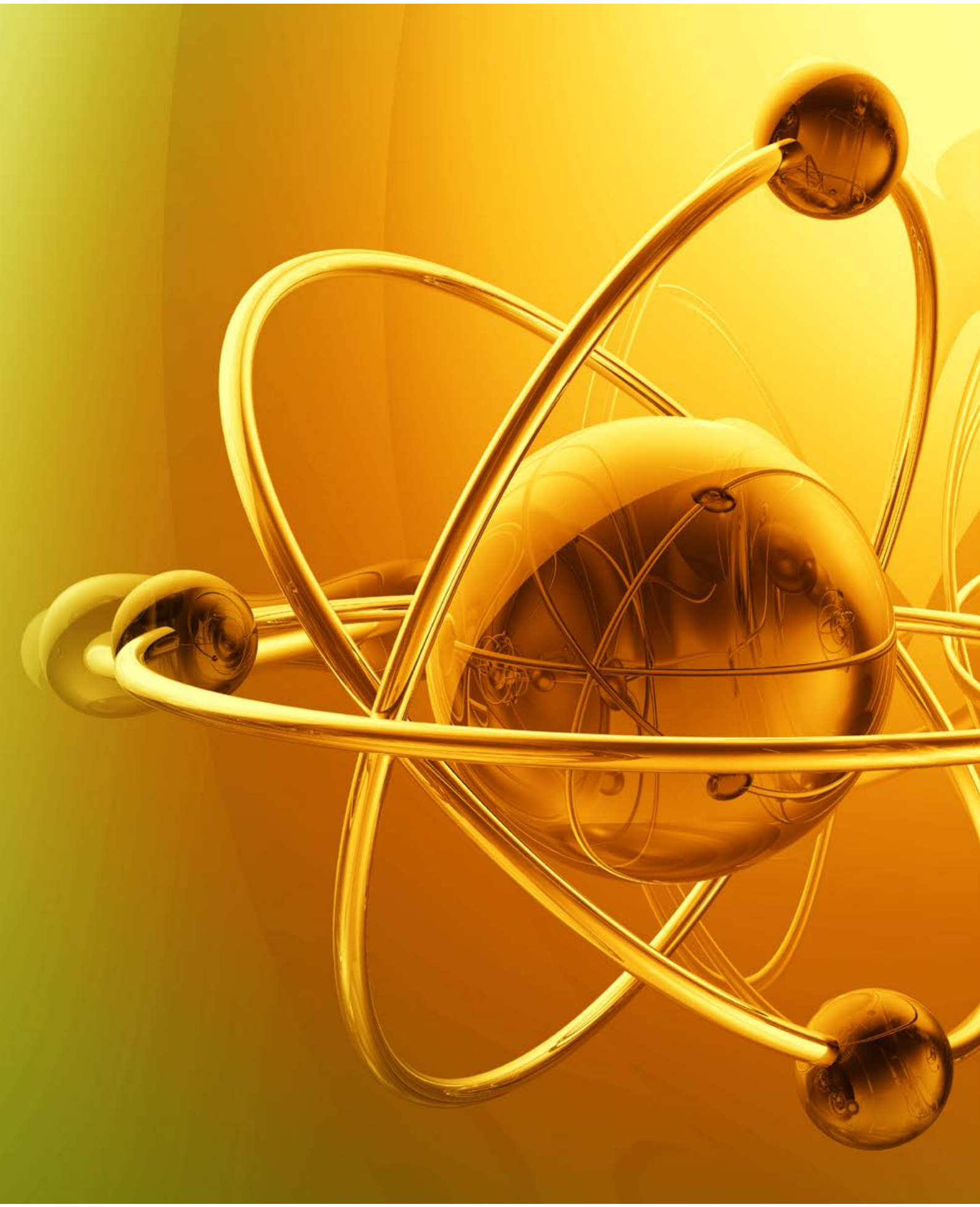
2012 brought the first detailed information and analysis on the feasibility options of one of the most important projects in the history of independent Slovakia - the preparation and construction of a new nuclear power plant. I believe that this project is a challenge that doesn't necessitate strong emotions, but enough common sense and a pragmatic approach.

The Feasibility Study provided answers to many questions interesting for both experts and the general public. If I had two words to name the basic resources proven by the Study realized by respected experts, I would say that the project is feasible and profitable. And that's good news for all Slovakia. At present, there's no relevant substitution for nuclear energy. Therefore we have to take into account the environmental conditions and the potential for the development of renewable sources when deciding. Slovakia has taken an honest approach concerning this issue and decided to stand up for nuclear power at times when other countries are officially against nuclear power, although they wouldn't be able to cover their real needs without the import of such produced energy. Slovakia has no other energy future than "nuclear," if we want to live not only in the "here and now," but also think about the next generations. Therefore, the nuclear power plant project deserves adequate attention and time, because the result of our work will also be judged by our grandchildren, great-grandchildren, and great-great-grandchildren.

Big projects aren't born easily. The crisis, changes on the market, and past investments affected our Project for the Preparation and Construction of the New Nuclear Power Plant. Since its inception, the project has counted on a strategic partner, and there's no reason to change this model. In 2012, the company's shareholders responsibly approved the plan of activities for the next period, and it's gradually being fulfilled. In the name of Jadrová energetická spoločnosť Slovenska, I would also like to highlight the efforts of the Slovak Government, which approved the creation of the new work committee, preparing all baseline documents and analysis, so that we can objectively approach the questions concerning the project's future. The purpose of creating the work committee was to closely consider all available options to ensure the project in the future.

In 2013 we will face further challenges and I believe that we'll be able to fulfill them gradually and with some fundamental, crucial, and firm steps, continue to get closer to the new nuclear power plant.

Štefan Šabík
Chairman of the Board of Directors
and Chief Executive Officer



1. COMPANY PROFILE

Jadrová energetická spoločnosť Slovenska, a. s. (JESS) was founded on December 31, 2009 by entering the Commercial Registry of the Slovak Republic. The establishment of the new company was agreed upon by the European Commission and thereafter by the Government of the Slovak Republic, which approved the proposal for the foundation of JESS through Resolution No. 893/2009 at the meeting held on December 9, 2009. The justification of the company establishment is based on the document called The Energy Security Strategy of the Slovak Republic, referring to the development of energy balance in Slovakia until 2030, approved by the Slovak government; in connection with this strategy, ensuring the construction of a new nuclear power source belongs, among others, with the main strategic priorities of electric power supply for 2013 to 2030.

MISSION

The company's mission is to prepare a project for a suitable nuclear power plant, ensure construction, and generate electricity and heat effectively and economically.

We guarantee the project in regards to:

- maximum safety,
- minimal impact on the environment,
- energy security of Slovakia and
- economic effectiveness

2. STRUCTURE OF SHAREHOLDING

Jadrová energetická spoločnosť Slovenska, a. s. is the joint company of Jadrová a vyraďovacia spoločnosť, a. s. (JAVYS), which owns 51% of the shares, and the Czech utilities group ČEZ, a.s. (ČEZ), owning 49 % of the company's shares. The company was founded without an appeal for the subscription of shares. The corporate indenture was in the form of a notarial deed in which were also approved the articles for JESS, and JESS' Supervisory board was elected. The managerial control works on the principle of the equality of both partners, reflected in all bodies of the company.

51% of the shares
belonging to JAVYS represent:

- non-monetary deposit in the form of land, buildings, line constructions, studies, and commitments,
- monetary deposit of €1,683,099.

49% of the shares
belonging to ČEZ represent:

- monetary deposit of €116,616,423.

3. COMPANY BODIES

BOARD OF DIRECTORS

The Board of Directors is the statutory body of the company and has six members. The Board of Directors makes decisions on all matters of the company, unless such a decision is appropriated for the General Meeting or the Supervisory Board according to legal regulations or the Articles of the company.

Chairman
Štefan Šabík

Vice Chairman
Andrej Žiarovský

Members of the Board
Tomáš Vavruška
Ján Červenák
Peter Szénásy
Petr Závodský

SUPERVISORY BOARD

The Supervisory Board is the supreme supervisory body of the company. It oversees the activities of the Board of Directors and the realization of the business activity.

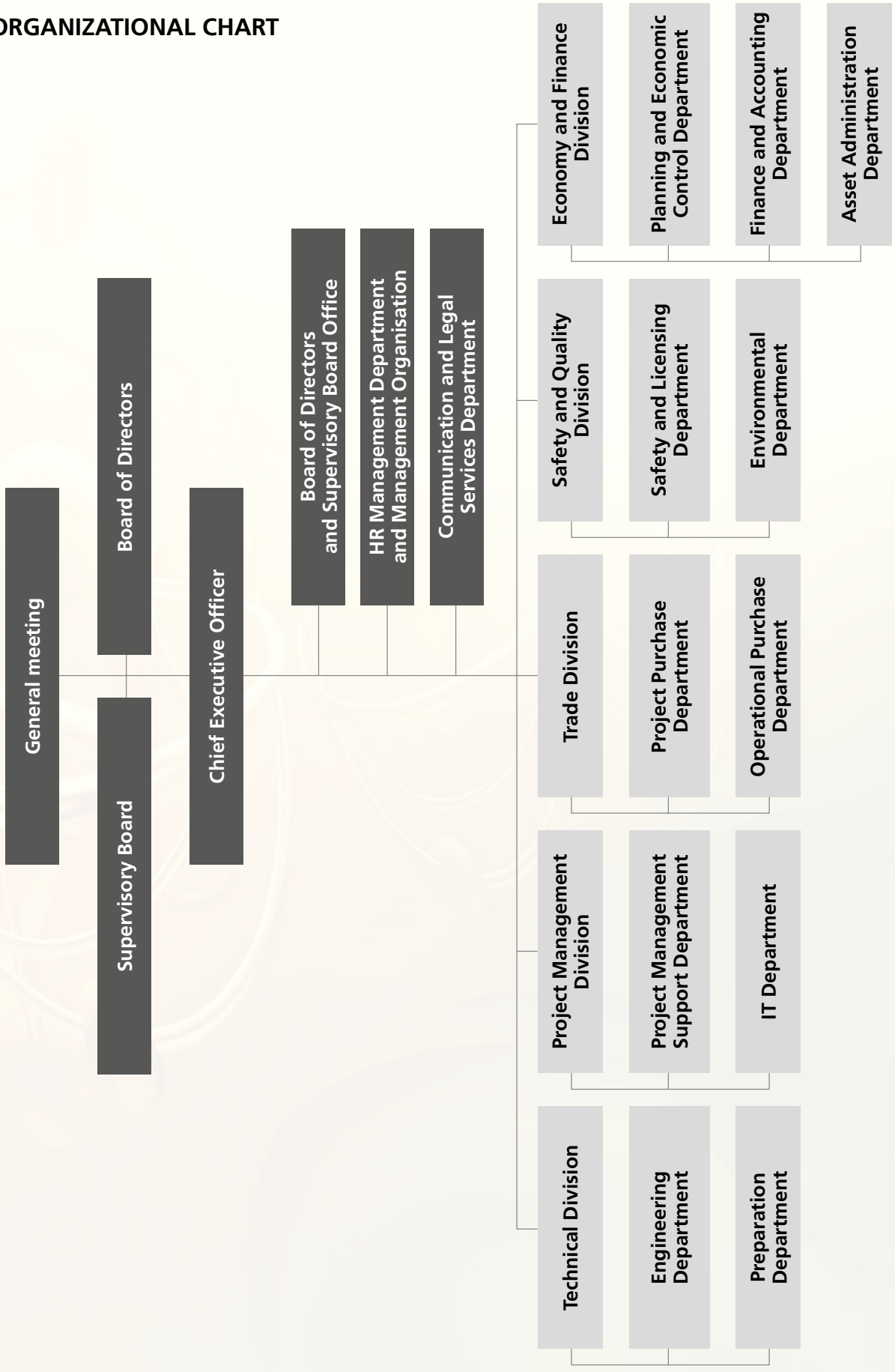
Chairman
Ľubor Benkovič (until July 13, 2012)
Peter Čižnár (since July 13, 2012)

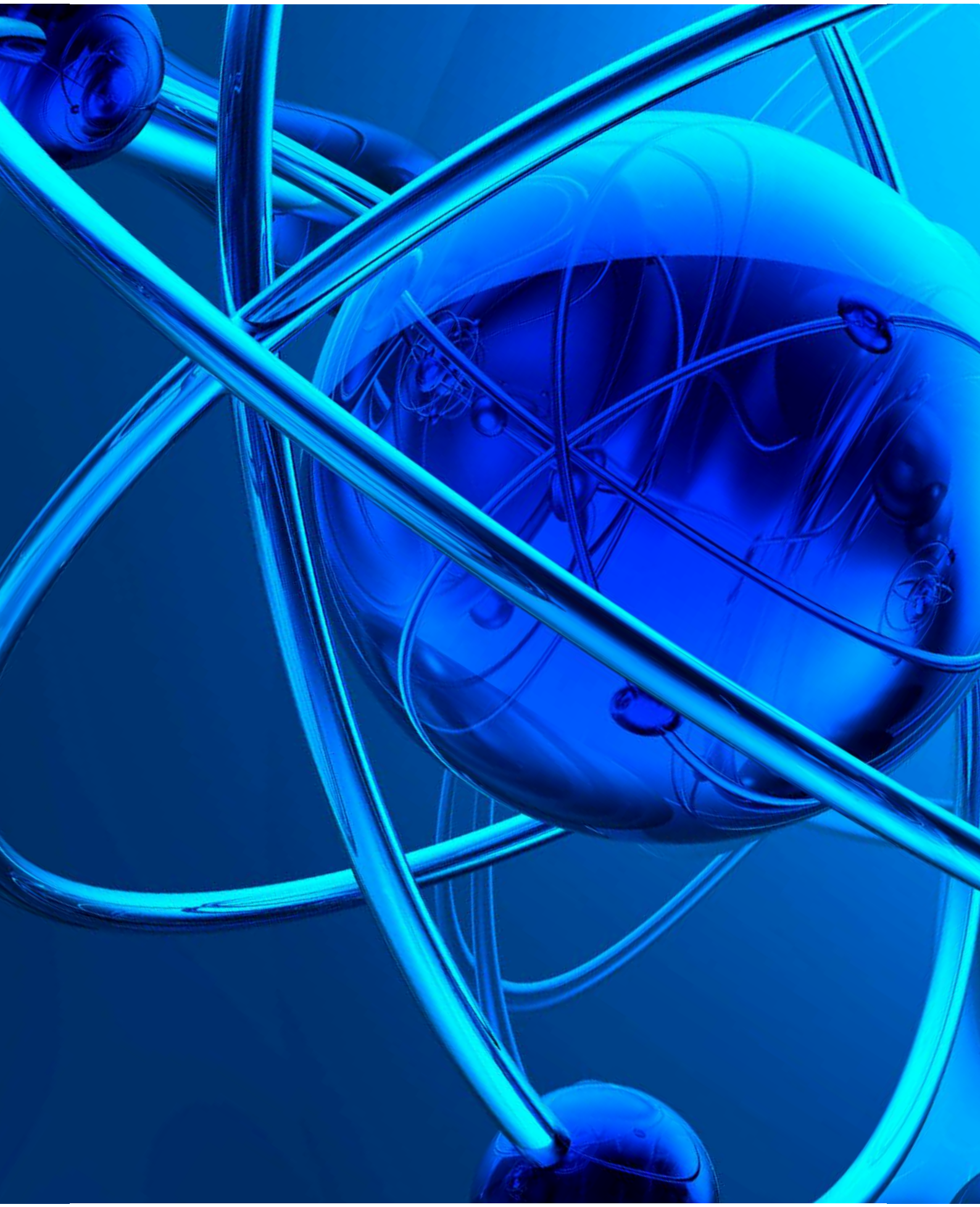
Vice Chairman
Daniel Beneš

Members of the Supervisory Board
Peter Bodnár
Miroslav Obert
Vladimír Johanes
Milan Orešanský (until July 13, 2012)
Anton Masár (since July 13, 2012)

General Meeting
General Meeting is the company's supreme body. Its negotiations are attended by the members of the Board of Directors, Supervisory Board, and other invited persons. The Board is required to convene a general meeting at least once a year, while in 2012 it was held three times. The information on the procedures and results of the voting from the general meeting are published on the company's website.

ORGANIZATIONAL CHART





4. SIGNIFICANT EVENTS

14 – 15 May 2012
Representatives of the company attended the international European Nuclear Energy Forum (ENEF), held with the participation of the Heads of Government of the Czech and Slovak Republics, this time in Bratislava.

30 – 31 May 2012
The general director presented the topic of energy development in Slovakia on the meeting of the Slovak Association of Energy Sector Employers and the Czech Association of Energy Sector Employees at Hrubá Skála Castle in the Czech Republic.

26 July 2012
Elaboration of the Feasibility Study, which assesses the key aspects of the New Nuclear Power Plant (NNPP) Project and forms an essential base for further consideration.

27 September 2012
The general director specified the main conclusions of the Feasibility Study and the state of preparation of the new Slovak nuclear power plant's construction at the International Conference Secure Energy Supply (SES).

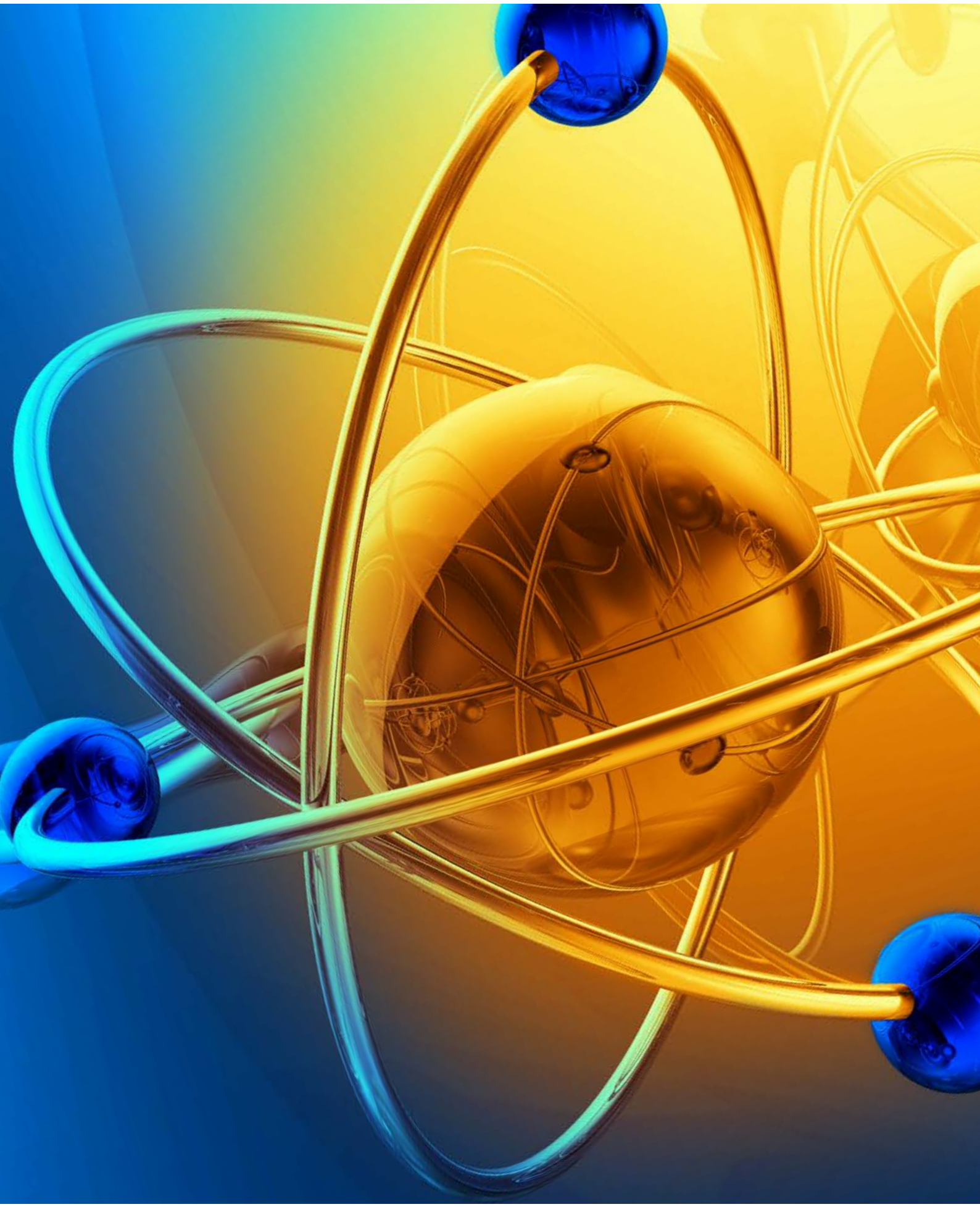
28 September 2012
The general director briefed the members of Citizen Information Commission (CIC) about the main conclusions and recommendations produced from the Project NNPP Feasibility Study at the Bohunice CIC meeting in Veľké Kostoľany.

28 September 2012
The company management introduced the Project NNPP, as well as the main results of the Feasibility study at the meeting of the Nuclear Regulatory Authority in Trnava.

25 October 2012
The Supervisory Board approved the activities for the upcoming period. These include the initiation of the process for assessing the impact on the environment and further steps related to the preparation of the project's infrastructure.

05 November 2012
In the presence of JESS' and SEPS' managements, the results of the Feasibility Study and the requirements for further cooperation in the implementation of Project NNPP were presented.

28 November 2012
The general director presented the current activities and the anticipated development of Project NNPP at the workshop in Veľké Kostoľany called "Current Projects at the Jaslovské Bohunice Nuclear Energy Site." The seminar was organized by Bohunice CIC in cooperation with the Jaslovské Bohunice Regional Association of Municipalities for lord mayors and municipality managers.



5. FEASIBILITY STUDY

The beginning of the Feasibility Study's preparation dates back to the first half of 2010, when the potential suppliers of pressurized water reactors were approached with a request to provide information about their latest projects. The required data necessary for the elaboration of the Feasibility Study were sent in the form of information packages at the end of 2010. Ústav jaderného výzkumu Řež, a. s. started the elaboration of the Feasibility Study at the end of November 2011, based on the results of the tender procedure.

The first half of 2012 was mainly the work on individual parts of the Feasibility Study and the baseline studies, in which all conditions of the realization were analyzed in detail. The experts from the Czech and Slovak Republics, Spain, and the representatives of ČEZ and JAVYS shareholders put their potential and wisdom together when processing the work.

ÚJV Řež submitted the Feasibility Study and the baseline studies on July 26, 2012, and all terms and conditions were complied. The final study contains the analysis and evaluations of the introduced technical alternatives, the assessment of the location suitability, the supplier system, project management, financial security, and economic analysis of Project NNPP. The Feasibility Study, the company's crucial internal document, has become an indispensable basis for further decisions about the optimal procedure of the preparation and realization of Project NNPP in Slovakia, in accordance with the shareholders' agreement.

MAIN CONCLUSIONS AND RECOMMENDATIONS

The study was subjected to a detailed analysis conducted by the experts of both groups of JESS shareholders. The aim was to analyze in details the feasibility conditions, to define the most suitable alternative of the Project NNPP implementation and to provide the management of JESS and its shareholders with a summary of comprehensive information, which served as a basis for decision-making processes on the release of funds and the permission to perform further activities for the later phases of Project NNPP.

The following objectives were reviewed and evaluated in the process of preparing the Feasibility Study as well as the baseline studies:

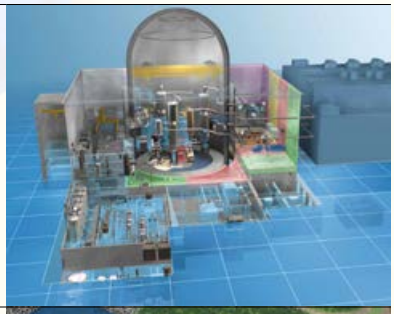
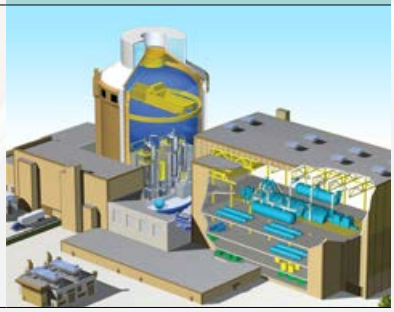
- Profitability of Project NNPP throughout its lifecycle,
- Safe operation of the power plant in terms of applicable nationally and internationally recognized criteria for nuclear safety,
- Preparing and launching the commercial operation of the new nuclear power plant in the shortest time possible.

Based on the conclusions of the Feasibility Study and the existing analyses it may be stated that the alternatives of a single-unit or double-unit arrangement with a total capacity up to 2,400 MWe are feasible for Project NNPP in the location of Jaslovské Bohunice under the assumption that the conditions and recommendations to be provided in the next phase of the Project are followed.

TECHNICAL SECTION

In accordance with the Shareholder Agreement six designs of generation III. and III.+ pressurized water nuclear power plants became subjects of the Feasibility Study.

All six designs have the potential to meet the basic requirements of Project NNPP, and therefore, when choosing a future supplier, all six evaluated projects shall be taken into consideration. The evaluation of the suppliers of the referred nuclear power plant projects for the needs of the Feasibility Study does not disqualify other suppliers of pressurized water power plants from future selection of the main contractor for NNPP.

PROJECT	SUPPLIER		
Atmea 1100	Atmea	ATMEA	
EPR 1700	Areva	AREVA	
MIR 1200	Konzorcium MIR	MIR.1200 MODERNIZED INTERNATIONAL REACTOR	
APR 1400	KEPCO	KEPCO	
APWR 1700	Mitsubishi	MITSUBISHI HEAVY INDUSTRIES, LTD.	
AP 1000	Westinghouse	Westinghouse	

INFORMATION ABOUT THE SITE

The main aim of this chapter was to assess the feasibility of Project NNPP in terms of the placement of the buildings in the interest area, which is in contact with the area of the decommissioned facilities NPP A1 and V1, and its integration into the existing infrastructure.

The most important aspects of the NNPP location assessment were the following:

- Placement of the NNPP in a location and interest area from the perspective of Slovak legislation.
- The assessment of the suitability of the NNPP location in terms of seismic and geological conditions.
- An option to connect the NNPP to the electrical grid.
- NNPP raw water supply and waste water discharge.
- Transport of overweight and oversized components and transport of materials and raw stock to the construction site.
- Related and induced investments of Project NNPP.

Location of the NNPP

Four schemes of the location of the nuclear power plant were assessed within the study for the purposes of placing Project NNPP in the interest area, namely those with the largest ground plan for single-unit and double-unit power plant alternatives, one with an alternative location in an open area and the other in the area of the decommissioned facilities NPP A1 and V1. Individual NNPP placement options were analyzed in terms of their layout, technical, economic, environmental and timing aspects in the preparation of the interest area.

In terms of assessing the legislative requirements of SR and the disqualifying criteria for the location of nuclear facilities in compliance with the Decree of the Nuclear Regulatory Authority of SR No. 430/2011 Coll. on the Requirements for Nuclear Safety, all locations are considered as suitable. Upon the assessment of additional criteria, the location of a single-unit and double-unit power plant in an open area with auxiliary facilities for the construction site located in the area of the decommissioned facilities NPP A1, owned by JESS, seems to be the best alternative.

Assessment of seismic and geological conditions

The study titled "Assessment of Seismic and Geological Conditions of the NNPP EBO Project – Interim Report" was prepared as a part of the assessment of the suitability of the NNPP location in terms of seismic and geological conditions; the report concluded that in this phase no facts were identified that would disqualify or significantly hinder the implementation of Project NNPP. The Final Report, which will assess the seismic and geological conditions of the location in details based on the new geological surveys, geophysical measurements and latest methods, will be prepared in the second half of 2013 and thereafter an international review by IAEA will be initiated to verify the assessment of the seismic and geological conditions.

Connection of NNPP to the SR electrical grid

The connection to the electrical grid is feasible upon the construction of a new switchyard in the location of Jaslovské Bohunice, using the near 400 kV lines while expanding the Križovany Switchyard, the international interconnection of the SR transmission system and support services for electrical grid regulation.

The next steps in this area will be coordinated in cooperation with the Ministry of Economy of the Slovak Republic and Slovenská elektrizačná prenosová sústava, a. s. (Transmission System Operator) and with Západoslovenská energetika, a.s.

Inlet of raw water and outlet of waste water

The Study analyzed the method of supplying raw water to NNPP and discharging waste water in accordance with the technical, economic and environmental criteria.

Raw water will be supplied from the Sĺňava reservoir. The 5 m^3/s volume provisionally confirmed by the Slovak Water-Management Enterprise is sufficient for the alternatives with a total capacity of up to 2,400 MW during the entire design life of the units, including scenarios with adverse climate changes.

The waste water will be discharged in the Váh River.

Transport of overweight and oversized components and transport of materials and raw stock to the construction site

The study proved that road transport from the port of Bratislava to the construction site or combined water and land transportation using the Danube and Váh rivers may be used to transport any specified oversized and heavy components. It is recommended to use the combined transportation method due to the simpler and cheaper performance of any necessary adjustments of the transport route.

For the transport of all necessary materials and raw stock needed for the construction of the NNPP, as well as the construction workers, the existing rail and road transport infrastructure will be used.

Related and induced investments

The study analyzed the utilization of resources in the surroundings and in the vicinity of the location of Project NNPP, the utilization of existing buildings, infrastructure, systems and facilities at the Bohunice power plant and surrounding area in terms of the possibility of their use for the construction and operation of NNPP. Proposals for the new buildings, systems and facilities were subject to the study as well.

The goal was to define the boundaries of the construction site in the interest area while respecting the placement of NNPP, particularly with regard to facilitating:

- A solution for the NNPP power output and the provision of the backup supply to cover the self-consumption of NNPP, including the placement of the 400 kV switchyard for connecting NNPP to the SR electrical power system,
- Inlet of raw water and outlet of waste water and rainwater,
- Connections to the road and rail transport infrastructure,
- Preparation and equipment of the construction site.

SUPPLIER SYSTEM

The Study assessed several types of contractual approaches to securing the main supplies for Project NNPP, nuclear fuel and any related and induced investments. The recommended supplier model for the selection of the prime contract is the turnkey supply, which will include all supplies and services necessary for the construction and commissioning of NNPP.

PROJECT MANAGEMENT

The Study offers a detailed description of Project NNPP management, the responsibilities of the involved entities at various stages of the project as well as staffing needs to implement the project and its structure. Based on the experience of the Study elaborator acquired from the large power industry projects, the entire project should be managed by a single organizational unit formed within the organizational JESS structure. This organizational unit has to assume responsibility for the entire project at all its stages. Specialised engineering/consulting companies should provide

JESS with support during the performance of various activities such as coordinating the project, exploring the construction site, collecting the input data at the construction site, preparing the complete documentation for permission issuance, scheduling, assuring quality, preparing applications for licences and authorizations, technical supervision, supervising project engineering, construction activities and commissioning. The total need for human resources right from the moment of construction commencement is around 300 JESS employees per unit and up to 150 additional external employees from specialized companies. The total number of JESS employees needed during the operation has been estimated at 650 employees.

Taking into consideration the number of needed skilled JESS employees and the situation in the market with specialized technical staff, the processes of recruitment and professional training (especially training of operation and maintenance staff) should be launched sufficiently in advance.

SCHEDULE

The Study analyzed the activities, applicable legislation including the duration of activities and their mutual interconnections, the estimated duration of engineering works to be performed, the input data from information packages provided by potential suppliers and the input data from other chapters of the Feasibility Study. The scenarios of developing schedules for both the pre-preparation and preparation phases of the project were created based on the referred analysis. The individual scenarios take into account the possibilities of project financing, the supplier system, the ordering of the components with long-term delivery periods and unit arrangement.

Based on the current knowledge and assuming the timely fulfillment of the key milestones of the project, the launch of the first unit's test operation may be expected after the year 2025.

FINANCING

The purpose of this section of the Feasibility Study was to identify and analyze potential financing scenarios applicable to Project NNPP and to describe the advantages and disadvantages of each of them in relation to any potential limitations in the current economic and legislative environment.

The significant capital contributions during the project's implementation will be necessary. Given the fact that JESS is a project company with no financial history in order to arrange external financing, a situation may occur when the existing sponsors will have to provide additional support or guarantees to Project NNPP.

ECONOMIC ANALYSIS

The evaluation of the economic feasibility of Project NNPP is the key part of the economic analysis, which reflects the conclusions and recommendations contained in other chapters of the Feasibility Study as well as specific inputs provided by JESS and/or its shareholders. A total of 6 variants of Project NNPPs were analyzed in terms of investment evaluation. The key evaluation outputs are net present value (NPV) and internal rate of return (IRR), along with other parameters required by JESS shareholders (total need for their own equity capital and borrowed funds, distribution of investments over time, etc.).

This section also includes the sensitivity analysis for each of the referred scenarios. The result is that each variant of Project NNPP is economically viable, provided that all input requirements are fulfilled. The feasibility of the presented financial overviews depends on the continued validity of the assumptions, based on which the economic analysis has been prepared.

6. HUMAN RESOURCES

The development of human resources followed the trends applied in the previous years for the agreed goals for 2012. In the employment policy the main objective was to ensure professional staff and their education and development in order to achieve a reliable and economic operation of the company, and compliance with the principles of OSH (Occupational Safety and Health Protection) and environmental protection.

EMPLOYMENT POLICY

At the end of 2012, the company had 36 employees and 7 agency employees, the functional scheme nearly 90% occupied. The occupation of free vacancies was in accordance with internal regulations, describing the criteria for the assignation of staff to relevant functions based on the type of work, and on the supply and demand in the labor market. Jadrová energetická spoločnosť Slovenska, a.s. puts a great emphasis on qualifications, expertise, and technical readiness when recruiting new employees.

PROPORTION OF MEN AND WOMEN IN THE TOTAL NUMBER OF EMPLOYEES

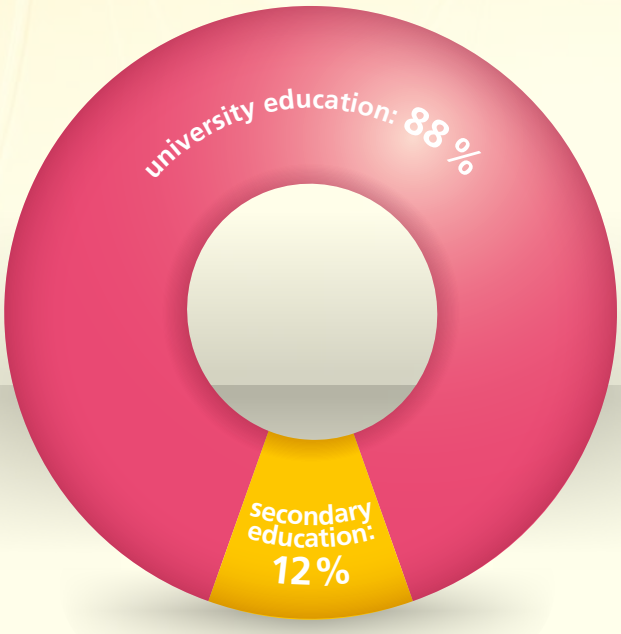
From the total number of employees (staff and agency staff), 31 men, which is 72%, and 12 women, representing 28%, worked for the company in 2012.

EDUCATIONAL STRUCTURE OF EMPLOYEES

Educational structure of employees is on a very good level; from the total number of employees (staff and agency staff), 38 have university education and 5 have secondary education.

Educational structure of employees

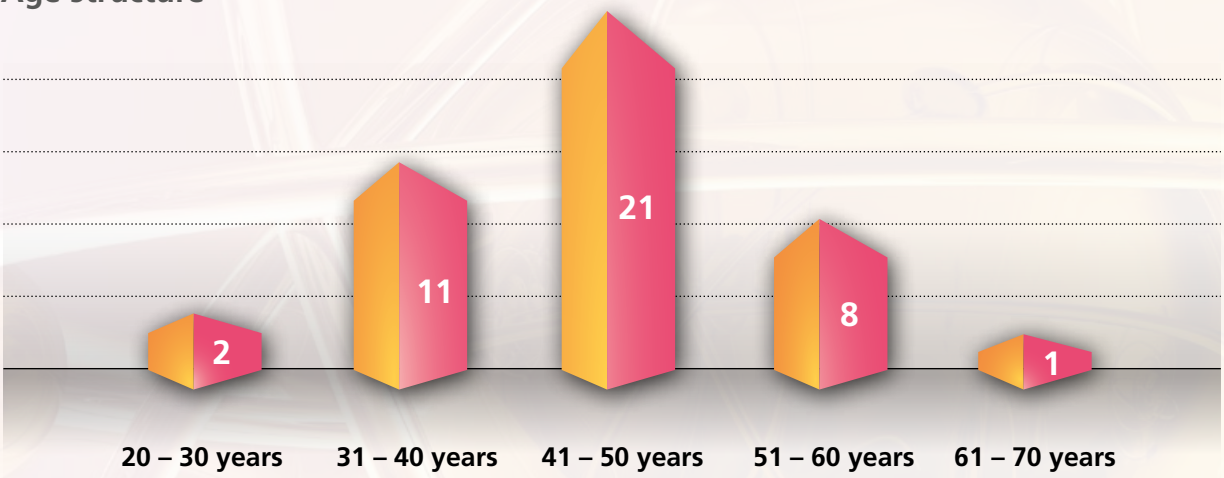
SŠ = secondary education
VŠ = university education



AGE STRUCTURE

The average age of employees and agency staff is around 43 years-old. In particular, experts with many years of practice have worked for the company. Most of them (21) were aged between 41 and 51 years of age, representing 48% of the total number of employees, 11 of them aged between 31 and 40 (26%), 8 between 51 to 60 (19%), 2 employees under 30 years of age (5%), and 1 employee above 60 years (2%). The age structure is shown in the chart below.

Age structure



EDUCATION AND DEVELOPMENT OF EMPLOYEES

Human Resource Management secures the process of the education and development of employees organizationally and materially, in close collaboration with the senior staff of the organizational units, as well as with the individual employees, in order to keep and improve the quality of the professional level of employees for the needs of the planned construction of the new nuclear power plant.

The development of the personnel's competence is ensured by business-oriented trainings (FIDIC) and trainings in geology and seismicity, internal auditor, and information technology courses, as well as trainings focused on acquiring presentation skills and communication.

Within language preparation, the employees improved their English. The participation at international conferences and seminars contributed to the development of their expertise, arranging contacts, and gaining insight in new world trends.

BONUSES AND EMPLOYEE BENEFITS

To achieve the strategic goals by improving employee performance, a new system of evaluation and rewarding employees was introduced.

A part of the key performance indicators has become required work behavior. Five rules of work behavior based on the values of the organization were inducted.

Social policy is an unseparable part of employee care. The company creates a social

fund with a mandatory contribution of 6% of the gross wage in accordance with Act No. 152/1994 Coll. on Social Funds, as amended. In exceptional cases, the company provides one-time social assistance.

The company contributes to meals (one main meal) in the amount of 55% of catering, provided on an official journey of 5 to 12 hours in accordance with Act No. 328/2002 Coll. on Travel Expense Reimbursement, as amended. Besides that, the company also contributes from the social funds. The employees are guaranteed board corresponding to the principles of a healthy diet right at the workplace or in its vicinity.

In 2012, Jadrová energetická spoločnosť Slovenska, a. s. contributed for its employees in connection to supplementary pension savings in the amount of 3% of their cleared salary. The purpose of the supplementary pension savings of employees is to allow the saver to obtain additional income in accordance with Act No. 650/2004 Coll., as amended.

7. SAFETY AND ENVIRONMENT

OCCUPATIONAL SAFETY AND HEALTH PROTECTION

Occupational safety and health protection (OSH) during 2012 was secured in accordance with the respective provisions of the Labor Code, Act No. 124/2006 Coll. on Occupational Safety and Health Protection and on the amendment and supplement of other acts, norm OHSAS STN 18001:2007, and in accordance with the internal regulations of the company. The tasks resulting from these acts for legal persons were secured by us and with preventive and protective services based on the enclosed contractual relationships.

The basic principles and priorities in OSH were declared by the company management in the OSHO Policy for 2012, which is a part of the "Integrated Management System Manual". The realization of the OSH Policy was secured by the tasks of the OSH Program for 2012.

According to Ministry of Health Decree No. 448/2007 Coll. on the details of work and working environmental factors in relation to the categorization of working activities in terms of health risks, JESS employees are enrolled in the second category, which are jobs with no anticipated harm in regard to the risks.

Throughout the year there was no work-related injury or occupational disease. The evaluated period was the third year of the company's existence. The accident rate for the entire three-year period is zero, and therefore no trends for work injury indicators were built.

Inspections and OSH Inspections

Regular OSH inspections were carried out in accordance with the 2012 schedule, focusing on the observance of safety regulations, the health protection of employees, and occupational hygiene in all buildings of the company. A total of 112 inspections were carried out during which one shortcoming was found and subsequently resolved.

Periodical OSH inspection was performed in all buildings registered as JESS' property by the OSH commission established for this purpose, and a total of 73 discrepancies were identified and gradually eliminated.

A work inspection is carried out in accordance with Act No. 125/2006 Coll. by the Labor Inspectorate with a registered office in Nitra. In the course of the year no inspection was carried out by the Labor Inspectorate Nitra.

Fire Protection

Fire protection is assured in accordance with Act No. 314/2001 Coll. on Fire Protection, Ministry of Interior Decree No. 121/2002 Coll. on Fire Prevention and other decrees related to the Act. The documentation of fire protection was maintained in accordance with the legislation requirements and current status in the buildings of JESS. No fire was recorded on the premises and in the buildings of the company in 2012.

Preventive fire protection inspections were carried out in accordance with the schedule of inspections for 2012. The inspections were aimed at the observance of fire-fighting regulations in all buildings of the company. A total of 120 inspections were carried out, during which 41 shortcomings were found and subsequently eliminated. The observance of fire-fighting regulations was also subject to periodical inspections for the purpose of complying with Ministry of Interior Decree No. 478/2008 Coll. on Attributes, Specific Conditions for the Operation and Ensuring of the Periodic Examination of Fire Seal.

State Fire Protection Inspection in the company is performed by the District Headquarters of the Fire and Rescue Corp in Trnava. In 2012, no inspection was carried out by the State fire protection inspection.

ENVIRONMENT

Environmental issues were given reasonable attention. The management of the activities related to the environment is directly connected with the fulfillment of the objectives and principles of the company's environmental policy. One of the most important principles is to focus on the selection of the most modern technologies that will assure the minimization of environmental impacts already in the process of the project's preparation.

Within the construction of an integrated management system, the company continued implementing the requirements of international standard ISO 14 001:2004 – "Environmental Management Systems," particularly by identifying its environmental aspects and potential current and future impacts on the environment.

Considering the environment, the usual activities were carried out in 2012, such as waste disposal, supply of potable and service water, sewage water disposal, operation of the boiler room, and service inspections of ecological equipment by means of contractual partners.

In accordance with the principle of prevention and in an effort of sustainable improvement, regular inspections of compliance with legislation requirements were carried out in the environmentally relevant buildings.

Waste Management

Taking into account the character of company activities, only the miscellaneous waste of 79.47 tons was produced in 2012. This waste included:

- 18.8 tons of municipal waste,
- 62.67 tons of other waste.

Air Protection

The company operates one medium source of air pollution – a gas boiler house needed for heating the buildings.

Emission of the pollutants released into the atmosphere in 2012 was following:

Source name	Number of operating hours	Fuel consumption (m^3)	Emissions released into the atmosphere /t.year^{-1}/				
			TZL	SO_2	NO_x	CO	ΣC
PK 740.IX-1	1378.50	126,320	0.0096	0.00115	0.1872	0.0756	0.0126

Legend:
TZL – solid pollutants, SO_2 – sulfur dioxide, NO_x – nitrogen oxides; CO – carbon dioxide;
ΣC – total organic carbon

A further area to be monitored considering air protection is the operation and maintenance of equipment containing fluorinated greenhouse gases. This equipment was regularly monitored in accordance with the applicable legislation. No escape of greenhouse gases into the atmosphere was recorded.

Water Management

The potable water supplied to the Jaslovské Bohunice site is through Trnavská vodárenská spoločnosť, a. s. 40,518 m^3 of potable water was consumed in 2012. Service water for the operation of technological equipment is supplied by Jadrová a vyraďovacia spoločnosť, a. s. Produced sewage water was discharged through drainage systems and, after treatment, released to natural recipients along with the sewage water from the operation of Jadrová a vyraďovacia spoločnosť, a. s. The volume of the drained sewage water has not been monitored yet.

Environmental Impact Assessment

One of the crucial activities of Project NNPP is to prepare the objective and report on the environmental impact assessment of the proposed activity. In 2012, internal documents serving as inputs for the launch of the environmental impact assessment process were completed, based on the results of the Feasibility Study.

8. INTEGRATED MANAGEMENT SYSTEM

Jadrová energetická spoločnosť Slovenska, a. s., has built the fundamentals of an integrated management system consisting of quality management, environmental management and occupational health and safety protection management. 2012 was about the improvement and assessment of the set processes. Based on the set in-plant legislation and two-year experience of running a company and hence the individual processes, a review of certain documents was undertaken.

Within the construction and improvement of the integrated management system, there were three internal audits done in 2012, focused on all the components of the integrated management system – quality, environment, occupational safety and health protection.

The integrated management system of the Company is derived from the mission of Jadrová energetická spoločnosť Slovenska, a. s., from the policies and rules of the company's operation.

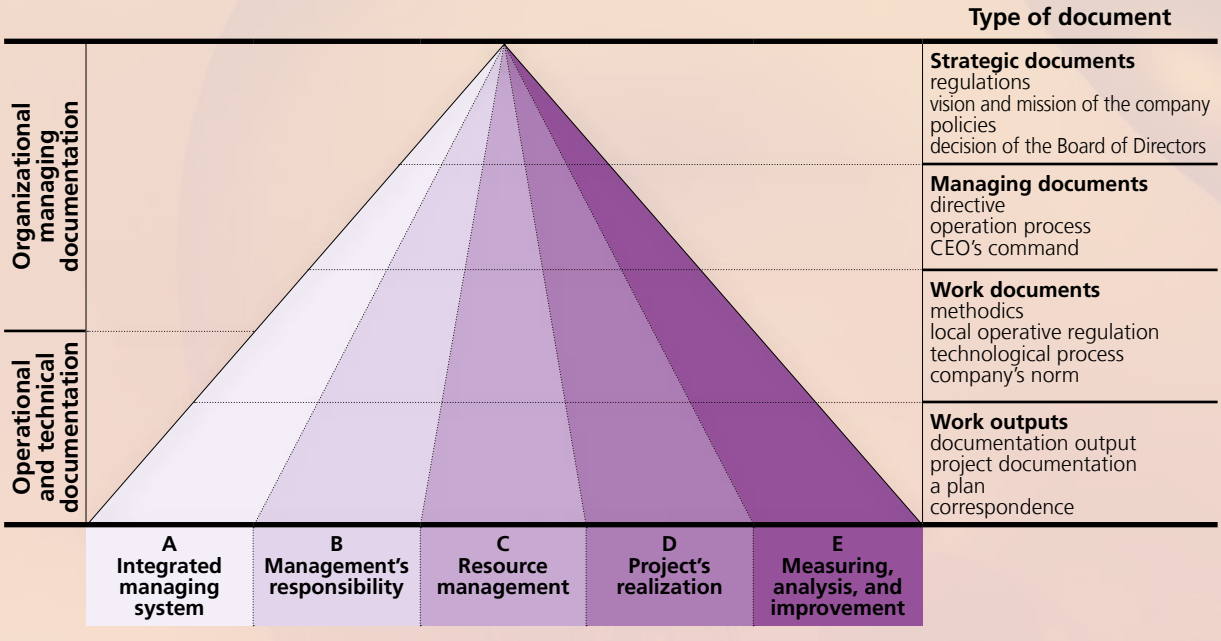
MANAGING DOCUMENTATION

In terms of the process management the individual processes are defined to cover all activities and respect their specific particularities. The highest level of the process management is described by the Guideline. A total of 27 basic processes were defined for JESS. Each process has its guarantor and owner of the process. In breaking down the processes we proceeded to such a level as to describe the processes in their full extent and determine the respective responsibilities and competencies.

2012 concluded the first phase of preparing the managing documentation and started the assessment of individual processes, inputs and outputs, and especially their optimization and interconnectedness, in order to increase the work efficiency of the whole company, based on the experience and nature of the "E06 – improvement, corrective measures, preventive measures" process.

Division of JESS processes remained unchanged and are divided as follows:

- A – Integrated management system
- B – Management's responsibilities
- C – Sources management
- D – Project realization
- E – Measuring, analysis, improvement.



DMS (Document management system)
In connection with the creation and registration of the managing and technical documentation the DMS system (Document Management System) was implemented in 2012, ensuring the common depository of all documentation.

A superstructure over this system is supposed to be built the following year, in order to ensure the automated circulation of documents supporting electronic add-on comments and the approval of documents with the system of automatic publication and archiving. The main objective of the DMS application remains the storage of all documents in a single central data depository so that the security and integrity of the company's intellectual property is ensured.

9. COMMUNICATION

Even in 2012, JESS continued with the fulfillment of the open and socially responsible communication strategy. The proof of this is the collaboration with the civil service authorities (Nuclear Regulatory Authority of the Slovak Republic, Ministry of Economy of SR, and Ministry of Environment of SR) and local authorities. These cooperate on the project and their statements directly affect the development of Project NNPP in Jaslovské Bohunice.

Nuclear power keeps bringing out a lot of essential questions and topics. We consider it important to inform professionals and the general public about the main aspects. This year's main topic was the elaboration of the Feasibility Study and the assessment of its results. The general director stated the main conclusions and recommendations from the study at the international forum Secure Energy Supply (SES 2012) in Bratislava. After that, a press release published by several media sources was issued. Besides this forum, the company participated in other events such as ENEF, ENKO, etc.

Familiarization with the results of the Feasibility Study also took place on the lands of The Bohunice Citizen Information Commission (CIC), where further steps and Project NNPP activities were discussed.

Within Bohunice CIC, a collaboration with the relative commissions continued developing. The proof of this is a seminar associated with a tour in selected nuclear facilities in the Bohunice and Mochovce plants, during which we exchanged our experience with the Mochovce CIC and the Civic Safety Committee Dukovany members.

One of the ways to bring this project closer to the general public was the participation of the JESS representatives on the "Open Plant" days, organized in June by Slovenské elektrárne in Jaslovské Bohunice. Those who were interested in learning more about Project NNPP had informative material available, and our experts were ready to answer and discuss the topic of nuclear power. The information can also be found on the company's website, which underwent design changes in 2012.

We welcomed and were happy about the offer from the editorial board of Časopis pre elektrotechniku a energetiku (Magazine for Electrotechnics and Energetics), whose publication is entrusted to the Faculty of Electrical Engineering and Information Technology STU in Bratislava. The topic of NNPP appeared in the thirteenth issue of the STROJÁRSTVO-ENERGETIKA (ENGINEERING-ENERGETICS) Yearbook and in Electrotechnics and Energetics Yearbook, which came out in the second half of 2012.

10. REPORT ON BUSINESS ACTIVITIES AND ASSETS

The main tasks in 2012 were mainly the cooperation and consultation procedure for the implementation of the Project NNPP Feasibility Study, the continued preparation of infrastructure development, and the continuous securing of works on the supporting study of seismic and geological conditions.

Business activities were focused on usage of funds and properties that are not currently used by the company.

All activities stated were financed from our own source within the approved financial plan (FP) for 2012. The overview of the plan's main indicators compared with the pursuance is shown in the following table:

	FP 2012 (EUR)	**Reality 2012** (EUR)
Total expenses	9,474,790	6,622,166
Total profit	3,828,000	3,840,776
Income	-5,646,790	-2,781,390
Investments	11,325,000	5,281,882

Lower spending was reported in almost all types of costs. The reason for the underspending was related to the smaller need for legal services, promotion and project advertising, costs of studies and expertise, information technology services, and other savings. The lower performance based on service contracts was due to sales compensation for unfulfilled yet planned leasing.

The lower average number of employees and the employment of agency staff had an impact on savings of personal and labor costs as compared to the planned.

The planned income included earnings from leasing and interest income from deposits. The planned amount was slightly exceeded. The income from leasing was not reached, but on the other hand, the interest income was exceeded due to higher interest in the term deposit bank accounts due to the remaining balance of costs and investments.

The capital of €11,325,000 was approved for four nominal shares, whose fulfillment was performed on two. The highest volume of investment funds was planned for investments in connection with Project NNPP. Besides the Feasibility Study, which was the highest amount, the actual performance of €5,265,882 also included the Seismicity and Geology Study, payments for SLA agreements related to the project, and agency agreements for specialists.

The information and communication technologies had a minor performance, where the Alfresco system – a document management information system for €16,000 – was procured in the first phase.

The evaluation of the office building (extension of the camera system) and financial investment in the daughter company for the purchase of lands were transferred for implementation in 2013.

In December 31, 2012 the company assets amounted to €229,033,822 and represent a reduction of €3,333,810, compared to January 1, 2012.

The amount of fixed assets is €3,973,733 higher. We evaluated the purchase of long-term intangible and tangible assets together because of the year-on-year purchase reaccounting of items. For this period, the increase was €4,166,757, mostly related to

the NPP. The reduction of the long-term financial assets is due to the revaluation of financial investments – the accounting of losses in the daughter company.

The reduction of the short-term assets represented €7,681,993 and arose mostly due to the decrease of €7,745,268 in the financial accounts, which were used to finance the operation and acquisition of investments. Other items of short-time assets, i.e. stocks, long-term receivables (deferred tax liability), and short-time receivables increased by €63,276 compared to the initial state.

The increase of €374,450 of accruals was mostly affected by the income from accruals, where a substantial portion is represented by the interest on term deposits that were not accepted in 2012, and on the other hand the accrual expenses related to property insurance, liability for damages, and software licenses.

Assets structure	As of 1.1.2012 [EUR]	As of 31.12.2012 [EUR]
A. Fixed assets	**126,074,767**	**130,048,500**
A.I. Long-term intangible assets	2,637,054	809,752
A.II. Long-term tangible assets	119,561,294	125,555,353
A.III. Long-term financial asset	3,876,419	3,683,395
B. Current assets	**106,222,511**	**98,540,518**
B.I. Inventory	929	1,274
B.II. Long-term receivables	0	0
B.III. Short-term receivables	300,817	363,748
B.IV. Financial accounts	105,920,765	98,175,496
C. Accruals and deferrals	**70,354**	**444,804**
Total assets	**232,367,632**	**229, 033, 822**

11. ABBREVIATIONS

CIC – Citizen Information Commission

ČEZ – ČEZ, a.s.

DMS – Document management system

ENEF – European Nuclear Energy Forum

ENKO – Energy congress

FP – Financial plan

IMS – Integrated management system

IRR – Internal rate of return

JAVYS – Jadrová a vyraďovacia spoločnosť, a.s.

JESS – Jadrová energetická spoločnosť Slovenska, a.s.

MI SR – Ministry of Interior of the Slovak Republic

NNPP – New nuclear power plant

NPP A1 – Nuclear power plant A1

NPP V1 – Nuclear power plant V1

NPV – Net present value

OR HaZZ – District Directorate of Fire and Rescue Service

OSH – Occupational Safety and Health Protection

SEPS – Transmission System Operator

SES – Secure Energy Supply

SLA – Service Level Agreement

SR – Slovak Republic

STU – Slovak University of Technology in Bratislava

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APPENDIX REPORT OF INDEPENDENT AUDITORS: consistency of the annual report with financial statements in accordance with Act. 540/2007 Z. from § 23 par. 5

To Shareholders and the Board of the Jadrová energetická spoločnosť Slovenska, a. s.:

I. We audited the financial statements of Jadrová energetická spoločnosť Slovenska, a. s. (the "Company") on 31 December 2012, annexed to the annual report, to which we, on 2 May 2013, issued the audit report as follows:

INDEPENDENT AUDITOR'S REPORT

To Shareholders and the Board of Jadrová energetická spoločnosť Slovenska, a. s.:

We have audited the attached financial statements of Jadrová energetická spoločnosť Slovenska, a. s. (hereinafter referred to as the "Company") which comprises the balance sheet up to 31 December 2012, the profit and loss account for the year ended on that date, and notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for Financial Statements

The statutory body is responsible for the company's preparation and fair presentation of these financial statements in accordance with Slovak Act no. 431/2002 Z. z. as amended (hereinafter referred to as the "Accounting Act") and for the internal audits that a statutory authority considers necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We performed the audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain a reasonable assurance about whether the financial statements are free of material misstatement.

The audit involves an auditor performing procedures to obtain auditing evidence about the amounts and facts disclosed in the financial statements. The selection of procedures depends on the auditor's judgment, including the assessment of the risks that the financial statements contain material misstatements due to fraud or error. In assessing these risks, the auditor considers the internal audit of the company relating to the preparation

and fair presentation of financial statements. The aim of the assessment of the internal inspections of the company is to design auditing procedures that are appropriate in the circumstances, not to express an opinion on the effectiveness of these internal inspections. The audit also includes an evaluation on the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by directors of the company, as well as evaluating the overall presentation of the financial statements.

We believe that the obtained auditing evidence provides a sufficient and appropriate basis for formulating our opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial situation of Jadrová energetická spoločnosť Slovenska, a. s. up to 31 December 2012, and the results of its operations for the year ended on that date, in accordance with the Accounting Act.

Emphasis of matter

We call attention to Note I of the financial statements, which describes the project as the planned construction of a new nuclear power plant. Our opinion is not modified due to this fact.

II. We have also audited the compliance of the annual report with the aforementioned financial statements. The accuracy of the annual report is the responsibility of the company's statutory body. Our responsibility is to issue an opinion on the consistency of the annual report with the financial statements.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that the auditor plans and performs an audit to obtain reasonable assurance that the information contained in the annual report, which are subject to views in the financial statements, in all material respects, are in accordance with the relevant financial statements. We have examined the information contained in the annual report with the information contained in the financial statements up to 31 December 2012. We have not verified data and information other than the financial information derived from the financial statements and accounts. We believe that the verification carried out provides a reasonable basis for our opinion.

In our opinion, the financial information in the annual report are in all material respects, in accordance with the aforementioned financial year ending on 31 December 2012.

Bratislava, May 2, 2013

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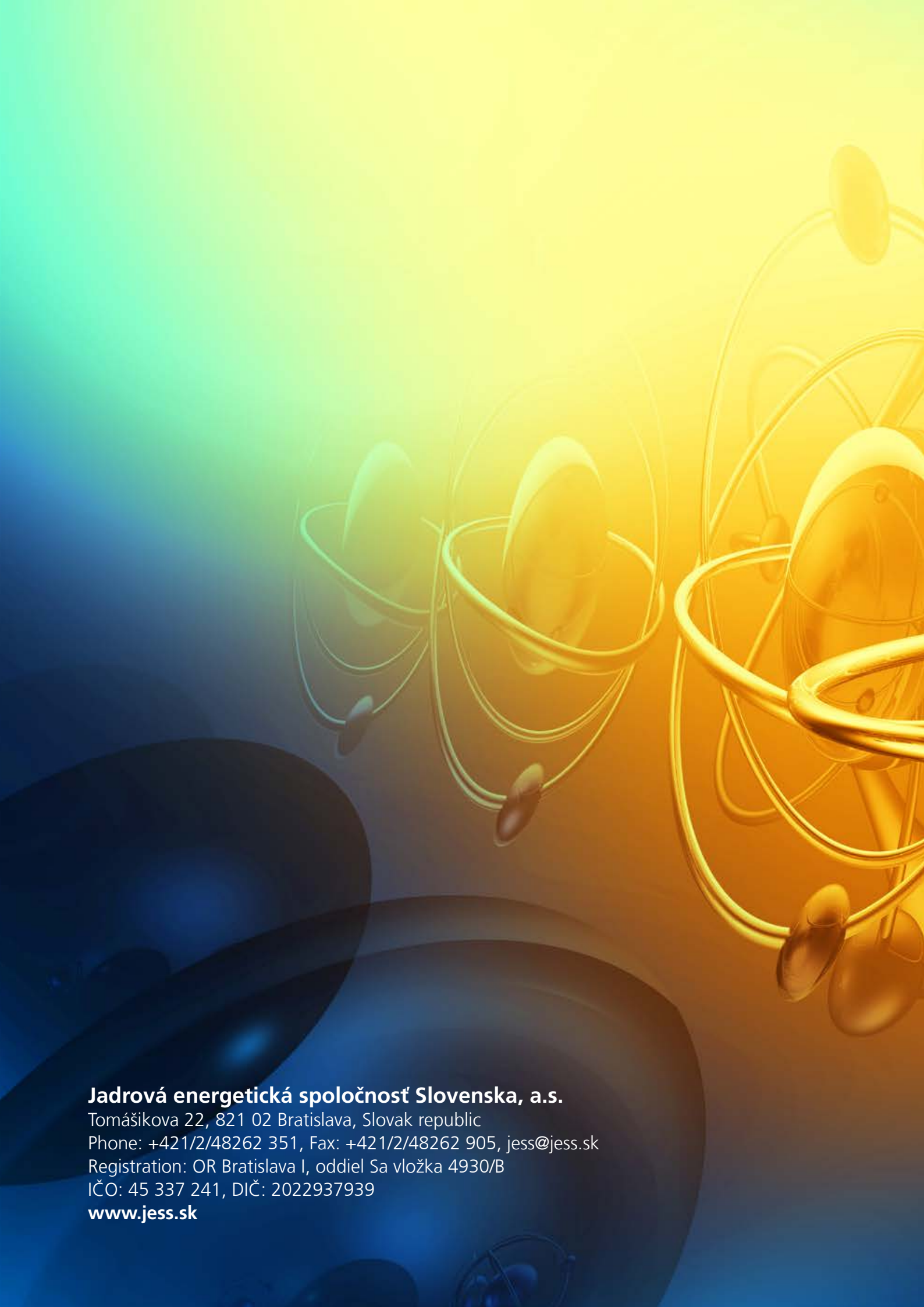

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