TATRY MOUNTAIN RESORTS

Half-year Report 2012/2013

Tatry mountain resorts, a. s. and its Subsidiaries

for the Period from November 1, 2012 to April 30, 2013

Bohuš Hlavatý
Chairman of the Board
of Directors and CEO of TMR

Dear Shareholders,

We have successfully completed the first half of financial year 2012/13, and yet again TMR is ready to report record results. Your Company, as the leading operator of mountain resorts and the leading provider of mountain tourism services on the domestic market, has completed this past half-year period with growth in revenues, operating profit, and in net income. Operating revenues increased year-over-year by 28.2% on a like-for-like basis, EBITDA is up by 53.6%, and net income by +15%. In addition, operating results improved in all of our operations' segments and subsegments. The positive financial results are attributable to the completed investments from prior years, in the total of EUR 144 million and mainly to the 2011/12 investments in the total of EUR 44 million. Our corporate strategy, focused on massive investments and continuous increasing of the service standard, has again proved to be the right one.

This past winter season was rich on significant events at TMR. At the beginning of the winter season we launched the heavily promoted project of interconnection of the north and south side of the Chopok Mountain in the Jasná Nízke Tatry resort with three new cableways, thanks to which our transport capacity in Jasná increased to 30,500 persons per hour, with new dining joints, and ancillary services. This expansion of services in Jasná played a major role in making the resort more attractive; it helped to increase the visit rate by 26.3% and revenues of Mountain Resorts by 25.7%. This past winter season we successfully commenced to co-manage the Czech mountain resort Špindlerův Mlýn via our subsidiary, Melida, a.s. So far we have managed to start restructuring the resort into one that is able to draw in more multi-day visitors and families with children. The visit rate in Špindlerův Mlýn was comparable to last year. In Aquapark Tatralandia we launched the second phase of the Tropical Paradise project that guarantees tropical weather all year, thanks to which the aquapark revenues increased by 41.5% during the winter. The winter season's additions had a synergic effect on ancillary services sales in Tatry Motion stores, rentals, and ski schools, where revenues grew by 42.8%, as well as on dining joints on the slope and in the aquapark with revenues greater by 60.3%. Hotels also report an increase in revenues as a result of synergies with Mountain Resorts, supported by an intense marketing campaign – revenues rose by 14.2%. The character of the winter also worked out well for us; there was abundant amount of natural snowfall during the season, especially in the second half. Our visit rate and profitability were strong during the spring break and Easter, and ski conditions were favorable till the end of April.

Till the end of the year we plan to continue with investments aimed at improving the quality of the mountain resorts, aquapark, and the hotels. In terms of the second pillar of our corporate strategy we continue to analyze our opportunities of entry on to the Polish market of mountain resorts operators. I trust our working business model and strategy, which, alongside the half-year results give me a reason to be certain that our financial goals for the current year are achievable.

June 24, 2013

Bohuš Hlavatý

Chairman of the Board of Directors and CEO of TMR

INTERIM REPORT OF THE BOARD OF THE DIRECTORS FOR THE PERIOD OF NOVEMBER 1, 2012 TO APRIL 30, 2013

THE TMR GROUP PROFILE

Tatry mountain resorts, a.s. (TMR) is a joint stock company with its headquarters in Liptovský Mikuláš, registered at the Bratislava Stock Exchange (BSSE), the Prague Stock Exchange (PSE), and the Warsaw Stock Exchange (WSE). It is the biggest entity in tourism in Slovakia. TMR's operations are divided into three key segments: Mountains & Aquapark, Hotels, and Real Estate. The Group owns and/or operates in the High Tatras: the Vysoké Tatry resort with the ski areas of Tatranská Lomnica and Starý Smokovec and the ski area of Štrbské Pleso in the High Tatras, which TMR co-manages. In the High Tatras the Group also owns and operates hotels: Grandhotel Praha Tatranská Lomnica****, Grandhotel Starý Smokovec****, Hotel FIS*** and Hotel Slovakia***. In the Low Tatras TMR owns and operates Aquapark Tatralandia, which includes the lodging facility Holiday Village Tatralandia; then mountain resort Jasná Nízke Tatry; and hotels: Wellness hotel Grand Jasná****, Tri Studničky Hotel****, Hotel Srdiečko**, and Chalets Jasná de Luxe****. At the same time TMR owns and leases out Hotel Liptov**, Hotel Ski & Fun** and Kosodrevina Lodge. Since the winter season 2012/13 TMR leases and operates the Špindlerův Mlýn resort in the Czech Republic through its subsidiary Melida, a.s.

REVENUES AND INCOME

Revenues

For the six-month period from November 1, 2012 to April 30, 2013 the TMR Group (Tatry mountain resorts, a.s. and its subsidiaries) recorded consolidated total revenues in the amount of EUR 32.536 mil. (24.548), whereas the increase on the like-for-like basis with the prior year's period is 28.2%[1]. Out of that sales increased by 32.8% to EUR 32.376 mil. (24.383). All the operating segments and subsegments reported a double-digit percentage improvement in revenues year-over-year, whilst in the main segment – Mountains & Leisure – revenues grew the steepest in Dining (+60.3%). Other subsegments also reported a solid growth – Sports Services & Stores +42.8%, Aquapark +41.5%, and Mountain Resorts +25.7%.

Mountain Resorts make up the largest share of revenues (49%), namely from ski pass sales. A noteworthy increase of 16.4% in the number of ski passes sold was recorded from sales of 4-day ski passes and a 20% increase from sales of 1-day select ski passes. The higher sales of 4-day ski passes is a result of synergies with the hotels of the TMR portfolio and with external lodging providers in the resorts as part of vacation stay packages. The sales growth was also achieved thanks to a slight increase of ski pass prices, on average by EUR 2.00 for a 1-day ski pass.

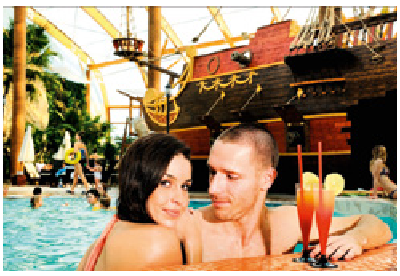
The positive results were impacted by snow and weather conditions in the mountain resorts. The start of the winter was slightly delayed due to a warm and dry November. The winter season in the Tatras began on December 8 and lasted till the end of April. Thanks to the extensive snowmaking on 65km of trails in the TMR resorts we were able to make up for the slower winter start. However, there was abundant amount of natural snowfall in the mountain resorts during the second half of the winter from February through April. There was an above-average amount of snowfall in the Jasná Nízke Tatry resort in February in comparing with other Slovak resorts. Besides the fact that the mountain resorts capitalized on strong visit rate all through April, the spring break and Easter, which came a week later than last year, were also a success in terms of the number of visitors and outstanding skiing conditions.

Key Performance Indicators (KPIs)

Improved key performance indicators (KPIs) had the greatest impact on the results, namely the number of visitors in Mountain Resorts and Aquapark, and average revenue per visitor, which means guest spending in Mountains & Leisure. The number of skier days[2] in Mountain Resorts reached 952 thousand (835), while Jasná Nízke Tatry alone reports an increase of 26.2%. Tatralandia improved its visit rate by 22.5% to 209 thousand (171). Average revenue per visitor in Mountain Resorts increased by 13.5% to EUR 19.56 (17.24), and in Aquapark the visitor spent on average EUR 10.07 (8.77). Average revenue per visitor also improved in ancillary services: In Dining by 14.9% and in Tatry Motion Sports Services & Stores by 23.6%. The improved KPIs were driven mainly by the investments from 2011/12 and 2010/11, which include a project of complex interconnection of the north and south side of the Chopok Mountain in Jasná Nízke Tatry with three new cableways and the Tropical Paradise project in Aquapark Tatralandia, which significantly strengthened the aquapark's sales in the winter season. The Hotels segment's growing results are a reflection of a higher average daily room rate (ADR) of EUR 60.92 (51.96) on the weighted average portfolio base, with occupancy remaining unchanged – 49.3% (49.3).

1 For 1H 2011/12 consolidated revenues according to IFRS did not include revenues of Grandhotel Starý Smokovec, owned by Interhouse Tatry, s.r.o., of which TMR at that time held 50%, thus results were reported using the equity method.

2 The visit rate in the mountain resorts is measured in terms of skier days sold, i.e. the number of persons that visited a mountain resort during any part of the day or night for the purpose of skiing, snowboarding, or other downhill slide. E.g., a 4-day ticket means four skier days.



Revenues by Segments

In the main segment, Mountains & Leisure, revenues rose by 33.4% to EUR 24.480 mil. (18.352). The Group recorded the largest revenue jump in absolute value in the subsegment of Mountain Resorts – to reach EUR 15.945 mil. (12.678), with growth mainly in Jasná thanks to the abovementioned project of Chopok's interconnection. Aquapark Tatralandia also strengthened sales and reached EUR 2.297 mil. (1.624) thanks to the newly opened Tropical Paradise. The Dining subsegment, besides opening new operations in Jasná and in the aquapark, capitalized on synergies with Mountain Resorts and Aquapark and reached revenues of EUR 4.173 mil. (2.603. The growing trend in demand for ancillary services in mountain resorts is visible in the subsegment of Sports Services & Stores, in which revenues rose to EUR 2.066 mil. (1.447).

In the secondary segment – Hotels – revenues reached a solid growth of 14.2% to EUR 7.892 mil. (6.911), which can attributable to synergic effects with Mountain Resorts and Aquapark, to the intense marketing strategy, and to the cooperation with local entities in the destination management area.

In Real Estate revenues again come solely from leases of lodging facilities to third parties with an irrelevant impact on the results; revenues from lease reached EUR 164.5 ths. (114.5).

Gross Profit

Gross profit increased year-over-year by 32.4% to EUR 27.145 mil. (20.503) and by 29.3% like-for-like, whilst cost of sales on the like-for-like basis with the period last year increased only by 22.8%.

EBITDA

Earnings before interest, tax, depreciation, and amortization (EBITDA) increased year-over-year to EUR 12.140 mil. (7.835) and by 53.6% like-for-like. The most notable improvement in EBITDA in absolute value terms was recorded in Mountain Resorts – an increase of EUR 2.299 mil. Personnel and operating costs did not grow in proportion to sales, as the bulk of costs is fixed. In total expenses grew by 15.5% like-for-like due to the launch of new equipment operation – three new cableways; due to expanded snowmaking, new après ski operations, and due to the launch of Tropical Paradise in Aquapark Tatralandia. Operating profitability (EBITDA margin) of TMR reached 37.3% (31.9). Mountain Resorts with EBITDA margin of 47.6% was the most profitable subsegment of Mountains & Leisure.

EBIT

Operating profit (EBIT) increased to EUR 7.322 mil. (4.256), whereas depreciation and amortization increased to EUR 4.818 mil. (3.579) due to completion of new mountain cableways and equipment in Tropical Paradise.

Net Profit

Consolidated net profit of the Group reached EUR 7.097 mil. (6.172), whereas interest income decreased by 60.1% since interest-bearing bills of exchange were used for partial financing of ongoing capital investments. Income tax increased to EUR -679 ths. (-29) due to deferred tax as a result of subsidiaries merging with TMR. Total comprehensive income after revaluation of assets to fair value reached EUR 7.102 mil. (6.161). Earnings per share were EUR 1.06 (0.92).

Selected Consolidated Results (unaudited)

in €'000	1H 2012/13	1H 2011/12	Change yoy (%)	1H 2011/12 adjusted[3]	Change yoy (%) adjusted
Sales	32 376	24 383	32,8%	25 212	28,4%
Other Operating Revenues	160	165	-3,0%	165	-3,0%
Total Revenues	**32 536**	**24 548**	**32,5%**	**25 377**	**28,2%**
Cost of Sales	-5 391	-4 045	33,3%	-4 391	22,8%
Gross Profit	**27 145**	**20 503**	**32,4%**	**20 986**	**29,3%**
Personnel and Operating Costs	-15 177	-12 725	19,3%	-13 140	15,5%
Other Gain/ Loss	172	57	201,8%	57	201,8%
EBITDA	**12 140**	**7 835**	**54,9%**	**7 903**	**53,6%**
EBITDA Margin	*37,3%*	*31,9%*	*5,4%*	*31,1%*	*6,2%*
Depreciation & Amortization	-4 818	-3 579	34,6%		
EBIT	**7 322**	**4 256**	**72,0%**		
Interest Income	837	2 098	-60,1%		
Interest Expense	-231	-333	-30,6%		
Income from Financial Instruments, net	-152	231	-165,8%		
Profits/(loss) of Associates	0	-51	-100,0%		
Pre-tax Income	**7 776**	**6 201**	**25,4%**		
Income Tax	-679	-29	2241,4%		
Net Profit	**7 097**	**6 172**	**15,0%**		
Net Profit Margin	*21,8%*	*25,1%*	*-13,2%*		
Revaluation of Assets to Fair Value	5	-11	-145,5%		
Total Comprehensive Income	**7 102**	**6 161**	**15,3%**		
Attributable to:					
Owners of the Company	7 102	6 161	15,3%		
EPS (€)	**1,0581**	**0,9202**	**15,0%**		

3 Adjusted operating results for 1H 2011/12 include 100% results of Grandhotel Starý Smokovec, owned by Interhouse Tatry, s.r.o. According to IFRS, this 50% share for the period was reported using the equity method.

Key Operating Results	Revenues			EBITDA			EBITDA Margin		
in €'000	1H 2012/13	1H 2011/12	Change yoy (%)	1H 2012/13	1H 2011/12	Change yoy (%)	1H 2012/13	1H 2011/12	Change yoy (p.p.)
Mountains & Leisure	**24 480**	**18 352**	**33,4%**	**10 376**	**6 693**	**55,0%**	**42,4%**	**36,5%**	**5,9%**
Mountain Resorts	15 945	12 678	25,8%	7 588	5 289	43,5%	47,6%	41,7%	5,9%
Aquapark	2 297	1 624	41,4%	715	403	77,4%	31,1%	24,8%	6,3%
Dining	4 173	2 603	60,3%	1 414	607	133,0%	33,9%	23,3%	10,6%
Sports Services & Stores	2 066	1 447	42,8%	660	395	67,2%	32,0%	27,3%	4,7%
Hotels	**7 892**	**6 911**	**14,2%**	**1 641**	**1 137**	**44,3%**	**20,8%**	**16,5%**	**4,3%**
Real Estate	**165**	**115**	**43,6%**	**124**	**73**	**70,5%**	**75,2%**	**63,4%**	**11,9%**
Total	**32 536**	**25 377**	**28,2%**	**12 140**	**7 903**	**53,6%**	**37,3%**	**31,1%**	**6,2%**

PARENT COMPANY

Total revenues of the parent company for the given half-year period reached EUR 30.976 mil. (23.843), and profit for the period was reported in the amount of EUR 9.074 mil. (6.476).

SIGNIFICANT EVENTS

Investments

An extensive investment project with impact on results for the reported period, as well as on results of following periods includes the interconnection of the north and south side of Chopok in the Jasná Nízke Tatry resort with three new cableways – a 24-person gondola Funitel from the north side, a cabin lift Twinliner on the north side with capacity of 50 persons, and a 15-person gondola Kosodrevina- Chopok from the south side. These cableways were launched into operation in December 2012. The project's capital expenditures were accounted for in the prior accounting year 2011/12 and 2010/11.

In January 2013 the second phase of the Tropical Paradise project in Aquapark Tatralandia was launched. In this second phase new pools with clear and sea water were added, as well as a snorkeling pool with sea fish, a tropical bar, and a restaurant.

For financial year 2012/13 the CAPEX budget of EUR 45 mil. has been approved for the following growth investments:

- Replacement of Štart – Skalnaté pleso cableway in Tatranská Lomnica will be the key investment. The old cableway will be replaced with a 15-person gondola, the same as at Chopok South.
- Snowmaking will be expanded on adjacent trails of Esíčka, Buková hora, and Generál II, and safety barricades will be posted.
- In Jasná Nízke Tatry trails will be adjusted; a new 6-seat cableway will be added on the north side of Chopok at Lúčky. As a result, a new resort full service entrance gate will be created from the parking lot Lúčky.
- The start and exit stations of the new cableways at Chopok will get shielded.
- At Chopok's peak in Jasná the iconic view restaurant Rotunda will be renovated with apartments.
- A 350-person conference hall will be added in Wellness hotel Grand Jasná.
- Six new chalets will be built at Záhradky in Jasná.
- Dining options at Skalnate pleso in Vysoké Tatry will be expanded.
- Hotel Srdiečko in Nízke Tatry will have the entrance lobby, lobby bar, and wellness spa renovated.

In the Špindlerův Mlýn resort TMR's subsidiary Melida has approved CAPEX in the amount of CZK 130 mil. The resort investments will go mainly to growth of ancillary services, i.e. construction of rentals, dining joints, stores, and ski schools.

Significant Changes

On February 16, 2013 TMR purchased the remaining 50% share in Interhouse Tatry, s.r.o., the owner of Grandhotel Starý Smokovec, and thus, TMR became the sole owner and operator of the hotel.

In March 2013 the Board of Directors decided on merging of TMR's subsidiaries – Tatry mountain resorts services, a.s., GRANDHOTEL PRAHA a.s., and Interhouse Tatry, s.r.o. – with the parent company as the successor company, effective on May 1, 2013. The main reasons for the merger were to simplify operating intra-group relations, greater use of synergies, and reduction of administrative work and costs. With the transaction share capital remains unchanged.

On March 11, 2013 TMR sold Hotel FIS Štrbské Pleso to Burnus s.r.o. for EUR 5.674 mil. The sale was arranged due to an opportunity of the buyer to receive external funding for renovation of the hotel and therefore, to increase the hotel's efficiency and to achieve better results. The hotel is now leased to TMR.

Business Expansion

During the given period TMR expanded its business activities in the Czech Republic in terms of the 2nd pillar of its corporate strategy. Since the beginning of the winter season 2012/13 TMR has been leasing and operating the mountain resort Špindlerův Mlýn in the Czech Republic through its subsidiary Melida, a.s. The lease contract with the resort owner ČSTV (Czech Physical Education Union) was set for 20 years, during which the operator committed to invest total of CZK 800 mil. in the resort.

During the given half-year period TMR established a Polish company, Korona Ziemi s.r.o. together with the Polish municipality Zawoja as part of TMR's business expansion in Poland. TMR holds 59.2% in Korona Ziemi s.r.o. with share capital of PLN 671 ths.

In January 2013 TMR took part in a tender offer for privatization of Polish Cableways (Polskie Koleje Linowe S.A. – PKL) from Polish State Railways (Polskie Koleje Państwowe Spółka Akcyjna) with the purpose to develop PKL mountain resorts strategically through significant investments into infrastructure and equipment. TMR placed an offer for 100% of PKL through a consortium with several Polish municipalities. TMR with the consortium did not succeed into next round of the process without having received a reason from the seller.

General Meeting

The Annual General Meeting of TMR was held on April 27, 2013 in Holiday Village Tatralandia. The adopted resolutions include approval of the dividend pay-out of EUR 7.110 mil. to shareholders or EUR 1.06 dividend per share with the record date for the dividends right May 3, 2013. The dividends are paid out within 60 days of the record date. Shareholders also adopted a resolution electing a new member of the Supervisory Board – Pavol Mikušiak, effective on April 27, 2013 as a replacement for Jan Marian Komornicki, who resigned from his post as of the same date. For more details, voting results, and a recording from the General Meeting visit http://www.tmr.sk/en/investor-relations/legal-publication/annual-general-meetings/.

FINANCIAL POSITION

For the last six months the value of current liquid funds (Cash, cash equivalents and bills of exchange receivables) decreased by EUR 16.810 mil. to EUR 15.468 mil. (53.469). Out of that, cash and cash equivalents as of the end of the period amounted to EUR 4.227 mil. (4.163). Liquid funds decreased as a result of using a part of bill of exchange receivables redeemable at sight to finance capital expenditures (See Consolidated Financial Statements, Item 23).

The total amount of loans and borrowings of the Group decreased for the last six-month period by EUR 5.052 mil. to EUR 21.205 mil. (16.646) as TMR received a short-term loan from its subsidiary Melida. The new loan is payable by the end of 2013. The debt-equity ratio came at 7.7% (6.1) and the total level of debt reached 7.1% (5.8).

The accounting value of total assets increased for the first half of 2012/13 by EUR 7.647 mil. to EUR 327.559 mil. (317.151). Current assets decreased for the six months by EUR 10.474 mil. to EUR 45.031 mil. (88.264) mainly due to bill of exchange receivables (other receivables) being used to finance CAPEX. On the other hand, fixed assets increased to EUR 243.044 mil. (193.321) as the new cableways and equipment were added in the Jasná Nízke Tatry resort.

Related Party Transactions

Transactions with related parties are described in Consolidated Financial Statements, Item 34.

CASH FLOW

Cash flow generated from operating activities for the given half-year period fell to EUR -2.219 mil. (2.820), especially due to a change in trade receivables and payables. Cash flow from investing activities was reported in the amount of EUR -11.392 mil. (-22.701), out of which capital expenditures made EUR -14.942 mil. (-22.490). Cash flow from financing activities reached EUR 14.725 mil. (17.653) mainly due to inflows from repayments of bills of exchange.

	April 30	April 30	October 31
Financial Position in €'000	**2013**	**2012**	**2012**
Total Assets	327 559	317 151	319 912
Non-current Assets	282 528	228 887	264 407
Fixed Assets	243 044	193 321	222 117
Other Non-current	39 484	35 566	42 290
Current Assets	45 031	88 264	55 505
Liquid Assets	15 468	53 469	32 278
Other Current	29 563	34 795	23 227
Equity	276 408	272 408	276 416
Liabilities	51 151	44 743	43 496
Non-current Liabillities	28 639	26 557	26 063
Current Liabilities	22 512	18 186	17 433
Total Debt	21 205	16 646	16 153
Total Equity and Liabilities	327 559	317 151	319 912
Debt/ Equity	7,7%	6,1%	5,8%
Debt/ Capital	7,1%	5,8%	5,5%
Debt/ EBITDA	1,75	2,12	1,15

Cash Flows in €'000	November 1 - April 30		November 1 - October 31
	2012/13	2011/12	2011/12
Cash Flow from Operating Activities	-2 219	2 820	10 674
Cash Flow from Investing Activities	-11 392	-22 701	-42 821
Cash Flow from Financing Activities	14 725	17 653	28 869
Net Increase in Cash and Cash Equivalents	1 114	-2 228	-3 278

OUTLOOK TILL END OF 2012/13

By the end of financial year 2012/13 the Board of Directors plans to achieve operating revenues in the amount of EUR 51.000 mil. and earnings before interest, tax, depreciation, and amortization (EBITDA) of EUR 17.030 mil., which means EBITDA margin 33.4%.

The second half of the financial year will be impacted by the summer season in the TMR mountain resorts and aquapark. The summer season in the mountain resorts officially started on June 14-16, 2013, when hike trails were officially opened in the High and Low Tatras and summer attractions and TMR events began. Summer cableway operation in the resorts began in June and will run through October, when the summer season ends.

Management expects an increased visit rate in Aquapark Tatralandia mainly under an unfavorable weather in the new part, Tropical Paradise, which guarantees tropical climate daily, and thereby, the unfavorable weather risk is diminished.

Performance of the resort in Špindlerův Mlýn, the Czech Republic, which is co-managed by TMR has so far not been consolidated into the Group's results, and its impact on the Group's performance will be visible in the future.

MAIN RISK FACTORS AND UNCERTAINTIES

The Company results mainly depend on visit rate of the TMR resorts. The visit rate depends on several factors, out of which some can and others cannot be controlled by management. The vacation choices of TMR's clients also depend on the business cycle of the economy and the level of their discretionary income. Global tourism has been reporting a continuing growth in international tourist arrivals; in 2012 this number grew by 4% worldwide and by 8% in Central and Eastern Europe, whereas in 2013 the projected total growth is 3-4%[4].

By the end of the financial year weather unfavorable for summer tourist activities may negatively impact cableway sales in the mountain resorts. In Aquapark Tatralandia this risk is eliminated thanks to the guarantee of tropical weather in Tropical Paradise, as well as thanks to thermal springs in outdoor pools.

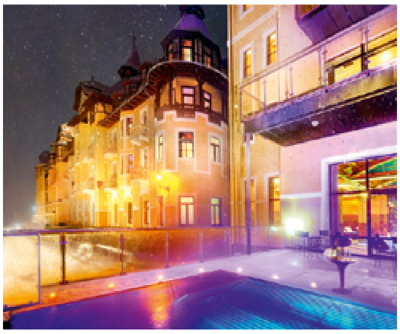
As for competition in the subsegment Mountain Resorts in the summer season, TMR is the leader in Slovakia thanks to the strategic position of the Vysoké Tatry resort, which is the most visited in the summer, and the Jasná Nízke Tatry resort also belongs to the most visited locations in the region. On the European market the Company faces monopolistic competition with a large number of competitors. TMR utilizes its high quality services, reasonable prices in comparing to alpine resorts, patriotism, and locality with the goal of attracting visitors. Moreover, TMR capitalizes on its competitive advantage of natural monopoly in terms of the strategic location in the highest mountain range in the region to the East and North.

In the Aquapark subsegment TMR is also among the top two players in the local market, although visitation of aquaparks also depends on the travel distance for the given visitor. The Group's profitability also depends on the occupancy rate of its own hotels and lodging facilities in the resorts. TMR works to improve key performance indicators in the Hotels segment – average daily rate (ADR) and occupancy – by constantly increasing of the hotels' quality through renovations

Management utilizes a well-defined marketing strategy to manage the abovementioned risks.

As for the main financial risks, the Company revenues are impacted by volatility of exchange rates in relation to euro since the majority of TMR's foreign clients come from countries outside the Eurozone - the Czech Republic, Poland, Ukraine, Russia, etc. The variable interest rate of bank loans may negatively impact the level of interest expense in case of increase in EURIBOR as of the pay date, based on which these interest rates are set.

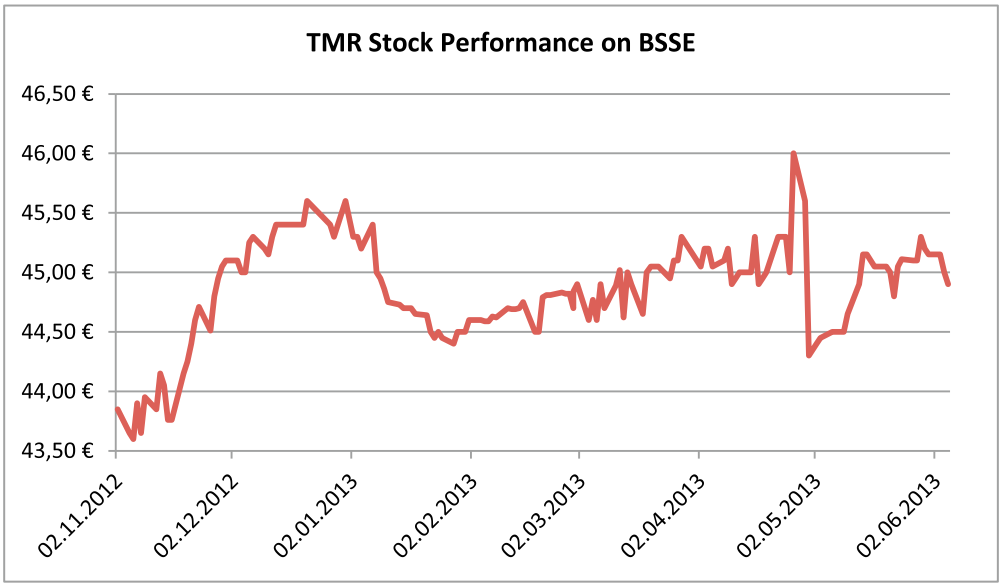
4 UNWTO World Tourism Barometer, January 2013, April 2013



HUMAN RESOURCES

The average number of TMR employees for the first half of 2012/13 is 1,318 (956), which is more by 38% than for the same period last year due to the expansion of operations in Aquapark Tatralandia – Tropical Paradise, due to the new cableways in Jasná Nízke Tatry, and due to a relatively long winter season.

TMR STOCK PERFORMANCE



Closing Price	BSSE (EUR)	WSE (PLN)	PSE (CZK)
30. 4. 2013	44,3	188	1149
30. 4. 2012	43,2	NA	NA
15. 10. 2012[5]		179	NA
22. 10. 2012[6]			1085

BSSE – the Bratislava Stock Exchange

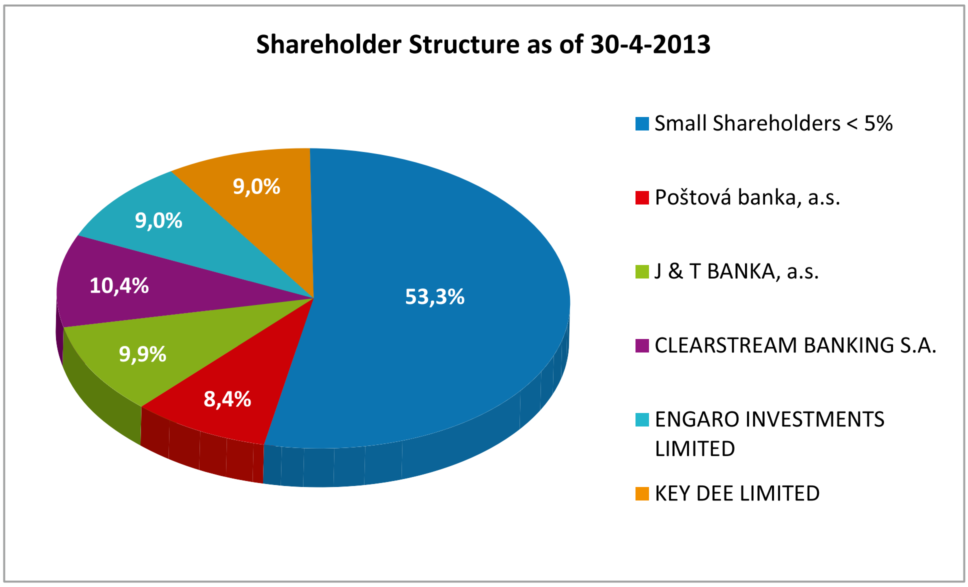
WSE – the Warsaw Stock Exchange

PSE – the Prague Stock Exchange

5 Commencement of trading with TMR shares on the main market of the WSE – the Warsaw Stock Exchange

6 Commencement of trading with TMR shares on the main market of the PSE – the Prague Stock Exchange

SHAREHOLDER STRUCTURE



STATEMENT OF THE BOARD OF DIRECTORS

The interim consolidated and individual financial statements were prepared in accordance with relevant regulations, and they provide a true and accurate description of assets, liabilities, financial situation, and comprehensive income of TMR and its subsidiaries included in the consolidation. The Half-year Report has not been audited. The Interim Report includes a true performance review of the Group.

Demänovská Dolina, June 24, 2013

Bohuš Hlavatý
Chairman of the Board of Directors

Jozef Hodek
Member of the Board of Directors

Tatry mountain resorts, a.s.
and Subsidiary Companies

Interim Consolidated Financial Statements
for the period 1 November 2012 to 30 April 2013

prepared in accordance
with International Financial Reporting Standards ("IFRS") as adopted by the EU

Tatry mountain resorts, a.s. and Subsidiary Companies

Consolidated statement of comprehensive income

In thousands of EUR	**Note**	**1 November 2012 – 30 April 2013**	**1 November 2011 – 30 April 2012**
Sales	6	32,376	24,383
Other operating revenues	7	160	165
Total revenues		**32,536**	**24,548**
Consumption of material and goods	8	(5,391)	(4,045)
Purchased services	9	(8,440)	(7,181)
Personnel expenses	10	(6,343)	(5,205)
Other operating expenses	11	(394)	(339)
Gain on disposal of property, plant and equipment and inventories		125	50
Gain from disposal of subsidiary	5	-	1
Reversal of impairment losses on receivables	22	47	6
Profit before interest, tax, depreciation and amortisation (EBITDA)*		**12,140**	**7,835**
Depreciation and amortisation	15,16	(4,818)	(3,579)
Profit before interests, tax (EBIT)		**7,322**	**4,256**
Interest income	12	837	2 098
Interest expense	12	(231)	(333)
Gain/(loss) on financial instruments, net	13	(152)	231
Share on loss from associate	18	-	(51)
Profit before tax		**7,776**	**6,201**
Income tax expense	14	(679)	(29)
Profit		**7,097**	**6,172**
Attributable to:		7,097	6,172
- Equity holders of the parent		**7,097**	**6,172**
- Non-controlling interests		**-**	**-**

Tatry mountain resorts, a.s. and Subsidiary Companies

Consolidated statement of comprehensive income (continued)

In thousands of EUR	**Note**	**1 November 2012 – 30 April 2013**	**1 November 2011 – 30 April 2012**
Profit		**7,097**	**6,172**
Other comprehensive income, net of tax			
Items with subsequent reclassification to profit or loss			
Net change in fair value of financial assets available-for-sale	14	5	(11)
Total comprehensive income		**7,102**	**6,161**
Attributable to :		7,102	6,161
- Equity holders of the parent		**7,102**	**6,161**
- Non-controlling interests		**-**	**-**
Earnings per share (in EUR)	27	**1.058**	**0.920**

*EBITDA represents profit before tax, interests, depreciation and amortisation adjusted for other income and expenses, which are listed below EBITDA.

The notes presented on page 18 to page 68 form an integral part of the interim consolidated financial statements.

An analysis of the consolidated statement of comprehensive income by segment is provided in Note 4 – Information about segments.

Tatry mountain resorts, a.s. and Subsidiary Companies

Consolidated statement of financial position

In thousands of EUR	Note	30 April 2013	31 October 2012
Assets			
Goodwill and other intangible assets	16	7,902	3,848
Property, plant and equipment	15	238,850	217,923
Investment property	17	4,194	4,194
Trade receivables	22	19	-
Loans granted	21	12,913	10,050
Other receivables	23	18,353	24,529
Other assets	24	154	-
Investments in associate	18	137	3,802
Deferred tax assets	19	6	61
Total non-current assets		**282,528**	**264,407**
Inventories	20	1,800	1,567
Trade receivables	22	9,665	3,194
Loans granted	21	5,786	171
Other receivables	23	14,747	32,037
Financial investments	25	7,045	13,207
Cash and cash equivalents	26	4,227	3,113
Other assets	24	1,761	2,216
Total current assets		**45,031**	**55,505**
Total assets		**327,559**	**319,912**
Equity	27		
Share capital		221,338	221,338
Share premium		30,430	30,430
Retained earnings and other funds		24,640	24,648
Total equity attributable to equity holders of the parent		**276,408**	**276,416**
Non-controlling interests		-	-
Total equity		**276,408**	**276,416**
Liabilities			
Loans and borrowings	28	12,772	12,890
Trade payables	29	124	-
Provisions		20	20
Other non-current liabilities	30	515	104
Deferred tax liabilities	19	15,208	13,049
Total non-current liabilities		**28,639**	**26,063**
Loans and borrowings	28	8,433	3,263
Trade payables	29	4,502	10,985
Provisions		-	101
Other current liabilities	30	9,577	3,084
Total current liabilities		**22,512**	**17,433**
Total liabilities		**51,151**	**43,496**
Total equity and liabilities		**327,559**	**319,912**

The notes presented on page 18 to page 68 form an integral part of the interim consolidated financial statements.

Tatry mountain resorts, a.s. and Subsidiary Companies

Consolidated statement of changes in equity

In thousands of EUR	Share capital	Share premium	Legal reserve fund	Revaluation reserve	Retained earnings	Equity attributable to equity holders of the parent	Non-controlling interests	Total
Balance as at 1 November 2011								
Total comprehensive income for the period	**221,338**	**30,430**	**2,401**	**136**	**18,381**	**272,686**	**-**	**272,686**
Profit for the period	-	-	-	-	6,172	6,172	-	6,172
Other comprehensive income, net of tax								
Net change in fair value of financial assets available-for-sale	-	-	-	(11)	-	(11)	-	(11)
Total other comprehensive income	**-**	**-**	**-**	**(11)**		**(11)**		**(11)**
Total comprehensive income for the period	**-**	**-**	**-**	**(11)**	**6,172**	**6,161**	**-**	**6,161**
Transactions with owners, recorded directly in equity								
Transfer to legal reserve fund	-	-	859	-	(859)	-	-	-
Dividends	-	-	-	-	(6,439)	(6,439)	-	(6,439)
Total transactions with owners	**-**	**-**	**859**	**-**	**(7,298)**	**(6,439)**	**-**	**(6,439)**
Balance as at 30 April 2012	**221,338**	**30,430**	**3,260**	**125**	**17,255**	**272,408**	**-**	**272,408**

Tatry mountain resorts, a.s. and Subsidiary Companies

Consolidated statement of changes in equity (continued)

In thousands of EUR	Share capital	Share premium	Legal reserve fund	Revaluation reserve	Retained earnings	Equity attributable to equity holders of the parent	Non-controlling interests	Total
Balance as at 1 November 2012	**221,338**	**30,430**	**3,287**	**119**	**21,242**	**276,416**	-	**276,416**
Total comprehensive income for the period								
Profit for the period	-	-	-	-	**7,097**	**7,097**	-	**7,097**
Other comprehensive income, net of tax								
Net change in fair value of financial assets available-for-sale	-	-	-	5	-	**5**	-	**5**
Total other comprehensive income	**-**	**-**	**-**	**5**	**-**	**5**	-	**5**
Total comprehensive income for the period	**-**	**-**	**-**	**5**	**7,097**	**7,102**	-	**7,102**
Transactions with owners, recorded directly in equity								
Transfer to legal reserve fund	-	-	643	-	(643)	**-**	-	**-**
Dividends	-	-	-	-	(7,110)	**(7,110)**	-	**(7,110)**
Total transactions with owners	**-**	**-**	**643**	**-**	**(7,753)**	**(7,110)**	-	**(7,110)**
Balance as at 30 April 2013	**221,338**	**30,430**	**3,930**	**124**	**20,586**	**276,408**	-	**276,408**

The notes presented on page 18 to page 68 form an integral part of the interim consolidated financial statements.

Tatry mountain resorts, a.s. and Subsidiary Companies

Consolidated cash flow statement

In thousands of EUR	**Note**	**1 November 2012 – 30 April 2013**	**1 November 2011 – 30 April 2012**
OPERATING ACTIVITIES			
Profit		**7,097**	**6,172**
Adjustments for:			
Gain on disposal of property, plant and equipment and intangible assets		(125)	(53)
Depreciation and amortisation	15,16	4,818	3,579
Reversal of impairment losses on receivables		(47)	(6)
Share on loss from associate	18	-	51
(Gain)/loss on financial instrument, net	13	152	(231)
Interest income, net	12	(606)	(1,765)
Change in provisions		(101)	(377)
Income tax	14	679	29
Change in trade receivables, other receivables and other assets		(6,209)	(3,255)
Change in inventories		(157)	(354)
Change in trade liabilities and other liabilities		(7,380)	801
Cash flows from/(used in) operating activities before income taxes		**(1,879)**	**4,591**
Income taxes paid		(340)	(1,771)
Cash flows from/(used in) operating activities		**(2,219)**	**2,820**
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment and intangible assets		(14,942)	(22,490)
Acquisition of property, plant and equipment through finance lease		(1,111)	241
Proceeds from the sale of property, plant and equipment and intangible assets		6,046	-
Acquisition of business combination, net of cash acquired	5	(7,442)	-
Proceeds from disposal of subsidiary	5	-	1
Purchase of financial investments		-	(1,961)
Proceeds from the sale of financial investments		6,057	1,506
Dividends received		-	2
Cash flows used in investing activities		**(11,392)**	**(22,701)**
FINANCING ACTIVITIES			
Cash inflows from repayments of bills of exchange		18,405	19,387
Loans granted		(8,291)	(123)
Cash inflows from repayments of loans granted		44	81
Payments of finance lease		(308)	(82)
Repayments of loans and borrowings		(1,544)	(1,279)
Cash inflows from loans and borrowings		6,635	-
Interest paid		(216)	(331)
Cash flows from financing activities		**14,725**	**17,653**

Consolidated cash flow statement (continued)

In thousands of EUR	Note	1 November 2012 – 30 April 2013	1 November 2011 – 30 April 2012
Net increase/decrease in cash and cash equivalents		1,114	(2,228)
Cash and cash equivalents at the beginning of the period	26	3,113	6,391
Cash and cash equivalents at end of the period	**26**	**4,227**	**4,163**

The notes presented on page 18 to page 68 form an integral part of the interim consolidated financial statements.

Notes to the interim consolidated financial statements

1. Corporate information

Tatry mountain resorts, a.s. (the "Parent Company" or "the Company") is a joint-stock company having its legal seat and domicile at Demänovská Dolina 72, Liptovský Mikuláš 031 01. The Company was founded on 20 March 1992 and incorporated into the commercial register on 1 April 1992. Identification number of the Company is 31 560 636 and tax identification number of the Company is 2020428036.

The Company is not a fully liable partner in other accounting entities.

The Company´s shares are registered on the Bratislava Stock Exchange from 19 November 1993, from 15 October 2012 on the Warsaw Stock Exchange (WSE) and from 22 October 2012 on the Stock Exchange in Prague (BCCP).

In 2009 the company decided to change its accounting period from the calendar year to a financial year from 1 November to 31 October. This change was done to make the accounting period more realistic as the Company´s operations are subject to seasonal variations.

The shareholders of the Company as at 30 April 2013 and 31 November 2012 were as follows:

30 April 2013	**Interest in share capital**		**Voting rights**
	in thousands of EUR	%	%
CLEARSTREAM BANKING S.A.	23,019	10.4%	10.4%
J & T BANKA, a.s.	21,912	9.9%	9.9%
EGNARO INVESTMENTS LIMITED	19,920	9.0%	9.0%
KEY DEE LIMITED	19,920	9.0%	9.0%
Poštová banka, a.s.	18,592	8.4%	8.4%
minor shareholders	117,975	53.3%	53.3%
Total	**221,338**	**100%**	**100%**

31 October 2012	**Interest in share capital**		**Voting rights**
	in thousands of EUR	%	%
J & T BANKA, a.s.	21,912	9.9%	9.9%
CLEARSTREAM BANKING S.A.	21,890	9.9%	9.9%
KEY DEE LIMITED	20,031	9.0%	9.0%
EGNARO INVESTMENTS LIMITED	19,876	9.0%	9.0%
Poštová banka, a.s.	16,691	7.5%	7.5%
Patria Finance, a.s.	14,055	6.4%	6.4%
Privatbanka, a.s.	10,956	5.0%	5.0%
TATRY INVESTMENT LIMITED	9,562	4.3%	4.3%
minor shareholders	86,365	39.0%	39.0%
Total	**221,338**	**100%**	**100%**

The interim consolidated financial statements of the Company as at and for the period ended 30 April 2013 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group´s interest in associates.

The main activities of the Group are cableways and ski lift operations, restaurant and dining services, the operation of ski and snowboard school and hotel management. Since 29 March 2011, the Group has operated Aquapark Tatralandia and has thereby expanded its portfolio of services rendered.

1. Corporate information (continued)

During the period 1 November 2012 to 30 April 2013 the average number of Group employees was 1,318, out of which management represents 23 (1 November 2011 to 30 April 2012: 956, out of which management: 22).

The Company´s bodies are:

Board of Directors:
Ing. Bohuš Hlavatý, Chairman (since 29 June 2009)
Ing. Branislav Gábriš, Vice-Chairman (since 18 February 2011)
Ing. Andrej Devečka, Member (from 14 December 2006 until 14 December 2011, since 22 December 2011)
Ing. Jozef Hodek, Member (since 29 June 2009)
Ing. Dušan Slavkovský, Member (since 1 May 2010)
Ing. Michal Krolák, Member (since 18 February 2011)

Supervisory Board:
Ing. Igor Rattaj (since 29 June 2009)
Ing. František Hodorovský (since 18 January 2011)
Jiří Uvíra (since 18 January 2011)
Jan Marian Komornicki (since 18 January 2011 till 27 April 2013)
Boris Kollár (since 30 April 2011)
Roman Kudláček (since 21 April 2012)
Ing. Ján Štetka (since 30 June 2012)
Ing. Peter Kubeňa (since 30 June 2012)
Miroslav Roth (since 30 June 2012)
Ing. Pavol Mikušiak (since 27 April 2013)

2. Significant accounting policies

(a) Statement of compliance
The interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and in accordance with Act No. 431/2002 Coll. on Accounting. The consolidated financial statements are prepared for the period 1 November 2012 to 30 April 2013.

(b) Basis of preparation
The consolidated financial statements have been prepared on the historical cost basis, with the exception of investment property, available-for-sale financial assets and financial assets at fair value through profit or loss, which are measured at fair value.

The consolidated financial statements of the Group have been prepared on a going-concern basis.

The consolidated financial statements are presented in thousands of Euro ("EUR"). The accounting policies have been consistently applied by the Group entities and are consistent with those used in the previous year.

Financial statements prepared in compliance with International Financial Reporting Standards as adopted by the EU require various judgements, assumptions and estimates to be exercised that affect the reported amounts of assets, liabilities, income and expenses. Actual results will likely differ from these estimates. Critical accounting estimates and judgements made by management with a significant risk of material adjustment in the next year are discussed in Note 3 – Critical accounting estimates and assumptions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The following International Financial Reporting Standards, amendments to standards and interpretations adopted by the EU are effective for the accounting period starting 1 November 2012, and have been applied in preparing the Group´s consolidated financial statements:

The application of standards set out below did not have a significant impact on the financial statements of the Group.

Amendments to **IAS 1 Presentation of Financial Statements**, effective for annual reports beginning on or after 1 July 2012, retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

Amendments to **IAS 12 Income Taxes**, effective for annual periods beginning on or after 1 January 2012, introduce an exception to the general measurement requirements of IAS 12 in respect of investment properties measured at fair value. The measurement of deferred tax assets and liabilities, in this limited circumstance, is based on a rebuttable presumption that the carrying amount of the investment property will be recovered entirely through sale. The presumption can be rebutted only if the investment property is depreciable and held within a business model whose objective is to consume substantially all of the asset's economic benefits over the life of the asset.

Issued but not yet effective International Financial Reporting Standards
A number of new standards, amendments to standards and interpretations adopted by EU are not yet effective for the period ended 30 April 2013, and have not been applied in preparing these financial statements.

Amendments to **IAS 19 Employee Benefits**, effective for annual reports beginning on or after 1 January 2013, change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the

2. Significant accounting policies (continued)

previous version of IAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. These amendments are not expected to have any significant effect on the financial situation and performance of the Group.

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine, effective for annual periods beginning on or after 1 January 2013, clarifies the requirements for accounting for stripping costs associated with waste removal in surface mining, including when production stripping costs should be recognised as an asset, how the asset is initially recognised, and subsequent measurement. The Interpretation is not applicable for the Group.

Amendments to **IFRS 7 Financial Instruments: Disclosures**, effective for reporting periods beginning on or after 1 January 2013, require an entity to disclose information about rights of set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or 'similar agreement', irrespective of whether they are set off in accordance with IAS 32 or not. The Group is currently assessing the impact of this standard on its financial statements.

In May 2011, a package of five new and amended standards on consolidation, joint arrangements and disclosures of interests in other entities was issued, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised in 2011) and IAS 28 (as revised in 2011). The Group is currently assessing the impact of these standards on its financial statements.

IFRS 10 Consolidated Financial Statements, effective for annual periods beginning on or after 1 January 2014, replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements and SIC-12 Consolidation - Special Purpose Entities. IFRS 10 introduces new requirements to assess control and under the new single control model, an investor controls an investee if and only if the investor has all of the following: (1) power over the investee, (2) exposure, or rights, to variable returns from its involvement with the investee and (3) the ability to use its power over the investee to affect the amount of the investor's returns. IFRS 10 also provides a number of clarifications on applying this new definition of control.

IFRS 11 Joint Arrangements, effective for annual periods beginning on or after 1 January 2014, replaces IAS 31 Interests in Joint Ventures. IFRS 11 establishes two types of joint arrangements: joint operations or joint ventures. Joint operation - an arrangement in which the parties with joint control have rights to the assets and obligations for the liabilities relating to that arrangement. In respect of its interest in a joint operation, a joint operator must recognise all of its assets, liabilities, revenues and expenses, including its relative share of jointly controlled assets, liabilities, revenue and expenses.
Joint venture - an arrangement in which the parties with joint control have rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method. The option in IAS 31 to account for joint ventures (as defined in IFRS 11) using proportionate consolidation has been removed.
Under these new categories, the structure of the joint arrangement is not the only factor considered when classifying the joint arrangement as either a joint operation or a joint venture, which is a change from IAS 31. Under IFRS 11, parties are required to consider whether a separate vehicle exists and, if so, the legal form of the separate vehicle, the contractual terms and conditions, and other facts and circumstances.

IFRS 12 Disclosure of Interests in Other Entities, effective for annual periods beginning on or after 1 January 2014, requires additional disclosures relating to significant judgements and assumptions made in determining the nature of interests in an entity or arrangement, interests in subsidiaries, joint arrangements and associates and unconsolidated structured entities.

Amended **IAS 27 Separate Financial Statements** (2011), effective for annual periods beginning on or after 1 January 2014. IAS 27 (2011) now only deals with the requirements for separate financial statements (retains the current guidance), requirements for consolidated financial statements are now contained in IFRS 10 Consolidated Financial Statements.

2. Significant accounting policies (continued)

Amended **IAS 28 Investments in Associates and Joint Ventures** (2011), effective for annual periods beginning on or after 1 January 2014. IAS 28 (2011) supersedes IAS 28 Investments in Associates and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The standard defines 'significant influence' and provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases). It also prescribes how investments in associates and joint ventures should be tested for impairment.

IFRS 13 Fair Value Measurement, effective for annual periods beginning on or after 1 January 2013. IFRS 13 establishes a single source of guidance for fair value measurements and disclosures. IFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. However, IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value. IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements. Fair value under IFRS 13 is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date" (i.e., an 'exit price'). In general, the disclosure requirements in IFRS 13 are more extensive than those required in the current standards. The Group is currently assessing the impact of this standard on its financial statements.

Amendments to **IAS 32 Financial Instruments: Presentation**, effective for annual periods beginning on or after 1 January 2014 clarify certain aspects, because of diversity in application, of the requirements on offsetting, focused on four main areas: (1) the meaning of 'currently has a legally enforceable right of set-off', (2) the application of simultaneous realisation and settlement, (3) the offsetting of collateral amounts, (4) the unit of account for applying the offsetting requirements. These amendments are not expected to have any effect on the financial situation and performance of the Group.

Amendments to **IFRS 1 First-time Adoption of International Financial Reporting Standards – Government Loans**, effective for annual periods beginning on or after 1 January 2013, add a new exception to retrospective application of IFRS to a government loan with a below-market rate of interest. These amendments are not applicable for the Group.

Amendments to **IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements** and **IFRS 12 Disclosure of Interests in Other Entities**, effective for annual periods beginning on or after 1 January 2014, clarify the transition guidance in IFRS 10 and provide transitional relief from full retrospective application. The Group is currently assessing the impact of these amendments on its financial statements.

Annual Improvements to IFRSs 2009 – 2011 Cycle, effective for annual periods beginning on or after 1 January 2013, contain six amendments to five standards. The Group is currently assessing the impact of these amendments on its financial statements.

Amendments to **IFRS 1 First-time Adoption of International Financial Reporting Standards**, clarify that an entity that has stopped applying IFRS may choose to either: (i) re-apply IFRS 1, even if the entity applied IFRS 1 in a previous reporting period or (ii) apply IFRS retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (i.e., as if it had never stopped applying IFRS) in order to resume reporting under IFRS.

Amendments to **IFRS 1 First-time Adoption of International Financial Reporting Standards**, allow an additional relief for entities adopting IFRS. Upon transition to IFRS, an entity will be allowed to retain its previously capitalised borrowing costs, without adjustment. After transition, borrowing costs are recognised in accordance with IAS 23 Borrowing Costs.

Amendments to **IAS 1 Presentation of Financial Statements** clarify the requirements for comparative information.

Amendments to **IAS 16 Property, Plant and Equipment** clarify when certain assets (major spare parts and servicing equipment) are property, plant and equipment or inventory.

Amendments to **IAS 32 Financial Instruments: Presentation** remove existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 Income Taxes to any income tax arising from distributions to holders of an equity instrument and to transaction costs of an equity transaction.

2. Significant accounting policies (continued)

Amendments to **IAS 34 Interim Financial Reporting** clarify the requirements relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 Operating Segments.

Other International Financial Reporting Standards
The Group has not early adopted any other IFRS standards adopted by EU where adoption is not mandatory at the balance sheet date. Where transition provisions in adopted IFRS give an entity the choice of whether to apply new standards prospectively or retrospectively, the Group elects to apply the Standards prospectively from the date of transition.

(c) Basis of consolidation

i. Subsidiaries

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise, so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The consolidated financial statements include the Group´s interests in other entities based on the Group´s ability to control such entities regardless of whether control is actually exercised or not. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

ii. Associates

Associates are those enterprises in which the Group has significant influence, but not control over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. The consolidated financial statements include the Group´s share of the total recognised gains and losses of associates on an equity accounted basis (applying equity method), from the date that significant influence commences until the date that significant influence ceases. Investment in associate is recognised initially at cost. When the Group´s share of losses exceeds the carrying amount of the associate, the carrying amount is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred obligations in respect of the associate.

iii. Consolidation scope

There are 6 companies included in the consolidation as at 30 April 2013 (as at 31 October 2012 there were 5 companies included in the consolidation scope). All consolidated companies prepared their interim financial statements as at 30 April 2013. The companies are listed in Note 38 – Group entities.

iv. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains or losses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

v. Acquisition method of accounting

Acquisitions of subsidiaries are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree.

Acquisition-related costs are recognised in profit or loss as incurred.

The acquiree´s identifiable assets and liabilities that meet the recognition criteria under IFRS3 are recognised at their fair value at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Otherwise the difference is reassessed and any excess remaining (negative goodwill) after the reassessment is recognised immediately in profit or loss.

2. Significant accounting policies (continued)

vi. Unification of accounting principles

The accounting principles and procedures applied by the consolidated companies in their financial statements were unified in the consolidation, and agree with the principles applied by the Parent Company.

(d) Foreign currency

Foreign currency transactions

Items included in the financial statements of each of the Group´s entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in thousands of Euro, which is the Group´s functional and presentation currency. Transactions in foreign currencies are translated into Euro at the foreign exchange rate ruling at the date for the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Euro at the balance sheet date at the exchange rate of the European Central Bank ruling at that day.

Foreign exchange differences arising on translation are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated into Euro using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into Euro at the foreign exchange rates ruling at the dates the fair values are determined.

(e) Financial instruments

i. Classification

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Loans granted are non-derivative financial assets with fixed and determinable payments, not quoted in an active market, which are not classified as securities available-for-sale or held to maturity or as financial assets at fair value through profit or loss.

Available-for-sale financial assets are those non-derivative financial assets that are not designated as fair value through profit or loss, loans and advances to banks and customers or as held to maturity.

Financial instruments at fair value through profit or loss are those that the Group principally holds for trading that is, with the purpose of short-term profit taking.

ii. Recognition

Loans granted are recognised on the day they are provided by the Group.

Financial instruments at fair value through profit or loss and available-for-sale financial assets are recognised on the date the Group commits to purchase the assets.

Financial liabilities are recognised by the Group on the trade date.

iii. Measurement

Financial instruments are initially measured at fair value of the consideration given or received plus transaction costs that are directly attributable to the acquisition or issue of the financial instrument. When a financial instrument is designated as at fair value through profit or loss, transaction costs are not added to fair value at initial recognition.

Subsequent to initial recognition financial assets are measured at amortized costs, except for financial instruments at fair value through profit or loss and available-for-sale financial assets which are measured at fair value. After initial recognition, financial liabilities are measured at amortised cost. In measuring amortised cost, any difference between acquisition cost and nominal value is recognised in profit or loss over the period of the asset or liability on an effective interest rate basis.

2. Significant accounting policies (continued)

iv. Fair value measurement principles

The fair value of financial instruments is based on their quoted market price at the statement of financial position date without any deduction for transaction costs. If a quoted market price is not available, the fair value of the instrument is estimated by management using pricing models or discounted cash flow techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on management´s best estimates and the discount rate is a market-related rate at the statement of financial position date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market-related measures at the statement of financial position date.

v. Gains and losses on subsequent measurement

Gains and losses arising from a change in fair value are recognised in profit or loss for financial instruments at fair value through profit or loss and for available-for-sale financial assets directly in shareholder´s equity. Changes in the fair value of available-for-sale financial assets are derecognised from other comprehensive income through profit or loss at the moment of sale.

vi. Derecognition

A financial asset is derecognised when the Group loses control over the contractual rights that comprise that asset. This occurs when the rights are realised, expire or are surrendered. A financial liability is derecognised when the Group´s obligations specified in the contract expire or are discharged or cancelled.

Available-for-sale financial assets that are sold, are derecognised and the corresponding receivables from the buyer for the payment are recognised as at the date the Group commits to sell the assets.

Loans and advances to customers are derecognised on the day they are paid by the Group.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand and in banks, short-term highly liquid investments with original maturities of three months or less and short-term highly liquid investments readily convertible to known amounts of cash.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

Purchased inventory are stated at cost, which includes the purchase price and other directly attributable expenses incurred in acquiring the inventories and bringing them to their existing location and condition.

(h) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the Group has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis.

(i) Impairment

The carrying amounts of the Group´s assets, other than inventories (refer to accounting policy g), investment properties (refer to accounting policy l), financial instruments at fair value through profit or loss (refer to accounting policy e), available-for-sale financial assets (refer to accounting policy e) and deferred tax assets (refer to accounting policy p) are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, the asset´s recoverable amount is estimated. Intangible assets that have an indefinite useful life are not subject to amortisation, but are tested annually for impairment as part of the cash generating unit to which they belong.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

2. Significant accounting policies (continued)

Loans granted are presented net of impairment losses. Impairment losses are determined based on the credit standing and performance of the borrower and take into account the value of any collateral or third-party guarantee.

The recoverable amount of receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed upon initial recognition of these financial assets). Receivables with a short duration are not discounted.

An impairment loss in respect of an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss. If the fair value of a debt instrument classified as available-for-sale increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed or decreased, with the amount of the reversal recognised in profit or loss.

The recoverable amount of other assets is the value higher of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is reversed or decreased when there is an indication that the impairment loss no longer exists and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed or decreased only to the extent that the asset´s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Property, plant and equipment

i. Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (refer to accounting policy i).

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items (major components) of property, plant and equipment.

ii. Leased assets

Leases in terms of which the Group assumes substantially all of the risks and rewards of ownership are classified as finance leases. Leased assets are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation (see below) and impairment losses (see accounting policy i).

iii. Subsequent expenditure

Subsequent expenditure is capitalised if it is probable that the future economic benefits embodied in the part of property, plant and equipment will flow to the Group and its cost can be measured reliably. All other expenditures including the costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as an expense as incurred.

2. Significant accounting policies (continued)

iv. Depreciation

Except as specified below, depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of items of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

- Buildings 30 - 45 years
- Individual movables and sets of movables
  - Geothermal borehole 40 years
  - Slides 25 years
  - Cableways and ski lifts 20 - 30 years
  - Equipment 5 - 12 years
  - Fixtures and fittings and others 5 - 10 years

Depreciation methods, useful lives, as well as residual values, are reassessed annually at the reporting date. For some items of property, plant and equipment (cableways, snow machines) is used progressive depreciation as more wear and tear occurs in the last years of the useful lives.

Each part of an item of property, plant and equipment (component) with a cost that is significant in relation to the total cost of the item is depreciated separately.

v. Capitalized borrowing costs

Borrowing costs attributable to the asset that necessarily takes a substantial period of time to get ready for its use or sale, are capitalised as part of the cost of the asset by the Group.

(k) Intangible assets

i. Goodwill and intangible assets acquired in a business combination

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill on acquisition of subsidiaries is included under intangible assets. Goodwill on acquisition of associates is included in the carrying amount of investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Negative goodwill arising on an acquisition is reassessed and any excess remaining after the reassessment is recognised in profit or loss.

Intangible assets acquired in a business combination are recorded at fair value on the acquisition date if the intangible asset is separable or arises from contractual or other legal rights. Intangible assets with an indefinite useful life are not subject to amortisation and are recorded at cost less accumulated amortisation and impairment losses. Intangible assets with a definite useful life are amortized over the useful life and are stated at costs less accumulated amortisation (see below) and impairment losses (refer to accounting policy i).

ii. Software and other intangible assets

Software and other intangible assets acquired by the Group are stated at cost less accumulated amortisation (see below) and impairment losses (refer to accounting policy i). Useful life of these assets is reassessed regularly.

2. Significant accounting policies (continued)

Amortisation

Amortisation is charged to profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date the asset is available for use. The estimated useful lives are as follows:

• Software	4 – 5 years
• Valuables rights	each item uses individual plan of depreciation, valuable rights also include trademarks, which represent non-depreciated assets The Group uses for valuable rights useful lives 6, 7, 8, 12 and 50 years

(l) Investment property

Investment properties represent assets that are held to generate rental income or to realise a long-term increase in value, or for both of those purposes.

Investment property is stated at fair value, as determined by an independent registered valuer or by management. Fair value is assessed based on current prices in an active market for similar properties in the same location and condition, or where not available, by applying generaly applicable valuation methodologies such as expert opinions and yield methods. Any gain or loss arising from a change in fair value is recognised in profit or loss.

Assets that are constructed or developed to its future use as investment property are measured at fair value if the fair value is considered to be reliably determinable.

Details on the valuation of investment property are specified in 3(b) - Critical accounting estimates and assumptions, Valuation of investment property.

Rental income from investment property is accounted for as described in accounting policy (o).

(m) Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

(n) Interest income and expense

Interest income and expense is recognised in profit or loss as it accrues. Expenses on loans and borrowings are recognised in profit or loss, with the exception of capitalised borrowing costs, refer to accounting policy (j), part (v).

(o) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease.

(p) Income tax

Income tax on the profit for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities, that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. No temporary differences are recognised on the initial recognition of goodwill. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the statement of financial position date.

Income tax is recognised in profit or loss, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity, respectively.

2. Significant accounting policies (continued)

Deferred tax asset and liability are offset if there is a legally enforceable right to offset current tax liability and asset, and they relate to taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(q) Operating and finance lease payments
Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

Minimum lease payments for finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(r) Trade and other payables
Trade and other payables are stated at amortised cost.

i. Long-term employee benefits
Liability of the Group resulting from long-term employee benefits other than pension plans represents the estimated amount of future benefits that employees have earned in return for their service in the current and prior periods. The liability is calculated using the projected unit credit, discounted to its present value. A discount rate used to calculate the present value of liability is derived from the yield curve of high-quality bonds with maturities close to the conditions of the Group's liabilities as at the date of the financial statements preparation.

ii. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A payable is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(s) Revenues from services rendered

The Group recognises six types of basic revenues from services rendered:

- Revenues from cableways and ski lifts (thereinafter called also "mountain resorts")
- Revenues from aquapark
- Revenues from sport services and shops
- Revenues from hotel services (thereinafter called also "hotels")
- Revenues from restaurant facilities
- Revenues from real estate projects

Revenues are accrued depending upon in which period the services were rendered, excluding revenues from aquapark, hotels services and restaurant facilities, which are recognised in profit or loss after the service has been rendered. Revenues from services rendered do not include value added tax. They are also net of discounts and rebates (bonuses, credits, etc.).

(t) Dividends

Dividends are recognised in the statement of changes in equity and recorded as liabilities in the period in which they are declared.

2. Significant accounting policies (continued)

(u) Non-current assets and disposal groups held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the International Financial Reporting Standards as adopted by the EU. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell.

Any impairment loss on a disposal group first is allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and investment property, which continue to be measured in accordance with the Group's accounting policies.

Impairment losses on initial classification as held for sale are recognised in profit or loss even if the revaluation reserve was created. The same applies to gains and losses on subsequent measurements. Gains are not recognised in excess of any cumulative impairment loss.

Property, plant and equipment and intangible assets classified as held for sale are no longer depreciated or amortised.

In case that, after the asset assignment into the group of assets held for sale, value is realized mainly through use rather than sale thereof, the assets shall be accounted back and depreciation or amortization for property, plant and equipment and intangible assets shall be recognised in the period when such change of assets arose.

(v) Operating segments

Operating segments are parts of the company that are able to generate income and expenses with available financial information, which are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The management monitors 7 main segments, i.e. the mountain resorts, aquapark, hotels, restaurant facilities, sports services and shops, real estate projects and others.

(w) Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in Note 31 – Fair value information:

i. Loans granted

Fair value is calculated based on discounted expected future principal and interest cash flows. Expected future cash flows are estimated considering credit risk and any indication of impairment. The estimated fair values of loans reflect changes in credit status since the loans were made and changes in interest rates in the case of fixed rate loans.

ii. Loans and borrowings

For loans and borrowings with no defined maturities, fair value is taken to be the amount payable on demand at the date of preparation of the consolidated financial statements. The estimated fair value of fixed-maturity loans and borrowings is based on discounted cash flows using rates currently offered for loans and borrowings of similar remaining maturities.

iii. Trade receivables/payables, other receivables and other assets/liabilities

For receivables/payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value. Other receivables/payables are discounted to determine the fair value.

3. Critical accounting estimates and assumptions

The preparation of financial statements in accordance with International Financial Reporting Standards as adopted by the EU requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise judgement in the process of applying the Company's accounting policies. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Business combinations and purchase price allocations

The acquiree's identifiable assets, liabilities and contingent liabilities are recognised and measured at their fair values at the acquisition date. Allocation of the total purchase price among the net assets acquired for financial statement reporting purposes is performed with the support of professional advisors.

The valuation analysis is based on historical and prospective information available as at the date of the business combination. Any prospective information that may impact the fair value of the acquired assets is based on management's expectations of the competitive and economic environments that will prevail in the future.

The results of the valuation analyses are used as well for determining the amortisation and depreciation periods of the values allocated to specific intangible and tangible fixed assets.

A fair value adjustments resulting from business combination carried out as at 23 October 2012 (purchase of cableway in Lomnické sedlo) were presented in the consolidated financial statements as at 31 October 2012. Structures (cableway) were revaluated. The purchase price of all assets was EUR 243 thousand and the fair value after revaluation was EUR 3,484 thousand. The result of this business combination was negative goodwill of EUR 3,241 thousand. Acquisition of cableway was executed as a purchase of property not the whole company or its part. Since it meets the criteria of the business combination it was thus assessed by the management.

Fair value adjustments resulting from business combinations in the accounting period 1 November 2011 to 31 October 2012 are listed below:

In thousands of EUR	**Property, plant and equipment**	**Deferred tax liability**	**Total net balance sheet effect**
Purchased property			
cableway in Lomnické sedlo	3,241	616	2,625

3. Critical accounting estimates and assumptions (continued)

(b) Valuation of investment property

Investment property is carried at fair value. Fair values of investment property are determined either by independent valuers or by management (refer to Significant accounting policies, point l), in both cases based on current market values and conditions. Market value is the estimated amount for which a property could be exchanged on valuation date between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing, wherein the parties each act knowledgeably, prudently and without compulsion.

In the absence of current prices in an active market, the valuations are prepared considering the estimated net cash flows expected to be received from renting out the property and a capitalisation yield that reflects the specific risks inherent in the market and in those cash flows. Valuations reflect, if relevant, the type of tenants in occupation or responsible for meeting lease commitments, or likely to be in occupation after letting vacant property, the general market's perception of tenants' creditworthiness, the allocation of maintenance and insurance responsibilities between the Group and lessees, and the remaining economic life of the properties.

Investment property represents three hotels (Ski, Liptov and Kosodrevina) in the carrying amount of EUR 1,874 thousand, which are leased to third parties and they operate them, as well as forest areas and lands acquired by acquisition in 2009 in the carrying amount of EUR 2,320 thousand. The value of hotels was determined by estimate of the management in the manner stated above. The value of lands was determined by the management using market prices, with the final value being based on the estimated market price per square metre depending on the type of land and market transactions for lands of similar character.

If the fair value of that part of investment property which was based on the management's estimates, had differed from the management's estimates by 10 %, the carrying amount of investment property would have been higher or lower by EUR 419 thousand compared to the amount reported as at 30 April 2013 (as at 31 October 2012: EUR 419 thousand).

As at 30 April 2013 the management of the Group reviewed the value of investment property, based on the current market conditions, and concluded that no significant change has occurred compared to previous accounting period.

3. Critical accounting estimates and assumptions (continued)

(c) Goodwill and impairment testing

As at the balance sheet date, the Group considers the potential impairment of goodwill. If no indicator for potential impairment is detected, the Group, in accordance with IAS 36, tests the goodwill recognised in the business combination during the current accounting period and the goodwill reported in prior accounting periods for potential impairment on an annual basis as at 31 October, i.e. as at the date of the annual consolidated financial statements.

On the date of acquisition, the acquired goodwill is assigned to the relevant cash-generating units (CGU), which are expected to benefit from the synergic effects resulting from the business combinations.

In the accounting period 1 November 2009 to 31 October 2010, the goodwill resulted from the acquisition of GRANDHOTEL PRAHA a.s. (the company operating Grandhotel in Tatranská Lomnica) in the amount of EUR 3,473 thousand and from the acquisition of a 50% share in Interhouse Tatry s.r.o. (the company operating Grandhotel Starý Smokovec) in the amount of EUR 1,108 thousand. Total goodwill including impairment of goodwill reported by the Group as at 31 October 2012 presented zero value.

In the accounting period 1 November 2012 to 30 April 2013 goodwill resulted from the acquisition of additional 50% interest in Interhouse Tatry s.r.o. (company operating Grandhotel Starý Smokovec) in the amount EUR 3,740 thousand.

As at the date of interim consolidated financial statements preparations no indicator of potential goodwill impairment was determined. As at 30 April 2013 the Group did not test goodwill for impairment. Test will be applied at the end of accounting period, at the preparation of annual consolidated financial statements (as at 31 October 2013).

As at 31 October 2012 the goodwill was tested for impairment. The results of the test indicated impairment of the goodwill and, consequently, the goodwill in GRANDHOTEL PRAHA a.s., in the amount of EUR 173 thousand was written off and the resulting goodwill was zero.

The impairment loss is determined based on assessment of the recoverable amount for the CGU relevant to the goodwill, using the value in use principle. This value is derived from future cash flows estimated by the management. The discount rate used for estimating the fair value was 9.2% (net of the income tax).

The fair value was derived from the business plan prepared by the management. The key assumptions, which were also the most sensitive indicators for determining the recoverable amount, were the estimated sales assessed by the management, profitability and cost of capital, which were used as a discount factor for future net cash flows. The estimated sales and profitability are based on changes in target customer groups, stronger marketing and improved quality of provided services.

Cash flow projections used for determining the fair value cover a mid-term period of 5 years with further extrapolation for the following period. Such normalised cash flow then serves as the basis for the calculation of the terminal value with the assumption of 2.2% annual growth in cash flows. The discount rates used in the cash flow projection were calculated as the weighted average cost of capital.

(d) Asset impairment testing

As at the reporting date, the Group considers potential impairment of the Group's assets. IAS 36 requires testing assets for impairment if there are any internal or external indicators of potential impairment of assets.

As at 30 April 2013 no indicator of potential impairment of the Group's assets was determined.

As at 31 October 2012 the assessment revealed certain indications of impairment of the Group's assets and therefore the assets were tested for impairment. Three separate basic cash-generating units were subject to the test: Vysoké Tatry resort, JASNÁ Nízke Tatry resort and Aquapark Tatralandia. The testing of each unit includes all assets in the resort, i.e. Hotels, Restaurant Facilities and Sport Services and Shops.

3. Critical accounting estimates and assumptions (continued)

The test resulted in the recognition of impairment loss of Grandhotel Starý Smokovec in the amount of EUR 1,659 thousand. The key reason for the loss was the lower performance of the hotel compared to plans used for its valuation. The Group's share on the loss was recognised under Investments in associates.

The Group performs 6 core activities: operation of ski resorts, aquapark, restaurant services, sport services and shops, accommodation services and real-estate projects in three locations: Jasná (Low Tatras), High Tatras and Liptovský Mikuláš. Each location was assessed by the management as a separate cash-generating unit (CGU). The Group monitors their performance and prepared separate budgets for all cash-generating units. The Group's assets were assigned to relevant cash-generating units under the substance principle.

Potential impairment is determined by comparing the recoverable amount and the carrying amount of the cash-generating unit. The recoverable amount was determined based on the value in use. The fair value was derived from the value of future cash flows discounted to present value. The discount rate used for the asset impairment testing was 9.2% (net of income tax). The discount rate was calculated using the weighted average cost of capital.

Fair value of each cash-generating unit has been determined based on projected cash flows resulting from a long-term financial plan prepared by the management. The financial plans were prepared for the period of the following five years. Projected cash flows for the period following after the five years were derived from the aforementioned financial plans. In that following period, the Company is expected to reach such operating and financial performance which is regarded by the management as sustainable. Such normalised cash flow served as the basis for calculation of the terminal value with the assumption of 2.2% annual growth of cash flows.

Besides the discount rate, further key assumptions having a large impact on fair value are mostly planned prices and the visit rates. Most assumptions are based on past experience, except for facts anticipated in relation to new investments (such as the carrying capacity of new cableways). As regards estimating of future prices, the management also considered prices of comparable resorts, hotels and water parks in other countries, taking into account the differences in the client target group.

If, as at 31 October 2012, the projected EBITDA, which is a part of the projected cash flows, had been lower by 5% compared to the management's estimate, the value in use for Grandhotel Starý Smokovec would have been lower by EUR 302 thousand. If, as at 31 October 2012, the projected EBITDA, which is a part of the projected cash flows, had been lower by 5% compared to the management's estimate, the value in use of the independent cash-generating unit in Jasná (Low Tatras) would have been lower by EUR 6,335 thousand; for High Tatras location the value in use would have dropped by EUR 3,646 thousand and for Liptovský Mikuláš (Tatralandia) the value in use would have dropped by EUR 3,217 thousand. In that case the consolidated impairment loss would have increased by EUR 13,198 thousand.

3. Critical accounting estimates and assumptions (continued)

(e) Financial instruments at fair value

The fair value of financial instruments is determined based on:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices of similar instruments) or indirectly (i.e. derived from such prices)
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the market for a financial instrument is not active, fair value is estimated by using valuation techniques. In applying valuation techniques, management uses estimates and assumptions that are consistent with available information about estimates and assumptions that market participants would use in setting a price for the financial instrument.

	30 April 2013				**31 October 2012**			
In thousands of EUR	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial investments								
Available-for-sale	58	-	-	**58**	53	-	-	**53**
At fair value through profit or loss	6,954	-	-	**6,954**	13,121	-	-	**13,121**

On 17 March 2010 the Group acquired 3,850 shares of Compagnie des Alpes (SA). Their value as at 30 April 2013 represents EUR 58 thousand (as at 31 October 2012: EUR 53 thousand).

As at 30 April 2013 the Group owned 593,304 shares of Best Hotel Properties a.s., their value is EUR 6,954 thousand (as at 31 October 2012: 1,111,004 shares with value EUR 13,121 thousand).

4. Information about operating segments

Information about operating segments – Interim consolidation statement of comprehensive income

In thousands of EUR	Mountain Resorts		Aquapark		Hotels		Dining		Sport Services and Stores		Real Estate		Others		Total	
	30 April 2013 *6 m*	30 April 2012 *6 m*	30 April 2013 *6 m*	30 April 2012 *6 m*	30 April 2013 *6 m*	30 April 2012 *6 m*	30 April 2013 *6 m*	30 April 2012 *6 m*	30 April 2013 *6 m*	30 April 2012 *6 m*	30 April 2013 *6 m*	30 April 2012 *6 m*	30 April 2013 *6 m*	30 April 2012 *6 m*	30 April 2013 *6 m*	30 April 2012 *6 m*
Revenues	15,906	12,651	2,287	1,612	7,816	6,020	4,141	2,546	2,061	1,439	165	115	-	-	32,376	**24,383**
Other operating income	38	26	10	12	76	62	32	57	4	8	-	-	-	-	160	**165**
Consumption of material and goods	(1,068)	(685)	(179)	(166)	(2,158)	(1,809)	(1,324)	(899)	(662)	(484)	-	(2)	-	-	(5,391)	**(4,045)**
Purchased services	(5,066)	(4,642)	(711)	(512)	(2,018)	(1,464)	(393)	(364)	(214)	(163)	-38	(36)	-	-	(8,440)	**(7,181)**
Personnel expenses	(2,167)	(1,935)	(628)	(501)	(2,003)	(1,647)	(1,018)	(722)	(527)	(400)	-	-	-	-	(6,343)	**(5,205)**
Other operating expenses	(173)	(177)	(63)	(42)	(128)	(99)	(24)	(11)	(3)	(5)	-3	(5)	-	-	(394)	**(339)**
Gain on disposal of property, plant and equipment and inventories	125	50	-	-	-	-	-	-	-	-	-	-	-	-	125	**50**
Gain from disposal of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	**1**
Reversal of impairment losses on receivables	(8)	-	-	-	55	6	-	-	-	-	-	-	-	-	47	**6**
Depreciation and amortisation	(2,730)	(2,017)	(497)	(356)	(1,250)	(856)	(212)	(152)	(129)	(88)	-	-	-	(110)	(4,818)	**(3,579)**
Interest income	-	-	-	-	-	-	-	-		-	-	-	837	2,098	837	**2,098**
Interest expense	(180)	(254)	-	-	(22)	(38)	(15)	(18)	(14)	(23)	-	-	-	-	(231)	**(333)**
Gain/(loss) on financial instruments, net	-	-	-	-	-	-	-	-	-	-	-	-	(152)	231	(152)	**231**
Share on loss from associate	-	-	-	-	-	(51)	-	-	-	-	-	-	-	-	-	**(51)**
Profit/(loss) of the segment before tax	**4 677**	**3,017**	**219**	**47**	**368**	**124**	**1,187**	**437**	**516**	**284**	**124**	**72**	**685**	**2,220**	**7 776**	**6,201**
Income tax expense															**(679)**	**(29)**
Consolidated profit															**7 097**	**6,172**

The Group generates all of its revenues in the territory of the Slovak Republic. Inter-segment eliminations are included in the amounts reported for individual periods.

No company has exceeded the 10% of total revenues.

4. Information about operating segments (continued)

Information about operating segments – Interim consolidation statement about financial position

In thousands of EUR	Mountain Resorts		Aquapark		Hotels		Dining		Sport Services and Stores		Real Estate		Others		Total	
	30 April 2013	31 October 2012	30 April 2013	31 October 2012	30 April 2013	31 October 2012	30 April 2013	31 October 2012	30 April 2013	31 October 2012	30 April 2013	31 October 2012	30 April 2013	31 October 2012	30 April 2013	31 October 2012
Goodwill and other intangible assets	513	278	2,686	2,673	4,615	830	28	17	60	50	-	-	-	-	**7,902**	**3,848**
Property, plant and equipment	129,576	112,580	29,737	29,101	67,303	60,629	5,847	4,578	2,455	2,046	3,932	8,989	-	-	**238,850**	**217,923**
Investment property	-	-	-	-	-	-	-	-	-	-	4,194	4,194	-	-	**4,194**	**4,194**
Inventories	501	424	73	80	124	99	118	97	984	867	-	-	-	-	**1,800**	**1,567**
Trade receivables	2,133	1,349	309	52	6,590	1,739	513	35	139	19	-	-	-	-	**9,684**	**3,194**
Investments in associate	41	-	-	-	-	3,802	96	-	-	-	-	-	-	-	**137**	**3,802**
Other receivables	20,953	26,495	-	-	906	906	-	-	-	-	-	-	11,241	29,165	**33,100**	**56,566**
Financial investments	-	-	-	-	-	-	-	-	-	-	-	-	7,045	13,207	**7,045**	**13,207**
Other assets	1,644	1,844	65	89	98	137	96	109	12	37	-	-	-	-	**1,915**	**2,216**
Loans granted	11,042	8,374	-	-	1,893	1,847		-		-	-	-	5,764	-	**18,699**	**10,221**
Cash and cash equivalents	2,386	1,239	346	890	740	543	574	321	156	93	25	27	-	-	**4,227**	**3,113**
Deferred tax assets	-	-	-	-	6	61	-	-	-	-	-	-	-	-	**6**	**61**
Total assets	**168,789**	**152,583**	**33,216**	**32,885**	**82,275**	**70,593**	**7,272**	**5,157**	**3,806**	**3,112**	**8,151**	**13,210**	**24,050**	**42,372**	**327,559**	**319,912**
Non-current loans and borrowings	11,324	11,673	430	-	549	698	245	289	224	230	-	-	-	-	**12,772**	**12,890**
Non-current trade payables	124	-	-	-	-	-	-	-	-	-	-	-	-	-	**124**	**-**
Other non-current liabilities	515	104	-	-	-	-	-	-	-	-	-	-	-	-	**515**	**104**
Current loans and borrowings	8,259	3,263	-	-	-	-	174	-	-	-	-	-	-	-	**8,433**	**3,263**
Current trade payables	2,569	9,061	368	829	788	659	611	238	166	198	-	-	-	-	**4,502**	**10,985**
Other current liabilities	5,464	1,949	784	137	1,676	867	1,300	97	353	34	-	-	-	-	**9,577**	**3,084**
Provisions	6	45	3	15	4	34	5	18	2	9	-	-	-	-	**20**	**121**
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	15,208	13,049	**15,208**	**13,049**
Total liabilities	**28,261**	**26,095**	**1,585**	**981**	**3,017**	**2,258**	**2,335**	**642**	**745**	**471**	**-**	**-**	**15,208**	**13,049**	**51,151**	**43,496**

Inter-segment eliminations are included in the amounts reported for individual periods. Inter-segment prices are determined on the basis of market rates for similar services and financing.

5. Increase and decrease of shares in companies

On 16 February 2013 the Group acquired 50% interest in company Interhouse Tatry s.r.o., and became the sole owner and operator of hotel Grandhotel Starý Smokovec, High Tatras. The full control over the company Interhouse Tatry s.r.o. was acquired on 1 November 2012 and since that date it has been included in the consolidated financial statements using full method of consolidation.

As at 31 October 2012 the company Interhouse Tatry s.r.o. was consolidated using equity method (associate) and the interest of the Group was 50%.

On 26 November 2012 the company Tatry mountain resorts, a.s. established the company Korona Ziemi Sp. z o.o. together with the polish village Gmina Zawoja. The Group has 50% interest in the before mentioned company.

In thousands of EUR	**Date of acquisition**	**Cost**	**Cash outflow**	**Group´s interest after acquisition %**
Acquisition of subsidiary				
Interhouse Tatry s.r.o.	1 November 2012	7,500	(7,500)	100%

	Date of establishment	**Cost**	**Cash outflow**	**Group´s interest after acquisition %**
Establishment of associate				
Korona Ziemi Sp. z o.o.	26 November 2012	96	(96)	50%

Effect of acquisition

The acquisition of subsidiary has the following effect on the Group`s assets and liabilities:

In thousands of EUR	**Interhouse Tatry s.r.o.**
Intangible assets	1
Property, plant and equipment	9,854
Inventories	76
Trade receivables	74
Other assets	50
Cash and cash equivalents	154
Loans and borrowings	(401)
Trade payables	(288)
Other liabilities	(468)
Deferred tax liability	(1,531)
Effect from the change of consolidation method	(3,761)
Net identifiable assets and liabilities	**3,760**
Goodwill on acquisition	3,740
Cost of acquisition	**7,500**
Consideration paid, satisfied in cash	(7,500)
Cash acquired	154
Net cash outflow	**(7,346)**
Loss since acquisition date	(360)

5. Increase and decrease of shares in companies (continued)

On 8 November 2011, the Group established its subsidiary Tatry mountain resorts operations, a.s., which was subsequently disposed on 25 April 2012.

On 28 August 2012 the Group acquired 100% of shares of the company MELIDA, a.s. and subsequently on 17 September 2012 50% of shares was disposed.

In thousands of EUR	**Date of establishment**	**Cost**	**Cash outflow**	**Group´s interest %**
Establishment of subsidiary				
Tatry mountain resorts operations, a.s.	8 November 2011	28	(28)	100%

	Date of acquisition	**Cost**	**Cash outflow**	**Group´s interest after acquisition %**
Acquisition of subsidiary	28 August 2012	82	(82)	100%
MELIDA, a.s.				

	Date of disposal	**Sale price**	**Cash inflow**	**Gain on disposal**
Disposal of subsidiaries				
Tatry mountain resorts operations, a.s.	25 April 2012	29	29	1
MELIDA, a.s.	17 September 2012	41	41	-

Effect from disposal

The Group achieved a net cash inflow of EUR 1 thousand by disposal of the company Tatry mountain resorts operations, a.s. As at the disposal date (25 April 2012) net assets represented cash and cash equivalents in the amount of EUR 28 thousand. The acquired remuneration was settled in cash and amounting to EUR 29 thousand.

In case of disposal of 50% shares of the company MELIDA, a.s. the result was zero.

6. Sales

In thousands of EUR	**1 November 2012 – 30 April 2013**	**1 November 2011 – 30 April 2012**
Mountain resorts	15,906	12,651
Hotels	7,816	6,020
Sports services and shops	2,061	1,439
Restaurant facilities	4,141	2,546
Aquapark	2,287	1,612
Real estate projects	165	115
Total	**32,376**	**24,383**

7. Other operating revenues

In thousands of EUR	1 November 2012 – 30 April 2013	1 November 2011 – 30 April 2012
Contractual penalties	22	17
Compensations from insurance companies	19	34
Other operating income	119	114
Total	**160**	**165**

8. Consumption of material and goods

In thousands of EUR	1 November 2012 – 30 April 2013	1 November 2011 – 30 April 2012
Material in hotels and restaurant facilities	(1,976)	(1,367)
Goods	(1,444)	(1,198)
Fuel	(546)	(425)
Material for repair and maintenance	(420)	(457)
Other material and goods	(1,005)	(598)
Total	**(5,391)**	**(4,045)**

9. Purchased services

In thousands of EUR	1 November 2012 – 30 April 2013	1 November 2011 – 30 April 2012
Energy	(2,658)	(2,147)
Advertising expenses	(2,499)	(1,796)
Rent expenses (premises) and others	(840)	(824)
Repairs and maintenance expenses	(468)	(295)
Other administrative costs	(379)	(331)
Cost on services related to owned premises	(130)	(303)
Transport and accommodation, travel expenses	(129)	(383)
Communication expenses	(129)	(108)
Costs for legal consultancy	(122)	(99)
Trainings	(16)	(72)
Other purchased services	(1,070)	(823)
Total	**(8,440)**	**(7,181)**

The Group's consolidated financial statements are audited by KPMG Slovensko spol. s r.o.. Based on the decision of the General Meeting, effective from the beginning of financial year 2011, the Company has also engaged KPMG Slovensko spol. s r.o. for auditing the individual financial statements of all companies in the Group. During the period 1 November 2012 to 30 April 2013 no expenses for audit occurred. No other services were provided by the audit company.

10. Personnel expenses

In thousands of EUR	**1 November 2012 – 30 April 2013**	**1 November 2011 – 30 April 2012**
Wages and salaries	(4,922)	(3,782)
Compulsory social security contributions	(1,116)	(1,093)
Remuneration for directors and key management	(152)	(146)
Other social expenses	(153)	(184)
Total	**(6,343)**	**(5,205)**

The average number of Group employees during the period 1 November 2012 to 30 April 2013 was 1,318, out of which management represents 23 (1 November 2011 to 30 April 2012: 956, out of which management: 22), number of employees with an agreement for the performance of a work assignment was 683 (1 November 2011 to 30 April 2012: 409).

11. Other operating expenses

In thousands of EUR	**1 November 2012 – 30 April 2013**	**1 November 2011 – 30 April 2012**
Insurance (property, cars, travel insurance)	(134)	(127)
Fees and commissions	(126)	(113)
Shortages and damages	(36)	(49)
Other operating expenses	(98)	(50)
Total	**(394)**	**(339)**

12. Interest income and expense

In thousands of EUR	**1 November 2012 – 30 April 2013**	**1 November 2011 – 30 April 2012**
Interest income	837	2,098
Interest expense	(231)	(333)
Total	**606**	**1,765**

The Group's assets include a receivable resulting from a bill of exchange payable on demand and bearing a fixed rate of 7.5% p.a.

The Group has drawn loans from Tatra banka, akciová spoločnosť., and from MELIDA, a. s., the loans bearing a fixed interest rate, as well as from Tatra-Leasing, s.r.o. and Slovenská sporiteľňa, a.s. with variable interest rate. The loans were provided for financing investments and for repayment of a loan granted by another bank. Additionally, the Group has signed lease agreements for the financing of cars, snowcats, snowmobiles, etc.

At present, the Group has no capitalised borrowing costs.

13. Gain/(loss) on financial instruments, net

In thousands of EUR	**1 November 2012 – 30 April 2013**	**1 November 2011 – 30 April 2012**
Revaluation of financial instruments at fair value through profit or loss	(105)	526
Cost on financial instruments administration	(44)	(305)
Profit/(loss) from the sale of financial instruments at fair value through profit or loss	(3)	8
Other, net	-	2
Total	**(152)**	**231**

14. Income tax and deferred tax

In thousands of EUR	**1 November 2012 – 30 April 2013**	**1 November 2011 – 30 April 2012**
Current tax expense:		
Current period	-	-
Adjustments for prior periods	-	(57)
Withheld on interest	-	-
	-	**(57)**
Deferred tax:		
Origination and reversal of temporary differences	(307)	28
Change of income tax rate	(372)	-
Total income tax	**(679)**	**(29)**

Income tax recognized in other comprehensive income

In thousands of EUR	**1 November 2012 – 30 April 2013**			**1 November 2011 – 30 April 2012**		
	Before tax	**Tax**	**Net of tax**	**Before tax**	**Tax**	**Net of tax**
Net change in fair value of financial assets available-for-sale	5	-	5	(11)	-	(11)
Other comprehensive income	**5**	**-**	**5**	**(11)**	**-**	**(11)**

See also Note – 19 Deferred tax assets and liabilities.

15. Property, plant and equipment

In thousands of EUR	**Land and buildings**	**Individual movables and sets of movables**	**Under construction**	**Total**
Costs				
Balance as at 1 November 2011	135,134	50,679	13,192	199,005
Additions	7,129	383	14,861	22,373
Disposals	(10)	(205)	-	(215)
Transfers	(4,988)	7,814	(12,802)	-
Transfers to disposal groups held for sale	-	-	(1,198)	(1,198)
Balance as at 30 April 2012	147,241	58,671	14,053	219,965
Balance as at 1 November 2012	156,570	60,759	35,346	252,675
Additions	4,579	13,576	3,522	21,677
Additions through business combinations	9,750	104	-	9,854
Disposals	(5,555)	(564)	-	(6,119)
Transfers	16,646	16,593	(33,239)	-
Balance as at 30 April 2013	181,990	90,468	5,629	278,087
Depreciations and impairment losses				
Balance as at 1 November 2011	(16,360)	(10,409)	(597)	(27,366)
Depreciation charge for the period	(1,576)	(1,927)	-	(3,503)
Disposals	9	22	-	31
Balance as at 30 April 2012	(17,927)	(12,314)	(597)	(30,838)
Balance as at 1 November 2012	(19,702)	(14,453)	(597)	(34,752)
Depreciation charge for the period	(1,854)	(2,829)	-	(4,683)
Disposals	156	42	-	198
Balance as at 30 April 2013	(21,400)	(17,240)	(597)	(39,237)
Carrying amount				
As at 1 November 2011	**118,774**	**40,270**	**12,595**	**171,639**
As at 30 April 2012	**129,314**	**46,357**	**13,456**	**189,127**
As at 1 November 2012	**136,868**	**46,306**	**34,749**	**217,923**
As at 30 April.2013	**160,590**	**73,228**	**5,032**	**238,850**

In the period 1 November 2012 to 30 April 2013 the Group put into use 24-seat cableway Funitel to Chopok in Jasná in the amount of EUR 25,450 thousand, as well as the transport equipment Twinliner in the amount of EUR 3,836 thousand and 15-seat cableway Gondola on the southern part of Chopok in the amount of EUR 10,389 thousand. The Group invested in development of the infrastructure of restaurants and bars in the amount of EUR 1,037 thousand. During the aforementioned period, the Group started the operations of the second part of investment in Aquapark Tatralandia - the Tropic World in the amount of EUR 2,342 thousand. It is a year-round interior facility. The Group realized and put into use the second part of reconstructed and modernised rooms Wellness Hotel Grand in Jasná in the amount of EUR 4,532 thousand. The outstanding increase of assets relates to investments to shops and other operating investments. All capital investments are presented within Land and buildings, Individual movables and sets of movables in the rows additions and transfers.

On 11 March 2013 the Parent Company sold Hotel FIS Štrbské Pleso to company BURNUS s.r.o. The sale price represented EUR 5,674 thousand. The sale was realized because of acquiring subsidy for hotel reconstruction by buyer in order to increase performance and improve financial results of hotel. The hotel is still in rent of the Parent Company.

15. Property, plant and equipment (continued)

In the period 1 November 2011 to 30 April 2012 the Parent Company acquired assets of Hotel FIS in the amount of EUR 4,926 thousand and of Hotel Slovakia in the amount of EUR 1,697 thousand, presented within lands and buildings, individual movables and sets of movables.

Increase of assets under construction in the period 1 November 2011 to 30 April 2012 in the amount of EUR 14,861 thousand consisted of high capacity construction of cableway Funitel, 8-seat cableway, snowmaking systems in the ski resorts Jasná and Tatranská Lomnica and other assets.

Idle assets
The Group owns building under construction, for which 100% impairment loss is created in the amount of EUR 597 thousand. The Group does not use this property.

Impairment
For the period ended 30 April 2012 and 30 April 2013 the Group determined no impairment loss of property, plant and equipment.

Insurance of assets

In thousands of EUR	**30 April 2013**	**31 October 2012**	**30 April 2012**
Type of insurance			
Natural disaster	268,881	170,294	164,245
Vandalism	116,273	61,927	63,269
General machinery risks	13,876	12,214	12,417
Liability insurance	12,870	11,900	166

Security
As at 30 April 2013 property, plant and equipment with a carrying value of EUR 190,433 thousand is subject to pledges to secure bank loans (as at 31 October 2012: EUR 159,961 thousand; 30 April 2012: EUR 132,891 thousand).

Capitalized borrowing costs
At present, the Group has no capitalised borrowing costs.

16. Goodwill and intangible assets

In thousands of EUR

	Goodwill	Valuables rights	Software	Total
Cost				
Balance as at 1 November 2011	4,124	3,970	171	8,265
Additions	-	-	117	117
Disposals	-	(4)	-	(4)
Balance as at k 30 April 2012	4,124	3,966	288	8,378
Balance as at 1 November 2012	4,124	3,966	557	8,647
Additions through business combinations	3,740	-	1	3,741
Additions	-	-	448	448
Balance as at 30 April 2013	**7,864**	**3,966**	**1,006**	**12,836**
Amortisation and impairment losses				
Balance as at 1 November 2011	(3,951)	(448)	(61)	(4,460)
Amortisation for the period	-	(58)	(18)	(76)
Balance as at 30 April 2012	(3,951)	(506)	(79)	(4,536)
Balance as at 1 November 2012	(4,124)	(564)	(111)	(4,799)
Amortisation for the period	-	(58)	(77)	(135)
Balance as at 30 April 2013	**(4,124)**	**(622)**	**(188)**	**(4,934)**
Carrying amount				
As at 1 November 2011	**173**	**3,522**	**110**	**3,805**
As at 30 April 2012	**173**	**3,460**	**209**	**3,842**
As at 1 November 2012	**-**	**3,402**	**446**	**3,848**
As at 30 April 2013	**3,740**	**3,344**	**818**	**7,902**

17. Investment property

In thousands of EUR	**30 April 2013**	**30 April 2012**
Cost		
Balance as at 1 November 2012/1 November 2011	4,194	4,194
Balance as at 30 April 2013/30 April 2012	**4,194**	**4,194**

Investment property represents three hotels (Ski, Liptov and Kosodrevina) in the amount of EUR 1,874 thousand. They are leased to third parties who operate them, as well as forest areas and lands acquired by acquisition in 2009 in the amount of EUR 2,320 thousand.

In the period 1 November 2012 to 30 April 2013 revenues from investment property represent EUR 165 thousand and direct operating costs related to investment property were in the amount of EUR 41 thousand (1 November 2011 to 30 April 2012: revenues from investment property represented EUR 115 thousand and direct operating costs related to investment property were in the amount of EUR 42 thousand).

Investment property is measured at fair value (see Note 3(b) – Critical accounting estimates and assumptions, Valuation of investment property).

Security
As at 30 April 2013, all investment property with a carrying value of EUR 4,194 is subject to pledges to secure bank loans (as at 31 October 2012 and 30 April 2012: EUR 4,194 thousand).

18. Investments in associates

The Group has share in the following associates:

		Group´s Interest	
		30 April 2013	31 October 2012
Associate	**Country**	%	%
Interhouse Tatry s.r.o.	Slovakia	-	50
MELIDA, a.s.	Czech republic	50	50
Korona Ziemi Sp. z o.o.	Poland	50	-

On 16 February 2013 the Group became a sole owner of Interhouse Tatry s.r.o. through repurchase of 50% interest. Group obtained full control over Interhouse Tatry s.r.o. on 1 November 2012.

On 26 November 2012 the Group established the company Korona Ziemi Sp. z o.o. (company with limited liability) with the polish village Gmina Zawoja.

In thousands of EUR	Carrying Amount	
	30 April 2013	**31 October 2012**
Interhouse Tatry s.r.o.		
Purchase price of associate	-	7,526
EBITDA contract adjustment	-	(598)
Goodwill impairment (prior period)	-	(1,108)
Group´s interest in associate - loss (prior period)	-	(641)
Group´s interest in associate - loss (current period)	-	(1,418)
MELIDA, a.s.		
Purchase price of associate	41	41
Korona Ziemi Sp. z o.o.		
Purchase price of associate	96	-
Total	**137**	**3,802**

Summary financial information for the significant associate Interhouse Tatry s.r.o., presented at 100% as at 31 October 2012:

In thousands of EUR	**Revenue**	**Loss**	**Current assets**	**Non-current assets**	**Current liabilities**	**Non-current liabilities**	**Equity**
Interhouse Tatry s.r.o.	1,723	(2,837)	353	9,872	438	2,267	7,520

Revenues and loss of the company represent the revenues and loss for the period 1 November 2011 to 31 October 2012.

19. Deferred tax assets and liabilities

The following deferred tax assets (liabilities) have been recognised:

In thousands of EUR	**Assets**		**Liabilities**		**Net**	
	30 April 2013	**31 October 2012**	**30 April 2013**	**31 October 2012**	**30 April 2013**	**31 October 2012**
Temporary differences related to:						
Property, plant and equipment	-	-	(14,846)	(12,557)	**(14,846)**	**(12,557)**
Intangible assets	-	-	(457)	(457)	**(457)**	**(457)**
Investment property	-	-	(185)	(185)	**(185)**	**(185)**
Tax losses	141	-	-	-	**141**	**-**
Other	322	383	(177)	(172)	**145**	**211**
Netting	(457)	(322)	457	322	-	**-**
Total	**6**	**61**	**(15,208)**	**(13,049)**	**(15,202)**	**(12,988)**

Deferred tax assets have not been recognised in respect of the following item (tax base):

In thousands of EUR	**30 April 2013**	**31 October 2012**
Tax losses	6,836	6,836
Total	**6,836**	**6,836**

A deferred tax asset is recognised for the carry forward of unused tax losses only to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized.

An estimation of the expiry of unrecognized tax losses is as follows:

In thousands of EUR	**2014**	**2015**	**2016**	**2017**	**after 2017**
Tax losses	125	1,160	5,552	6	606

Tax losses incurred before 1 January 2010 expire over a period of five years, seven years for tax losses arisen after 1 January 2010.

20. Inventories

In thousands of EUR	**30 April 2013**	**31 October 2012**
Merchandise	1,005	508
Raw material	795	1,059
Total	**1,800**	**1,567**

As at 30 April 2013 inventories with a carrying value of EUR 1,640 thousand are subject to pledges to secure bank loans (as at 31 October 2012: EUR 1,472 thousand).

21. Loans granted

In thousands of EUR	30 April 2013	31 October 2012
Current	5,786	171
Non-current	12,913	10,050
Total	**18,699**	**10,221**

As at 30 April 2013, other non-current loans included mainly the borrowing in the amount of EUR 6,955 thousand (31 October 2012: EUR 6,050 thousand) granted to WEBIS, s.r.o., with a 5% p.a. fixed interest rate; as at 30 April 2013 the amount of the outstanding accrued interest on the aforementioned borrowing amounted to EUR 783 thousand (31 October 2012: EUR 643 thousand); and a borrowing granted to 1. Tatranská, akciová spoločnosť amounted to EUR 3,965 thousand (31 October 2012: EUR 2,055 thousand) with a 7% p.a. fixed interest rate; as at 30 April 2013 the amount of the outstanding accrued interest on the aforementioned borrowing amounted to EUR 288 thousand (31 October 2012: EUR 198 thousand), and a borrowing in the amount of EUR 1,893 thousand granted to the owner of Penzión Energetik (31 October 2012: EUR 1,847 thousand), with a fixed interest rate of 5% p.a.; as at 30 April 2013 the outstanding accrued interest on the aforementioned borrowing amounted to EUR 46 thousand (31 October 2012: there were no interests).

As at 30 April 2013 the current borrowings represent mainly the borrowing provided to J&T Private Equity B.V. in the amount of EUR 5,764 thousand with fixed interest rate 6.5% p.a., the amount of outstanding accrued interest on the aforementioned borrowing amounted to EUR 79 thousand as at 30 April 2013.

22. Trade receivables

In thousands of EUR	30 April 2013	31 October 2012
Trade receivables	9,880	3,442
Impairment losses on receivables	(196)	(248)
Total	**9,684**	**3,194**
Current	9,665	3,194
Non-current	19	-
Total	**9,684**	**3,194**

As at 30 April 2013, trade receivables include mainly the current operating receivables and barter receivables (as at 31 October 2012: receivable from the claimed EBITDA contract for the period 1 November 2011 to 31 October 2012 in the amount of EUR 1,427 thousand; the rest of receivables were current operating, barter receivables and receivables from sale and leaseback under finance leasing agreement).

Classification of receivables by maturity is as follows:

In thousands of EUR	30 April 2013			31 October 2012		
	Gross	Impairment losses on receivables	Net	Gross	Impairment losses on receivables	Net
Within maturity	9,392	-	9,392	2,271	-	2,271
After maturity up to 30 days	21	(1)	20	119	-	119
After maturity from 30 up to 180 days	75	-	75	239	(43)	196
After maturity from 180 up to 365 days	53	-	53	269	-	269
After maturity more than 365 days	339	(195)	144	544	(205)	339
Total	**9,880**	**(196)**	**9,684**	**3,442**	**(248)**	**3,194**

As at 30 April 2013 and 31 October 2012, the impairment losses included impairment losses on current operating receivables.

22. Trade receivables (continued)

Change of impairment loss during accounting period is presented in the table below:

In thousands of EUR	30 April 2013	31 October 2012
Balance as at 1 November 2012/1 November 2011	248	433
Creation	(5)	-
Release	(47)	(6)
Balance as at 30 April 2013/30 April 2012	**196**	**427**

23. Other receivables

In thousands of EUR	30 April 2013	31 October 2012
Advances	20,953	26,495
Bills of exchange	11,241	29,165
EBITDA contract	906	906
Total	**33,100**	**56,566**
Current	14,747	32,037
Non-current	18,353	24,529
Total	**33,100**	**56,566**

As at 30 April 2013, the amount of the unsettled bill of exchange is EUR 11,241 thousand (31 October 2012: EUR 29,165 thousand). The bill of exchange is payable on demand and bears a fixed rate of 7.5% p.a.

As at 30 April 2013, a bill of exchange in the amount of EUR 11,241 thousand from J&T Private Equity B.V. (31 October 2011: EUR 29,165 thousand) administered based on the portfolio management agreement with J&T Bank Switzerland Ltd., in liquidation, was placed in custody.

The EBITDA contract results from contracts on the purchase of shares in GRANDHOTEL PRAHA a.s. and Interhouse Tatry s.r.o. By acquisition of the companies on 28 December 2009, the Group obtained a guarantee from the sellers that assets in the companies would generate the agreed EBITDA during the following four years. If the agreed EBITDA is not reached, the former owners are bound to cover the difference to reach the agreed EBITDA during the following four years. These differences (additional payments) are intended mainly for the reconstruction of the assets to which they refer.

Advances made for non-current financial assets refer to capital investments in progress and future acquisitions. As for future acquisitions, the Company intends to acquire the company operating the cableways. A contract has been signed with WEBIS, s.r.o. for a 5-year period.
As at 31 October 2012, the value of the granted advance was discounted to fair value. The applied discount rate was 2.11%. The revaluation value in the balance sheet equals to EUR 1,559 thousand.

24. Other assets

In thousands of EUR	**30 April 2013**	**31 October 2012**
Prepayments and accrued income	1,005	1,040
Other tax receivables	595	641
Other assets	315	535
Total	**1,915**	**2,216**
Current	1,761	2,216
Non-current	154	-
Total	**1,915**	**2,216**

As at 30 April 2013, other tax receivables include mainly receivables from current taxes in the amount of EUR 577 thousand and VAT receivables in the amount of EUR 16 thousand (31 October 2012: current tax receivables in the amount of EUR 237 thousand and VAT receivables in the amount of EUR 403 thousand).

25. Financial investments

In thousands of EUR	**30 April 2013**	**31 October 2012**
Financial instruments at fair value through profit or loss	6,954	13,121
Available-for-sale financial assets	58	53
Other financial investments	33	33
Total	**7,045**	**13,207**

As at 30 April 2013, the Group held 593,304 shares of Best Hotel Properties a.s. (hereinafter only “BHP”), a company operating a chain of hotels. As at 30 April 2013 their value is EUR 6,954 thousand (31 October 2012: 1,111,004 shares in the amount of EUR 13,321 thousand). The Company obtained a commitment regarding the purchase under the contract on advisory services signed with J&T FINANCE GROUP, a.s., that the earnings from the purchase of the BHP shares will be at least 7% p.a. over the following 3 years.

On 17 March 2010, the Company purchased 3,850 shares of Compagnie des Alpes (SA), which is a French company traded on the Paris Stock Exchange, and operating ski resorts and summer leisure parks. The Company purchased the shares as a financial investment. The shares are classified as available-for-sale and are revaluated to fair value through equity based on present stock-exchange prices. As at 30 April 2013, the value of the shares was EUR 58 thousand (31 October 2012: EUR 53 thousand)

Additionally, the Company made a cash contribution to Tatranské dopravné družstvo, a company providing services. As at 30 April 2013 and 31 October 2012, the contribution amounted to EUR 33 thousand.

26. Cash and cash equivalents

In thousands of EUR	**30 April 2013**	**31 October 2012**
Cash on hand	205	198
Valuables	36	48
Current accounts with banks	3,986	2,867
Total	**4,227**	**3,113**

The bank accounts are at the Group's full disposal.

27. Shareholder´s equity

Share capital and share premium

As at 30 April 2013 and 31 October 2012, the approved, subscribed and fully paid share capital comprised 6,707,198 ordinary shares with a nominal value of EUR 33 per share.

On 12 April 2010, issues of shares with the codes ISIN: CS0009011952, series 01, 02, ISIN: SK1120002110, series 01, ISIN: SK1120005527, series 01, ISIN: SK1120006061, series 01, ISIN: SK1120009156, series 01 ceased to exist and were merged into a single issue with ISIN code SK1120010287.

The annual General Meeting of Tatry mountain resorts, a.s. was held on 27 April 2013. The General Meeting decided on the distribution of profit generated by Tatry mountain resorts, a.s. in the period 1 November 2011 to 31 October 2012 in the amount of EUR 6,371 thousand: a part of the profit in the amount of EUR 637 thousand was used for allotment to the Company's reserve funds, part in the amount of EUR 5,734 thousand and part in the amount of EUR 1,376 thousand from retained earnings was used for payment of dividends to the Company's shareholders presenting dividend per share in the amount of EUR 1.06.

The shareholders are entitled to dividends. The value of votes attributed to a share for voting at a General Meeting is defined by the proportion between the value of the share and the total amount of share capital. The table below provides the list of the Company's shareholders including information on the number of shares, ownership interest and voting rights.

30 April 2013	**Number of shares**	**Interest in share capital %**	**Voting rights %**
CLEARSTREAM BANKING S.A.	697,549	10.4%	10.4%
J & T BANKA, a.s.	664,014	9.9%	9.9%
EGNARO INVESTMENTS LIMITED	603,648	9.0%	9.0%
KEY DEE LIMITED	603,648	9.0%	9.0%
Poštová banka, a.s.	563,405	8.4%	8.4%
Minor shareholders	3,574,934	53.3%	53.3%
Total	**6,707,198**	**100%**	**100%**

31 October 2012	**Number of shares**	**Interest in share capital %**	**Voting rights %**
J & T BANKA, a.s.	664,014	9.9%	9.9%
CLEARSTREAM BANKING S.A.	663,342	9.9%	9.9%
KEY DEE LIMITED	607,000	9.0%	9.0%
EGNARO INVESTMENTS LIMITED	602,306	9.0%	9.0%
Poštová banka, a.s.	505,782	7.5%	7.5%
Patria Finance, a.s.	425,918	6.4%	6.4%
Privatbanka, a.s.	332,000	5.0%	5.0%
TATRY INVESTMENT LIMITED	289,751	4.3%	4.3%
minor shareholders	2,617,085	39.0%	39.0%
Total	**6,707,198**	**100%**	**100%**

27. Shareholder´s equity (continued)

Earnings per share

	30 April 2013	**30 April 2012**
Profit for period in thousands of EUR	7,097	6,172
Weighted average number of ordinary shares	6,707,198	6,707,198
Earnings per share in EUR	**1.058**	**0.920**

Legal reserve fund

Legal reserve fund is in the amount of EUR 3,930 thousand (at 31 October 2012: EUR 3,287 thousand). According to the Slovak legislation the creation of a legal reserve fund is required at a minimum of 10% of net profit annually and up to a minimum of 20% of the registered share capital (cumulative balance). The legal reserve fund can only be used to cover losses of the Company and it may not be distributed as dividends. The calculation of the legal reserve is based on the Slovak legal regulations.

Decrease in share capital

The extraordinary General Meeting held on 15 March 2010 approved the decrease in the Company's share capital from EUR 221,534,128.694362 to EUR 221,337,534. The reason for the decrease in the Company's share capital was to unify the face value of all the Company's shares, i.e. EUR 33 per share.

28. Loans and borrowings

In thousands of EUR	**30 April 2013**	**31 October 2012**
Loans and borrowings	19,358	15,218
Finance lease	1,847	935
Total	**21,205**	**16,153**
Current	8,433	3,263
Non-current	12,772	12,890
Total	**21,205**	**16,153**

As at 30 April 2013 and 31 October 2012 loans and borrowings are presented in the following table:

Creditor	**Interest rate type**	**Maturity**	**Balance at 30 April 2013** *In thousands of EUR*
MELIDA, a.s.	fixed	31 December 2013	4,707
Tatra banka, akciová spoločnosť	fixed	30 September 2017	3,390
Tatra banka, akciová spoločnosť	fixed	30 September 2017	3,286
Tatra banka, akciová spoločnosť	fixed	31 December 2016	3,150
Tatra banka, akciová spoločnosť	fixed	30 September 2016	2,100
Tatra banka, akciová spoločnosť	fixed	31 December 2016	1,044
Tatra banka, akciová spoločnosť	fixed	31 December 2018	478
Tatra-Leasing, s.r.o.	3M EURIBOR + margin	26 March 2017	385
Tatra banka, akciová spoločnosť	fixed	30 September 2013	338
Tatra-Leasing, s.r.o.	3M EURIBOR + margin	17 December 2016	306
Slovenská sporiteľňa, a.s.	1M EURIBOR + margin	20 March2015	170
Tatra-Leasing, s.r.o.	1M EURIBOR + margin	30 September 2013	4

Creditor	**Interest rate type**	**Maturity**	**Balance at 31 October 2012** *In thousands of EUR*
Tatra banka, akciová spoločnosť	fixed	30 September 2017	3,746
Tatra banka, akciová spoločnosť	fixed	30 September 2017	3,651
Tatra banka, akciová spoločnosť	fixed	31December 2016	3,150
Tatra banka, akciová spoločnosť	fixed	30 September 2016	2,400
Tatra banka, akciová spoločnosť	fixed	31 December 2016	1,270
Tatra banka, akciová spoločnosť	fixed	31 December 2018	581
Tatra banka, akciová spoločnosť	fixed	30 September 2013	412
Tatra-Leasing, s.r.o.	1M EURIBOR+ margin	30 September 2013	8

The weighted average interest rate on loans and borrowings as at 30 April 2013 was 2.49% (as at 31 October 2012: 2.18%). The interest is payable on a monthly basis. For more information, see Note 12 – Interest income and expense.

Security

The Company secured its bank loans with the following assets: land, water areas, technology, service buildings of mountain lift equipment: ski lifts, chair lifts, funicular train, elevated cableway, cabin cableway, transformer stations, service buildings and structures: Hotel Srdiečko, Hotel Kosodrevina, Hotel Liptov, Wellnes Hotel Grand in Jasná, Hotel SKI, former telecommunication building, bungalows. All movable assets of Jasná and High Tatras resorts and trade receivables are pledged as well.

28. Loans and borrowings (continued)

As at 30 April 2013 property, plant and equipment, investment property, inventories and receivables in the carrying value of EUR 205,692 thousand are subject to pledges to secure bank loans (as at 31 October 2012: in the amount of EUR 168,501 thousand).

As at 30 April 2013 finance lease liabilities are payable as follows:

In thousands of EUR	**Principal**	**Interest**	**Payments**
Less than one year	687	48	735
Between one and five years	1,160	41	1,201
Total	**1,847**	**89**	**1,936**

Security
As at 30 April 2013, the finance lease liabilities were not secured by any lien on the Group's assets.

As at 31 October 2012 finance lease liabilities are payable as follows:

In thousands of EUR	**Principal**	**Interest**	**Payments**
Less than one year	407	20	427
Between one and five years	525	12	537
More than five years	3	-	3
Total	**935**	**36**	**967**

Security
As at 31 October 2012 the finance lease liabilities were not secured by any lien on the Group's assets.

29. Trade payables

In thousands of EUR	**30 April 2013**	**31 October 2012**
Trade payables	4,050	10,422
Uninvoiced supplies	554	541
Retentions due to contractors	22	22
Total	**4,626**	**10,985**
Current	4,502	10,985
Non-current	124	-
Total	**4,626**	**10,985**

As at 30 April 2013 overdue liabilities amounted to EUR 254 thousand (as at 31 October 2012: EUR 1,172 thousand).

30. Other liabilities

In thousands of EUR	**30 April 2013**	**31 October 2012**
Liabilities to shareholders, employees and partners	7,551	472
Deferred income	772	407
Advance payments received	454	720
Employee benefits	8	8
Other liabilities	1,307	1,581
Total	**10,092**	**3,188**
Current	9,577	3,084
Non-current	515	104
Total	**10,092**	**3,188**

As at 30 April 2013 liabilities to shareholders, employees and partners include liabilities arising from dividend payments in the amount of EUR 7,110 thousand, and social fund liabilities in the amount of EUR 13 thousand (31 October 2012: EUR 12 thousand).

As at 30 April 2013 the deferred income refers mainly to the income from rent of premises to J&T BANKA, a. s., pobočka zahraničnej banky in the space of hotel Grandhotel Starý Smokovec in the amount of EUR 320 thousand, subsidy from the European funds project for employee education support (ZASI) in the amount of EUR 167 thousand and grant for Hotel Tri studničky in the amount of EUR 95 thousand (31 October 2012: EUR 167 thousand subsidy for employee education support (ZASI), EUR 97 thousand subsidy for Hotel Tri studničky).

As at 30 April 2013 the amount of other liabilities includes social security liabilities in the amount of EUR 264 thousand, VAT liabilities from advance payments in the amount of EUR 134 thousand and EUR 33 thousand for accrued expenses (31 October 2012: EUR 236 thousand for social security liabilities, EUR 70 thousand for VAT liabilities from advance payments and EUR 321 thousand for accrued expenses).

Creation and use of social fund during accounting period is shown in the table below:

In thousands of EUR	**30 April 2013**	**30 April 2012**
Balance as at 1 November 2012/1 November 2011	12	18
Addition through business combination	1	-
Creation	18	18
Use	(18)	(14)
Balance as at 30 April 2013/30 April 2012	**13**	**22**

31. Fair value information

The following table is a comparison of the carrying amounts and fair values of the Group´s financial assets and liabilities that are not carried at fair value:

In thousands of EUR	Carrying amount		Fair value	
	30 April 2013	**31 October 2012**	**30 April 2013**	**31 October 2012**
Financial assets				
Cash and cash equivalents	4,227	3,113	4,227	3,113
Loans granted	18,699	10,221	18,814	10,117
Trade receivables	9,684	3,194	9,684	3,194
Other receivables	33,100	56,566	33,100	56,566
Financial investments	33	33	33	33
Other assets	1,915	2,216	1,915	2,216
Financial liabilities				
Loans and borrowings	21,205	16,153	23,094	16,623
Trade liabilities	4,626	10,985	4,626	10,985
Other liabilities	10,092	3,188	10,092	3,188

As at 30 April 2013 other receivables include receivables from bill of exchange in the amount of EUR 11,241 thousand (31 October 2012: EUR 29,165 thousand), which are payable on demand and therefore their carrying amount does not differ significantly from their fair value.

As at 30 April 2013 the financial investments do not include shares of Best Hotel Properties a.s. in the amount of EUR 6,954 thousand (31 October 2012: EUR 13,121 thousand) and shares of Compagnie des Alpes (SA) in the amount of EUR 58 thousand (31 October 2012: EUR 53 thousand) because they have already been recognised in fair value.

32. Operating leases

Leases as lessee
The Group leases lands, on which ski slopes and cableways are situated, and number of cars under operating leases. Major contract for land leases run for a period of 30 years with an option for another 10 years. Major contract have the noticed period 1 year.

For the period ended 30 April 2013 EUR 840 thousand was recognised as an expense in profit or loss in respect of operating leases (for the period ended 30 April 2012: EUR 824 thousand).

Non-cancellable operating lease rentals are payable as follows:

In thousands of EUR	**30 April 2013**	**31 October 2012**
Less than one year	449	468
Between one and five years	4	8
Total	**453**	**476**

33. Risk management policies and disclosures

This section provides detail of the Group´s exposure to risks and of the way it manages such risks.
The Group is exposed to risk in the following areas:

- credit risk
- liquidity risk
- market risk
- operational risk

The management is fully responsible for the establishment and supervision of the Group´s risk management.

33. Risk management policies and disclosures (continued)

Credit risk

The Group´s primary exposure to credit risk arises through its trade receivables, receivables from rent, other receivables, advances and loans granted. The amount of credit exposure is represented by the carrying amounts of the assets on the balance sheet. The carrying amount of receivables, advances and loans granted represents the maximum accounting loss that would be recognised if counterparties failed to perform completely as contracted and any collateral or security proved to be of no value. The amount therefore greatly exceeds expected losses, which are reflected in the provision for bad debts.

As at 30 April 2013, the exposure to credit risk is as follows:

In thousands of EUR	**Corporate**	**Banks**	**Other financial institutions**	**Other**	**Total**
Assets					
Cash and cash equivalents	-	3,986	-	241	4,227
Trade receivables	9,684	-	-	-	9,684
Loans granted	18,699	-	-	-	18,699
Other receivables	29,906	-	3,194	-	33,100
Financial investments	7,045	-	-	-	7,045
Other assets	1,253	2	-	660	1,915
	66,587	**3,988**	**3,194**	**901**	**74,670**

As at 31 October 2012, the exposure to credit risk is as follows:

In thousands of EUR	**Corporate**	**Banks**	**Other financial institutions**	**Other**	**Total**
Assets					
Cash and cash equivalents	-	2,867	-	246	3,113
Trade receivables	3,194	-	-	-	3,194
Loans granted	10,221	-	-	-	10,221
Other receivables	27,401	-	29,165	-	56,566
Financial investments	13,207	-	-	-	13,207
Other assets	1,169	2	-	1,045	2,216
	55,192	**2,869**	**29,165**	**1,291**	**88,517**

Other receivables include a receivable from a bill of exchange. As at 30 April 2013 the value of the unsettled bill of exchange to J&T Private Equity B.V. amounted to EUR 11,241 thousand (31 October 2012: EUR 29,165 thousand). The bill is payable on sight, with a 7.5% interest rate p.a.. The bill of exchange is administered based on the portfolio management agreement with J&T Bank Switzerland Ltd., in liquidation, and is placed in custody.

33. Risk management policies and disclosures (continued)

Liquidity risk

Liquidity risk arises in the general funding of the Group´s activities and in the management of financial positions. It includes both the risk of being unable to fund assets at contractual maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate period. Individual companies in the Group use various methods of managing liquidity risks. The Group's management focuses on monitoring and managing liquidity for each individual company.
For liquidity management purposes, the management decided to change from the accounting year to a financial year ending 31 October. In the first half of the accounting period, the Group has a winter busy season which covers 60% of the Group's income. Based on the results of the first half of the year, the Group can sufficiently manage in advance the income and expenditures to maintain the desired liquidity. In the High Tatras resort, the seasonality is compensated by summer busy seasons and therefore the resort's liquidity is more stable over the year. The group has sufficient liquidity guaranteed by holding the bill of exchange payable on sight (for details see Note 23 – Other receivables).

The table below provides an analysis of financial assets and liabilities into relevant remaining maturity groupings. The analysis is presented under the most prudent consideration of maturity dates including interests. Therefore, in the case of liabilities, the earliest possible repayment date is shown while for assets the latest possible repayment date is disclosed. Those assets and liabilities that do not have a contractual maturity date are grouped together in the „undefined maturity" category.

As at 30 April 2013, the exposure to liquidity risk is as follows:

In thousands of EUR	**Carrying amount**	**Contractual cash flows**	**Up to 3 months**	**3 months to 1 year**	**1 year to 5 years**	**Over 5 years**	**Undefined maturity**
Assets							
Cash and cash equivalents	**4,227**	**4,227**	4,227	-	-	-	-
Trade receivables	**9,684**	**9,684**	9,467	198	19	-	-
Loans granted	**18,699**	**21,537**	20	6,012	15,503	-	2
Other receivables	**33,100**	**13,824**	11,241	2,583	-	-	-
Financial investments	**7,045**	**7,045**	-	-	-	-	7,045
Other assets	**1,915**	**1,031**	376	655	-	-	-
	74,670	**57,348**	**25,331**	**9,448**	**15,522**	**-**	**7,047**
Liabilities							
Trade payables	**4,626**	**(4,626)**	(4,414)	(88)	(124)	-	-
Loans and borrowings	**21,205**	**(21,295)**	(1,141)	(7,340)	(12,801)	(13)	-
Other liabilities	**10,092**	**(9,139)**	(9,066)	(71)	(2)	-	-
	35,923	**(35,060)**	**(14,621)**	**(7,499)**	**(12,927)**	**(13)**	**-**

Other receivables up to 3 months include the receivable from the bill of exchange payable on sight. The bill of exchange will not be settled within 3 months. The Group draws financial funds from bills of exchange to finance its capital investments and acquisitions. Settlement of the bill of exchange is estimated in a mid-term period.

33. Risk management policies and disclosures (continued)

As at 31 October 2012, the exposure to liquidity risk is as follows:

In thousands of EUR	Carrying amount	Contractual cash flows	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Undefined maturity
Assets							
Cash and cash equivalents	**3,113**	**3,113**	3,113	-	-	-	-
Trade receivables	**3,194**	**3,194**	3,194	-	-	-	-
Loans granted	**10,221**	**12,025**	171	-	11,854	-	-
Other receivables	**56,566**	**30,254**	29,166	1,088	-	-	-
Financial investments	**13,207**	**13,207**	-	-	-	-	13,207
Other assets	**2,216**	**1,500**	1,177	319	-	-	4
	88,517	**63,293**	**36,821**	**1,407**	**11,854**	**-**	**13,211**
Liabilities							
Trade payables	**10,985**	**(10,985)**	(10,985)	-	-	-	-
Loans and borrowings	**16,153**	**(17,242)**	(722)	(2,891)	(13,507)	(122)	-
Other liabilities	**3,188**	**(2,054)**	(2,035)	(19)	-	-	-
	30,326	**(30,281)**	**(13,742)**	**(2,910)**	**(13,507)**	**(122)**	**-**

Foreign exchange risk
The Group is not primary exposed to foreign exchange risk, as almost all transactions are issued in EUR. Secondarily there is a risk that the weakening of the Polish zloty, possibly Russian rouble against Euro would lead to a reduction in the number of visitors from these countries.

Interest rate risk
The Group´s operations are subject to the risk of interest rate fluctuations. The volume of this risk equals the sum of interest-earning assets and interest-bearing liabilities for which the interest rate as at maturity date or date of interest rate change differs from current interest rate. The length of time for which the rate of interest is fixed on a financial instrument therefore indicates to what extent it is exposed to interest rate risk. The table below provides information on the extent of the Group´s interest rate exposure based on the contractual maturity date of its financial instruments.

As at 30 April 2013 and 31 October 2012 the Group has the following interest-earning assets and interest-bearing liabilities:

In thousands of EUR	30 April 2013	31 October 2012
Fixed rate instruments		
Assets	29,940	39,386
Liabilities	18,643	15,229
Variable rate instruments		
Assets	-	-
Liabilities	2,562	924

33 Risk management policies and disclosures (continued)

Sensitivity analysis for variable rate instruments
A change of 100 basis points in interest rates would have increased (decreased) profit or loss by the amounts shown below:

In thousands of EUR	**Profit (loss)**	
	100 bb increase	**100 bb decrease**
30 April 2013		
Variable rate instruments	(26)	26
Cash flow sensitivity	**(26)**	**26**

In thousands of EUR	**Profit (loss)**	
	100 bb decrease	**100 bb decrease**
31 October 2012		
Variable rate instruments	(9)	9
Cash flow sensitivity	**(9)**	**9**

The Group’s interest-bearing liabilities bear a variable interest rate derived from EURIBOR. The Group considers the variable interest rate as self-management of the interest rate risk. Under economic expansion EURIBOR grows, which is accompanied by the economic performance of the population and, consequently, it improves the company’s sales and earnings. Under economic downturn it is quite the opposite.

Operational risk

Operational risk is the risk of loss arising from fraud, unauthorised activities, error, omission, inefficiency or system failure. It arises from all the Group´s activities and is a risk faced by all companies within the Group. Operational risk includes also litigation risk.

The Group´s objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group´s reputation with overall cost effectiveness and avoid control procedures that would restrict initiative and creativity.

The primary responsibility for the implementation of controls to address operational risk is assigned to management of the Group. This responsibility is supported by the development of overall standards within the Group for the management of operational risk. Operational risk is managed by the system of standards, minutes from meetings and control mechanisms. The Group has a controlling department where it tries to eliminate all operational risks by way of regular checks.

The Group is also exposed to weather risks. Visit rates of the resorts depend on the quantity of snow and on periods of snowfall. Unfavourable terms have a negative impact on the number of skiers, sales and the Company's profit or loss. Warm weather can extremely increase expenses for the production of artificial snow and reduce the areas fit for skiing. The historical averages for the Low Tatras and High Tatras regions are 80 cm and 85 cm of snow during winter season. The beginning of the winter season and the snow conditions affect skiers’ opinions of the whole season. The Group is unable to predict the snow conditions at the beginning of the winter season in a reliable way. Every year, snow conditions during the winter season are stable.

34. Related parties

Identity of related parties

The group has a related party relationship with its shareholders, who have significant influence over the Group and other parties, as identified in the following table, as at 30 April 2013 and as at 31 October 2012 or during the period 1 November 2012 to 30 April 2013 and 1 November 2011 to 30 April 2012:

(1) Entities with joint control or significant influence over the Company and its subsidiaries or associates
(2) Joint ventures in which the Group is a venturer
(3) Associates
(4) Key management personnel of the entity or shareholder´s of the Group (see also Note 10 – Personnel expenses)

Information about remuneration for directors and key management are presented in Note 10 – Personnel expenses.

Since none of the shareholders has an ownership interest exceeding 20 % or otherwise has significant influence over the Group, shareholders are not recognised as related parties, and the transactions or any balances mentioned above are not considered as transactions with related parties.

The Group has the following transactions with related parties:

In thousands of EUR

	Ref.	**Receivables** **30 April 2013**	**Payables** **30 April 2013**	**Receivables** **31 October 2012**	**Payables** **31 October 2012**
Interhouse Tatry s.r.o. [1]	3	-	-	327	-
MELIDA, a. s.[2]	3	-	4,707	-	-

In thousands of EUR

	Ref.	**Revenues** **1 November 2012 – 30 April 2013**	**Expenses** **1 November 2012 – 30 April 2013**	**Revenues** **1 November 2011 – 30 April 2012**	**Expenses** **1 November 2011 – 30 April 2012**
Interhouse Tatry s.r.o. [1]	3	-	-	63	(2)

[1] Interhouse Tatry s.r.o. was considered as a related party in the period 28 December 2009 to 31 October 2012.
[2] MELIDA, a. s. has been identified as a related party since 18 September 2012.

35. Subsequent events

On 1 May 2013 the merger of the Parent Company Tatry mountain resorts, a.s. and its subsidiaries GRANDHOTEL PRAHA, a.s., Interhouse Tatry s.r.o. and Tatry mountain resorts services, a.s. was performed. Effective the before mentioned date Tatry mountain resorts, a. s. became the successor-in-law and takeover all legal, trade and other liabilities as well as the assets of its subsidiaries. All the subsidiaries ceased by the merger with the Parent Company.

On 1 June 2013 the Parent Company signed the advisory contract related to the operation of Aquapark Moravia Thermal Pasohlávky. The Parent Company is in the position of external advisor providing its services in order to make the activities of Aquapark more effective as well as utilizing of mutual synergies.

On 3 June 2013 the Parent Company entered into the contract about instalment credit. The Company will be provided the loan in the amount of EUR 30 000 thousand for financing of approved investment projects. The loan maturity is 5 years with the possibility of prolonging for further 5 years. The loan repayment is secured by lien on financial investments, Aquapark Tatralandia, building, lands and other assets of the Parent Company.

Since 1 June 2013 Hotel Slovakia has been rented to company SK TATRY s.r.o.

36. Capital commitments and capital management

As at 31 October 2013, the Group does not have any material capital commitments.

The Group management's approach to capital management aims to ensure a sufficient amount of funds for intended capital investments and to make them available in the relevant period.

Neither the Company nor any of its subsidiaries are subject to any external capital management requirements.

In the period 1 November 2012 to 30 April 2013, no changes occurred in the Group management's approach to capital management.

37. Contingent assets and contingent liabilities

As many parts of the Slovak tax legislation remain untested, there is an uncertainty about the interpretation that the tax authorities may apply in a number of areas. The effect of this uncertainty cannot be quantified and will only be resolved as legislative precedents are set or when official interpretations of the authorities are available.

On 31 October 2007, the Group entered into a Contract of lien on business, receivables and movable assets in favour of the creditor - Tatra banka, akciová spoločnosť. The subject matter of the contract is the lien on liabilities in the full amount of the liabilities as recognised on the Balance Sheet as at 31 October 2012 and 30 April 2013.

The Company is party to several legal disputes. The Company has lost two legal cases and presently the amount of compensation is being quantified. In all legal disputes, the maximum amount of compensation can be up to EUR 798 thousand plus related charges and fees.

38. Group entities

The list of the Group entities as at 30 April 2013 and as at 31 October 2012 is set out below:

			30 April 2013		31 October2012	
	Country of incorporation	**Consolidation method**	**Consoli-dated %**	**Owner-ship interest**	**Consoli-dated %**	**Owner-ship interest**
Tatry mountain resorts, a.s.	Slovakia	Full	100	direct	100	direct
GRANDHOTEL PRAHA a.s.	Slovakia	Full	100	direct	100	direct
Tatry mountain resorts services, a.s.	Slovakia	Full	100	direct	100	direct
Interhouse Tatry s.r.o.	Slovakia	Full	100	direct	50	direct
MELIDA, a.s.	Czech republic	Equity	50	direct	50	direct
Korona Ziemi Sp. z. o.o.	Poland	Equity	50	direct	-	-

Bohuš Hlavatý
chairman of the board of directors

Jozef Hodek
member of the board of directors

Tomáš Kimlička
person responsible for financial statements preparation

Marián Klas
person responsible for accounting

Financial Statements prepared in accordance with Slovak statutory requirements as at 30 April 2013

Income Statement Úč POD 2-01

INCOME STATEMENT

at 30. 04. 2013 (in whole euros)

Tax identification number (DIČ)
2020428036

Identification number (IČO)
31560636

SK NACE
55.1 .

Financial statements
[x] - ordinary
[ ] - extraordinary

Financial statements
[x] - prepared
[ ] - approved

(check [x] *)*

		For period Month	Year
from		11	2012
to		04	2013

		Preceding period Month	Year
from		11	2011
to		04	2012

Legal name (designation) of the accounting entity
Tatry mountain resorts, a. s.

Registered office of the accounting entity, street and number
Demänovská Dolina 72

Zip code
03101

Municipality
Liptovský Mikuláš

Telephone number
044 / 5591505

Fax number
044 / 5591511

e-mail

Prepared on: 7.6.2013	Signature of the person responsible for bookkeeping:	Signature of the person responsible for the preparation of the financial statements:	Signature of the accounting entity's statutory body or a sole trader who is the accounting entity:
Approved on: 24. 6. 2013			

DIČ:	2020428036		Income Statement Úč POD 2-01	
Desig-nation	**Text**	**Line No.**	**Actual data**	
			Current accounting period	**Preceding accounting period**
a	**b**	**c**	**1**	**2**
I.	Revenue from the sale of merchandise (604, 607)	01	1 741 243	1 429 117
A.	Cost of merchandise sold (504, 505A, 507)	02	1 276 894	1 058 510
+	**Trade margin line 01- line 02**	**03**	464 348	370 608
II.	**Production line 05 + line 06 + line 07**	**04**	29 295 040	22 414 265
II.1.	Revenue from the sale of own products and services (601, 602, 606)	05	29 234 295	22 408 423
2.	Changes in internal inventory (+/- account group 61)	06	0	28
3.	Own work capitalized (account group 62)	07	60 745	5 814
B.	**Production line 09 + line 10**	**08**	13 739 531	10 549 732
B.1.	Consumed raw materials, energy consumption, and consumption of other non-inventory supplies (501, 502, 503, 505A)	09	5 695 284	4 581 544
2.	Services (account group 51)	10	8 044 247	5 968 188
+	**Added value line 03 + line 04 -line 08**	**11**	16 019 857	12 235 141
C.	Personnel expenses total (lines 13 to 16)	12	3 434 091	4 347 172
C.1.	Wages and salaries (521, 522)	13	2 396 573	3 186 631
2.	Remuneration of board members of company or cooperative (523)	14	101 157	96 087
3.	Social security expenses (524, 525, 526)	15	825 681	912 819
4.	Social expenses (527, 528)	16	110 681	151 635
D.	Taxes and fees (account group 53)	17	116 858	103 428
E.	Amortization and value adjustments to non-current intangible assets and depreciation and value adjustments to property, plant and equipment (551,553)	18	3 673 959	2 856 738
III.	Revenue from the sale of non-current assets and raw materials (641, 642)	19	5 976 798	167 086
F.	Carrying value of non-current assets sold and raw materials sold (541, 542)	20	5 911 788	117 229
G.	Creation and reversal of value adjustments to receivables (+/- 547)	21	-5 204	-5 650

DIČ: 2020428036			Income Statement Úč POD 2-01	
Desig-nation	Text	Line No.	Actual data	
			Current accounting period	Preceding accounting period
a	b	c	1	2
IV.	Other operating income (644, 645, 646, 648, 655, 657)	22	55 538	133 646
H.	Other operating expenses (543, 544, 545, 546, 548, 549, 555, 557)	23	672 380	208 042
V.	Transfer of operating income (-) (697)	24	0	0
I.	Transfer of operating expenses (-) (597)	25	0	0
*	**Profit/loss from operations line 11 - line 12 - line 17 - line 18 + line 19 - line 20 - line 21 + line 22 - line 23 + (-line 24) - (-line 25)**	**26**	8 248 321	4 908 915
VI.	Revenue from the sale of securities and shares (661)	27	6 060 235	1 534 824
J.	Securities and shares sold (561)	28	5 754 797	1 526 122
VII.	Income from non-current financial assets line 30 + line 31 + line 32	29	0	2 291
VII.1	Income from securities and ownership interests in a subsidiary and in a company where significant influence is held (665A)	30	0	0
2.	Income from other long-term securities and shares (665A)	31	0	2 291
3.	Income from other non-current financial assets (665A)	32	0	0
VIII.	Income from current financial assets (666)	33	0	0
K.	Expenses related to current financial assets (566)	34	0	0
IX.	Gains on revaluation of securities and income from derivative transactions (664, 667)	35	0	0
L.	Loss on revaluation of securities and expenses related to derivative transactions (564, 567)	36	0	0
M.	Creation and reversal of value adjustments to financial assets +/- 565	37	0	0
X.	Interest income (662)	38	905 412	2 098 277
N.	Interest expense (562)	39	226 337	284 988
XI.	Exchange rate gains (663)	40	1 499	2 936
O.	Exchange rate losses (563)	41	3 318	3 654

DIČ: 2020428036			Income Statement Úč POD 2-01	
Desig-nation	**Text**	**Line No.**	**Actual data**	
			Current accounting period	**Preceding accounting period**
a	**b**	**c**	**1**	**2**
XII.	Other income from financial activities (668)	42	0	8 280
P.	Other expenses related to financial activities (568, 569)	43	157 178	264 357
XIII.	Transfer of financial income (-) (698)	44	0	0
R.	Transfer of financial expenses (-) (598)	45	0	0
*	**Profit/loss from financial activities line 27 - line 28 + line 29 + line 33 - line 34 + line 35 - line 36 - line 37 + line 38 - line 39 + line 40 - line 41 + line 42 - line 43 +(-line 44) - (-line 45)**	**46**	825 517	1 567 487
**	**Profit/loss from ordinary activities before tax line 26 + line 46**	**47**	9 073 837	6 476 401
S.	Income tax on ordinary activities line 49+ line 50	48	18	51
S.1.	- current (591,595)	49	18	51
2.	- deferred (+/-592)	50	0	0
**	**Profit/loss from ordinary activities after tax line 47 - line 48**	**51**	9 073 819	6 476 351
XIV.	Extraordinary income (account group 68)	52	0	0
T.	Extraordinary expenses (account group 58)	53	0	0
*	**Profit/loss from extraordinary activities before tax line 52 - line 53**	**54**	0	0
U.	Income tax on extraordinary activities line 56 + line 57	55	0	0
U.1.	- current (593)	56	0	0
2.	- deferred (+/- 594)	57	0	0
*	**Profit/loss from extraordinary activities after tax line 54 - line 55**	**58**	0	0
***	**Profit/loss for the accounting period before tax (+/-) (line 47 + line 54)**	**59**	9 073 837	6 476 401
V.	Transfer of net profit/net loss shares to partners (+/-596)	60	0	0
***	**Profit/loss for the accounting period after tax (+/-) [line 51 + line 58 - line 60]**	**61**	9 073 819	6 476 351

Balance Sheet Úč POD 1-01

BALANCE SHEET

at 30. 04. 2013 (in whole euros)

Tax identification number (DIČ)
2020428036

Identification number (IČO)
31560636

SK NACE
55.1.

Financial statements
[x] - ordinary
[ ] - extraordinary

Financial statements
[x] - prepared
[ ] - approved

(check x)

For period	**Month**	**Year**
from	11	2012
to	04	2013

Preceding period	**Month**	**Year**
from	11	2011
to	10	2012

Legal name (designation) of the accounting entity
Tatry mountain resorts, a.s.

Registered office of the accounting entity, street and number
Demänovská Dolina 72

Zip code
03101

Municipality
Liptovský Mikuláš

Telephone number
044 / 5591505

Fax number
044 / 5591511

E-mail

Prepared on:	Signature of the person responsible for bookkeeping:	Signature of the person responsible for the preparation of the financial statements:	Signature of the accounting entity's statutory body or a sole trader who is the accounting entity:
7.6.2013			
Approved on: 24. 6. 2013			

DIČ:	2020428036		Balance Sheet Úč POD 1-01

Designation a	ASSETS b	Line No. c	Current accounting period 1 Gross-part 1	Current accounting period 1 Correction-part 2	2 Net	Preceding accounting period 3 Net
	Total assets line 002 + line 030 + line 061	**001**	357 984 626	50 946 406	307 038 220	300 507 556
A.	**Non-current assets line 003 + line 011 + line 021**	**002**	321 198 476	50 751 387	270 447 089	259 500 788
A.I.	**Non-current intangible assets - total (lines 004 to 010)**	**003**	2 646 667	871 686	1 774 981	1 446 781
A.I.1.	Capitalized development costs (012) - /072, 091A/	004	0	0	0	0
2.	Software (013)-/073, 091A/	005	819 198	217 487	601 711	424 052
3.	Valuable rights (014) - /074, 091A/	006	1 757 736	780 549	977 187	1 022 278
4.	Goodwill (015) - /075, 091A/	007	-143 376	-143 376	0	0
5.	Other non-current intangible assets (019, 01X) - /079, 07X, 091A/	008	17 026	17 026	0	0
6.	Acquisition of non-current intangible assets (041) - 093	009	196 083	0	196 083	451
7.	Advance payments made for non-current intangible assets (051) - 095A	010	0	0	0	0
A.II.	**Property, plant and equipment - total (lines 012 to 020)**	**011**	242 501 949	43 321 089	199 180 860	192 624 601
A.II.1.	Land (031) - 092A	012	21 027 914	380 587	20 647 327	20 709 445
2.	Structures (021) - /081, 092A/	013	115 997 041	18 231 651	97 765 390	82 164 377
3.	Individual movable assets and sets of movable assets (022) - /082, 092A/	014	94 392 506	24 111 843	70 280 663	42 898 948
4.	Perennial crops (025) - /085, 092A/	015	0	0	0	0
5.	Livestock (026) - /086,092A/	016	0	0	0	0
6.	Other property, plant and equipment (029, 02X, 032) - /089, 08X, 092A/	017	20 242	0	20 242	20 242
7.	Acquisition of property, plant and equipment (042) - 094	018	10 573 921	597 008	9 976 913	40 707 561
8.	Advance payments made for property, plant and equipment (052) - 095A	019	490 325	0	490 325	6 124 028
9.	Value adjustment to acquired assets (+/- 097) +/- 098	020	0	0	0	0
A.III.	**Non-current financial assets - total (lines 022 to 029)**	**021**	76 049 860	6 558 612	69 491 248	65 429 406
A.III.1.	Shares and ownership interests in a subsidiary (061) - 096A	022	33 821 569	5 000 000	28 821 569	15 795 792
2.	Shares and ownership interests with significant influence over enterprises (062) - 096A	023	137 226	0	137 226	5 566 969
3.	Other long-term shares and ownership interests (063, 065) - 096A	024	7 045 358	0	7 045 358	13 207 363
4.	Intercompany loans (066A) - 096A	025	0	0	0	0

DIČ: 2020428036						Balance Sheet Úč POD 1-01
Desig- nation a	**ASSETS b**	**Line No. c**	**Current accounting period**			**Preceding accounting period**
			1		**2**	**3**
			Gross-part 1	**Correction-part 2**	**Net**	**Net**
5.	Other non-current financial assets (067A, 069, 06XA) - 096A	026	12 912 801	0	12 912 801	10 050 371
6.	Loans with maturity up to one year (066A, 067A, 06XA)-096A	027	2 681 641	0	2 681 641	2 916 258
7.	Acquisition of non-current financial assets (043) - 096A	028	0	0	0	0
8.	Advance payments made for non-current financial assets (053) - 095A	029	19 451 265	1 558 612	17 892 653	17 892 653
B.	**Current assets line 031 + line 038 + line 046 + line 055**	**030**	35 847 741	195 019	35 652 722	39 982 037
B.I.	**Inventory - total (lines 032 to 037)**	**031**	1 639 937	0	1 639 937	1 471 944
B.I.1.	Raw material (112, 119, 11X) - /191, 19X/	032	656 542	0	656 542	425 887
2.	Work in progress and semi-finished products (121, 122, 12X) - /192, 193, 19X/	033	0	0	0	0
3.	Finished goods (123) - 194	034	0	0	0	0
4.	Animals (124) - 195	035	0	0	0	0
5.	Merchandise (132, 133, 13X, 139) - /196, 19X/	036	983 395	0	983 395	1 046 057
6.	Advance payments made for inventory (314A) - 391A	037	0	0	0	0
B.II.	**Non-current receivables - total (lines 039 to 045)**	**038**	0	0	0	0
B.II.1.	Trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - 391A	039	0	0	0	0
2.	Net value of contract (316A)	040	0	0	0	0
3.	Receivables from a subsidiary and a parent (351A) - 391A	041	0	0	0	0
4.	Other intercompany receivables (351A) - 391A	042	0	0	0	0
5.	Receivables from participants, members, and association (354A, 355A, 358A, 35XA) - 391A	043	0	0	0	0
6.	Other receivables (335A, 33XA, 371A, 373A, 374A, 375A, 376A, 378A) - 391A	044	0	0	0	0
7.	Deferred tax asset (481 A)	045	0	0	0	0
B.III.	**Current receivables - total (lines 047 to 054)**	**046**	30 264 370	195 019	30 069 351	35 803 468
B.III.1.	Trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - 391A	047	12 238 429	195 019	12 043 410	4 893 460
2.	Net value of contract (316A)	048	0	0	0	0
3.	Receivables from a subsidiary and a parent (351A) - 391A	049	0	0	0	0
4.	Other intercompany receivables (351A) - 391A	050	0	0	0	0
5.	Receivables from participants, members, and association (354A, 355A, 358A, 35XA, 398A) - 391A	051	0	0	0	0
6.	Social security (336) - 391A	052	0	0	0	0
7.	Tax assets and subsidies (341, 342, 343, 345, 346, 347) - 391A	053	781 545	0	781 545	1 536 425
8.	Other receivables (335A, 33XA, 371A, 373A, 374A, 375A, 376A, 378A) - 391A	054	17 244 396	0	17 244 396	29 373 583

DIČ:	2020428036		Balance Sheet Úč POD 1-01

Designation a	ASSETS b	Line No. c	Current accounting period 1 Gross-part 1	Current accounting period 1 Correction-part 2	Current accounting period 2 Net	Preceding accounting period 3 Net
B.IV.	**Financial accounts - total (lines 056 to 060)**	**055**	3 943 434	0	3 943 434	2 706 625
B.IV.1.	Cash on hand (211, 213, 21X)	056	221 055	0	221 055	232 557
2.	Bank accounts (221A, 22X +/-261)	057	3 722 379	0	3 722 379	2 474 068
3.	Bank accounts with notice period exceeding one year 22XA	058	0	0	0	0
4.	Current financial assets (251, 253, 256, 257, 25X) - /291, 29X)	059	0	0	0	0
5.	Acquisition of current financial assets (259,314A) - 291	060	0	0	0	0
C.	**Accruals/deferrals - total (lines 062 to 065)**	**061**	938 409	0	938 409	1 024 731
C.1.	Prepaid expenses - long-term (381A, 382A)	062	0	0	0	0
2.	Prepaid expenses - short-term (381A, 382A)	063	840 902	0	840 902	705 415
3.	Accrued income - long-term (385A)	064	0	0	0	0
4.	Accrued income - short-term (385A)	065	97 507	0	97 507	319 316

DIČ:	2020428036			Balance Sheet Úč POD 1-01
Designation a	**LIABILITIES AND EQUITY b**	**Line No. c**	**Current accounting period 4**	**Preceding accounting period 5**
	Total equity and liabilities line 067 + line 088 + line 121	**066**	307 038 220	300 507 556
A.	**Equity line 068 + line 073 + line 080 + line 084 + line 087**	**067**	267 489 302	265 932 323
A.I.	**Share capital - total (lines 069 to 072)**	**068**	221 337 534	221 337 534
A.I.1.	Share capital (411 or +/- 491)	069	221 337 534	221 337 534
2.	Own shares and own ownership interests (/-/252)	070	0	0
3.	Change in share capital +/- 419	071	0	0
4.	Receivables related to unpaid share capital (/-/ 353)	072	0	0
A.II.	**Capital funds - total (lines 074 to 079)**	**073**	30 954 486	31 361 695
A.II.1.	Share premium (412)	074	30 430 378	30 430 378
2.	Other capital funds (413)	075	282 587	282 587
3.	Legal reserve fund (Non-distributable fund) from capital contributions (417, 418)	076	0	0
4.	Differences from revaluation of assets and liabilities (+/- 414)	077	241 521	648 730
5.	Investment revaluation reserves (+/- 415)	078	0	0
6.	Differences from revaluation in the event of a merger, amalgamation into a separate accounting entity or demerger (+/- 416)	079	0	0
A.III.	**Funds created from profit - total (lines 081 to 083)**	**080**	3 877 263	3 240 121
A.III.1.	Legal reserve fund (421)	081	3 877 263	3 240 121
2.	Non-distributable fund (422)	082	0	0
3.	Statutory funds and other funds (423, 427, 42X)	083	0	0
A.IV.	**Net profit/loss of previous years line 085 and line 086**	**084**	2 246 200	3 621 556
A.IV.1.	Retained earnings from previous years (428)	085	2 246 200	3 621 556
2.	Accumulated losses from previous years (/-/429)	086	0	0
A.V.	**Net profit/loss for the accounting period after tax /+-/ line 001 - (line 068 + line 073 + line 080 + line 084 + line 088 + line 121)**	**087**	9 073 819	6 371 417
B.	**Liabilities line 89 + line 94 + line 106 + line 117 + line 118**	**088**	39 101 488	34 173 058
B.I.	**Provisions - total (lines 090 to 093)**	**089**	187 585	556 939
B.I.1.	Legal provisions - long-term (451A)	090	0	0
2.	Legal provisions - short-term (323A, 451A)	091	160 894	530 248
3.	Other long-term provisions (459A, 45XA)	092	26 691	26 691
4.	Other short-term provisions (323A, 32X, 459A, 45XA)	093	0	0
B.II.	**Non-current liabilities - total (lines 095 to 105)**	**094**	6 241 791	5 618 632
B.II.1.	Non-current trade liabilities (321A, 479A)	095	0	0
2.	Net value of contract (316A)	096	0	0
3.	Unbilled long-term supplies (476A)	097	0	0

DIČ: 2020428036				Balance Sheet Úč POD 1-01
Desig- nation a	**LIABILITIES AND EQUITY b**	**Line No. c**	**Current accounting period 4**	**Preceding accounting period 5**
4.	Non-current liabilities to a subsidiary and a parent (471A)	098	0	0
5.	Other non-current intercompany liabilities (471A)	099	0	0
6.	Long-term advance payments received (475A)	100	0	0
7.	Long-term bills of exchange to be paid (478A)	101	0	0
8.	Bonds issued (473A/-/255A)	102	0	0
9.	Liabilities related to social fund (472)	103	9 681	9 340
10.	Other non-current liabilities (474A, 479A, 47XA, 372A, 373A, 377A)	104	1 089 785	466 968
11.	Deferred tax liability (481A)	105	5 142 325	5 142 324
B.III.	**Current liabilities - total (lines 107 to 116)**	**106**	13 487 882	12 787 227
B.III.1.	Trade liabilities (321, 322, 324, 325, 32X, 475A, 478A, 479A, 47XA)	107	4 470 776	11 354 408
2.	Net value of contract (316A)	108	0	0
3.	Unbilled supplies (326, 476A)	109	462 491	460 302
4.	Liabilities to a subsidiary and a parent (361A, 471A)	110	0	0
5.	Other intercompany liabilities (361A, 36XA, 471A, 47XA)	111	0	0
6.	Liabilities to partners and association (364, 365, 366, 367, 368, 398A, 478A, 479A)	112	7 121 489	9 222
7.	Liabilities to employees (331,333,33X,479A)	113	289 463	331 871
8.	Liabilities related to social security (336, 479A)	114	183 370	172 739
9.	Tax liabilities and subsidies (341, 342, 343, 345, 346, 347, 34X)	115	62 536	41 636
10.	Other liabilities (372A, 373A, 377A, 379A, 474A, 479A, 47X)	116	897 757	417 049
B.IV.	**Short-term financial assistance (241, 249, 24X, 473A,/-/255A)**	**117**	4 706 879	0
B.V.	**Bank loans line 119 and line 120**	**118**	14 477 352	15 210 260
B.V.1.	Long-term bank loans (461A, 46XA)	119	11 530 932	12 363 033
2.	Current bank loans (221A, 231, 232, 23X, 461A, 46XA)	120	2 946 420	2 847 227
C.	**Accruals/deferrals - total (lines 122 to 125)**	**121**	447 429	402 175
C.1.	Accrued expenses - long-term (383A)	122	0	0
2.	Accrued expenses - short-term (383A)	123	0	0
3.	Deferred income - long-term (384A)	124	119 637	268 067
4.	Deferred income - short-term (384A)	125	327 793	134 108

Notes Úč POD 3 - 04

Notes
to the individual Financial Statements
as at 30 April 2013

in [ ] - Eurocents [x] - EUR

	month	year		month	year
For the period from	11	2012	to	04	2013
Preceding period from	11	2011	to	04	2012

Date of establishment of the accounting entity

20 03 1992

Financial statements *)
[x] - ordinary
[ ] - extraordinary
[ ] - interim

Financial statements *)
[x] – prepared
[ ] – approved

ID (IČO)
31560636

Tax ID (DIČ)
2020428036

SK NACE
55.10.0

Legal name (designation) of the accounting entity
TATRY MOUNTAIN RESORTS, a.s.

Regitered office of the accounting entity

Street
DEMÄNOVSKÁ DOLINA

Number
72

Zip code
03101

Municipality
LIPTOVSKÝ MIKULAŠ

Telephone No.
044 / 5591505

Fax No.
044 / 5591511

E-mail

Prepared on: 7.6.2013 Approved on: 24. 6. 2013	Signature of the person responsible for bookkeeping:	Signature of the person responsible for preparation of the financial statements:	Signature of the member of the accounting entity's statutory body or a sole trader, who is an accounting entity:

A. INFORMATION ABOUT THE ACCOUNTING ENTITY

1. Business name and registered office of the company

Tatry mountainresorts, a.s.
Demänovská Dolina 72
031 01 Liptovský Mikuláš

Tatry mountainresorts, a.s. (hereinafter only the "company" or the "Company") is a joint-stock company with registered office and place of business in: Demänovská Dolina 72, Liptovský Mikuláš 031 01. The company was established on 20 March 1992 and it was incorporated on 1 April 1992 (Commercial Register of Žilina District Court, Section: Sa, Insert No: 62/L). The Company's ID is: 31 560 636 and the Company's tax identification number is: 2020428036.

Shares of the Company are as of 19 November 1993 registered on the Stock Exchange in Bratislava, as of 15 October 2012 on the Warsaw Stock Exchange (WSE) and as of 22 October 2012 on the Stock Exchange Prague (BCCP).

2. The Company's core activities are:

- Operation of cableways and ski lifts;
- Operation of hotels;
- Restaurant services and catering activities;
- Operation of the water park;
- Operation of ski and snowboarding schools.

3. Average number of employees

Data on number of employees for the current accounting period and the preceding accounting period are given in the following summary:

	30.4.2013	30.4.2012
Average recalculated number of employees	1 062	838
Number of employees as at the balance sheet date,	1 255	1 062
of which are managers	17	16

4. Information on unlimited liability

The Company is not a partner with unlimited liability in other companies according to Article 56 (5) of the Commercial Code.

5. Legal reason for the preparation of the Financial Statements

The Financial Statements of the Company as at 30 April 2013 have been prepared as interim financial statements in accordance with Article 17 (6) of the Slovak Act No. 431/2002 Coll. on Accounting for the accounting period from 1 November 2012 to 30 April 2013.

6. Date of approval of the Financial Statements for the preceding accounting period

The Financial Statements of the Company as at 31 October 2012, i.e. for the preceding accounting period, were approved by the shareholders at the Company's General Meeting held on 27 April 2013.

7. Publication of the Financial Statements for the preceding accounting period

The Financial Statements of the Company as at 31 October 2012, including the Annual Report and the auditor's report on the audit of the financial statements as at 31 October 2012, were filed in the collection of deeds of the Commercial Register on 22 May 2013.

8. Appointment of the auditor

On 27 April 2013 the General Meeting appointed KPMG spol. s r.o. as the auditor of the Financial Statements for the period from 1 November 2012 to 31 October 2013.

B. INFORMATION ABOUT THE ACCOUNTING ENTITY'S BODIES

The Company's bodies are:

Board of Directors:

Ing. Bohuš Hlavatý, Chairman (appointed 29.6.2009)
Ing. Branislav Gábriš, Vice-Chairman (appointed 18.2.2011)
Ing. Jozef Hodek, member (appointed 29.6.2009)
Ing.Dušan Slavkovský, member (appointed 1.5.2010)
Ing. Michal Krolák, member (appointed 18.2.2011)
Ing. Andrej Devečka, member (appointed 14.12.2006 till 14.12.2011, appointed 22.12.2011)

Supervisory Board:

Ing. Igor Rattaj (appointed 29.6.2009)
Ing. František Hodorovský (appointed 18.1.2011)
Jiří Uvíra (appointed 18.1.2011)
Jan Marian Komornicki (until 27.4.2013)
Boris Kollár (appointed 30.4.2011)
Roman Kudláček (appointed 21.4.2012)
Miroslav Roth (appointed 30.6.2012)
Ing. Ján Štetka (appointed 30.6.2012)
Ing. Peter Kubeňa (appointed 30.6.2012)
Ing. Pavol Mikušiak (appointed 27.4.2013)

C. INFORMATION ABOUT THE GROUP AND INFORMATION ABOUT THE SHAREHOLDERS OF THE ACCOUNTING ENTITY

The structure of the Company's shareholders as at 30 April 2013 and as at 31 October 2012 was as follows:
30 April 2013

Shareholder	Share capital		Voting rights	Other share in equity items other than share capital
	in absolute terms	in %	in %	v %
a	b	c	d	e
CLEARSTREAM BANKING S.A.	23 019	10,40	10,40	-
J&T BANKA, a.s.	21 912	9,90	9,90	-
EGNARO INVESTMENT LIMITED	19 920	9,00	9,00	-
KEY DEE LIMITED	19 920	9,00	9,00	-
Poštová banka, a.s.	18 592	8,40	8,40	-
Minority shareholders	117 973	53,30	53,30	-
Total	**221 337**	**100**	**100**	**-**

31 October 2012

Shareholder	Share capital		Voting rights	Other share in equity items other than share capital
	absolute terms	in %	in %	in %
a	b	c	d	e
J & T BANKA, a.s.	21 912	9,90	9,90	-
CLEARSTREAM BANKING S.A.	21 890	9,90	9,90	-
KEY DEE LIMITED	20 031	9,00	9,00	-
EGNARO INVESTMENTS LIMITEI	19 876	9,00	9,00	-
Poštová banka, a.s.	16 691	7,50	7,50	-
Patria Finance, a.s.	14 055	6,40	6,40	-
Privatbanka, a.s.	10 956	5,00	5,00	-
TATRY INVESTMENT LIMITED	9 562	4,30	4,30	
Minority shareholders	86 365	39,00	39,00	
Total	**221 338**	**100**	**100**	**-**

The Company is included in the consolidated financial statements of Tatry mountain resorts Group. The Group's consolidated financial statements are available directly at the Company's registered office. The address of the registration court maintaining the Commercial Register in which these consolidated financial statements are deposited, is: District Court Žilina, Pavla Orsághа Hviezdoslava 28, 01001 Žilina.

D. INFORMATION ABOUT ACCOUNTING PRINCIPLES AND ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements were prepared based on the going concern assumption.

The accounting policies and general accounting principles have been consistently applied by the entity except for:

- Accounting for the difference between the recognised value of the contribution and the carrying value of the contributed assets as recognised by the contributor. Effective from 1 January 2010, the difference for non-monetary contributions is recognised through profit or loss, rather than through equity;
- Borrowing costs incurred until the moment of placing non-current intangible assets in service, which, as of 1 July 2010, is not included in the acquisition cost of non-current intangible assets.

(b) Non-current intangible assets and property, plant and equipment

Purchased non-current assets are valued at their acquisition cost, which consists of the price at which an asset has been acquired plus costs related to the acquisition (customs duty, transport, assembling costs, insurance etc.).

Acquisition cost of property, plant and equipment does not include borrowing costs or realized exchange rate differences, which arose before the item of property, plant and equipment was put into use.

Acquisition cost of non-current intangible assets does not include borrowing costs, which arose before the non-current intangible assets were put into use.

Self-constructed non-current assets are valued at their conversion cost. Conversion cost includes all direct costs incurred during production or other activities and indirect costs related to production or other activities.

Depreciation

Depreciation of property, plant and equipment is based on the estimated useful lives of the assets and its expected wear and tear. Depreciation commences on the first day of placing the asset in service. Low-value non-current tangible assets with an acquisition cost (or conversion cost) of EUR 996 or less are written off when the asset is put into use. Land is not depreciated. Low-value non-current tangible assets with an acquisition cost (or conversion cost) of EUR 1 666 EUR or less are written off when the asset is put into use.

Except for the below listed items, depreciation is recognised through profit or loss on a straigh-line basis during estimated useful lives of each asset. Estimated useful lives are as follows:

- Buildings 30 - 45 years
- Separate movable assets and sets of movables
  - Geothermal well 40 years
  - Tobogans 25 years
  - Cableways and ski lifts 20 - 30 years
  - Equipment 5 - 12 years
  - Fixtures and other 5 - 10 years

Depreciation methods, estimated useful lives and the carrying value are reassessed each year as at the date of the financial statements. Certain assets (cableways, snow-making equipment) are subject to progressive depreciation, as the wear and tear is higher during last years of the estimated useful life.

Each material part of property, plant and equipment, i.e. an asset with acquisition cost being material in proportion to total acquisition cost of the asset, is depreciated separately.

Software and other intengible assets acquired by the Company are recognised at cost net of accumulated depreciation. Estimated useful lives of the assets are regularly reassessed.

Amortization is recognised through profit or loss on a straight-line basis over the estimated useful lives of the intengible asset from the date of availability for use. The estimated useful lives are as follows:

- Software 4 – 5 years
- Valuable rights each asset has defined an individual depreciation plan for 6 to 50 years

The valuable rights include trade marks, which are not depreciated.

Tax depreciation is applied using straight-line depreciation rates in accordance with the Income Tax Act.

(c) Securities and ownership interests

Securities and ownership interests are valued at their acquisition cost, including costs related to the acquisition, less any impairment of the securities and ownership interests.

(d) Inventory

Inventory is valued at the lower of its acquisition cost (purchased inventory), conversion cost (own work capitalized) or its net realizable value.

Acquisition cost includes the price at which inventory has been acquired plus costs related to the acquisition (customs duty, transport, insurance, commissions, discount etc.). Borrowing costs are not capitalized. The cost of purchased inventory is based on the weighted average principle.

Conversion cost includes direct costs (direct material, direct labor, and other direct costs) and part of indirect costs directly related to own work capitalized (production overheads). Production overheads are included in the conversion cost based on the stage of production. Administrative overheads and selling costs are not included in the conversion cost. Borrowing costs are not capitalized.

Net realizable value is the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

Provision for inventories is recognised for any impairment.

(e) Construction contracts

Construction contracts are presented using the percentage-of-completion method.

(f) Receivables

Receivables are valued at their nominal value when incurred; assigned receivables and receivables acquired through contribution to share capital are valued at their acquisition cost, including costs related to the acquisition. The valuation is net of any doubtful and bad debts.

Long-term and short-term receivables, liabilities, loans and borrowings are recognised in the balance sheet when incurred, either as short-term or long-term depending on their agreed maturity. Receivables and liabilities with maturity shorter than 12 months are recognised as short-term and receivables and liabilities with maturity over 12 months are recognised as long-term receivables/liabilities.

(g) Cash, stamps and vouchers

Cash, stamps and vouchers are valued at their nominal value. A provision is created for any impairment.

(h) Prepaid expenses and accrued income

Prepaid expenses and accrued income are presented in accordance with the matching principle in terms of substance and time.

(i) Provisions

Provisions are created for future losses and liabilities, which are most likely to occur based on past events which can be estimated. Provisions are liabilities of uncertain timing or amount. Provisions are created to cover known risks or losses from business activities. They are valued at the expected amount of the liability.

(j) Liabilities

Liabilities are valued at their nominal value as they arise. Assumed liabilities are valued at their acquisition cost. If reconciliation procedures reveal that the actual amount of liabilities differs from the amount recorded in the accounting books, the actual amount shall be used to value these liabilities in the accounting books and financial statements.

(k) Taxes

Income tax is calculated in the amount of 19% of the tax base, which is calculated as profit before tax adjusted by non-deductible and deductible items.

(l) Deferred taxes

The Company recognises deferred taxes in accordance with the accounting procedures, i.e. since 1 January 2003 the balance principle is used for calculation of teporary differences arising betweeen the net book value and the net tax value of assets and liabilities, the possibility to carry forward tax losses to future periods and to carry forward unused tax deductions and other tax claims to future periods. In the current financial statements, deferred taxes were calculated using the 19% rate. For deferred tax assets, recoverability against future tax base is assessed. If it is assumed that the receivable can not be recovered, a provision is reognised.

Deferred taxes (deferred tax assets and deferred tax liabilities) relate to the following:

a) temporary differences between the carrying value of assets and the carrying value of liabilities presented in the Balance Sheet and their tax base;
b) tax losses which are possible to carry forward to future periods, being understood as the possibility of deducting these tax losses from the tax base in the future; and
c) unused tax deductions and other tax claims, which are possible to carry forward to future periods.

(m) Accrued expenses and deferred income
Accrued expenses and deferred income are presented in accordance with the matching principle in terms of substance and time.

(n) Subsidies from the state budget
An entitlement to a subsidy from the state budget shall be accounted for if it is virtually certain that the entity will comply with the conditions attached to the subsidy and that the subsidy will be received.

Subsidies for the Company’s operations are initially recorded as deferred income and are released into operating revenue in relation to the recognition of expenses incurred for the purpose for which subsidies for operations have been granted.

Subsidies for acquisition of property, plant and equipment and non-current intangible assets are initially recorded as deferred income and are released into Income Statement in accordance with time and substance matching principle in relation to depreciation of the non-current assets for which subsidies have been granted.

(o) Leasing
Operating lease. Assets leased under operating lease agreements are presented by the owner, not by the lessee.
Financial leasing (with purchase option; leases without purchase option are regarded as operating leases). Assets leased under agreements made before 31 December 2003 are presented by the owner, not by the lessee. Assets leased under agreements made on 1 January 2004 or thereafter are presented by the lessee, not by the owner.

(p) Derivatives
Derivatives are valued at their fair value.

Changes in the fair values of hedging derivatives are recorded directly to equity, with no impact on net profit/loss.

Changes in the fair values of derivatives held for trading on a domestic stock exchange, foreign stock exchange, or other public market are recorded with an impact on net profit/loss.
Changes in the fair values of derivatives held for trading on a non-public market are recorded directly to equity, with no impact on net profit/loss.

(q) Assets and liabilities hedged by derivatives
Assets and liabilities hedged by derivatives are valued at their fair value. Changes in the fair values of assets and liabilities hedged by derivatives are recorded directly to equity, with no impact on net profit/loss.

(r) Foreign currency
Assets and liabilities denominated in foreign currency are translated to Euro as at the date of the accounting transaction by the reference exchange rate determined and declared by the European Central Bank or National Bank of Slovakia as at the date preceding the date of the accounting transaction.

An increase in a foreign currency purchased with euro currency is valued according to the exchange rate at which this foreign currency was purchased.

In case of a decrease in the same foreign currency in cash or in a foreign exchange account, reference exchange rate determined and declared by the European Central Bank or National Bank of Slovakia as at the date preceding the date of the accounting transaction is used for the valuation of a decrease in the foreign currency in euros.

Assets and liabilities denominated in a foreign currency (except for advance payments made and advance payments received) are translated to Euro at the Balance Sheet date according to the reference exchange rate determined and declared by the European Central Bank or the National Bank of Slovakia as at the Balance Sheet date, and are recorded with an impact on profit or loss.

Advance payments made and advance payments received in foreign currencies to or from bank account maintained in this currency are translated to Euro as at the date of the accounting transaction by the reference exchange rate determined and declared by the European Central Bank or the National Bank of Slovakia as at the date preceding the date of accounting transaction. They are not retranslated as of the Balance Sheet date.

(s) Revenues

The Company recognises six types of basic sales from provided services:

- Revenues from hotel resorts;
- Revenues from the water park;
- Revenues from sporting services and stores;
- Revenues from hotels;
- Revenues from restaurants;
- Revenues from real-estate projects.

Revenues are accrued depending on the period for which the service was provided, except for sales from the water park, hotel services and restaurant services, which are recognised through profit/loss account after the service is provided. Revenues from provided services do not include any value added tax and are net of discounts and reductions in price (rebates, bonuses, discounts, credit notes, etc.)

E. INFORMATION ABOUT DATA ON THE ASSET SIDE OF THE BALANCE SHEET

1. Non-current intangible assets and property, plant and equipment

Information on the movements of non-current intangible assets and property, plant and equipment from 1 November 2012 to 30 April 2013 and for the comparative period from 1 November 2011 to 31 October 2012 is shown in the tables on pages 89 až 92.

During the period from 1 November 2010 to 31 October 2011, the Company acquired the assets of Aquapark Tatralandia. The assets were acquired at EUR 30 500 thousand. The purchase price was settled as follows: EUR 16 300 thousand (with EUR 10 200 thousand being the purchase price and EUR 6 100 thousand being the VAT on the purchase price) were paid by bank transfer to the seller's account and the remaining part of the purchase price in the amount of EUR 20 300 thousand was settled by assignment of a bill receivable.

Aquapark Tatralandia is the largest year-round water park in Slovakia, Czech Republic and Poland with accommodation facilities. It is comprised of Aquapark Tatralandia and the accommodation facilities Holiday Village Tatralandia. It is located in Liptov region.

Besides abovementioned information, additions to assets in the period from 1 November 2012 to 30 April 2013 in the amount of EUR 23 318 thousand include mainly: construction of cableways, structure in the water park interior, cableway technologies, snow-making systems, ground shaping, catering facilities, Apreski bar and other assets.

TMR company sold in March 11, 2013 Hotel FIS Štrbské Pleso to the company Burnus s.r.o for EUR 5 674 million. The sale was realized The sale was executed because of the buyer's opportunity to obtain a grant to rebuild the hotel and thus significantly improve performance and achieve better results. Hotel is still leased by TMR.

The Company has leased (the finance leasing agreements signed after 1 January 2004) the cableway technology, snowmobiles, equipment of the catering facilities and cars; the assets are presented as the Company's assets.

Carrying values of this asset are listed in below table:

Description	30.4.2013 EUR	31.10.2012 EUR
Snow groomer	1 190 697	273 984
Car	370 060	298 818
LED screen	265 852	285 454
Catering facility	156 313	117 654
Belt conveyor	132 687	182 245
Excavator/Traktor	112 643	28 899
Ski servis	97 930	103 102
Snowbike	43 936	14 504
Total	**2 370 118**	**1 304 660**

The Company secured its bank loans by the following assets: land, water areas, technology, service buildings of mountain lift equipment: ski lifts, chair lifts, funicular train, elevated cableway, cabin cableway, transformer station, service buildings and structures: Hotel Srdiečko, Hotel Kosodrevina, Hotel Liptov, Hotel Grand, Hotel SKI, former telecommunication building, bungalows.

As at 30 April 2012, the land, structures and equipment, inventories and receivables were used as a pledge for the Company's bank loans amounted to EUR 191 519 thousand (as at 31 October 2012: EUR 159 092 thousand).

Property,plant and equipment	Value in the current accounting period
Property, plant and equipment with established lien	180 453 652
Property, plant and equipment that is not at the Company's full disposal	0

The Company has its assets insured against natural disasters, theft, vandalism and general machinery risks. Additionally, the Company is insured against liability for damages. Property, plant and equipment is insured against natural disasters with the insured value amounting to EUR 244 926 thousand. The insured amount for general machinery risks insurance, liability insurance and vandalism is EUR 12 956 thousand, EUR 12 660 thousand and EUR 116 200 thousand, respectively.

in EUR

Property, plant and equipment	Current accounting period as at 30 April 2013								
	Land	Structures	Individual movable assets and sets of movable assets	Perennial crops	Livestock	Other property plant and equipment	Acquisition of property, plant and equipment	Advance payments made for property plant and equipment	**Total**
a	b	c	d	e	f	g	h	i	**j**
Initial measurement									
Opening balance	21 090 032	99 173 972	64 872 728	0	0	20 242	41 304 569	6 124 028	**232 585 571**
Increases	0	5 735 451	13 431 833	0	0	0	2 508 118	1 643 544	**23 318 946**
Decreases	62 118	5 504 913	558 291	0	0	0	0	7 277 247	**13 402 568**
Transfers	0	16 592 531	16 646 236	0	0	0	-33 238 767	0	**0**
Closing balance	21 027 914	115 997 041	94 392 506	0	0	20 242	10 573 920	490 325	**242 501 949**
Accumulated depreciation									
Opening balance	0	17 009 595	21 973 780	0	0	0	0	0	**38 983 375**
Increases	0	6 726 968	2 696 354	0	0	0	0	0	**9 423 322**
Decreases	0	5 504 912	558 291	0	0	0	0	0	**6 063 203**
Closing balance	0	18 231 651	24 111 843	0	0	0	0	0	**42 343 494**
Value adjustments									
Opening balance	380 587	0	0	0	0	0	597 008	0	**977 595**
Increases	0	0	0	0	0	0	0	0	**0**
Decreases	0	0	0	0	0	0	0	0	**0**
Closing balance	380 587	0	0	0	0	0	597 008	0	**977 595**
Carrying value									
Opening balance	20 709 445	82 164 377	42 898 948	0	0	20 242	40 707 561	6 124 028	**192 624 601**
Closing balance	20 647 327	97 765 390	70 280 663	0	0	20 242	9 976 912	490 325	**199 180 860**

in EUR

Property, plant and equipment	Preceding accounting period as at 31 October 2012								
	Land	Structures	Individual movable assets and sets of movable assets	Perennial crops	Livestock	Other property plant and equipment	Acquisition of property, plant and equipment	Advance payments made for property plant and equipment	**Total**
a	b	c	d	e	f	g	h	i	**j**
Initial measurement									
Opening balance	20 397 260	84 702 206	56 710 859	0	0	29 450	18 083 802	2 329 445	**182 253 022**
Increases	694 154	11 429 652	8 496 080	0	0	0	26 977 470	16 684 382	**64 281 738**
Decreases	0	12 065	1 038 117	0	0	9 208	0	12 889 799	**13 949 189**
Transfers	-1 382	3 054 179	703 906	0	0	0	-3 756 703	0	**0**
Closing balance	21 090 032	99 173 972	64 872 728	0	0	20 242	41 304 569	6 124 028	**232 585 571**
Accumulated depreciation									
Opening balance	0	14 647 078	19 460 155	0	0	0	0	0	**34 107 233**
Increases	0	2 374 582	3 551 742	0	0	0	0	0	**5 926 324**
Decreases	0	12 065	1 038 117	0	0	0	0	0	**1 050 182**
Closing balance	0	17 009 595	21 973 780	0	0	0	0	0	**38 983 375**
Value adjustments									
Opening balance	380 587	0	0	0	0	0	597 008	0	**977 595**
Increases	0	0	0	0	0	0	0	0	**0**
Decreases	0	0	0	0	0	0	0	0	**0**
Closing balance	380 587	0	0	0	0	0	597 008	0	**977 595**
Carrying value									
Opening balance	20 016 673	70 055 128	37 250 704	0	0	29 450	17 486 794	2 329 445	**147 168 194**
Closing balance	20 709 445	82 164 377	42 898 948	0	0	20 242	40 707 561	6 124 028	**192 624 601**

in EUR

Non-current intangible assets	Current accounting period as at 30 April 2013							
	Capitalised development costs	Software	Valuable rights	Goodwill	Other non-current intangible assets	Acquisition of non-current intangible assets	Advance payments made for non-current intangible assets	**Total**
a	b	c	d	e	f	g	h	i
Initial measurement								
Opening balance	0	571 556	1 757 736	-143 376	17 026	451	0	**2 203 393**
Increases	0	247 642	0	0	0	195 632	0	**443 273**
Decreases	0	0	0	0	0	0	0	**0**
Transfers	0	0	0	0	0	0	0	**0**
Closing balance	0	819 198	1 757 736	-143 376	17 026	196 083	0	**2 646 666**
Accumulated depreciation								
Opening balance	0	147 504	735 458	-143 376	17 026	0	0	**756 612**
Increases	0	69 983	45 091	0	0	0	0	**115 073**
Decreases	0	0	0	0	0	0	0	**0**
Closing balance	0	217 487	780 549	-143 376	17 026	0	0	**871 685**
Value adjustments								
Opening balance	0	0	0	0	0	0	0	**0**
Increases	0	0	0	0	0	0	0	**0**
Decreases	0	0	0	0	0	0	0	**0**
Closing balance	0	0	0	0	0	0	0	**0**
Carrying value								
Opening balance	0	424 052	1 022 278	0	0	451	0	**1 446 781**
Closing balance	0	601 711	977 187	0	0	196 083	0	**1 774 981**

in EUR

Non-current intangible assets	Preceding accounting period as at 31 October 2012							
	Capitalised development costs	Software	Valuable rights	Goodwill	Other non-current intangible assets	Acquisition of non-current intangible assets	Advance payments made for non-current intangible assets	**Total**
a	b	c	d	e	f	g	h	**i**
Initial measurement								
Opening balance	0	204 885	1 757 736	-143 376	17 026	0	0	**1 836 271**
Increases	0	380 939	0	0	0	451	0	**381 390**
Decreases	0	14 268	0	0	0	0	0	**14 268**
Transfers	0	0	0	0	0	0	0	**0**
Closing balance	0	571 556	1 757 736	-143 376	17 026	451	0	**2 203 393**
Accumulated depreciation								
Opening balance	0	109 524	558 580	-143 376	17 026	0	0	**541 754**
Increases	0	52 247	176 878	0	0	0	0	**229 125**
Decreases	0	14 267	0	0	0	0	0	**14 267**
Closing balance	0	147 504	735 458	-143 376	17 026	0	0	**756 612**
Value adjustments								
Opening balance	0	0	0	0	0	0	0	**0**
Increases	0	0	0	0	0	0	0	**0**
Decreases	0	0	0	0	0	0	0	**0**
Closing balance	0	0	0	0	0	0	0	**0**
Carrying value								
Opening balance	0	95 361	1 199 156	0	0	0	0	**1 294 517**
Closing balance	0	424 053	1 022 278	0	0	451	0	**1 446 781**

in EUR

Non-current financial assets	Current accounting period as at 30 April 2013								
	Shares and ownership interests in subsidiaries	Shares and ownership interests in associates	Other long-term shares and ownership interests	Intercompany loans	Other non-current financial assets	Loans with maturity up to one year	Acquisition of non-current financial assets	Advances made for non-current financial assets	**Total**
a	b	c	d	e	f	g	h	i	**j**
Initial measurement									
Opening balance	18 795 792	7 566 969	13 207 363	0	10 050 371	2 916 258	0	19 451 265	**71 988 018**
Increases	7 500 000	96 035	5 429	0	2 862 430	65 383	0	0	**10 529 277**
Decreases	0	0	6 167 434	0	0	300 000	0	0	**6 467 434**
Transfers	7 525 778	-7 525 778	0	0	0	0	0	0	**0**
Closing balance	33 821 570	137 226	7 045 358	0	12 912 801	2 681 641	0	19 451 265	**76 049 860**
Value adjustments									
Opening balance	3 000 000	2 000 000	0	0	0	0	0	1 558 612	**6 558 612**
Increases	0	0	0	0	0	0	0	0	**0**
Decreases	0	0	0	0	0	0	0	0	**0**
Transfers	2 000 000	-2 000 000	0	0	0	0	0	0	**0**
Closing balance	5 000 000	0	0	0	0	0	0	1 558 612	**6 558 612**
Accounting value									
Opening balance	15 795 792	5 566 969	13 207 363	0	10 050 371	2 916 258	0	17 892 653	**65 429 406**
Closing balance	28 821 570	137 226	7 045 358	0	12 912 801	2 681 641	0	17 892 653	**69 491 248**

in EUR

Non-current financial assets	Preceding accounting period as at 31 October 2012								
	Shares and ownership interests in subsidiaries	Shares and ownership interests in associates	Other long-term shares and ownership interests	Intercompany loans	Other non-current financial assets	Loans with maturity up to one year	Acquisition of non-current financial assets	Advances made for non-current financial assets	**Total**
a	b	c	d	e	f	g	h	i	**j**
Initial measurement									
Opening balance	18 795 792	7 525 778	17 337 442	0	7 674 182	0	0	19 251 265	**70 584 459**
Increases	0	109 882	2 748 289	0	2 376 189	2 916 258	0	200 000	**8 350 618**
Decreases	0	68 691	6 878 368	0	0	0	0	0	**6 947 059**
Transfers	0	0	0	0	0	0	0	0	**0**
Closing balance	18 795 792	7 566 969	13 207 363	0	10 050 371	2 916 258	0	19 451 265	**71 988 018**
Value adjustments									
Opening balance	0	0	0	0	0	0	0	2 499 902	**2 499 902**
Increases	3 000 000	2 000 000	0	0	0	0	0	0	**5 000 000**
Decreases	0	0	0	0	0	0	0	941 290	**941 290**
Closing balance	3 000 000	2 000 000	0	0	0	0	0	1 558 612	**6 558 612**
Accounting value									
Opening balance	18 795 792	7 525 778	17 337 442	0	7 674 182	0	0	16 751 363	**68 084 557**
Closing balance	15 795 792	5 566 969	13 207 363	0	10 050 371	2 916 258	0	17 892 653	**65 429 406**

2. Non-current financial assets

Information on the movements of non-current financial assets from 1 November 2012 to 30 April 2013 and for the comparative period from 1 November 2011 to 31 October 2012 is shown in the tables on pages 93 a 94.

	Current accounting period (2013)				
Legal name and registered office of the company, in which the accounting entity has allocated non-current financial assets	Holding of the accounting entity in share capital in %	Share of the accounting entity in voting rights in %	Value of the equity of the accounting entity in which the accounting entity has allocated non-current financial assets	Profit or loss of the accounting entity in which the accounting entity has placed non-current financial assets	Carrying value of the non-current financial assets
a	b	c	d	e	f
a) Subsidiaries					
GRAND HOTEL PRAHA, a.s.	100	100	1 473 558	50 291	15 759 279
Interhouse Tatry, s.r.o.	50	50	1 127 377	85 528	13 025 778
Tatry mountain resorts services, a.s.	100	100	-185 698	-47 388	36 513
b) Accounting entities in which the company holds significant influence					
Joint ventures					
Melida	50	50	1 163 593	341 523	41 191
Korona Ziemi	-	-	-	-	96 035
c) Other available-for-sale securities and ownership interests					
Best Hotel Properties, a.s.	-	-	-	-	6 953 522
Compagnie des Alpes S.A.	-	-	-	-	58 520
Tatranské Dopravné dužstvo	0,08	-	-	-	33 315
Long-term loans	-	-	-	-	15 594 442
d) Non-current financial assets acquired with the intention to have influence over other accounting entity					
Advance payment provided for future acquisition	-	-	-	-	17 892 653
Total non-current financial assets					**69 491 248**

The company did not have 2012 results of some of the entities as at the date of the preparation of the financial statements.

Legal name and registered office of the company, in which the accounting entity has allocated non-current financial assets	Preceding accounting period (2012) Holding of the accounting entity in share capital in %	Share of the accounting entity in voting rights in %	Value of the equity of the accounting entity in which the accounting entity has allocated non-current financial assets	Profit or loss of the accounting entity in which the accounting entity has placed non-current financial assets	Carrying value of the non-current financial assets
a	b	c	d	e	f
a) Subsidiaries					
GRAND HOTEL PRAHA, a.s.	100	100	1 828 025	277 259	15 759 279
Tatry mountain resorts services, a.s.	100	100	-138 311	-122 717	36 513
b) Accounting entities in which the company holds significant influence					
Joint ventures					
Interhouse Tatry, s.r.o.	50	50	1 041 850	119 421	5 525 778
Melida	50	50	79 976	0	41 191
c) Other available-for-sale securities and ownership interests					
Best Hotel Properties, a.s.	3,17	3,17	-	-	13 120 957
Compagnie des Alpes S.A.	0,00	-	-	-	53 092
Tatranské Dopravné dužstvo	0,08	-	-	-	33 315
Long-term loans	-	-	-	-	12 966 629
d) Non-current financial assets acquired with the intention to have influence over other accounting entity					
Advance payment provided for future acquisition	-	-	-	-	17 892 653
Total non-current financial assets					**65 429 406**

In the period from 1 November 2012 to 30 April 2013, the Company sold 517 700 shares of Best Hotel Properties a.s. (hereinafter only the „BHP), a company operating a chain of hotels. As at 30 April 2013, the value of the shares was EUR 6 954 thousand (31 October 2012: EUR 13 120 thousand). The Company obtained a commitment regarding the purchase under the contract on advisory services signed with J&T FINANCE GROUP, a.s., that the earnings from the purchase of the BHP shares will be at least 7% p.a. over the following 3 years.

On 17 March 2010, the Company purchased 3 850 shares of Compagnie des Alpes (SA), which is a French company traded at Paris Stock Exchange, and operating ski resorts and summer leisure parks. The Company purchased the shares as a financial investment. The shares are revalued to fair value through equity based on present stock-exchange prices. As at 30 April 2013, the value of the shares was EUR 58 thousand (31 October 2012: EUR 53 thousand).

The Company made a financial contribution to the polish company Korona Ziemi Sp. z o.o. in November 2012 in amount of EUR 96 035. The company was established in cooperation with the municipality Zawoja. The company owns 50 % of the main share in the company. The main activity of the company Korona Ziemi Sp. z o.o. is to operate museum Korona Ziemi for the promotion of the world highest mountains through models and interactive form of education and presentation.

Additionally, the Company made a financial contribution to Tatranské dopravné družstvo (Tatra Transport Cooperation), a company providing brokerage in services. As at 30 April 2013 the contribution amounted to EUR 33 thousand (31 October 2012: EUR 33 thousand).

Advances made for non-current financial assets refer to capital investments in progress and future acquisitions. As for future acquisitions, the Company intends to acquire the company operating the cableways. The contract has been signed with WEBIS, s.r.o for a 5-year period. The amount of the granted advance payment was discounted to fair value. The applied discount rate amounted to 2.110%. The revaluation of the advance payment resulted in a loss of EUR 1 559 thousand.

As at 30 April 2013, other non-current financial assets included mainly the borrowing in the amount of EUR 6 955 thousand (31 October 2012: EUR 6 050 thousand) granted to WEBIS, s.r.o., with a 5% fixed interest rate; as at 31 October 2012 the amount of the outstanding accrued interest on the aforementioned borrowing amounted to EUR 783 thousand (31 October 2012: EUR 643 thousand); and a borrowing granted to 1. Tatranská, akciová spoločnosť: as at 30 April 2013 it amounted of EUR 3 965 thousand (31 October 2012: EUR 2 055 thousand) with a 7% fixed interest rate; as at 30 April 2013 the amount of the outstanding accrued interest on the aforementioned borrowing amounted to: EUR 288 thousand (31 October 2012: EUR 198 thousand).

On 8 November 2011, the Company established a subsidiary Tatry mountain resorts operations, a.s., which was later, on 25 April 2012, sold. As at 30 April 2012, i.e., the date of the sale, net assets and liabilities of Tatry mountain resorts operations, a.s., comprised of cash and cash equivalents in the amount of EUR 28 thousand. The received consideration was settled in cash in the amount of EUR 29 thousand.

On 28 August 2012, the Company acquired 100% of shares of Melida, a.s., and as at 17 September 2012, the Company sold 50% of the shares. The 50% of Melida, a.s. shares were sold at zero profit.

As at 28 December 2009, the Company acquired a 100% ownership interest in a subsidiary GRANDHOTEL PRAHA a.s. and a 50% ownership interest in an associate Interhouse Tatry s.r.o. The price for the ownership interests in GRANDHOTEL PRAHA a.s. and Interhouse Tatry s.r.o. was EUR 18 759 thousand and EUR 7 526 thousand, respectively. GRANDHOTEL PRAHA a.s. is a company providing accommodation and catering services and operating a 4-star hotel in Tatranska Lomnica. Interhouse Tatry s.r.o. is a company providing accommodation and catering services and operating a 4-star hotel in Stary Smokovec (Grandhotel Starý Smokovec). As at 31 October 2012, the Company recognised temporary value adjustments to the ownership interest in the subsidiary GRANDHOTEL PRAHA, a.s. in the amount of EUR 3 000 thousand and a value adjustment to the ownership interest in the associate Interhouse Tatry, s.r.o. in the amount of EUR 2 000 thousand. These value adjustments are the revaluation reserve on the Company's ownership interests.

As at 11 October 2010, the Group acquired a 100% ownership interest in its subsidiary Tatry mountain resorts services, a.s. The price for the Company's shares was EUR 37 thousand. Tatry mountain resorts services, a.s is a company providing accounting, financial advisory, HR and payroll services, marketing and investment advisory services. The company provides most services to companies within the Group.

As of 16 February 2013 the Group became a sole owner and operator of Grandhotel Starý Smokovec, Vysoké Tatry by acquiring 50% of business share in the company Interhouse Tatry, s.r.o., Starý Smokovec 38, 062 01 Vysoké Tatry from the company DIAMOND HOTELS CYPRUS LIMITED, Akropoleos, 59-61 SAVVIDES BUILDING,1st floor, Flat/Office 102 Nicosia 2012, Cyprus. The price for the aforementioned share was EUR 7 500 thousand.

Information on provided long-term loans are in the following table:

Long-term loans	Opening balance	Increase in value	Decrease in value	Removal of the loan from accounting books in the accounting period	Closing balance
a	b	c	d	e	f
More than five years to maturity	31	0	0	0	31
From three years to five years, inclusive, to maturity	9 951 795	2 861 017	0	0	12 812 812
From one year to three years, inclusive, to maturity	98 545	1 413	0	0	99 958
Up to one year, inclusive, to maturity	2 916 258	65 384	300 000	0	2 681 641
Total long-term loans	**12 966 629**	**2 927 815**	**300 000**	**0**	**15 594 442**

As at 30 April 2013, long-term loans included mainly the borrowing in the amount of EUR 6 955 thousand (31 October 2012: EUR 6 050 thousand) granted to WEBIS, s.r.o., with a 5% fixed interest rate; as at 31 October 2012 the amount of the outstanding accrued interest on the aforementioned borrowing amounted to EUR 783 thousand (31 October 2012: EUR 643 thousand); and a borrowing granted to 1. Tatranská, akciová spoločnosť: as at 30 April 2013 it amounted of EUR 3965 thousand (31 October 2012: EUR 2055 thousand) with a 7% fixed interest rate; as at 30 April 2013 the amount of the outstanding accrued interest on the aforementioned borrowing amounted to: EUR 288 thousand (31 October 2012: EUR 198 thousand), borrowing amounted EUR 1 847 thousand granted on 22 October 2012 to owner of Pension Energetik with a 5% fixed interest rate , the amount of the outstanding accrued interest on the aforementioned borrowing as at 30 April 2013 amounted to EUR 46 thousand. Borrowing in the amount of EUR 2 500 thousand granted on 2 November 2011 to related company GRANDHOTEL PRAHA, a.s. with a 5% fixed interest rate, the amount of accrued interest on the aforementioned borrowing amounted as at 30 April 2013 to EUR 181 thousand. (31 October 2012: EUR 116 thousand).

3. Inventory

Breakdown of inventories as at the end of the accunting period is presented in the table below:

	30/04/2013 EUR	31/10/2012 EUR
Materials	656,542	425,887
Merchandise	983,395	1,046,057
Total	**1,639,937**	**1,471,944**

The Company did not create any value adjustments for inventories.

Inventories	Value in the current accounting period
Inventory with established lien	1 639 937
Inventory that is not at the Company's full disposal	0

4. Receivables

The movements in the value adjustment to receivables during the accounting period are presented in the table below:

Receivables	Value adjustment as at 31 Oct 2012	Creation of value adjustment	Release of value adjustment due to cease of justification	Release of value adjustment in relation to disposal of the asset from accounting books	Value adjustment as at 30 April 2013
	Current accounting period (as at 30 April 2013)				
a	b	c	d	e	f
Trade receivables	205 706	0	10 688	0	195 019
Receivables of a subsidiary and a parent company	0	0	0	0	0
Other intercompany receivables	0	0	0	0	0
Receivables from partners, members and association	0	0	0	0	0
Other receivables	0	0	0	0	0
Total receivables	**205 706**	**0**	**10 688**	**0**	**195 019**

The ageing structure of receivables for the current accounting period is as follows:

Receivables as at 30 Apr 2013	Due	Overdue	Total receivables
a	b	c	d
Long-term receivables			
Trade receivables	0	0	0
Receivables of a subsidiary and a parent company	0	0	0
Other intercompany receivables	0	0	0
Receivables from partners, members and association	0	0	0
Other receivables	0	0	0
Total long-term receivables	**0**	**0**	**0**
Short-term receivables			
Trade receivables	11 814 988	423 441	12 238 429
Receivables of a subsidiary and a parent company	0	0	0
Other intercompany receivables	0	0	0
Receivables from partners, members and association	0	0	0
Social insurance	0	0	0
Tax receivables and subsidies	781 545	0	781 545
Other receivables	17 244 396	0	17 244 396
Total short-term receivables	**29 840 929**	**423 441**	**30 264 370**

The ageing structure of receivables for the preceding accounting period is as follows:

Receivables as at 31 Oct 2012	Due	Overdue	Total receivables
a	b	c	d
Long-term receivables			
Trade receivables	0	0	0
Receivables of a subsidiary and a parent company	0	0	0
Other intercompany receivables	0	0	0
Receivables from partners, members and association	0	0	0
Other receivables	0	0	0
Total long-term receivables	**0**	**0**	**0**
Short-term receivables			
Trade receivables	3 925 295	1 173 871	5 099 166
Receivables of a subsidiary and a parent company	0	0	0
Other intercompany receivables	0	0	0
Receivables from partners, members and association	0	0	0
Social insurance	0	0	0
Tax receivables and subsidies	1 536 425	0	1 536 425
Other receivables	29 373 583	0	29 373 583
Total short-term receivables	**34 835 303**	**1 173 871**	**36 009 174**

Other receivables mainly includes receivable from a bill of exchange payable from J&T Private Equity B.V. on demand and bearing a fixed rate of 7.5% amounted EUR 11 241 thousand as at 30 April 2013 (31 October 2012: EUR 29 166 thousand). It is stored in safe deposit based on portfolio management contract with J&T Bank Switzerland Ltd in liquidation.

Receivables according to remaining maturity are as follows:

Receivables by remaining maturity	30.4.2013	31 Oct 2012
a	b	c
Receivables overdue	423 441	1 173 871
Receivables with remaining maturity less than one year	29 840 929	34 835 303
Total short-term receivables	**30 264 370**	**36 009 174**
Receivables with remaining maturity from one to five years	0	0
Receivables with remaining maturity more than five years	0	0
Total long-term receivables	**0**	**0**

Information on receivables secured by a lien or other form of security is shown in the following table:

Description of security	Current accounting period (2013)	
	Value of security	Value of receivable
a		
Receivables secured by a lien or other form of security	x	0
Value of pledged receivables	x	9 620 846
Value od receivables that are not at the Company's full disposal	x	0

5. Financial accounts

Cash on hand, bank accounts, and securities are presented in financial accounts. The bank accounts are at the Company's full disposal.

	30. 4. 2013 EUR	31. 10. 2012 EUR
Cash on hand, stamps and vouchers	221 055	232 557
Current bank accounts	3 423 351	2 432 441
Term deposits	0	0
Cash in transit	299 028	41 627
Total	**3 943 434**	**2 706 625**

6. Accruals/deferrals

Description of accruals/deferrals ite	30. 4. 2013 EUR	31. 10. 2012 EUR
Prepaid expenses - long-term, out of it:	**0**	**0**
Prepaid expenses - short-term, out of it:	**840 902**	**705 415**
Rent	498 515	106 327
Membership fee Regional Tourist Association (OOCR)	201 008	499 422
Other	141 379	99 666
Accrued income - long-term, out of it:	**0**	**0**
Accrued income - short-term, out of it:	**97 507**	**319 316**
Rent	0	274 369
Other	97 507	44 947
Total	**938 409**	**1 024 731**

F. INFORMATION ABOUT DATA ON LIABILITIES AND EQUITY SIDE OF THE BALANCE SHEET

1. Equity

Information on equity is provided in Parts C and O.

2. Liabilities

The structure of liabilities (except for bank loans and the deferred tax liability) by maturities is shown in the table below:

Item designation	30 Apr 2013 EUR	31 Oct 2012 EUR
Liabilities overdue	183 469	1 035 593
Liabilities due within 1 year	13 304 413	11 751 634
Total short-term liabilities	**13 487 882**	**12 787 227**
Liabilities due within 1-5 years	6 130 152	5 618 632
Liabilities due over 5 years	111 639	0
Total long-term liabilities	**6 241 791**	**5 618 632**

The Company's short/term and long-term liabilities include liabilities from financial leasing. The financial leasing is used for financing acquisitions of cableway technology, snow groomers, 26 cars and 2 large-scale LED screens and other assets. The split of the future payments in the principal and the related financial costs, based on the due date, is shown in the table below:

Item designation	30 Apr 2013 Maturity			31 Oct 2012 Maturity		
	less than 1 year	1 to 5 years	more than 5 years	less than 1 year	1 to 5 years	more than 5 years
a	b	c	d	e	f	g
Principal	607 397	1 089 785	0	329 783	458 940	0
Financial costs	44 431	39 660	0	17 364	10 569	0
Total	**651 828**	**1 129 445**	**0**	**347 147**	**469 509**	**0**

3. Deferred tax liability

The calculation of the deferred tax liability is presented in the table below:

Item designation	30. 4. 2013	31. 10. 2012
Temporary differences between the carrying value of assets and their tax base	27 448 694	27 448 694
– deductible	-7 670 554	-7 670 554
– taxable	35 119 248	35 119 248
Temporary differences between the carrying value of liabilities and their tax base	-383 829	-383 829
– deductible	-383 829	-383 829
– taxable	0	0
Tax loss carried forward for future periods	0	0
Possibility to claim unused tax deductions	0	0
Income tax rate (in %)	19	19
Deferred tax asset	**0**	**0**
Recognized deferred tax asset	**0**	**0**
Recorded as decrease of expenses	0	0
Recorded in equity	0	0
Deferred tax liability	**5 142 324**	**5 142 324**
The change in deferred tax liability	**0**	**-1 540 626**
Recorded as an expense	0	-1 540 626
Recorded in equity	0	0

4. Social fund

The creation and drawing from the social fund during the accounting period are presented in the table below:

Item designation	30 Apr 2013 EUR	31 Oct 2012 EUR
Opening balance of the social fund	**9 340**	**14 687**
Creation of social fund against expenses	14 520	26 618
Creation of social fund from profit	0	0
Other creation of social fund	0	0
Total creation of social fund	*14 520*	*26 618*
Drawing of social fund	*14 180*	*31 965*
Closing balance of social fund	**9 681**	**9 340**

According to the Act on the Social Fund, part of the social fund must be created against expenses and part can be created from retained earnings. According to the Act on the Social Fund, the social fund is used to satisfy social, health, recreation, and other needs of employees.

5. Bank loans

Bank loans are detailed in the table below:

Item designation	Currency	Annual interest in %	Maturity	Principal in the currency as at 30 Apr 2013	Principal in the currency as at 31 Oct 2012
a	b	c	d	e	f
Long-term bank loans					
Bank loan 2457/07	EUR	1,85%	2013 - 2017	2 676 260	3 033 094
Bank loan 4316/2008	EUR	2,35%	2013 - 2018	1 130 306	1 458 874
Bank loan 1851/07	EUR	2,35%	2013 - 2017	2 555 932	2 921 065
Bank loan 659/2011	EUR	2,95%	2013 - 2016	4 650 000	4 950 000
Consumer loan 81121171	EUR	3,21%	2016	226 400	0
Consumer loan 81130199	EUR	3,21%	2017	292 034	0
				11 530 932	**12 363 033**
Short-term bank loans					
Bank loan 2457/07	EUR	1,85%	2012 - 2013	713 669	713 669
Bank loan 4316/2008	EUR	2,35%	2012 - 2013	730 213	803 292
Bank loan 1851/07	EUR	2,35%	2012 - 2013	730 266	730 266
Bank loan 659/2011	EUR	2,95%	2012 - 2013	600 000	600 000
Consumer loan 81121171	EUR	2,95%	2013 - 2016	79 740	0
Consumer loan 81130199	EUR	3,21%	2016	92 532	0
				2 946 420	**2 847 227**
				14 477 352	**15 210 260**

Financing of the company was during the mentioned period secured by consumer credit. Loans relate to the financing of investment activity in restaurant and bar services.

The bank loans were secured by the following assets: land, water areas, technology and service buildings of mountain lift equipment: ski lifts, chair lifts, funicular train, elevated cableway, cabin cableway, transformer station, service buildings and structures: Hotel Srdiečko, Hotel Kosodrevina, Hotel Liptov, Hotel Grand, Hotel SKI, former telecommunication building, bungalows. Additionally, all movable assets and trade receivables have been pledged.

As at 30 April 2013, the bank loans were secured by land, buildings and equipment, inventories and receivables in the amount of EUR 191 519 thousand (31 October 2012: EUR 159 092 thousand).

The Company does not keep records of any assets, the title to which would be acquired based on a contract on lien or which would be used based on a contract on borowing.

6. Provisions

Provisions for the current accounting period are shown in the table below:

	Balance as at 31 Oct 2012 EUR	Creation (increase) EUR	Decrease (use) EUR	Cancellation (release) EUR	Balance as at 30 Apr 2013 EUR
Long-term provisions, out of it:	**26 691**	**0**	**0**	**0**	**26 691**
Other long-term provisions					
Warranty repairs	6 774	0	0	0	6 774
Provision for reclamation	19 917	0	0	0	19 917
Total other long-term provisions	**26 691**	**0**	**0**	**0**	**26 691**
Short-term provisions, out of it:	**530 248**	**19 000**	**344 890**	**43 464**	**160 894**
Short-term legal provisions					
Vacation pay, including social security	86 859	0	0	0	86 859
Audit of financial statements and preparation of tax return	59 560	19 000	3 525	1 000	74 035
Provision - other	383 829	0	341 365	42 464	0
Total short-term legal provisions	**530 248**	**19 000**	**344 890**	**43 464**	**160 894**

7. Accruals/deferrals

The structure of accruals/deferrals is presented in the table below:

Item designation	30. 4. 2013 EUR	31.10 2012 EUR
Accrued expenses - long term, out of it	**0**	**0**
Accrued expenses - short term, out of it	**0**	**0**
Deferred income - long-term, out of it:	**119 637**	**268 067**
Subsidies for acquisition of property, plant and equipment	106 026	47 329
EU subsidy for education project - ZASI	0	167 000
Other	13 611	53 738
Deferred income - short-term, out of it:	**327 793**	**134 108**
Subsidies for acquisition of property, plant and equipment	5 608	108 830
EU subsidy for education project - ZASI	167 000	0
Leasing	35 525	0
Other	119 660	25 278
Total	**447 429**	**402 175**

G. INFORMATION ABOUT INCOME

1. Revenues from own work and merchandise

Revenues from own work and merchandise by segments, i.e. types of products and services, is presented in the table below:

Segment	Merchandise		Services and own work		Total	
	2013	2012	2013	2012	2013	2012
a	b	c	d	e		
Revenues from mountain resorts	23 651	33 976	16 508 975	13 078 683	16 532 625	13 112 659
Revenues from water park	0	0	2 391 779	1 734 718	2 391 779	1 734 718
Revenues from restaurants	83 203	57 313	3 968 745	2 249 905	4 051 948	2 307 218
Revenues from sporting services and stores	1 030 511	653 597	1 238 383	835 609	2 268 894	1 489 205
Revenues from hotels	603 878	684 233	4 955 070	4 387 069	5 558 948	5 071 302
Revenues from real-estate projects	0	0	171 343	122 438	171 343	122 438
Spolu	**1 741 243**	**1 429 117**	**29 234 295**	**22 408 423**	**30 975 538**	**23 837 540**

Most of the Company's revenues are generated in the Slovak Republic.

2. Capitalized costs, other operating income, financial income and extraordinary income

Overview of capitalized costs, other operating income, financial income and extraordinary income is presented in the table below:

Item designation	2013	2012
Significant items of capitalised costs, out of it:	**60 745**	**5 814**
Self-constructed property, plant and equipment	4 465	5 814
Other	56 280	0
Other significant items of other operating income, out of it:	**55 538**	**133 646**
EU subsidies	0	0
Claims paid by insurance companies and employees	12 079	26 329
Contractual fines and penalties	21 691	16 954
Other	21 768	90 363
Financial income, out of it:	**6 967 146**	**3 646 608**
Exchange rate gains	1 499	2 936
Other significant items of financial income, out of it:	*6 965 647*	*3 643 672*
Proceeds from sale of securities and ownership interests	6 060 235	1 534 824
Interest income	905 412	2 098 277
Income from securities and ownership interests	0	2 291
Other financial income	0	8 280
Extraordinary income:	**0**	**0**

The Company's assets include a receivable resulting from a bill of exchange against the company J&T Private Equity B.V payable on demand and bearing a fixed rate of 7.5%. The interest on bills of exchange, together with other interest is recognised on the Interest Income line.

During the year, the Company did not recognise any extraordinary income.

3. Net turnover

The net turnover of the Company for the purpose of determination of obligation to have financial statements audited by an auditor [Article 19 (1a) of the Act on Accounting] is shown in the table below:

Item designation	30.4.2013 EUR	30.4.2012 EUR
Revenues from own products	0	0
Revenues from services provided	29 234 295	22 408 423
Revenues from merchandise	1 741 243	1 429 117
Revenues from construction contracts	0	0
Revenues from construction of real estates	0	0
Other income related to ordinary activities	6 032 336	300 732
Total net turnover	**37 007 874**	**24 138 272**

H. INFORMATION ABOUT EXPENSES

Costs of services provided, other operating expenses, financial expenses

Overview of costs of services provided, other operating expenses, financial and extraordinary expenses is presented in the table below:

Item designation	30.4.2013 EUR	30.4.2012 EUR
Cost of services provided, out of it:	**8 044 247**	**5 968 188**
Advertising and marketing	1 970 489	1 695 539
Transportation	975 112	1 015 750
Rent	794 275	785 230
Outsourced services	2 286 584	637 866
Other	811 505	552 159
Legal and financial advisory services	106 142	292 106
Repairs and maintenance	428 901	269 040
Music and program costs	121 684	162 903
Brokerage commissions	69 267	150 500
Waste, sewage water and washing costs	113 721	90 942
Internet and telecommunication	103 786	86 951
Security guard	91 965	76 692
Trainings and education	10 956	69 457
Representation expenses (entertainment)	91 801	60 461
Travel expenses	17 477	12 936
Administrative expenses	27 682	8 457
Audit	22 900	1 200
Other significant items of operating expenses, out of it:	**672 380**	**208 042**
Membership fees	515 422	0
Insurance premiums	117 931	105 993
Shortages and damages	22 261	47 708
Other	16 766	54 341
Financial expenses, out of it:	**386 833**	**552 999**
Interest expense	226 337	284 988
Financial expense related to financing of the Company	44 474	159 387
Bank charges	19 922	43 647
Exchange rate losses	3 318	3 654
Other	92 782	61 323

The Company’s consolidated financial statements are audited by KPMG Slovensko spol. s r.o. Based on the decision of the General Meeting, effective from the beginning of FY 2011, the Company engages KPMG Slovensko spol. s r.o. also for auditing individual financial statements of all companies in the Group.

The Company's other operating expenses include membership fees. In 2012 and 2013, the Company, as a member of a Regional Tourist Association (OOCR), paid the membership fee. The Company accrued the aforementioned expenses and the amount recognised as the membership fees is the proportional part of the expenses for 2012 and 2013.

During the year, the Company did not recognise any extraordinary expenses.

I. OPERATING LEASE

1. Leasehold property

The Company leases land, on which the ski slopes and cableways have been built, and also leases certain cars under operating lease agreements. The most important agreements for lease of land were signed for a 30-year period with an option for further 10 years. Major agreements are subject to 1-year term of notice.

The operating lease costs for the period ending 30 April 2013 were recognised in the Income Statement in the amount of EUR 794 thousand (for the period ending 31 October 2012: EUR 785 thousand).

Following is the amount of rent for the period during which the agreements can not be terminated by notice:

In EUR	30 Apr 2013 EUR	30 Apr 2012 EUR
Less than 1 year	416 023	430 296
From 1 to 5 years	4 269	13 768
More than 5 years	-	-
Unspecified maturity	-	-
Total	**420 292**	**444 064**

2. Leased out property

The Company leases out the following property to third parties for operating purposes:

- Hotel Ski Záhradky
- Hotel Liptov
- Hotel Kosodrevina
- Building in Otupné
- Dining facilities in the water park

The Company presents the leased-out property as property, plant and equipment. During the year 2011, the Company terminated the lease agreement for lease of hotel Srdiečko and started to operate the hotel. Additionally, during the year 2011, the Company signed an agreement on lease of Hotel Ski. In 2013, total income from lease of the property reached EUR 171 thousand (2012: EUR 122 thousand).

J. INFORMATION ABOUT OTHER ASSETS AND OTHER LIABILITIES

1. Contingent lliabilities

Many parts of Slovak tax legislation remain untested and there is uncertainty about the interpretation that the tax authorities may apply in a number of areas. The effect of this uncertainty cannot be quantified and will only be resolved as legislative precedents are set or when official interpretations of the authorities are available.

2. Other financial liabilities

As at 31 October 2012, the Company did not recognise any other financial liabilities.

3. Contingent assets

The Company is a party to a number of legal disputes. The Company has lost two legal cases and presently the amount of the compensation is quantified. In all legal disputes, maximum amount of the compensation can be up to EUR 798 thousand plus related charges and fees.

K. INFORMATION ON INCOME AND EMOLUMENTS OF MEMBERS OF THE STATUTORY BODIES, SUPERVISORY BODIES, AND OTHER BODIES OF THE ACCOUNTING ENTITY

Gross payments to members of the Company's statutory bodies and members of the supervisory board for their activities for the Company during the accounting period amounted to EUR 218 thousand (2012: EUR 189 thousand).

Overview of income and emoluments of members of statutory, supervisory and other bodies:

Type of income, emoluments	Value of income, emolument of current members of bodies b			Value of income, emolument of former members of bodies c		
	statutory	supervisory	other	statutory	supervisory	other
a		Part 1 - year 2013 Part 2 - year 2012			Part 1 - year 2013 Part 2 - year 2012	
Monetary income	197 012	21 400	0	0	0	0
	167 728	20 764	0	0	0	0
Non-monetary income	0	0	0	0	0	0
	0	0	0	0	0	0
Monetary advance payments	0	0	0	0	0	0
	0	0	0	0	0	0
Non-monetary advances	0	0	0	0	0	0
	0	0	0	0	0	0
Loans provided	0	0	0	0	0	0
	0	0	0	0	0	0
Guarantees provided	0	0	0	0	0	0
	0	0	0	0	0	0
Other	0	0	0	0	0	0
	0	0	0	0	0	0

L. INFORMATION ON THE ACCOUNTING ENTITY'S TRANSACTIONS WITH RELATED PARTIES

During the current and the preceding accounting periods, the Company carried out the following transactions with related parties (excluding transactions with subsidiaries):

Related party	Transaction type (code)	Value of the transaction	
		30.4.2013	30.4.2012
a	b	c	d
Transactions with associated companies			
Purchase of services and merchandise	01	0	0
Sale of services and merchandise	02	0	0
Loan provided	08	-684 731	0
Interest income from the loan	08	22 148	0

During the current and the preceding accounting periods, the Company carried out the following transactions with subsidiaries:

Parent company in EUR	Transaction type (code)	Value of the transaction	
		30.4.2013	30.4.2012
a	b	c	d
Subsidiary			
Purchase of services and merchandise	01	1 008 220	939 970
Sale of services and merchandise	02	191 794	181 856
Loan provided	08	2 626 279	2 926 279
Interest income from the loan	08	69 141	49 460

Further information on subsidiaries is available at:
Code of the type of transaction:

01 – purchase
02 – sale
03 – provision of services
04 – commercial representation
05 – license
06 – transfer
07 – know-how
08 – loan, borrowing
09 – assistance
10 – guarantee
11 – other transaction

Selected assets and liabilities arising from related-party transactions are presented in the table below:

	30. 4. 2013 EUR	30. 4. 2012 EUR
Trade receivables	60 874	112 030
Provided interest-bearing borrowing	2 626 279	2 926 279
Accrued intrest on the borrowing	204 152	60 616
Total assets	**2 891 305**	**3 098 925**
Trade payables	96 829	39 314
Total liabilities	**96 829**	**39 314**

M. INFORMATION ON EVENTS OCCURING BETWEEN THE BALANCE SHEET DATE AND THE DATE OF PREPARATION OF FINANCIAL STATEMENTS

On 1 May 2013 there was a merger of parent company Tatry mountain resorts, a.s. with subsidiaries Grandhotel Praha, a.s., Interhouse Tatry, s.r.o. and Tatry mountain resorts services, a.s. As of this day the company Tatry mountain resorts, a.s. became a successional company and takes over all legal, business and other liabilities as well as property of its daughters. All subsidiaries have ceased by merger with the parent company

Signing of the consulting contract on management of the Aquapark Moravia as of June 1, 2013. TMR is in the position of external consultant in order to improve water park activities and use mutual synergies with TMR.

On 3 June 2013 the company TMR signed "Contract on installment loan" under which the Company will be granted a loan in amount of EUR 30 000 000 for financing investment projects approved by the company. The maturity of the loan is five years with an option to extend the maturity for another 5 years. Repayment of the loan will be ensured by the lien to financial investments, Aquapark Tatralandia, buildings, land and other assets of TMR

N. INFORMATION ON EQUITY

The movements of equity during the accounting period are presented in the table below:

Equity item	Current accounting period (2013)				
	Balance as at 31 Oct 2012	Additions	Disposals	Transfers	Balance as at 30 Apr 2013
a	b	c	d	e	f
Share capital	221 337 534	0	0	0	221 337 534
Own shares and own ownership interests	0	0	0	0	0
Change in share capital	0	0	0	0	0
Reacivables related to unpaid share capital	0	0	0	0	0
Share premium	30 430 378	0	0	0	30 430 378
Other capital funds	282 587	0	0	0	282 587
Legal reserve fund (Non-distributable fund) from capital contributions	0	0	0	0	0
Differences from revaluation of assets and liabilities	648 730	5 653 026	6 060 235	0	241 521
Investment revaluation reserve	0	0	0	0	0
Differences from revaluation in the even of merger, amalgamation into a separate	0	0	0	0	0
Legal reserve fund	3 240 121	0	0	637 142	3 877 263
Non-distributable fund	0	0	0	0	0
Statutory funds and other funds	0	0	0	0	0
Retained earnings from previous years	3 621 556	0	0	-1 375 356	2 246 200
Accumulated losses from previous years	0	0	0	0	0
Net profit (loss) of the current accounting period	6 371 417	9 073 819	0	-6 371 417	9 073 819
Dividends paid	0	0	7 109 631	7 109 631	0
Other equity items	0	0	0	0	0
Account 491 - Equity of sole trader	0	0	0	0	0
Total	**265 932 323**	**14 726 845**	**13 169 866**	**0**	**267 489 302**

Equity item	Preceding accounting period (2012)				
	Balance as at 31 Oct 2011	Additions	Disposals	Transfers	Balance as at 31 Oct 2012
a	b	c	d	e	f
Share capital	221 337 534	0	0	0	221 337 534
Own shares and own ownership interests	0	0	0	0	0
Change in share capital	0	0	0	0	0
Reacivables related to unpaid share capital	0	0	0	0	0
Share premium	30 430 378	0	0	0	30 430 378
Other capital funds	282 587	0	0	0	282 587
Legal reserve fund (Non-distributable fund) from capital contributions	0	0	0	0	0
Differences from revaluation of assets and liabilities	377 432	271 298	0	0	648 730
Investment revaluation reserve	0	0	0	0	0
Differences from revaluation in the even of merger, amalgamation into a separate	0	0	0	0	0
Legal reserve fund	2 381 096	0	0	859 025	3 240 121
Non-distributable fund	0	0	0	0	0
Statutory funds and other funds	0	0	0	0	0
Retained earnings from previous years	2 329 244	0	0	1 292 312	3 621 556
Accumulated losses from previous years	0	0	0	0	0
Net profit (loss) of the current accounting period	8 590 246	6 371 417	0	-8 590 246	6 371 417
Dividends paid	0	0	6 438 909	6 438 909	0
Other equity items	0	0	0	0	0
Account 491 - Equity of sole trader	0	0	0	0	0
Total	**265 728 517**	**6 642 715**	**6 438 909**	**0**	**265 932 323**

The Company's share capital in the amount of EUR 221 337 534 (31 October 2012: EUR 221 337 534) is comprised of 6 707 198 ordinary registered shares in a book-entry form with nominal value EUR 33 per share (31 October 2012: 6 707 198 ordinary shares with nominal value EUR 33 per share).

All shares were fully paid.

The shareholders are entitled to dividends in accordance with the decision of the General Meeting and they have the right to vote; each EUR 33 represents one vote.

As at 30 April 2013, the basic earnings per ordinary share amounted to EUR 1.35 (31 October 2012: EUR 0.97 per ordinary share).

The accounting profit for financial year 2012 amounting to EUR 6 371 417 was distributed as follows:

Distribution of accounting profit	2012
Contribution to legal reserve fund	637 142
Contribution to statutory and other funds	0
Contribution to the Social Fund	0
Contribution for the purpose of increasing the share capital	0
Settlement of losses of previous periods	0
Transfer to retained earnings	0
Payment of dividends to owners and members	5 734 275
Other	0
Total	**6 371 417**

The General Meeting decided on the distribution of profit in the amount of EUR 6 371 thousand for the 2012 accounting period as following:

- Contribution to the reserve fund in the amount of EUR 637 thousand,
- Remainder – dividends to be paid in the amount of EUR 5 734 thousand,
- Dividends paid from retained earnings from previous years in the amount of EUR 1 375 thousand,
- Total amount of dividends is EUR 7 110 thousand, which is EUR 1.06 per share.

O. CASH FLOW STATEMENT AS AT 30 APRIL 2013

	30.4.2013	30.4.2012
Cash flows from operating activities		
Cash generated from operations	5 389 635	11 518 258
Interest paid	-204 189	-284 988
Interest received	95	376
Income tax paid	-570 095	-1 710 771
Dividends paid	297	0
Cash flow before extraordinary items	4 615 744	9 522 876
Proceeds relating to extraordinary items	0	0
Net cash inflow from operating activities	**4 615 744**	**9 522 876**
Cash flows from investing activities		
Purchase of non-curreny assets	-16 747 235	-21 558 839
Proceeds from sale of non-current assets	6 060 235	165 692
Proceeds from sale of investments	-7 596 035	-1 180 384
Purchase of investments	0	2 291
Dividends received	**-18 283 034**	**-22 571 241**
Net cash (outflow) from investing activities		
Cash flows from financing activities	0	0
Proceeds from issuance of share capital	5 436 186	0
Received loans	1 210 653	0
Received finance leasing	-8 721 430	-3 133 893
Granted loans	300 000	0
Repayment of granted loans	-302 195	-132 922
Repayment of finance leases	-1 423 614	-1 273 614
Repayment of received loans	18 404 500	19 387 000
Repayment of bills	0	0
Net cash (outflow)/inflow from financing activities	**14 904 100**	**14 846 571**
(Decrease)/increase in cash and cash equivalents	1 236 809	1 798 206
Cash and cash equivalents at the beginning of the year	2 706 625	2 126 436
Cash and cash equivalents at the end of the year	**3 943 434**	**3 924 642**

	30.4.2013	30.4.2012
Net profit (before interest, tax and extraordinary items)	**9 073 837**	**6 476 401**
Adjustments for non-monetary transactions:		
Depreciation and value adjustments to non-current assets	3 673 959	2 856 738
Interest income	-905 412	-2 098 277
Interest expense	226 337	284 988
Provisions to receivables	-4 846	0
Unrealized exchange rate losses	-3 318	-3 654
Unrealized exchange rate gains	1 499	2 936
Value adjustment to receivables		0
Value adjustment to non-current financial assets		0
Provisions	-369 354	-57 165
Loss (gain) on sale of non-current assets	-370 465	-2 291
Income from non-current financial assets	0	0
Operating profit before working capital changes	11 322 237	7 459 676
Changes in working capital:		
Decrease/ (increase) in trade and other receivables (including accruals/deferrals of assets)	-6 425 958	-2 479 277
Decrease (increase) in inventory	-167 993	-321 732
(Decrease) increase in liabilities (including accruals/deferrals of liabilities)	661 349	6 859 592
Cash generated from operations	**5 389 635**	**11 518 258**

Cash

Cash is defined as cash on hand, equivalents of cash on hand, cash in current bank accounts, overdraft facility, and part of the balance of the cash in transit account tied to the transfer between the current account and petty cash or between two bank accounts.

Cash equivalents

Cash equivalents are defined as current financial assets that are readily convertible to a known amount of cash, which, as of the balance sheet date, do not entail the risk that their value will change considerably during the next three months, e.g. term deposits in bank accounts with a maximum of a three-month notice, liquid securities held for trading, and priority shares acquired by the accounting entity, which are due within three months of the balance sheet date.

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