

Ljubljana Stock Exchange
ANNUAL REPORT
2012

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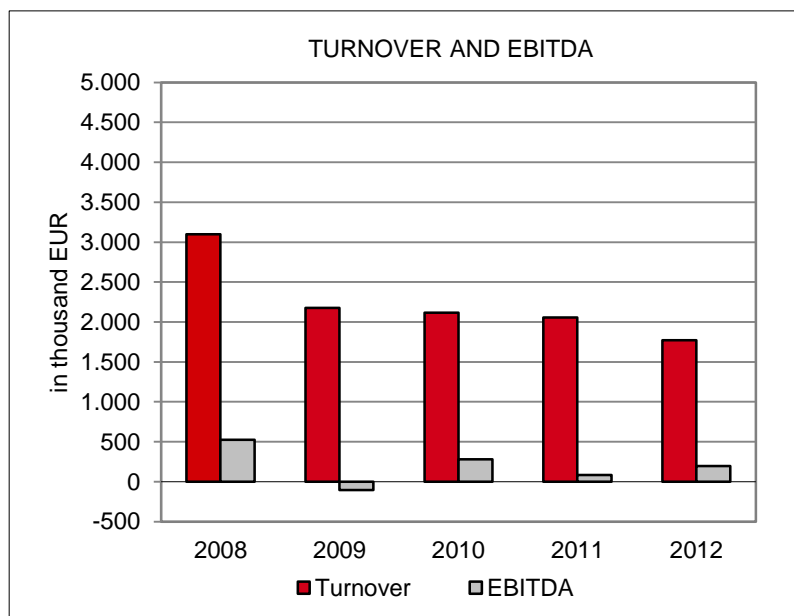
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INTRODUCTION

Ljubljana Stock Exchange 2012 operations highlights

Sales revenue was down 13.8% in 2012.

Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) were EUR 194,787, and were up by 131.9%.



	in EUR				
	2012	2011	2010	2009	2008
Called-up capital	1,400,893	1,400,893	1,400,893	1,400,893	1,400,893
Equity	2,615,218	2,683,131	2,919,660	2,799,384	3,074,092
Assets	3,075,897	3,151,942	3,337,526	3,182,051	3,490,039
Revenues (total)	1,788,277	2,075,350	2,151,696	2,203,819	3,203,369
- revenues from trading fees	450,062	542,728	585,988	768,442	1,530,794
- other revenues	1,338,215	1,532,622	1,565,708	1,435,377	1,672,575
Costs (total)	1,852,297	2,276,732	2,038,214	2,479,947	2,759,719
- labour costs	717,812	891,097	985,929	1,435,068	1,600,291
- other costs	1,134,485	1,385,635	1,052,285	1,044,878	1,159,428
EBITDA	194,787	60,849	280,663	-104,726	523,704
Operating profit / loss (EBIT)	-78,836	-217,115	80,302	-294,268	351,020
Profit / loss before tax	-64,020	-201,382	113,482	-276,128	443,650
Taxes	-2,407	7,335	-3,706	-6,589	100,003
Net profit / loss for the period	-66,427	-194,047	117,188	-269,539	349,869
Nr. of shares	33,571	33,571	33,571	33,571	33,571
Book value on 31 Dec. (capital / no. of shares)	77.90	79.92	86.97	83.39	91.57
Dividend payment per share in €	-	-	-	-	-
Number of employees by man- hours	13.45	16.11	20.62	25.34	27.03
Number of employees on 31 st Dec	16	17	21	25	31

Ljubljana Stock Exchange company profile

Company ID

Name	Ljubljanska borza, d. d., Ljubljana (English: Ljubljana Stock Exchange Inc., short: LJSE)
Registered office	Slovenska cesta 56, 1000 Ljubljana, Slovenia
Telephone	+386 1 471 02 11
Fax	+386 1 471 02 13
E-mail	info@ljse.si
Website	www.ljse.si
Incorporated on	26 December 1989
Share capital	EUR 1,400,893.01
Shareholders	CEESEG AG – 100% owner
Core business	Regulated securities market operator
Business activity code	67.110
Registration No	5316081
VAT ID No	59780061
Size	Small company
Court register entry	1/04218/00, District Court of Ljubljana

Business

The Ljubljana Stock Exchange is a joint stock company founded to foster the matching of supply and demand in securities trading and in trading in other financial instruments. It ensures that transactions in securities and other financial instruments are carried out in a regulated, transparent, liquid and efficient manner, in line with the law and other regulations.

The company's objective is to maximise company value for shareholders in the long-term, parallel to ensuring the development, stability and safety of the Slovenian regulated market and complying with the regulations governing the market in financial instruments.

Transactions in securities and other financial instruments are organised pursuant to the law, the LJSE Articles of Association, the LJSE Rules, the LJSE Instructions and other LJSE acts adopted by the LJSE Management Board.

The company's Articles of Association stipulate the following as its business activities:

- Operating the stock exchange market in financial instruments for which it had obtained the Securities Market Agency's authorisation;
- Publishing securities prices;
- Providing information on the supply, demand and market value of securities, and other information on securities;
- Analytic research work in the financial market;
- Providing IT services to support trading;
- Operating the Slovenian multilateral trading facility (MTF);
- Operating the Slovenian officially appointed mechanism (OAM);
- Selling and maintaining the software developed for the purposes of providing its services.

Report from the Management Board

The LJSE's financial result for 2012 reflects the situation in the Slovene capital market. LJSE total revenues amounted to EUR 1,788,277, down by 14%, and total expenses amounted to EUR 1,852,297, down by 19%. The result for 2012 is therefore negative. The reported loss in the amount of EUR 66,427 is, however, almost 50% lower than anticipated in the business plan.

In 2012 LJSE had positive cash flow EBITDA in the amount of EUR 194,787, up by 132% compared to 2011. In 2012 there were no major investments, as all investments had been realised in previous years. This enables LJSE stable operations with no external indebtedness.

Being a market operator, our revenue largely depends on trading fees, which amounted to EUR 450,062, down 17% compared to 2011. Revenues from listing fees and maintenance for listed securities amounted to EUR 365,272, down 11% compared to 2011. Technological and IT services performed through Xetra and SEO systems generated EUR 611,180 of revenue, which is only 6% less than in 2011. Similarly stable are also revenues from data dissemination, which generated EUR 225,139 of revenue in 2012.

Throughout the year 2012 we undertook aggressive cost cutting, cutting costs of materials by 38%, costs of services, mainly Xetra and organization of events, by 20% and costs of labour by 2% compared to 2011.

In 2012 LJSE further optimized its internal organization and decreased the number of employees by 1. Due to long-term absence of individual employees, the activities were performed by 13.4 employees according to man-hours, which is by 2.7 less than in 2011. Through active communication we managed to maintain employee motivation on a high level despite severe conditions. Significant financial effects of the changed work organization are expected in 2014 as internal restructuring and associated one-time costs will be concluded and realised in 2013.

In 2012 we devoted considerable attention to concern for business compliance and corporate governance within LJSE. We adopted Code of Ethics and Professional standards and new Ljubljana Stock Exchange Rules, and updated some internal acts. We actively cooperated with other exchanges in the CEESEG Group. We also carried out Xetra system upgrade and acceded to mutual management of membership within CEESEG Group.

LJSE is becoming an international market, as ever more turnover is realised by international investors. In 2012 international investors reached the highest share in the total Prime Market equity turnover so far, which was almost 50%. Before Xetra system implementation in 2010 their share had never exceeded 30%. International investors, especially on the buy-side, represent the most important group of active investors in the Prime Market equities. The share of Slovene institutional investors and other legal persons in the turnover remains stable at one-third of the total turnover, whereas the share of natural persons is decreasing.

After two years of negative yield the LJSE blue chip index SBI TOP was up 7.8% in 2012. Due to equity price increases, equity market capitalization increased slightly as well and amounted to EUR 4,911,166. Despite positive indicators, LJSE again faced the challenges of low liquidity in 2012.

The total LJSE turnover in 2012 amounted to EUR 360 million and turnover without blocks to EUR 274 million, down 14.9% compared to 2011. The majority of turnover comprised equity deals, which amounted to EUR 303 million or 84% of the total turnover. According to turnover structure, bonds follow with 15.4% share in total turnover. The most traded share in 2012 was Krka (KRKG) from the Prime Market, which generated 46.6% of the total equity turnover.

Despite severe conditions on capital markets, or because of them, the range of investment opportunities on LJSE increased. The new and current product on LJSE is commercial papers, which companies started issuing in 2012 due to increasingly difficult access to bank sources. Five issues were listed on LJSE in the total amount of EUR 124 million. LJSE also had two new bond listings, which were issued in the total value of EUR 40 million. In addition, there were seven capital increases in the total amount of EUR 17 million.

Companies' business environment is becoming increasingly more challenging. LJSE is therefore making every effort to maintain the visibility of the most prominent listed companies. In 2012 the number of companies in the Prime Market increased to 10, as reinsurer SAVA Re switched to the prestigious Prime Market. All prominent listed companies participated in LJSE's promotional events and online conferences, which are intended for meetings between issuers and investors.

Year 2012 was also marked by a decrease in the number of local members by 4, LJSE thus had 23 members at the end of the year, 5 of them were remote. A sizeable portion of turnover is still realised though Slovenian brokers who accounted for 74% of the market. Moreover, the share of foreign brokers in the turnover is increasing noticeably in the last years, jumping from 0 to 16% in the last two years, mainly due to market share of banks integrated into international banking groups. The leader among financial intermediaries is Alta Invest with a 22% share in the total turnover in 2012.

Economic and financial crisis still has a powerful negative influence on trading on LJSE, which LJSE cannot fully compensate with internal measures. We believe that harsh economic conditions will have a negative impact on LJSE's operations, members and listed companies also in 2013.

Ljubljana, February 2013

Ljubljana Stock Exchange

Polona Peterle, MSc
Member of the Management Board

Andrej Šketa,
President of the Management Board

Report from the Supervisory Board

Within its powers and competences, the Ljubljana Stock Exchange Supervisory Board monitored in 2012 the work of the Management Board and the company's operations as well as periodically examined the company's results set out in its financial statements.

In accordance with the Ljubljana Stock Exchange, Inc. Articles of Association and the resolution adopted by the General Meeting, the LJSE Supervisory Board has five members.

The current members and their functions are:

- **Petr Koblic**, President,
- **Michael Buhl**, Deputy President,
- **Johannes Schönegger**, member,
- **Filip Ogris Martič**, PhD, member,
- **Urška Podboršek**, member – employee representative.

In 2012, the Supervisory Board met at five regular and one correspondence meeting. Due to the new composition of the Supervisory Board a new president and deputy president of Supervisory Board were elected in the second quarter of 2012.

Work of the Supervisory Board in 2012

In line with the set strategy we focused most on strengthening the company's international linking. We closely monitored the key projects of 2012, Xetra upgrades and LJSE's further integration within the Vienna Stock Exchange (VSE) and the Central and East European Stock Exchange Group (CEESEG). We supervised changes in the company's organisational setup, human resources and risk management. We also reviewed the business and financial plan for 2013.

The following highlights can be singled out to illustrate the work of the Supervisory Board in 2012:

- We reviewed and adopted the Ljubljana Stock Exchange 2011 Annual Report as well as other proposed materials for the April and June 2012 General Meetings;
- At each meeting we looked at recent financial reports; compliance reports; Xetra upgrade reports; LJSE – VSE integration status reports; trading, listing and delisting reports. The Management Board also promptly informed us of its risk management strategy, internal controls and other significant events relevant for the company's operations;
- We discussed the LJSE's position in terms of competition and looked at its efforts towards a further alignment with international markets within the CEESEG Group, aimed at improving market quality and enhancing liquidity;
- We adopted the Report on LJSE Remuneration Policy Compliance and gave consent to the LJSE Code of Ethics and Professional Standards;
- We approved the Management Board's proposals on changing the composition of the Board of Members and Board of Issuers.

The financial crisis left a mark on the company's results for 2012: significantly lower trading volumes caused substantially lower revenue from trading fees. Despite our aggressive internal restructuring and restrictive control of other costs, the company ended the year with a loss. Nevertheless, our main activities as outlined in the strategic plan 2010–2013 were successfully completed:

- Further promotion of the Slovenian Capital Market Development Strategy, which had been launched at the end of 2010; it has led to certain initiatives being integrated into the plans of the government;
- Successful implementation of a major Xetra upgrade;
- Further linking of the LJSE within the VSE markets is ongoing;
- Stable and smooth regular operations of the LJSE.

Self-evaluation of Supervisory Board

LJSE is part of the CEESEG Group and in 100% ownership of the parent company. Therefore LJSE uses equal or comparable technology and similar approaches to its clients and stakeholders as other members of the CEESEG Group. This is also reflected in the representation in the Supervisory Board, which comprises three representatives of the Vienna Stock Exchange or its parent company CEESEG AG. All Supervisory Board members have years of experience in the field of stock exchanges and capital markets, have good knowledge of the situation in the Slovene capital market, some members are licenced subjects. One member of the Supervisory Board is also an employee representative. In light of the above, Supervisory Board assesses that the composition of the LJSE Supervisory Board with regards to representativeness, experience and professional competence is adequate.

Members regularly attended the meetings and actively participated in discussions on all items on the agenda. The materials were normally provided a week before the meeting, which gave us sufficient time to carefully study all the documents.

Given the above we consider the work of the Supervisory Board as a whole as well as the work of its individual members to have been successful, professional and efficient. We also consider the cooperation of the Management and Supervisory Boards to have been good.

Among members of the LJSE Supervisory Board no conflicts of interest were recognised with regard to issues considered. In cases where business issues related to cooperation within CEESEG Group, either with partner or parent companies, resolutions of the Supervisory Board were appropriate and cost-effective and were not adopted to the detriment of LJSE or Slovenian capital market.

Annual Report

The Supervisory Board reviewed the 2012 Ljubljana Stock Exchange Annual Report, together with the Auditor's Report, at its periodic meeting on 18 March 2013.

Pursuant to the resolution adopted at the company's last General Meeting, the financial statements for 2012 have been audited by Deloitte Revizija d.o.o., Ljubljana.

The Annual Report that the Management Board presented to the Supervisory Board for review and approval is well drawn-up and contains all the relevant components, supplements and disclosures stipulated by the Slovenian Companies Act and accounting standards.

The unqualified opinion of auditors Deloitte Revizija d.o.o., Ljubljana, the fact that the company's operation results and cash flows are compliant with the Slovenian Accounting Standards, along with the statements of the company's management saying that all significant facts related to the operations of the Ljubljana Stock Exchange in 2012 have been disclosed and adequately argued, ensure that the financial statements are in all respects a true and fair reflection of the financial position of the Ljubljana Stock Exchange as at 31 December 2012. The auditor had informed us of the course of the audit and answered our questions

prior to our review of the Annual Report on the Supervisory Board meeting. The Supervisory Board had no comments to the Auditor's Report and content of the Annual Report.

We have studied the content of the Annual Report and the Auditor's Report with due diligence and decided at our meeting on 18 March 2013 to formally adopt the 2012 Ljubljana Stock Exchange Annual Report.

Settlement of loss for 2012

The total loss for financial year 2012 in the amount of EUR 66,426.91, which consists of EUR 64,020.01 of net loss for the period, EUR 3,149.25 of recognised deferred tax assets, EUR 5,908.37 of derecognised deferred tax assets and EUR 352.22 of derecognised deferred tax liabilities, and retained loss from previous years in the amount of EUR 47,190.19 are set off against EUR 64,887.68 of statutory reserves and EUR 41,931.96 of other revenue reserves and against EUR 6,797.46 of transferred revaluation surplus.

The company did not report any accumulated profit for 2012.

The Supervisory Board unanimously adopted its report for 2012 at its periodic meeting on 18 March 2013.

Petr Koblic
President of the Ljubljana Stock Exchange Supervisory Board

BUSINESS REPORT

Corporate Governance Statement

The Ljubljana Stock Exchange (LJSE) is a private joint-stock company, which complies with and implements the corporate governance principles arising out of legal norms, the company's internal acts and established best practices. Being one of the authors of the Slovenian Corporate Governance Code, the LJSE has actively striven to implement corporate governance principles into business practice as well as improved and supplemented its own system of governance by applying the relevant principles of best practice.

The company is operated by a two-tier system of governance, where the Management Board runs the business and is monitored by the Supervisory Board.

The LJSE has the following corporate bodies:

- the General Meeting,
- the Management Board and
- the Supervisory Board.

The company's Articles of Association also provide for two additional bodies, the Board of Members and the Board of Issuers, which have no direct influence on the LJSE governance but make indirect contributions to its reaching its objectives and strategy.

The LJSE is a private joint-stock company whose core business is organising securities trading as stipulated by the Slovenian Markets in Financial Instruments Act. Consequently the LJSE is not bound to include into its business report a corporate governance statement in the scope stipulated by Article 70 (5) of the Slovenian Companies Act.

As at 31 December 2012, the LJSE had one shareholder (100%), namely the holding company CEESEG AG, Wallnerstrasse 8, Vienna, Austria.

General Meeting

The General Meeting is the company's highest body. It is composed of LJSE shareholders, who are individuals and companies. The right to take part and vote at a GM goes to all shareholders that are recorded as holders in the central registry of dematerialized securities (Central Securities Clearing Corporation or "KDD") at the end of the fourth day prior to the General Meeting (record date).

The GM is convened by the LJSE Management Board at least once a year, usually after having drawn up the annual report. The GM constitutes a quorum if at least one half of all shareholders with voting rights are represented at the meeting. Each ordinary no par value share carries one vote. The exercise of voting rights is stipulated in the LJSE Articles of Association and the General Meeting Rules of Procedure.

There were two General Meetings held in 2012.

On 11 April 2012 the 28th GM

- acquainted itself with the Report on assumptions for the transfer of shares and the appropriate monetary compensation for minority shareholders and the transfer of shares to the principal shareholder;
- acquainted itself with the resignation of the President of the Supervisory Board and the end of mandate of the member of the Supervisory Board, and elected two new members of the Supervisory Board;
- decided on amendments to the LJSE Articles of Association.

On 26 June 2012 the 29th GM:

- reviewed the Annual Report for 2011 and decided on discharging the Management Board and Supervisory Board from responsibility,
- decided on Supervisory Board remuneration,
- acquainted itself with the resignation of a member of the Supervisory Board and decided on the number of LJSE Supervisory Board Members,
- appointed the auditor for 2012.

Supervisory Board

The Supervisory Board is composed of four to seven members, of which all except one are elected by the GM and one represents LJSE employees. All Supervisory Board members have equal rights and obligations unless otherwise specified by the Articles of Association, and are appointed for a four-year term.

Their course of action is stipulated in the Supervisory Board Rules of Procedure.

The main task of the Supervisory Board is to supervise the company's operations and conduct of business. The Board also appoints the Management Board, the Board of Issuers, the Board of Members and the LJSE Arbitration Tribunal.

Supervisory Board remuneration does not directly depend on the company's performance, and it is disclosed under *Supervisory Board Remuneration in 2012*, in the Notes to the Financial Statements.

Shareholder representatives

- Heinrich Schaller (President), Joint CEO in Wiener Börse AG and CEESEG AG (to 11 April 2012);
- Petr Koblíček (President), President of the Management Board of the Prague Stock Exchange and Joint CEO in CEESEG AG (member from 11 April 2012, President from 24 April 2012);
- Milana Lah (Deputy President), Member of the Management Board in Probanka, d. d. (to 11 May 2012);
- Michael Buhl (Deputy President); Joint CEO in Wiener Börse AG and CEESEG AG (member from 11 May 2012, Deputy President from 22 May 2012);
- Boris Pesjak (member), President of the Management Board in Factor banka, d. d. (to 26 June 2012);
- Filip Ogris Martič (member), Corporate finance and corporate governance consultant for ECOVIS* CF CONFIDAS d. o. o.;
- Johannes Schönegger (member), Head of International Business Development at Wiener Börse AG.

LJSE employees' representative

- Marija Valentinčič Pregelj (member), Assistant Director in Development (to 31 March 2012);
- Urška Podboršek (member), Head of Legal Affairs (from 1 April 2012).

The Supervisory Board may establish special Supervisory Board committees, either for the entire term of the Board or to account for difficult issues that call for efficient solutions. The types of such committees, their composition and nomination of committee members are stipulated in the Supervisory Board Rules of Procedure.

Management Board

The LJSE Management Board consists of the President and member, and is appointed by the Supervisory Board. The Management Board is elected for a five-year renewable term.

The LJSE Management Board has the following main tasks:

- to manage and represent the LJSE,
- to implement the company's development and operations strategy,
- to ensure compliance with the provisions of the Markets in Financial Instruments Act,
- to organise and provide for a smooth workflow at the LJSE, etc.

Members of the Management Board

- Andrej Šketa, President of the Management Board

Andrej Šketa has been on the Ljubljana Stock Exchange Management Board since 2004, during which time he has gained valuable experience in the operations and development of the LJSE. From 1994, when he joined the company's expanded management, he has worked in practically all LJSE business areas, with special emphasis on day-to-day management and supervision of the regulated market, development of trading infrastructure, managing development projects in Slovenia and regional development projects within South East Europe, as well as managing the company's operations. He took office as President of the Management Board on 3 April 2009.

- Polona Peterle, MSc, Member of the Management Board

Polona Peterle has worked at the Ljubljana Stock Exchange for the past 13 years. Prior to taking office on the Management Board, she was Director for five years and in charge of the main LJSE areas of business, including trading, listing and monitoring of listed companies, surveillance, analytics, product development and capital market promotion. Her core areas of expertise include trading mechanisms, corporate governance and reporting by listed companies. She took office as Member of the Management Board on 6 June 2009.

Board of Members and Board of Issuers

The Board of Members and Board of Issuers are LJSE counselling bodies composed to discuss significant expert and development matters related to LJSE member firms and listed companies as well as the regulated securities market in Slovenia. They cooperate with the LJSE Supervisory Board and Management Board.

The two Boards are composed of at least five but not more than eight members each and are appointed by the Supervisory Board at the proposal of the Management Board among representatives of the LJSE member firms and listed companies as well as renowned capital market experts.

In 2012 mandate ended for most members of the Boards, therefore, the Supervisory Board appointed new members in December 2012.

Composition of the Board of Members

- Aleš Škerlak, Executive Director, ALTA Skupina, upravljanje družb, d. d.
- Igor Štemberger, President of the Management Board, Ilirika BPH, d. d.
- Igor Stebernak, Member of the Management Board, Abanka Vipava, d. d.
- Polona Čuč, President of the Supervisory Board of the Stock Exchange Members' Association, Factor Banka, d. d.
- France Arhar, PhD, Director, The Bank Association of Slovenia
- Gregor Bajraktarevič, Director of Investment Banking, NLB, d. d.

Composition of the Board of Issuers

- Brane Kastelec, Director of Finance, Krka, d. d.
- Peter Groznik, PhD, Member of the Management Board, Gorenje, d. d.
- Zoran Janko, Member of the Management Board, Telekom Slovenije, d. d.
- Mateja Treven, MSc, Member of the Management Board, Pozavarovalnica Sava, d. d.
- Benjamin Jošar, Member of the Management Board, Zavarovalnica Triglav, d. d.
- Dean Čerin, Executive Director of Finance and Risk Management, Mercator, d. d.

Corporate governance in the Group, and the takeover

After the Vienna Stock Exchange acquired in 2008 its majority stake in the LJSE, the LJSE became a member of the holding company CEESEG AG, which was incorporated in January 2010. After being issued approval by the Securities Market Agency, CEESEG AG published on 10 November 2011 a takeover bid to purchase all shares of the Ljubljana Stock Exchange. On 16 December 2011 the Securities Market Agency issued its Decision on the outcome of the takeover bid, concluding that the bid had been successful. The successful bid lifted the ban on CEESEG AG exercising its voting rights from all the LSER shares it holds. Following the successful bid, CEESEG AG held 83.34% of all LSER shares, which were 27,977 shares in total. At the proposal of the principal shareholder, company CEESEG Aktiengesellschaft, the LJSE General Meeting on 11 April 2012 adopted, among others, the resolution on squeeze-out. All shares belonging to minority shareholders were thus transferred to the principal shareholder, the company CEESEG Aktiengesellschaft, Wallnerstraße 8, 1014 Vienna, Austria and the minority shareholders received compensation. CEESEG AG holds 100% in the operative company Wiener Börse AG and, after the successful takeover bid and squeeze-out, also an 100% stake in the LJSE. CEESEG AG also holds 50.45% in the Budapest Stock Exchange and 92.74% in the Prague Stock Exchange.

CEESEG AG remains responsible above all for strategic and financial management as well as for the administration of investments, while the business operations within the holding company are the task of the four subsidiaries.

Internal controls and risk management

Internal control system

Pursuant to the provisions of the Markets in Financial Instruments Act and the Securities Market Agency's Resolution on Detailed Organisational Requirements for Operating a Stock Exchange Market, the LJSE as the Slovenian stock market operator meets all the requirements with respect to the general organisational standards and its governance system.

The LJSE had covered its business areas in its internal acts and processes adopted pursuant to the criteria stipulated in the Agency Resolution on Quality Standards for Operating the Stock Market. In this respect the LJSE has implemented a reliable governance system and pursues, in line with the annual plan, activities to enhance the organisational structure of the company as well as to develop and implement improvements in the area of efficient risk management processes and internal controls.

With respect to process control and internal control the LJSE has documented all its relevant processes, responsibilities and risks. The key processes are clustered into a special Process, Source and Risk Model, which provides an integral insight into LJSE operations according to a selected dimension and a quick understanding of the competences and organisation of the LJSE, as well as offers an insight into its processes for internal and external stakeholders. The model may be upgraded for the purposes of systematic valuations and risk reporting. All this facilitates prompt and more transparent internal auditing.

Risk management

Risk management at the LJSE is related to strategic, financial, operational and IT risks.

The LJSE manages risk at two levels: the Management Board makes general assessments and assumes the main strategic and financial risks as well as operational and IT risks, while the agents of the main LJSE processes make more detailed assessments and further assume the key operational risks.

To this end the Management Board prepared the document LJSE Risk Management in 2011 and 2012, and presented it to the Supervisory Board for review. The document recognizes the following main risks facing the LJSE: legislative changes preventing capital market development; low interest value of key LJSE products for investors; pressure from trading members and listed companies for the LJSE to drop its fees; high initial costs of operating the new trading infrastructure; and employee satisfaction. The main strategic risks include the risk of the company's long-term existence, with respect to which we are drawing up the requisite strategic and operational plans and making sure they are being implemented.

For purposes of managing strategic risks LJSE adopted Capital Markets Development Strategy in 2010, which LJSE actively promoted also in 2012. The company's revenue depends mainly on external factors related to the above mentioned risks, while on account of restrictive planning, comprehensive cost-cutting and foreseeable project costs, the company's expenses remain more or less fixed. The realisation of our financial plan therefore depends mainly on external factors, especially those that affect trading volumes.

The agents of the main LJSE processes make detailed assessments of the main operational risks and react to them by managing 12 important areas, which in turn consist of 10 key processes with which the LJSE functions as the market operator of a regulated, orderly and efficient securities market, and 2 key IT systems. The LJSE also devotes a lot of attention to employee training and awareness-raising, an adequate and efficient organisation of work, division of competences, well-defined and documented decision-making procedures, as well as closely monitors compliance with regulations.

The LJSE draws up its mid-term and annual internal audit plan on the basis of the thus recognised and assessed operational risks. In the past year most attention was devoted to operational risks related to market operations and trading, related to the process of ensuring business continuity, related to information system management, and related to the transfer of accounting to a contractor. There were no significant deviations from expectations, and thus no increased operational risk detected, nor any greater inaccuracies in the operations of our IT systems.

Activities in 2012 in the field of corporate governance include adoption of the Code of Ethics and Professional standards and new Rules of Procedure of the LJSE Management Board, which regulate in detail the management of potential conflicts of interest and relations with the parent company.

Internal audit

Pursuant to the provisions of the Charter on Internal Audit Activity, adopted by the Supervisory Board, and the Rulebook on LJSE Internal Audit Activities, adopted by the Management Board, the LJSE organizes its internal audit by contracting two external experts in internal auditing and by engaging the in-house Chief Audit Executive.

Internal audit in 2012 was based on the adopted Internal Audit Midterm and Annual Plan for the period 2012–2014, which is in turn based on the Risk Assessment and the Internal Audit Annual Plan.

Within the framework of internal audit LJSE looks especially at the processes of market operations and trading (focusing on the stock exchange trading system XETRA software solutions) and at the process of ensuring business continuity. Internal audit also regularly examines whether the recommendations are being implemented, and assesses the Management Board's measures to mend the established deficiencies and improve operations. All these activities are promptly communicated to the Management and Supervisory Boards and aggregately presented in the Chief Audit Executive's Annual Internal Audit Plan Status Report at the end of the year.

External audit

Due to auditor change, LJSE's financial statements are for the first time audited by auditing company Deloitte Revizija, d. o. o., Ljubljana. The LJSE abides by the Corporate Governance Code and Securities Market Agency's recommendations to hire another auditor every five years.

Other information (as at 31 December 2012)

Substantial direct and indirect holding of securities

Holding company CEESEG AG, Vienna, Austria (CEESEG) holds 100% of all LJSE shares (33,571), which it obtained in the 2008 Wiener Börse bid for the LJSE and in the subsequent 2011 takeover bid and 2012 squeeze-out.

Holders of securities with special control rights

LJSE shares have no special control rights attached to them.

Limited voting rights

LJSE shares with ticker symbol LSER have no limitations on voting rights.

Explanation of relations of the LJSE with controlling company CEESEG AG

In the business year 2012 the LJSE did not enter into any transactions with the controlling company CEESEG AG or any of its associated companies (Vienna Stock Exchange, etc) nor has it acted or failed to act at the initiative and in the interest of these companies in a way that could cause deprivation to the LJSE.

LJSE rules on amendments of its Articles of Association

Amendments and supplements of the LJSE Articles of Association are subject to the LJSE General Meeting, pursuant to the law. Articles of Association stipulate that a GM resolution on amendments and supplements can be adopted provided it is supported by a two-thirds majority of the share capital present.

Powers of members of the company management (especially issue or purchase of own shares)

As stipulated by the LJSE Articles of Association, the Management Board consists of the President and member of the Management Board, who jointly represent the LJSE in legal transactions. Neither of them may be authorised to individually represent the LJSE and the entirety of its business operations and activities. The Management Board adopts resolutions unanimously and is not authorised to acquire or dispose of own shares.

Mission, vision and strategic objectives

Mission

The mission of the Ljubljana Stock Exchange is to ensure a secure, efficient and successful operation of the regulated segment of the Slovenian capital market.

Vision

To be a modern and efficient Slovenian regulated market operator, integrated into the regional CEE market.

Strategy and strategic objectives

When taking office in 2009 the Management Board had set the following strategic objectives for its term from 2009 to 2014:

- Enhance the liquidity of the domestic market,
- Become internationally comparable and visible,
- Attract more international investors and members,
- Sustain the high level of market quality and regulation,
- Support primary market development,
- Establish a partnership with listed companies and member firms, and
- Increase the company's efficiency and business performance.

Basic macroeconomic indicators for Slovenia

	2007	2008	2009	2010	2011	forecast		
	2007	2008	2009	2010	2011	2012	2013	2014
Real GDP growth (%)	7.0	3.4	-7.8	1.2	0.6	-2.0	-1.4	0.9
GDP per capita (EU27=100)	88	91	87	85	84			
Government debt (% of GDP)	23.1	22	35.0	38.6	46.9	53.8		
Current deficit (% of GDP)	0.0	-1.9	-6.0	-5.7	-6.4	-4.2		
Inflation (year-end)	5.6	2.1	1.8	1.9	2.0	3.3	1.9	1.8
Registered unemployment	7.7	6.7	9.1	10.7	11.8	11.9	13.1	13.1

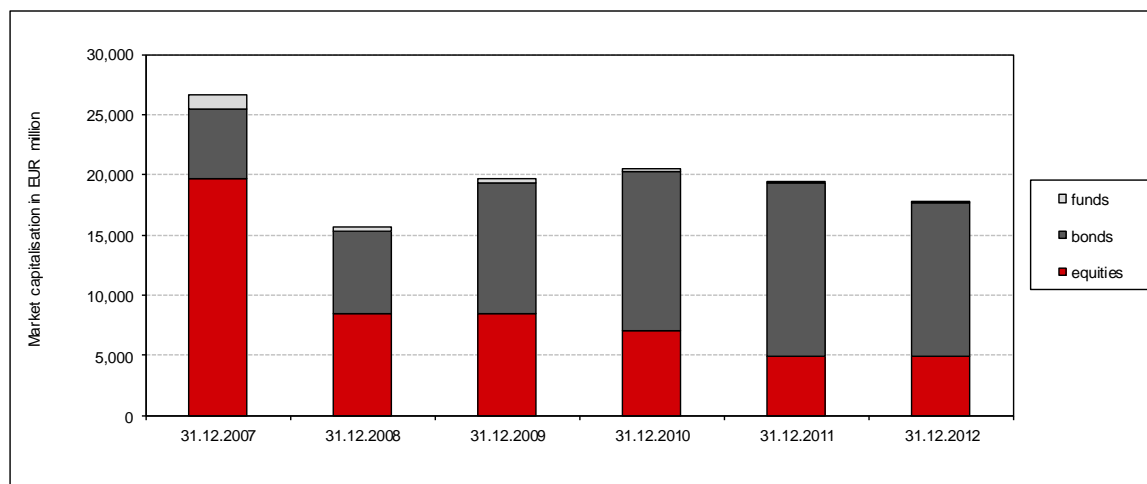
Sources: Institute of Macroeconomic Analyses and Development (IMAD), Statistical Office of the Republic of Slovenia (SORS)

Ljubljana Stock Exchange operations in 2012

Year 2012 was marked by a decrease in the total turnover, mainly due to the decrease in the liquidity affected by the persisting global financial crisis. Equity market capitalisation increased slightly compared to 2011 and it amounted to EUR 4,911.2 million at the end of December 2012, representing 13.7% of Slovenia's 2012 GDP (Q4 2011–Q3 2012: EUR 35,750.0 million, according to SORS).

In 2012 the Ljubljana Stock Exchange market offered a more varied range of investment opportunities as, in addition to capital increases and new bond listings (in the total amount of EUR 39.5 million), a new type of security, namely commercial papers, was listed on the LJSE market (in the total amount of EUR 124.3 million). Four companies were delisted from the Entry Market in the past year, either due to delisting from the regulated market or bankruptcy proceedings. Shares of the company Etol (ETOG) were delisted from the Standard Market.

LJSE market capitalisation 2007–2012

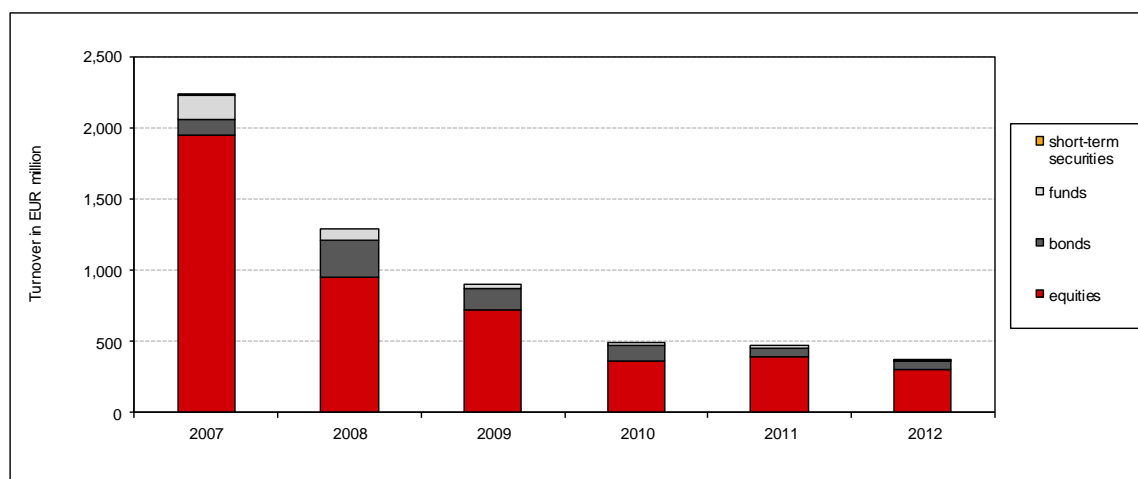


Source:

Ljubljana Stock Exchange

In 2012 the total LJSE turnover amounted to EUR 360.4 million and turnover without blocks amounted to EUR 274.1 million, down 14.9% from 2011. The majority of turnover comprised equity deals, EUR 302.9 million (84.0%) of turnover, followed by bonds with 15.4% share and investment funds with 0.5% share in the total turnover.

LJSE turnover 2007–2012



Source:

Ljubljana Stock Exchange

In 2012 the share of trades in bonds experienced the most substantial change in the total turnover structure and was up by 2.7 percentage points. In 2012 ordinary trades represented 76.1% of all on-exchange deals (68.5% in 2011). Average daily turnovers reached EUR 1.5 million (EUR 1.9 million in 2011), on 230 trades per day on average (390 in 2011).

The trading member with the highest turnover in 2012 is Alta Invest, which contributed 22.1% of the total turnover, followed by Perspektiva, d. d. on 12.0% and Ilirika, d. d. on 10.1%. The turnover structure by member firms is not particularly fragmented, as the top 10 members generated 78.1% of the total turnover. At the end of 2012 the LJSE had 23 member firms, which included 5 remote members, which generated 15.5% of all stock exchange turnover in 2012.

LJSE turnover structure in 2012 according to member firms

Member	Turnover (EUR 000)	Share
ALTA INVEST	159,500	22.1%
PERSPEKTIVA BPD	86,299	12.0%
ILIRIKA	72,588	10.1%
KBC SECURITIES	46,316	6.4%
ABANKA VIPA	39,599	5.5%
OTHERS	316,474	43.9%
Total (23)	720,776	100.0%

Source: Ljubljana Stock Exchange

The most traded stock in 2012 was again pharmacist Krka (KRKG) from the Prime Market, which generated 46.6% of all equity transactions. The runner-up in terms of turnover was retailer Mercator (MELR), which generated 14.6% of all equity deals, while energy supplier Petrol came third on 8.4%. On the bond market it was Slovenska odškodninska družba 2nd issue that had the highest turnover.

Most traded shares on the LJSE in 2012

Most traded shares	Turnover (EUR 000)	No. of trades	Market cap on 31 Dec 2012 in EUR m
KRKA	141,102	18,134	1,771
MERCATOR	44,141	2,673	429
PETROL	25,504	3,632	493
TELEKOM SLOVENIJE	21,265	3,060	624
ZAVAROVALNICA TRIGLAV	20,585	3,236	375
OTHERS	50,270	22,203	1,218
Total	302,866	52,938	4,911

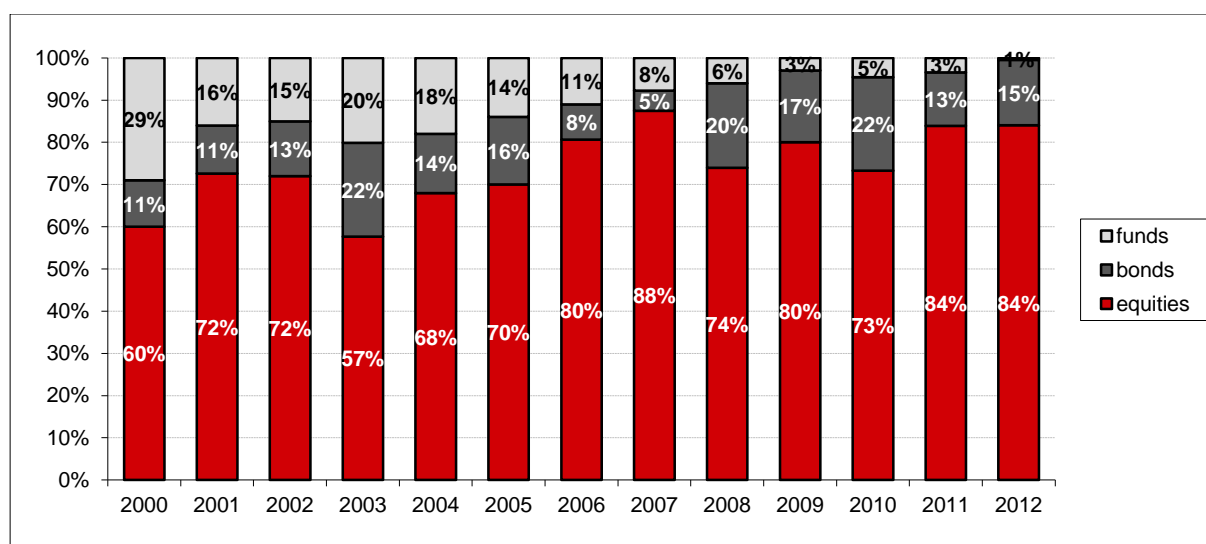
Source: Ljubljana Stock Exchange

LJSE turnover structure according to markets in 2012

Market segment	Turnover	Share
SHARES (PRIME MARKET)	270,961,242	75.2%
SHARES (STANDARD MARKET)	16,145,905	4.5%
SHARES (ENTRY MARKET)	15,759,050	4.4%
BONDS	55,393,336	15.4%
CLOSED-END FUNDS	1,791,056	0.5%
TREASURY BILLS	67,391	0.0%
COMMERCIAL PAPERS	269,870	0.1%
Total	360,387,851	100.00%

Source: Ljubljana Stock Exchange

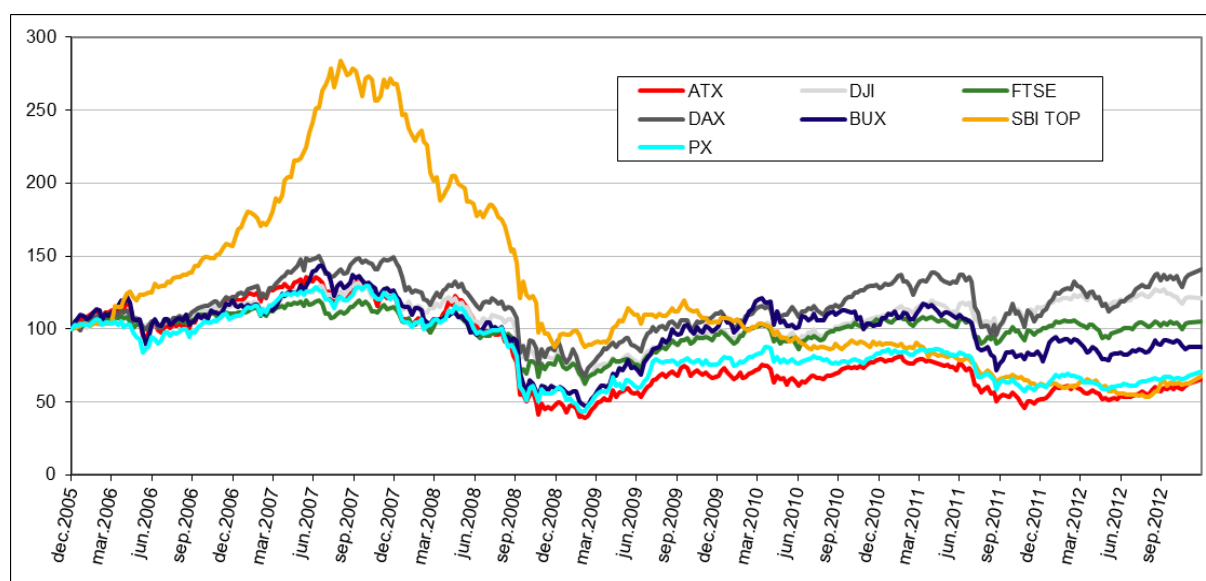
LJSE turnover structure 2000–2012 according to type of security



Source: Ljubljana Stock Exchange

After two years of negative yield the LJSE blue chip index SBI TOP was up 7.8% in 2012, standing at 635.51 points on the last trading day. The graph below gives the performance of SBI TOP against selected world indices in EUR (1 Jan 2006 = 100).

Comparison of index performances (31 Dec 2005–31 Dec 2012)



Source: Ljubljana Stock Exchange

LJSE Activities in 2012

In 2012 the Ljubljana Stock Exchange was active in the following areas:

- day-to-day operation of the market and infrastructure;
- market promotion (domestic road shows, webcasts, LJSE conference and stakeholders gatherings);
- market development (launch of the concept of mutual arrangements of membership within CEESEG; impact analysis of cross membership on Vienna stock exchange, Launch of CG analysis of Prime market);
- internal optimisation of operations;
- compliance activities:
 - Amendments of LJSE Rules with introduction of contractual relationship with issuers/members and LJSE,
 - Corporate governance (finalization of LJSE takeover by CEESEG, appointment of new members of LJSE Supervisory Board and Boards of Issuers and Members);
 - New Rules of Procedure of LJSE Management Board;
 - Adoption of the LJSE Code of Ethics and Professional Standards.

LJSE promotion and development campaigns in 2012

Quarter:	Activity:
1Q2012	New internal organisation of LJSE
	SAVA RE transfer to Prime market
	LJSE Issuers workshop
2Q2012	SEO upgrade - new schedule for public announcements during trading hours
	Conclusion of LJSE take over by CEESEG
	LJSE is showcased at the financial event Kapital
	Slovene Capital Markets Day in Ljubljana
	LJSE Conference in Portorož
	Webcast (online investor conference)
3Q2012	New Amendments to LJSE Rules
	Webcast (online investor conference)
	LJSE is showcased at the financial event Investo
4Q2012	Launch of CG analysis of Prime market
	SEO upgrade - prolonging the schedule for companies' public announcements till 10 p.m.
	Launch of the concept of mutual arrangements of membership within CEESEG
	LJSE Issuers workshop
	Appointment of new members of the LJSE Boards of Issuers and Members
	Impact analysis of cross membership on VSE
	Upgrade of trading system Xetra and FIX
	New Rules of Procedure of the LJSE Management Board
	Admission of LJSE Code of Ethics and Professional Standards
	New York roadshow (in partnership with Alta Invest and Auerbach Grayson)
	Informal New Year's get together with members and listed companies (bowling)
	Slovene Capital Markets Day in Ljubljana
	New Year's reception for capital market CEOs and awarding of the Portal prize

Domestic and international market promotion, and international cooperation

Portal prize for achievements in the areas of CG and IR



For the 17th consecutive year, the Portal Assessment Board, which is composed of investors, analysts, the press and LJSE experts, rated listed companies with respect to their quality of disclosure, corporate governance, communication strategy and investor relations during the period from October 2011 to September 2012.

The winner of the prize was Krka, d. d., which for many years has been breaking new ground in the areas of corporate disclosure, governance and investor relations in Slovenia. Introducing European standards of corporate disclosure and governance practices as well as maintaining them at high quality level are the merits which set the company as a shining example for all other companies to follow.

Portal Assessment Board also recognized efforts in improving IR in 2012 and thus awarded two special prizes. A special prize for making significant headway in its IR strategy in 2012 received Pozavarovalnica Sava, d. d., Ljubljana and Zavarovalnica Triglav, d. d., Ljubljana.

Pozavarovalnica Sava, d. d. has demonstrated a commendable improvement in corporate governance and achieved considerable progress in the organization of relations with analysts, market operators and investors. The company has invested great effort in this area and a systematic implementation of all necessary activities can be observed.

Zavarovalnica Triglav, d. d. made significant headway in investor relations and corporate communication. This can be seen in quick responses, quality and effectiveness of the IR team within the company as well as in the open communication with domestic and international analysts and investors.



The winners of Ljubljana Stock Exchange Portal prizes in 2012.

2012 Portal Assessment Board comprised:

Matej Tomažin, KD Skladi; Marko Bombač (Blaž Hribar), NLB Skladi; Jernej Kozlevčar, Triglav Skladi; Karel Lipnik, Finance; Matjaž Polanič, Dnevnik; Damijan Toplak, Večer; Sašo Stanovnik, Alta Invest; Alenka Čok Pangeršič, Modra zavarovalnica; Polona Peterle, Ljubljana Stock Exchange; Helena Ulaga Kitek, Ljubljana Stock Exchange

Market surveillance and best market practices

Monitoring member firms and trades

Pursuant to the Slovenian Markets in Financial Instruments Act, the LJSE monitors member firms and trades with the intention of detecting breaches of the LJSE Rules (disorderly market conditions, market abuses). In 2012 the LJSE reviewed 30 trading supervision examination reports and, based on these examinations, it issued 12 reports on completed examinations or notices on suspicious trades, and forwarded them to the Securities Market Agency.

Counselling and support to listed companies

The LJSE continued counselling Prime and Standard Market companies with respect to disclosure and corporate governance. Five companies asked for individual meetings, so the LJSE held one-on-one sessions with them.

The LJSE supported listed companies by promptly providing all the requisite information.

In March and November 2012 LJSE held informative meetings for Prime Market and Standard Market issuers, briefing them on amendments to LJSE general acts and SEOnet system, findings of the 2012 Analysis of 'Comply or Explain Statements' with respect to Deviations from the Corporate Governance Code in Slovenia, and on practices of Austrian companies in the area of attracting and communicating with investors and analysts. The meetings also included three panel discussions discussing reactions and responses of companies to external information, special cases of company's disclosures of plans in uncertain business environment and analysts' opinions on listed companies' performance in 2012.

To encourage development of good practices, in 2012 the LJSE Portal prize Assessment Board sent all listed companies their observations and guidelines. The majority of guidelines refer to the integrity of public disclosures of all information, and not merely positive price sensitive information. Special emphasis is put on continuous, real-time correction of already published performance forecasts and consistent and uniform disclosure to all interested public. Equally important is equal treatment of all shareholders, retail and institutional, external and internal. The Assessment Board also stressed the importance of the role of the Management Board in corporate disclosure in current difficult economic times (participation in major investment meetings).

Support to trading members

The LJSE cooperates closely with its trading members, both in regular daily market operations as well as in implementing changes and novelties to securities trading. We offered additional support to our trading members in 2012 during both upgrades of trading system Xetra.

Human resource management

In 2012 the LJSE covered all its HR needs within the company, and invested into quality and efficient staff development. We made sure our employees' work environment was healthy and safe, and encouraged them to undergo additional training, seeing that in these difficult and rapidly changing times it is only well qualified, creative and loyal staff that can guarantee the company's long-term stability.

Employees

The LJSE responded to the difficult economic situation by adjusting its HR strategy. The reduced scope of operations called for streamlining. The total number of staff was decreased by two in 2012.

On account of cost rationalisation the recruiting of new staff from external market was limited. Short term recruiting was approved exceptionally in the area where we had no adequate in-house staff that could be delegated to the new post. We ended the year with the planned number of staff, 16, which is 1 less than a year ago.

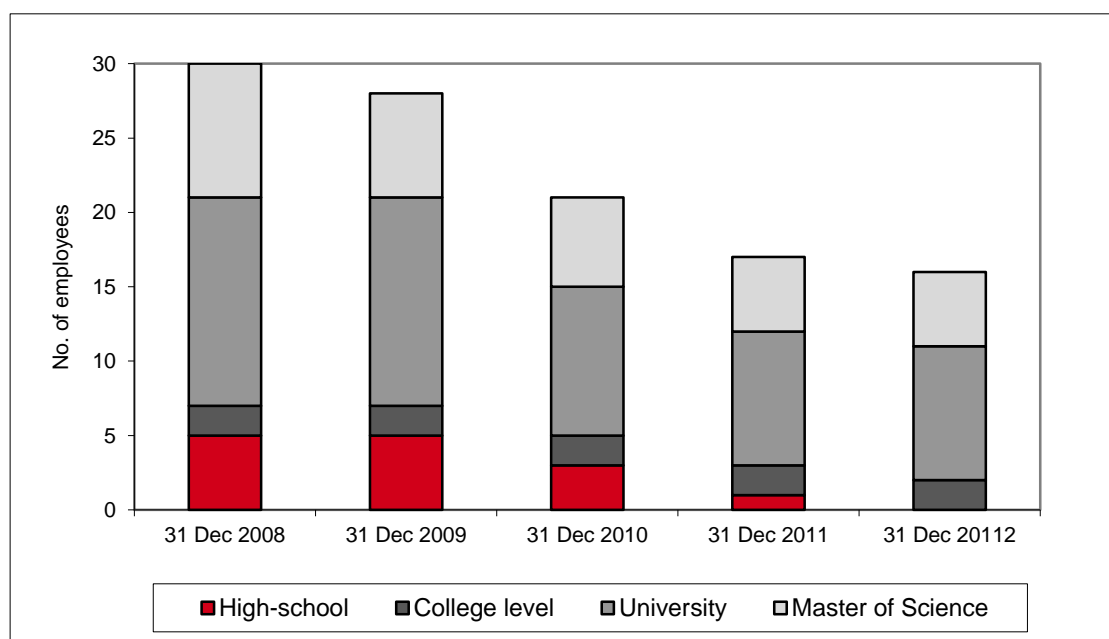
In the Management Board Cabinet one employee was hired on a temporary contract, whereas two employees' employment relationships were terminated for business reasons. In the course of internal restructuring certain members of staff with the requisite skills and motivation took the opportunity to grow personally and professionally by taking on new assignments.

Demographics, and employees' academic profiles

The average age of the company's staff is 38.3 years, whereby 75.0% are women and 25.0% men.

At the end of 2012, the employees' educational profiles were as follows: 2 employees (13%) had a college-equivalent degree, 9 employees (56%) had a bachelor's degree, and 5 employees (31%) had a master's degree.

Employees' academic profiles on 31 December 2012



Staff training and development

Fast development in all areas requires employees to constantly upgrade their expertise. Since there is no development without knowledge we try to offer our staff expert training and education and therefore give them the opportunity to grow and advance both personally and professionally. They show that they value knowledge highly by enrolling into study programmes to obtain higher academic degrees, whereby the LJSE supports them by funding their tuition fees. The LJSE has spent 0.4% of operating revenue on staff training.

An important tool that enables efficient leadership and personal development of our employees is the semi-annual and annual interview, at which each employee and their superior define the objectives for the following year, set the priorities and discuss mutual expectations both with respect to the employee's work and personal development. On the basis of these discussions they plan future trainings and upgrades of expertise and skills. All LJSE employees conduct annual interviews with their superiors.

Staff motivation

The LJSE has been providing for the quality of life of all of its employees for several years. We have been promoting a healthy lifestyle and bonding at sports and social events.

Since 2001 the LJSE has been investing additional optional pension insurance premiums on behalf of its employees with the Skupna pokojninska družba d. d. pension fund, thereby increasing the long-term social security of its employees.

A safe and healthy environment

The LJSE considers a safe and healthy working environment for its employees to be of great importance. We realise that such an environment is a prerequisite for efficient and quality work, and we have therefore worked toward further reducing all risks resulting from work processes that our staff are faced with. Consistent with our Health and Safety Statement and Risk Assessment, the LJSE regularly sends its employees to health inspections, while it also provides them with good working conditions and periodically (once a year) carries out lighting and microclimate readings along with potential dangerous airborne substance measurements.

Communicating with employees

The LJSE invests special efforts into communicating with employees. We regularly inform them of the company's strategy and development activities both inside the company and in the capital markets. Since we are a small team, communication is personal and efficient. We hold assemblies with employees several times a year and discuss daily matters by e-mail. At the CEESEG level we also started an internal bulletin in 2010, which comes out in four editions a year. It presents all four member stock exchanges and their employees in the various departments, therefore bringing information about the other members of the Group to all of us. Employees at the LJSE also confide in the employees' representative, who is a member of the LJSE Supervisory Board.

Social corporate responsibility

The LJSE acknowledges its responsibility toward the environment in which it operates. Each year we receive numerous requests to sponsor sports, humanitarian and education programmes, and we always support some of them. At the end of the year we provide donations mainly to societies cooperating with institutions in an effort to help children with special needs and the underprivileged. We also fund projects that raise awareness about the capital markets in Slovenia.

In addition, the LJSE has been a year-long active supporter of projects and activities aimed at improving corporate governance in Slovenia, as this promotes one of the key strategic objectives of the company and the entire capital market, i.e. working towards a high quality regulated market.

Business operations analysis

Ljubljana Stock Exchange operations in 2012

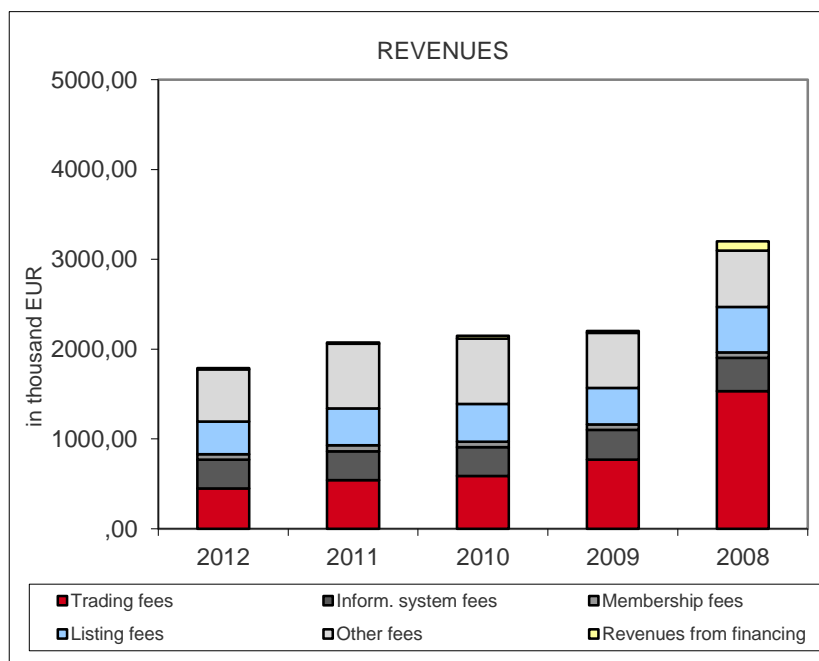
Uncertain global economic conditions and the difficult situation persisting in capital markets have had a large impact on the operations of the Ljubljana Stock Exchange, which has recorded decreasing trading volumes in 2012 for the fourth consecutive year. From January to December 2012 the LJSE generated a loss of EUR 66,427.

Revenue

Compared to the same period in 2012, total revenue was down 13.8% and amounted to EUR 1,788,277.

As much as EUR 1,195,005 of total revenue comes from the company's core business, i.e. trading fees, the use of the information system, membership fees and listing fees.

Over the past five years the share of revenue from our core business has ranged from 64.5% in 2011 to 82.2% in 2007, when it reflected the high income from trading fees. In 2012 revenue from our core business represents 66.8% of operating revenue.



■ Revenue from trading fees

Trading volumes were rather weak in 2012. Revenue from trading fees amounted to EUR 450,062 and represents 25.2% of total revenue, down EUR 143,796, or 17.1%, compared to 2011.

■ Revenue from the use of the information system

They represent 17.8% of total revenue, which is EUR 318,810. On 31 December 2012, trading members had 17 agreements entered into with the LJSE on the use of Integral Access, which provides 4 J-Trader workstations, and 1 agreement on the use of Extended Integral Access, which provides the relevant member a total of 10 J-Trader workstations.

■ Membership fees

They amounted to EUR 60,861 and represent 3.4% of total revenue. In 2012 four members terminated their membership of the LJSE. On 31 December 2012 the LJSE thus had 23 members.

■ *Revenue from listing fees*

Listing fees generated EUR 365,272 of revenue. In addition to new listings, which generated EUR 7,320, this also includes annual maintenance fees for listed securities (Prime Market, Standard Market and Entry Market shares, open-end funds, bonds and structured products) in the amount of EUR 334,352; revenue from fees for adopting decisions on listing expansions, on delistings and on suspensions of trading, which contributed EUR 22,000; and revenue in the amount of EUR 1,600 generated by the daily publication of open-end fund NAV.

■ *Revenue from SEOnet and INFO STORAGE services*

SEOnet contributed EUR 221,847, representing 12.4% of total revenue, which is a decrease of 9.4 percentage point compared to 2011.

On 1 April 2010 the Ljubljana Stock Exchange became the operator of the officially appointed mechanism for the central storage of regulated information called INFO STORAGE. Using the criteria of cost accounting, which serve to allocate revenue, expenses, assets and liabilities, INFO STORAGE recorded a loss of EUR 30,197 in 2012.

On 31 December 2012, the LJSE had service management agreements concluded with 75 clients, whereby 72 were for SEO and INFO STORAGE services and 3 were for SEO services alone. At year-end 2011 we had 85 effective service management agreements concluded with clients.

■ *Revenue from trade publication*

Revenue from the publication of trades in listed shares executed off-exchange amounted to EUR 17,756 in 2012.

■ *Revenue from the coorganisation of the LJSE Conference*

The coorganization of the Financial Conference, the organisation of which was taken over by the Business Daily Finance, generated EUR 6,607 of revenue, which in the total revenue structure represents a 0.4% share.

■ *Revenue from data dissemination*

Data dissemination generated 3.0% of total revenue, totalling EUR 54,407.

■ *Revenue sharing with the Vienna Stock Exchange*

Under the agreement on sharing revenue, the LJSE transferred data dissemination and index licensing to the Vienna Stock Exchange on 1 April 2010. Its share of data dissemination revenue in 2012 amounted to EUR 171,482 and index licence fees to EUR 750.

■ *Revenue from IT services*

The LJSE generated EUR 52,767 from its IT services, down 15.7% compared to 2011.

■ *Revenue from licence fees*

Revenue from licence fees for using LJSE indices contributed EUR 156.

■ *Revenue from road shows*

For the Slovenian Capital Markets Day road shows held in Ljubljana, as well as for the webcast and other promotion campaigns held in 2012, the LJSE made EUR 35,600.

■ *Other operating revenue*

The LJSE generated EUR 17,029 of other revenue in 2012.

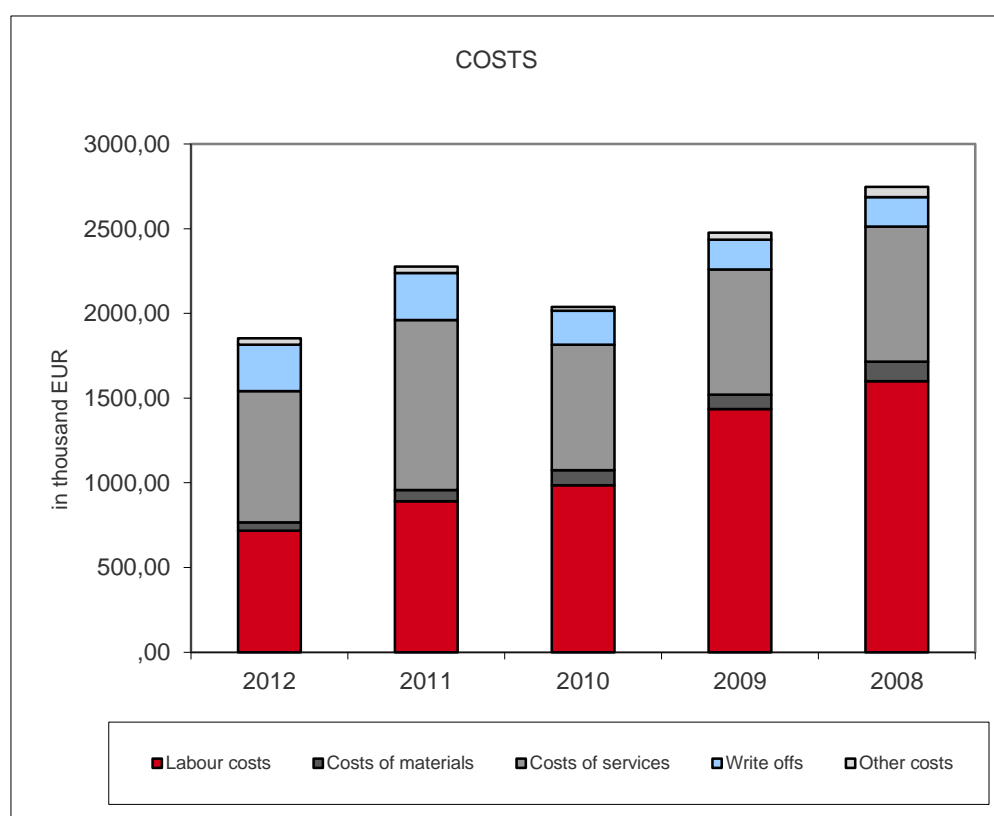
Expenses

Total expenses amounted to EUR 1,182,297, down 18.6% compared to 2011.

Most of the expenses are operating expenses, while financing expenses and extraordinary expenses represent only a small segment.

In recent years labour costs ranged from representing 38.8% of total expenses in 2012, when they reflected further layoffs and wage decreases, to representing 59.1% of total expenses back in 2007.

Costs of services (41.5%) and write-offs (15.1%) in total expenses were up in 2012 compared to the past four years, primarily due to our migration to information system Xetra.



■ *Labour costs*

On 31 December 2012, the Ljubljana Stock Exchange employed a total of 16 people (2 employees were on maternity leave), or 13.45 employees considering hours worked. The company's costs of salaries for 2012 amount to EUR 717,812, which is 38.8% of total expenses.

A part of the wages paid consists of performance allowances. Variable remuneration paid in 2012 amounted to EUR 61,785. Labour costs also include EUR 23,155 worth of severance pays to two former employees who were let go for business reasons.

■ *Costs of materials*

Costs of materials amount to EUR 47,952 and include EUR 34,229 of energy costs, EUR 6,965 of expert literature and subscription costs, EUR 4,464 of stationery costs and EUR 2,294 of other costs of materials.

■ *Costs of services*

Costs of services amount to EUR 775,345. The largest items are the costs of fixed asset maintenance (EUR 82,492), the costs of business premises maintenance (EUR 42,568), leases and rents (EUR 60,470), the costs of business trips (EUR 20,419), advertising and entertainment costs (EUR 41,255), the costs of services by natural persons (EUR 33,698), counselling services (EUR 118,661), the costs of using Xetra and FIX (EUR 199,240), postal and telephone costs (EUR 46,050), road show costs (EUR 16,228) and the costs of surveillance over stock exchange operations (EUR 72,000).

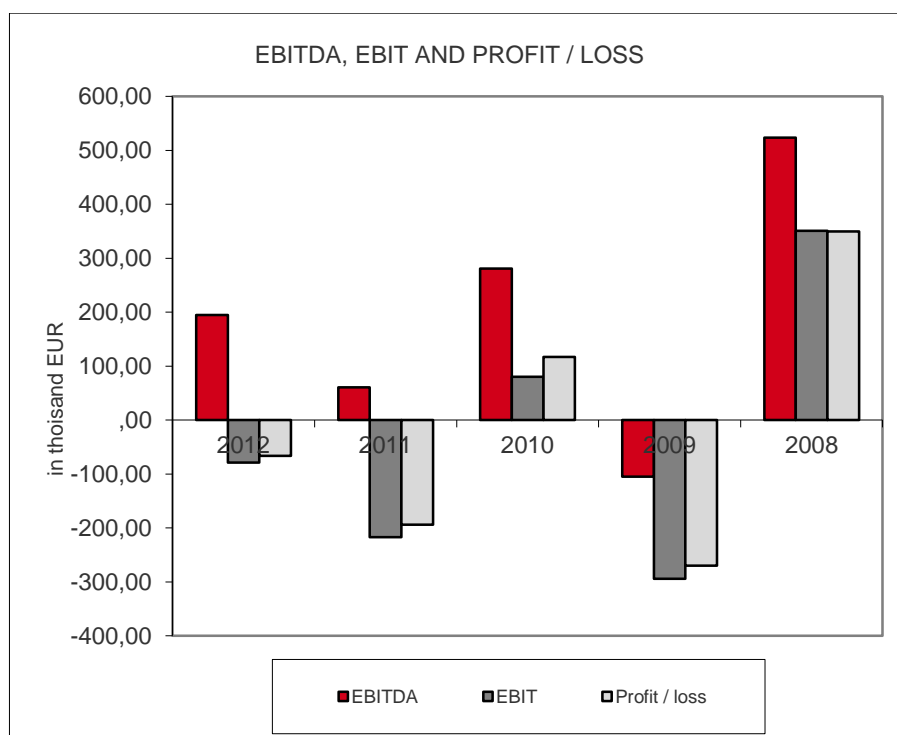
■ *Other operating costs*

Other operating costs amount to EUR 37,510 and include provision for costs of Management Board bonuses in 2012 in accordance with the Employment Contract in the amount of EUR 23,155 and other operating costs in the amount EUR 14,355.

Profit or loss for the period

EBITDA was substantially up compared to 2011, amounting to EUR 194,787.

Negative EBIT amounts to EUR 78,836, and total loss amounts to EUR 66,427.



Assets

EUR thousand

On 31 December 2021 total assets amounted to EUR 3,075,897, down 2% compared to the year-end of 2011.

	31 Dec 2012	31 Dec 2011
Non-current assets	2,162.43	2,423.02
Current assets	860.63	669.13
Deferred costs and accrued revenue	52.84	59.79
Total assets	3,075.90	3,151.94
Equity	2,615.22	2,683.13
Provisions, and long-term accrued costs and deferred revenue	92.62	69.62
Non-current liabilities	45.45	55.93
Current liabilities	286.80	330.04
Short term accrued costs and deferred revenue	35.81	13.22
Total equity and liabilities	3,075.90	3,151.94

Performance indicators

Ratio	2012	2011	2010	2009	2008
Financing state ratios					
Equity financing rate	85.02	87.27	87.48	87.97	88.08
Long-term liabilities rate	10.80	12.30	12.15	10.85	11.51
Long-term financing rate	89.51	89.06	89.25	89.86	89.89
Equity rate	53.57	51.15	47.98	50.04	45.57
Investments ratios					
Operating fixed assets rate	69.48	76.29	77.39	69.43	66.06
Long-term assets rate	70.30	76.77	77.82	69.81	66.26
Short-term assets rate	29.70	23.23	22.18	30.19	33.74
Horizontal financial structure ratios					
Equity to operating fixed assets	1.22	1.14	1.13	1.27	1.33
Immediate solvency ratio	2.37	1.59	1.24	2.15	2.01
Quick ratio	3.00	2.03	1.94	3.12	3.22
Current ratio	3.00	2.03	1.94	3.12	3.22
Operating efficiency ratios					
Operating efficiency ratio	0.96	0.91	1.04	0.88	1.13
Total efficiency ratio	0.97	0.92	1.05	0.89	1.16
Profitability ratios					
Return on equity	-2.42	-6.30	3.97	-9.40	12.14
Net return on equity - ROE	0.00	0.00	2.28	0.00	9.57

Objectives and plans for 2013

We believe that harsh conditions on the market will persist as macroeconomic, political and market risks are still present on the market. Moreover, we can expect further consolidation in domestic and international financial industry resulting in further decrease in the number of local members.

Consolidation of public finances, rehabilitation of the banking system and changes in the management of state assets will trigger further privatisation of larger state-owned companies. On the Prime Market we can therefore expect complete takeover of individual companies and their withdrawal from the stock market, on the one hand, and IPOs (Initial Public Offerings) and listings of new companies, on the other hand, especially in cases where the state will sell small stakes or in cases where the state will retain a substantial ownership stake and seek new financial investors among institutional investors.

An important new element on the demand side will also be the possibility of pension funds to invest part of their capital in equities, and the need of non-state owners to reinvest financial resources gained from the sale at the time of takeovers.

Despite slightly better local potential for investors, LJSE believes that in order to achieve greater growth, greater participation of international investors on the Slovene market is needed, which will also create new potential for companies to list on LJSE. The simplest way to achieve this would be through greater integration of markets within CEESEG and by enabling international investors to access our markets through an even more efficient use of trading, settlement and promotional infrastructure of the Vienna Stock Exchange.

Our main activities planned for 2013 are:

- Stable and efficient day-to-day market operations;
- Integration within the CEESEG:
 - Preparation of mutual membership and dual listing on the Vienna Stock Exchange concepts,
 - Centralisation and optimisation of performance of certain services;
- Local and international market promotion (roadshows);
- Internal restructuring and streamlining.

Decrease in the number of local members and listed companies will result in the decrease in the relatively fixed revenues from listing fees, membership fees and IT services. It is therefore of utmost importance that greater market liquidity and thus increase in revenue from trading fees are achieved as soon as possible.

FINANCIAL STATEMENTS AND DISCLOSURES

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Management responsibility for the financial statements

The Management Board hereby endorses the financial statements of the Ljubljana Stock Exchange for the financial year ended 31 December 2012, with notes thereto, along with the accounting guidelines of the annual report.

We hereby reaffirm our responsibility for a fair presentation of the financial statements in accordance with the Slovenian Accounting Standards. The Management Board confirms that suitable accounting policies were adhered to and that accounting valuations were conducted sensibly and according to the precautionary principle. The financial statements have been produced on the basis of going concern.

The Management Board is responsible for the appropriate management of accounts, for the adoption of the measures required to safeguard company assets, and for the prevention of exposure to fraud and other irregularities.

Ljubljana Stock Exchange

Polona Peterle, MSc
Member of the Management Board

Andrej Šketa,
President of the Management Board

Financial statements

Balance sheet as at 31 Dec 2012

				in EUR
	Notes	31 Dec 2012	31 Dec 2011 (Correction)	1 Jan 2011 (Correction)
ASSETS		3,075,896.70	3,151,941.97	3,346,787.73
Non-current assets		2,162,430.79	2,423,020.68	2,606,437.24
Intangible assets and long-term deferred and accrued items	1.1	393,525.45	545,204.84	676,479.14
Property, plant and equipment	1.2	1,743,650.90	1,848,738.70	1,906,547.30
Deferred tax assets	1.3	25,254.44	29,077.14	23,410.80
Current assets		860,630.82	669,129.55	672,397.47
Current investments	1.4	407,978.15	206,619.25	244,463.76
Current operating receivables	1.5	182,242.43	144,284.28	241,044.35
Cash and cash equivalents	1.6	270,410.24	318,226.02	186,889.36
Short-term deferred costs and accrued revenues	1.7	52,835.09	59,791.74	67,953.02
EQUITY AND LIABILITIES		3,075,896.70	3,151,941.97	3,346,787.73
Equity	1.8	2,615,218.00	2,683,131.29	2,882,611.56
Called-up capital		1,400,893.01	1,400,893.01	1,400,893.01
Capital surplus		462,775.02	462,775.02	462,775.02
Revenue reserves		544,509.43	651,329.07	754,910.86
Revaluation surplus		207,040.54	223,706.15	235,812.86
Retained earnings		0.00	-37,047.98	-37,047.98
Net profit or loss for the period		0.00	-18,523.98	58,594.19
Retained revaluation surplus		0.00	0.00	6,673.60
Provisions and long-term accrued costs and deferred revenues	1.9	92,619.93	69,620.95	47,465.97
Non-current liabilities		45,447.96	55,926.54	58,953.23
Deferred tax liabilities	1.10	45,447.96	55,926.54	58,953.23
Current liabilities		286,799.77	330,040.26	346,695.37
Current financial liabilities	1.11	0.00	8,381.77	8,381.77
Short-term trade payables	1.12	286,799.77	321,658.49	338,313.60
Short-term accrued costs and deferred revenues	1.13	35,811.04	13,222.93	11,061.60

Notes to the financial statements are an integral part of the financial statements and should be read in conjunction with them.

In accordance with SRS 2006 and IAS 8, the company took into account the potential liabilities arising from Employment Contracts entered into with the members of the management board as a retroactive error correction, in order to provide a more reliable and relevant information regarding operation. For years 2010 and 2011 the appropriate components of equity are corrected to take into account the effect of liabilities in the total amount of EUR 69,494.95, i.e. retained earnings – loss, and provisions. Error correction is disclosed in disclosure 1.15.

Retroactive adjustment is corrected in all financial statements.

Income statement for the year ended 31 Dec 2012

in EUR

	Notes	2012	2011 (Correction)
Sales revenues	2.1	1,772,738.88	2,054,402.26
Sales revenues from domestic market		1,468,792.46	1,733,716.88
Sales revenues from abroad		303,946.42	320,685.38
Other operating revenue		666.89	4,999.62
OPERATING EXPENSES	2.2		
Costs of goods, material and services	2.2.1	817,314.65	1,067,443.86
Costs of materials used		47,952.29	65,740.59
Costs of services		769,362.36	1,001,703.27
Labour costs	2.2.2	717,811.94	891,097.07
Costs of wages and salaries		528,975.59	675,208.72
Pension insurance costs		12,942.48	15,360.31
Other social insurance costs		89,504.82	114,410.05
Other labour costs		86,389.05	86,117.99
Write-downs	2.2.3	279,605.25	280,771.87
Depreciation and amortisation		273,622.25	277,964.01
Revaluatory operating expenses associated with intangible assets and property, plant and equipment		442.12	2.27
Revaluatory operating expenses associated with operating current assets		5,540.88	2,805.59
Other operating expenses	2.2.4	37,509.48	37,203.65
OPERATING PROFIT OR LOSS		-78,835.55	-217,114.57
Financial revenue from investments	2.3	13,253.15	14,032.94
Financial revenue from loans given		0.00	0.00
Financial revenue from trade receivables	2.4	1,576.97	1,847.37
Financial expenses for financial liabilities		0.00	58.35
Financial expenses for trade payables	2.5	3.67	3.43
PROFIT OR LOSS FROM ORDINARY ACTIVITIES		-64,009.10	-201,296.04
Other revenue	2.6	41.32	67.94
Other expenses	2.7	52.23	153.80
EXTRAORDINARY PROFIT OR LOSS		-10.91	-85.86
Income tax	2.8	0.00	0.00
Deferred taxes		-2,406.90	7,334.74
NET PROFIT OR LOSS FOR THE PERIOD	2.9	-66,426.91	-194,047.16

Notes to the financial statements are an integral part of the financial statements and should be read in conjunction with them.

Statement of comprehensive income for the year ended 31 Dec 2012

		in EUR	
	<i>Notes</i>	2012	2011 (Correction)
Net profit or loss for the period		-66,426.91	-194,047.16
Changes of intangible assets and property, plant and equipment revaluation surplus		-11,001.22	0.00
Changes of short-term investment revaluation surplus		1,133.07	-5,433.11
Profit or loss of result from translation of financial statement in foreign currencies		0.00	0.00
Other components of comprehensive income		0.00	0.00
Total comprehensive income for the period	2.10	-76,295.06	-199,480.27

Notes to the financial statements are an integral part of the financial statements and should be read in conjunction with them.

Cash flow statement for the year ended 31 Dec 2012

in EUR

	2012	2011 (Correction)
A. Cash flows from operating activities		
a) Income Statement items	231,641.59	80,547.24
Operating revenue	1,772,905.42	2,056,439.23
Financial revenue from trade payables	1,576.97	1,847.37
Operating expenses excluding depreciation and amortisation	-1,545,990.05	1,977,739.36
Income taxes and other taxes not included in operating expenses	3,149.25	0.00
b) Changes of net operating assets in Balance Sheet items	-63,374.94	81,946.77
Change in trade receivables	-43,756.11	100,075.67
Change in deferred costs and accrued revenue	-536.34	1,456.91
Change in deferred tax assets	3,822.70	-1,035.34
Change in operating debts	-34,858.72	-16,655.11
Change in accrued items and provisions	22,432.11	1,131.33
Change in deferred tax liabilities	-10,478.58	-3,026.69
c) Net cash from operating activities (a + b)	168,266.65	162,494.01
B. Cash flows from investing activities		
a) Cash receipts from investing activities	14,105.10	44,742.69
Interest received	13,563.43	14,517.69
Proceeds from disposal of intangible assets	0.00	0.00
Proceeds from sale of property, plant and equipment	541.67	225.00
Proceeds from disposal of non-current assets	0.00	0.00
Proceeds from disposal of current assets	0.00	30,000.00
b) Cash disbursements from investing activities	-230,147.22	-75,940.35
Purchase to acquire intangible assets	-13,474.64	-24,266.63
Purchase of property, plant and equipment	-16,672.58	-51,673.72
Payments in connection with non-current investments	0.00	0.00
Payments in connection with current investments	-200,000.00	0.00
c) Net cash from investing activities (a + b)	-216,042.12	-31,197.66
C. Cash flows from financing activities		
a) Cash receipts from financing activities	0.00	0.00
Capital increase	0.00	0.00
Tax prepayment	0.00	0.00
Proceeds from increase in long-term financial liabilities	0.00	0.00
Proceeds from increase in short-term financial liabilities	0.00	0.00
b) Cash disbursements from financing activities	0.00	0.00
Interest paid	0.00	0.00
Repayment of equity	0.00	0.00
Repayment of long-term financial liabilities	0.00	0.00
Repayment of short-term financial liabilities	0.00	0.00
Dividends paid	0.00	0.00
c) Net cash from financing activities (a + b)	0.00	0.00
D. Net cash and cash equivalents as at end of period	270,410.24	318,185.71
Net increase in cash and cash equivalents (Ac+Bc+Cc)	-47,775.47	131,296.35
Cash and cash equivalents as at beginning of period	318,185.71	186,889.36

Notes to the financial statements are an integral part of the financial statements and should be read in conjunction with them.

Statement of changes in equity

Statement of changes in equity for 2012

												in EUR
			Capital surplus			Revenue reserves			Retained earnings			
		Called-up capital	Payments over carrying amount in redemption of shares	Amounts from simplified capital of decrease	General equity revaluation adjustment	Statutory reserves	Other reserves	Revaluation surplus	Retained net profit / loss	Net profit / loss for the period	Retained revaluation surplus	Total equity
A.1.	Balance at 31 Dec. 2011	1,400,893.01	142.74	364,569.77	98,062.51	609,397.11	41,931.96	223,706.15	-37,047.98	-18,523.98	0.00	2,683,131.29
A.2.	Balance at 1 Jan. 2012	1,400,893.01	142.74	364,569.77	98,062.51	609,397.11	41,931.96	223,706.15	-55,571.96	0.00	0.00	2,683,131.29
	Changes in equity, transactions with owners											
B.1.	Dividends paid											0.00
	Performance bonus to MB and SB members											
	Other changes in equity											0.00
	Total comprehensive income for 2012											
B.2.	Profit / loss for the period								8,381.77	-66,426.91		-58,045.14
	Changes in revaluation surplus related to intangible assets											
	Changes in revaluation surplus related to PPE							-11,001.22				-11,001.22
	Changes in revaluation surplus related to investments							1,133.07				1,133.07
	Other components of comprehensive income							-6,797.46			6,797.46	0.00
B.3.	Changes in equity											
	Capital decrease (settlement of loss for 2010 from other components of equity)					-64,887.68	-41,931.96		47,190.19	66,426.91	-6,797.46	0.00
	Transfer to other revenue reserves under the resolution of the AGM											
	Settlement of loss as equity deduction item											
	Other changes in equity											0.00
C.	Balance at 31 Dec. 2012	1,400,893.01	142.74	364,569.77	98,062.51	544,509.43	0.00	207,040.54	0.00	0.00	0.00	2,615,218.00
	ACCUMULATED PROFIT FOR 2012	-	-	-	-	-	-	-	0.00	0.00	0.00	0.00

Notes to the financial statements are an integral part of the financial statements and should be read in conjunction with them.

The company had recorded no accumulated profit in 2011 and therefore at the GM on 26 June 2012 shareholders only reviewed the results.

By taking into account the retroactive adjustment for provisions for bonuses arising from Employment Contracts of the Management Board, the accumulated loss for 2011 amounts to EUR 55,571.96.

The total loss for financial year 2012 amounts to EUR 66,426.91 and consists of EUR 64,020.01 of net loss for the period, EUR 3,149.25 of recognised deferred tax assets, EUR 5,908.37 of derecognised deferred tax assets, and EUR 352.22 of derecognised deferred tax liabilities. Pursuant to Management Board resolution the entire reported loss for financial year 2012 in the amount of EUR 66,426.91 and retained loss from previous years in the amount of EUR 47,190.19 are being set off against EUR

64,887.68 of statutory reserves and EUR 41,931.96 of other revenue reserves and against EUR 6,797.46 of transferred revaluation surplus.

The company did not report any accumulated profit for 2012.

Share book value as at 31 December 2012 was EUR 77.90.

Statement of changes in equity for 2011 (correction)

												in EUR
		Called-up capital	Capital surplus			Revenue reserves		Revaluation surplus	Retained earnings			Total equity
			Payments over carrying amount in redemption of shares	Amounts from simplified capital decrease	General equity revaluation adjustment	Statutory reserves	Other reserves		Retained net profit / loss	Net profit / loss for the period	Retained revaluation surplus	
A.1.	Balance at 31 Dec. 2010	1,400,893.01	142.74	364,569.77	98,062.51	609,397.11	145,513.75	235,812.86		58,594.19	6,673.60	2,919,659.54
	Amendment of financial statement								-37,047.98			
A.2.	Balance at 1 Jan. 2011	1,400,893.01	142.74	364,569.77	98,062.51	609,397.11	145,513.75	235,812.86	-37,047.98	58,594.19	6,673.60	2,882,611.56
	Changes in equity, transactions with owners											
B.1.	Dividends paid											0.00
	Performance bonus to MB and SB members											
	Other changes in equity											0.00
B.2.	Total comprehensive income for 2011											
	Profit / loss for the period									-194,047.16		-194,047.16
	Changes in revaluation surplus related to intangible assets											
	Changes in revaluation surplus related to PPE											0.00
	Changes in revaluation surplus related to investments							-5,433.11				-5,433.11
	Other components of comprehensive income							-6,673.60			6,673.60	0.00
B.3.	Changes in euqity											
	Capital decrease (settlement of loss for 2011 from other components of equity)						-168,849.58			175,523.18	-6,673.60	0.00
	Transfer to other revenue reserves under the resolution of the AGM						65,267.79			-58,594.19	-6,673.60	0.00
	Settlement of loss as equity deduction item											
	Other changes in euqity											
C.	Balance at 31 Dec. 2011	1,400,893.01	142.74	364,569.77	98,062.51	609,397.11	41,931.96	223,706.15	-37,047.98	-18,523.98	0.00	2,683,131.29
	ACCUMULATED PROFIT 2011	-	-	-	-	-	-	-	-37,047.98	-18,523.98	0.00	-55,571.96

Notes to the financial statements are an integral part of the financial statements and should be read in conjunction with them.

Notes to financial statements

Taxation

The company is a taxable person:

- under the Corporate Income Tax Act (Official Gazette RS No 40/04, 139/04, 17/05, 108/05, 117/06, 90/07, 56/08, 76/08, 92/08, 5/09, 96/09, 110/09, 43/10, 59/2011, 30/2012 and 24/2012),
- under the Value Added Tax Act (Official Gazette RS No 89/98, 17/00, 30/01, 103/01, 67/02, 114/04, 108/05, 21/06, 117/06, 52/07, 33/09, 85/09, 85/2010, 18/2011, 78/2011, 38/2012 and 40/2012),
- under the Rules on the Implementation of the Value Added Tax Act (Official Gazette RS No 4/99, 45/99, 59/99, 110/99, 17/00, 19/00, 27/00, 22/01, 28/01, 54/01, 106/01, 79/02, 54/04, 122/04, 60/05, 117/05, 1/06, 10/06, 141/06, 120/07, 21/08, 123/08, 105/09, 27/10, 104/2010, 110/2010, 82/2011, 108/2011 and 106/2011),
- under the Tax Administration Act (Official Gazette RS No 57/04, 139/04, 114/06, 40/09 and 33/2011) and
- under the Tax Procedure Act (Official Gazette RS No 54/04, 139/04, 56/05, 96/05, 100/05, 21/06, 117/06, 24/08, 125/08, 85/09, 110/09, 1/10, 43/10, 97/2010 and 32/2012).

Financial statements for 2011

The financial statements for 2011 were audited and given an unqualified opinion by KPMG Slovenija d. o. o.

Basis of presentation

In compiling the Balance Sheet as at 31/12/2012, the Income Statement and the Cash Flow Statement for 2012, Slovenian Accounting Standards (SAS) and the following basic accounting principles were considered:

- going concern,
- true and fair presentation, in the conditions of changing euro values and prices,
- consistency and constancy of valuations,
- strict adherence to the principle of accounting on an accrual basis,
- revenue and expenditure were recognized in the financial statements for the respective year ended,
- individual items of assets and liabilities are valued independently.

Relations with other companies

The company has no participating interests in other companies, neither directly not through other entities acting on behalf of the company.

Recording items

In preparing the enclosed financial statements and notes to financial statements, the historical cost convention was adhered to, except for the building with associated land, which was valued according to the principle of fair value.

Accounting principles

In recognizing and valuating items, the provisions of the SAS were adhered to as a rule, except in valuating items for which the SAS allow for different valuation methods, where the company used the principles described below.

Intangible assets and long-term deferred costs and accrued revenues

The company's intangible assets include long-term property rights and long-term deferred costs and accrued revenue.

Intangible assets are recognised at cost value.

The revaluation of intangible assets is a change of their carrying amount. Impairment losses of intangible assets are recognised as the revaluated operating expense associated with intangible assets.

Long term deferred costs and accrued revenues refer to long-term deferred costs.

Property, plant and equipment

The company's property, plant and equipment item includes: building and associated land, equipment and small tools with useful lives of over a year and cost values of up to EUR 500 each.

Property, plant and equipment that meet the criteria for recognition are initially recognised at cost value, composed of the purchase price and all costs of preparing the asset for its intended use.

Property, plant and equipment are valued at cost. In 2007 the company changed its accounting principle for valuing the building. To present the real value of property, it revaluated the building and associated land at fair value as at 1 July 2007.

If subsequently incurred costs related to property, plant or equipment increase the asset's future benefits as compared to previous evaluations, they increase its cost value. If subsequently incurred costs related to property, plant or equipment extend the asset's useful life, they initially reduce the asset's value adjustment recognised thus far.

If the market costs of property, plant and equipment decrease, the company reduces the recognised cost values of its property, plant and equipment as well as reduces proportionately the relevant value adjustment.

Property, plant and equipment disposed of or destroyed are no longer recorded on books of account, since no benefits can be expected of them. Any incurred profits increase operating revenue and any incurred losses increase operating expenses.

Revaluation of property, plant and equipment

As at 31 December 2012 the company estimated there to be no objective evidence that any assets, with the exception of the office building, are impaired.

On the basis of the appraisal prepared by a certified appraiser, the company as at 1 October 2012 adjusted the carrying amount of its building at fair value by eliminating accumulated depreciation and reducing revaluation surplus of the building.

Amortisation and depreciation

Intangible assets and property, plant and equipment are amortized or depreciated independently, using the straight-line depreciation method.

Land is not depreciated.

Depreciation rates:

Rate of amortization or depreciation	Amortization or depreciation rate in % for fixed assets with starts of depreciation before 1 Jan. 2003	Amortization or depreciation rate in % for fixed assets with starts of depreciation after 1 Jan. 2003	Amortization or depreciation rate in % for fixed assets with starts of depreciation after 1 Jan. 2007	Changes of depreciation rate due to new valuation method from 1 Jul. 2007	Changes of depreciation rate due to revaluation of buildigs from 1 Oct. 2012
Construction work	2.0	2.0	2.0	2.685	3.038
Computer equipment	20.0 - 40.0	40.0	40.0		
Furniture and other equipment	30.0 - 40.0	25.0	25.0		
Motor vehicles	30.0	12.5	20.0		
Intangible assets	33.3	20.0			
Software			20.0		
Licences			20.0		

Investments

Upon initial recognition, investments of all types are measured at fair value. For investments not given under financial assets measured at fair value through profit or loss, the initially recognised value is increased by transaction costs directly related to the acquisition of the investment. The cost value of investments equals the amount paid. Non-current and current investments are given separately, and are upon initial recognition grouped into:

- investments in loans;
- investments available for sale.

As a rule, the company groups investments into current investments available for sale recognised directly in equity. Revenue due to change in fair value is recognised as the revaluation surplus, which can be negative.

Interest accrued under the effective interest rate is recognised in the Income Statement. Interest from investments acquired before 1 January 2006 is in the Income Statement recognised under the nominal interest rate. The effect of recognising interest under the effective interest rate was estimated as insignificant.

Receivables

Receivables of all types are initially recognised at amounts stipulated in the relevant documents, under the assumption they will be collected. Receivables denominated in foreign currency are converted at the Bank of Slovenia middle exchange rate at the end of the period, and any translation difference is recognised as financial revenue or expenditure.

Subsequent increases or decreases of receivables increase the relevant operating (or financial) revenue or expenses.

Allowances for bad receivables are formed when their collection is doubtful, if we have information of the poor financial condition of the buyer or of the compulsory settlement or liquidation of the buyer. As dictated by experience from previous accounting periods and considering expectations, allowances for bad receivables are mandatorily formed at the end of each financial year. Allowances for bad receivables are formed for the entire amount of outstanding receivables, for all receivables not settled within 90 days after they were due.

Cash in hand

Only cash is recognised as cash in hand. Other monetary values are treated as short-term deferred costs.

Cash and cash equivalents

Cash and cash equivalents denominated in the national currency are recognised at nominal value. Foreign currency and foreign exchange is converted into the national currency as at the day received, applying the exchange rate as of that day. The foreign currency account balance is converted at the middle exchange rate as at the day of the Balance Sheet. The exchange rate difference is recorded under financial revenue or expenses.

Equity

Total equity is distributed into share capital, share premium amount, amounts from the simplified decrease of share capital, general equity revaluation adjustment, reserves, retained net profit from previous periods, undistributed profit for the financial year, revaluation surplus and revaluation surplus adjustment, and retained revaluation surplus. Share capital is recognised in the national currency.

Provisions and long-term accrued costs and deferred revenues

Provisions and long-term provisions include long-term deferred revenue that will cover the anticipated expenses within a period longer than one year. When services are charged, therefore, they are not included into the Income Statement, since at the time there is no need to settle those expenses.

Provisions are defined for present liabilities which stem from obligating past events and are expected to be settled at a time period which is not certain and in the amount which can be reliably estimated. The purpose of provisions is to collect amounts in the form of accrued costs or expenses, which will in the future enable the company to cover the then incurred costs or expenses.

Long-term provisions refer to accrued costs arising from liabilities for bonuses laid down in the Management Board Employment Contract for financial years 2010, 2011 and 2012.

Liabilities

Current and non-current liabilities of all types are initially recognised in the amounts stipulated by the relevant documents, assuming that creditors will demand their execution.

Current liabilities may subsequently increase or decrease, directly or independently of executed payment, by an amount agreed with the creditor. Subsequent increases of current liabilities increase the relevant operating (or financing) expenses (costs).

Short-term accrued and deferred items

Deferred costs and accrued revenue include deferred costs (expenses) and temporarily accrued revenue. Short-term deferred costs include amounts that do not upon incurrence burden the company's activity. Temporarily accrued revenue is incurred when the Income Statement recognises revenue that has not yet been received or charged for.

Accrued costs and deferred revenue include accrued costs (expenses) and short-term deferred revenue. Accrued costs include costs expected but not yet incurred and refer to the period of the Income Statement. Short-term deferred revenue is incurred when the company's services had been charged for but not yet rendered. Revenue can also be deferred for a short term when at the time of sale it is still doubtful whether it will be received.

Recognition of revenue

Operating revenue is sales revenue and other operating revenue related to products and services. Operating revenue is composed of the disposable value of rendered services in the accounting period. Revenue is recognised once the services are rendered.

Financial revenue is revenue from investments. It is incurred from non-current and current investments as well as from receivables. It consists of accrued interest, exchange differences related to investments, surplus of disposal price over their carrying amount in disposals of non-current and current investments, as well as revaluatory financial revenue. They are only recognised when there is no doubt about their amount or recoverability.

Other revenue consists of exceptional items that increase the company's revenue for the period.

Recognition of expenses

Expenses include costs and expenses of commercial, administrative and other tasks, along with costs related to the sale of products and services, as well as operating expenses from revaluation of fixed and current assets. Expenses are fully recognised as operating expenses in the period in which they are incurred. Upon initial recognition, expenses are categorised according to type, as costs of materials, costs of services, depreciation costs, labour costs and costs of amounts due, irrespective of income.

Financial expenses include expenses for financial activities and expenses for investment. They consist of exchange differences, shortage of disposal price compared to their carrying amounts in disposals of non-current investments, as well as financial expenses from revaluation.

Other expenses consist of exceptional items that decrease the company's revenue for the period.

Taxes

Income tax is charged on the basis of revenue and expenses given in the Income Statement pursuant to the temporary tax legislation. For 2012 the company reported a tax loss.

Charged income tax takes account of deferred tax assets for temporary differences in taxation, whose effects are recognised in the Income Statement.

1. Balance sheet

1.1. Intangible assets

EUR 393,525.45

in EUR

	31 Dec 2012	31 Dec 2011 (Correction)	1 Jan 2011 (Correction)
Long-term property rights	1,139,574.27	1,126,099.63	1,091,339.00
Intangible assets under construction	0.00	0.00	0.00
Long-term deferred costs	18,421.80	10,928.81	8,479.78
Accumulated amortization of intangible assets	-764,470.62	-591,823.60	-423,339.00
Carrying amount	393,525.45	545,204.84	676,479.78

Intangible assets as at 31 December 2012 include software licences for data processing with carrying amount of EUR 375,103.65, and long-term deferred costs in the amount of EUR 18,421.80.

All intangible assets have finite useful lives.

Movements of intangible assets in 2012:

in EUR

	Long-term property rights	Long-term deferred costs	Intangible assets under construction	Total
Cost of purchase				
Balance as at 31 Dec 2011	1,126,099.63	10,928.81	0.00	1,137,028.44
Additional	13,474.64	7,649.61	0.00	21,124.25
Disposals	0.00	156.62	0.00	156.62
Balance as at 31 Dec 2012	1,139,574.27	18,421.80	0.00	1,157,996.07
Accumulated amortisation				0.00
Balance as at 31 Dec 2011	591,823.60			591,823.60
Annual amortisation	172,647.02			172,647.02
Balance as at 31 Dec 2012	764,470.62			764,470.62
Carrying amount				0.00
Balance as at 31 Dec 2011	534,276.03	10,928.81	0.00	545,204.84
Balance as at 31 Dec 2012	375,103.65	18,421.80	0.00	393,525.45

Additions in long-term property rights in 2012 refer to the upgrade of PSI software, which cost EUR 4,856.25, and to information system Xetra, which cost EUR 8,618.39.

Outstanding liabilities for intangible assets as at the balance sheet date amount to EUR 681.60.

Long term deferred costs include costs of operating lease of company car, in the amount of EUR 4,918.62, deferred costs of rent of digital certificates in the total amount of EUR 283.05, and payments to reserve fund in the amount of EUR 13,220.13.

1.2 Property, plant and equipment

EUR 1,743,650.90

in EUR

	31 Dec 2012	31 Dec 2011 (Correction)	1 Jan 2011 (Correction)
Building	1,637,070.00	1,895,510.00	1,895,510.00
Accumulated depreciation of building	-10,865.71	-204,083.11	-158,731.31
Other property, plant and equipment	1,013,228.50	1,087,786.65	1,277,540.27
Property, plant and equipment under construction	0.00	0.00	0.00
Accumulated depreciation of property, plant and equipment	-895,781.89	-930,474.84	-1,107,771.66
Carrying amount	1,743,650.90	1,848,738.70	1,906,547.30

As at 31 December 2012, the item property, plant and equipment (PPE) included the current value of the building (EUR 1,626,204.29) and the current value of other PPE (EUR 117,446.61).

Due to the need for a real presentation of assets, the company has, after initial recognition, revalued the building and associated land from 1 July 2007 under the SAS 1.28.b revaluation method of carrying amount. After the appraisal from a certified appraiser, the building's cost value increased by EUR 318,414.08, while the depreciation adjustment in the amount of EUR 509,195.76 was eliminated. With useful life remaining unchanged and applying the straight-line depreciation method, the depreciation rate increased from 2.0% to 2.685%.

In accordance with the newly acquired appraisal in 2012, on 1 October 2012 the company reduced the cost value of the building to fair value amounting EUR 258,440.00 by eliminating accumulated depreciation in the amount of EUR 238,096.97 and reducing revaluation surplus of the building in the amount of EUR 20,343.03. With useful life remaining unchanged and applying the straight-line depreciation method, the depreciation rate increased from 2.685 % to 3.038%

If the building and associated land were recognised at the cost model, the carrying amount of the building and associated land as at 31 December 2012 would have totalled EUR 1,373,554.56.

Movements of property, plant and equipment (PPE) in 2012:

in EUR

	Buildings	Equipment	Small tools	PPE assets under construction	Total PPE
Cost of purchase					
Balance as at 31 Dec 2011	1,895,510.00	1,087,786.54	0.00	0.00	2,983,296.54
Additions		16,672.57	645.21	2,337.96	19,655.74
Disposals	238,096.97	91,137.61	645.21	2,337.96	332,217.75
Enhancement					
Impairment	-20,343.03				
Balance as at 31 Dec 2012	1,637,070.00	1,013,321.50	0.00	0.00	2,650,391.50
Accumulated depreciation					
Balance as at 31 Dec 2011	204,083.11	930,474.73			1,134,557.84
Annual depreciation	44,879.57	56,095.66			100,975.23
Disposals	238,096.97	90,695.50			328,792.47
Enhancement					
Impairment					
Balance as at 31 Dec 2012	10,865.71	895,874.89	0.00	0.00	906,740.60
Carrying amount					
Balance as at 31 Dec 2011	1,691,426.89	157,311.81	0.00	0.00	1,848,738.70
Balance as at 31 Dec 2012	1,626,204.29	117,446.61	0.00	0.00	1,743,650.90

New purchases of PPE include purchase of equipment for fire protection, in the amount of EUR 14,334.61, purchase of computer equipment for upgrade of computer equipment, in the amount of EUR 1,690.46, and other equipment, in the amount of EUR 647.50.

Eliminations refer to the elimination of PPE from books of account under the resolution of the Inventory Commission.

The value of appertaining land has been recognised under SAS 1.52., increasing the value of the building.

None of the assets from this group have legal restrictions imposed or are pledged as a guarantee.

Outstanding liabilities for purchased PPE as at the balance sheet date amount to EUR 13,755.96.

1.3 Deferred tax assets EUR 25,254.44

Deferred tax assets in the amount of EUR 25,254.44 are recognised for all deductible temporary differences that arise between the depreciation for property rights, charged at the rate of 20%, and tax depreciation in the amount of 10%, and for the formed allowance for bad receivables and for provisions for bonuses arising from Employment Contracts of the Management Board.

1.4 Current investments EUR 407,978.15

in EUR

	31 Dec 2012	31 Dec 2011 (Correction)	1 Jan 2011 (Correction)
Bonds	207,595.03	206,236.13	244,080.64
- ZT01	103,027.82	103,064.21	103,089.24
- RS57	104,567.21	103,171.92	109,868.58
- RS26	0.00	0.00	31,122.82
Current loans to others	200,000.00	0.00	0.00
Investments into precious metals	383.12	383.12	383.12
Total	407,978.15	206,619.25	244,463.76

Pursuant to SAS 3, investments are classified into available-for-sale investments. Due to fair value adjustment, a conversion to higher fair value was made as at 31 December 2012, for the effective purpose of which a revaluation surplus in the amount of EUR 1,412.10 and the revaluation surplus relating to deferred tax, in the amount of EUR 279.03, were formed.

Current loans to others refer to the time deposit at a deposit money bank.

Investments into precious metals refer to two gold bars the Exchange received as a gift.

The increase in current investments in 2012 is due to current loans to others and formed revaluation surplus.

Movement of current investments in 2012:

	in EUR			
	Investments into precious metals	Bonds	Loans	Total
Cost of purchase				
Balance as at 31 Dec 2011	383.12	207,478.52	0.00	207,861.64
Annual decrease		0.00		0.00
Revaluation owing sale		0.00		0.00
Annual increase (time deposit)		0.00	200,000.00	200,000.00
Annual increase (accrued interest)		9,685.70		9,685.70
Annual decrease (interest)		9,738.90		9,738.90
Enhancement (revaluation surplus)				0.00
Derecognition of revaluation surplus		0.00		0.00
Derecognition of revaluation surplus owing sale		0.00		0.00
Balance as at 31 Dec 2012	383.12	207,425.32	200,000.00	407,808.44
Revaluation surplus				
Balance as at 31 Dec 2011		-1,242.39		-1,242.39
Revaluation surplus		1,412.10		1,412.10
Derecognition of revaluation surplus		0.00		0.00
Revaluation surplus - negative		0.00		0.00
Balance as at 31 Dec 2012		169.71		169.71
Fair value				
Balance as at 31 Dec 2011	383.12	206,236.13	0.00	206,619.25
Balance as at 31 Dec 2012	383.12	207,595.03	200,000.00	407,978.15

Financial risks are managed through a conservative investment policy, since most of our investments include government and financial institution bonds and bank deposits.

Rate of interest for a time deposit amounts to 0.73% of nominal value when binding resources for 181 days and amounts to 1.20% when binding them for 365 days.

1.5 Short-term trade receivables

EUR 182,242.43

	in EUR		
	31 Dec 2012	31 Dec 2011 (Correction)	1 Jan 2011 (Correction)
Trade receivables	161,602.62	112,850.49	190,627.23
Receivables due from other entities	20,639.81	31,433.79	50,417.12
Total	182,242.43	144,284.28	241,044.35

Current trade receivables include EUR 161,602.62 of trade receivables and EUR 20,639.81 of receivables due from other entities, which refer to VAT advances given and to other receivables.

■ **Trade receivables**

EUR 161,602.62

in EUR

	31 Dec 2012	31 Dec 2011 (Correction)	1 Jan 2011 (Correction)
Trade receivables due from residents	101,071.90	93,541.68	106,305.86
Doubtful and disputable trade receivables from residents	11,264.68	6,631.04	8,328.62
Trade receivables due from non-residents	60,530.74	19,308.81	84,321.37
Doubtful and disputable trade receivables from non-residents	0.00	0.00	0.00
Allowance for bad receivables	-11,264.70	-6,631.04	-8,328.62
Total	161,602.62	112,850.49	190,627.23

Trade receivables due from residents refer to EUR 30,996.86 of receivables from trading fees and to EUR 70,075.04 of receivables due from other services.

Doubtful and disputable receivables, in the amount of EUR 11,264.68, represent receivables overdue by min. three months, which had not been settled by the end of January 2013 and which are subject to recovery either through debit notes or litigation.

■ **Receivables due from other entities**

EUR 20,639.81

in EUR

	31 Dec 2012	31 Dec 2011 (Correction)	1 Jan 2011 (Correction)
Short-term advanced paid	0	0	1,000.00
Interest receivables	2,125.30	1,780.06	1,212.26
Default interest receivable	-1,432.41	-830.09	-772.30
Receivables due from other entities	19,946.92	30,483.82	48,977.16
Total	20,639.81	31,433.79	50,417.12

Interest receivable refer to the interest from deposits placed with SKB bank for December 2012 in the amount of EUR 122.62, which were fully paid in January 2013 pursuant to the deposit agreement, and to the interest receivable for late payment of invoices, in the amount of EUR 2,002.68.

The allowance for interest receivable in 2012 refers to late interest receivables in the amount of EUR 1,432.41.

Other receivables refer to input VAT in the amount of EUR 18,422.57 namely to VAT receivables from invoices for December 2012, and to other receivables, in the amount of EUR 1,524.35.

The company has no claims with its Management Board members, employees with special powers or Supervisory Board members.

■ *Short-term receivables by maturity*

	in EUR						
	Non past due	Past due 30 days	Past due 60 days	Past due 90 days	Past due 120 days	More than 120 days	Total
Trade receivables due from residents – trading fees	30,996.86						30,996.86
Trade receivables due from residents – other	58,567.20	2,685.00	684.00	516.00	7,880.84	-258.00	70,075.04
Trade receivables due from residents – doubtful			270.00	258.00	4,656.38	6,080.30	11,264.68
Trade receivables due from non-residents – doubtful	60,505.74	25.00					60,530.74
Interest receivable	122.62						122.62
Default interest receivable	401.23				133.09	35.95	570.27
Default interest receivable – doubtful					435.96	996.45	1,432.41
Total	150,593.65	2,710.00	954.00	774.00	13,106.27	6,854.70	174,992.62

The majority of receivables, both trade receivables and interest receivable, are non past due receivables, which represent 86.1% of all receivables. For claims overdue by over 120 days, and those in cases of compulsory settlement or bankruptcy, we formed allowances. In forming allowances, we considered all claims not settled within 90 days and all payments received by the end of January 2013.

In the field of credit risk, the company follows the established procedure of collecting trade receivables, which ensures that the majority of our outstanding receivables are settled.

The company does not hedge its receivables.

1.6 Cash and cash equivalents

EUR 270,410.24

	in EUR		
	31 Dec 2012	31 Dec 2011 (Correction)	1 Jan 2011 (Correction)
Cash in hand	154.07	40.31	20.86
Bank balance:	270,256.17	318,185.71	186,868.50
Current account	11,004.33	2,633.87	716.66
Redeemable EUR deposit	259,251.84	315,551.84	186,151.84
Total	270,410.24	318,226.02	186,889.36

The deposit interest rate is 0.20% nominally.

1.7 Short-term deferred costs and accrued revenue

EUR 52,835.09

in EUR

	31 Dec 2012	31 Dec 2011 (Correction)	1 Jan 2011 (Correction)
Short-term deferred costs	35,845.24	41,313.41	49,014.12
Short-term accrued revenues	16,989.85	18,478.33	18,938.90
- listing maintenance fees for bonds	16,989.85	18,478.33	18,938.90
Total	52,835.09	59,791.74	67,953.02

Deferred costs refer to the lease of the Microsoft Office software, in the amount of EUR 17,736.57, costs of surveillance over Exchange operations, in the amount of EUR 6,000.00, costs of voluntary health insurance for employees, in the amount of EUR 4,997.10, company car insurance in the amount of EUR 1,985.74, operating lease of company car, in the amount of EUR 1,736.04, paid subscription fee for expert literature and newspapers, in the amount of EUR 2,982.84, and other short-term deferred costs in the amount of EUR 406.95. These costs relate to financial year 2013.

Accrued revenue refers to listing maintenance fees for government bonds (issuer Republika Slovenija) for 2012, in the amount of EUR 16,989.85. The listing maintenance fees will be charged in 2013 after one year of listing. Other issuers are charged with listing maintenance fees (for shares and bonds) for the term of each calendar year.

1.8 Equity

EUR 2,615,218.00

in EUR

	31 Dec 2012	31 Dec 2011 (Correction)	1 Jan 2011 (Correction)
Called-up capital	1,400,893.01	1,400,893.01	1,400,893.01
Capital surplus	462,775.02	462,775.02	462,775.02
- payments over carrying amount in disposal of own shares	142.74	142.74	142.74
- amounts from simplified decrease of share capital	364,569.77	364,569.77	364,569.77
- general equity revaluation adjustment	98,062.51	98,062.51	98,062.51
Revenue reserves	544,509.43	651,329.07	754,910.86
- statutory reserves	544,509.43	609,397.11	609,397.11
- other reserves	0.00	41,931.96	145,513.75
Revaluation surplus	207,040.54	223,706.15	235,812.86
- buildings revaluation surplus	252,318.79	280,875.08	289,217.08
- short-term investment revaluation surplus	169.71	-1,242.39	5,549.01
- allowance for revaluation surplus assoc. with deferred tax assets	45,447.96	55,926.54	58,953.23
Retained earnings	0.00	-37,047.98	-37,047.98
Net profit or loss for the period	0.00	-18,523.98	58,594.19
Retained revaluation surplus	0.00	0.00	6,673.60
Total	2,615,218.00	2,683,131.29	2,882,611.56

Up till 2012 the company had not presented potential liabilities from bonuses laid down in Management Board Employment Contracts; in 2012, therefore, the company included these liabilities in its financial statements as retroactive error correction in accordance with IAS 8. Liabilities from bonuses for 2010, 2011 and 2012 amount to EUR 92,619.93. The liabilities in the amount of EUR 61,083.18 pertaining to 2010 and 2011 are presented as retroactive adjustments – retained loss. The liabilities in the amount of EUR 23,154.98 pertaining to 2012 are presented as provision costs.

■ **Share capital**

EUR 1,400,893.01

Share capital consists of 33,571 regular no par value shares.

■ **Capital surplus**

EUR 462,775.02

	31 Dec 2012	31 Dec 2011 (Correction)	1 Jan 2011 (Correction)
in EUR			
Capital surplus:			
- payments over carrying amount in disposal of own shares	142.74	142.74	142.74
- amount from simplified decrease of share capital	364,569.77	364,569.77	364,569.77
- general equity revaluation adjustment	98,062.51	98,062.51	98,062.51
Total	462,775.02	462,775.02	462,775.02

The general equity revaluation adjustment refers to the revaluation of share capital back to 2001.

In the years 2002, 2003, 2004 and 2005, there was no general equity revaluation, because in 2002, 2003, 2004 and 2005 the euro appreciated against the Slovenian tolar by less than 5.5%. There was also no equity revaluation in 2006, since the euro appreciated against the Slovenian tolar by less than 5.5 per cent.

If we revaluated the income amount in 2011 in order to maintain the purchasing power of capital due to advances in consumer prices, the equity revaluation adjustment would amount to EUR 167,823.92 and the loss for the period to EUR 136,188.32.

■ **Revenue reserves**

EUR 544,509.43

	31 Dec 2012	31 Dec 2011 (Correction)	1 Jan 2011 (Correction)
in EUR			
Statutory reserves	544,509.43	609,397.11	609,397.11
Other revenue reserves	0.00	41,931.96	145,513.75
Total	544,509.43	651,329.07	754,910.86

Following the resolution adopted by the Management Board and with the consent of the Supervisory Board, the loss recorded in 2012 and retained loss from previous years were set off against EUR 64,887.68 of statutory reserves and EUR 41,931.96 of other revenue reserves.

■ **Revaluation surplus**

EUR 207,040.54

	31 Dec 2012	31 Dec 2011 (Correction)	1 Jan 2011 (Correction)
in EUR			
Building revaluation surplus	252,318.79	280,875.08	289,217.08
Short-term investment revaluation surplus	169.71	-1,242.39	5,549.01
Allowance for revaluation surplus relating to deferred tax assets	-45,447.96	-55,926.54	-58,953.23
Total	207,040.54	223,706.15	235,812.86

As at 1 July 2007, the company recognised the building and associated land under the revaluation model and converted it to fair value. To effect the conversion to higher fair value, a building revaluation surplus was formed in the amount of EUR 318,414.08 and allowance for revaluation surplus relating to deferred tax assets in the amount of EUR 64,058.21.

On the basis of the acquired appraisal in 2012, on 1 October 2012 the company adjusted the carrying amount of the building to fair value by eliminating accumulated depreciation in the amount of EUR 238,096.97 and reducing revaluation surplus of the building in the amount of EUR 20,343.03.

As at 31 December 2012, the revaluation surplus in the amount of the revaluation depreciation, which is EUR 8,213.26, was transferred into the income amount, and the deferred tax liabilities were decreased by EUR 1,415.80.

Investments into bonds listed on the Ljubljana Stock Exchange were measured at fair value as at the Balance Sheet date, thus at the price of the last trading day in 2012.

1.9 Provisions, and long-term accrued costs and deferred revenue

EUR 92,619.93

in EUR

	31 Dec 2012	31 Dec 2011 (Correction)	1 Jan 2011 (Correction)
Provisions for pensions and similar liabilities	92,619.93	69,464.95	46,309.97
Deferred tax liabilities	0.00	156.00	1,156.00
Total	92,619.93	69,620.95	47,465.97

Provisions for pensions and similar liabilities refer to potential liabilities from bonuses laid down in Management Board Employment Contracts for financial years 2010, 2011 and 2012 in the amount of EUR 92,619.93.

The company formed no provisions for terminal leave pay or long-service benefits, because it estimated their amount to be insignificant. Payable discount values of terminal leave pays and long-service benefits namely amount to less than 5 per cent of company capital.

1.10 Deferred tax liabilities

EUR 45,447.96

in EUR

	31 Dec 2012	31 Dec 2011 (Correction)	1 Jan 2011 (Correction)
Deferred tax liabilities	45,447.96	55,926.54	58,953.23
Total	45,447.96	55,926.54	58,953.23

Deferred tax liabilities refer to the revaluation of the building and the revaluation of current investments to fair value.

Deferred tax for 2012 was charged at the rate of 18%, thus at the rate that will be effective after 2013, in which we expect the revaluation amounts to affect the tax base.

1.11 Current liabilities

EUR 0.00

in EUR

	31 Dec 2012	31 Dec 2011 (Correction)	1 Jan 2011 (Correction)
Other current liabilities	0.00	8,381.77	8,381.77
Total	0.00	8,381.77	8,381.77

In 2012 the company wrote off liabilities related to unpaid dividends to its shareholder, which was not entitled to dividend payments at the time of dividend distribution. Retained dividends refer to unpaid dividends from profit for financial years 2000 to 2007.

1.12 Trade payables

EUR 286,799.77

in EUR

	31 Dec 2012	31 Dec 2011 (Correction)	1 Jan 2011 (Correction)
Payables to suppliers	195,344.94	198,247.05	212,254.45
Payables from advances	0.00	731.00	1,515.00
Other trade payables	91,454.83	122,680.44	124,544.15
Total	286,799.77	321,658.49	338,313.60

Payables to suppliers in the amount of EUR 195,344.94 refer to EUR 97,954.98 of payables to residents, to EUR 92,658.80 of payables to non-residents, and to EUR 4,731.16 of payables for services received.

Other trade payables, in the amount of EUR 91,454.83, refer to EUR 59,934.23 of payables to employees, EUR 30,131.63 of payables to the government and other institutions, and EUR 1,388.97 of other trade payables.

■ *Payables to employees include:*

in EUR

	31 Dec 2012	31 Dec 2011 (Correction)	1 Jan 2011 (Correction)
Payables from net wages and continued pay	33,180.74	42,654.97	41,883.74
Payables from contributions for gross wages and continued pay	13,209.14	18,794.44	19,021.82
Payables from taxes for gross wages and continued pay	11,927.91	18,708.74	19,002.11
Payables from other earnings from employment	1,616.44	2,334.48	3,310.92
Total	59,934.23	82,492.63	83,218.59

The balance of liabilities to employees as at 31 December 2012 includes wages and salaries payable for December 2012.

■ *Payables to government and other institutions include:*

in EUR

	31 Dec 2012	31 Dec 2011 (Correction)	1 Jan 2011 (Correction)
Payables from VAT	19,418.56	24,499.76	23,346.34
Payables from payer's contributions	9,622.98	13,784.13	13,901.09
Payables from income tax	0.00	0.00	0.00
Other payables to the government and other institutions	1,090.09	1,164.12	1,674.83
Total	30,131.63	39,448.01	38,922.26

Payables from VAT refer to the company's liability to settle the difference between VAT payable and input VAT for December 2012.

Payables from payer's contributions, in the amount of EUR 9,622.98, refer to the wages payable for December 2012.

We have no liabilities with respect to income tax.

Other payables to the government and other institutions refer to the liabilities for additional pension insurance, in the amount of EUR 1,075.84, to taxes, and to contributions from meeting attendance fees in the amount of EUR 14.25.

■ **Other payables**

EUR 1,388.97

in EUR

	31 Dec 2012	31 Dec 2011 (Correction)	1 Jan 2011 (Correction)
Payables from payroll tax	477.06	326.19	1,225.77
Other payables	911.91	413.61	1,177.53
Total	1,388.97	739.80	2,403.30

1.13 Short-term accrued costs and deferred revenue

EUR 35,811.04

in EUR

	31 Dec 2012	31 Dec 2011 (Correction)	1 Jan 2011 (Correction)
Accrued costs	16,411.04	13,222.93	11,061.60
Short-term deferred revenues	19,400.00	0.00	0.00
Total	35,811.04	13,222.93	11,061.60

Accrued costs refer to the costs of the audit of the financial statements for 2012, in the amount of EUR 3,570.00; to the costs of a risk management audit and audit of compliance with the Code of Conduct, in the amount of EUR 6,825; costs of services for webcast, in the amount of EUR 5,733.95; and to unpaid bonus for the year 2012, in the amount of EUR 282.09.

Short-term deferred revenues, in the amount of EUR 19,400.00, refer to invoiced services of roadshow organization, which will be organized in 2013.

1.14 Off-balance-sheet liabilities and receivables

As at 31 December 2012 the company recognised no off-balance-sheet liabilities or receivables.

1.15 Error correction

In 2010 and 2011 the company did not record all provisions for bonuses to the Management Board. The company realised this in 2012 and thus, in accordance with IAS 8, made a retroactive error correction in the financial year 2012.

Type of error:

For financial year 2010 the Management Board is entitled to a bonus in the total amount of EUR 46,309.97 pursuant to the annex to the Employment Contract, which was not recorded in the financial year 2010.

For financial year 2011 the Management Board is entitled to a bonus in the total amount of EUR 23,154.98 pursuant to the annex to the Employment Contract, which was not recorded in the financial year 2011.

Error from 2010 the company recorded as debit entry to the opening balance of retained earnings, which is disclosed in the Statement of changes in equity.

Error from 2011 the company recorded as debit entry to net earnings from 2011.

The amount of the bonus for financial year 2012 in the total amount of EUR 23,154.98 is recorded as costs of provisions for the period.

The effect of error correction:

		v EUR		
	Impact of error correction on financial statements	31 Dec 2012	31 Dec 2011 (Correction)	1 Jan 2011 (Correction)
Provisions	Balance sheet	92,619.93	69,464.95	46,309.97
Deferred tax assets	Balance sheet	-17,042.24	-13,892.99	-9,261.99
Equity (retained loss)	Balance sheet	-55,571.96	-37,047.98	-37,047.98
Loss for the period	P&L	-20,005.73	-18,523.98	

2. Income statement

2.1 Revenue

EUR 1,788,277.21

	2012		2011 (Correction)	
	in EUR	(%)	in EUR	(%)
I. Operating revenue	1,773,405.77	99.2	2,059,401.88	99.2
a. Revenue from core business	1,195,005.01	66.8	1,338,801.29	64.5
- Trading fees	450,062.44	25.2	542,727.65	26.2
- Revenues from information system	318,810.00	17.8	320,880.00	15.5
- Membership fees	60,860.90	3.4	65,106.55	3.1
- Listing fees	365,271.67	20.4	410,087.09	19.8
b. Other revenue	578,400.76	32.3	720,600.59	34.7
- SEOnet and INFO STORAGE services	221,846.77	12.4	244,972.99	11.8
- Trade publication	17,756.00	1.0	19,580.00	0.9
- Seminars	6,606.95	0.4	49,396.83	2.4
- Data dissemination	54,406.67	3.0	55,200.00	2.7
- Revenues sharing with WBAG	172,232.00	9.6	184,242.00	8.9
- IT services	52,767.48	3.0	62,604.48	3.0
- Licence fees	156.00	0.0	1,000.00	0.0
- Other LJSE services	35,600.00	2.0	81,127.67	3.9
- Other	17,028.89	1.0	22,476.62	1.1
II. Financial revenue	14,830.12	0.8	15,880.31	0.8
III. Extraordinary revenue	41.32	0.0	67.94	0.0
Total	1,788,277.21	100.0	2,075,350.13	100.0

Total revenue amounts to EUR 1,788,277.21. Sales revenue amounts to EUR 1,773,405.77, which is 99.2% of total revenue, down 8.8% from plans. Revenue from the company's core business represents 66.8% of total sales revenue, which is EUR 1,195,005.01, while other operating revenue represents 32.3%, which is EUR 578,400.76. Financial revenue amounts to EUR 14,830.12, representing 0.8% of total revenue.

2.2 Expenses

EUR 1,852,297.22

	2012		2011 (correction)	
	in EUR	(%)	in EUR	(%)
I. Operating expenses	1,852,241.32	100.0	2,276,516.45	100.0
- Costs of material	47,952.29	2.6	65,740.59	2.9
- Costs of services	769,362.36	41.5	1,001,703.27	44.0
- Labour costs	717,811.94	38.8	891,097.07	39.1
- Write-offs	279,605.25	15.1	280,771.87	12.3
- Other operating expenses	37,509.48	2.0	37,203.65	1.6
II. Financial expenses	3.67	0.0	61.78	0.0
III. Extraordinary expenses	52.23	0.0	153.80	0.0
Total	1,852,297.22	100.0	2,276,732.03	100.0

All expenses for financial year 2012 refer to operating expenses.

2.2.1 Costs of material and services

EUR 817,314.65

	in EUR	
	31 Dec 2012	31 Dec 2011 (correction)
Costs of material	47,952.29	65,740.59
Power supply	34,229.10	39,488.87
Office supplies, expert literature and publications	11,429.13	17,082.61
Other costs of materials	2,294.06	9,169.11
Costs of services	769,362.36	1,001,703.27
Transportation	13,656.39	18,963.62
Maintenance costs	125,059.61	161,153.30
Leases and rents	259,709.38	326,088.37
Reimbursements of labour-related costs	6,762.65	11,936.36
Payment transactions and insurance premiums	8,798.08	9,943.33
Intellectual and personal services	126,400.82	131,978.44
Advertising and entertainment	41,255.35	47,813.05
Services by individuals without a registered business	33,698.31	63,125.02
Costs of other services	154,021.77	230,701.78
Total	817,314.65	1,067,443.86

The majority of the costs of material refer to energy and fuel costs (EUR 34,229.10), write-offs of small tools (EUR 1,069.50), costs of stationery (EUR 4,463.84), costs of expert literature (EUR 1,912.12), costs of subscription fees (EUR 5,053.17) and other costs of material (EUR 1,224.56).

Costs of transportation refer to airline tickets (EUR 6,325.72) and other transportation costs (EUR 7,330.67).

Maintenance costs refer to the costs of services related to the maintenance of property, plant and equipment (EUR 82,491.96) and to the costs of services for building maintenance (EUR 42,567.65).

Leases and rents include EUR 2,621.26 of rent for occasional leases of conference rooms for meetings with members and issuers, press conferences and seminars, EUR 3,445.60 of parking space leases, EUR 24,737.07 of licence lease, EUR 29,665.85 of other leases (lease of a safe, lease of a line), and EUR 199,239.60 of costs for leasing the FIX and Xetra systems.

Reimbursements of labour-related costs include costs of daily allowance and overnight stays, in the amount of EUR 5,247.89, and costs of fuel, mileage expenses and parking fees, in the amount of EUR 1,514.76.

Payment transactions and bank services and insurance premiums include costs of bank services, in the amount of EUR 2,542.63, and insurance premiums, in the amount of EUR 6,235.45.

Costs of intellectual and personal services refer to EUR 51,262.07 paid to auditors and outsourced accountants, EUR 1,172.03 paid for health services, EUR 4,920.22 paid to attorneys and public notaries, EUR 7,739.99 paid for education and training, EUR 4,346.70 paid for translation services, EUR 2,064.90 paid for safety-at-work services, EUR 50,020.80 paid for other intellectual services, and EUR 4,874.11 paid to graphic designers.

Advertising and entertainment costs include EUR 26,675.98 of entertainment costs, EUR 6,886.37 of advertising costs and EUR 7,693.00 of sponsorship costs.

Costs of services by individuals refer to EUR 21,583.93 paid for student help, EUR 3,870.97 of authors' fees, EUR 7,606.25 of meeting attendance fees to members of the Supervisory Board and EUR 546.00 of other costs. The meeting attendance fees refers to EUR 3,400.00 of meeting attendance fees paid to members of the Supervisory Board, to EUR 4,000.00 of fees paid to them for holding office on the Board and to EUR 206.25 of duty from attendance fees paid. The attendance fees to six Supervisory Board members were payable for five Supervisory Board meetings held in 2012.

Costs of other services refer to EUR 72,000.00 paid for surveillance over LJSE operations, EUR 1,200.00 paid to the Securities Market Agency, EUR 16,227.48 of costs incurred at Slovenian Capital Markets Day investor conferences, EUR 1,522.50 of monthly reporting costs, EUR 46,048.79 of postal and telephone costs, EUR 2,185.65 of subscription fees to Internet pages and other data access fees, and EUR 14,837.35 of other costs.

2.2.2 Labour costs

EUR 717,811.94

	31 Dec 2012	31 Dec 2011 (correction)
Wages and salaries	528,975.59	675,208.72
Pension insurance	59,756.82	78,251.51
- Pension and disability insurance contributions	46,814.34	62,891.20
- Additional pension insurance	12,942.48	15,360.31
Social security	47,275.76	56,846.95
- Health insurance, employment and parental protection contributions	42,690.48	51,518.85
- Voluntary health insurance	4,585.28	5,328.10
Other labour costs	81,803.77	80,789.89
- Commuting, meals allowance, holiday allowance, benefits	40,513.31	47,546.52
- Other employer's taxes on wages and salaries	0.00	0.00
- Other individual earnings	21,080.08	460.00
- Severance pay	20,210.38	32,783.37
Total	717,811.94	891,097.07

The company Ljubljana Stock Exchange employed a total of 16 people in 2012 (2 employees were on maternity leave) or 13.45 people considering hours worked, and its costs of wages and salaries (gross wages and continued pay) amount to EUR 717,811.94.

2.2.3 Write-offs

EUR 279,605.25

Write-offs refer to EUR 273,622.25 of the amortisation of intangible assets and the depreciation of property, plant and equipment, and to EUR 5,983.00 of revaluation operating expenses associated with current assets, intangible assets, and property, plant and equipment.

■ Depreciation and amortisation

EUR 273,622.25

Depreciation costs include the amortisation of intangible assets (EUR 172,646.69), building depreciation (EUR 44,879.57) and the depreciation of equipment and other property, plant and equipment (EUR 56,095.99).

■ Revaluation operating expenses associated with intangible assets and PPE

EUR 442.12

Revaluation operating expenses associated with intangible assets and property, plant and equipment refer to the allowance for a written-off item of property, plant and equipment.

■ Revaluation operating expenses associated with current assets

EUR 5,540.88

Revaluation operating expenses associated with current assets refer to allowances for bad receivables, which are formed for receivables overdue by 90 days and for doubtful receivables.

2.2.4 Other operating expenses

EUR 37,509.48

	31 Dec 2012	31 Dec 2011 (correction)
Provisions for MB	23,154.98	23,154.98
Other operating expenses	10,827.54	11,610.89
- Membership fees	1,424.36	1,313.03
- Tax paid for using building land	7,567.26	7,421.81
- Cost of court and administrative fees	149.92	926.05
- Humanitarian contributions	1,686.00	1,950.00
- Other expenses	3,526.96	2,437.78
Total	37,509.48	37,203.65

2.2.5 Expenses by function

All expenses refer to the expenses incurred in the course of general activities.

2.3 Financial income from investments

EUR 13,253.15

	31 Dec 2012	31 Dec 2011 (correction)
Interest income	13,253.15	14,032.94
Revaluation surplus	0.00	0.00
Proceeds from disposal of investments	0.00	0.00
Total	13,253.15	14,032.94

Interest income includes EUR 3,149.74 of interest from the redeemable bank deposit and interest from time deposit, and EUR 10,085.90 of interest from bonds.

2.4 Financial income from trade receivables **EUR 1,576.97**

Financial income from operating receivables refers to payable late interest for overdue liabilities for LJSE services.

2.5 Financial expenses from trade payables **EUR 3.67**

	in EUR	
	31 Dec 2012	31 Dec 2011 (correction)
Interest expense	0.01	1.99
Exchange differences	3.66	1.44
Total	3.67	3.43

Exchange differences refer to the restatements of operating debt denominated in foreign currency.

2.6 Other revenue **EUR 41.32**

Other revenue refers to the EUR 36.00 reimbursement of expenses from collected and written off receivables, and to EUR 5.32 of euro cent balance.

2.7 Other expenses **EUR 52.23**

Other expenses refer to EUR 46.16 of late interest for overdue taxes and contributions, and to EUR 6.07 of euro cent balance.

2.8 Income tax **EUR 0.00**

Income tax is levied on the basis of revenue and expenses in the Income Statement, which are pursuant to the Slovenian regulations reduced by deduction items and increased by addition items.

For 2012 the company is reporting EUR 123,505.87 of loss. In establishing income tax, EUR 3,149.25 of deferred tax assets was recognised and EUR 5,908.37 of deferred tax assets for temporary differences and EUR 352.22 of deferred tax liabilities were derecognised, which increases net loss for the period.

Deferred taxes:

		in EUR	
		Deferred tax	Tax rate
Revenue	1,788,277.21		
Expenses	1,852,297.22		
Difference	-64,020.01		
Exclusion of revenues	-25.34		
Non-tax-deductible expenses	-40,078.70		
Amendment of expenses to the level of tax-deductible expenses	-11,631.74		
Errors corrections	-87,907.48		
Tax base	-123,505.87		
Accrued non-taxable expenses			
- Provisions for expenses	5,408.81	973.59	18%

Additionally, the revaluation of the building to fair value resulted in the recognition of EUR 45,417.41 of deferred tax liabilities increasing the revaluation surplus, and the revaluation of current investments to fair value also resulted in the recognition of EUR 30.55 of deferred tax liabilities increasing the revaluation surplus.

2.9 Loss for the period

EUR 66,426.91

The total loss for financial year 2012 amounts to EUR 66,426.91. It consists of EUR 64,020.01 of net loss for the period, EUR 3,149.25 of recognised deferred tax assets, EUR 5,908.37 of derecognised deferred tax assets and EUR 352.22 of derecognised deferred tax liabilities. Retained revaluation surplus amounts to EUR 6,797.46. Pursuant to the Management Board resolution, adopted with the consent of the Supervisory Board, the loss for 2012 is being set off against EUR 64,887.68 of statutory reserves, EUR 41,931.96 of other revenue reserves and against EUR 6,797.46 of revaluation surplus.

The company has not recorded any **accumulated profit** in 2012:

		in EUR	
	2012	2011 (Correction)	
A. Profit / loss for the period	-59,629.45	-187,373.56	
1. Net profit / loss	-66,426.91	-194,047.16	
2. Retained revaluation surplus	6,797.46	6,673.60	
B. Retained earnings	-47,190.19	-37,047.98	
D. Reversal of revenue reserves	106,819.64	168,849.58	
1. Statutory reserves	64,887.68	0.00	
2. Other revenue reserves	41,931.96	168,849.58	
F. Accumulated profit	0.00	-55,571.96	

By taking into account the retroactive error correction provisions for liabilities arising from Employment Contracts of the Management Board, the accumulated loss for 2011 amounts to EUR 55,571.96.

2.10 Total comprehensive income for the period

EUR -76,295.06

Total comprehensive income for financial year 2012 amounts to EUR -76,295.06. It consists of EUR 66,426.91 of net loss for the period, increased by EUR 11,001.22 of the effect of property, plant and equipment revaluation and decreased by EUR 1,133.07 of the effect of investment revaluation.

3. Income statement for INFO STORAGE

On 1 April 2010 the Ljubljana Stock Exchange became the operator of the officially appointed mechanism for the central storage of regulated information called INFO STORAGE. Using the criteria of cost accounting, which serve to allocate revenue, expenses, assets and liabilities, INFO STORAGE recorded a loss of EUR 30,197.40 in 2012.

in EUR

REVENUE / EXPENSES	2012	2011
REVENUE	91,854.30	99,725.79
INFO STORAGE services	91,854.30	99,725.79
EXPENSES	122,051.70	169,094.26
Labour costs	45,203.70	58,785.11
Costs of material	2,876.16	4,043.95
Costs of services	49,831.04	67,729.58
Depreciation and amortisation	23,279.19	38,265.24
Other operating expenses	861.61	270.38
OPERATING PROFIT / LOSS	-30,197.40	-69,368.47

50% of the amortisation and depreciation of intangible assets and property, plant and equipment, which are used for both INFO STORAGE and SEOnet, is charged to the INFO STORAGE cost sheet.

With respect to function, all INFO STORAGE expenses refer to expenses incurred in the course of general activities.

4. Management Board remuneration in 2012

In 2012 the Management Board received remuneration in the following amounts:

in EUR

Remuneration	Andrej Šketa, President		Polona Peterle, Member	
	gross	net	gross	net
Fixed pay	77,999.99	41,611.95	64,800.00	31,486.57
Variable pay	0.00	0.00	0.00	0.00
Fringe benefits	1,302.48		5,033.58	
Other earnings and reimbursements	2,131.06	1,749.06	2,277.94	1,898.17
Additional pension insurance	2,743.96		2,743.96	
Total	84,177.49	43,361.01	74,855.48	33,384.74

5. Supervisory Board remuneration in 2012

In 2012 the Supervisory Board received remuneration in the following amounts:

in EUR

Members of the Supervisory Board	Meeting attendance fee		Fee for holding office		Total	
	gross	net	gross	net	gross	net
- Heinrich Schaller, President (to 11 April 2012)	0.00	0.00	0.00	0.00	0.00	0.00
- Petr Koblic, President (from 11 April 2012)	600.00	465.00	0.00	0.00	600.00	465.00
- Milana Lah, Deputy President (to 11 May 2012)	0.00	0.00	0.00	0.00	0.00	0.00
- Michael Buhl, Deputy President (from 11 May 2012)	0.00	0.00	0.00	0.00	0.00	0.00
<u>Other members:</u>						
Boris Pesjak (to 26 June 2012)	200.00	155.00	0.00	0.00	200.00	155.00
dr. Filip Ogris Martič	1,000.00	775.00	2,000.00	1,550.00	3,000.00	2,325.00
Johannes Schönegger	600.00	465.00	0.00	0.00	600.00	465.00
Marija Valentinčič Pregelj (to 31 March 2012)	200.00	155.00	500.00	387.50	700.00	542.50
Urška Podboršek (from 1 April 2012)	800.00	620.00	1,500.00	1,162.00	2,300.00	1,782.00
Total	3,400.00	2,635.00	4,000.00	3,099.50	7,400.00	5,734.50

6. Audit costs

The audit of financial statements for financial year 2012 amounted to EUR 7,140.00, while the audit of the company's risk management and compliance with the Code of Conduct totalled EUR 6,825.00. Internal audit costs for financial year 2012 amounted to EUR 15,403.52, while the company did not record any tax counselling expenses.

7. Cash flow statement

Based on Balance Sheet data as at 31 December 2011 and as at 31 December 2012, and based on the Income Statement for 2012 as well as considering other relevant data from internal sources, relating to revenue and expenses, the Cash Flow Statement was drawn up under version II of SAS 2006.

8. Events after balance sheet date

There were no events after the balance sheet date that would require a revision of the financial statements or special disclosure.



INDEPENDENT AUDITOR'S REPORT **to the owners of Ljubljanska borza vrednostnih papirjev d.d. Ljubljana**

Report on the Financial Statements

We have audited the accompanying financial statements of the company Ljubljanska borza d.d. Ljubljana, which comprise the balance sheet as at 31 December 2012, income statement, statement of other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Slovenian Accounting Standards as adopted by Slovenia. The management is also responsible for the level of internal control required in its opinion to prepare financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company Ljubljanska borza d.d. Ljubljana as at 31 December 2012, and its operating results and its cash flows for the year then ended in accordance with the Slovenian Accounting Standards as adopted by Slovenia.

Report on Other Legal and Regulatory Requirements:

The management is also responsible for the preparation of the business report in accordance with the requirements of the Companies Act (ZGD-1). Our responsibility is to provide an assessment of whether the business report is consistent with the audited financial statements. Our procedures have been conducted in accordance with the International Standard on Auditing 720 and are limited solely to assessing of whether the business report is consistent with the audited financial statements. In our opinion, the business report is consistent with the audited financial statements.

Other Matter

The company's financial statements for the year ended 31 December 2011 were audited by another auditor who had expressed an audit opinion on 29 February 2012.

DELOITTE REVIZIJA d.o.o.

Luka Kumer
Certified Auditor

Yuri Sidorovich
President of the Board

*For signature please refer to
the original Slovenian version.*

deloitte.
DELOITTE REVIZIJA D.O.O.
Ljubljana, Slovenija 3

Ljubljana, 8 March 2013

TRANSLATION ONLY – SLOVENE ORIGINAL PREVAILS

FURTHER INFORMATION

Ljubljana Stock Exchange trading members

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Ljubljana Stock Exchange Prime Market and Standard Market companies

PRIME MARKET

	Company	Type of share	Ticker	Industry
1	Gorenje, Velenje	ordinary registered	GRVG	Household appliances
2	Intereuropa, Koper	ordinary registered	IEKG	Logistical services
3	Krka, tovarna zdravil Novo mesto	ordinary registered	KRKG	Manufacturing of pharmaceuticals
4	Luka Koper	ordinary registered	LKPG	Transshipment, warehousing and other port services
5	Poslovni sistem Mercator	ordinary registered	MELR	Retail sales, agro-food industry and agriculture services
6	Nova KBM	ordinary registered	KBMR	Banking
7	Petrol, Ljubljana	ordinary registered	PETG	Retail of petroleum products
8	Pozavarovalnica Sava	ordinary registered	POSR	Reinsurance
9	Telekom Slovenije	ordinary registered	TLSG	Telecommunications
10	Zavarovalnica Triglav	ordinary registered	ZVTG	Insurance

STANDARD MARKET

	Company	Type of share	Ticker	Industry
1	Abanka Vipra	ordinary registered	ABKN	Banking
2	Aerodrom, Ljubljana	ordinary registered	AELG	Airport services
3	Delo Prodaja, Ljubljana	ordinary registered	DPRG	Newspaper retail and distribution
4	Letrika, d. d.	ordinary registered	IALG	Manufacturing of electric equipment for automotive and other industries
5	Istrabenz, Koper	ordinary registered	ITBG	Holding corporation
6	Kompas MTS	ordinary registered	MTSG	Catering, retail and border-tourist services
7	Mlinotest, Ajdovščina	ordinary registered	MAJG	Agro-foods industry
8	Nika, investiranje in razvoj Brežice	ordinary bearer	NIKN	Financial consultancy and services
9	Pivovarna Laško	ordinary registered	PILR	Beverage production
10	Probanka, Maribor	ordinary registered	PRBP	Banking
11	Salus, Ljubljana	ordinary bearer	SALR	Rubber and chemical industry
12	Sava, Kranj	ordinary registered	SAVA	Holding corporation
13	Terme Čatež	ordinary registered	TCRG	Medical rehabilitation and tourism
14	Žito, Ljubljana	ordinary registered	ZTOG	Banking
15	Unior, Zreče	ordinary registered	UKIG	Metal processing industry

Who is who at the Ljubljana Stock Exchange

President of the Management Board

Andrej Šketa

Member of the Management Board

Polona Peterle, MSc

Director of Market Operations

Nina Vičar, MSc

Director of IT

Lovro Kink, MSc

Head of Management Board Cabinet & PR

Metka Šipek

Contact info

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