



NEW ERA OF THE TATRAS



**SEMI-ANNUAL INDIVIDUAL
AND CONSOLIDATED REPORT
OF TATRY MOUNTAIN RESORTS, A.S.
AS OF APRIL 30, 2011
(UNAUDITED)**



Dear Shareholders and Clients,

To begin with, I would like to draw your attention to the fact that we have finished one of the most successful winter seasons, for which we reported almost a double increase of the operational income of the Company.

Within the last 4 years we focused on the Tatras' development, on the changes, which deliver a greater value to our client, a visitor of the Tatras. We do realize direct investments into infrastructure of the resorts are very important, as well as cooperation with the entrepreneurs in regions of the Low and the High Tatras. We created mutual products – accommodation packages, which are filling the resorts and accommodation facilities with content clients.

The results, submitted in the half-year individual and consolidated report, confirm that the winter season was successful. We reported a sales increase and higher visit rates in the mountain resorts. At the same time the Company has strengthened its position in tourism and became the owner of the largest resort of water park entertainment in Slovakia, the aqua park Tatrallandia. The acquisition of Tatrallandia is an important step towards fulfilling the strategy of building a year-round tourist destination. As a result of this acquisition, we expect an increase in summer sales by 75% and a significant increase of the operational income of the Company.

Behind the success of first two quarters are especially the thorough preparation for the season, significant financial investments into the improvement of the resorts' offer, and last but not least, the team of my colleagues, who showed their professionalism.

The investments into the resorts and the hotels, realized before the winter season, exceeded 26 mil. EUR. Thanks to them the offered services in the Tatras are much better and more complex. Two 6-seat cableways with orange shields and a special system (which assures better wind resistance) were the largest investments. Tatry mountain resorts significantly improved the parking in both Tatras' resorts. At the same time the possibilities of spending the night in the resorts improved.

I am pleased by the fact that we succeeded in cooperation with the landlords and created accommodation packages, which attracted many more skiers to the Slovak mountains. We created attractive weekend or week-long ski accommodation packages with more than 330 landlords.

Almost 680 thousand visitors, which is 25% more in comparison with previous winter season, visited TMR resorts – Jasná Nízke Tatry and Vysoké Tatry – during the winter season. We noticed the highest increase in the resort Tatranská Lomnica. The High Tatras are a jewel for me, as well as for many other Slovaks. The more proud I am that we managed to change the negative trend in the decrease of visit rate in the past. A very important fact is that the product Ski courses met with great feedback in Slovak schools and almost 10 thousand students visited our resorts. The Slovak children can build a positive relationship to skiing and to the Tatras, which is definitely a good future investment for us.

Excellent results were also influenced by the intensive marketing support. Thanks to the attractive animated TV campaign broadcasted in Slovakia, we managed to differentiate ourselves from the competitors and to draw the attention on the possibilities of spending a quality winter holiday at home, in the Slovak mountains. Historically it was the first intensive campaign for the subject of tourism in Slovakia. The evidence that the campaign was successful is the visit rate, as well as the qualitative research of the prestigious GfK agency. It confirmed that the way and the intensity of the campaign gained positive feedback among the clients. Thanks to the marketing support in Poland, prepared by the professional domestic agency, we managed to stop the decreasing number of Polish skiers, who are, after the domestic Slovak clientele, the most important group of visitors in the Tatras. The active sales-marketing activities in Russian speaking countries and in the Czech Republic increased the share of the visit rate of this clientele in the Tatras.

The Mountains & Leisure segment recorded the biggest absolute increase of TMR sales. The consolidated revenues of the Company increased by 60% to more than 21 mil. EUR in comparison with the same period of last year.

The highest percentage increase of the revenues reported the subsegment Dining. During the first two quarters of the fiscal year the revenues of Dining increased by 55% to almost 1.8 mil. EUR in comparison with the previous season. The increase was also influenced by the new Music Club Happy End, which profited from its excellent location near the trail in Jasná.

I appreciate that the hotel facilities, operated by TMR, utilized the synergies offered by our resorts. The results, reached primarily due to the creation of attractive accommodation packages with lift tickets, speak for themselves. I am glad that the hotels' revenues increased by 40% in comparison with the first half of fiscal year 2009/2010.

Finally, I would like to point out the fact, that for the first time in TMR history, we decided to pay dividends in the amount of 5.5 mil. EUR to our shareholders. The decision about the dividend payment was made on April 30, 2011 at the General Meeting in Jasná. In Slovakia the very unusual General Meeting attracted almost 100 TMR shareholders to Jasná and its neighborhood for the whole weekend, and more than 500 people joined the additional program. We were inspired by the American businessman Warren Buffett, who organizes General Meeting of the company Berkshire Hathaway as a show.

I strongly believe that the successful first half-year and the acquisition of the entertainment aqua park in Slovakia will increase the operational income of the TMR Company during the whole fiscal year 2010/2011. These results also give a base for further growth of the share price.




Bohuš Hlavatý, CEO TMR



TMR REVENUES*) INCREASED BY 53% DURING ONE OF THE MOST SUCCESSFUL WINTER SEASONS

We, the management of Tatry mountain resorts, a.s., are strongly **aware of the need to invest into the Tatras in order** to make them more competitive, to offer better services, to become a modern resort of active leisure and entertainment. **As the leader in tourism in this region we primarily concentrated on the building of transportation facilities**, but we also invested into other additional services before the winter season 2010/2011. The favorable weather conditions (temperatures below zero) at the beginning of the season enabled snow coverage of the trails with technical snow, and the season began at the beginning of December, earlier than last year. Good quality of the snow was crucial for the ski offer as the winter had a lack of natural snow. During the winter season we produced in our resorts 1,536,834 m³ of technical snow and spent 731,825 m³ of water for its production. For trail services we used 26 snow-plow vehicles, which rode 14,214 hours in total. Because of the investments and aimed marketing, TMR managed to significantly improve the Company results in comparison with the last-year winter season and thus confirmed its growth trend. **We achieved historically one of the most successful seasons.**

TMR's operational revenues*) amounted to 20.9 mil. EUR, an increase of 53% in comparison with the first half of 2009/2010. The profit of the Company before interests, taxes, depreciation and amortization (**EBITDA***) **increased by 90% to more than 5.5 mil. EUR.** Traditionally, the Mountains segment had the biggest impact on the results of the Company (the data do not include the influence of Tatralandia; the segment will be continuously called Mountains).

The increase has been primarily generated by an 82% EBITDA increase in the Mountains segment (78% of total EBITDA).

The main factors of EBITDA increase are:

- ✓ y-o-y increase of visitors by 25% in comparison with the first Quarter 2009/2010
- ✓ earnings from the cooperation with resort Štrbské pleso
- ✓ increase of operational performance of the hotels – increase of occupancy and ADR

The Mountains segment reached the highest y-o-y increase of the operational performance by 7.4 percentage points to 20%.

The youngest and also the smallest segment, Real Estate, as the only one did not reported significant revenues, because the winter season for this segment is the period of preparation of the projects' documentation and infrastructure – Tatranská Lomnica Center and Jasná Center.

A 59% REVENUE INCREASE IN THE HOTELS SEGMENT THANKS TO THE INVESTMENTS IN TWO NEW CABLEWAYS AND FURTHER KM OF SNOWED TRAILS

Before the winter season 2010/2011 two new 6-seat cableways were built and successfully put into operation at the beginning of the season. In the resort **Jasná Nízke Tatry**, which is the largest ski resort in Slovakia, **the 6-seat cableway** from Záhradky to Priehyba was finished. The transportation capacity of the new cableway is 2,400 pers. /hour, the cableway is 1,288 meters long, the vertical difference is 341 m, the transportation speed is 5 m/s and the transportation time is 4.7 min. Thanks to the closing orange shields the cableway became very popular and used. The cableway is situated in the forest zone and thereby the influence of weather conditions is mitigated and the use of RPD system enables the

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transportation during windy days. At the same time the queues were eliminated on the cableways in Záhradky, which became even more attractive for the visitors. By building the first section of Záhradky – Priehyba we started to fulfill the dream of many skiers about an easy link between the north and the south side of Chopok mountain. At the same time additional snowmaking guns were added on the favorite blue trail Turistická. Thanks to this fact **the guaranteed length** of technically snowed trails was extended **to 17 km**. The offer for families with children grew thanks to covering of the already mentioned easy blue ski trail and thanks to the additional services, which make the resort more complex.

The resort Vysoké Tatry Tatranská Lomnica had the highest increase in number of visitors in winter 2010/2011. Our highest located Slovak ski resort became more attractive and comfortable thanks to the first heated 6-seat cableway with the orange closing shield. The transportation capacity of the cableway is 2,600 pers. /hour, the length is 1,889m, it climbs 280m, the transportation capacity is 5m/s and the transportation time to the final station is 6.7 min.

Those, who were used to the queues in Tatranská Lomnica due to a low transportation capacity, had been surprised. Since the start of operation, the cableway had significantly increased the capacity and eliminated queues.

Technical snow coverage of the section above Čučoriedky up to Skalnaté Pleso was another positive step towards a higher guarantee of skiing. The resort offers 30 ha of technically snowed trails. Especially advanced skiers appreciated the extension of technical snow coverage. Skiing from Lomnické sedlo to Tatranská Lomnica is now possible on a 6 km long trail, the longest in Slovakia. The TV campaign said that Tatranská Lomnica has changed and everyone who came to visit must agree.

Skiing offer gained positive feedback among the skiers as the result of the increase of the number of skiers. The resort, in the past known for hiking or skiing on the black trail in Lomnické sedlo, had significantly shifted towards the complexity and the guarantee of skiing.

PARKING DIRECTLY BY THE TRAILS AND SKIBUSES

The parking problems or a lack of ski buses in the Low and High Tatras are past.

The first ski-in – ski-out parking for 385 cars was built in **Tatranská Lomnica**. The transportation was made easier by eco-buses, as well. The new terraced ski-in – ski-out parking in Tatranská Lomnica offers greater comfort of the trail access. Tatranská Lomnica is one of the few resorts, which offer “jumping” on skis directly from the car. Tracking in ski boots with the skis on your shoulder became a thing of past in Tatranská Lomnica. The new parking meets the criteria to assure protection of groundwater and surface water.

The improved **service parking in location Lúčky** for 370 cars was added to the parking near the start station in Jasná. Ski buses comfortably transferred the skiers to the trails. The transportation time has been shortened because it was not necessary to use the parking by the entrance into the valley. According to the resort’s research of the clientele satisfaction, the skiers have appreciated this change. Parking in both resorts was free.

THE TATRAS LIVED DURING THE WINTER SEASON AS NEVER BEFORE – NIGHT LIFE AND ADDITIONAL SERVICES

The skier is demanding and sensitive to an offer of additional services in the resort. Just good skiing is not sufficient. That is the reason why TMR considers the creation of a wide complex of additional services under the TMR brand as a must. The selection includes everything from gastro operations, through ski school, ski rental, ski service, up to sport stores and night bars close to the trails. The new music club Happy End in Jasná, as well as Humno built on the TMR lands significantly added to the offer of après ski activities in the nighttime. The Company opened Happy End before the end of the year 2010. It is a restaurant during the day and a music club with dancing during night. The Happy End Grand Opening Party, held on the last weekend in January, attracted almost 800 people and since then it has been the hit of the nightlife entertainment





in the neighborhood. Happy End is a jewel among Slovak music clubs, not only because of its location, interior, but also especially because of the specific technology **FUNKTION ONE** made to order. FUNKTION ONE became a leader right after its introduction on the market, and that is also the reason why TMR is proud to have a club with the technology of this kind in its portfolio. FUNKTION ONE is a sound system owned by all famous clubs in the world and means a synonym for a special sound experience and unbelievable vibrations. Another specialty of the club is the automated beverage system, successfully used in clubs in Austria and in Germany. This system helps to serve in the shortest time and always in the same quality, as well as enables 100% control of released and consumed goods. The link to cash registers and automatic charging of the clients are ensured.

We prepared 79 social entertainment events, concerts and disco with special offers for drinks and competitions or theme nights, e.g. Salsa night etc. We organized the Rock Jelínek Party, when Happy End turned into a rock festival and where three rock bands had concerts, Doga, a band famous in the Czech Republic, Marián Grexa Band, Iné Kafe, etc. Less or more famous bands performed during the concerts, e.g. IMT Smile, Desmond, Dara Rolins, Homo Sapiens, and many other revival bands and singers. We also welcomed world famous DJ Corwin Dalek, JTBIG, Italian DJs, EKG, and DJs of famous Slovak radios. We presented various types of music – dance mainstream, as well as club scenes. As a selected Music Club we were included into the series Music del Fan of Music One television. During these events approximately 20,000 thous. people visited Happy End.

Happy End was not the only venture that influenced the growth of dining revenues on the ski slopes. **The increase of sales in the subsegment Dining reached 47% in both resorts**, while the subsegment reports continuously improved performance. Especially the families with children have appreciated the new restaurant Bernardino in Jasná. The restaurant is named after the famous rescue dog, Bernardin. The dog is the headline in the interior paintings on the walls, in the kids' corner and on its accessories. The Bernardino completes the Dining segment in Jasná as a place to relax with children, thanks to the large kids' corner, as well as a wide selection for children and youth. The concept of the restaurant is in style of fast food.

The next favorite novelty in Dining is the Tatras' high dining experience. Two times in the week a transport via snow-way vehicle had been organized to a restaurant called Von Roll in the altitude of 1,860 m, where a culinary menu with romantic views is served for the visitors.

Almost 1,600 dinners were organized in Jasná during the winter season, not only for individual clients but also company events. A similar activity was also organized in the High Tatras. **A significant increase of performance of the subsegment Dining was reached 16.2 percentage points in the High Tatras**, especially thanks to the increase of the visitors.

The subsegment Sport services reported the highest total increase. A new brand, which represents TMR sport services, was introduced. The brand TATRY MOTION includes the best ski schools in the resorts with the highest number of professional instructors on the ski slopes, the ski rentals, the ski services and the ski stores. The luxurious store Fashion Café in Jasná, where the clients can also enjoy coffee, was opened during the winter season. TATRY MOTION is able to rent a total number of 1,100 skis and snowboards including top novelties on a daily basis. In the modern ski rental facility, equipped with the newest electronic system, TMR is able to serve up to 180 clients an hour. In the biggest ski school, 98 instructors gave skiing lessons this season in one day, what is incomparable with the other ski schools in the region. 17,308 hours have been taught in the ski school during this season. In the kindergarten, Maxiland, 138 children took skiing lessons during one day.

The good performance of TATRY MOTION is confirmed by the reported results. **The revenues of the subsegment increased on y-o-y basis by 41% to 1,076 mil. EUR. The operational effectiveness (EBITDA margin) increased from 13.7% to 24.2%.**





MUTUAL LIFT TICKETS HAD A POSITIVE INFLUENCE ON THE VISIT RATE IN THE RESORTS

The skiers are following trends, and every year they demand more sophisticated skis, ski clothes, better groomed ski trails, comfortable cableways, as well as a better and different product. Therefore, we **offer mutual lift tickets**.

The first universal ski pass was called **"Slovakia Super Skipas"** – a season ticket. It offers the most kilometers of ski trails and attractive free-ride zones on both sides of Chopok mountain in the largest ski resort, Jasná Nízke Tatry, additional entertainment on the ski slopes in Donovaly, the ideal family contentment in Veľká Rača, or, for those who prefer skiing in the High Tatras, it offers the possibility to day-dream at Štrbské pleso and to try the longest ski trail of 6 km in Tatranská Lomnica. The skiers who spent more than 10 days on the ski trails during the season mainly used the ticket. Purchase of the attractive ski pass was also available in presale. The ski pass was created thanks to the cooperation among TMR resorts and other competitors. It is possible to make an assumption that because of the success of the ski pass, its offer will be extended in the future.

The High Tatras recorded **significant increases due to the TMR shared ski pass with Štrbské pleso. The increase of the visitor number** is also based on the great changes in transportation and snow guarantee in Tatranská Lomnica. The possibility to ski on many ski trails in the High Tatras has been appreciated by the skiers as the more varied choice. During the winter season it was possible to ski in Tatranská Lomnica, Starý Smokovec, Liptovská Teplička, and Štrbské Pleso.

The cooperation with the resort Štrbské Pleso has been related to the successful multi-year cooperation of TMR and the company, Webis, in operation of the resort Grand Brhliská in the Low Tatras. The client has not even noticed that the ski resort is actually owned by two subjects, because of the shared ski pass and interim sales division, which is very common in the Western Europe, e.g. Skiamade, Dolomity Superski. Webis became the owner of the resort, Štrbské pleso, by purchasing 100% shares of the company, 1. Tatranská. The sales in Štrbské Pleso are included in TMR. Webis, respectively 1. Tatranská invoices "the transportation fee" according to the number of transported clients. Within the 1st Quarter of 2010/2011 the TMR results increased by approximately 450 thousands EUR thanks to this cooperation.

Despite the fact that this winter has not been the best, according to the visit rate, the resorts are attractive for skiers. The resorts reached significant increases in the visit rate in comparison with the 1st Quarter 2009/2010.

Jasná Nízke Tatry resort **reached an increase of 11.4%**. **Vysoké Tatry** resort has been the best due to **the y-o-y increase of the visit rate by 55%** (hikers and skiers), which we consider a great success. The increase of the number of skiers, up by 110%, has been significant in Vysoké Tatry resort. **This trend confirms that the investments and improving of quality impact sales and the number of visitors.**

A BREAKTHROUGH INCREASE OF THE SALE OF SKIPASSES INCLUDED IN THE ACCOMMODATION PACKAGES

A very important fact in the winter season was the creation of the accommodation packages, which also included the ski passes. We cooperated with **more than 330 partners**, and housing providers and purchased **3-day and 6-day ski passes with stay discounts**. The housing providers offered the accommodation discount in the same amount as TMR offered the ski passes discount, which created an attractive package for winter holiday. A breakthrough was the increase in share of the average revenue per customer per day, a total of 22%. In Jasná Nízke Tatry resort the 6-day ski passes included in the accommodation packages were a big seller, and in the High Tatras the 3-day ski passes were preferred, what confirms the trend of the extension of the stay in the Tatras. **The increase of the visit rate was also affected by active production of the accommodation packages** offered since Christmas, i.e. during the TOP season.





TMR hotels also offered the accommodation packages and managed to fill the hotel capacities. Before the winter season some investments have been made. In Grand hotel in Jasná the wellness has been extended and in the hotel, Tri Studničky a new conference room and a new attractive spa center were built. We can positively evaluate the period of New Year Eve's, the period of so called Golden Week, as well as the period of spring holiday.

Total revenues^{*)} of TMR hotels increased by 38% in comparison with 1st Quarter of 2009/2010. The operational income of the hotels increased y-o-y by 119% to 1.2 mil. EUR.

Grandhotel Praha achieved the highest y-o-y increase of occupancy rate from 49% to 63%, simultaneously with the increase of the average room price. The highest increase of the occupancy in the Low Tatras was in the hotel, Tri Studničky from 48% to 60%. This success is especially based on the offer of the accommodation packages, the investments into infrastructure in the resorts and on the revival of the nightlife in the Tatras.

Thanks to the continuing sale of accommodation packages and the restructuring of the sales department we achieved significantly better utilization of the room capacity and an increase of profit. We strengthened the sales positions of CK, MICE and LESUIRE in the market and focused on the revenue management. With sales of the weekend packages only and following clearance sales of short-term packages we achieved the average utilization of room capacity of 84% including the period from January to March in Grandhotel in Jasná.

In autumn we finished building of a wellness in Grandhotel in Jasná, which is in the closest proximity of the Grand Jet cableway and the ski trail. We also finished a conference room and a new wellness in Tri Studničky, which, by its character and connection to the nature around, belongs to the unique ones in Slovakia.

We focused on the investments into education and on improvement of provided services during the autumn. Thanks to that we noticed a significant increase of satisfied guests especially in the Dining segment during the winter season. We organized three balls in the hotels in the High Tatras, which are very popular in Slovakia. The number of social-culinary events, as weddings, parties, company parties increased, as well.

THE TATRAS BECAME MORE ATTRACTIVE FOR POLISH TOURISTS AND RUSSIAN SPEAKING CLIENTS

Active cooperation with tour operators, info tours and targeted PR helped to increase the share of clients from Russian speaking countries. The clientele does not visit the Tatras during the whole winter season, but mainly around the end of the year and at the beginning of January. It means a booking of dates less occupied by other clients. We excellently used the potential of the Russian speaking clientele. **The accommodation facilities have been almost 100% occupied during so-called Golden Week.** At the same time the clients enjoyed the additional services as ski rentals, dining, ski school, shopping, or nightlife.

Polish tourists are more important for the resorts and hotels in the Tatras. The Slovak part of the Tatras is very close to Poland, the Polish people have almost no language barrier, and regarding prices, the Slovak republic is still more competitive and more attractive comparing to the Polish resorts. Poland has a great potential due to the large size of the country and the proximity to the Slovak borders. Polish people visit the TMR resorts many times during the year. We also noticed the increased number of Czech skiers, who have discovered so called New and Better Tatras and are coming back.

According to the research of license plates provided in parking lots of the resorts, it is obvious, that the Polish people represent 32.4% of clientele in Jasná and almost 25% in Tatranská Lomnica, Czechs approximately 9%, Russian speaking skiers approximately 8% in Jasná and 4% in Tatranská Lomnica. The residents represent 46.7% of clientele in Jasná and 57.4% in Tatranská Lomnica. The research could not be exactly the same as the official statistics due to the divergence considering only the cars on parking lots of the resorts.

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A MASSIVE ADVERTISING CAMPAIGN FOR SKIING

The resorts and the hotels have never used marketing tools in such an extent in the past. Due to unused capacities in the resorts and in the hotels it was possible to create a huge media budget used for communication in Slovakia during the new fiscal year. TMR's operations strengthened their position thanks to the ATL and public communication. **A massive TV campaign based on animated figures** has significantly influenced demand and fulfilled TMR's expectations. More than 1 100 spots in TV JOJ and TA3 were broadcasted in prime time mainly. The visit rate and a survey of quality issued by a prestigious agency, GfK proves that the campaign was successful. The survey confirmed that the form and the intensity of the campaign had a positive feedback among clients. An experienced Polish agency is in charge of marketing in Poland, and it created a very well targeted marketing mix. The most intense promotion ran before the winter season and during the main season.

SKI COURSES RECORDED A GREAT SUCCESS

In the past the ski courses were organized only during the weak part of the season. The dates of ski courses were not limited this year due to the available capacity in the resorts. As a result of the very attractive price offer of ski passes, TMR noticed **a great interest for schools and a success of ski courses**. The new generation builds a desire for sport activities and skiing thanks to the ski courses, which means a potential of client loyalty for TMR. **Almost 10.000 students** visited the resorts. More than 2/3 of them skied in the resort Jasná Nízke Tatry.

TMR STABILISED ITS POSITION ON THE TOURIST MARKET

As of April 4, 2011 TMR extended the portfolio of operations by a new acquisition. TMR acquired Tatralandia Holiday Resort. The area of 14 ha houses the largest Slovak fun water park, a western city and accommodation with the capacity of 700 beds in bungalows and apartments. **Adding Tatralandia into TMR's portfolio is a significant step in following a strategy of building a year-round tourist destination.** According to TMR, Tatralandia has the best business strategy and the best location among all the water parks in Slovakia. It can ideally complement the offer of mountain resorts targeted mainly on winter tourism. Tatralandia is the first and the largest park of water entertainment with accommodation in Central Europe. The heart of Tatralandia is a source of thermal water 2.500 m deep. The source, thanks to its richness and high temperature, can supply swimming pools with thermal water up to 38 degrees Celsius, and at the same time it serves as a source of energy, as well. The resort offers 30 toboggans and slides, among which 9 are used year-round, 13 swimming pools with thermal and regular water, 8 from them with a year-round use, a complex of sauna world and procedures of different kinds. A complex with a capacity of 700 beds is situated near the water park, which includes 155 bungalows and family apartments with additional activities and store services, a sport area, cinema, rental, conference room and a ZOO with domestic animals. The Western City of Tatralandia takes care of additional entertainment during the main season.

TATRALANDIA'S IMPACT ON TMR

April 2011 was the first month of Tatralandia's operation within TMR's portfolio. Despite the fact that **the month of April is excluded from the main season of water parks, the number of visitors increased by 14.3%** in comparison with the same period last year. **The sales of entry tickets amounted to 194 thous. EUR.**

The most important period for water parks is the summer. The TMR management expects **an increase of summer sales by 75% from operations of Tatralandia** the next summer season already.

The crucial parts of preparation for the summer season are investment into the promotion of the resort. The new family-friendly toboggan- TRIO- is a toboggan with unlimited operation and a transportation capacity of approximately 7.500





persons per day, which will eliminate waiting lines. It is unique by its width and rafts, which are round shaped and are turning during the ride, what makes every ride different and enables the experience for 3 persons at a time. Since the summer 2011 the services in Tatralandia will include a free entry into the Western City, which with a wide range of attractions completes a full offering offer of Tatralandia Holiday Resort. Regarding comfort, a general chip system means a significant change. When bathing and having fun wearing a swimsuit it is not convenient to have cash. That is the reason for the investment in a non-cash system in the whole resort. Leaving Tatralandia will pay particular services.

Eleven cash desks with roof, as the sun and rain protection, were built to make the entrance and the exit quicker.

QUALIFIED EMPLOYEES ARE THE KEY FOR GROWTH OF TMR

TMR's mission is QUALITY AS THE GOAL. The characteristics of our working teams are reflected in clearly defined goals, competent leadership, responsible skills, effective communication, responsibility, and mutual trust.

By regular education of our first contact employees, excellent results are achieved through interpersonal skills of our employees primary based on politeness and an effort to offer the best services in the particular segment. We trained 2.449 hours in the field of communication, problem solving, and languages.

By implementing the adaptation process in each working place and pointing the tutors to better and faster assimilation of the new member into the working team, we assure a higher success of recruiting and assurance of available jobs, which consequently leads to stabilization of working teams.

By educating the middle management we assure managing of effectiveness and job performance, which is defined in the analysis of performance so far versus current goals, expectations, and plans (strategic documents of the Company), planned development and motivation towards a career growth, and adjustment of the goals towards improvement and extension of knowledge and skills. We provided 1.863 hours of training in performance management, quality management, soft-skills, communication, self-marketing, team work, labor law via e-learning, legislation in tourism, and usage of MS Office programs, The TMR team achieves permanent improvement of working performance by effective management. The education supports continuing development of individual skills, and thereby the Company, as a whole, achieves a consistent success and competitiveness.

As of April 30, 2011 the TMR team consisted of 1.094 employees, 403 seasonal; 266 of them are employees of cableways (the employees serving cableways and the chairlifts, and cashiers), 197 employees are in mountain dining facilities, 271 are hotel employees, 156 are employees of the ski school, fun parks and sport stores, and 204 employees are part-time workers.

TMR'S INVESTMENT PLANS

The outlined investment strategy of the Company is to be fulfilled within future periods.

The project of building a special cableway in Jasná, so called **Funitel** system, has completed the preparation stage. With this project the company will fulfill the dream of many skiers about an easy link of the North and South side of Chopok mountain. At the same time the project of snow making in the upper section of trails in Jasná is prepared and thereby the snow making in the highest locations in the resort will be guaranteed. The snow making machines will be in operation from the winter 2011/2012, and the cableway Funitel is planned to start operating one year later, as it is considered a difficult longer-term investment project

The projects to build an **8-seat chairlift** with blue closing shields in the location of Buková mountain and snowmaking are prepared in Tatranská Lomnica. The chairlift will start operating next winter season.

The new TATRYMOTION SKI IN SKI OUT rental with a store and a ski school will be built in Tatranská Lomnica by next winter season. Considering the lucrative location it will be the most convenient place for shopping. The new ski service will complete the full offering of services for the client in the resort.





The TATRYMOTION rental with a store and the ski school MAXILAND will be added to Štrbské pleso. A convenient place for necessary winter equipment will be developed in the resort. The new MAXILAND will enable the smallest ones to take the first steps on skis in a safe area with a conveyor belt. The entertainment with a mascot and tour coordinators will be provided.

Based on the excellent results of sales, we will continue in building of a shopping-relaxation zone Biela Púť – GRANDJET in the resort Jasná Nízke Tatry. The retail area will be extended to almost 2.5 times, what makes the rental, which will be placed on a separate floor, more convenient. The store on the second floor will benefit from the bigger exclusive area directly on the ski slope. A store for the young ones in style of a young fashion with the brands as Quicksilver, Roxy, or O'Neil will be created near the GRANDJET cabin. The Maxiland in Jasná proved the idea as a comfortable and safe place for teaching children and adults, which also includes entertainment with coordinators. The area will be extended by 500 m² and a third conveyor belt for the smallest skiers will be added.

TMR PAID DIVIDENDS TO SHAREHOLDERS

TMR's investment strategy bears **first fruits from excellent economic results**, which helped to decide the dividend policy. On April 30, 2011 a General Meeting, very unusual in Slovak conditions, took place in Jasná. The General Meeting attracted almost 100 shareholders to Jasná, and more than 500 people participated in the additional program. Warren Buffett, who organizes the General Meetings of Berkshire Hathaway as a show, has inspired TMR. **The shareholders decided to pay out dividends in the amount of 5.5 mil. EUR.** The dividend per share amounts to 0.82 EUR, which makes approximately a 2% dividend yield. The sum of 5.5 mil. EUR is 70% of company profit after taxes and legal contributions to funds.

ACQUISITION ACTIVITIES OF TMR

TMR **develops its acquisition activities abroad** and showed interest in resorts in Krkonoše (Czech republic) and on the Polish side of the Tatras.

On June 3, 2011 TMR submitted an offer to purchase **the ski resort in Špindlerův Mlýn** to its current major owner, the Czech union of physical education (ČSTV), and at the same time TMR proposed next negotiations. At a meeting held on June 22, 2011 ČSTV declined TMR's offer with a justification, that currently they do not consider the sale of the resort.

TMR is continuously **negotiating the purchase of state-owned cableways in Poland** (PKL – Plskie Koleje Linowe). The privatization of PKL has been confirmed by the cableway owner PKP (Polskie Koleje Państwowe) Polish railways, which currently waits for a valuation and a recommended strategy for selling PKL from their advisors. TMR officially submitted the declaration of interest in the acquisition. The next procedure depends on the statement of PKP regarding the structure and time schedule of the transaction.

TMR PREPARES DUAL LISTING ON THE WARSAW STOCK EXCHANGE

In accordance with the primary objective of TMR to assure a growing value of shareholders' investments in the TMR stock, the TMR Board decided to assure **a dual listing of TMR shares on the Warsaw Stock Exchange**. Currently the Warsaw Stock Exchange has highest liquidity in the CEE region. TMR's intention is to ensure trading of the stock on the Warsaw Stock Exchange **till the end of 1st Quarter 2012** and in order to increase liquidity of the stock.

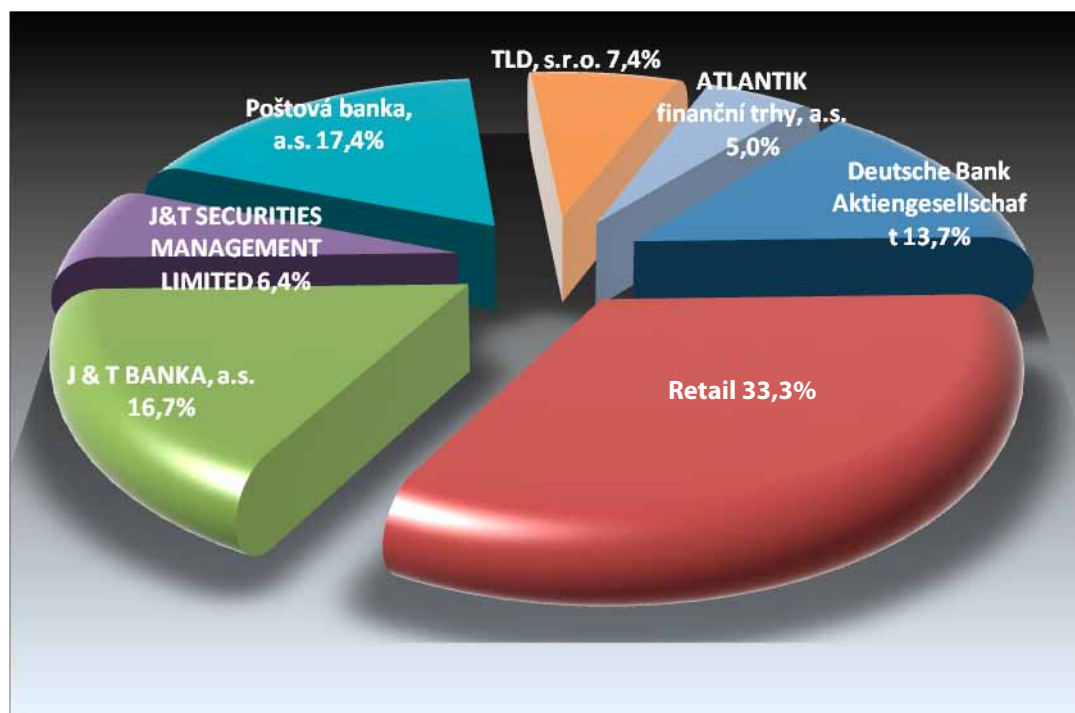
TMR IS THE MOST TRADED STOCK ON THE BRATISLAVA STOCK EXCHANGE

On June 23, 2011 the director general of the Bratislava Stock Exchange (BSE), Mária Hurajová, awarded the chairman of the TMR Board, Bohuš Hlavatý, with a prestigious award for **the most traded stock on the Bratislava Stock Exchange**. In May the trade volume via BSE with TMR stock amounted to 2.45 mil. EUR (incl. direct trades), which is **57.7% of total trade volume on BSE**.



OWNERSHIP STRUCTURE

The Tatry Mountain Resorts shares have been listed at the Bratislava Stock Exchange since 30/10/2009. Each shareholder whose share exceeds/falls below the statutory percentage line per share in the legal capital is obliged to inform the Company about this fact. According to best knowledge of the Board of Directors the ownership structure by 30 April 2011 is as follows:



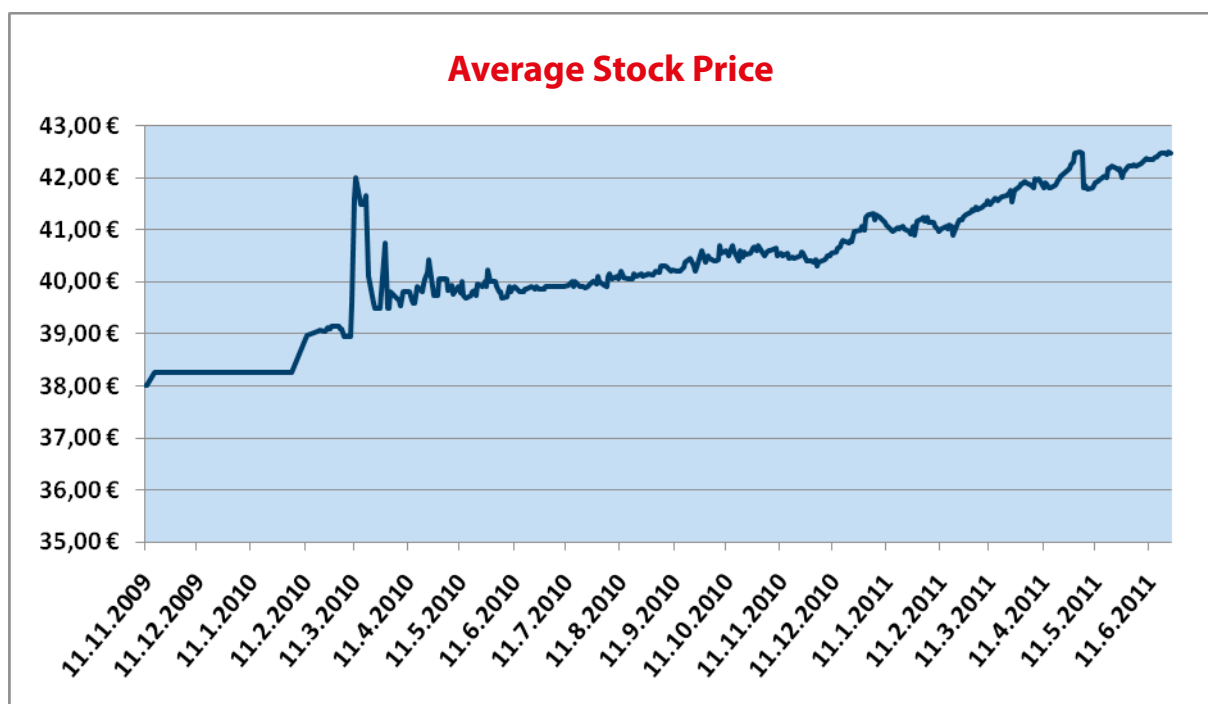
INFORMATION ON COMMON STOCK

The authorized, subscribed and fully paid off common stock by 30 April 2011 consists of 6, 707,198 shares of face value of 33 € per one share. The value of one vote at the General Meeting of the Company is determined as a ratio of the value of one share and the total value of the common stock. The shares are active, booked to a bearer.

The issue number is SK 1120010287. The shares have been listed at the parallel market of Bratislava Stock Exchange. The shareholders do not hold specific rights of control. The TMR has not issued employees' shares and no limitations to the right to vote related to shares exist. The Board of Directors has no knowledge about agreements among the stock holders which should lead to restriction on transferability of securities and rights to vote. The Board of Directors has no specific power to decide on issuing or buying back the shares. The Company has not acquired its own shares.



SHARE PRICE DEVELOPMENT



Source: Bratislava Stock Exchange

The graph shows the development of the average share price of the TMR traded at the Bratislava Stock Exchange. In April 2010 all issues were consolidated into one traded issue and indicated as SK 1120010287.



FINANCIAL PART

The consolidated financial statements include Tatry Mountain Resorts, a.s.(TMR), GRANDHOTEL PRAHA, a.s., Interhouse Tatry s.r.o. and Tatry Mountain Resorts services, a.s. TMR has a share of 50% in the Interhouse Tatry and consolidates this company by the method of equity. The TMR has direct representation at the managerial positions in the Interhouse company and manages the said company which is why alterations have been made in consolidation approach within consolidation statements by replacing the consolidation by the method of capital stock with consolidating the statements in managerial way by the method of full consolidation for more transparent illustration of results and performance of the entire TMR group.

As GRANDHOTEL PRAHA, a.s. and the 50% share in Interhouse Tatry s.r.o were purchased on 28/12/2009, they were included in the consolidation for the period from 28/12/2009 to 30/4/2010, i.e. the period of 4 months only. Due to comparability of previous and contemporary periods an alteration has been made in this 6-month period and the two months before purchasing the given companies are also shown in the managerial consolidation.

The Company's consolidated financial statements are conducted in accordance with the international standards (IFRS). The TMR as the parent accounting unit also makes public its individual financial statements which is conducted in accordance with Slovak accounting principles (SAS). At the TMR the most significant difference between the IFRS and the SAS is in accounting depreciation. In the consolidated financial statements the property is recorded in fair value which is of considerable impact on the height of depreciation. In the TMR individual financial statements the property is given in historic prices due to which the depreciations are lower.

1. CONSOLIDATED RESULTS

In thousands of euros	2010/2011 6 months	2Q 2009/2010 6 months
Revenues	20 917	12 707
EBITDA	5 809	2 961
EBIT	1 978	-406
Financial activity	4 176	2691
Taxes and others	129	-344
Total operating income	6 283	1 941
Profit per share	0,94	0,29
Distributable profit	6 340	3 609

The first half of 2010/2011 showed better results by 4 344 thousands euros which represents increase by 224%. The distributable profit is profit from the individual financial statements which is decided upon by the regular general meeting. Dividends can be paid out from the profit given. The shown distributable profit is calculated after deducting the obligatory transfers to funds. The distributable profit for dividends does not include the profit from previous periods.



2. KONSOLIDOVANÉ VÝSLEDKY SUBSEGMENTOV- DOPLNENÉ

	Chairlifts and water park	Hotel services	Restaurants	Sports services and stores	Real estate projects	Others	TOTAL	Grandhotel Starý Smokovec*	Total including Grandhotel Starý Smokovec
<i>In thousands of euros</i>	30.4.2011	30.4.2011	30.4.2011	30.4.2011	30.4.2011	30.4.2011	30.4.2011		
Sales	11,989	5,114	1,720	1,061	100	-	19,984	779	20,763
Other operating revenues	792	99	27	15	-	-	933	33	966
Total revenues	12,781	5,213	1,747	1,076	100	0	20,917	835	21,751
Material and commodity consumption	-952	-1,446	-523	-285	-	-	-3,206	-234	-3,440
Purchased services	-5,603	-1,068	-238	-173	-43	-	-7,125	-207	-7,332
Personal outlays	-2,018	-1,545	-537	-334	-	-	-4,434	-279	-4,713
Other operational outlays	-236	-111	-23	-22	-2	-	-394	-15	-409
Profit/(loss) from property sale	45	10	-3	-1	-	-	51	-	51
EBITDA	4,017	1,053	423	261	55	0	5,809	100	5,909
Depreciations and amortization	-2,649	-684	-237	-108	-	-153	-3,831	-190	-4,021
Yield of interest	-	3	-	-	-	4,415	4,418	0	4,418
Interest expenses	-165	-45	-17	-15	-	-	-242	-12	-254
Revenues from investments, net	-	-	-	-	-	146	146	-	146
Loss from subsidiary	-	-*	-	-	-	-	0	-	-
Profit/(loss) of segment before taxation	1,203	327	169	138	55	4,408	6,300	-102	6,198
Income tax							10	41	51
Consolidated profit							6,310	-61	6,249

*the consolidated results show the eliminated loss from the subsidiary (Interhouse tatry s.r.o – Grandhotel Starý Smokovec). Grandhotel Starý Smokovec is shown with the complete 100% interest.

In the first half of the 2010/2011 fiscal year all segments within the TMR group show profit. The Cableways and water park segment shows the results of the water park Tatralandia. Tatralandia has been operating under TMR since 1/4/2011 and the results only include one moth (April).



YEAR-TO-YEAR COMPARISON OF OPERATIONAL RESULTS OF INDIVIDUAL SEGMENTS

In thousands of EUR	2010/2011 6 months	2009/2010 6 months	% change
MOUNTAINS and WATER PARK REVENUES	15 604	9 315	68%
HOTELS TOTAL REVENUES	6 047	4 319	40%
Hotels (100% ownership) ⁽¹⁾	5 213	3 427	-
Grandhotel Praha (1/1/1009-28/12/2009) ⁽²⁾		253	-
Grandhotel Starý Smokovec (50% ownership) ⁽³⁾	835	639	-
REAL ESTATE PROJECTS REVENUES	100	0	N/A
REVENUES TOTAL	21 751	13 634	60%
MOUNTAINS and WATER PARK EBITDA	4 701	2 369	98%
HOTELS EBITDA TOTAL	1 153	505	128%
Hotels (100% ownership) ⁽¹⁾	1 053	592	-
Grandhotel Praha (1/1/1009-28/12/2009) ⁽²⁾		-39	-
Grandhotel Starý Smokovec (50% ownership) ⁽³⁾	100	-48	-
REAL ESTATE PROJECTS EBITDA	55	0	N/A
EBITDA TOTAL	5 909	2 874	106%

The resorts segments comprise chairlifts, the water park, restaurants, and sports services and stores. In comparison to the previous year there was an increase in revenues and operational profits (EBITDA) in all segments.

REVENUES IN THE MOUNTAINS AND LEISURE SEGMENT

In EUR	2010/2011 6 months	2009/2010 6 months	Change (%)
Mountains resorts	12 587	7 420	70%
Mountains resorts, revenues	12 108	7 420	63%
Mountains resorts, revenues (dissolution of obligation from revitalization)	479	-	-
Aquapark Tatralandia	194	-	-
Dining, revenues	1 747	1 129	55%
Sports services, revenues	1 076	765	41%
REVENUES TOTAL	15 604	9 315	68%

All segments showed considerable increase in earnings when compared to previous year. The increase in earnings was due to opening new facilities, increase in number of visitors, and price policy.



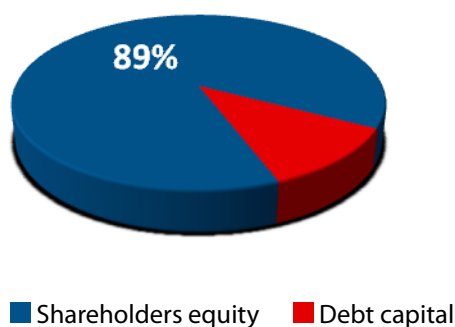
REVENUES IN THE HOTELS SEGMENT

In EUR	2010/2011 6 months	2009/2010 6 months	Change (%)
Hotels High Tatras, revenues	2 635	1 677	57,1%
Hotels JASNÁ, revenues	3 412	2 642	29,1%
HOTELS TOTAL REVENUES	6 047	4 319	40,0%
Hotels occupancy	52,2%	47,6%	9,7%
Average stay duration	3,46	3,26	6,1%

The higher visit rate in the resorts had a very positive impact on the hotels' results. Hotels showed increase in all indicators.

PROPERTY OF THE COMPANY

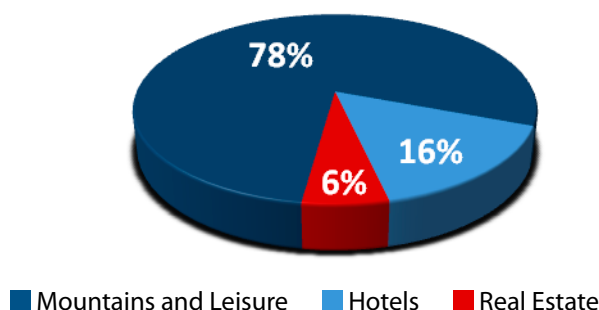
■ CAPITAL STRUCTURE



The company has only 11% debt which secures great financial stability and provides space for further leverage in the future.



■ STRUCTURE OF OPERATIONAL PROPERTY



The Mountains and Leisure segment has the largest share in the company's property. The biggest increase in the operational property structure is planned for the Mountains segment in which extensive investments have been planned for the nearest future and its ratio is to be increased more.

3. KEY OPERATIONAL RESULTS – UPDATED

Due to better clarity and year-to-year comparable results from the operational activities of TMR are shown which do not include the operational performance of Tatralandia as it joined the TMR portfolio in April 2011. The data presented are also shown without the influence of dissolved reserves created due to the revitalization process in the High Tatras amounting to 479 thousand euros as this is of non-operational character.

For the IFRS consolidated results – see attached financial statements. For more details concerning operational results see the operational results presentation available at the investors' bookmark at <http://www.tmr.sk>.

TMR total: main operational results:

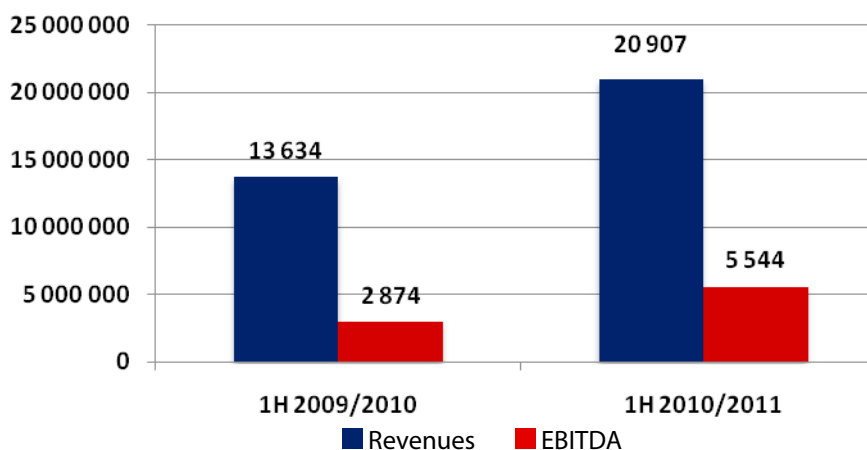
- ✓ Revenues: when compared with the first half of 2009/2010 they increased year-to-year by 53%, to 20.9 mil. EUR.
- ✓ EBITDA: increase by 90%, to over 5.5 mil. EUR.
- ✓ Primarily the increase was generated by the 81.5% EBITDA increase in the Mountains and Leisure segment (which represents 78% of total EBITDA).
- ✓ Total EBITDA margin increased year-to-year by 5.2 p. p. to 26.5%.
- ✓ The highest increase in operational efficiency was shown in the Hotels segment – increase by 7.4 p. p. to 20%.

Real Estate projects segment showed just preliminary project activities due to the season of the year; revenues were prevailing from hotel facilities lease to third parties.



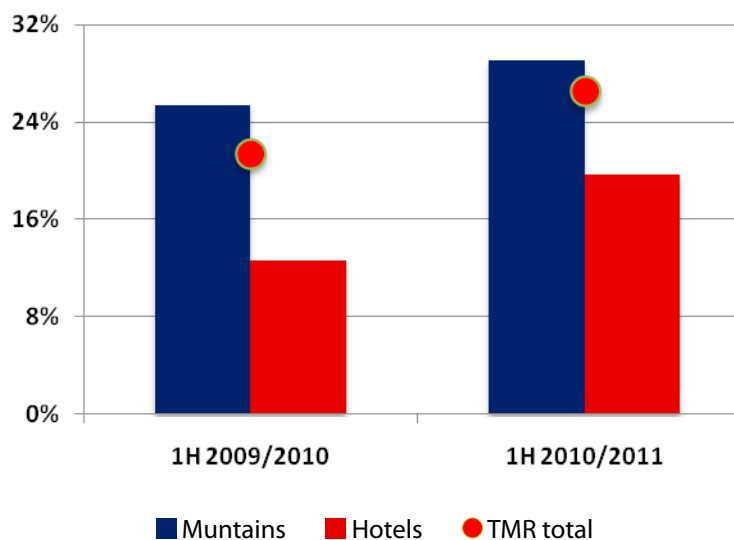
TMR TOTAL: MAIN OPERATIONAL RESULTS*

REVENUES AND EBITDA (THOUSANDS €)



*Results do not show Tatralandia and the influence of dissolved reserves created due to the revitalization process in the High Tatras

EBITDA MARGIN (IN %)*



*Results do not show Tatralandia and the influence of dissolved reserves created due to the revitalization process in the High Tatras



INFORMATION FOR INVESTORS

■ BOARD OF DIRECTORS

The Board of Directors is the statutory body of the Tatry Mountain resorts company, a.s. The Board of Directors directs the activities of the Company and decides about all matters of the Company unless they are reserved as exclusive competence of the General Meeting or the Supervisory Board by legal regulations or Company's Articles. The Board of Directors submits for approval to the Supervisory Board the draft of the investment and financial plan and accounts for its fulfilment. The Board of Directors submits to the General Meeting the Articles of the Company for approval. The Board of Directors convenes the general Meeting minimum once a year.

Two members of the Board of Directors are entitled to act in the name of the Company in all matters. The members of the Board of Directors are elected and removed by the Supervisory Board. The term of office of the members of the Board of Directors is five years, and they can be re-elected. The Supervisory Board also determines which of the members of the Board of Directors becomes Chair.

The Board of Directors does not have its own statute or Committees. The Board of Directors calls a meeting as it is necessary, at least once in two months. It is sufficient in numbers if an absolute majority of all members of the Board of Directors are present. The decision of the Board of Directors is accepted if it has been approved by voting by absolute majority of all members of the Board of Directors.

To the date of publishing the half-yearly report the Board of Directors comprises six members:

- Bohuš Hlavatý- Chair of the Board of Directors
- Branislav Gábriš – Vice-chair of the Board of Directors
- Jozef Hodek – member of the Board of Directors
- Andrej Devečka – member of the Board of Directors
- Dušan Slavkovský – member of the Board of Directors
- Michal Krolák – member of the Board of Directors

■ SUPERVISORY BOARD

The Supervisory Board is the top controlling body of the Tatry Mountain Resorts, a.s. company. It oversees the performance of the Board of Directors and the executing entrepreneurial activities of the Company. The Supervisory Board approves financial plans and important investments for the relevant economic year, submitted by the Board of Directors, approves remuneration rules of the members of the Board of Directors and submits the results of audits to the General Meeting.

The Supervisory Board has six members. The term of office of members of the Supervisory Board is five years. The members can be re-elected. Members of the Supervisory Board are elected and removed by the General Meeting. Provided the Company has more than 50 full-time employees in the time of voting, two thirds of the Supervisory Board members are elected and removed by the General Meeting and one third is elected and removed by the Company's employees.

To the date of publishing the half-yearly report the Supervisory Board had nine members of whom six members have been elected by the General Meeting and three members have been elected by the Company's employees:

- Igor Rattaj – Chair of the Supervisory Board.
- František Hodorovský – Vice-chair of the Supervisory Board
- Jiří Uvíra – member of the Supervisory Board
- Jan Marian Komornicki – member of the Supervisory Board
- Boris Kollár – member of the Supervisory Board
- Jozef Slabý – member of the Supervisory Board, representative elected by employees

■ AUDIT COMMITTEE

The Company has established the audit committee. The committee monitors drafting of financial settlements and recommends for approval auditors for performing audits for financial settlements. Other responsibilities of the committee are defined by law and the Articles of the Company. The audit committee has two members who are appointed and removed by the General meeting on the proposal of the Board of Directors or the Company's shareholders.

To the date of publishing the half-yearly report the audit committee comprised two members:

- Jozef Hodek
- Viera Prokopová



INFORMATION ON THE ACTIVITIES OF THE GENERAL MEETING, ITS COMPETENCE, DESCRIPTION OF SHAREHOLDERS' RIGHTS AND THE IMPLEMENTATION PROCEDURES

The General Meeting is the supreme body of the Company. Its competence is defined by the Act No. 513/1991 Col. Of the Commercial Code as amended and by the Articles of the Company.

The General Meeting is comprised of all attending shareholders, members of the board of Directors, the Supervisory Board, or the third party invited by body of the Company or those shareholders who called the session of the General Meeting. The shareholders are entitled to participate in the General meeting, to vote, to request information and explanations related to the Company's matters or matters or persons managed by the Company relevant to the subject of the meeting and assert proposals. Shareholders can execute their rights in the General Meeting also through authorized persons who shall submit the authorization in writing stipulating the scope of authority. Execution of shareholders' voting rights is not limited in the Articles. The number of shareholders' votes is determined by the ratio of the nominal value of their shares to the capital stock.

The General Meeting decides by the absolute majority of votes of the shareholders present. In the matters related to amending the Articles, authorizing the Board of Directors to increase or decrease the capital stock/legal capital, emitting prior-lien bonds or convertible bonds, cessation of the company or changes in legal form a two-third majority of votes of present shareholders is requested and a notarial record must be executed. The two-third majority of votes of present shareholders is requested for the approval of the General meetings' decision to terminate the trade at the Stock Exchange with the Company's shares and to elect or remove the members of the Supervisory Board, to carry out the decision of the General meeting that the Company has ceased to be a public company and becomes a privately held company. A three-third majority of votes of all shareholders is requested to amend the Articles in relation to the introducing the possibility of postal vote, and to amend the Articles in relation to introducing and stipulating the terms of participation in the General Meeting and shareholders' vote in the General Meeting via electronic media. The minutes of General Meetings are available at the Company's web site www.tmr.sk.

In the period between 01/11/ 2010 – 30/4/2011 the following General Meetings were called:

- On 18/04/2011 – **extraordinary General Meeting** to negotiate the purchase of the water park Tatralandia, the amendment of the Articles and electing the Supervisory Board members
- On 20/4/2010 – **regular General Meeting** to negotiate and approve the financial settlements and annual report, to approve the appointment of the auditor, profit/loss distribution, the amendment of the Articles, electing the Supervisory Board members, to approve the rules of remunerating the members of the Supervisory Board

CODE OF CORPORATE GOVERNANCE

The TMR company is fully aware of the importance of observing Corporate governance principles. The Board of Directors declared the principles of observing the rules of the Corporate governance code in Slovakia on 3 November 2010. The declaration contains the complete information on company management methods, as well as the information on departure from the Corporate governance Code. All information is available at the Company's web site www.tmr.sk.

OTHER COMPLEMENTARY DATA

The TMR Company and the companies included in consolidation in the area of research and development did not exert any costs in the first half of the year 2010/2011. The TMR group has no organizational unit abroad and does not use any financial derivatives to run/secure financial risks. Diversified funding is used for managing the financial and credit risks. Cash flows and liquidity parameters are monitored in regular intervals. Price risks are of no significant effect upon the activities of the Company and the Group. The internal control is ensured by regular monitoring of the financial plan and the general financial situation. The elementary information on administration and management methods is included in the Articles of the Company, the organization manual and in the managing act files (directives) which are publicly available at the Company's headquarters. Business diversification into different segments has enabled to decrease significantly the business risks and uncertainties arising from the seasonal character of the business thus securing the stability of the whole Company. Part of the Company's assets is located in protected areas and all interference in the nature is always carried out in collaboration with state administration aimed at protecting the nature so as to affect that the environment in lowest possible way. Profit is decided upon by shareholders once a year in the General meeting.



The Announcement of the Board of Directors

Financial statement and half-year report are prepared according to special regulations. It shows a fair view of the assets, liabilities, financial position and economic results of the company.

Ing. Bohuš Hlavatý

Chair of the Board of Directors

Ing. Hodek Jozef

member of the Board of Directors

**Tatry mountain resorts, a.s.
And daughter companies**

**Continuous consolidated financial statement
For the period from 1/11/2010 to 30/4/2011**

**Compiled in accordance with
The International Financial Reporting Standards (“IFRS“)
In the wording approved by the EU**

Tatry mountain resorts, a.s. a dcérske spoločnosti

Consolidated statement of total trading income

<i>Euros in thousands</i>	Point	1.11.2010 – 30.4.2011	1.11.2009 – 30.4.2010
Earnings	3	19,984	12,600
Other operational revenues	4	933	107
Total revenues		20,917	12,707
Material and goods consumption	5	-3,206	-2,303
Purchased services	6	-7,125	-4,470
Personal costs	7	-4,434	-2,877
Other operational costs	8	-394	-142
Profit on assets sale		51	46
Profit before interests, taxes, depreciation, and amortization (EBITDA)*		5,809	2,961
Depreciation and amortization	12.13	-3,831	-3,367
Profit before interests, taxes (EBIT)		1,978	-406
Yields of interests	9	4,418	2,972
Interest costs	9	-242	-281
Financial instruments revenues, net	10	146	3
Loss from subsidiary	15	-30	-99
Profit before taxation		6,270	2,189
Income tax	11	10	-243
Profit		6,280	1,946
-Group owners		6,280	1,946
-Uncontrollable share		-	-
Profit		6,280	1,946
Other parts of total result			
Revaluation of securities designed for sale to fair value		3	-5
Total trading income		6,283	1,941
- Group owners		6,283	1,941
- Uncontrollable share		-	-
Total result per one share (in euros)	24	0.937	0.289

*EBITDA is earnings before tax, interests, amortization and depreciation and adjusted of other revenues and costs stated under EBITDA.

Notes on pages 5 to 47 represent an inseparable part of the consolidated financial statement

The overview of profit and loss statement according individual segments is stated in section 2 – Information on segments.

Tatry mountain resorts, a.s. a dcérske spoločnosti

Consolidated statement of financial position

<i>Euros in thousands</i>	Point	30.4.2011	31.10.2010
Assets			
Goodwill and intangible assets	13	3, 827	3, 897
Buildings, equipment and fittings	12	157, 540	115, 174
Investments in real estate	14	3, 714	3, 714
Trade receivables	19	1, 237	1, 220
Granted credits	18	7, 360	5, 116
Other receivables	20	206	206
Investment in associate company	15	6, 852	6, 882
Deferred tax receivable	16	612	369
Total long-term assets		181, 348	136, 578
Inventory	17	806	676
Trade receivables	19	4, 009	6, 273
Granted credits	18	35	48, 272
Other receivables	20	97, 775	104, 498
Financial investments	22	11, 902	85
Cash and equivalents	23	1, 995	2, 769
Other assets	21	6, 906	1, 396
Total current assets		123, 428	163, 969
Total assets		304, 776	300, 547
Equity			
Legal capital	24	221, 338	221, 338
Premium on issue		30, 430	30, 430
Retained profit and other funds		18, 024	17, 241
Equity fallen to persons with participation in subsidiary's equity		269, 792	269, 009
Uncontrollable share		-	-
Total equity		269, 792	269, 009
Liabilities			
Credits and loans	25	10, 625	11, 924
Trade liabilities	26	13	73
Reserves	27	20	20
Other long-term liabilities	28	369	879
Deferred tax liability	16	9, 243	9, 029
Total long-term liabilities		20, 270	21, 925
Credits and loans	25	2, 621	2, 255
Trade liabilities	26	2, 873	2, 798
Reserves	27	195	310
Tax due liabilities		18	52
Other short-term liabilities	28	9, 007	4, 198
Total current liabilities		14, 714	9, 613
Total liabilities		34, 984	31, 538
Shareholders' equity and total liabilities		304, 776	300, 547

Notes on pages 4 to 47 represent an inseparable part of the consolidated financial statement

Tatry mountain resorts, a.s. a dcérske spoločnosti

Consolidated statement of changes in equity

	Legal capital	Premium on issue	Indivisible fund	Revaluation fund	Retained profit
Balance at 1 November 2009	221, 534	30, 483	1, 436	-	10, 534
Profit of current accounting period	-	-	-	-	5
Other parts of total result					
Revaluation of securities designed for sale to fair value	-	-	-	-14	
Total shown profit/(loss)	-	-	-	-14	5
Legal capital decrease	-196	-53	-	-	
Balance at 31 October 2010	221, 338	30, 430	1, 436	-14	15, 534
Balance at 1 November 2010	221, 338	30, 430	1, 436	-14	15, 534
Profit of current accounting period	-	-	-	-	6
Other parts of total result					
Revaluation of securities designed for sale to fair value	-	-	-	3	
Total shown profit/(loss)	-	-	-	3	6
Allocations to the fund	-	-	964	-	
Paid out dividends	-	-	-	-	-5
Balance at 30 April 2011	221, 338	30, 430	2, 400	-11	15, 534

Notes on pages 5 to 47 represent an inseparable part of the consolidated financial statement

Tatry mountain resorts, a.s. a dcérske spoločnosti

Tatry mountain resorts, a.s. a dcérske spoločnosti

Cash flow consolidated statement

Euros in thousands

	Point	1.11.2010 – 30.4.2011	1.11.2009 – 31.10.2010
OPERATING ACTIVITIES			
Profit		6, 280	5, 759
Adjustments concerning:			
(Profit) from buildings, equipment and fittings sale, investments in real estate and intangible assets		-51	-66
Depreciation and amortization	12,13	3, 831	6, 831
Addition and release of adjusting items		-	77
Decrease of value of tangible assets	10,12	-	505
(Loss) from a subsidiary	15	30	46
(Revenues)/costs of financial instruments, nett		-143	1, 648
(Yields of) interests nett	9	-4, 176	-7, 753
Negative goodwill		-	-122
Change in reserves		-115	-20
Tax		-10	-275
Change in trade receivables, other receivables and other assets		5, 592	-8, 971
Change in inventory		-130	64
Change in trade payables and other payables		-684	-999
Cash flow from operating activities before income tax		10, 424	-3, 276
Paid income tax		-55	-
Cash flow from operating activities		10, 369	-3, 276
INVESTMENT ACTIVITIES			
Acquiring of buildings, equipment and fittings, investments in real estate and intangible assets		-46, 651	-18, 164
Income from sale of buildings, equipment and fittings sale, investments in real estate and intangible assets		575	285
Costs to acquire shares in other accounting entities without the gained cash		-	-25, 700
Costs to acquire investments		-11, 670	-99
Received interests		8, 850	2
Cash flow from investment activities		-48, 896	-43, 676
FINANCIAL ACTIVITIES			
Equity reduction		-	-249
Income from paid-up bills		-137, 409	110, 657
New bills		139, 561	-12, 184
Granted loans		-40, 114	-50, 562
Granted loans payments		77, 392	4, 275
Financial lease payments of payables		-546	-1, 214
Payments of credits and loans		-933	-2, 248
New credits and loans		41	-73
Paid interests		-239	-543
Cash flow from financial activities		37, 753	47, 859
Nett increase in cash and cash equivalents		-774	907
Cash and cash equivalents at the beginning of the year	23	2, 769	1, 862
Impact of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the end of the year	23	1, 995	2, 769

Notes on pages 5 to 47 represent an inseparable part of the consolidated financial statement

Tatry mountain resorts, a.s. a dcérske spoločnosti

Poznámky k priebežnej konsolidovanej účtovnej závierke za obdobie od 1. novembra 2010 do 30. apríla 2011

Tatry mountain resorts, a.s. (hereinafter “parent company” or “Company”) is a joint stock company with registered seat and the place of business at Demänovská Dolina 72, Liptovský Mikuláš 031 01. The Company was established on 20 March 1992 and was incorporated in the Trade Register on 1 April 1992. The identification number is 31 560 636 and TIN is 2020428036.

The Company is not a general partner in other accounting entities.

The Company’s shares have been registered at the Bratislava Stock Exchange since 19 November 1993.

In 2009 the Company decided to change the accounting period from a calendar year to business year from 1 November to 31 October. The change was made to make the period real as Company’s activities are subject to seasonal variations.

The structure of Company’s shareholders to 30 April 2011 and 31 October 2010 was as follows:

30 April 2011

	Equity share		Right to vote
	Euros in thousands	%	%
Poštová banka, a.s.	38, 603	17.44%	17.44%
J & T BANKA, a.s.	36, 581	16.53%	16.53%
Deutsche Bank Aktiengesellschaft	30, 395	13.73%	13.73%
TLD, s. r. o.	16, 280	7.36%	7.36%
J&T SECURITIES MANAGEMENT LIMITED	14, 268	6.45%	6.45%
ATLANTIK finanční trhy, a.s.	11, 081	5.01%	5.01%
Minor shareholders	74, 130	33.49%	33.49%
Total	221, 338	100.00%	100.00%

31 October 2010

	Equity share		Right to vote
	Euros in thousands	%	%
CONTIGY DEVELOPMENT LIMITED	34, 527	15.60%	15.60%
Deutsche Bank Aktiengesellschaft	30, 395	13.73%	13.73%
RMSM1 LIMITED (TIPPRA)	29, 662	13.40%	13.40%
TATRY INVESTMENT LTD	26, 471	11.96%	11.96%
J & T BANKA, a.s.	21, 915	9.90%	9.90%
KEY DEE LIMITED	21, 151	9.56%	9.56%
Poštová banka, a.s.	16, 691	7.54%	7.54%
J&T SECURITIES MANAGEMENT LIMITED	15, 828	7.15%	7.15%
Minor shareholders	24, 698	11.16%	11.16%
Total	221, 338	100%	100%

The Company’s consolidated statement for the period ending on 30 April 2011 includes the accounting statement of the parent company and the subsidiaries (called “Group”) and the Group’s share in the affiliated company.

The Group’s main activities include cableways and ski lifts operating, restaurant facilities and catering services, operating of ski and snowboarding schools and hotel business. From 29 March. 2011 the Group has been operating the Aquapark Tatralandia thus extending the portfolio of provided services.

The average number of Group’s employees in the period between 1 November 2010 and 30 April 2011 was 702, of which 9 were top managers (between 1 November 2009 and 30 April 2010 it was 616 employees, of which 6 were top managers).

Company's bodies:

Board of Directors:

Ing. Andrej Devečka, member (from 14.12.2006)

Ing. Bohuš Hlavatý, Chair (from 29.6.2009)

Ing. Jozef Hodek, member (from 29.6.2009)

Ing. Dušan Slavkovský, member (from 1.5.2010)

Ing. Michal Krolák (from 18.2.2011)

Ing. Branislav Gábriš (from 18.2.2011)

Supervisory Board:

Jozef Slabý (from 29.11.1996)

Ing. Igor Rattaj (from 29.6.2009)

Ing. František Hodorovský (from 18.1.2011)

Jiří Uvíra (from 18.1.2011)

Jan Marian Komornicki (from 18.1.2011)

Boris Kollár (from 30.4.2011)

Significant accounting principles

(a) Statement of compliance

The consolidated financial statements (hereinafter „consolidated financial statements“) have been compiled in accordance with the International Financial Reporting Standards (“IFRS“) in the wording approved by the EU and in accordance with the Act of the NR SR No. 431/2002 Col. on the accounting. The consolidated financial statements is for the period from 1 November 2010 to 30 April 2011.

(b) Preparation of the balance sheet

The consolidated financial statements have been compiled on the basis of acquiring costs while real estate investments, securities designed for sale and financial instruments evaluated in real value through the profit and loss statement were revalued into real value.

The consolidated financial statements of the Company have been compiled under the assumption of the continued duration of its activities.

The consolidated financial statements have been compiled in euros in thousands. The accounting methods have been applied consistently by the Group's companies in accordance with the previous accounting period.

The preparation of the financial statements in accordance with the International Financial Reporting Standards in the wording approved by the EU requires the use of different judgements, assumptions and estimates. These affect the reported amounts of assets, liabilities, revenues and costs. However, the real results shall probably differ from the estimates. The critical accounting estimates and judgements made by the management which carry a significant risk of causing a significant adjustment in the following financial year have been described in Section 1 – Critical accounting estimates and assumptions.

The estimates and underlying assumptions are continually reviewed. If the review of accounting estimates applies only to one accounting period, it shall be reported in this period; if the revision affects the current and future accounting periods, it shall be reported in the period when such review was performed, as well as in the future periods.

The following International Financial Reporting Standards, the amendments to and interpretations of the norms in the wording approved by the EU, are effective for the accounting period beginning 1 November 2010 and have been applied by the Group in preparing the consolidated financial statements :

The below stated application of standards has not affected significantly the Group's financial statements.

Amendment **IFRS 8 Operating Segments** to show information on segment assets, effective for annual accounting period beginning 1 January 2010 or later.

Amendment **IAS 1 Presentation of Financial Statements** effective for annual accounting periods beginning 1 January 2010 or later. According the current wording the liability is viewed as short term/circulating if (unless stated otherwise) the entity has no right to defer the payment so that it would not fall within the 12 month period from the balance day. The problem arose in the case of convertible debt instruments where the holder has the right to convert them at any time into share instruments (e.g. based on options). As the discrimination between current and long-term liabilities has the goal to inform the financial statements users on possible decrease of sources (e.g cash or other assets), but not on the changes in equity, the IASB has decided that the right to change the convertible debt instruments for the share ones shall not be taken into consideration when dividing the liabilities, despite the fact that this change represents one way of the payment.

Amendment **IAS 17 Leases** effective for annual accounting periods beginning 1 January 2010 or later should be applied retrospectively, i.e. to leases already in existence, since the origin of the rent, but under the condition that relevant information is available. The essence of the standard amendment is to specify accounting and reporting the lease of land. According the original wording of the standard the lease of land for an indefinite period was classified as operative lease. According the amended standard the lease of land shall be classified either as operative or financial lease in accordance with the principles of the amended standard.

Amendment **IAS 36 Impairment of Assets** effective for the annual accounting periods beginning 1 January 2010 or later, regarding the assessment of goodwill to the cash generating unit for the purposes of determining its possible depreciation. The amended standard states that such unit should be maximum within the range of the operative segment defined in the IFRS 8.

Amendment **IAS 39 Financial Instruments: Recognition and Measurement** effective for the annual accounting periods beginning 1 January 2010 or later, brings clarification of aspects of hedge accounting and the exclusion of forward contracts, which shall result in the business combination from the scope of this standard.

The issued Interantional Financial Reporting Standards which are not yet effective

At 30 April 2011 the following amendments and interpretations of standards were issued and subsequently adopted by the EU, which have not come into effect yet and have not been applied by the Group in preparing this financial statements.

Amendment **IAS 24 Related Party Disclosures** effective for the annual accounting periods beginning 1 January 2011 or later defines the related parties and makes the recognition of related parties by government organizations easier. The Group is currently analyzing the impact of the amended standard on its financial statements.

Amendment **IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction** effective for the annual accounting periods beginning 1 January 2011 with the option of earlier approval, corrects the unintended consequences of the original IFRIC 14. Without the amendment some companies would not be permitted to recognize as

an asset some voluntary pre-payments for minimum finding contributions, which was not intended when the IFRIC 14 standard was issued and so this problem is corrected by the amendment. The amendment must be applied retroactively to the earliest comparative period presented. The interpretation has no impact on the Group's current business activities and transactions.

Amendment **IFRS 7 Financial Instruments: Disclosures** effective for the annual accounting periods beginning 1 January 2011 or later. The amendment explicitly stipulates that the quality disclosures should be within the context of quantity disclosures to help the users to better estimate the extent of risks arising from financial instruments.

Amendment **IAS 1 Presentation of Financial Statements** effective for the annual accounting periods beginning 1 January 2011 or later stipulates that with each equity component the accounting unit submits the analysis of other complex result in individual items either in the statements of the equity changes or in notes.

Amendment **IFRIC 13 Customer Loyalty Programmes** effective for the annual accounting periods beginning 1 January 2011 or later. The amendment clarifies that the real value of promised bonuses takes into consideration the discounts or stimuli sums which would otherwise be offered to customers who have not been promised bonuses.

Other standards with amendments and interpretations not yet in effect and which are not yet applicable by the Group include IFRS 5, IFRS 1 a IAS 34.

Other International Financial Reporting Standards

The Group did not use in advance any other International Financial Reporting Standards in the wording adopted by the EU, the application of which was not obligatory to the day to which the financial statements are made. Provided the transitional provisions give the companies the possibility to choose whether to apply the new standards prospectively or retrospectively, the Group has decided to apply the standards prospectively from the date of transition to the IFRS.

(c) Basis of consolidation

(i) Subsidiaries

Subsidiaries are companies controlled by the Company. The control exists when the Company is authorized either directly or indirectly to govern the financial and operational management of a company to gain benefits from its activities. The existence and influence of potential voting rights are currently exercisable or are taken into consideration when assessing if the Group has control over another company. The consolidated financial statements include the Group's share in other companies on the basis of the Group's right to control these companies regardless of whether the control is exercised or not. The financial statements of the subsidiaries are included in the consolidated financial statement from the day of the start of the control to the day of its termination.

(ii) Associate companies

Associate companies are companies in which the Company has significant influence, but not the control over the financial and operational management. It is assumed that the Company has significant influence in another company once it disposes of the 20 to 50 per cent of voting rights. The consolidated financial statements include the Group's share in reported profits and losses of associate companies using the equity method from the date of the start of the significant influence until its termination. The investment is initially shown in acquirement costs. When the Group's share in losses exceeds the book value of the associate company, the book value of such company is reduced to nil and recognition of further losses is terminated, except for the case when the Group incurred possible liabilities with the associate company.

(iii) The scope of consolidation

At 30 April 2011 the consolidation included 4 companies. All the consolidated companies prepared their own financial statements to 30 April 2011. The list of companies is stated in section 37.

(iv) Transaction eliminated in consolidation

Reciprocal balance of accounts and transactions within the Group as well as any other unrealized profits arising from the transactions within the Group, are eliminated from the consolidated financial statements.

(v) Acquisition method

The acquisition method is used in accountancy to book the purchase of subsidiaries. The performance within the business combination is evaluated by fair value, calculated as a sum of fair value the property transferred by acquirer has on the day of acquiry, liabilities which the acquirer incurred towards the former owners of the acquired subject, and the equity shares issued by the acquirer.

Costs related to the acquisition are accounted directly to the profit and loss statement.

The identifiable assets acquired and the assumed liabilities of the acquired subject which meet the IFRS 3 conditions are recognized at their fair value at the date of acquisition.

Goodwill is valued as the surplus amount of implementation, the sum of each uncontrolled share in purchased subjects and fair value on the date of acquisition of the acquirer's share in the assets of the purchased subject (if such was in existence) over the difference between the values of the identifiable assets and adopted liabilities to the date of acquisition. Otherwise the difference which arises shall be revalued and the remaining part shall be recorded as profit straight in the profit and loss statements.

Each uncontrolled share in the purchased subject is valued by the proportionate share in identifiable net assets of the purchased subject.

(vi) Consolidation of accounting methods

The accounting methods and procedures applied by the consolidated companies in their financial statements have been consolidated and are in accordance with the principles applied by the parent company.

(d) Foreign currency

(i) Foreign currency transactions

The items reported in the financial statements of each of the Group's company are given in the currency of its primary economic environment, within which the relevant company operates (functional currency). The consolidated financial statements are presented in thousands euros which are both the functional currency and the Company's issuing currency. Foreign currency transactions are exchanged into euros according to the exchange rate valid on the day of the transaction. Monetary assets and liabilities in foreign currencies are converted into euros at the date of the financial statements preparation, using the exchange rate of the European Central Bank valid on that day.

The exchange rate differences related to such calculations are shown in the profit and loss statements. Non-monetary assets and liabilities in foreign currencies which are valued at purchase price are converted into euros in the rate valid on the day of transaction. Non-monetary assets and liabilities in foreign currencies which are valued at fair value are converted into euros in rates valid on the days on which the fair values were determined.

(e) Financial instruments

(i) Classification

Tatry mountain resorts, a.s. a dcérske spoločnosti

Poznámky k priebežnej konsolidovanej účtovnej závierke za obdobie od 1. novembra 2010 do 30. apríla 2011

Loans and deposits for customers and banks are non-derivative financial assets with fixed or determinable payments that are not quoted at the active market and are not classified as securities available for sale, retained until due or recognized at fair value in the profit and loss statements.

Securities available for sale are non-derivative financial assets which are excluded from financial assets recognized at fair value in the profit and loss statements, loans and deposits given to customers and banks or financial assets retained until due.

Financial instrument recognized at fair value through the profit and loss statements are the securities held by the Group for business for the purpose of achieving current profit.

(ii) Recognition

Loans and deposits for customers and banks are recognized on the date on which the Group commits the purchase.

Securities for the purpose of selling and financial instruments are recognized at fair value in the profit and loss statements on the day on which the Group is committed to their purchase.

(iii) Valuation

Securities available for sale and financial instruments recognized at fair value in the profit and loss statements are initially recognized at their fair value. In case the securities are not valued at fair value through profit and loss statements, this valuation is increased by the cost of acquisition or issue of securities. After the initial recognition the securities available for sale are subsequently valued at fair value.

Loans and deposits to customers and banks are valued at amortized costs. After the initial recognition the securities are valued at amortized cost. In valuation at amortized cost, the difference between the amortized costs and nominal value is recognized in profit and loss statement over the term of assets or liabilities using the effective interest method.

(iv) Principles of valuation at fair value

The fair value of financial instruments is based on their quoted market value at the date on which the financial statements are prepared without any reduction of related costs. In case the quoted market value is not available, the fair value of the instrument is estimated using the management technique of valuation models or discounted future cash flows.

When using a discounted cash flow method the estimate of future cash flows based on the estimates of the management and the discount rate represents the market rate at the date on which the financial statements are prepared for the instrument with similar terms. When using valuation models, inputs for these models are based on market factors at the date on which the financial statements are prepared,

(v) Profits and losses at subsequent revaluation

Profits and losses arising from changes of fair value are for the securities recognized directly in equity. Change in fair value of securities available for sale. The change of fair value of securities designed for sale is derecognized from the equity to the profit and loss statements at the moment of sale.

(vi) Derecognition

Financial assets are derecognized when the Group loses the control over the contract rights included in the assets. This happens when the rights are exercised, terminated or waived by the Group. The liability is derecognized when the liability specified in the contract expires, is exercised or terminated.

Assets available for sale which are sold are derecognized and the claims against the buyer for payment are recorded on the day when the Group undertakes to sell the assets.

Loans and deposits to customers are derecognized on the date the Group paid them up.

(f) Cash and cash equivalents

Cash and cash equivalents include cash in hand and banks and current highly liquidable investments with original maturities of three months and less.

(g) Inventory

Inventory is stated at cost or net realization value, whichever is lower. The net realization value is the estimated selling price in the ordinary course of business, decreased by the estimated costs on completion and sale.

The purchased inventory is valued at costs which include the purchase price and other directly attributable costs associated with the purchase of supplies and their storage in the existing location and condition.

(h) Offsetting

Financial assets and liabilities are offset and the net amount is recognized in the balance sheet when the Group has a legally enforceable right to offset the recognized amount and there is an intention to settle the transaction on the basis of their net difference.

(i) Impairment

The book value of the Group's assets other than inventory (see the accounting policy g), real estate investments (see the accounting policy l) and deferred tax liability (see the accounting policy p) is re-evaluated at each date on which the financial statements are prepared to find out whether there is an objective evidence to impairment. If such evidence exists, the recoverable value of the assets is estimated. Intangible assets with indefinite life are not subject to amortization. The impairment of such assets is checked annually as part of the cash generating unit to which the assets belong.

The impairment of assets is recognized when the book value of the assets or its cash generating unit exceeds its recoverable amount. The impairment losses are recognized in the profit and loss statements.

Loans and advances are recognized after the deduction of the adjustments for loan losses. The adjustments are determined by the state of loan and the debtor's action and they take into account the value of all securities and the guarantees by the third party.

The recoverable value of receivables carried at amortized costs is determined as the present value of the estimated future cash flow discounted at the original effective interest rate (i.e.j. the effective interest rate calculated at initial recognition of the financial assets). Current receivables are not discounted.

The impairment loss related to investments in subsidiaries and associates reported as held for sale shall not be terminated or decreased through the profit and loss statements. If the fair value of the instrument available for sale increases and if this increase can be objectively attributed to an event which occurred after reducing the value recognized in profit or loss, this impairment loss shall be eliminated or reduced. This elimination or reduction is recognized in the profit or loss.

The recoverable value of other assets is the value which is higher than its fair value reduced by costs of sale and the value in use. In estimating the value in use the future estimated cash flows are discounted to their present value by using a pre-tax discount rate which reflects the current market assessments of time value of money and risks specific for the asset. With the assets which do not generate largely independent cash flows the recoverable amount is determined for a group of cash generating units to which the assets belong.

Impairment losses of receivables recognized at amortized cost are accounted if the increase of the recoverable amount can be objectively attributed to an event which occurred after reducing the value in the bookkeeping.

In the case of goodwill, an impairment loss cannot be subsequently reduced.

For other assets the impairment loss is eliminated or reduced if there is an indication that the impairment is no longer justified and there is a change in assumptions used in determining a recoverable amount.

The limits for reduction or elimination of impairment losses are not to exceed the book value which would be determined after taking into account the depreciation and amortization if the impairment loss is not recognized.

(i) Buildings, equipment, fittings

(i) Equity

The individual assets items are valued at acquisition price reduced by accumulated depreciation (see below) and by impairment losses of their value (see accounting policy i).

The acquisition price includes all costs directly attributable to the acquisition of assets. The value of assets produced internally includes the costs of materials, direct labour costs, other costs directly related to putting the assets in operation and the costs to remove and dismantle the equipment and putting the site where the equipment has been located into the original condition. Provided the individual items of the long-term fixed tangible assets have different life period, these components of the long-term assets are accounted as separate items (major components) of the long-term tangible assets.

(ii) Lease

The contracts on property lease where the Group takes the substantial part of risks and rewards of ownership are classified as finance leases. Lease assets are recognized at the value reduced by the following values: the fair value or the current minimum value of lease payments at the beginning of the lease reduced by accumulated depreciation (see below) and taking into account the impairment of assets (see accounting policy i).

(iii) Subsequent expenses

Subsequent expenses are activated only when it is likely that the Group shall have future economic benefits included in the relevant item of the long-term assets and the relevant costs can be reliably measured. All other expenses including routine maintenance of the long-term assets are charged to the profit and loss account in the period to which they are related.

(iv) Depreciation

Depreciation is accounted in the profit and loss statements on the straight-line basis over the estimated useful life of the individual long-term assets items. Land is not depreciated. The estimated useful lives are as follows:

▪ Buildings	30 - 40 years
▪ Geothermal drill hole	40 years
▪ Cableways and ski lifts	12 - 20 years
▪ Water slide tubes	25 years
▪ Equipment	5 - 12 years
▪ Inventory and others	5 - 10 years

Depreciation methods, estimated useful life and the residual value are reviewed annually to the date on which the financial statements are prepared.

(v) Capitalized financing costs

Based on the revised IAS 23 standard the Group activates the financing costs related to assets which require a significant period of time to be put in condition necessary for their use or sale. The revised standard is effective prospectively for financial costs in connection with property meeting the requirements, beginning with the activation on 1 January 2009 and later.

(j) Intangible assets

(i) Goodwill and intangible assets gained in business

Goodwill represents the excess sum of the total performance, the amount of any non-controlling share of any subject and fair value of the previously owned share held by the acquirer in subject's equity (if any) over the difference between the values of the identifiable assets and liabilities assumed at the acquisition date.

Tatry mountain resorts, a.s. a dcérske spoločnosti

Poznámky k priebežnej konsolidovanej účtovnej závierke za obdobie od 1. novembra 2010 do 30. apríla 2011

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates and jointly controlled associates is included in investments in associates. Goodwill is tested annually for impairment and valued at cost of acquire after deducting the accumulated impairment losses. Profits and losses at the disposal of a company include the carrying amount of goodwill related to the entity sold.

Negative goodwill arising on acquisition is reviewed and any balance of negative goodwill after the review is directly accounted to the profit and loss statement.

The intangible assets acquired in business combination are recognized at fair value at the acquisition date if such intangible asset is separable or arises from contractual or other rights. Intangible assets with indefinite useful life are not amortized and are recognized at cost less any impairment loss. Intangible assets with finite useful lives are amortized over the useful life and recognized at acquisition price less accumulated depreciation and impairment losses.

(ii) Software and other other intangible assets

Software and other other intangible assets acquired by the Group are recognized at acquisition price less accumulated depreciation (see below) and impairment losses in their value (see accounting policy i). The useful life of these assets is regularly reviewed.

(iii) Amortization

Amortization is accounted into the profit and loss statements on the straight-line basis over the estimated useful life of the intangible assets from the date allocated for their use. The estimated useful lives are as follows:

- | | |
|---------------------------|-------------|
| ▪ Software | 4 – 5 years |
| ▪ Other intangible assets | 4 – 5 years |

(k) Real estate investments

The real estate investments represent the assets held by the Group with the purpose of gaining lease revenues or capital revaluation, or both.

The real estate investments are recognized at fair value which is determined by an independent expert or by the management. The fair value is based on current prices of similar assets at the active market in the same locality and under the identical terms, or if these are not available, the generally applicable pricing models such as the yield method, shall be used. Any profit or loss resulting from the changes is recognized in the profit and loss statements.

Assets which are built or developed for the future use as real estate investments are valued at fair value provided that this can be determined reliably.

The details of the real estates investments valuation are further specified in Section 1 (b) of this financial statement.

Revenues from the rent of real estate investments are accounted as described in accounting policy (o).

(l) Reserves

The Group shall include the reserves in the balance sheet if there is a legal or contractual obligation as a result of a past event and it is likely that there will be loss of economic benefit in the settlement of this obligation.

(iv) Long-term employee' benefits

The Group's commitment resulting from the long-term employee benefits other than old-age pension plans represent the estimated future value of benefits which employees deserved for their work performed in the current and prior periods. The liability is calculated using the projected unit credits discounted to its present value. The discount rate used to calculate the current value of the liability is derived from the yield curve of

high-quality bonds with maturities close to the conditions of the Group's liabilities at the date of the financial statements preparation.

(v) Current employee benefits

Liabilities arising from current employee benefits are reflected on an undiscounted basis and are recognized as expenses at the time of the employees' work performance. Provided that the Group has a legal or contractual liability as a result of past work performed by employees and the amount of the liability can be reliably estimated, a reserve of the estimated current cash bonuses or the planned share in profits shall be created.

(m) Interests and costs yields

The interests costs and yields are accounted in the profit and loss statements in the period they relate to. Total credits and loans costs are recognized in the profit and loss statement.

(n) Lease revenues

Revenues from the real estate investments lease are recognized during the term of lease on a straight-line basis in the profit and loss statement.

(o) Income tax

The income tax for current accounting period comprises current and deferred tax.

The current tax is the expected tax liability payable on taxable income of the current accounting period, using the tax rates which were applicable on the date on which the financial statement and any adjustments to tax payable in respect of previous accounting periods.

Deferred tax is accounted by using the balance sheet and is calculated from all temporary differences between the book values of the assets and the liabilities provided for the financial reporting purposes and the amounts used for tax purposes. The following temporary differences are not taken into account: the initial recognition of assets and liabilities that affect neither the accounting nor the taxable profit or the differences related to investments in subsidiaries which are likely not to be cancelled in the nearest future. At initial recognition of goodwill temporary differences are not recognized. The amount of deferred tax is based on the expected pattern of implementation or the settlement of the carrying amount of assets and liabilities, using the tax rates prevailing at the date on which the financial statements are prepared, or approved at that date.

The income tax is accounted directly in the profit and loss statements except for the part which relates to the items recognized directly in equity. In that case, the income tax is accounted in equity.

Deferred tax assets and liabilities are set off when there is a legally enforceable right to offset current tax liability and asset and they concern the same tax authority and the same tax payer.

The limits of deferred tax assets are recognized up to the probable future taxable profits against which the unused tax losses and credits could be included. The deferred tax assets are reduced by the value for which it is probable that the related tax benefit will not be feasible in the future.

(p) Operation and finance lease payments

Operation lease payments are recognized in the profit and loss statements on a straight-line basis over the lease term.

The minimum finance lease payments are divided into interest and principal payment. Interests are allocated to each period during the lease term so as to give constant interest rate for the period applied to the unpaid part of principle.

(q) Earnings from services provided

The Group recognizes four basic types of earnings from services provided:

- Earnings from the mountain resorts and the water park
- Earnings from sports services and stores

- Earnings from hotel services
- Earnings from restaurant facilities

The types of earnings depend on time at which the service was provided. Earnings are accounted in the profit and loss statements after providing the service. Earnings from services do not include the value added tax. They are also reduced by special offer prices (rebate, bonuses, discounts, credit notes, etc.).

(r) Trade liabilities and other liabilities

Trade liabilities and other liabilities are recognized at amortized value.

(s) Dividends

Dividends are recognized in the equity change statements as well as payables at the time of approval.

(t) Long-term assets and group assets held for sale

If the value of long-term assets (or the assets and liabilities in a group of assets held for sale) is expected to be realized mainly through its sales and not its use, the property is classified as held for sale. Before the asset transformation into the asset held for sale this asset (and the assets and liabilities in a group of assets held for sale) is evaluated in accordance with the International Financial Reporting Standards in the wording adopted by the EU. Subsequently, on initial recognition as held for sale, the asset and the group of assets held for sale are recognized at net book value or fair value less costs related to sale, whichever is lower.

Any impairment losses on a group of assets held for sale are initially assigned to goodwill and then pro rata to other assets and liabilities, other than inventory, financial assets, deferred tax liability and real estate investments, which are still expressed in accordance with the accounting principles of the Group.

Impairment losses at initial recognition as held for sale are recognized in the profit and loss statements even if the revaluation reserve has been created. The same applies to profits and losses at subsequent valuation. Recognized profits shall not exceed the cumulative impairment loss.

Provided that after the asset assignment into the group of assets held for sale the value proves to be realized mainly through its use and not through sale, the asset shall be accounted into the group of Buildings, equipment and fittings with the recognition in the period when such change of asset arose.

(u) Segment reporting

Operating segments are part of the Company capable of generating revenues and costs with available financial information which is regularly evaluated by persons with decision-making competence to decide on distribution of resources and determine performance. The management concentrates on 6 main segments – the mountain resorts and the water park (ski lifts, water park) hotels (hotel services, restaurant facilities, sports services and stores, real estate projects and others.

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1. Significant accounting estimates and assumptions

The preparation of the financial statements in accordance with the International Financial Reporting Standards in the wording adopted by the EU requires the use of certain fundamental accounting estimates. It also requires the management to use their own judgement in the process of applying the accounting principles of the Company. These accounting estimates will therefore rarely conform to actual results. Estimates and assumptions bearing significant risks of causing a significant adjustment to the carrying value of assets and liabilities within the next financial year are described below. Estimates and assumptions are continually revaluated if the revaluation of accounting estimates applies to just one accounting period, it is reported in that period; if the revaluation of the accounting estimates affects the current and future accounting periods, it is reported in the period of revaluation and also in the future periods.

(a) Business combination and business price allocations

The identifiable assets, liabilities and contingent liabilities of the contract to acquired company or a part of a company are recognized and measured at their fair value at the date of acquisition. The allocation of the total acquisition price for each item of acquired net assets for the purposes of financial reporting is realized with the help of professional advisers.

The analysis of valuation is based on historical information and anticipated facts which are available at the day of business combination. Any anticipated facts which may affect the fair value of the acquired assets are based on the management's expectations concerning the development of the competitive and economic environment which existed at that time.

The results of the valuation analysis are used also to determine the period of depreciation and amortization of the values assigned to specific items of intangible and long-term tangible assets.

The fair value adjustments arising from the company combination which occurred at 29 March 2011 (acquisition of the Aquapark Tatralandia assets) have not been listed in the continual financial statement. The provisional acquired assets revaluation to the fair value was carried out. This change will be taken into account in the consolidated financial statement prepared for the period between 1 November 2010 and 31 October 2011.

(b) Real estate investment valuation

Real estate investments are recognized at fair value. The fair value of the real estate investments is determined either by an independent court expert or the property is valued by the management (see Significant accounting principles, Section 1); in both cases the valuation is based on the current market values and conditions. The market value represents the estimated value for which the property on the day of valuation could be exchanged between potential sellers and potential buyers in the form of transaction based on independent parties after adequate marketing in which each party acts in informed manner, prudently and without compulsion.

In the absence of topical market prices the valuation takes into account the estimated net cash flow from property lease and from income capitalization which reflects the specific risks inherent to a given market and to the cash flows arising from the property. The valuation reflects (when relevant) the type of lessees using the property or responsible for meeting the lease commitments or potential users in case of leaving the property unrented, the general market perception of the lessee's credibility, the distribution of responsibilities associated with maintenance and insurance of the property between the Group and the lessees and the remaining life of the assets.

Real estate investments of 1, 435 thousands of euros are represented by three hotels (Srdiečko, Liptov and Kosodrevina) which are leased to third parties which operate the hotels as well as the forests and lands acquired in 2009 through an acquisition of 2,279 thousands of euros. The value of the hotels was determined by the hotels' management estimates, as described above. The land's value was determined by an expert at

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market price and the final value is based on the estimated market price per square meter depending on the type of land and market transactions for similar character of land.

If the fair value of the investment property which was based on management estimates differed from management estimates by 10% , the book value of real estate investment would be higher or lower by 143 thousands Euros. In comparison to the amount recognized at 30 April 2011 (31 October 2010: 143 thousands Euros).

1. Significant accounting estimates and assumptions (continued)

(c) Goodwill and value decrease test

At the day of preparing the financial statement the Group assesses whether there is impairment of the goodwill value. Provided no indicator of possible impairment is identified, in accordance with the IAS 36 the Group annually tests goodwill, recognized in business combination during the current accounting period and the goodwill already recognized in prior periods for possible impairment at 31 October, it means on the day of the annual consolidated financial statement.

On the day of acquisition the acquired goodwill is assigned to each cash generating unit (CGU) expected to benefit from synergies arising in business combinations.

In the accounting period of 1 November 2009 – 31 October 2010 goodwill of 3, 473 thousands of euros arose during the acquisition of the GRANDHOTEL PRAHA a.s. company.

As in the period of preparing the continual financial statement no indicator of possible goodwill impairment was identified, the Group did not test goodwill to possible impairment to the 30 April 2011. The test will be carried out at the end of the accounting period when preparing the consolidated financial statement to 31 October 2011.

On 31 October 2010 an impairment test of goodwill was carried out. The test results did not indicate goodwill impairment.

The impairment is determined by assessing the recoverable amount of the CGU, which the goodwill relates to on the basis of the value in use. This value was derived from the estimated future cash flow estimated by the management. The discount rate used in the fair value estimate was 8.5% (after considering income tax).

Fair value was derived from the business plan prepared by the management. A key assumption, which was at the same time the most sensitive factor in determining the recoverable amount, was based on the expected earnings evaluated by the management, profitability and cost of capital used as a discount factor for future net cash flows. The expected earnings income and profitability are based on changes in target groups of customers, stronger marketing and increased quality of service.

Projecting of cash flows used in determining the fair value covers the medium-term period of five years with subsequent extrapolation for the next period. On the basis of such standardized level of cash flow terminal value was calculated with the assumption of cash flow growth at 2% per year. The discount rates used in the projecting of cash flows were calculated as a weighted average cost of capital.

If the projected EBITDA, which is part of the projected cash flows, was lower by 5% compared with management's estimates, the value from the use in the case of Grandhotel Stry Smokovec would drop by 0.72 mil. euros and for Grandhotel Tatranska Lomnica it would be lower by 0.83 mil. Euros. In the case of cash-generating unit which covers hotels in the High Tatras, it would not lead to accounting for the impairment of goodwill.

(d) Assets impairment test

The date on which the financial statement is prepared, the Group assesses whether there is impairment of the Group or not. IAS 36 reviews impairment testing of assets if there are internal or external indicators suggesting the possibility of impairment.

On 30 April 2011 no indicator of possible Group impairment was identified after the assessment.

The impairment was suspected after the assessment at 31 October 2010. The risk of impairment resulted from the Hotel Grand Jasna, Tri Studnický, Grandhotel Praha Tatranska Lomnica and Grandhotel Stry Smokovec. The assets impairment test was performed for these values.

The result of testing at 31 October 2010 recognized the impairment loss of remaining value of the Hotel GRAND JASNÁ in the amount of 505 thousand Euros.

1. Significant accounting estimates and assumptions (continued)

The group performs two main activities: (i) the operation of ski resorts and the water park, restauration services and sports services and stores, (ii) accommodation in three locations, Jasna (LowTatras), the High Tatras and Liptovský Mikuláš. Each location was assessed by the management as an independent cash generating unit. In all three resorts the Group further distinguishes three individual cash generating units, i.e a ski resort, the water park and hotels. The Group monitors the performance and creates separate budgets for the three cash-generating units. Group's assets have been assigned according to the individual cash generating units.

The potential impairment is determined by comparing the recoverable amount and the carrying value of cash-generating unit. Potential impairment is determined by comparing the recoverable amount and the carrying value of cash-generating unit. In the case of hotels the recoverable amount was determined according to the value from the use. The fair value was derived from the value of future cash flows adjusted for present discounted value. The discount rate used for testing the impairment of assets was 8.5% (after income tax consideration). The discount rate was calculated using the weighted average cost of capital. The fair value of all assets in the group was determined according to projected cash flows resulting from long-term financial plans prepared by the management. The financial plan was prepared for five years.

Fair value of hotels in the Low and High Tatras which are individual cash generating units, was determined according to the projected cash flows arising from long-term financial management plans prepared for individual hotels. Financial plans have been prepared for the period of the next five years. Projected cash flows for the following period were derived from these financial plans by extrapolation. During the extended period it is expected to achieve a sufficient operational and financial performance which is considered by the management as usable for long-term period. On the basis of such standardized levels of cash flow the terminal value was calculated with annual cash flow growth assumption at 2%.

The most influential key assumptions that affect the fair value of hotels in addition to the discount rate, are mainly planned prices for hotel rooms and hotel bookings. Most assumptions are based on historical experience with the operating of hotels. For most estimates of future prices of hotel rooms the management took into consideration also the prices of comparable hotels in the Alps, taking into account differences in the target group of clients in Jasna and the Alpine resorts.

Provided the projected EBITDA, which is part of the projected cash flow, was lower by 5% compared with the estimate of the management, the value of use for the Hotel Grand Jasna would drop by 1.2 mil. euros and in the case of Tri Studničky hotel it would be lower by 0.17 mil. euros. In the case of a cash-generating unit which covers the hotels at Jasna, the impairment loss of assets would be higher by these amounts.

1. Significant accounting estimates and assumptions (continued)

(e) Securities at fair value

The fair value of securities is stated according to:

Level 1: quoted prices (not adjusted) at active market for assets or liabilities

Level 2: other than quoted prices included in level 1, identified directly (as prices), or indirectly (derived from prices)

Level 3: valuation not based on identifiable market data

When the quoted market price is not available, fair value of instrument is estimated with the help of valuation techniques. When using valuation model, the management uses estimates and assumptions consistent with available information on the estimates and assumption, which the market participants would use in price recognition of a particular financial instrument.

	30.4.2011				31.10.2010			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities								
Securities available for sale	88	-	-	88	85	-	-	85
Financial instruments valued at fair value through the profit and loss statement	11, 789	-	-	11, 789	-	-	-	-

On 17 March 2010 the Group purchased 3, 850 shares of Compagnie des Alpes (SA). Their value at 30 April 2011 was 88 thousand Euros.

Between 1 November 2010 and 30 April 2011 the Group acquired 1, 062, 043 shares of the Best Hotel Properties a.s., company, their value at 30 April 2011 was 11, 798 thousands of Euros.

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2. Segment information

Business segments information – Profit or loss consolidated statement

	Mountain resorts and								Intersegment				TOTAL				
	water park		Hotel services		Restaurants		Sports services and stores		Real estates projects		Others		elimination				
	30.4.2011	30.4.2010	30.4.2011	30.4.2010	30.4.2011	30.4.2010	30.4.2011	30.4.2010	30.4.2011	30.4.2010	30.4.2011	30.4.2010	30.4.2011	30.4.2010	30.4.2011	30.4.2010	
<i>In thousand of euros</i>																	
Earnings	11 989	7 378	5 114	3 372	1 720	1 123	1 061	762	100	-	-	-	-	-35	19 984	12 600	
Other operational revenues	792	43	99	55	27	6	15	3	-	-	-	-	-	-	933	107	
Material and goods consumption	-952	-703	-1 446	-976	-523	-336	-285	-288	-	-	-	-	-	-	-3 206	-2 303	
Purchased services	-5 603	-3 328	-1 068	-875	-238	-174	-173	-128	-43	-	-	-	-	35	-7 125	-4 470	
Staff costs	-2 018	-1 347	-1 545	-928	-537	-363	-334	-239	-	-	-	-	-	-	-4 434	-2 877	
Other operational costs	-236	-80	-111	-55	-23	-2	-22	-5	-2	-	-	-	-	-	-394	-142	
Property sale profit/(loss)	45	48	10	-1	-3	-1	-1	-	-	-	-	-	-	-	51	46	
Depreciations and amortization	-2 649	-2 278	-684	-739	-237	-187	-108	-163	-	-	-153	-	-	-	-3 831	-3 367	
Interest revenues	-	-	3	-	-	-	-	-	-	-	4 415	2 981	-	-9	4 418	2 972	
Interest costs	-165	-245	-45	-19	-17	-18	-15	-8	-	-	-	-	-	9	-242	-281	
Financial instruments revenues, nett	-	-	-	-	-	-	-	-	-	-	146	3	-	-	146	3	
Associate company costs	-	-	-30	-99	-	-	-	-	-	-	-	-	-	-	-30	-99	
profit/(loss) of segment																	
before taxation	1 203	-283	297	-60	169	84	138	-66	55	-	4 408	2 984	-	-	6 270	2 189	
Income tax															10	-243	
Consolidated profit															6 280	1 946	

The Group generates all its earnings in the Slovak Republic. The intersegment eliminations are included in the amounts stated in the period before 30/4/2011.

The 10% share on total earnings limit was not exceeded by any of the companies.

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Poznámky k priebežnej konsolidovanej účtovnej závierke za obdobie od 1. novembra 2010 do 30. apríla 2011

2. Segment information (continued)

Business segments information – Profit or loss consolidated statement

	Mountain resorts and				Sports services and				Real estates projects		Others		Intersegment elimination		TOTAL	
	water park		Hotel services		Restaurants		stores									
<i>In thousand of euros</i>	30.4.2011	31.10.2010	30.4.2011	31.10.2010	30.4.2011	31.10.2010	30.4.2011	31.10.2010	30.4.2011	31.10.2010	30.4.2011	31.10.2010	30.4.2011	31.10.2010	30.4.2011	31.10.2010
Goodwill and intangible assets	-	-	3 827	3 897	-	-	-	-	-	-	-	-	-	-	3 827	3 897
Buildings, equipment and furnishing	91 492	67 205	53 380	39 200	4 746	1 276	1 514	1 423	6 408	6 070	-	-	-	-	157 540	115 174
Investments in immovables	2 279	2 279	-	-	-	-	-	-	1 435	1 435	-	-	-	-	3 714	3 714
Inventory	297	250	252	211	129	108	123	103	-	-	5	4	-	-	806	676
Trade receivables	2 820	4 027	2 402	3 431	8	12	16	23	-	-	-	-	-	-	5 246	7 493
Investments in associate company	-	-	6 852	6 882	-	-	-	-	-	-	-	-	-	-	6 852	6 882
Other receivables	-	-	-	-	-	-	-	-	-	-	97 981	104 704	-	-	97 981	104 704
Financial investments	-	-	-	-	-	-	-	-	-	-	11 902	85	-	-	11 902	85
Other assets	1 069	216	1 736	351	-	-	-	-	-	-	4 101	829	-	-	6 906	1 396
Granted credits	-	-	-	-	-	-	-	-	-	-	7 395	53 388	-	-	7 395	53 388
Cash and cash equivalents	1 355	1 881	524	728	-	-	-	-	-	-	116	160	-	-	1 995	2 769
Deferred tax receivable	-	-	-	-	-	-	-	-	-	-	612	369	-	-	612	369
Total assets	99 312	75 858	68 973	54 700	4 883	1 396	1 653	1 549	7 843	7 505	122 112	159 539	-	-	304 776	300 547
Long-term loans and credits	9 074	10 183	801	899	504	566	246	276	-	-	-	-	-	-	10 625	11 924
Long-term trade liabilities	13	73	-	-	-	-	-	-	-	-	-	-	-	-	13	73
Other long-term liabilities	369	879	-	-	-	-	-	-	-	-	-	-	-	-	369	879
Current loans and credits	2 621	2 255	-	-	-	-	-	-	-	-	-	-	-	-	2 621	2 255
Current trade liabilities	2 873	2 102	-	99	-	33	-	34	-	-	-	530	-	-	2 873	2 798
Other current liabilities	8 738	4 073	-	-	223	104	46	21	-	-	-	-	-	-	9 007	4 198
Reserves	-	-	54	83	-	-	-	-	-	-	161	247	-	-	215	330
Deferred tax liability	-	-	-	-	-	-	-	-	-	-	9 243	9 029	-	-	9 243	9 029
Liabilities from the tax due	-	-	-	-	-	-	-	-	-	-	18	52	-	-	18	52
Total liabilities	23 688	19 565	855	1 081	727	703	292	331	-	-	9 422	9 858	-	-	34 984	31 538

The intersegment eliminations are included in the amounts stated in the period before 30/4/2011. Prices used between segments are based on the market prices for similar services and financing.

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3. Earnings

<i>In thousands of euros</i>	1.11.2010 – 30.4.2011	1.11.2009 – 30.4.2010
Mountain resorts and water park	11 989	7 378
Hotel services	5 114	3 337
Restaurants	1 720	1 123
Sports services and stores	1 061	762
Real estate projects	100	-
Total	19 984	12 600

4. Other operational revenues

<i>In thousands of euros</i>	1.11.2010 – 30.4.2011	1.11.2009 – 30.4.2010
Contractual penalties	100	8
Compensations from insurance company	10	10
Other operational revenues	823	89
Total	933	107

At 30 April 2011 part of other operational revenues amounting to 479 thousands of euros shows the revenue from expiry of the commitment of revitalization

5. Material and goods consumption

<i>In thousands of euros</i>	1.11.2010 – 30.4.2011	1.11.2009 – 30.4.2010
Hotels	-1 022	-602
Goods	-864	-706
Fuel	-439	-312
Maintenace and repairs material	-296	-152
Material and goods - others	-585	-531
Total	-3 206	-2 303

Tatry mountain resorts, a.s. a dcérske spoločnosti**Poznámky k priebežnej konsolidovanej účtovnej závierke za obdobie od 1. novembra 2010 do 30. apríla 2011****6. Purchased services**

<i>In thousands of euros</i>	1.11.2010 – 30.4.2011	1.11.2009 – 30.4.2010
Promotional costs	-1 973	-456
Energies consumption	-1 767	-1 513
Transport, accommodation, travel expenses	-1 188	-557
Costs of rent (premises) and others	-947	-517
Maintenance and repairs costs	-226	-193
Other administration costs	-200	-239
Costs on other services of non-material character	-127	-82
Services related to own premises	-86	-57
Costs on accounting, operating, marketing, and audit	-	-498
Other purchased services	-611	-358
Total	-7 125	-4 470

The Group uses the services of the audit company KPMG Slovakia, s. r.o to certify consolidated financial statement and pursuant to the decision of the General Meeting effective from the beginning of the fiscal year 2011 the Company uses the services of the audit company KPMG Slovakia, s. r.o. also to certify individual financial statements of all companies within the Group. Costs for these items between 1 November 2010 and 30 April 2011 have not occurred yet. Other services have not been provided by the audit companies.

7. Staff costs

<i>In thousands of euros</i>	1.11.2010 – 30.4.2011	1.11.2009 – 30.4.2010
Labour costs	-3 154	-2 026
Social security costs (mandatory)	-961	-664
Rewards for members of statutory bodies	-169	-73
Other social costs	-150	-114
Total	-4 434	-2 877

Average number of the Group's employees during the period from 1 November 2010 to 30 April 2011 was 702, out of which 9 were managerial staff (from 1 November 2009 to 30 April 2010 it was 616, out of which 6 were managerial staff), the number of employees on agreement was 516 (from 1 November 2009 to 30 April 2010: 173).

8. Other operational costs

<i>In thousands of euros</i>	1.11.2010 – 30.4.2011	1.11.2009 – 30.4.2010
Fees and commission costs	-332	-80
Insurance (property, vehicles, travel expenses)	-18	-36
Deficits and losses	-11	-3
Exchange rate losses	-1	-1
Other operational costs	-32	-22
Total	-394	-142

Tatry mountain resorts, a.s. a dcérske spoločnosti**Poznámky k priebežnej konsolidovanej účtovnej závierke za obdobie od 1. novembra 2010 do 30. apríla 2011****9. Interest yields and costs**

<i>In thousands of euros</i>	1.11.2010 – 30.4.2011	1.11.2009 – 30.4.2010
Interest yields	4 418	2 972
Interest costs	-242	-281
Total	4 176	2 691

The bill receivables are included in the Group's assets. These receivables have fixed pay interest at 6.8% and 7.5%. Bill receivables are due on display.

The Group makes use of 5 credits from Tatra banka, joint-stock company and interest rate further depends on 1-month and 3-month EURIBOR. Loans were provided to finance investments and fund the loan from another bank. The Group has signed a leasing contract to finance the 6-seat cableway at Jasna, cars, snow track vehicles, snow scooters, etc.

10. Yields of financial instruments, net

<i>In thousands of euros</i>	1.11.2010 – 30.4.2011	1.11.2009 – 30.4.2010
Revaluation of financial instruments at fair value through the profit and loss statement	143	-
Others, net	3	3
Total	146	3

11. Income tax and deferred tax

<i>In thousands of euros</i>	1.11.2010 – 30.4.2011	1.11.2009 – 30.4.2010
Due tax:		
Current accounting period tax	-21	-
	-21	-
Deferred tax (costs)		
Charge and accounting of temporary adjustments	31	-243
Total income tax	10	-243

Income deferred tax is calculated with the use of legitimised tax rates the maturity date of which is assumed in the period when the receivables or payables are settled

Income tax recognized in other items of consolidated statements

<i>In thousands of euros</i>	1.11.2010 – 30.4.2011			1.11.2009 – 30.4.2010		
	Before tax	Tax	After tax	Before tax	Tax	After tax
Revaluation of securities held for sale at fair value	4	-	4	-5	-	-5
Other parts of consolidated statement	4	-	4	-5	-	-5

See also section 16 - Deferred tax receivable, deferred tax liability

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Poznámky k priebežnej konsolidovanej účtovnej zavierke za obdobie od 1. novembra 2010 do 30. apríla 2011

12. Buildings, equipment and fittings

In thousands of euros

	Land and buildings	Individual movables and sets of movables	Unfinished property	Total
<i>Acquiring price</i>				
Initial balance at 1.11.2009	62 632	34 805	3 523	100 960
Increase	-	-	18 138	18 138
Increase after business combination	15 718	534	359	16 611
Decrease	-8	-211	-	-219
Reallocation from the assets held for sale	3 639	1 184	-4 823	-
Balance at 31.10.2010	<u>81 981</u>	<u>36 312</u>	<u>17 197</u>	<u>135 490</u>
Initial balance at 1.11.2010	81 981	36 312	17 197	135 490
Increase	-	98	16 032	16 130
Increase after business combination	30 183	317	-	30 500
Decrease	-5	-539	-262	-806
Transfer	16 815	12 973	-29 788	-
Balance at 30.4.2011	<u>128 974</u>	<u>49 161</u>	<u>3 179</u>	<u>181 314</u>
<i>Depreciation and loss</i>				
Initial balance at 1.11.2009	-10 120	-2 610	-597	-13 327
Depreciation of current accounting period	-2 841	-3 806	-	-6 647
Decrease	-	163	-	163
Assets depreciation loss	-505	-	-	-505
Balance at 31.10.2010	<u>-13 466</u>	<u>-6 253</u>	<u>-597</u>	<u>-20 316</u>
Initial balance at 1.11.2010	-13 466	-6 253	-597	-20 316
Depreciation of current accounting period	-1 701	-2 039	-	-3 740
Decrease	-	282	-	282
Balance at 30.4.2011	<u>-15 167</u>	<u>-8 010</u>	<u>-597</u>	<u>-23 774</u>
<i>Residual value</i>				
at 1.11.2009	<u>52 512</u>	<u>32 195</u>	<u>2 926</u>	<u>87 633</u>
at 31.10.2010	<u>68 515</u>	<u>30 059</u>	<u>16 600</u>	<u>115 174</u>
at 1.11.2010	<u>68 515</u>	<u>30 059</u>	<u>16 600</u>	<u>115 174</u>
at 30.4.2011	<u>113 807</u>	<u>41 151</u>	<u>2 582</u>	<u>157 540</u>

At 30 April 2011 the book value of the 4-star hotel acquired by the Group through the acquisition of the GRANDHOTEL PRAHA a.s. company in 2009, was 15, 992 thousands of euros (at 31 October 2010 -16, 184 thousands of euros).

During the period from 1 November 2010 to 30 April 2011 the parent company acquired the property of the Aquapark Tatralandia the value of which was 30, 500 thousands of euros recognized in the item of buildings and land, separate movables and sets of movables.

The increase of Unfinished assets in the amount of 16, 032 thousand euros includes two 6-seat cableways, Happy End diners, snowing systems in the skiing resorts of Jasná and Tatranská Lomnica and other property

12. Buildings, equipment and furnishings (continued)

Unused assets

The Group owns a partially built construction of a building with 100% adjustment in the amount of 596 thousand euros which the Group does not use.

Rented land, buildings and equipment

The Group rented a cableway on the basis of a sell contract and back finance rent with ČSOB Leasing, a.s. The residual value of the cableway at 30 April 2011 was 4, 138 thousands of euros, the due liability is 782 thousands of euros (see Section 31 – Financial lease). Liabilities resulting from finance rent are secured by rented assets, SKI hotel and former telecommunication building.

Depreciation loss

For the period ending on 30 April 2011 the Group did not identify any depreciation loss.

For the period ending on 31 October 2010 the test identified depreciation loss in the amount of 505 thousands euros.

Assets insurance

The Group insured the property against natural disasters, theft, vandalism and against general equipment risks. The Group is insured also against liability for damages. Total amount of insured value of assets in case of natural disaster is 161, 346 thousand euros. The insurance against general equipment risks is 11, 601 thousand euros and 227 thousands euros in case of liability for damages and 60, 644 thousands of euros against vandalism. .

Guarantee

See section 25 – Loans and credits and section 31 – Finance leasing.

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13. Goodwill and intangible assets

In thousands of euros

	Goodwill	Other intangible assets	Total
<i>Acquiring price</i>			
Initial state at 1.11.2009	651	709	1 360
Increase	-	26	26
Increase due to business combination	3 473	22	3 495
Balance at 31.10.2010	4 124	757	4 881
Initial state at 1.11.2009	4 124	757	4 881
Increase	-	21	21
Decrease	-	-1	-1
Zostatok k 30.4.2011	4 124	777	4 901
<i>Accumulated depreciation and loss</i>			
Initial state at 1.11.2009	-651	-149	-800
Depreciation of current accounting period	-	-184	-184
Balance at 31.10.2010	-651	-333	-984
Initial state at 1.11.2009	-651	-333	-984
Depreciation of current accounting period	-	-91	-91
Decrease	-	1	1
Balance at 30.4.2011	-651	-423	-1 074
<i>Residual value</i>			
at 1.11.2009	-	560	560
at 31.10.2010	3 473	424	3 897
at 1.11.2010	3 473	424	3 897
at 30.4.2011	3 473	354	3 827

Tatry mountain resorts, a.s. a dcérske spoločnosti**Poznámky k priebežnej konsolidovanej účtovnej zavierke za obdobie od 1. novembra 2010 do 30. apríla 2011****14. Real estate investments***In thousands of euros***30.4.2011 31.10.2010****Acquiring price**

Initial state at 1.11.2010/1.11.2009

3 714 3 714

Balance at 30.4.2011/31.10.2010**3 714 3 714**

Real estate investments of 1, 435 thousands euros form hotels (Srdiečko, Liptov a Kosodrevina), which are rented to and operated by third parties together with forests and lands of 2, 279 thousands euros acquired by acquisition in 2009.

In the period from 1 November 2010 to 30 April 2011 the income from real estate investments represented 100 thousands euros and direct operating costs related to the investments in real estates were in the amount of 50 thousands euros (1. November 2009 to 30 April 2010: income from real estate investments represented 78 thousand euros and direct operating costs related to the investments in real estates were 52 thousands euros).

Real estate investments are valued at fair value (see Section 1b).

Guarantee

To secure bank loans at 30 April 2011 all the real estate investments in the amount of 3,714 thousand euros were used (at 31 October 2010: in the amount of 3, 714 thousands euros)

15. Investments in associate company

The Group has one associate company, Interhouse Tatry s.r.o.

Group's share

Associate company	Country	30.4.2011	31.10.2010
		%	%
Interhouse Tatry s.r.o.	Slovakia	50	50

*In thousands of euros***Investment value**

	30.4.2011	31.10.2010
Acquired price of the associate company	7 526	7 526
EBITDA contract adjustment	-598	-598
Company's share on the associate company loss (current period)	-30	-46
Company's share on the associate company (previous period)	-46	-
Total	6 852	6 882

Consolidated financial information of Tatry s.r.o., recognized in total amount (100%) at 30 April 2011:

<i>In thousands of euros</i>	Revenues	Loss	Current assets	Long-term assets	Current liabilities	Long-term liabilities	Equity
Interhouse Tatry s.r.o.	812	-60	436	14 963	420	3 494	11 485

The income and loss of the company represent income and loss for the period of 1 November 2010 to 30 April 2011.

16. Deferred tax receivable, deferred tax payables

Deferred tax receivable (commitment) was charged to the following items:

<i>In thousands of euros</i>	30.4.2011	31.10.2010
Temporary tax difference related to:		
Buildings, equipment, fittings	-9 161	-8 787
Buildings, equipment, fittings	396	89
Adjustments of fair value of real estate investments	7	7
Tax losses	205	205
Other deferred tax receivables	4	68
Other deferred tax payables	-82	-242
Total	-8 631	-8 660

Deferred tax receivable was not charged to the following items:

<i>In thousands of euros</i>	30.4.2011	31.10.2010
Tax losses	6 865	7 285
Total	6 865	7 285

Deferred tax receivable from the previous losses that are not amortized is accounted up to the amount at which it will be probably amortized against future tax profits. Tax losses for which no deferred tax receivable was accounted at 31 October 2010 were gained by acquisition of subsidiaries during the accounting period. Anticipated last periods to amortize deferred tax losses are as follows:

<i>In thousands of euros</i>	2012	2013	2014	2015	po 2015
Tax losses	98	1 159	5 607	1 080	-

Maximum term to amortize the deferred tax losses is 5 years (losses after 1 January 2010 have amortization term of 7 years).

17. Inventory

<i>In thousands of euros</i>	30.4.2011	31.10.2010
Material	446	435
Goods	360	241
Total	806	676

To secure bank loans at 30 April 2011 the inventory in the amount of 188 thousand euros was used (at 31 October 2010: in the amount of 154 thousand euros)

18. Granted loans

<i>In thousands of euros</i>	30.4.2011	31.10.2010
Current	35	48 272
Long-term	7 360	5 116
Total	7 395	53 388

At 30 April 2011 current loans represent non-interest-bearing loans to the Sympatia Financie, o.c.p., a.s. company of up to 35 thousands euros (at 31 October 2010: mainly the loan of 48, 142 thousands of euros for the J&T Bank Switzerland Ltd.). The loan from the Sympatia Financie company is provided for the purpose of offering the deposit to the Stock Exchange to buy the BHP shares. After completing the purchases the guarantee will be released and the loan will be returned to our company.

At 30 April 2011 long-term loans are represented mainly by the loan of 5, 370 thousands euros (at 31 October 2010: 5, 116 thousands of euros) to the WEBIS, s.r.o. company with fixed interest rate of 5%. The amount of unpaid accumulated interests on this sum at 30 April 2011 is 240 thousands euros (at 31 October 2010: 113 thousands of euros) and the loan of 1,857 thousands euros with fixed interest rate of 7% given to the 1. Tatranská a.s.

19. Trade receivables

<i>In thousands of euros</i>	30.4.2011	31.10.2010
Trade receivables	5 675	7 922
Adjustments to receivables	-429	-429
Total	5 246	7 493
Current	4 009	6 273
Long-term	1 237	1 220
Total	5 246	7 493

At 30 April 2011 trade receivables include mainly receivables from the sale of Guest house Energetik (1 739 thousands Euros), contract with contracting partner (727 thousands Euros), who has purchased transport and accommodation loads (the receivable was credited with payables in May 2011), the rest includes current operating and barter receivables and receivables from a back purchase at settling the finance lease (at 31 October 2010: receivables from the sale of Guest house Energetik contract with contracting partner (3, 596 thousands euros) who has purchased transport and accommodation loads (the receivable was paid up in November 2010), contract penalty in the amount of 1,117 thousands euros (section 4 - Other operating income), the rest includes adjustment items to current operating receivables.

At 30 April 2011 and 31 October 2010 the adjustment item - 429 thousands euros includes discounted long-term receivables for the Boarding house Energetik in the amount of 338 thousands euros, the rest includes adjustment items to current operating receivables.

Tatry mountain resorts, a.s. a dcérske spoločnosti**Poznámky k priebežnej konsolidovanej účtovnej závierke za obdobie od 1. novembra 2010 do 30. apríla 2011****19. Trade receivables (continued)**

Receivables are divided according the due date as follows:

In thousands of euros

	30.4.2011			31.10.2010		
	Gross	Adjustment item	Nett	Gross	Adjustment item	Nett
Due date met	1 907	-338	1 569	7 215	-338	6 877
after the due date of 30 days	1 338	-	1 338	470	-	470
after the due date from 30 days to 90 days	1 094	-	1 094	99	-	99
after the due date from 90 days to 180 days	1 294	-88	1 206	14	-	14
after the due date from 180 days to 365 days	-	-	-	21	-	21
after the due date over 365 days	42	-3	39	103	-91	12
Total	5 675	-429	5 246	7 922	-429	7 493

Development of adjustment item in the course of accounting period is shown in the table below:

In thousands of euros

	30.4.2011	31.10.2010
State at 1. 11.2010/1.11.2009	429	13
Adding/release of adjustment item	-	416
State at 30.4.2011/31.10.2010	429	429

Tatry mountain resorts, a.s. a dcérske spoločnosti**Poznámky k priebežnej konsolidovanej účtovnej zavierke za obdobie od 1. novembra 2010 do 30. apríla 2011****20. Other receivables***In thousands of euros*

	30.4.2011	31.10.2010
Bill receivables	96 532	98 662
EBITDA contract	1 273	1 273
Provided advance on assets	176	4 769
Total	97 981	104 704
<i>Current</i>	97 775	104 498
<i>Long-term</i>	206	206
Total	97 981	104 704

The total value of outstanding bills at 30 April 2011 is 96, 532 thousands euros (at 31 October 2010: 98 662 thousands euros). Bills are due on display and have an interest rate of 6.8% a 7.5%.

At 30 April 2011 receivables of the value of 83, 282 thousands euros emitted on the basis of the contract on portfolio managing with the J&T Bank Switzerland Ltd. the bills are deposited (at 31 October 2010: 98, 662 thousands euros). There is also an agreement on payment with J & T FINANCE GROUP (hereinafter JTFG) where JTFG guarantees to pay arisen loss in case of a decrease of the principal value.

The receivable of 13, 250 thousands euros, received after 1 November 2010 is guaranteed by the WEBIS, s.r.o. company with the shares of the 1. Tatranská, a. s. company.

The EBITDA contract results from purchase of shares in GRANDHOTEL PRAHA a.s. and Interhouse Tatry s.r.o. The purchase of the Group companies guarantees that the assets of these companies will deliver agreed profitability (EBITDA) in the next four years. If the desired profitability fails to be reached, the former owner undertook to pay the difference of agreed profitability in the period of four years. These payments are planned to be used mainly to reconstruct the assets they relate to.

Advance payments for assets relate to the unfinished business investments (cableways construction, snowing systems, ski tracks and other operations).

21. Other assets*In thousands of euros*

	30.4.2011	31.10.2010
Provided advance payments	140	216
Future period costs and future period income	459	351
Other tax liabilities	5 584	280
Other liabilities	723	549
Total	6 906	1 396
<i>Current</i>	6 906	1 396
<i>Long-term</i>	-	-
Total	6 906	1 396

At 30 April 2011 the other tax liabilities item includes mainly the VAT receivables of 5, 579 thousands euros, which arose at the purchase of the Aquapark Tatralandia assets due to excessive deduction.

22. Financial investments

<i>In thousands of euros</i>	30.4.2011	31.10.2010
Financial instrument priced at fair value through the profit and loss statement	11 789	-
Securities designed for sale	88	85
Other financial investments	25	-
Total	11 902	85

On 17 March 2010 the Group purchased 3, 850 individual shares of the Compagnie des Alpes (SA company which is the French company traded at the Paris Stock Exchange and undertaking in the ski resorts and summer theme parks. The shares have been purchased as a financial investment. The shares are designed for sale and are being priced to the fair value to the equity on the basis of topical stock exchange prices. Their value at 30 April 2011 is 88 thousands euros (at 31 October 2010: 85 thousands euros).

During the first half of the accounting period the Group secured 1, 062, 043 shares of the Best Hotel Properties a.s.(BHP company which operates a hotel network. Their value at 30 April 2011 is 11,789 thousands euros. The TMR company got a guarantee on the purchase on the basis of the contract on advisory services with the J&T Finance Group company TMR that by purchasing the BHP company's shares they will earn minimum 7% during the period of 3 years.

The Group also carried out a financial deposit in the Tatranské dopravné družstvo, which provides intermediary activities in the sphere of services. At 30 April 2011 its value is 25 thousands euros.

23. Cash and cash equivalents

<i>In thousands of euros</i>	30.4.2011	31.10.2010
Cash	293	148
Securities	39	29
Current bank accounts	1 663	2 592
Total	1 995	2 769

24. Equity**Share capital and share premium**

Approved, subscribed and fully paid share capital at 30 April 2011 and 31 October 2010 included 6 707 198 ordinary shares at par value of 33 Euros per share

On 12 April 2010 issues of shares with description 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 got consolidated into one ISIN SK1120010287 issue.

Shareholders are entitled to dividends and the share value at the Company's General Meeting is assigned as a ratio of a share value to total share capital. The table below shows shareholders of the Company with total shares, portion of ownership and right of vote.

On 30 April 2011 the regular General Meeting of the Tatry mountain resorts, a.s. company was held. The General Meeting also decided upon the distribution of Tatry mountain resorts a.s profit of 9, 454, 110 euros acquired in the economic year beginning 1 November 2009 and finishing on 31 October 2010 in such a way that part of the profit of the amount of 945, 411 euros was used to supply the Company's reserve fund, the sum of 5, 499, 902 euros will be used for paying out dividends to Company's shareholders which is a dividend of 0.82 € per one share and the remaining profit of 2, 329, 244 euros will be transferred to the account of the undistributed profit from previous periods.

30 April 2011	Number of shares	Portion of ownership in %	Right to vote in %
Poštová banka, a.s.	1 169 782	17,44%	17,44%
J & T BANKA, a.s.	1 108 521	16,53%	16,53%
Deutsche Bank Aktiengesellschaft	921 051	13,73%	13,73%
TLD, s. r. o.	493 318	7,36%	7,36%
J&T SECURITIES MANAGEMENT LIMITED	432 377	6,45%	6,45%
ATLANTIK finanční trhy, a.s.	335 790	5,01%	5,01%
Minor shareholders	2 246 359	33,49%	33,49%
Total	6 707 198	100,00%	100,00%

31 October 2010	Number of shares	Portion of ownership in %	Right to vote in %
CONTIGY DEVELOPMENT LIMITED	1 046 281	15,60%	15,60%
Deutsche Bank Aktiengesellschaft	921 051	13,73%	13,73%
RMSM1 LIMITED (TIPPRA)	898 863	13,40%	13,40%
TATRY INVESTMENT LTD	802 142	11,96%	11,96%
J & T BANKA, a.s.	664 091	9,90%	9,90%
KEY DEE LIMITED	640 937	9,56%	9,56%
Poštová banka, a.s.	505 782	7,54%	7,54%
J&T SECURITIES MANAGEMENT LIMITED	479 644	7,15%	7,15%
Minor shareholders	748 407	11,16%	11,16%
Total	6 707 198	100%	100%

24. Equity (continued)**Balance sheet per share**

	30.4.2011	30.4.2010
Balance sheet in thousands of euros	6 283	1 941
Weighted average number of ordinary shares	6 707 198	6 707 198
Balance sheet per share in euros	0,937	0,289

Indivisible funds

Indivisible funds included in indivisible profit comprise the statutory reserve fund in the amount of 2,400 thousands euros (at 31 October 2010: 1,436 thousands euros). According to the Slovak Republic legislation the statutory reserve fund is mandatory at minimum 10% of net profit and minimum 20% of subscribed total share capital (accumulated). The statutory reserve fund may be used only to settle a loss of a company and shall not be used to pay dividends. The calculation of a reserve fund is in accordance with Slovak legislation.

Total share capital decrease

The Extraordinary General Meeting held on 15 March 2010 approved the total share capital decrease of the Company from the amount of 221, 534, 128.694362 euros to 221, 337, 534 euros. The reason for total share capital decrease was that the total shares of the Company reached one nominal value that is the value of 33 euros per one share.

25. Loans and credits

<i>In thousands of euros</i>	30.4.2011	31.10.2010
<i>Current</i>	2 621	2 255
<i>Long-term</i>	10 625	11 924
Total	13 246	14 179

Creditor	Type of interest rate	Due date	Unpaid amount at 30.4.2011 <i>In thousands of euros</i>
Tatra banka, joint stock company	1M EURIBOR+1,5%	30.9.2017	4 995
Tatra banka, joint stock company	1M EURIBOR+2,0%	31.12.2018	720
Tatra banka, joint stock company	1M EURIBOR+2,0%	31.12.2016	1 718
Tatra banka, joint stock company	1M EURIBOR+2,0%	30.9.2013	1 045
Tatra banka, joint stock company	3M EURIBOR+1,7%	30.9.2017	4 747
Tatra-Leasing, s.r.o.	3M EURIBOR+3,0%	30.9.2013	21
			Unpaid amount at 30.4.2011 <i>In thousands of euros</i>
Creditor	Type of interest rate	Due date	
Tatra banka, joint stock company	1M EURIBOR+1,5%	30.9.2017	5 174
Tatra banka, joint stock company	1M EURIBOR+2,0%	31.12.2018	800
Tatra banka, joint stock company	1M EURIBOR+2,0%	31.12.2016	1 908
Tatra banka, joint stock company	1M EURIBOR+2,0%	30.9.2013	1 161
Tatra banka, joint stock company	3M EURIBOR+1,7%	30.9.2017	5 112
Tatra banka, joint stock company	3M EURIBOR+3,0%	30.9.2013	24

25. Loans and credits (continued)

In the period of 1 November 2010 to 30 April 2011 the weighted arithmetic mean of interest rates on loans and credits from banks was 2.53% (from 1 November 2009 to 31 October 2010 2.78%). Loans are paid on monthly basis. For more information, see section 9 - Yields of interest and interest costs.

Security

The following property and equipment were used to secure bank loans: land, water areas, technology and operation buildings of mountain lifts equipment: ski lifts, seat cableways, ground cableways, suspension cableways, cabin cableways, electrical stations, farm buildings; and constructions: Hotel Srdiečko, Hotel Kosodrevina, Hotel Liptov, Hotel Grand, Hotel SKI, the former telecommunication building, bungalows. In case of securing with Hotel SKI and former telecommunication building, Tatra banka, the joint-stock company is the second in order (see also section 31 – Financial leasing). Total tangible assets and trade receivables have been advanced too.

26. Trade liabilities

<i>In thousands of euros</i>	30.4.2011	31.10.2010
Trade liabilities	2 772	2 299
Delivery not invoiced	114	572
Total	2 886	2 871
<i>Current</i>	2 873	2 798
<i>Long-term</i>	13	73
Total	2 886	2 871

Trade liabilities comprise liabilities on construction investments and current operational purchases. At 30 April 2011 the liabilities after the due date were in the amount of 2, 630 thousands euros (at 31 October 2010: 222 thousands euros).

27. Reserves

<i>In thousands of euros</i>	Remaining days of annual leave	Others	Total
Initial state at 1.11.2010	310	20	330
Reserve use during the year	-115	-	-115
Balance at 30.4.2011	195	20	215
<i>Current</i>			195
<i>Long-term</i>			20
Initial state at 1.11.2009	268	19	287
Increase due to business combination	63	-	63
Reserves creation during the year	183	7	190
Reserves release during the year	-46	-	-46
Reserves use during the year	-158	-6	-164

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Balance at 31.10.2010	310	20	330
<i>Current</i>			310
<i>Long-term</i>			20

28. Other liabilities

<i>In thousands of euros</i>	30.4.2011	31.10.2010
Other liabilities against employees and partners	5 953	293
Financial leasing liabilities	1 474	1 976
Income from future periods	837	865
Received advances	303	285
Staff benefits	9	34
Other liabilities	800	1 624
Total	9 376	5 077
<i>Current</i>	9 007	4 198
<i>Long-term</i>	369	879
Total	9 376	5 077

At 30 April 2011 other liabilities include also liabilities from social fund in the amount of 16 thousands of euros (at 31 October 2010: 13 thousands euros). In accordance with the Act on Social Fund, the part of the social fund is obligatory against costs and another part may be created from the profit. The social fund in accordance with the Law on Social fund is used for social, medical, recreational and other needs of employees.

At 30 April 2011 the amount of income from future periods creates mostly 431 thousands of euros grant on Education project (ZASI), 101 thousands euros grant on Tri Studničky hotel, 192 thousands euros revenue from due leasing on the 6 - seat cableway in Jasna (at 31 October 2010: 438 thousands euros grant on Education project (ZASI), 103 thousands euros grant on the Tri studničky hotel, 242 thousands euros revenue from due leasing on the 6-seat cableway at Jasna).

At 30 April 2011 the amount of other liabilities represented mainly 244 thousands euros liabilities from the Social Security (at 31 October 2010: 150 thousands euros liabilities from the Social Security), 428 thousands euros liabilities from revitalization, 252 thousands Euros liabilities from VAT of paid advances and 409 thousands Euros liabilities resulting from valued rights of Slovak Ski Association.

Creation and use of the Social fund during the accounting period are shown in the table below:

<i>In thousands of euros</i>	30.4.2011	31.10.2010
State at 1.11.2010/1.11.2009	13	16
Growth due to acquisition	-	1
Creation against costs	16	7
Use	-13	-11
State at 30.4.2011/31.10.2010	16	13

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29. Details about fair value

The following table shows details about book value and fair value of financial assets and liabilities of the Company which are not shown at fair value in accountancy:

<i>In thousands of euros</i>	Book value		Fair value	
	30.4.2011	31.10.2010	30.4.2011	31.10.2010
<i>Financial assets</i>				
Cash and cash equivalents	1 995	2 769	1 995	2 769
Granted loans	7 395	53 388	6 777	53 550
Trade receivables	5 246	7 493	5 584	7 155
Other receivables	97 981	104 704	97 981	104 704
Financial investments	25	-	25	-
Other assets	6 906	1 396	6 906	1 396
<i>Financial liabilities</i>				
Credits and loans	13 246	14 179	13 978	14 783
Trade payables	2 886	2 871	2 886	2 871
Other liabilities	9 376	5 077	9 376	5 077

Fair value estimates

The following paragraphs describe the main methods and assumptions used to estimate fair values of financial assets and liabilities shown in the table above:

Loans and advances provided: Fair value was calculated on the basis of estimated future discounted income from repayments of principal and interest. In the process of estimating the future expected cash flows the risks of default and the facts that may indicate impairment were also considered. The estimated fair values of loans reflect changes in loan valuation from the moment of their assignment, as well as changes in interest rates for loans with fixed interest rate.

Other receivables include, inter alia, bill receivables in the amount of 96 532 thousand Euros (2010: 98 662 thousand Euros) which are payable on demand and therefore their book value does not significantly differ from their fair value.

Trade payables/receivables, other receivables and other assets/payables: For receivables/payables with a remaining maturity of less than one year is assumed that their nominal value represents also fair value. Other receivables/payables are discounted to valuate fair value.

30. Operating leasing

Lease on the lessee's part

The Group rents land with ski tracks and cableways and rents some vehicles according the Contracts on operating leasing. The most significant contracts are made for the period of 30 years with the prolonged option for another 10 years.

The most significant acontracts have a 1-year notice period.

Operating leasing costs for the period ending on 30 April 2011 recognized in profit or loss statements present 947 thousands euros (for the period ending on 30 April 2010: 562 thousands euros).

Unless the contract is not terminated, the rent is as follows:

<i>In thousands of euros</i>	30.4.2011	31.10.2010
Less than 1 year	520	519
From 1 to 5 years	51	51
Undefined due date	45	45
Total	616	615

31. Financial leasing

Maturity of financial leasing liabilities at 30 April 2011 was as follows:

<i>In thousands of euros</i>	Principal	Interest	Payments
Less than 1 year	1 128	52	1 180
From 1 to 5 years	316	14	330
Ove 5 years	31	-	31
Total	1 475	66	1 541

Security

The following assets and equipment were used to secure financial leasing liabilities: the seat cableway (subject of leasing) and buildings: Hotel SKI and the former telecommunication building (see also section 25 – Loans and credits).

32. Risk management information

This section provides details about risks the Group faces and the way how to deal with them.

The Group faces risks in the following areas:

- loan risk
- liquidity risk
- market risk
- operational risk

Management has the complete responsibility for defining and controlling the Group's risks.

32. Risk management information (continued)**Loan risk**

The group is primarily liable to risk with trade receivables, receivables from leasing, other receivables, advances and loans. The capacity of this risk is expressed in the assets book value on the balance sheet. Book value of receivables, advances and loans express the highest possible accounting loss that would have to be accounted for in the event that a counterparty will fail to fully meet their contractual obligations and all guarantees and warranties would have nil value. Therefore, this value significantly exceeds the expected losses, which are contained in the reserve for irrevocable receivables.

At 30 April 2011 the Group faced the following loan risk:

In thousands of euros

	Legal entities	Financial institutions	Others	Total
<i>Assets</i>				
Cash and cash equivalents	-	1 663	332	1 995
Trade receivables	5 246	-	-	5 246
Granted loans	7 395	-	-	7 395
Other receivables	97 981	-	-	97 981
Financial investments	11 902	-	-	11 902
Other assets	1 262	25	5 619	6 906
	123 786	1 688	5 951	131 425

At 31 October 2010 the Group faced the following loan risk:

In thousands of euros

	Legal entities	Financial institutions	Others	Total
<i>Assets</i>				
Cash and cash equivalents	-	2 593	176	2 769
Trade receivables	7 493	-	-	7 493
Granted loans	5 246	48 142	-	53 388
Other receivables	104 704	-	-	104 704
Financial investments	85	-	-	85
Other assets	1 112	2	282	1 396
	118 640	50 737	458	169 835

The bill also includes signed agreement on payment of loss with the J & T FINANCE GROUP company (hereinafter JTFG), where JTFG guarantees to pay up loss in case the principle value of the bills decreases. (See also Section 20 - Other receivables)

32. Risk management information (continued)**Liquidity risk**

Liquidity risk arises in the general financing of the Group's activities and financial positions. It includes the risk of being unable to finance assets at an agreed maturity and interest rate risk and inability to realize assets at a reasonable price in a reasonable time frame. Individual companies in the Group use different methods of managing liquidity risk. Group's Management focuses on managing and monitoring the liquidity of each company.

Due to the managing liquidity the management changed the accounting year for the financial year ending on 31 October. In the first half of its financial year the Group has the winter season representing 55% of the Group's income. According to the development in the first half-year, the Group is able to affect income and expenses well in advance, to keep sufficient liquidity.

The seasonality in the High Tatras' resort is balanced also by high summer season and it provides more stable liquidity throughout the year. With the ownership of the bills payable at sight (more in section 20 - Other receivables) the Group has sufficiently secured liquidity.

The following table provides an analysis of financial assets and liabilities of the Group grouped according to maturity. This analysis represents the most careful variant residual maturity excluding interest. Therefore, in the case of liabilities is recognized earliest possible repayment and in case of assets the furthest possible repayment. Assets and liabilities without fixed maturity are shown together in the category of "undefined".

At 30 April 2011 the Group faced following liquidity risk:

In thousands of euros

	3 months			Undefined		
	Up to 3 months	to 1 year	1 to 5 years	Over 5 years		Total
Assets						
Cash and cash equivalents	1 995	-	-	-	-	1 995
Trade receivables	4 009	-	1 237	-	-	5 246
Granted loans	-	-	-	7 360	35	7 395
Other receivables	96 532	1 067	206	-	176	97 981
Financial investments	-	-	-	-	11 902	11 902
Other assets	6 442	464	-	-	-	6 906
	108 978	1 531	1 443	7 360	12 113	131 425
Liabilities						
Trade receivables	2 852	21	-	13	-	2 886
Credits and loans	746	1 875	8 719	1 906	-	13 246
Other liabilities	7 105	1 902	330	39	-	9 376
	10 703	3 798	9 049	1 958	-	25 508

At 31 October 2010 the Group faced following liquidity risk:

	Up to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Undefined	Total
Assets						
Cash and cash equivalents	2 769	-	-	-	-	2 769
Trade receivables	3 649	2 624	1 220	-	-	7 493
Granted loans	48 272	-	-	5 116	-	53 388
Other receivables	98 662	5 836	206	-	-	104 704
Financial investments	-	-	-	-	85	85
Other assets	223	1 173	-	-	-	1 396
	153 575	9 633	1 426	5 116	85	169 835
Liabilities						
Trade receivables	82	2 716	73	-	-	2 871
Credits and loans	381	1 874	10 018	1 906	-	14 179
Other liabilities	206	3 992	579	300	-	5 077

Tatry mountain resorts, a.s. a dcérske spoločnosti

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669	8 582	10 670	2 206	-	22 127
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32. Risk management information (continued)**Currency risk**

The Group do not face the risk due to exchange rate changes because almost all the transactions are in euros.

Interest risk

Operations of the Group are exposed to the risk of interest rates changes. The intensity of this risk is equal to the amount of interest-bearing assets and interest-bearing liabilities where the interest rate at maturity or at the time of change is different from the current exchange rate. The period of fixed rate for the financial instrument therefore reflects the risk for changes in interest rates. The table below shows the exposure of the Group to the risk of changes in interest rates on the basis of contractual maturity of financial instruments.

:

At 30 April 2011 and 31 October 2010 the Group has the following assets and liabilities related to the interest rate:

In thousands of euros

	30.4.2011	31.10.2010
Fixed interest rate		
Assets	103 927	152 050
Liabilities	-	-
	<u>103 927</u>	<u>152 050</u>
Variable interest rate		
Assets	-	-
Liabilities	-13 246	-14 179
	<u>-13 246</u>	<u>-14 179</u>

Analysis of sensitivity for instruments with variable interest rate

Change of 100 basis points in interest rates would have the following effect on the profit and loss statement:

In thousands of euros

	Profit (loss)	
	100 bb increase	100 bb decrease
30 April 2011		
Instruments with variable interest rate	-132	132
Cash flow sensitivity	<u>-132</u>	<u>132</u>
31 October 2010		
Instruments with variable interest rate	-142	142
Cash flow sensitivity	<u>-142</u>	<u>142</u>

Group's interest-bearing liabilities use mainly variable interest rate referring to the EURIBOR. The Group considers the variable interest rate to be self-managing of interest rate risk. In case of economic expansion the EURIBOR grows, but at the same time economic performance of the population grows and the company has better income and profits. In case of economic recession, it is the exact opposite.

Tatry mountain resorts, a.s. a dcérske spoločnosti

Poznámky k priebežnej konsolidovanej účtovnej zavierke za obdobie od 1. novembra 2010 do 30. apríla 2011

32. Risk management information (continued)

Operating risk

Operating risk is the risk of loss resulting from embezzlement, unauthorized activities, errors, mistakes, inefficiency or system failures. This risk arises from all activities of the Group and is faced by all companies within the Group. Operating risk includes also the risk of lawsuit.

Group's aim is to manage the operating risk to avoid financial losses and harm to the reputation of the Group within the efficiency of costs incurred to meet this objective and avoid precautions preventing from initiative and creativity. The Group's management has the main responsibility for implementation of controls related to the management of operating risk. This responsibility is supported by the development of standards for the management of operating risk common for the whole Group. The operating risk is managed by the system of directives, meeting minutes and control mechanisms. The Group has the controlling department where we try to eliminate all operating risks by regular checks.

The Group is also exposed to risks of adverse weather-related conditions. The number of visitors depend on the amount and period of snowfall. Adverse conditions have negative impact on number of skiers and subsequently on income or profit. Warm weather may extremely increase the cost on production of artificial snow and reduce the scope of skiing area. Historically the Low Tatras area has had an average of 80 cm of snow during the winter season and the High Tatras 85 cm. The beginning of winter season and snow conditions affect the perception of the entire season by skiers. The Group can in no way reliably predict snow conditions at the beginning of winter seasons. Snow conditions during the winter seasons are stable each year.

33. Allied persons

Identification of allied persons

As shown in the following table, the Group is allied to shareholders who have essential influence in the Group, at 30 April 2011 and 31 October 2010 or during the period from 1 November 2010 to 30 April 2011 October 2010 and 1 November 2009 to 30 April 2010:

- (1) Companies that manage jointly or have essential influence on accounting entity and its subsidiaries and associate companies
- (2) Jointly managed companies where the Group is a business partner
- (3) Associate companies
- (4) Members of the top management or shareholders of the Group (see also section 7)
- (5) Other allied persons

Information on rewards of statutory members and members of the top management is stated in section 7.

Since none of the shareholders of the Group owns more than 20% or has otherwise essential influence, the shareholders are not stated as allied persons and the above described transactions, or balance are not understood as transactions with allied persons.

The Group has below shown transactions against allied persons:

In thousands of euros

	Note.	Receivables 30.4.2011	Liabilities 30.4.2011	Receivables 31.10.2010	Liabilities 31.10.2010
Interhouse Tatry s.r.o. ¹	3	285	-	311	-

In thousands of euros

	Note.	Yields 1.11.2010 – 30.4.2011	Costs 1.11.2010 – 30.4.2011	Yields 1.11.2009 – 30.4.2010	Costs 1.11.2009 – 30.4.2010
Interhouse Tatry s.r.o. ¹	3	37	-	12	-1

¹ By purchasing 50% of shares of the associate company Interhouse Tatry s.r.o. at 28 December 2009 this company has been identified as an allied person.

34. Events after the date at which the consolidated statements were drawn

No significant events occurred after the date at which the consolidated statements were drawn

35. Capital liabilities and capital management

At 30 April 2011 the Group has no significant capital liabilities.

The Group management deals with capital management to secure sufficient funds for planned investments in the period for which the investments have been planned.

Neither the Company nor its subsidiaries have external requirements to manage capital.

During the period from 1 November 2010 to 30 April 2011 there were no changes in Group management approach to managing capital.

36. Conditioned assets and conditioned liabilities

Given that many areas of the Slovak tax law have not been sufficiently tested in practice, there is uncertainty in how the tax authorities will apply them. This uncertainty cannot be quantified and it will expire once the legal precedents or official interpretations by relevant authorities are available.

On 31 October 2007 the Group concluded the Contract on the pledge to the business, receivables and movables for the benefit of the creditor Tatra banka, joint-stock company, the subject of which is the pledge right to liabilities in full amount of liabilities recognized in the balance sheet at 31 October 2010 and at 30 April 2011.

The group is in a number of lawsuits. In two cases, the Group lost the lawsuits and the amount of compensation has been calculated. The maximum amount of compensation in these lawsuits may be up to 971 thousands euros and accessories.

Tatry mountain resorts, a.s. a dcérske spoločnosti**Poznámky k priebežnej konsolidovanej účtovnej závierke za obdobie od 1. novembra 2010 do 30. apríla 2011****37. Companies within the Group**

List of companies within the Group at 30 April 2011 and 31 October 2010 is stated in the table below:

			30.4.2011		31.10.2010	
	Country of registration	Consolidation method	Consolidation %	Way of control	Consolidation %	Way of control
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	equivalent	50	direct	50	direct

On 11 October 2010 the Group acquired 100% share in the Tatry mountain resorts services, a.s. subsidiary

Bohuš Hlavatý	Jozef Hodek	Tomáš Kimlička	Marian Klas
<i>Chair</i>	<i>Member of the</i>	<i>person in charge of</i>	<i>person in charge of</i>
<i>Board of Directors</i>	<i>Board of Directors</i>	<i>statement</i>	<i>accounting</i>

Tatry mountain resorts, a.s.

Notes on the individual financial statements for the period from 1 November 2010 to 30.4.2011 in round euros

	T E X T	number
I.	Earnings from selling goods (604)	1
A.	Costs on purchasing the sold goods (504, 505A)	2
+	Gross profit I. 01 - I. 02	3
II.	Production I. 05+I. 06+ I. 07	4
II.1.	earnings from sale of own products and services (601,602)	5
2.	Zinternal reserves adjustments (+/- accounting group 61)	6
3.	Aktivating accounts(accounting group 62)	7
B.	Production consumption I. 09+I. 10	8
B.1.	Material, energy, and other unstorable supplies consumption (503, 504)	9
2.	Services (accounting group 51)	10
+	Added value I. 03+ I. 04- I. 08	11
C.	Staff costs, total (I. 13 to 16)	12
C.1.	Wage inputs (521,522)	13
2.	Rewards for company bodies and association members (523)	14
3.	Social security costs (524,525,526)	15
4.	Fringe benefits (527,528)	16
D.	Taxes and fees (accounting group 53)	17
E.	Long-term intangible assets and long-term tangible asses depreciation (531,532)	18
III.	Earnings from long-term assets and material sale (641,642)	19
F.	Residual price of sold long-term assets and sold material (541,542)	20
G.	Creating and accounting adjustments to receivables (+/- 547)	21
IV.	Other earnings from economic activites (644,645,646,648,655,656)	22
H.	Other costs on economic activites (543,544,545,546,548,549,550)	23
V.	Transfer of revenues (-) (697)	24
I.	Transfer of economic activities costs (-) (597)	25
*	Result of economic activites I. 11-I. 12-I. 17-I. 18+ I.19I. 20-I. 21-I. 22-I. 23-I. 24-I. 25	26
VI.	Earnings from sales of securities and shares (661)	27
J.	Sold securities and shares (561)	28
VII.	Yields from long term financial assets I. 30+ I. 31+ I. 32	29
VII.1.	Yields from securities and shares of the subsidiary accounting group 65	30
2.	Yields from other long-term securities and shares (665A)	31
3.	Yields from other long-term financial assets (665A)	32
VIII.	Yields from current financial assets (666)	33
K.	Costs on current financial assets (566)	34
IX.	Yields from revaluation of securities and yields from derivative operations (567)	35
L.	Costs on revaluation of securities and costs on derivative operations (567)	36
M.	Creating and accounting of financial assets adjustment +/- 565	37
X.	Revenues interests (662)	38
N.	Costs interests (562)	39
XI.	Exchange rate profits (663)	40
O.	Exchange rates losses (563)	41
XII.	Other yields from financial activities (668)	42
P.	Other costs on financial activites (568,569)	43
XIII.	Financial yields transfer (-) (698)	44
R.	Financial costs transfer (-) (598)	45
*	Financial activities results I.27-I.28+I.29+I.33-I.34+I.35-I.36-I.37-I.38-I.39-I.40-I.41-I.42-I.43-I.44-I.45	46
**	Income from operations before tax I.26 + I.46	47
S.	Income tax on current assets I. 49+ I. 50	48
S.1.	#NÁZOV?	49
2.	#NÁZOV?	50
**	Income from operations I. 47- I.48	51
XIV.	Extra yields (accounting group 68)	52

T.	Extra costs (accounting group 58)	53
*	Income from extra operations before tax I. 52- I.53	54
U.	Income from extra operations tax I. 56+ I.57	55
U.1.	#NÁZOV?	56
2.	#NÁZOV?	57
*	Income from extra operations after tax I. 54 - I. 55	58
***	Income for the accounting period before tax (+/-) [I. 47 +I. 54]	59
V.	Transfer of shares in trading income of a partner (+/-596)	60
***	Income from operations during the accounting period after tax (+	61

number 2010 to 30 April 2011

Current accounting period at k 30/4/20 Previous accounting period at 30/4/2010

715 646	541 491
605 267	467 165
110 379	74 326
18 191 603	9 092 322
18 167 119	9 092 322
0	0
24 484	0
9 986 820	4 206 809
3 936 639	2 116 242
6 050 181	2 090 567
8 315 162	4 959 839
3 470 136	1 823 381
2 496 125	1 273 700
101 923	54 187
751 205	420 539
120 883	74 955
41 122	20 135
2 276 191	1 183 629
576 261	70 972
510 747	17 086
0	0
601 091	49 600
33 971	7 710
0	0
0	0
3 160 347	2 028 470
0	0
0	0
2 888	2 888
0	0
2 888	2 888
0	0
0	0
0	0
0	0
0	0
0	0
4 410 926	2 979 330
240 476	184 586
6	14
1 299	134
953	346
288 946	60 936
0	0
0	0
3 884 052	2 736 922
7 044 399	4 765 392
210	0
210	0
0	0
7 044 189	4 765 392
0	0

	0	0
	0	0
	0	0
	0	0
	0	0
	0	0
	0	0
	7 044 399	7 044 399
	0	0
	7 044 189	7 044 189

Tatry mountain resorts, a.s.

Notes on the individual financial statements for the period from 1 November 2010 to 30 April 2011

Profit and loss statement of the TMR, a.s. company to 30.4.2011 in round euros

Assets		number.	Current accounting period at k	
			gross	correction
Total assets I. 002+ I. 031+ I. 061		1	326 684 157	33 462 650
A.	Non-circulating property I. 003+ I. 012+ I. 022	2	215 392 878	33 374 375
A.I.	Long-term intangible assets total (I. 004 to 011)	3	1 799 665	457 879
A.I.1.	Establishing costs (011) - /071,091A/	4	0	0
2.	Activated costs on developmen (012) - /072,091A	5	0	0
3.	Software (013) - /073,091A/	6	168 279	114 725
4.	Copyright (014) - /074,091A/	7	1 757 736	469 504
5.	Goodwill (015) - /075,091A/	8	-143 376	-143 376
6.	Other long-term intangible assets (019,01X) - /07	9	17 026	17 026
7.	Obtained long-term intangible assets (041) -093	10	0	0
8.	Advance payments provided for long-term intangi	11	0	0
A.II.	Long-term intangible assets total (I. 013 to 021)	12	168 143 952	32 916 496
A.II.1.	Land (031) - 092A	13	20 395 106	380 587
2.	Constructions (021) - /081,092A/	14	83 938 481	13 612 856
3.	Individual corporeal chattels and sets (022) - /082	15	55 831 446	18 326 247
4.	Orchards and vineyards (025) - /085,092A/	16	0	0
5.	Basic herds and draught animals (026) - /086,09	17	0	0
6.	Other long-term tangible assets (029,02X,032) -	18	29 974	0
7.	Obtained long-term tangible assets (042) - 094	19	7 772 398	596 806
8.	Advance payment provided for long-term tangible	20	176 547	0
9.	Adjustments to acquired assets +/- 097) +/- 098	21	0	0
A.III.	Long-term securities total (r. 023 až 030)	22	45 449 261	0
A.III.1.	Securities and shares of the subsidiary accounting	23	26 321 570	0
2.	Securities and share in a company with significant	24	25 315	0
3.	Other long-term securities and shares (063,065) -	25	11 875 726	0
4.	Loans to a consolidated accounting unit (066A) -	26	0	0
5.	Other long-term securities (067A,069,06XA) - 096	27	7 226 650	0
6.	Loans in the due date of maximum one year (066	28	0	0
7.	Obtained long-term securities (043) - 096A	29	0	0
8.	Advance payments on long-term securities (053	30	0	0
B.	Circulating property I. 032+ I. 040+ I. 047+ I. 05	31	110 863 008	88 275
B.I.	Inventory total (I. 033 to 039)	32	727 761	0
B.I.1.	Material (112,119,11X) - /191,19X/	33	368 279	0
2.	Unfinishe products and own ready-made products	34	0	0
3.	Custom manufacturing with estimated time of cor	35	0	0
4.	Products (123) - 194	36	0	0
4.	Animals (124) - 195	37	0	0
6.	Goods (132,13X,139) - /196,19X/	38	359 482	0
7.	Advance payments on inventory (314A) - 391A	39	0	0
B.II.	Long-term receivables total (I. 041 až 046)	40	0	0
B.II.1.	Receivables from business relations (311A,312A,	41	0	0
2.	receivables against the subsidiary and parent acc	42	0	0
3.	Other receivables within consolidated entity (351	43	0	0
4.	Receivables towards partners, members and ass	44	0	0
5.	Other receivables (335A,33XA,371A,373A,374A,;	45	0	0
6.	Deferred tax receivable (481 A)	46	0	0
B.III.	Current receivables total (I. 048 až 054)	47	11 882 914	88 275

B.III.1.	Receivables from business relations (311A,312A	48	5 586 941	88 275
2.	Receivables towards subsidiary and parent accou	49	0	0
3.	Other receivables withn the consolidated entity (50	0	0
4.	Receivables towards partners, members and ass	51	0	0
5.	Social security (336) - 391A	52	0	0
6.	Tax receivables and subsidies (341,342,343,345	53	6 057 715	0
7.	Other receivables (335A,33XA,371A,373A,374A,;	54	238 258	0
B.IV.	Financial accounts (I. 056 až 060)	55	98 252 333	0
B.IV.1.	Cash (211,213,21X)	56	316 843	0
2.	Bank accounts (221A,22X +/-261)	57	1 404 021	0
3.	Bank accounts with terms of liability exceeding or	58	0	0
4.	Current financial assets (251,253,256,257,25X) -	59	96 531 469	0
5.	Obtained current financial assets (259, 314A) - 29	60	0	0
C.	Accrual basis total (I. 062 and I. 065)	61	428 271	0
C.1.	Current future periods costs (381A,382A)	62	0	0
2.	Current future periods costs (381A,382A)	63	418 262	0
3.	Long-term future periods earnings (385A)	64	0	0
4.	Current future periods earnings (385A)	65	10 009	0

1

30/4/2011 netto	Previous accounting period at
<u>293 221 507</u>	<u>287 608 381</u>
<u>182 018 503</u>	<u>129 097 219</u>
1 341 786	415 825
0	0
0	0
53 554	43 769
1 288 232	370 796
0	0
0	1 260
0	0
0	0
135 227 456	97 159 322
20 014 519	6 832 477
70 325 625	43 232 974
37 505 199	25 170 273
0	0
0	0
29 974	29 974
7 175 592	17 160 301
176 547	4 733 323
0	0
45 449 261	31 522 072
26 321 570	26 321 570
25 315	0
11 875 726	84 777
0	0
7 226 650	5 115 725
0	0
0	0
0	0
<u>110 774 733</u>	<u>158 269 634</u>
727 761	594 965
368 279	354 034
0	0
0	0
0	0
0	0
359 482	240 931
0	0
0	1 728 007
0	1 728 007
0	0
0	0
0	0
0	0
0	0
11 794 639	55 152 531

5 498 666	6 165 076
0	48 142 340
0	0
0	0
0	0
6 057 715	689 666
238 258	155 449
98 252 333	100 794 131
316 843	158 827
1 404 021	1 967 609
0	0
96 531 469	98 667 695
0	0

428 271	241 528
0	0
418 262	169 386
0	0
10 009	72 142

Tatry mountain resorts, a.s.

Notes on the individual financial statements for the period from 1 November 2010 to 30 April 20

Profit and loss statement of the TMR, a.s. company to 30.4.2011 in round euros

Liabilities		number
Equities and liabilities total I. 067+ I. 088+ I. 119		66
A.	Equity I. 068+ I. 073+ I. 080+ I. 084+ I. 087	67
A.I.	Legal capital total (I. 069 to 072)	68
A.I.1.	Legal capital (411 or +/-491)	69
2.	Own shares and own trade shares (-/252)	70
3.	Change in legal capital +/-419	71
4.	Receivables for authorized share capital (-/353)	72
A.II.	Equity accounts total (I. 074 to 079)	73
A.II.1.	Capital in excess of par value (412)	74
2.	Other equity accounts (413)	75
3.	Mandatory reserves (indivisible fund) from attribution of capital (417,418)	76
4.	Estimated changes in asset and obligations value (+/-414)	77
5.	Estimated changes in participating interests (+/-415)	78
6.	Estimated adjustments to assets in meging, fusion and split (+/-416)	79
A.III.	Retained earnings total (I. 081 to 083)	80
A.III.1.	Manadatory reserves (421)	81
2.	Indivisible fund (422)	82
3.	Statutory funds and other funds (423,427,42X)	83
A.IV.	Trading income from previous years I. 085 and I. 086	84
A.IV.1.	Retained earnings from previous years (428)	85
2.	Loss outstanding from previous years (-/429)	86
A.V.	Trading income after tax /+/- I.001- (I. 068+ I. 073+ I. 080+I. 084+ I. 088+ I. 11	87
B.	Liabilities I. 089+ I. 094+ I. 105+ I. 115 + I. 116	88
B.I.	Reserves total (I. 090 to I. 093)	89
B.I.1.	Statutory long-term reserves (451A)	90
2.	Current statutory reserves (323A, 451A)	91
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Footnote to financial statement at 30/04/2011

All data and information stated in these footnotes are based on accounting and are related to financial statements. The values are quoted in euros. Numbers quoted next to the item in brackets or columns refer to a line item in the balance sheet or profit and loss statements).

Current account Previous accounting period at 31.10.2010

<u>293 221 507</u>	<u>287 608 381</u>
<u>263 935 851</u>	<u>262 246 274</u>
221 337 534	221 337 534
221 337 534	221 337 534
0	0
0	0
0	0
30 843 787	30 698 497
30 430 378	30 430 378
282 587	282 587
0	0
130 822	-14 468
0	0
0	0
2 381 097	1 435 686
2 381 097	1 435 686
0	0
0	0
2 329 244	-679 553
2 329 244	0
0	-679 553
7 044 189	9 454 110
<u>28 468 748</u>	<u>24 525 158</u>
166 909	542 619
0	0
140 218	515 928
26 691	26 691
0	0
5 055 512	5 919 723
0	0
0	0
0	0
0	0
0	0
0	0
0	0
13 499	11 524
1 447 753	2 313 939
3 594 260	3 594 260
9 549 563	3 908 099
3 331 156	3 235 983
87 169	246 299
0	0
0	0
5 500 248	0
333 885	190 735
189 569	107 027
71 706	19 711

35 830	108 344
471 288	0
13 225 476	14 154 717
13 225 476	14 154 717
0	0

<u>816 908</u>	<u>836 949</u>
0	0
0	562
0	0
<u>816 908</u>	<u>836 387</u>

al statement

re or column of the relevant statement

**Tatry mountain resorts, a.s.
And daughter companies**

**Continuous consolidated financial statement
For the period from 1/11/2010 to 30/4/2011**

**Compiled in accordance with
The International Financial Reporting Standards (“IFRS“)
In the wording approved by the EU**

A) Introductory part

1. The footnotes are submitted by

Name and address	Tatry mountain resorts, a.s. Demänovská Dolina 72, 031 01 Demänovská Dolina
Legal form	Joint-stock company
Established	20/03/1992
Date of origin	01/04/1992
IN	315 606 36
Main subject of activities	Accommodation and restaurant services Operating cableways and ski lifts Ski rent, ski schools

2. Members of company bodies:

Supervisory Board

Ing. Igor Rattaj	Chair
Ing. František Hodorovský	Vice-chair
Jozef Slabý	member
Jiří Uvíra	member
Jan Marian Komornicki	member
Boris Kollár	member

Board of Directors

Ing. Bohuš Hlavatý	Chair
Ing. Jozef Hodek	member
Ing. Andrej Devečka	member
Ing. Dušan Slavkovský	member
Ing. Michal Krolák	member
Ing. Branislav Gábriš	Vice-chair

Top management

Ing. Bohuš Hlavatý	Chair of Board of Directors
Ing. Jozef Hodek	Member of Board of Directors - finance
Ing. Dušan Slavkovský	Member of Board of Directors - Managing Director of mountain resorts
Ing. Michal Krolák	Member of Board of Directors - Managing Director of hotels and restaurants
Ing. Matej Hulej	Managing Director of sports services and stores
František Šoltís	Sales and Marketing Managing Director
Ing. Vladimír Čukan	Managing Director for infrastructure development

3. Staff

Average number of employees during the period	965
Of that top management	7

4. Reasons and way of preparing the footnotes

This financial statements is a current individual statements for the Tatry mountain resorts, a.s. It was prepared for accounting period from 1/11/2010 to 30/04/2011 in accordance with Slovak legislation, i.e. the Act on Accounting and Accounting Procedures for Entrepreneurs.

The financial statements was prepared for the year 2011 with the assumption of the uninterrupted duration with no amendments or impacts from uncertainties stated below..

In accordance with the Act No. 431/2002 Col. on accounting (§3 subsection4) an amendment to accounting and taxation period due at the end of a calendar year was approved on 13/10/ 2009, making it the accounting and taxation period of the business year from 1 November to 31 October, coming into effect on 1 November 2009.

5. Unlimited liability in other accounting entities

The accounting entity is not the unlimited partner in other accounting entities.

6. Ownership structure

The ownership structure with stated value is hereinafter quoted in the part devoted to the description of company's liabilities. The voting rights of the shareholders are not impaired by their share in equity. As stipulated in the valid Company's articles, each decision of the General Meeting requests majority of votes.

B.) Accounting principles and methods

1. The Company prepared the financial statements for the period from 01/11/2010 to 30/04/2011 in accordance with the Act on accounting No. 431/2002 Col. with related accounting procedures for entrepreneurs (Provisions of the MF SR No. 23054/2002-92) as amended and in accordance with the definition of financial statements for publication (Provision of the MF SR No. 4455/2003-92).
2. The assets and liabilities quoted in foreign currency are converted into euros by the exchange rate determined by the buying and selling quotation on the day of realizing the accounting transaction and in the financial statement on the day of its preparation. The differences in exchange rates are stated in the profit and loss statement. At foreign currency buy and sale for € currency the exchange rate at which the values were purchased or sold was used.
3. Accounting is done on the basis of observing real correlation of costs and earnings. As the basis all costs and earnings are taken which are related to the accounting period regardless of the date of their payment.
4. The prudence concept is applied, risks, depreciations and losses related to assets and liabilities and known at the day of preparing the financial statement are defined.
5. When the accounting value of assets is lower than the market value, the assets are not revalued. Significant differences are commented on in the footnotes
6. The principle of historic changes is observed when acquiring assets and valuation of individual assets and liabilities is as follows:
 - a) Long-term tangible and intangible assets with acquiring prices, additional costs include duty and transport. Fees,
 - b) Long-term tangible and intangible assets created through own activities (activation) is valued through direct own production/performance costs (direct material, straight wages, production costs),
 - c) Long term financial assets were not revalued on the day of preparing the financial statement as the company shall prepare consolidated financial statements.
 - d) Inventory:
 - Purchased material - for acquiring prices with identical type a method of weighted arithmetic average is used updated at every supply acquisition; additional costs include postage, transport fees and commissions.
 - Purchased goods - for acquiring prices, with identical type a method of weighted arithmetic average is used; additional costs include postage, transport fees and commissions,
 - e) Receivables and liabilities are valued in nominal values. The possible value of realization with receivables is corrected by making adjustments which take into consideration the risk rate.
7. Amortization

- f) Long term tangible assets with acquiring value of 30 thousand SKK/996 EUR or less (software under 50 thousand/1660 EUR) was amortized before 2002 with 100% of the introductory price at putting the assets in operation.
- g) For the long-term tangible and intangible assets of the hotel Tri Studničky, acquired in 2002, whose acquiring price was 20 thousand SKK/664 EUR (software under 30 thousand /996 EUR) depreciation was distributed equally within a four-year period, 25% in each year (assets of up to 500 SKK/16.59 EUR of acquiring value and the working clothes were depreciated at 100 % at the start of their use).
- h) The accounting entity decided to depreciate the long-term tangible assets, which cannot be included among the long-term tangible assets according § 22 letter 2; their useful life is longer than one year and acquiring value under 30 thousand SKK /996 EUR (software 50 tisíc/1,660 EUR), during two years equally (valid until 31/12/2007)
- i) Depreciation of tangible assets of acquiring value higher than 20 thousand SKK/664 EUR (software 30 thousand/996 EUR) was done in balance before the end of 2002 and the write-off tax equalled the accounting depreciation .
- j) Due to tax rate amendment of 2003 the accounting entity decided that the included assets shall be depreciated through accounting according the original rates. The original rates are identical with original rates for tax write-offs valid before 2003.
- k) The depreciation of long-term tangible assets acquired on 1/1 / 2005, whose acquiring value is higher than 996 € (software 1, 660 €), was determined by the entity as percentage write-offs equally in every year of depreciation by the same amount of per cent as follows, see the table:

Depreciation group	Number of years of depreciation	% of accounting depreciation	Stated in fractions
1	4	25	3/4
2	8	12,5	1/8
3	15	6,7	1/15
4	30	3,33	1/30

- l) The cableways technology is depreciated in accordance with the depreciation plan progressively in the course of 20 years.
- m) The tax write-offs are applied according straight rates as stipulated by the Act on income tax.
- n) From 1/1/2008 to 31/12/2008 the newly acquired long-term assets whose acquiring value is lower than or amounts to 30, 000 thousandSKK/996 € (software 50, 000 thousand SKK), are settled straight to costs. Files of these assets are kept separately in operational files.
- From 1/1/2009 the newly acquired long-term assets the acquiring value of which is lower than or amounts to 996 EUR (software 1, 660 thousand EUR), is settled straight to costs. Files of these assets are kept separately in operational files.
- o) From 1/11/2009 the depreciation period of long-term assets changed as shown in the following table 2.

Assets	Type	Number of years	%
Apreski bars	construction	35	2,9
Buildings		45	2,2
Wooden buildings		20	5,0
Iron-work constructions		25	4,0
Cableways, ski-lifts	construction	30	3,3
	technology	20	5,0
	anchor point	45	2,2
	Terrain adjustments	45	2,2
Snow groomer		8	12,5
Scooter		8	12,5
Snowing system	construction	30	3,3
	technology	20	5,0
	Snow guns	15	6,7
	pumps	15	6,7

Ski belt	20	5,0
Car parks, road	50	2,0
Water supply pipe	45	2,2
Sewerage	45	2,2
Electric wiring	45	2,2

For items not listed in table 2. follow the procedures used in table 1.

8. Adjustments were created to receivables:
For calculating the adjustment the method relevant to the due date, calculation according §20 subsection 14, 595/2003 Col, of the Act on income tax. Creating adjustments to receivables according the aforementioned Act was taken as the basis for tax.
9. Long-term and current receivables, liabilities, credits and loans. These item of the balance sheet re discriminated at the rise of liability and receivable according the due date agreed upon. Liabilities and receivables which are due within 12 months are shown as current liabilities and receivables, and liabilities and receivables which are due over 12 months are shown as long-term liabilities and receivables.
10. Income tax is calculated at 19% of tax base which was calculated by adjusting the accounting profit before tax including the added and deductible items.
11. The Company accounts the deferred tax in accordance with accounting rules, i.e. from 1/1/2003 it uses the balance sheet procedures at calculating the temporary differences which arise between the accounting and tax residual value of the assets and liabilities with the possibility of amortizing tax loss in the future and the possibility to transfer the unused tax deductions and other tax claims to future periods. For income tax the 19% rate is used. In case of deferred tax it is estimated whether the tax is viable against the future tax base. Provided it is not likely that the receivable should be viable, it is accounted as an adjustment.
12. Reserves are created for future losses and liabilities which are probable to occur due to past events and which can be assumed and estimated.
13. If the accounting value of assets is lower than their market value, assets are not revalued. Serious differences are commented on in the footnotes.
14. Assets rented by the Company are not listed in the balance sheet.

C.) Notes to financial statements

I. Data on the assets side of the balance sheet

1. Long-term tangible and intangible assets

1.1 Movements on the long-term intangible assets accounts, adjustments and residual price

In round euros

Long-term tangible assets	Software	Priced rights	Other long-term intangible assets	Goodwill	Total
Balance sheet line	6	7	9	8	3
Acquiring price					
At 1.11.2010	156 971	757 736	17 026	-143 376	788 356
Increases	18 556	1 000 000	0	0	1 018 556
Decreases	7 247	0	0	0	7 247
At 30.4.2011	168 279	1 757 736	17 026	-143 376	1 799 665
Acquiring price					
At 1.11.2010	113 202	386 940	15 766	-143 376	372 532
Increases	8 769	82 564	1 260	0	92 593
Decreases	7 247	0	0	0	7 247
At 30.4.2011	114 725	469 504	17 026	-143 376	457 878
Adjustment					
At 1.11.2010					
Increases					

Decreases						
At 30.4.2011						
Residual price (col.3)						
At 1.11.2010	43 768	370 796	1 260	0		512 035
At 30.4.2011	53 555	1 288 232	0	0		415 824

Advance payments

At 1.11.2010						0
At 30.4.2011						0

1.2 Movements on the long-term tangible assets, adjustments and residual prices

In round euros

Long-term tangible assets	Land	Construction	Individual movables and sets	Other long-term tangible assets	Acquired long-term tangible assets	Advance payments on long-term assets	Total
Balance sheet line	13	14	15	18	19	20	12
Acquiring price							
At 1.11.2010	7 213 064	55 970 005	42 418 904	29 974	17 757 107	4 733 323	128 122 378
Increases	13 182 042	27 978 765	13 889 487	0	45 326 562	-1 425 813	98 951 043
Decreases	0	10 290	476 945	0	55 311 272	3 130 962	58 929 469
At 30.4.2011	20 395 106	83 938 481	55 831 446	29 974	7 772 398	176 547	168 143 952
Depreciations							
At 1.11.2010		12 737 031	17 248 631	0			29 985 662
Increases		886 115	1 554 561	0			2 440 676
Decreases		10 290	476 945	0			487 235
At 30.4.2011		13 612 856	18 326 247	0			31 939 104
Adjustments							
At 1.11.2010	380 587				596 806	0	596 806
Increases	0				0	0	380 587
Decreases	0				0	0	
At 30.4.2011	380 587				596 806	0	977 393
Residual price							
At 1.11.2010	6 832 477	43 232 974	25 170 274	29 974	17 160 302	4 733 323	97 159 323
At 30.4.2011	20 014 519	70 325 624	37 505 199	29 974	7 175 592	176 547	135 227 455

The way and amount of capital goods insurance

Object insured	Type of insurance	Name and place of business of insurance company
Set of basic means	Against damage by natural disaster Liability insurance	Allianz-Sl.poist'.,a.s. Bratislava
Cars Valuables	Insurance against damage and theft Against theft	Generali Slovensko Allianz-Sl.poist'.,a.s. Bratislava
Snow motor vehicles leasing	- Against theft Against damage	Allianz-Sl.poist'.,a.s. Bratislava

The six-seat cableway is insured at Allianz – Slovenská poisťovňa, a.s.; apart from insurance against natural disasters it has been insured against machinery risks.

Lien is arranged with the loans:

1) to assets (credit contract Tatra banka 2457/07) registered with:

- LV n. 11 – land n. 2926/57 in sections (i) – of area 2,299 m², water areas, built-up courtyards and areas, Construction n. 71. Building n.. 71, at land – area n. 2926/66 of residual price 17, 392 thousands €

2) to assets (credit contract Tatra banka 4316/2008) registered with:

- LV n. 630 – Hotel Srđiecko and adjoined land of the area 2840 m², Hotel Kosodrevina and constuction COV farm house, land n. 1955/8, industrial building at land 1959/14, transformer station, land n. 1955/9 SCW boarding station land n. 1959/19 and land n. 1959/20, hostel, land n. 1929, hostel land. n. 1953/6, hostel, land n.. 1953/7 ,II.- operational building, land. n 1930/11
- LV n. 1973 – land n. 1929 v 4713 m² co-owner share 4622/4713
- LV n. 11 – lands of the area 79 744m², constructions: 9x bungalows, Hotel Grand, Hotel Liptov, Hotel Ski, operational buildings of the boarding station of DPL 6 – CLD
- Technological parts: 6SL – Korský Grún – technological part, 4-seater Koliesko – Luková, 4-seater – Otupné Luková, 4-seater – Biela Pút, Cableways Chopok Juh, ski lift Záhradky, ski lift Koliesko

3) to assets (registered with Tatra banka 1875/2007) registered with:

- LV n. 754 lands in C register , in the cadastre area Starý Smokovec, town Vysoké Tatry, district Poprad of the area : 1, 136 thousand m² forest land, 2,482 m² other areas, 3,001 m² built-up areas and courtyards,
- LV n. 754 lands in C register , in the cadastre area Starý Smokovec, town Vysoké Tatry, district Poprad of the area: 16, 732 m²,
- LV n. 754 lands in C register , in the cadastre area Starý Smokovec, town Vysoké Tatry, district Poprad of the area: construction n. 46 a 47 cableways stations,
- LV 654 lands in C register , in the cadastre area Starý Smokovec, town Vysoké Tatry, district Poprad of the area: 2, 007 m²,
- LV 654 construction n. 1. cableways boarding station, area n.. 407, construction n. 2 cableways stop-over station Start, land n. 4520/3, construction, n. 3 START KLD station at the land n. 4520/2 100136, construction n. 4 VLD + transformer station, at the land n. 4512/4, construction n. 5 Skal. Pleso KLD, at the land n. 4512/22, construction n. 7 hill-top station VLD, at the land n. 4514/5, construction n. 13 boarding station KLD land n. 4453/1,
- Technological parts: cabin cableway Tatranská Lomnica - stop-over station Štart - Skalnaté pleso, cableway Skalnaté pleso - Lomnické Pleso, suspension cableway Skalnaté Pleso - Lomnický štít, ground cableway Starý Smokovec - Hrebienok, ski lifts at Jakubkova lúka, ski lifts at Hrebienok hill

4) CSOB leasing LZP/06/00053 LV c. 11

- Construction Hotel SKI n. 69 and areas and courtyards of the area of 7,439 m²
- Construction Telecommunications building n. 76at land n.. 2926/58

The Company has no records of assets for which property right should arise through the contract on security transfer of rights or which should be used on the basis of contract on borrowings.

2. Long-term securities

The Tatra mountain resorts Company, a.s. purchased in 2010 shares of the Grandhotel Praha, a.s. company and Tatra mountain resorts services, a.s. of which it became a 100% owner and a 50 % share in the company Interhouse, s.r.o. During th eperiod from November 2010 to April 2011 the company acquired shares of the company Best Hotel Properties and became the member of the Tatranské dopravné družstvo association.

Company	Long-term financial assets (1.22)
----------------	--

	30.04.2011	31.10.2010
Grandhotel Praha a.s.	18 759 279	18 759 279
Tatry mountain services a.s.	36 513	36 513
Interhouse s.r.o.	7 525 778	7 525 778
Best Hotel Properties a.s.	11 788 677	0
Tatranské dopravné družstvo	25 315	0
Compagnie des Alpes (SA)	87 049	84 777
Stock and shares total	38 222 611	26 406 347

The company's long-term financial assets comprise loans as follows:

	30.04.2011	31.10.2010
Webis s.r.o.	5 369 619	5 115 725
1.Tatranská a.s.	1 857 000	0
Loans total	7 226 619	5 115 725

3. Inventory (l. 32)

3.1. Inventory overview at 30/04/2011 in € :

Type	<i>30.04.2011</i>	<i>31.10.2010</i>
	<i>Sum in €</i>	<i>Sum in €</i>
Material	368 279	354 034
Not yet finished produce and ready-made products	0	0
Products	0	0
Goods	359 482	240 931
Total (l.32)	727 761	594 965

No adjustments were required for inventory.

No undervalued items i.e. latent reserves occur.

Goods are represented by inventory of trading goods at hotels, diners, and at sports stores.

3.2. The way and amount of inventory insurance:

Object insured	Type of insurance	Name and place of business of insurance company
Trading goods	Against damage by natural disaster	Allianz a.s. Bratislava
Inventory set inclusive articles of consumption	Insurance against theft and damage by natural disaster	

4. Receivables (l. 40 a 47)

Long-term receivables, l.40

Current receivables l.47:

Distribution of current trade receivables (just accounts of group 311) :

Trade receivables (€)	2011	2010	2009	2008
Within term of payment	1 785 863	5 123 547	1 789 105	1 392 518
Overdue	3 510 914	1 009 936	1 418 042	1 981 644

Under 30 days	1 278 672	470 028	38 938	1 477 295
Under 90 days	1 028 472	81 256	28 472	222 399
Under 180 days	1 203 771	65 633	71 024	24 497
Under 360 days	0	89 602	1 223 661	80 827
Over 360 days	0	303 417	55 946	176 625
Long-term receivables (l. 040)	1 728 007	1 728 007	0	0

At 30/04/2011 other receivables on l.47 except trade receivables (accounts of group 311) represented paid up deposits to suppliers (accounts group 314) and other receivables (accounts group 315) of 290, 163 € (at 31/10/2010 it was 119, 867 €)

Evaluation of receivables at possible price – adjustments

Adjusted balance sheet item in €	Line	State at 1.11.	creating	decrease	cancellations	State at 30.04.11
Trade receivables	048	8 328	79 956	9	0	88 275

On the basis of the age of receivables the receivables adjustment was calculated. The amount of adjustment was calculated by the method of calculation according the maturity in accordance with the Act on income tax, § 20

Other receivables from l.47 excluding trade receivables (accounts group 311,314) represent at 31/10/2010 receivables-loans of 48.142 340 €, tax receivables of 689, 666 €, other receivables of 155, 449 €. At 30/04/2011 the amounts are represented by tax receivables of 6, 057, 719 €, which mainly represent the amount of excessive VAT depreciations for March 2011 and other receivables of 238, 258 €.

The Contract on lien of receivables between the Tatry mountain resorts company, a.s. and Tatra banka akciová spoločnosť, a.s. was concluded to secure and pay off of the Receivable on lien.

Financial accounts (l. 055)

Cash	30.04.2011	31.10.2010
	Sum in €	Sum in €
Current accounts	1 012 870	1 782 485
Cash desk total	283 022	140 522
Cash on way	391 151	185 124
Valuables	33 821	18 305
Current financial assets (securities)	96 531 469	98 667 695
Total l. 55 balance sheet	98 252 333	100 794 131

At 30/04/2011 the company had no bans on using the bank accounts.

5. Accrual basis (l. 061)

	line	30.04.2011	31.10.2010
		Sum in €	Sum in v €
Future costs:	63	418 262	169 386
Inclusive: subscribed services, rent, insurance, subscriptions, fees, etc.		418 262	169 386
Future earnings	65	10 009	72 142
Inclusive: Earnings from renting, etc.		10 009	72 142
Total:	61	428 271	241 528

II. Data on the liabilities side of balance sheet

1. Equities, financial statement of trading income, profit per share

At 30/04/2011 the value of underwritten capital stock of the company 221, 337, 534 € and is paid off. Capital stock consists of 6, 707, 198 shares of nominal value of 33 €.

No obligations whose part would be the right to exchange them for ordinary shares were issued by the Company. The fluctuation of trading income and issues like costs and earnings were accounted in own equity.

	2011	2010	2009	2008
Profit (loss)in v €	7 044 189	9 454 110	-673 949	262 066
Number of issued ordinary shares (pcs)	6 707 198	6 707 198	6 707 198	1 013 798
Profit (loss)per share (€)	1,05	1,41	-0,1	0,26

The following table shows the overview of own equity fluctuation

In €	line	State at 31.10.2010	increases	decreases	State at 30.04.2011
Equities	69	221 337 534	0	0	221 337 534
Own shares (-)	70	0	0	0	0
Change in equities	71	0	0	0	0
Equity accounts	73	30 698 497	145 290	0	30 843 787
- Additional paid in capital	74	30 430 378	0	0	30 430 378
- Other equity accounts	75	282587	0	0	282 587
- Valued differences on revalued assets	77	-14 468	145 290	0	130 822
Profit funds	80	1 435 686	945 411	0	2 381 097
- Mandatory reserve fund	81	1 435 686	945 411	0	2 381 097
Retained earnings	84	-679 553	3 003 193	0	2 329 244
- Retained profit	85	0	2 329 244	0	2 329 244
- Unpaid loss	86	-679 553	0	-679 553	0
Income from operations	87	9 454 110	7 044 189	-9 454 110	7 044 189

On 30 April 2011 the regular General Meeting of the Tatry mountain resorts, a.s. company was held. The General Meeting also decided upon the distribution of Tatry mountain resorts a.s profit of 9, 454, 110 euros acquired in the economic year beginning 1 November 2009 and finishing on 31 October 2010 in such a way that part of the profit of the amount of 945, 411 euros was used to supply the Company's reserve fund, the sum of 5, 499, 902 euros will be used for paying out dividends to Company's shareholders which is a dividend of 0.82 € per one share and the remaining profit of 2, 329, 244 euros will be transferred to the account of the undistributed profit from previous periods.

Valuation differences in assets revaluation raised from revaluating the acquired shares of the BHP and CDA at 30/04/2011 (see part C, section 2. – Long-term financial assets)

1.1 Equity structure

According owners

Share of ownership	2011	2010	2009
Tatry mountain resort services, a.s.			13,33%
Kalimraj Equity Management Limited			
Minor shareholders	33,49%	11,16%	0,34%
J & T BANKA, a.s.	16,53%	9,90%	9,99%
J&T Global Services			9,99%
Perspektíva			1,52%
Poštová banka	17,44%	7,54%	9,32%
TINSEL			18,42%
CONTIGY DEVELOPMENT LIMITED		15,60%	18,03%
Diamond hotels Cyprus			7,06%
BAXON REAL ESTATE LIMITED			12,00%
Deutsche Bank Aktiengesellschaft	13,73%	13,73%	
RMSM1 LIMITED		13,40%	
TATRY INVESTMENT LIMITED		11,96%	
KEY DEE LIMITED		9,56%	
J&T SECURITIES MANAGEMENT LIMITED	6,45%	7,15%	
TLD, s.r.o.	7,36%		
ATLANTIK finanční trhy, a.s.	5,01%		

According shares issue

Issue n.:	SK 1120010287
Type of shares:	Ordinary bearer shares and recorded
Number of issued shares (pcs) :	6 707 198
Nominal value of 1share :	33 €
Nominal value total:	221 337 534 €

With the effect from 1/2/4.2010 all previous shares merged into the ISIN: SK1120010287

<i>Sum in €</i>	Reserves for reviving	Reserves - other	Reserves on unclaimed holiday	Reserves on Unbilled services	Reserves on lawsuits
Mandatory reserves 1.89					
State to 1.11.2010	19 917	6 774	209 956	305 971	0

Creating	0	0	0	492 492	0
Clearing	0	0	-79 786	-788 415	0
State at 30.04.2011	19 917	6 774	130 170	10 048	0
Current I. 091					
State at 1.11.2010	0	0	209 956	305 971	0
Creating	0	0	0	492 492	0
Reclassification into long-term	0	0	0	0	0
Clearing	0	0	-79 786	-788 415	0
State at 30.04.2011	0	0	130 170	10 048	0
Long-term I.092					
State at 1.11.2011	19 917	6 774			0
Creating	0	0			0
Clearing	0	0			0
Reclassification into current	0				0
State at 30.04.2011	19 917	6 774			0
Estimated year of reserve dissolution	2 014	2 012	2 011	2 011	0

3. Long-term and current liabilities (I. 094, 105)

<i>In thousands of euros</i>	30.04.2011	31.10.2010
Trade liabilities	3 331	3 236
Liabilities towards partners	5 500	0
Deferred tax liability	3 594	3 594
Unbilled supplies	87	246
Other liabilities	2 093	2 751
Total	14 605	9 827
<i>Current</i>	5 056	3 908
<i>Long-term</i>	9 550	5 920
Total	14 606	9 828

Investment supplies represent the highest item in trade liabilities

Liabilities towards employees and from social security represent liabilities related to wages in the month of April 2011 and are shown in other liabilities. Liabilities towards employees and liabilities from social security do not represent overdue liabilities.

Other most significant items of other liabilities listed on lines 102, 103, 111, 112, 113 and 114 include long-term leasing – 1, 448 thousands € and liabilities towards employees and related to employees - 595 thousands of €. The remaining 50 thousand. € are other liabilities.

Liabilities towards partner represent company's obligation to pay out dividends to shareholders following the ruling of the General Meeting held on 30/04/2011.

Social security fund liabilities:

	Sum in €
State at 1.11.10	11 524
creating	11 994
using	10 019
State at 30.04.11	13 499

Social fund is created by allocation of 0.6% of the gross wages volume in accordance with valid legislation. Social fund was used as follows: 10, 019 € on alimony.

4. Bank loans and assistance (l. 116)

At 30/04/ 2011the Company had loans as follows:

- 1) Instalment credit 4316/2008 of 2008 of value 5 377 414 € (balance at 30.04. 2011 – 3 483 061 €)
- 2) Instalment credit 2457/07 of 2007 of value 7 136 692 € (balance at 30.04. 2011 – 4 995 685 €)
- 3) Instalment credit 1851/07 TLD of residual value at 30.04.2011 – 4 746 731 €

Credit accrual basis:

In €	KS at 30.04.11	Under 1. y.	From 1 to 5 y.	Over 5y.
Credit n. 4316/2008of .2008	3 483 061	803 293	2 200 116	479 652
Credit 2457/07 of. 2007	4 995 685	713 669	2 854 677	1 427 339
Credit 1851/07 TLD	4 746 731	1 095 399	3 651 332	0
Total	13 225 477	2 612 361	8 706 125	1 906 991

The Company has not registered bonds emission or other financial derivatives.

5. Accrual basis (I. 119)

In €	Line	For settling within 12 months	For settling over 12 months
Future costs	120 121	0	0
Future earnings	123	36 885	780 023
Total	119	36 885	780 023

The significant item of future earnings to be settled after 12 months or more is represented by a subsidy on snow barriers from Slov. Poist'ovňa, a subsidy from the Slovenská záručná a rozvojová banka to complete the hotel Tri Studničky and yields from assets the 6-seat cableway in 2006, the EU subsidy on education project - ZASI.

In 2009 the Company did not do business with derivatives and neither did it account about them

III. Profit and loss statement

1. Revenues and costs of economic activities

Earnings from goods, own products and services sale (1 01,05)

Commodity structure of services providers:

Komodita	k 30.04.2011		k 30.04.2010	
	€	Podiel	€	Podiel
Tržby za lyžiarske vleky	10 093 572	53%	5 472 403	57%
Tržby za ubytovanie	1397141.12	7%	888 566	9%
Tržby za vlastnú výrobu	2 785 015	15%	1 565 173	16%
Tržby za obchodný tovar	715 646	4%	541 491	6%
Tržby ostatné služby	3 891 391	21%	1 166 180	12%
Spolu	18 882 765		9 633 813	

Earnings from own production represent earnings from hotels (restaurants) of our Company

Earnings from tradable goods include mainly sale of trading goods at the hotels v. Other services include ski school, archery, rents, trampoline, billboards rent, and other services provided at our hotels (sauna, pools...)

Material, energy and other unstorable supplies consumption (I.9)

	k 30.04.2011	k 30.04.2010
Spotreba materiálu	2 257 468	1 199 439
: z toho najvýznamnejšie položky		
Spotreba materiálu na hot.strediskách	968 680	543 797
Spotreba PHM	326 789	168 856
Spotreba mat.- drobný hmot.majetok do,a 996,-€	195 223	101 387
Spotreba súč. a mat. na opravu	141 946	61 747
Spotreba lístkov na LD	61 769	62 704
Spotreba ostatného materiálu inde nezaradeného	99 015	24 621
Spotreba súč. na opr. vozidiel	64 496	56 697
Spotreba reklamného materialu	58 495	24 661
Spotreba čistiacich prostriedkov	36 840	19 972
Spotreba propagačného materiálu	48 908	6 884
Spotreba -drobný hotel.materiál	30 221	21 562
Spotreba mazadiel	18 457	17 269
Spotreba toaletného papiera a papier.utierky	17 290	10 905

Fuel consumption represents mainly diesel consumption used by vehicles maintaining slopes during winter seasons. Lubricant consumption must be added to these costs. Spare parts are mostly used for maintenance of cableways and ski lift technologies, which falls into the group of higher consumption costs on car spare parts which is accounted in the group of consumption costs on car repair.

Other material includes mainly used material at Company's hotels. Information boards or material not classified belong among items of used material.

Energy consumption

Suma v€	k 30.04.2011	k 30.4.2010
Spotreba energie celkom	1 679 208	922 387
V tom :		
Spotreba elektrickej energie	1 432 237	799 920
Spotreba plynu	189 158	93 553
Spotreba vody	57 813	28 913

Cableways, ski lifts and snowing systems belong among the biggest energy consumers during winter seasons. Gas consumption is high at hotels as it is used for heating or cooking. Water is used mainly in hotels ; for snowing the Company uses its own water supply source.

Used services (l. 10)

Suma v €	k 30.04.2011	k 30.04.2010
Nakupované služby	6 050 179	2 090 625
V tom najvýznamnejšie položky:		
Reklama, inzercia /marketing/	1 929 268	291 955
Prepravné	1 513 115	548 517
Nájomné pozemky	390 852	248 700
Nájomné	470 959	140 476
Admin.náklady-účetníctvo TMR	270 438	87 300
Admin.náklady-marketing TMR	212 268	118 248
Admin.náklady-operatíva TMR	116 088	145 830
Náklady na ost. služby nemat. povahy	150 916	81 909
Opravy a údržba dlhodob. majetku	121 176	87 340
Náklady na školenie	110 329	11 600
Hovorné - telefón	65 698	27 472
Náklady na hudbu a program	54 151	24 023
Náklady na horskú službu	48 157	25 521
Nákl.na repre. kombinov.-market.,obchod,infocesty	50 873	17 194
Bežné opravy dopr. prostriedkov	45 111	19 425
Iné poradenské a konzultačné služby	57 677	0
Ost.náklady-mandátne zmluvy	22 183	24 434
Právne služby	26 950	18 152
Ostat. služby PP- náklady min.období	34 669	9 351
Náklady na stočné	24 549	18 365
Sprostredkovanie, provízie	26 009	11 106
Ostatné sl.- transport a spracovanie fin.prostried	36 380	0
Strážna služba, ost.sl.na parkovisku, htl.	17 297	17 243
Paušálne poplatky/ údržba software	27 216	3 707

The highest costs in the group of services are costs on rent of land on which the Company performs its business activities, i.e. skiing tracks and car parks. Washing and cleaning are the costs on washing and cleaning of hotel laundry and other textile products used at accommodation facilities.

Costs on security guards are related to operating hotel car parks and guarding our facilities. Costs on music and programme are related to keeping our guests entertained at hotels and our ski resorts.

Costs on rent – other – consist of the rent for the machine at the ski school, ski lift rent, and rent of cars. Other costs comprise costs of rescue activities at the slopes, costs on energy, mandatory contracts, professional trainings of pupils at hotels, etc. (from 2008 some of the are evaluated independently).

Transportation costs are mostly costs on commuter transport – ski buses. Maintenance and repair costs are related to repairs of long-term tangible assets. Advertising and promotion costs mainly comprise adverts in electronic and print media promoting services in our resort.

Other net incomes and costs (I. 22, 23)

Suma v €	riadok	k 30.04.2011	k 30.4.2010
Ostatné výnosy z hospodárskej činnosti	22	601 091	49 600
Ostatné náklady na hospodársku činnosť	23	33 971	7 710

The most significant items:

The most significant items of other net incomes comprise earnings from contractual penalties, penalties, insurance settlements, and re-invoicing of purchased services and energies. The most significant items of other costs comprise costs on payables, subsidies to working clothes, membership fees, deficits and damage.

Earnings and costs of financial activities (1.46)

<i>Suma v €</i>	k 30.04.2011		k 30.04.2010	
	Výnosy	Náklady	Výnosy	Náklady
Predaj cenných papierov	0	0	0	0
Ostatné cenné papiere a podiely	2 888	0	2 888	0
Úroky	4 410 926	240 476	2 979 330	184 586
Realizované kurzové zisky/straty	6	1 299	14	134
Nerealizované kurzové rozdiely	0	0	0	0
Ostatné	953	288 946	346	60 936

Extraordinary earnings and costs (1. 052, 053)

Extraordinary costs were not accounted in the years 2010 or 2011.

IV. Sub-balance sheet accounts

The Company settled the leasing contracts of previous years.

The company has no unpaid bills.

V. Rewards to Company's bodies

<i>Sum in €</i>	Cash earnings
Statutory body	101 923
Supervisory Board	0
Top management	101 923

No advance cash, credits or guaranties have been provided to current members of management.

These cash, credits or guaranties do not exist towards former members of the statutory bodies, the supervisory board and manager either.

VI. Allied persons

Name	Seat
Tatry mountain resorts services, a.s.	SR
Grand Hotel Praha a.s.	SR
Interhouse Tatry s.r.o.	SR
Compagnie des Alpes	SA
CONTIGY DEVELOPMENT LIMITED	CY
Deutsche Bank AG	DE
RMSM1 LIMITED	CY
TATRY INVESTMENT LTD	CY
J&T BANKA, a. s., pobočka zahraničnej banky	CY
KEY DEE LIMITED	CY
Poštová banka	SK
J&T SECURITIES MANAGEMENT LIMITED	CY
Ing.Bohuš Hlavatý	SK
Ing.Jozef Hodek	SK
Ing.Michal Krolák	SK
Ing.Július Rezeš	SK
Ing.Igor Vojtko	SK

Transactions with allied persons in 2011

<i>Sum inv €</i>	Receivables	Liabilities	Costs	Revenues
Tatry mountain resorts services, a.s.	34 965	0	630 597	22 460
Grand Hotel Praha a.s.	10 463	477 810	2 441	75 324
Interhouse Tatry s.r.o.	194 929	1 763	0	3 780
Compagnie des Alpes	0	0	0	2 272
CONTIGY DEVELOPMENT LIMITED	3 216 936	0	0	517 723
Deutsche Bank AG	0	0	0	0
RMSM1 LIMITED	86 262	0	0	850 852

Only receivables and liabilities open at 30/04/2011 are stated here. 30.04.2011

In 2011 the transactions with allied persons comprised providing of hotel services, rents, and interests on the side of our yields

The most significant transactions on the side of costs were costs on administration, hotel services, rents, bank commissions.

VII. Events after 30/04/2011

At the day of publishing the current financial statement no substantial events occurred which could be of significant impact on the Company influence.

Person responsible for financial statement: (name and signature)	Person responsible for accounting: (name and signature)	Statutory body's signature: (name and signature)
Ing. T. Kimlička	Ing. M. Klas	Ing. B. Hlavatý Ing. J. Hodek
Financial settlement approved: 28/06/2011		