



ANNUAL REPORT 2011



Letové prevádzkové služby Slovenskej republiky štátny podnik

LPS SR

Air Navigation Services Provider

www.lps.sk

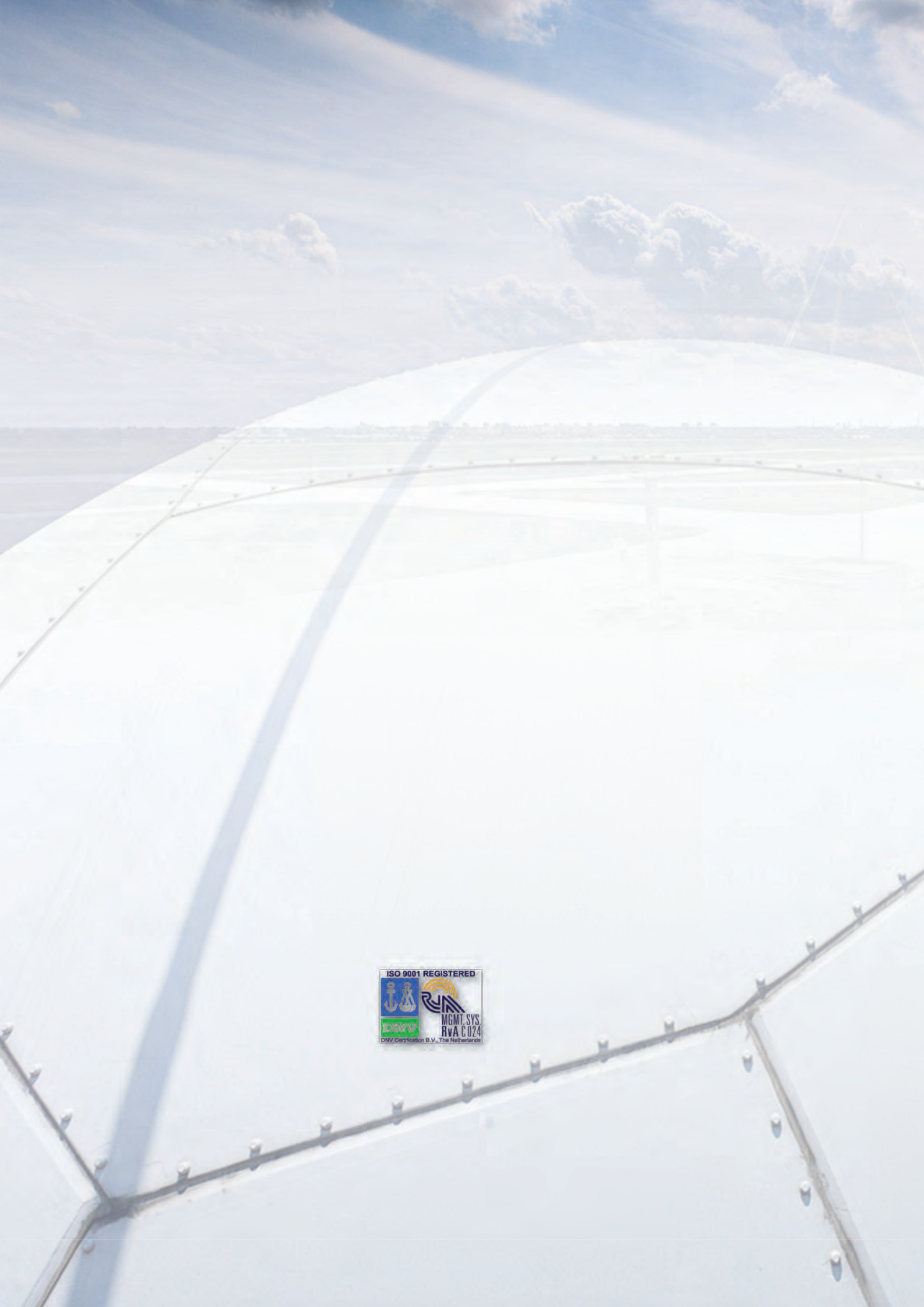


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Ladies and Gentlemen,

let me start my preface by expressing my most sincere gratitude to all employees for their hard work, thanks to which the last year was another successful year in the history of our company.

We often wonder about the evolution of air transport. NASA says that it will be faster, cheaper and environmentally friendlier. Aviation-related expert studies mention data such as the carbon dioxide emissions reduction by 34% until 2050, and flights are expected not to be delayed by more than a minute. The European air industry has even a chance to enhance its competitiveness with a share of over 40% in the world market, in spite of the growing Asian competition. The projected air traffic management system in Europe is expected to handle 25 million flights a year, which is very optimistic, as currently around 9 million flights are handled. These are great challenges for our company as well, but they can be met.

In May 2011, Austria, Bosnia and Herzegovina, Croatia, Czech Republic, Hungary, Slovakia and Slovenia signed an agreement aimed at creating the Functional Airspace Block Central Europe (FAB CE), which will certainly help improve the European air traffic network. On behalf of the Slovak Republic, the Agreement was signed by the Minister of Transport, Construction and Regional Development of the SR. It also contained an agreement of air navigation service providers of FAB CE states which I signed on behalf of LPS SR and thus enabled the company to join the harmonization process of operational procedures, working conditions and of the provision of harmonized infrastructure.

Until 4 December 2012 we are obliged, in harmony with the European Communities legislation, to adopt all measures necessary for implementation and execution of functional airspace blocks.

I believe that these steps as well as all company's activities, such as the Safety Culture Survey, careful preparation for relocation to the new administrative and operational building, consistent maintenance of serviceability of aeronautical telecommunication systems and equipment, as well as austere financial management will make the company stable and able to meet the increasing expectations of air carriers.

Our company is able to maintain its year-end profit on a long-term basis. Now we can be proud of the total after-taxation profit amounting to 1 333 125 EUR. Our 2012 Financial Plan also projects a profit in spite of the fact that we expect a decrease in the volume of funds due to procurement of the new administrative and operational building.

Having considered the stated facts, let me be an optimist who believes in the future of our company, its staff, and the intention to provide high-quality air traffic control services and all other supporting services, while maintaining the required safety level and the good reputation which we have indeed.



Miroslav Bartoš
CEO

Supervisory Board Report

In line with the Act No. 111/1990 Coll. on state enterprise, and in line with its statute, the Supervisory Board performed controlling activities focused on company's economy and management in 2011.

In 2011, the Supervisory Board had the following members:

Mr. Peter Horal	SB President
Mr. Ľubomír Janček	SB Vice-President
Mr. Ján Keselý	SB Member
Mrs. Iveta Vajdová	SB Member
Mr. Jozef Hrabina	SB Member
Mr. Roman Foltin	SB Member (starting from 15 August 2011)
Mr. Juraj Zámečník	SB Member
Mr. Miloš Demovič	SB Member
Mr. Ladislav Kardoš	SB Member
Mr. Ľuboš Dojčan	SB Member (starting from 31 March 2011)

In the monitored period, the Supervisory Board discussed in particular:

the submitted fundamental concept of company's evolution and the 2011 Business Plan; company's profit/loss, Financial Plan and Company's Technical and Investment Development Plan; information on the annual Financial Statements and Auditor's Report; information on the process and results of procurement of tangible and intangible assets; submitted Cooperation Contracts, etc.

In view of its statute, the Board approved conclusion of contracts falling within its competence.

At its meeting held on 2 March 2012, based on the audit of Financial Statements conducted by the auditing company of BDR, spol. s r.o., M. M. Hodžu 3, Banská Bystrica, the Supervisory Board of Letové prevádzkové služby Slovenskej republiky, štátny podnik evaluated profit/loss of the company achieved in 2011 and stated that they are in compliance with the current legislation and accounting principles; that the presented Financial Statements of Letové prevádzkové služby Slovenskej republiky, štátny podnik present a true financial situation and assets of the company in all relevant respects as of 31 December 2011; and that the profit/loss for the given year are processed in compliance with the Act. No. 431/2002 Coll. on Accounting as amended, and in compliance with the current Accounting Standards for corporate subjects using double entry bookkeeping in 2011. The Supervisory Board also stated that financial management of the company was balanced.

The Supervisory Board discussed a proposal for after-taxation profit/loss distribution pursuant to Article 8 (4) (a) of the Act. No. 111/1990 Coll. on state enterprise as amended, and in compliance with the Regulation of the Government of Slovak Republic No. 175/1993 Coll. on Financial Management of State Enterprises, and approved the proposed distribution.

The Supervisory Board also discussed the company's 2011 Financial Management Report compiled for the company's founder and took it into consideration.

The participation of Members of the Supervisory Board in its sessions in the course of 2011 was more than satisfactory. Each SB session was quorate, and the SB Members duly apologized for their potential absence in writing or orally to the SB President. All agenda of the SB sessions is recorded in the Minutes of the sessions, with signed attendance sheets of the SB Members attached.



Peter Horal

President of the Supervisory Board
of Letové prevádzkové služby Slovenskej republiky, štátny podnik

Company Activities in 2011

ATM Domain

DERS (Division En-Route Services)

In 2011, the total of 364 119 movements were seen in FIR Bratislava, representing a growth of 3.3% in the number of movements when compared to 2010.

In the monitored period there was no case of the decreased level of air traffic safety classified as a serious incident (severity class "A") with a direct or indirect involvement of LPS SR.

In 2011, 29 employees attended expert courses held at EUROCONTROL-IANS; that means that the staff wish to increase their expert skills and to advance. The courses were mainly focused on the areas of ATFM, HUM and SAF.

Theoretical and practical ATCO training

In 2011 all air traffic controllers underwent a theoretical training. The minimum number of exercises in the practical maintenance training for 2011 was fully met. All ATCOs underwent the training for new routes – both Stage I and Stage II. All DFIC, FDO and AMM staff underwent their theoretical and practical maintenance training for 2011.

Assessment of the operational work load on operational workplaces was made in line with the DERS methodical guideline "Applying Air Traffic Flow Management Procedures at ACC Bratislava".

In addition to their common operational activity, the DERS staff were involved, through the Department of Planning and Procedures, in the creation and modification of the methodology related to the scope of action of the Division, and in assessing changes in the ATM system in view of safety.

Statistical data

Table 1: Comparison of the number of movements in 2010/2011

Month	Overflights		Rise / Drop in %	Inbound / Outbound flights		Rise / Drop in %	Domestic flights		Rise / Drop in %	Total		Rise / Drop in %
	2010	2011		2010	2011		2010	2011		2010	2011	
1	21 789	22 762	4,5	1 035	997	-3,7	226	164	-27,4	23 050	23 923	3,8
2	19 599	19 530	-0,4	993	896	-9,8	199	154	-22,6	20 791	20 580	-1,0
3	22 317	22 527	0,9	1 148	1 046	-8,9	280	217	-22,5	23 745	23 790	0,2
4	20 324	25 232	24,1	1 008	899	-10,8	218	205	-6,0	21 550	26 336	22,2
5	29 659	30 646	3,3	1 271	1 207	-5,0	250	305	22,0	31 180	32 158	3,1
6	33 477	35 300	5,4	1 407	1 271	-9,7	282	273	-3,2	35 166	36 844	4,8
7	39 429	40 188	1,9	1 500	1 363	-9,1	296	202	-31,8	41 225	41 753	1,3
8	38 184	38 051	-0,3	1 435	1 314	-8,4	270	305	13,0	39 889	39 670	-0,5
9	33 710	35 686	5,9	1 429	1 195	-16,4	247	282	14,2	35 386	37 163	5,0
10	31 775	32 654	2,8	1 260	1 072	-14,9	286	226	-21,0	33 321	33 952	1,9
11	23 239	23 269	0,1	1 040	832	-20,0	199	206	3,5	24 478	24 307	-0,7
12	21 647	22 651	4,6	988	844	-14,6	150	148	-1,3	22 785	23 643	3,8
Jan-Dec	335 149	348 496	4,0	14 514	12 936	-10,9	2 903	2 687	-7,4	352 566	364 119	3,3

Chart 1: Comparison of the total number of movements in 2010/2011

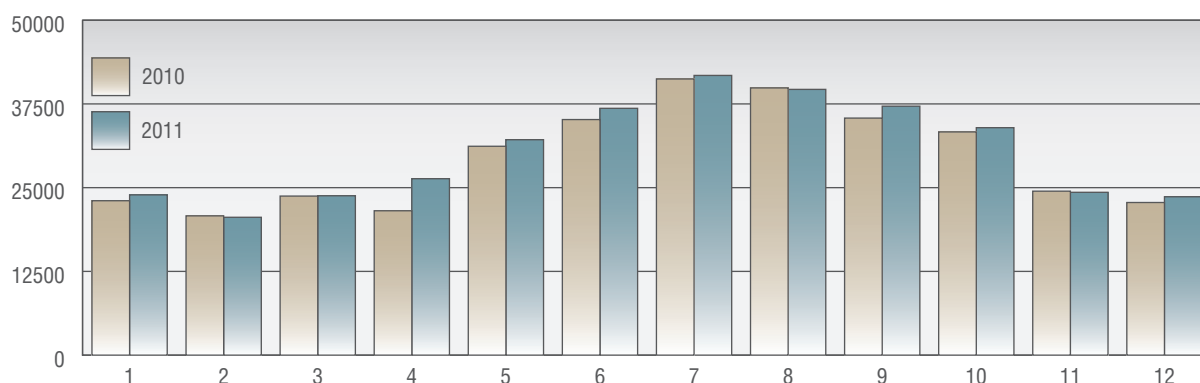
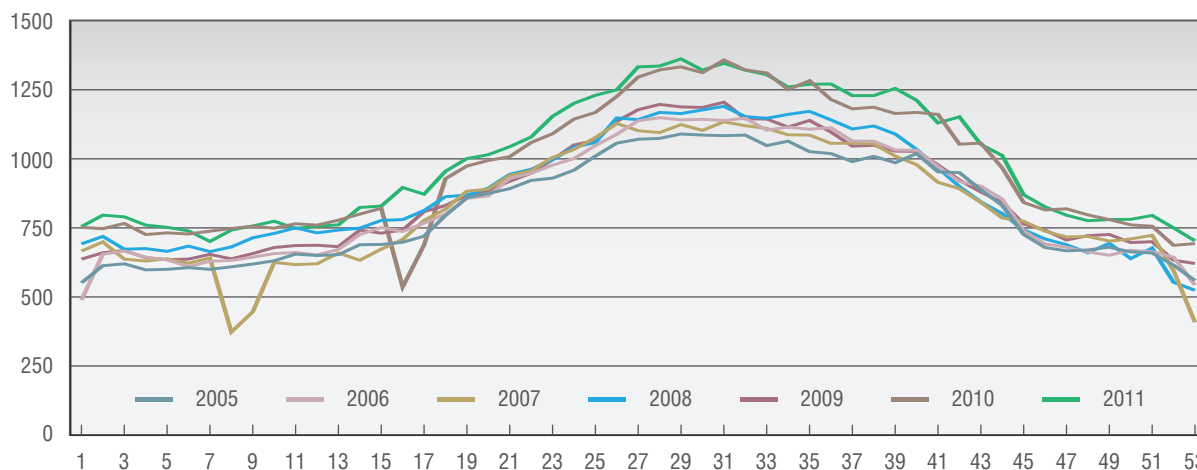


Chart 2: Evolution of the number of movements for 2005 – 2011



Note: The significant drops of traffic in 2007 and 2010 were results of an ATCO strike and of the eruption of the Icelandic volcano Eyjafjallajökull respectively; due to the latter one, the airspace of the Slovak Republic had to be fully or partially closed for three days.

DAAS (Division Airport and Approach Service)

In the course of 2011, the Division Airport and Approach Service managed the operation at the TWR and APP units of the following aerodromes: Bratislava/M. R. Štefánik, Piešťany, Košice, Poprad–Tatry and Žilina; there were no major shortcomings in the provision of air traffic services at these units.

APP/TWR Štefánik and TWR Piešťany

Provision of air traffic services and operational activity of the APP/TWR Štefánik units and the TWR Piešťany unit were performed in line with the 2011 Plan.

In the course of 2011, ATCO maintenance training was carried out for ATCOs at the APP/TWR Štefánik units, divided in the spring and autumn parts. Theoretical examination of ATCOs was carried out in October and November through the VÝUKTEST application. Theoretical examination of employees certified to perform ROP functions (traffic control on the apron), AA/AMM/DVM was performed in December in the form of a test.

In February and March a theoretical examination of ATCOs' language proficiency took place.

In order to increase their expert qualifications, the selected employees of the APP/TWR Štefánik units attended expert courses held at EUROCONTROL – IANS (ASM-ATFCM, GEN-CST, SAF-SAM1-FHA, HUM-SUP, HUM-OJTI) in the monitored period.

Table 2: Comparison of the number of movements in 2010/2011 – Bratislava/M. R. Štefánik

Month	NoAM - IFR		Rise/ Drop in %	NoAM - VFR		Rise/ Drop in %	NoAM		Rise/ Drop in %	NoOF		Rise/ Drop in %	NoM		Rise/ Drop in %
	2010	2011		2010	2011		2010	2011		2010	2011		2010	2011	
1	1 754	1 448	-17,4	86	85	-1,2	1 840	1 533	-16,7	559	543	-2,9	2 399	2 076	-13,5
2	1 665	1 355	-18,6	63	133	111,1	1 728	1 488	-13,9	556	569	2,3	2 284	2 057	-9,9
3	1 906	1 747	-8,3	412	276	-33,0	2 318	2 023	-12,7	942	742	-21,2	3 260	2 765	-15,2
4	1 595	1 542	-3,3	309	223	-27,8	1 904	1 765	-7,3	851	861	1,2	2 755	2 626	-4,7
5	2 080	1 886	-9,3	312	396	26,9	2 392	2 282	-4,6	1 081	1 022	-5,5	3 473	3 304	-4,9
6	2 609	2 513	-3,7	378	391	3,4	2 987	2 904	-2,8	1 200	1 232	2,7	4 187	4 136	-1,2
7	2 810	2 725	-3,0	461	309	-33,0	3 271	3 034	-7,2	1 554	1 171	-24,6	4 825	4 205	-12,8
8	2 662	2 639	-0,9	348	390	12,1	3 010	3 029	0,6	1 417	1 479	4,4	4 427	4 508	1,8
9	2 445	2 487	1,7	248	404	62,9	2 693	2 891	7,4	1 374	1 328	-3,3	4 067	4 219	3,7
10	2 175	1 843	-15,3	331	243	-26,6	2 506	2 086	-16,8	1 260	1 032	-18,1	3 766	3 118	-17,2
11	1 611	1 425	-11,5	158	116	-26,6	1 769	1 541	-12,9	829	708	-14,6	2 598	2 249	-13,4
12	1 551	1 239	-20,1	47	78	66,0	1 598	1 317	-17,6	494	599	21,3	2 092	1 916	-8,4
Jan-Dec	24 863	22 849	-8,1	3 153	3 044	-3,5	28 016	25 893	-7,6	12 117	11 286	-6,9	40 133	37 179	-7,4

Chart 3: Comparison of the number of movements - Bratislava/M. R. Štefánik

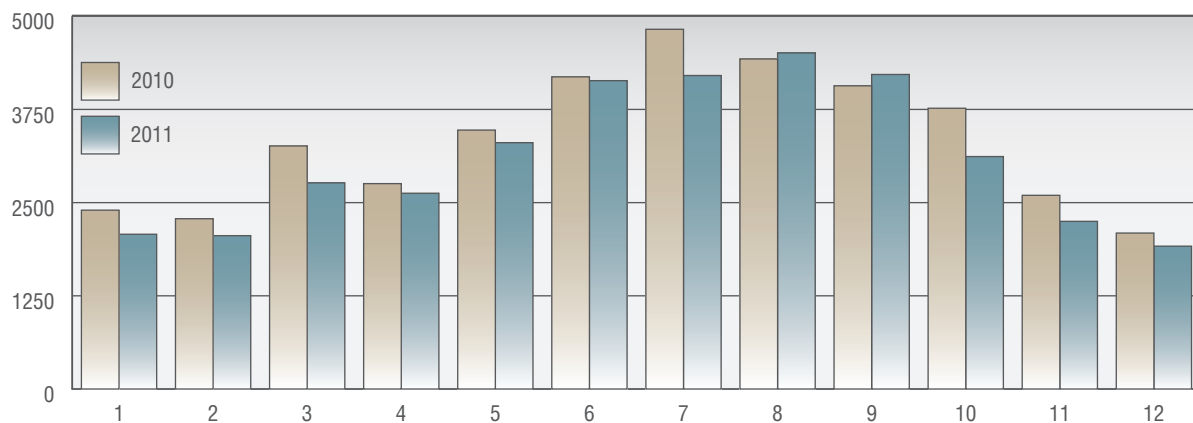
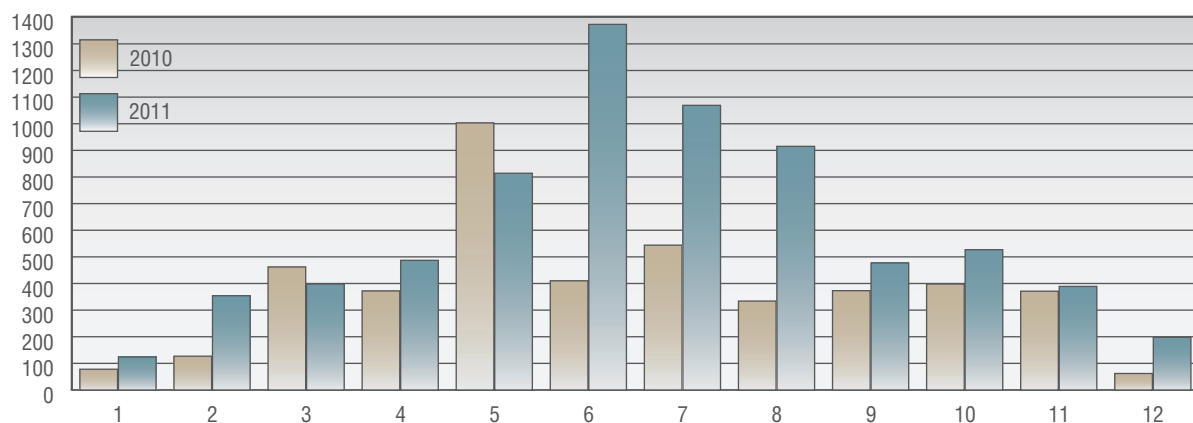


Table 3: Comparison of the number of movements 2010/2011 – Piešťany

Month	NoAM - IFR		Rise/ Drop in %	NoAM - VFR		Rise/ Drop in %	NoAM		Rise/ Drop in %	NoOF		Rise/ Drop in %	NoM		Rise/ Drop in %
	2010	2011		2010	2011		2010	2011		2010	2011		2010	2011	
1	13	35	169,2	42	72	71,4	55	107	94,5	23	17	-26,1	78	124	59,0
2	68	46	-32,4	34	260	664,7	102	306	200,0	25	48	92,0	127	354	178,7
3	84	74	-11,9	243	248	2,1	327	322	-1,5	135	76	-43,7	462	398	-13,9
4	51	49	-3,9	203	357	75,9	254	386	52,0	118	101	-14,4	372	487	30,9
5	86	71	-17,4	834	579	-30,6	920	650	-29,3	83	164	97,6	1 003	814	-18,8
6	88	38	-56,8	182	1 136	524,2	270	1 174	334,8	140	199	42,1	410	1 373	234,9
7	52	19	-63,5	247	946	283,0	299	965	222,7	245	104	-57,6	544	1 069	96,5
8	62	35	-43,5	140	677	383,6	202	712	252,5	132	203	53,8	334	915	174,0
9	52	58	11,5	211	302	43,1	263	360	36,9	110	117	6,4	373	477	27,9
10	137	42	-69,3	122	387	217,2	259	429	65,6	139	98	-29,5	398	527	32,4
11	39	28	-28,2	280	326	16,4	319	354	11,0	52	35	-32,7	371	389	4,9
12	22	65	195,5	32	106	231,3	54	171	216,7	8	27	237,5	62	198	219,4
Jan-Dec	754	560	-25,7	2 570	5 396	110,0	3 324	5 936	78,6	1 210	1 189	-1,7	4 534	7 125	57,1

Chart 4: Comparison of the number of movements – Piešťany



APP/TWR Košice

In 2011 the TMA/CTR Košice saw a total drop of the number of movements by 23.9% when compared with 2010. The structure of flights and their number are stated in the Table 4.

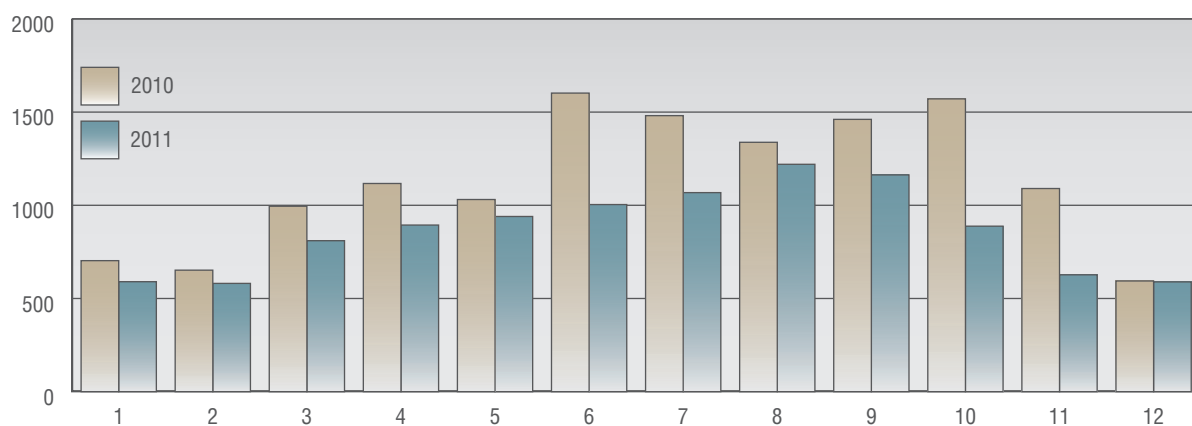
All ATCOs attended a maintenance training determined for APP, APS/RAD and ADI/TWR ratings in the monitored period.

Certain employees attended HUM-SUP and GEN-FUT courses held at EUROCONTROL- IANS and SAF-SAM organized by the SAF Department.

Table 4: Comparison of the number of movements 2010/2011 – Košice

Month	NoAM - IFR		Rise/ Drop in %	NoAM - VFR		Rise/ Drop in %	NoAM		Rise/ Drop in %	NoOF		Rise/ Drop in %	NoM		Rise/ Drop in %
	2010	2011		2010	2011		2010	2011		2010	2011		2010	2011	
1	551	506	-8,2	113	62	-45,1	664	568	-14,5	39	22	-43,6	703	590	-16,1
2	479	504	5,2	143	42	-70,6	622	546	-12,2	30	35	16,7	652	581	-10,9
3	591	570	-3,6	345	123	-64,3	936	693	-26,0	59	117	98,3	995	810	-18,6
4	529	528	-0,2	496	262	-47,2	1 025	790	-22,9	92	104	13,0	1 117	894	-20,0
5	633	624	-1,4	320	111	-65,3	953	735	-22,9	78	205	162,8	1 031	940	-8,8
6	753	683	-9,3	711	112	-84,2	1 464	795	-45,7	138	209	51,4	1 602	1 004	-37,3
7	793	749	-5,5	545	121	-77,8	1 338	870	-35,0	143	198	38,5	1 481	1 068	-27,9
8	767	754	-1,7	432	173	-60,0	1 199	927	-22,7	139	293	110,8	1 338	1 220	-8,8
9	777	700	-9,9	594	153	-74,2	1 371	853	-37,8	90	310	244,4	1 461	1 163	-20,4
10	642	537	-16,4	825	140	-83,0	1 467	677	-53,9	104	211	102,9	1 571	888	-43,5
11	550	453	-17,6	452	61	-86,5	1 002	514	-48,7	88	113	28,4	1 090	627	-42,5
12	482	500	3,7	83	41	-50,6	565	541	-4,2	29	48	65,5	594	589	-0,8
Jan-Dec	7 547	7 108	-5,8	5 059	1 401	-72,3	12 606	8 509	-32,5	1 029	1 865	81,2	13 635	10 374	-23,9

Chart 5: Comparison of the number of movements – Košice



TWR Tatry

Air traffic services at the TWR Tatry unit were provided with no limitations or delays caused by LPS SR. In the course of 2011, air traffic services were provided in line with the needs of the aerodrome operator - Letisko Poprad Tatry, a. s., and in 60 cases the operating hours were adjusted on his request beyond the published operating hours.

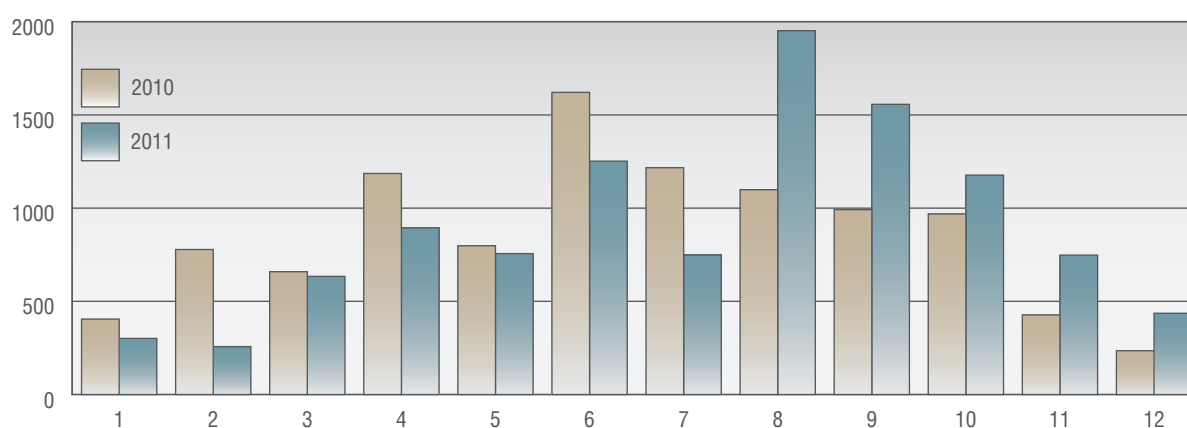
The determined training content and extent at the TWR Tatry unit was fully met both in the procedural practical training and in the radar practical training, all ATCOs underwent a maintenance training determined for the APS/RAD and ADI/TWR ratings.

In order to increase their expert qualifications, selected employees of the TWR Tatry unit underwent a GEN-FUT course held at EUROCONTROL- IANS and a SAF-SAM course organized by the SAF Department.

Table 5: Comparison of the number of movements 2010/2011 – Poprad-Tatry

Month	NoAM - IFR		Rise/ Drop in %	NoAM - VFR		Rise/ Drop in %	NoAM		Rise/ Drop in %	NoOF		Rise/ Drop in %	NoM		Rise/ Drop in %
	2010	2011		2010	2011		2010	2011		2010	2011		2010	2011	
1	288	197	-31,6	86	74	-14,0	374	271	-27,5	31	30	-3,2	405	301	-25,7
2	274	120	-56,2	462	99	-78,6	736	219	-70,2	42	38	-9,5	778	257	-67,0
3	256	181	-29,3	319	326	2,2	575	507	-11,8	84	127	51,2	659	634	-3,8
4	208	119	-42,8	749	582	-22,3	957	701	-26,8	229	193	-15,7	1 186	894	-24,6
5	153	231	51,0	525	308	-41,3	678	539	-20,5	120	217	80,8	798	756	-5,3
6	231	237	2,6	1 222	819	-33,0	1 453	1 056	-27,3	168	196	16,7	1 621	1 252	-22,8
7	231	180	-22,1	674	316	-53,1	905	496	-45,2	312	253	-18,9	1 217	749	-38,5
8	192	224	16,7	540	1 371	153,9	732	1 595	117,9	367	357	-2,7	1 099	1 952	77,6
9	227	198	-12,8	570	976	71,2	797	1 174	47,3	195	383	96,4	992	1 557	57,0
10	200	194	-3,0	549	750	36,6	749	944	26,0	220	233	5,9	969	1 177	21,5
11	136	206	51,5	217	450	107,4	353	656	85,8	74	92	24,3	427	748	75,2
12	156	228	46,2	45	148	228,9	201	376	87,1	34	60	76,5	235	436	85,5
Jan-Dec	2 552	2 315	-9,3	5 958	6 219	4,4	8 510	8 534	0,3	1 876	2 179	16,2	10 386	10 713	3,1

Chart 6: Comparison of the number of movements – Poprad-Tatry



TWR Žilina

In 2011 the number of movements decreased by 48.4% in comparison with 2010 (see Table 6).

Since 17 November 2011, the TWR Žilina may boast with a new ILS device which was put into real operation in the second half of the year.

A regular ČSA line Prague – Žilina – Prague was operational with minor adjustments of the flight schedule. The operating hours of the TWR Žilina unit changed in view of new flight schedules and requirements of the aerodrome operator.

Several changes were made in ATM procedures in the monitored period, namely the change of the CTR/TMA Žilina borders.

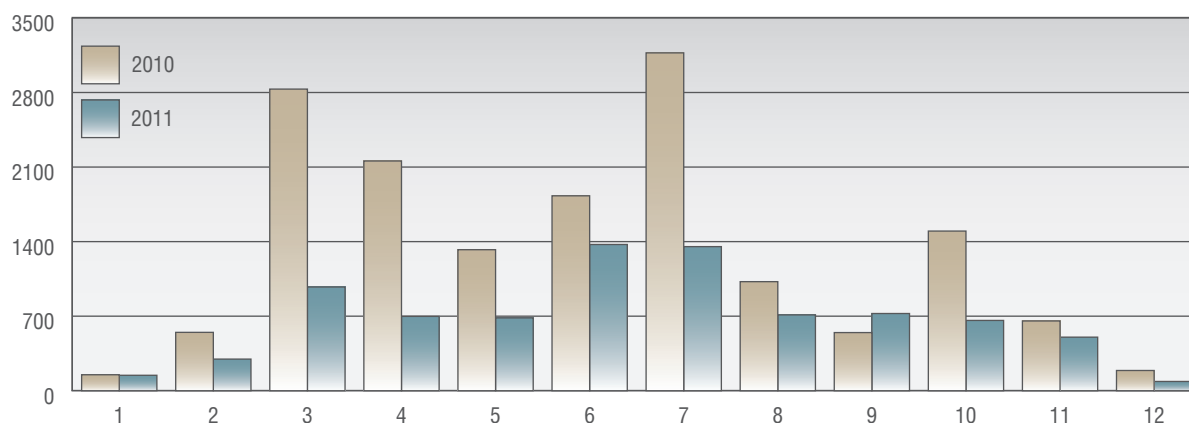
The ATCO theoretical and practical training was divided in a spring and autumn part.

The determined content and extent of the training at the TWR Žilina unit was fully met in the monitored period, both in the procedural practical training and in the theoretical training.

Table 6: Comparison of the number of movements 2010/2011 – Žilina

Month	NoAM - IFR		Rise/ Drop in %	NoAM - VFR		Rise/ Drop in %	NoAM		Rise/ Drop in %	NoOF		Rise/ Drop in %	NoM		Rise/ Drop in %
	2010	2011		2010	2011		2010	2011		2010	2011		2010	2011	
1	38	43	13,2	96	93	-3,1	134	136	-62,3	16	9	-43,8	150	145	-3,3
2	58	93	60,3	479	186	-61,2	537	279	67,8	11	18	63,6	548	297	-45,8
3	150	131	-12,7	2 599	763	-70,6	2 749	894	466,8	83	80	-3,6	2 832	974	-65,6
4	173	125	-27,7	1 887	522	-72,3	2 060	647	11,7	97	51	-47,4	2 157	698	-67,6
5	152	124	-18,4	1 132	461	-59,3	1 284	585	38,5	40	99	147,5	1 324	684	-48,3
6	186	203	9,1	1 563	1 092	-30,1	1 749	1 295	-49,0	81	78	-3,7	1 830	1 373	-25,0
7	175	162	-7,4	2 897	1 137	-60,8	3 072	1 299	-0,2	100	54	-46,0	3 172	1 353	-57,3
8	136	173	27,2	787	406	-48,4	923	579	125,7	101	133	31,7	1 024	712	-30,5
9	128	134	4,7	343	487	42,0	471	621	7,5	75	104	38,7	546	725	32,8
10	180	198	10,0	1 251	411	-67,1	1 431	609	-9,9	68	51	-25,0	1 499	660	-56,0
11	159	128	-19,5	453	331	-26,9	612	459	-37,0	43	44	2,3	655	503	-23,2
12	73	57	-21,9	105	16	-84,8	178	73	-61,5	12	14	16,7	190	87	-54,2
Jan-Dec	1 608	1 571	-2,3	13 592	5 905	-56,6	15 200	7 476	6,2	727	735	1,1	15 927	8 211	-48,4

Chart 7: Comparison of the number of movements – Žilina



In addition to their common operational activity, the DAAS staff were involved, through the Department of Planning and Procedures, in the creation and modification of flight procedures, in the modification of the airspace structure, the methodology related to the scope of action of the Division, and in assessing changes in the ATM system in view of safety.

Training Centre

The LPS SR Training Centre holds an Approval Certificate issued by the CAA SR ATM SK/02, as an organization approved for ATM staff training.

In addition to the Training Centre's permanent staff, also DERS, DAAS and DTZL staff as well as external lecturers were involved in the theoretical training and its preparation. As for the practical training, the Training Centre also cooperated with instructors from the APP/TWR Bratislava, Košice, TWR Poprad and Žilina units.

In addition to common tasks performed as a part of the Inter-ministerial Agreement on Cooperation between MoT SR and MoD SR, the Training Centre staff also provided both theoretical and practical training of military ATCOs for military air traffic units and for the AOZ Liptovský Mikuláš at the LETVIS and MaxSim ADACEL simulators in line with training schedules of these units. The Training Centre staff also helped 18 military ATCOs to successfully obtain their ratings for the Sliač airport. They also prepared a curriculum for the OJT instructors' course which has been approved by the CAA SR, and carried out both theoretical preparation as well as practical training for instructors for military air traffic units.

As for the international cooperation, the Training Centre staff were involved in preparation of new documents within EUROCONTROL and FAB CE TRN working groups. As a part of international cooperation and issuing new binding documents elaborated at EASA and approved as European Commission regulations in the area of training, the staff continuously updated the curricula and valid documentation of the Training Centre.

Table 7: Summary of operating hours of the Training Centre simulators in 2011 (hours):

	I.	II.	III.	IV.	V.	VI.	VII.	VIII.	IX.	X.	XI.	XII.	Σ
LETVIS SIMULATOR													
ACC	119,5	199,5	209,5	163,5	80	73,5	56,5	40,5	75,5	64	150	80	1312
LZIB			89,5	90	6		4			72	55	13,5	330
LZKZ	95	64	34	46,5		49,5	9		11				309
LZTT													0
LZZI													0
LZPP													0
LZSL				40	56	40			24	112	80	28	380
VS	91	170	16		16	60	244	240	64		16	24	941
Spolu	305,5	433,5	349	340	158	223	313,5	280,5	174,5	248	301	145,5	3272
ADACEL SIMULATOR													
LZIB	6	8		36	58,5	61,5	8		36	21	55	67,5	357,5
LZKZ				29,5	25,5	36	8	36	14	4	20		173
LZTT			46,5	42,5	38,5	67,5			36	9	28		268
LZZI		16	17							32			65
LZPP													0
LZSL				24	40	14	72	80		8	24		262
VS	59,5	18					56		40		12	20	205,5
Spolu	65,5	42	63,5	132	162,5	179	144	116	126	74	139	87,5	1331
Σ	371	475,5	412,5	472	320,5	402	457,5	396,5	300,5	322	440	233	4603

ATM Safety

Safe provision of air traffic services is still one of company's top priorities. In 2011 there was no case of LPS SR staff directly causing an aircraft accident or seriously endangering the air traffic safety. Out of the total number of incidents there were 5 aircraft accidents and 2 serious ATM-related incidents reported; the company had no fault in their origin though.

On the basis of the analysis and statistics made, we may say that in comparison with 2010, the 2011 saw a 19% decrease in the number of incidents reported by means of the reporting system of incidents in air traffic, caused by the decrease in the number of all kinds of reported incidents, which was also related to the change of incident reporting philosophy on the basis of ASMT monitoring. A positive safety-related fact is that in relation to incidents classified as the A (serious incident) to E (incident with no impact on safety) severity degree, with a direct involvement of the company in their occurrence, there was a slight decrease in comparison with the previous period, and in 2011 the company was not involved in any aircraft accident or a serious incident.

In order to maintain this positive trend, a great emphasis in ATM safety is laid on pro-active activities, in particular safety checks, assessment and risk mitigation with regard to changes and implementation of new systems, safety education and other forms of increasing the level of safety management. A significant step in this area is also conducting the first Safety Culture Survey in the company with the staff participation as high as 69%. EUROCONTROL found the achieved results positive.

CNS DOMAIN

Based on the achieved figures defining reliability (availability) of the supplied services, systems and CNS devices in operation, it is clear that the overall average availability was higher than 99.5% in 2011.

Total availability of technical devices and systems which provide aeronautical telecommunication services, data transfer telecommunication services and technical support of air traffic services is requested to be higher than 99.5% for the period under review.

Table 8: Total availability for all recorded components

Characteristics	Year	2011
Total average value availability of all registered components; taking into account only failures A_i		99,93%
Total average availability of all registered components, taking into account both maintenance and failures A_a		99,64%
The number of recorded components of CNS systems and devices		759

In 2011 there were 759 components of CNS systems and devices registered in the SPI SERVIO databases. The decrease in the number of the registered components in comparison with 2010 was caused by introducing a new SPI SERVIO system where the output function of a CNS device is monitored in view of availability of the technical service in relation to the presence of technical functionality of redundant parts of the given device.

In addition to ensuring the provision of ATS technical services and supporting information systems necessary for company's administration, work activities of the CNS Division in 2011 were also focused on key projects, mainly the construction of a new administrative and operational building for LPS SR and an active work on the implementation stage of the FAB CE project.

From among investment actions supported by the CNS Division, while their implementation was provided by this division as well, it is important to note that in the first half-year of 2011 the MSSR Velký Javorník was put into operation after its reconstruction. The operational information recording system, ODRS was also put into operation. Two important projects of technical systems development were initiated: E2000 system upgrade by PLCA (Planning Controller – Advanced) display and the technological renewal of the LETVIS system.

AERONAUTICAL INFORMATION SERVICE (AIS)

Pursuing the mission of the AIM Department

In addition to their main activity of managing aeronautical information (AIM) and performing the aeronautical information service (AIS), the staff of the department also provided other activities, namely issuing regulations of L-series as well as other documents, and serving as an ICAO-documents sales centre. As a part of aeronautical information service provision, the amendment service of the Aeronautical Information Publication of the Slovak Republic was provided and other parts of an integrated aeronautical information package were issued in compliance with users' requirements and needs. There were no shortcomings in providing the aeronautical information service in the period under review.

SES legislation compliance

In harmony with the Air Navigation Service Provider Authorization Certificate issued by the National Supervisory Body of the Slovak Republic (NSA), activities ensuring the compliance with common requirements of relevant directives of the European Commission were performed. The compliance was ensured by a continuous supervision by CAA SR.

Commission Regulation (EU) No. 73/2010

In relation of implementation of the Commission Regulation (EU) No. 73/2010, laying down requirements on the quality of aeronautical data and aeronautical information, the AIM department staff was actively involved in the activity of the working group established for this purpose by the Ministry of Transport.

Transformation from AIS to AIM

In connection with the transformation plan elaborated by ICAO, the Ministry of Transport established a working group with a view to elaborating a national plan of transformation from AIS to AIM. This transformation is based on applying a new attitude, namely a transition from issuing hard-copy (printed) publications to a data-oriented service provision. The department staff prepared a draft of the first national plan as a part of its activities.

Magnetic declination data updating

On the basis of measurement results of 2010 magnetic declination provided by Geofyzikálny ústav SAV (Geophysical Institute of the Slovak Academy of Sciences), relevant parts of AIP SR were continuously updated. In this relation the AIM department provided expert support to both company originators as well as to external subjects.

Modernization of systems for the provision of aeronautical information service

In order to provide high-quality services and to meet users' requirements, the modernization process of our systems continued. In particular, new functionalities were implemented in the eWizard, IntegMon and IBAF systems, and the interactive web page of the AIM department was innovated as well; it also includes an eShop application enabling sales of products.

SEARCH AND RESCUE

In the period under review, activities of the RCC unit were performed in compliance with the mission of the company, i.e. they were aimed at organization, coordination and management of search and rescue services assisting any aircraft in emergency. All staff performing these activities followed the RCC regulation 'Procedures of the Rescue Coordination Centre Bratislava' and other related documents.

In the period of 01 – 12/2011 the services of the centre were used 395 times, representing a decrease by 20% in comparison with 2010. This fact is a result of a lower operation at our aerodromes, a decreased number of outages of ground equipment, as well as a lower number of SATM, and a permanent effort to increase the air traffic safety.

46 cases involved receiving transmissions on frequencies determined for emergency locator transmitters (ELT), whereas their source was not identified in 20 cases, but after their assessment it was determined that they could not have been serious incidents and the transmission was caused by mis-manipulation with the stated device, unreported maintenance, or they were false.

156 cases were incidents, 4 cases were serious incidents. Nonetheless, there were as many as 6 aircraft accidents with 1 casualty (a pilot of an agricultural aircraft died in a collision with a power line). There were 20 cases of prolonged lost of communication flights within the airspace of the Slovak Republic; the radio communication was lost in 4 cases.

In 5 cases it was necessary to declare the alert phase ALERFA (in 3 cases the reason was an aircraft's engine failure, in other cases it was a failure of lift flaps and the radio communication failure). All flights landed safely and had no other problems. In 4 cases also the uncertainty phase INCERFA was declared, always because pilots did not report landing in the specified time.

In 115 cases a specific ATM incident report (SATM), and in 41 cases miscellaneous incident (RU) report, were distributed. There were 34 cases of bird-strikes. Flight crews reported aircraft exposure to lasers as many as in 28 cases.

11 cases required coordination with neighbouring RCCs and in 25 cases we received reports from the Cospas-Sarsat centre on receiving emergency frequency (406 MHz) transmission which had to be assessed and localized, but in none of the cases was it related to an aircraft accident in our territory and in most cases they were ELT device service ability tests. We received 2 witness reports about alleged aircraft accidents in our territory, which were not confirmed though.

HUMAN RESOURCES

Legal agenda and cross-sectional role of general administration

The General Administration Department (OVS) was providing general advisory activities including information on valid legal standards and opinions on legal problems. It acted in the agenda of fundamental company's documents in the Commercial Register, in the subject of registering the Charter in the collection of charters in the Commercial Register. It was assessing and elaborating opinions on directive documents of the company.

As of 31 December 2011, the Legal Department (PRAV) assessed and commented on 158 contract drafts in the area of commercial and civil law, and contracts related to handling the state property in company's administration. Within its activities, PRAV was involved in preparation of certain contracts.

PRAV evaluated claims towards airlines and other users of the airspace of the Slovak Republic from the point of view of their enforceability, and prevented them from coming under the statute of limitation by filing a claim at a relevant court. It lodged claims for bankruptcy proceedings and for restructuring proceedings. It proposed write-off of bad debts in cases of foreign debtors after finding out necessary facts in the debtor's country.

Human resources

Human resources management is a significant area of staff management in the working process focused on obtaining, forming and organizing work activities as well as on connecting work skills of employees in relation to the work performed and to their personal and social development. The HR development policy was focused on meeting requirements resulting from international conventions and EU legislation requirements on air traffic safety. Human resources management represented a complex of activities carried out by the Human Resources Development Department as well as of activities carried out in a close cooperation with the management. As for the human resources development, an irreplaceable role was played by managers on all management levels.

Employment

2011 was a year of employment stabilization for LPS SR from the point of view of human resources management. HR management was focused on selection and stabilization of employees in line with the staff plan.

As of 31 December 2011 the company had 479 employees, of whom 135 were women. Staff fluctuation was commonly on a low level. The reasons for terminating employment were mainly early pension leaves, and termination of employment by agreement on the part of the employees.

Education

The company has long been laying importance on investment in expert growth and education of all staff groups in line with strategic corporate targets and goals. Being one of company's priorities, the 2011 Education Plan was aimed at ensuring qualification development of employees, and at increasing and deepening the staff qualifications. Education and courses were provided based on timely requirements. Costs of education ensured by the Human Resources Development Department in 2011 represented 125.3 thousand EUR.

The vast majority of trainings, seminars and conferences was resourced through external suppliers. The staff had a chance to further deepen their qualifications by participating in educational activities, depending on their work and expert activity.

Staff welfare

In the area of staff welfare, the company's actions were based on company's social policy measures and on the Collective Agreement.

As a part of the social policy and staff welfare, employees were given contributions from the social fund, mainly contributions to capital life insurance, additional pension saving, work-force recovery, healthcare, commuting from/to work and meals. Selected professions were provided with recovery stays, and other employees and their families with recreation stays in the company's specialized establishments.

Labour economy and wages

Staff costs in 2011 were drawn, in comparison with the projected height of this cost item, to 99.26%. Drawing staff costs had an impact on the level of drawing other items of personnel costs, mainly costs of social and health insurance. In line with the plan, also the cost item of 'remuneration for members of the state enterprise's bodies' was drawn to 98.5% of the Annual Plan.

Inspection

Internal company inspection was performed by the Internal Control Section as well as in the form of audits on the 2nd management level and of safety checks carried out by the ATS Safety Department.

The Internal Control Section carried out all 11 planned inspections. The inspections were mainly aimed at checking if generally binding legal regulations and internal directives were being followed. Out of the 11 inspections, 5 were findings-free. In 6 cases, the status found during the inspections and recommendations of the control groups for removing the shortcomings found were specified in single minutes taken during discussions with relevant senior staff of the units under inspection. All of the adopted measures which were scheduled to be fulfilled in 2011 were fulfilled indeed (9 measures were adopted in total). Fulfillment of the measure scheduled for 2012 will be monitored by the Internal Control Section in the course of 2012.

There were no findings in relation to the performed inspection activity in the company which would prove any damage, or which would lead to other similar findings.

In 2011 external control bodies carried out one inspection at LPS SR. The results of this inspection were findings-free so no corrective measures were imposed on the company.

Work safety and health protection (BOZP) and fire prevention (PO)

In 2011 the Department, fulfilling also the functions of a safety-technical service, performed both its regular activities (such as entrance trainings, controlling activity at workplaces focused on following the principles of safe work and work conditions, supervision over regular expert inspections and tests of technical equipment, and rectification of identified defects, provision and use of personal protective equipment, keeping records of minor occupational injuries), cooperated with the Occupational Health Service in measuring impacts on the labour environment and performed inspections at all company's workplaces. In August and September 2011, on the request of LPS SR, the staff of the Occupational Health Service assessed the mental work load of ATCOs at the TWR Tatry, TWR Žilina and TWR Piešťany units. The results confirmed the validity of classification of ATCOs at these units in the second risk category - mental work load. The results of measurements and assessments have been submitted to the Public Health Authority of the SR.

In October, November and December 2011, 23 trainings for staff and managers took place, aimed at revising BOZP issues and regular re-training in the area of fire prevention.

The BOZP and fire-prevention technician provided consultancy and advisory in this area according to employees' needs, he commented on projects and intentions related to the investment activity.

Company's specialized establishments

In the company's recovery, training and recreation centre in Rajecké Teplice there were 886 persons put up in 2011, representing a year-on-year increase by 25.85%. 95 ATCOs were on recovery stays.

57 employees participated in business events (business trips, meetings) which were held in the establishment. Recreation stays were provided to 734 persons.

In 2011 there were 332 persons put up in the specialized establishment in Banská Štiavnica, similarly to 2010. There were 1-week-long recreation stays organized during school holidays as well as short weekend stays.

In the holiday house in Stará Lesná there were 137 persons put up in 2011, representing an increase by 20.17%, mostly for 1-week-long stays.

The employees are increasingly interested in the stays in specialized establishments of the company.

ECONOMIC SITUATION

Evaluation of company's economic performance as of 31 December 2011

The tasks set in the 2011 Financial Plan assumed a continued increase in the company's efficiency and obtaining the necessary volume of revenues to make profit.

As for the costs, the 2011 Financial Plan projected drawing of costs at the height of EUR 56 651 363. The actual volume of costs drawn was EUR 53 700 531, representing a saving of EUR 2 121 598, i.e. expressed in percentage, the projected costs were drawn at 94.79%.

As of 31 December 2011, the total LPS SR revenues amounted to EUR 55 033 656, representing 96.47% of the Annual Plan, set at EUR 57 044 549.

The 2011 Financial Plan expected an after-taxation profit of EUR 393 186. The actual after-taxation profit amounted to EUR 1 333 125.

Costs

In comparison with the LPS SR 2011 Plan which projected the total costs for providing safe and smooth air traffic within the territory of the Slovak Republic at EUR 56 651 363, as of 31 December 2011, LPS SR calculated the costs at EUR 53 700 531, i.e. 94.79% of the Plan had been drawn.

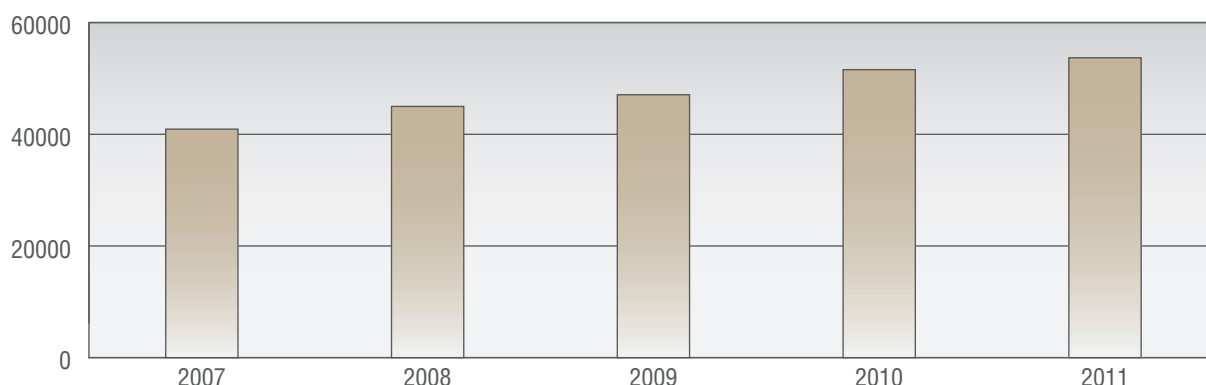
Broken-down into individual kinds of costs items, the actual drawing in comparison with the 2011 Plan was as follows:

- **Consumed purchase:** 92.49% of the Annual Plan were drawn.
- **Services:** 82.10% of the Annual Plan were drawn.
- **Total staff costs:** 97.41% of the Annual Plan were drawn. In 2011 99.26% of staff costs were spent in comparison with the projected volume of this costs item. The costs item 'remuneration for members of corporate bodies' was drawn at 98.50%.
- **Taxes and fees:** 109.19% of the Annual Plan were drawn. The Plan was exceeded in the 'road tax' and 'real estate tax' items.
- **Other business costs:** 139.24% of the Annual Plan were drawn. The stated increase is caused mainly by the rise of the projected value of the 'other operating costs' account due to a legislative change in accounting procedures effective

from 1 January 2011, according to which the costs accounted in the 56x accounting group are accounted in the 54x accounting group.

- **Depreciation and amortization** represented 95.32% of the Annual Plan.
- **Financial costs:** 0.63% of the Annual Plan were drawn. The low drawing is caused by the legislative change mentioned in the previous 'other business costs' item.

Chart 8: Total costs evolution for 2007- 2011



Revenues

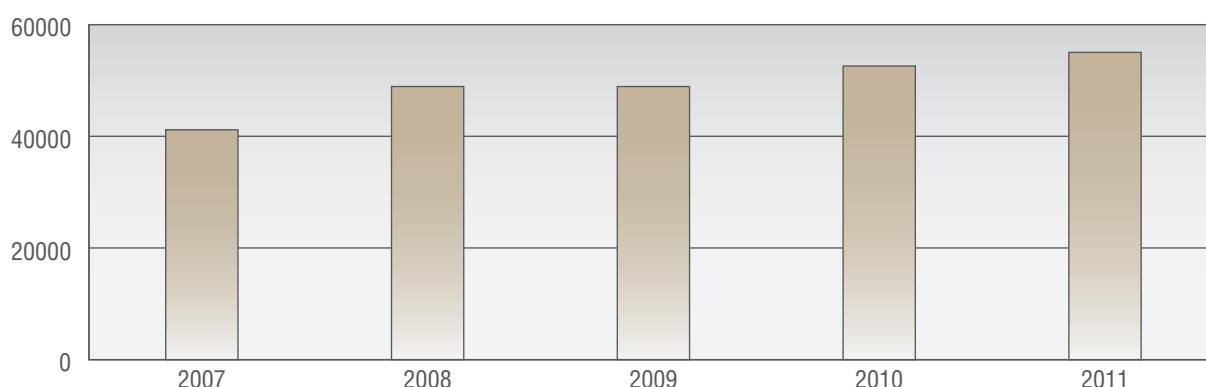
As of 31 December 2011, LPS SR accounted the total revenues of EUR 55 033 656, representing 96.47% of the Annual Plan. This result was largely influenced by revenues from en-route navigation services (en-route charges), invoiced at the height of EUR 47 936 705. In comparison with 2010, the revenues from en-route services increased by 5.35%; in financial terms, that means an increase by EUR 2 435 905.

2011 saw a drop in the 'terminal services' item (terminal charges) by EUR 162 284 in comparison with 2010, i.e. a drop by 3.25%.

As for the structure of revenues classified according to the kind of services provided, the drawing of revenues as of 31 December 2011 in comparison with the Annual Plan was as follows:

- **En-route charges:** 94.53% of the Annual Plan.
- **Terminal charges:** 97.15% of the Annual Plan.
- **Other revenues from the sale of services:** 118.01% of the Annual Plan.
- **Other business revenues:** 305.54% of the Annual Plan.
- **Financial revenues:** 150.13% of the Annual Plan.

Chart 9: Total revenues evolution for 2007 - 2011



Revenues from the sale of services, namely en-route charges, have a decisive impact on the total creation of revenues. These are dependent on the number of controlled service units and the height of the unit rate for en-route charges.

When establishing the height of the charges, forecasts of the air traffic density evolution made by EUROCONTROL, based on the facts of the previous periods, were taken into consideration. Comparing it with the reality of 2010, the 2011 Plan expected a higher number of controlled service units by 10.30%, i.e. by 943 668 controlled service units.

The calculation of the 2011 unit rate for en-route charges included all expected 2011 costs of operational activity, costs of administration, education, training, AIS services, MET services and the costs of the CAA supervision.

The number of controlled service units as of 31 December 2011 was 899 413, that is an increase by 43 841 service units, i.e. an increase by 5.12% as compared with 31 December 2010, when 855 572 service units were controlled.

The unit rate was established in view of the "Principles for Establishing the Cost-Base and the Calculation of Unit Rates EUROCONTROL DOC 04.60 01". For 2011 the single unit rate was established at EUR 53.89, representing an increase of the rate by EUR 0.11 compared to 2010, i.e. a rise by 0.20%.

Chart 10: Evolution of the volume of controlled service units for 2007 – 2011

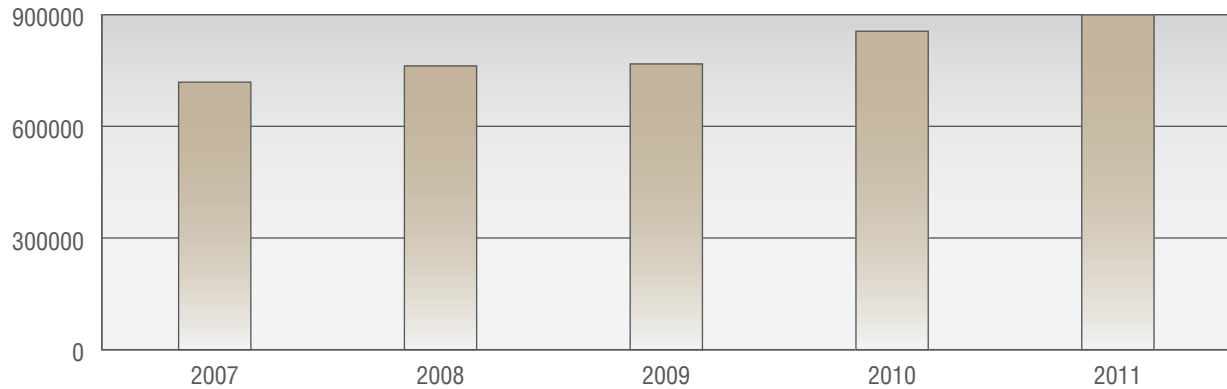
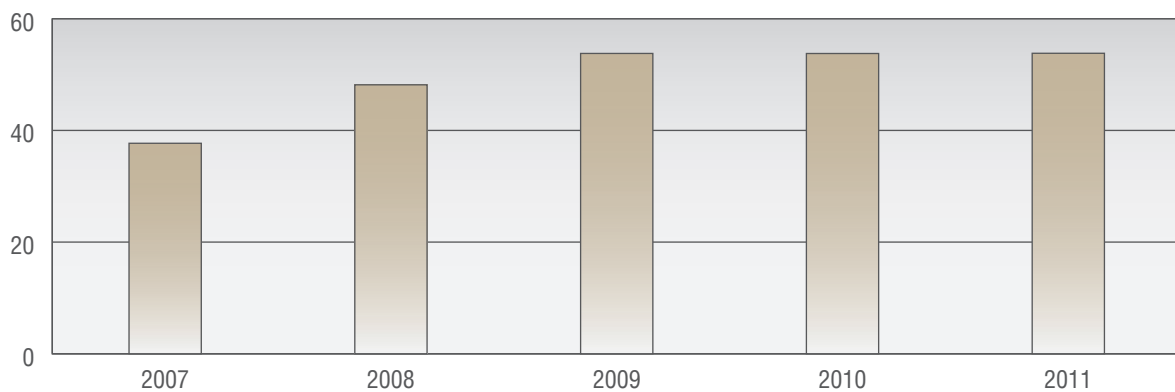


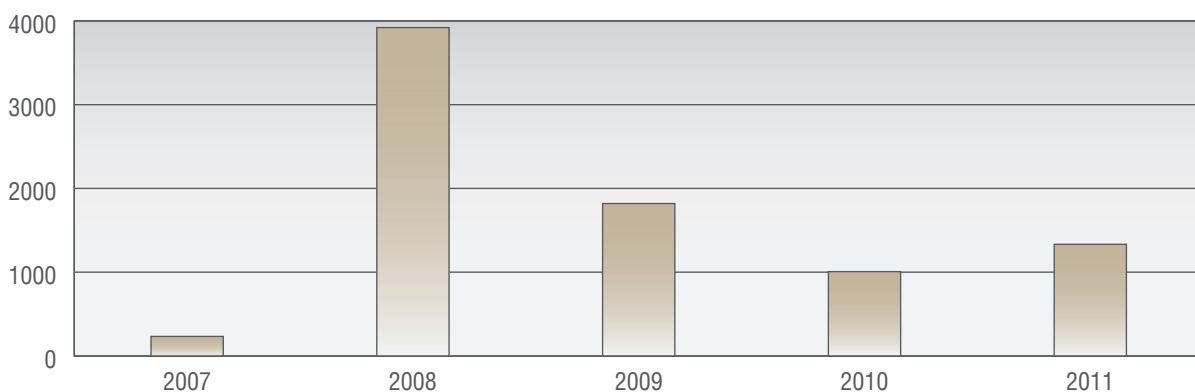
Chart 11: Evolution of the approved unit rate for 2007 - 2011



Profit and Loss

As of 31 December 2011, LPS SR made a before-taxation profit of EUR 1 384 876. After settling all taxes for the monitored period as of 31 December 2011, LPS SR made a total profit of EUR 1 333 125.

Chart 12: Profit/Loss for 2007 - 2011



Liquidity

This indicator represents corporate liquidity – solvency. It expresses the composition of economic funds enabling fluent payments depending on how quickly the subject is able to perform – transform material values and shares into a monetary form. It is expressed in the following way:

- a) a ratio of financial accounts to current liabilities – level I liquidity – with the required level of 0.20 and the optimum value of 0.20 to 0.50;
in 2011, LPS SR achieved the value of 2.84;
- b) the ratio of the sum of financial accounts and current receivables to current liabilities – level II liquidity – with the required value of 1.50 and with the optimum value of 1.00 to 1.50;
in 2011, LPS SR achieved the value of 4.60;
- c) the ratio of total current assets to total current liabilities – level III liquidity (current ratio) – with the required level of 2.00 and the optimum value of 1.50 to 2.50;
in 2011, LPS SR achieved the value of 4.91.

As of 31 December 2011, LPS SR achieved the value of EUR 21 211 326 in the Balance Sheet item of 'Financial accounts'. From the long-term point of view, the indicator of the status of financial resources is stable.

Other evaluative indicators

In 2011, 99.26% of the staff costs were drawn in comparison with the projected volume of this costs item. The costs item 'remuneration for members of corporate bodies' was drawn at 98.50%.

In 2011 the average monthly earning per employee increased by 6.05% in comparison with 2010.

The average number of registered employees increased from 473 in 2010 to 474 in 2011. The number of registered employees as of 31 December 2011 increased by 3 employees in comparison with the previous year, i.e. to 479.

In 2011 the added value indicator increased in comparison with 2010 by EUR 1 775 570 to the total value of EUR 45 447 041. Such increase contributed to an increase in the labour productivity from the added value in 2011 by 4.07%, in comparison with 2010.

Financial ratio indicators

Financial ratio indicators enable the most complex assessment of the status and development of corporate economic performance. They are expressed in financial values recorded in the company's accounting and they form a basis for calculation of other related qualitative indicators.

The productivity indicators characterize the efficiency of human labour in the company. They represent a ratio of the production volume to the executed work.

Profitability indicators measure the economic efficiency of the company's performance from the owner's point of view. They are relative indicators with a profit in their numerator.

As of 31 December 2011, LPS SR achieved the following values of the selected indicators:

$$\text{Labour productivity from the added value} = \frac{\text{Added value}}{\text{Number of employees}} = \text{EUR 95 880}$$

This indicator shows the sum of the added value per one employee. It is the most important indicator of economic efficiency. In comparison with 2010, the labour productivity from the added value is higher by EUR 3 551.

$$\text{Labour productivity from revenues} = \frac{\text{Revenues}}{\text{Number of employees}} = \text{EUR 116 105}$$

The labour productivity from revenues in 2011 measures the sum of the revenues per one employee. In comparison with 2010, the indicator of the labour productivity from revenues was higher by EUR 4 931. The 2010 labour productivity from revenues reached EUR 111 174.

$$\text{Financial labour productivity from added value} = \frac{\text{Added value}}{\text{Staff costs}} = 1,57$$

The indicator of the financial labour productivity expresses the volume of production per one EUR of staff costs. In comparison with 2010 (1.63), this indicator is lower by 0.06.

$$\text{Revenues profitability} = \frac{\text{After-taxation profit/loss}}{\text{Revenues}} \times 100 = 2,42\%$$

Revenues profitability is also denoted as profitability and represents the total share of after-taxation profit/loss in total revenues.

Technical and Investment Development Plan

For 2011, LPS SR approved the Investment Plan at the height of EUR 8 553 000.00. As of 31 December 2011, EUR 6 101 419.22 of the mentioned sum was invested to procure long-term tangible and intangible assets.

The 2011 Investment Plan was elaborated on the basis of investment actions coming to the Investment Plan from previous years as well as new requirements of relevant managers of organizational units of LPS SR for procurement of long-term tangible and intangible assets to ensure the company's continuing activities and run.

Out of the total number of the executed 84 actions:

45 were finalized;

39 actions are continuing in 2012.

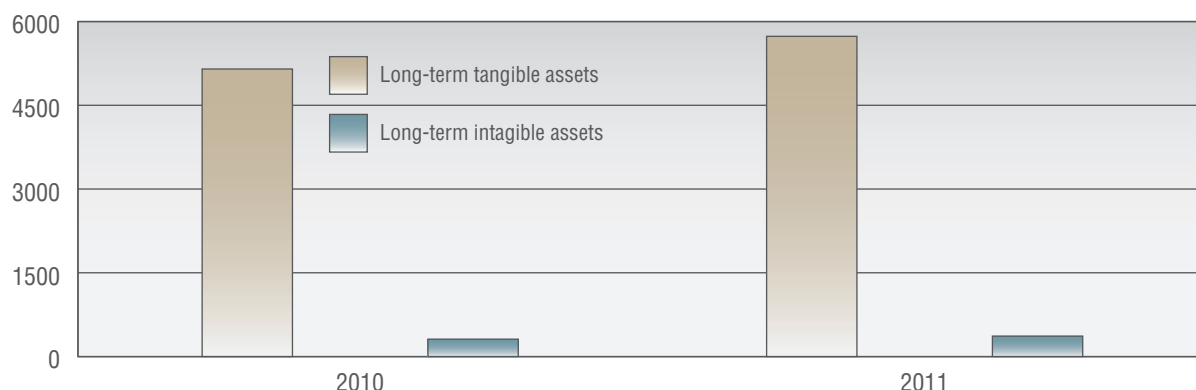
Table 9: Capital expenditure, resources and their use (in EUR) for 2011

Capital expenditure in EUR	2011
Planned resources - total	8 553 000
- leasing/loan	0
- capital and reserves	8 553 000
2011 Investment Plan	8 553 000
out of that:	
– use: leasing/loan	0
– use: from capital and reserves	6 101 419
in that:	
– long-term tangible assets	5 727 319
– long-term intangible assets	365 997
– lands	8 103

The resources planned to meet the needs of the 2011 Investment Plan were not drawn as projected in the 2011 Plan. In comparison with the planned schedule, the process of executing certain investment actions was delayed, for example due to unsuccessful testing of systems (upgrade of a navigation devices remote control, VCS TWR Bratislava, ATIS/VOLMET system). Certain investment actions were not initiated in line with expected schedules (access road and high-voltage connection for the technological object of Mošník). The use of e-auction resulted in savings in comparison with the expected procurement price.

On the other hand, 2011 saw execution of investment actions necessary for ensuring the air traffic and company's activities (List C – unexpected and unplanned actions), while in some actions technical specifications on the basis of current requirements were added.

Chart 13: Evolution of capital expenditure for 2010 – 2011



Significant investment actions provided by the company in 2011 included:

- Rohde & Schwarz radio-communication devices;
- Upgrade E2000 by PLCA 2k and preparation for relocation to the new administrative and operational building;
- LETVIS (Bratislava) system recovery;
- ILS Žilina;
- Upgrade of the radio-navigation equipment remote control and monitoring system.

Construction of the new administrative and operational building of LPS SR was a very significant investment action. Construction works finished in the course of 2011 and preparation for the take-over of main building objects started. In 2011 water utilization objects, gas connection and transformer stations were approved. Construction works were carried out on schedule.

Transfer of the state enterprise's property

In line with the Act No. 111/1990 Coll., Article 21 (1) (j), and on the basis of the submitted proposal for conclusion of the Contract on Toll-Free Transfer of the State Property Administration concluded in line with the Article 51 of the Civil Code as amended, in 2011 the Supervisory Board approved a state property transfer – transfer of a property of the state enterprise to the Ministry of Defense of the Slovak Republic. It was a transfer of a container store – construction in Sielnica location in relation to the transfer of responsibility for providing air navigation services at the Sliač airport into the competence of the Ministry of Defense of the SR.

Profit allocation

In line with the Article 19 (6) of the Act No. 111/1990 Coll. on State Enterprise as amended, the founder – Ministry of Transport, Construction and Regional Development of the Slovak Republic - allocated the 2011 after-tax profit of EUR 1 333 124.56 as follows:

a)	reserve fund fill-up (5% of profit)	EUR	66 656.23
b)	social fund fill-up	EUR	400 000.00
c)	allocation to the development fund	EUR	839 850.59
d)	allocation to the statutory fund	EUR	10 000.00
e)	Director's General bonus	EUR	12 000.00
f)	Supervisory Board members bonus	EUR	4 617.74

Annual remuneration of the Director and the Supervisory Board members

Having assessed the results of the company activity in 2011, the Minister of Transport, Construction and Regional Development awarded a yearly bonus to the Director General of the company in view of the Article 19 (8) of the Act No. 111/1990 Coll. at the height of EUR 12 000.00.

At the same time the Supervisory Board members were awarded bonuses in view of the Article 20 (10) of the Act No. 111/1990 at the height of EUR 4 617.74.

Consultations with airspace users

In cooperation with the Ministry of Transport, Construction and Regional Development of the SR, CAA and MET Office, on 29 March 2011 the LPS SR organized a regular consultation meeting with users of the airspace of the Slovak Republic. The aim of the meeting was to improve cooperation and provide information to the users regarding air navigation services provision in 2011.

Outlook for 2012

The 2012 Financial Plan of Costs and Revenues was made on the basis of the costs and revenues of LPS SR which the company expects to incur when providing air navigation services in the airspace of the Slovak Republic.

Compared to the 2011 Financial Plan (EUR 56 651.4 thousand), the total 2012 cost base is higher by 10.69% on average. The total costs amount to EUR 62 704.6 thousand, representing an increase by EUR 6 053.2 thousand compared to the 2011 Financial Plan.

In relation to performing state expert supervision over the air navigation services in line with the Act No. 278/2009 Coll., amending and supplementing the Act No. 143/1998 Coll. on Civil Aviation ('Aviation Act') and on amendments and supplements to certain laws, as amended, in 2012 the company will incur related costs of EUR 1 174.7 thousand.

In its revenues part, the 2012 Plan counts with the total revenues of EUR 63 092.7 thousand, representing an increase of 10.60% when compared to the 2011 Plan; in absolute figures it is an increase by EUR 6 048.2 thousand. The major part of the LPS SR revenues is created by revenues from en-route services, at the total projected height of EUR 57 474.9 thousand, representing more than 90% of all revenues.

The calculation of the unit rate for en-route navigation services for 2012 included all expected 2012 costs of the air traffic management service, telecommunication services, radio-navigation services, surveillance services, search & rescue coordination services, aeronautical information service, air MET service, ATM staff training, training activities and state expert supervision with the projected air traffic density of 945 000 chargeable en-route units in 2012. In comparison with the 2011 Plan (941 000 chargeable en-route units), this value is higher by 0.43%.

For 2012, the projected height of the unit rate of the en-route navigation services reached EUR 60.82, representing an increase by EUR 6.93 in comparison with 2011. The unit rate for terminal navigation services at APP/TWR units is expected to reach EUR 6.47 for 2012 with the projected air traffic density of 660 000 terminal units.

The 2012 Plan counts with the pre-taxation total profit of EUR 479.2 thousand and with the profit of EUR 388.1 thousand in the 'After-Taxation Profit/Loss' item.

Independent Auditor's Report



For the Ministry of Transport, Construction and Regional Development of the Slovak Republic and for the management of the state enterprise Letové prevádzkové služby Slovenskej republiky, štátny podnik

We performed an audit of the attached Financial Statements of the state enterprise Letové prevádzkové služby Slovenskej republiky, štátny podnik (hereinafter referred to as 'the state enterprise') having its registered office at the airport of M. R. Štefánika, 823 07 Bratislava, identification number: 35 778 458, which comprise a Balance Sheet prepared as of 31 December 2011, a Profit and Loss Statement for the year ending as of the mentioned date and related notes containing an overview of important accounting principles and accounting methods and other explanatory notes.

Responsibility of the statutory body of the state enterprise for the Financial Statements.

The statutory body of the state enterprise of the company bears responsibility for the preparation of these Financial Statements, providing a true and faithful picture in accordance with the Act on Accounting No. 431/2002 Coll. as amended (hereinafter referred to as the 'Act on Accounting') and for internal checks which the statutory body finds necessary for elaboration of the Financial Statements which do not include any major inaccuracies caused by a fraud or mistake.

Auditors' responsibility

It is our responsibility to express our opinion on these Financial Statements based on our audit. The audit was performed in accordance with the International Auditing Standards according to which we shall observe ethical requirements, plan and perform the audit in such a way that we obtain reasonable assurance that the Financial Statements do not include any major inaccuracies.

The audit comprises procedures for obtaining audit evidence about sums and data included in the Financial Statements. The procedures are selected on the basis of auditor's decision, including a risk assessment of occurrence of major inaccuracies in the Financial Statements caused by a fraud or mistake. When assessing the risk, an auditor takes into consideration internal checks relevant for the preparation of the Financial Statements within the accounting unit, providing a true and faithful picture, in order to be able to propose such auditing procedures to be used that are suitable under the given circumstances; however, the purpose is not to express their opinion on the efficiency of accounting unit's internal checks of the accounting unit. The audit also evaluates suitability of the accounting principles and accounting methods used, the accuracy of estimations made by the statutory body of the state enterprise, as well as assessment of the presentation of the Financial Statements as a whole.

We are convinced that the acquired audit evidence provide a suitable and reasonable basis for our auditors' opinion.

Opinion

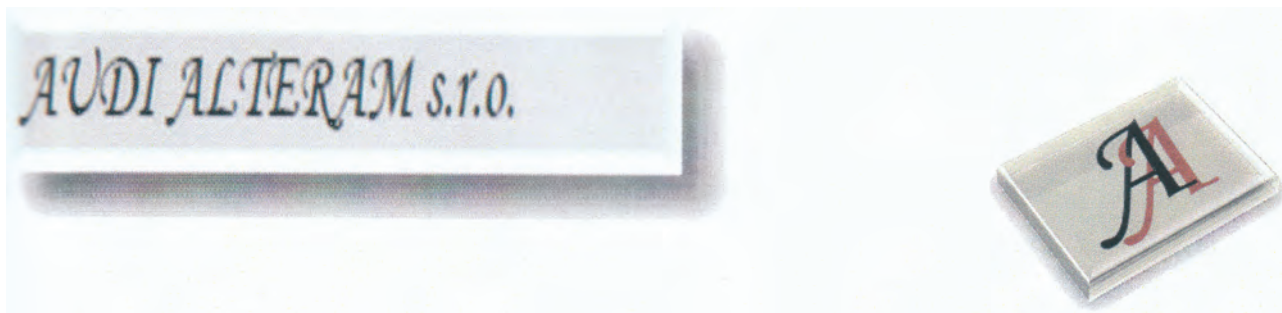
We are of the opinion that the Financial Statements provide a true and objective view of the financial situation of the state enterprise Letové prevádzkové služby Slovenskej republiky, štátny podnik as of December 31, 2011 in all major respects, and its economic results for the year ending as of the specified date, in accordance with the Slovak Act on Accounting. Bratislava, 17 February 2012

AA GROUP

AUDI ALTERAM, s. r. o.
UDVA License No. 351

Ing. Katarína Gavalcová, CA
Auditor in Charge
UDVA License No. 920

Auditor's Report Supplement on Verification of Reconciliation of the Annual Report and Financial Statements pursuant to the Act No. 540/2007 Coll., Article 23 (5)



For the Ministry of Transport, Construction and Regional Development of the Slovak Republic and for the management of the state enterprise Letové prevádzkové služby Slovenskej republiky, štátny podnik

- I. We verified the Financial Statements of the state enterprise Letové prevádzkové služby Slovenskej republiky, štátny podnik (hereinafter referred to as the 'state enterprise'), having its registered seat at the airport of M. R. Štefánika, 823 07 Bratislava, identification number: 35 778 458, as of 31 December 2011, included in the attached Annual Report in relation to which, on 17 February 2012, we issued our report and in which we expressed the following auditor's opinion:

Opinion

We are of the opinion that the Financial Statements provide a true and objective view of the financial situation of the state enterprise Letové prevádzkové služby Slovenskej republiky, štátny podnik as of 31 December 2011 in all major respects, and its economic results for the year ending as of the specified date, in accordance with the Slovak Act on Accounting.

- II. We also verified reconciliation of the Annual Report with the above-mentioned Financial Statements. The enterprise's statutory body is responsible for correctness of the Annual Report. Based on the verification, our task is to express our opinion on the reconciliation of the Annual Report and the Financial Statements.

The verification was made in accordance with the International Accounting Standards requiring the auditor to plan and to perform verification in such a way that they will be reasonably sure that the information stated in the Annual Report, and presented in the Financial Statements, corresponds with the respective Financial Statements in all significant respects. The information stated in the Annual Report was verified in relation to the information specified in the Financial Statements as of 31 December 2011. Other data and information than the accounting information obtained from the Financial Statements and books of accounts, was not verified.

We are convinced that the performed verification provides an appropriate basis for expressing auditor's opinion.

We are of the opinion that the accounting information stated in the Annual Report of Letové prevádzkové služby Slovenskej republiky, štátny podnik provides a true and faithful picture of the Financial Statements as of 31 December 2011 in all major respects, and is in harmony with the Act on Accounting No. 431/2002 Coll. as amended.

Bratislava, 6 August 2012

AA GROUP

AUDI ALTERAM, s. r. o.
UDVA License No. 351

Ing. Katarína Gavalcová, CA
Auditor in Charge
UDVA License No. 920

LPS SR Balance Sheet as of 31 December 2011 (EUR)

Mark	ASSETS	Line No.	Current accounting period			As of 31.12.2010
			Gross	Correction	Net	
*	Assets – total, lines 002+030+061	001	135 349 438	63 603 681	71 745 757	70 793 933
A.	Non-current assets, lines 003+011+022	002	93 263 417	58 237 091	35 026 326	35 722 887
A.I.	Non-current intangible assets, lines 004 to 010	003	3 784 243	2 801 382	982 861	963 199
A.II.	Property, plant and equipment – total, lines 012 to 020	011	89 479 174	55 435 709	34 043 465	34 759 688
A.III.	Non-current financial assets, lines 22 to 29	021	0	0	0	0
B.	Current assets, lines 31+38+46+55	030	41 250 332	5 366 590	35 883 742	34 225 188
B.I.	Inventory, lines 32 to 37	031	2 323 452	0	2 323 452	2 510 735
B.II.	Non-current receivables - total, lines 39 to 45	038	0	0	0	0
B.III.	Current receivables – total, lines 47 to 54	046	17 715 554	5 366 590	12 348 964	13 203 725
B.IV.	Financial accounts – total, lines 56 and 60	055	21 211 326	0	21 211 326	18 510 728
C.	Accruals and deferrals, lines 62 to 65	061	835 689	0	835 689	845 858

Mark	LIABILITIES	Line No.	Current accounting period	As of 31.12.2010
*	Total equity and liabilities, lines 67+88+121			
A.	Equity, lines 68+73+80+84+87	067	60 846 554	59 910 126
A.I.	Share capital, lines 69 to 70	068	50 733 874	50 746 440
A.II.	Capital funds – total, lines 74 to 79	073	0	0
A.III.	Funds created from profit – total, lines 81 to 83	080	8 656 499	8 147 905
A.IV.	Net profit/loss of previous years, lines 85+86	084	123 056	9 238
A.V.	Net profit/loss for the accounting period /+/-/	087	1 333 125	1 006 543
B.	Liabilities, lines 89+94+105+115+116	088	10 888 348	10 871 530
B.I.	Provisions, lines 90 to 93	089	4 076 046	3 008 194
B.II.	Non-current liabilities – total, lines 95 to 105	094	794 262	1 675 653
B.III.	Current liabilities – total, lines 107 to 116	106	6 018 040	6 187 683
B.IV.	Short-term financial assistance (241, 249, 24X, 473A, /-/255A)	117	0	0
B.V.	Bank loans (lines 119 + 120)	118	0	0
C.	Accruals and deferrals, lines 122 to 125	121	10 855	12 277

LPS SR Full Profit and Loss Statement as of 31. 12. 2011 (EUR)

Mark	T E X T	Line No.	Status in the accounting period	
			monitored	previous as of 31. 12. 2010
a	b	c	1	2
I.	Revenues from sale of merchandise (604)	01	2 702	821
A.	Costs of merchandise sold (504, 505A)	02	2 151	566
+	Trade margin, lines 01-02	03	551	255
II.	Production, lines 05+06+07	04	53 917 913	52 003 859
II.1.	Revenues from the sale of own products and services (601, 602)	05	53 915 579	51 995 802
2.	Change in internal inventory (+/- accounting group 61)	06	552	1 213
3.	Own work capitalized (accounting group 62)	07	1 782	6 844
B.	Production consumption, lines 09+10	08	8 471 423	8 332 643
B.1.	Consumption of material, energy and other non-inventory supplies (501, 502, 503, 505A)	09	1 359 062	1 426 712
2.	Services (accounting group 51)	10	7 112 361	6 905 931
+	Added value, lines 03+04-08	11	45 447 041	43 671 471
C.	Staff expenses (sum of lines 13 to 16)	12	28 977 743	26 808 577
C.1.	Wages and salaries (521, 522)	13	20 831 310	19 507 417
2.	Remuneration of Board members of company and of cooperative (523)	14	126 409	85 287
3.	Social security expenses (524, 525, 526)	15	5 788 897	5 437 018
4.	Social expenses (527, 528)	16	2 231 127	1 778 855
D.	Taxes and fees (accounting group 53)	17	63 372	49 684
E.	Depreciation and provision for non-current intangible assets and PPE (551,553)	18	6 750 551	7 054 516
III.	Revenues from the sale of non-current assets and materials (641, 642)	19	18 823	830
F.	Carrying value of non-current assets sold and materials sold (541,542)	20	41 452	0
G.	Creation and accounting for provisions for debts (+/-547)	21	2 848 571	1 328 251
IV.	Other operating income (644, 645, 646, 648, 655, 657)	22	985 653	534 531
H.	Other operating expenses (543 to 546, 548, 549, 555, 557)	23	6 475 932	4 023 464
V.	Transfer of operating income (-) (697)	24	0	0
I.	Transfer of operating expenses (-) (597)	25	0	0
*	Profit/loss from operations			
	lines 11-12-17-18+19-20-21+22-23+24-25	26	1 293 896	4 942 340
VI.	Revenues from the sale of securities and shares (661)	27	0	0
J.	Securities and shares sold (561)	28	0	0
VII.	Income from non-current financial assets, lines 30+31+32	29	0	0
VII.1.	Income from securities and ownership interests in a subsidiary and in a company with a substantial influence (665A)	30	0	0
2.	Income from other long-term securities and shares (665)	31	0	0
3.	Income from other non-current financial assets (665A)	32	0	0
VIII.	Income from current financial assets (666)	33	0	0
K.	Expenses related to current financial assets (566)	34	0	0
IX.	Gains on revaluation of securities and income from derivative transactions (664,667)	35	0	0
L.	Loss on revaluation of securities and income from derivative transactions (564,567)	36	0	0
M.	Creation and accounting for provisions for financial assets +/- 565	37	0	0
X.	Interests income (662)	38	73 207	41 171
N.	Interests expense (562)	39	0	0
XI.	Exchange rate gains (663)	40	1 858	4 264
O.	Exchange rate losses (563)	41	2 258	3 349
XII.	Other income from financial activities (668)	42	0	0
P.	Other expenses from financial activities (568, 569)	43	15 327	2 797 650
XIII.	Transfer of financial income (-) (698)	44	0	0
R.	Transfer of financial expenses (-) (598)	45	0	0
	Profit/loss from financial activities			
*	lines 27-28+29+33-34+35-36-37+38-39+40-41+42-43+44-45	46	57 480	-2 755 564
**	Profit/loss from ordinary activity before taxation, lines 26+46	47	1 351 376	2 186 776
S.	Income tax on ordinary activities, lines 49+50	48	45 386	1 132 980
S.1.	- current (591, 595)	49	690 037	614 796
2.	- deferred (+/-592)	50	-644 651	518 184
**	Profit/loss from ordinary activity after taxation, lines 47 - 48	51	1 305 990	1 053 796
XIV.	Extraordinary income (accounting group 68)	52	33 500	0
T.	Extraordinary expenses (accounting group 58)	53	0	47 253
**	Profit/loss from extraordinary activities before taxation, lines 52-53	54	33 500	-47 253
U.	Income tax from extraordinary activities, lines 55+56	55	6 365	0
U.1.	- current (593)	56	6 365	0
2.	- deferred (594)	57	0	0
*	Profit/loss from extraordinary activities after taxation, lines 54-55	58	27 135	-47 253
***	Profit/loss for the accounting period before taxation (+/-)[47+54]	59	1 384 876	2 139 523
V.	Transfer of net profit/net loss shares on partners (+/-596)	60	0	0
***	Profit/loss for the accounting period after taxation (+/-) lines 51+58-60	61	1 333 125	1 006 543

Independent Auditor's Report



To the Management of Letové prevádzkové služby Slovenskej republiky, štátny podnik:

We have audited the accompanying financial statements of Letové prevádzkové služby Slovenskej republiky, štátny podnik ("the State Enterprise"), which comprise the statement of financial position as at 31 December 2011, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management as represented by the statutory body is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 our 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, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 control. 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 opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the State Enterprise as at 31 December 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

11 June 2012
Bratislava, Slovak Republic

Auditing company:
KPMG Slovensko spol. s r.o.
License SKAU No. 96



Responsible auditor:
Ing. Ľuboš Vančo
License SKAU No. 745

Independent Auditor's Report



To the Management of Letové prevádzkové služby Slovenskej republiky, štátny podnik:

We have audited the financial statements of Letové prevádzkové služby Slovenskej republiky, štátny podnik (the „State Enterprise“) as at 31 December 2011 prepared in accordance with International Financial Reporting Standards. We conducted our audit in accordance with International Standards on Auditing.

On 31 May 2012 we have issued our independent auditor's report on the audit of these financial statements, where we have expressed an unqualified opinion.

Financial statements in short form presented on pages 28 - 42 of this annual report were derived from the audited financial statements of the State Enterprise. In our opinion, financial statements in short form presented in the annual report are in all material aspects in accordance with the financial statements, from which they were derived.

For better understanding of the financial position of the State Enterprise as at 31 December 2011, its financial performance and cash flows for the year ending 31 December 2011 and of the scope of our audit, financial statements in short form should be assessed together with the complete financial statements, from which they were derived, and with our auditor's report to these financial statements.

22 October 2012
Bratislava, Slovak Republic

Auditing company:
KPMG Slovensko spol. s r. o.
License SKAU No. 96



Responsible auditor:
Ing. Ľuboš Vančo
License SKAU No. 745

Statement of financial position as at 31 December 2011
(In thousands of euro)

	Note	31.12.2011	31.12.2010
ASSETS			
Non-current assets			
Property, plant and equipment	2	57 173	36 804
Intangible assets	3	974	956
Deferred tax assets	4	1 088	532
Total non-current assets		59 235	38 292
Current assets			
Inventories	5	453	852
Trade and other receivables	6	10 034	11 113
Corporate income tax		-	-
Cash and cash equivalents		21 211	18 511
Total current assets		31 698	30 476
Total assets		90 933	68 768
EQUITY AND LIABILITIES			
Equity			
Issued capital		50 734	50 746
Legal reserve and other capital funds		8 656	8 148
Retained earnings / (Accumulated losses)		(3 064)	(2 960)
Total equity	7	56 326	55 934
Non-current liabilities			
Provision for employee benefits	8	3 052	1 966
Other non-current liabilities	4	258	293
Non-current liability relating to acquisition of building	2	23 900	2 987
Total non-current liabilities		27 211	5 246
Current liabilities			
Trade and other payables	9	6 785	7 185
Corporate income tax		76	60
Short term part of provision for employee benefits	8	535	343
Total current liabilities		7 396	7 588
Total equity and liabilities		90 933	68 768

Statement of comprehensive income for the year ended 31 December 2011
(In thousands of euro)

	Note	2011	2010
Revenues			
Air traffic control services		53 916	51 997
Other operating income		1 022	535
Total revenues		54 938	52 532
Personnel expenses	10	(29 577)	(27 191)
Depreciation and amortization	2, 3	(6 517)	(6 997)
Other operating expenses	11	(18 357)	(17 957)
Total operating expenses		(54 450)	(52 145)
Profit from operations		488	387
Net financing income	12	57	28
Profit before tax		545	415
Income tax expense	13	(141)	(195)
Profit for the year		404	220
Other comprehensive income		-	-
Comprehensive income for the year		404	220

Statement of changes in equity for the year ended 31 December 2011
(In thousands of euro)

	Issued capital	Legal reserve fund	Other capital funds	Retained earnings / (Acc. losses)	Total
At 1 January 2010	50 780	1 595	5 366	(1 984)	55 757
Transfer to/use of other capital funds	-	-	1 107	(1 107)	-
Transfer to legal reserve fund	-	89	-	(89)	-
Decrease of issued capital	(34)	-	-	-	(34)
Euroconversion (rounding)	-	-	(9)	-	(9)
Profit for the year	-	-	-	220	220
At 31 December 2010	50 746	1 684	6 464	(2 960)	55 934
At 1 January 2011	50 746	1 684	6 464	(2 960)	55 934
Transfer to/use of other capital funds	-	-	458	(458)	-
Transfer to legal reserve fund	-	50	-	(50)	-
Decrease of issued capital	(12)	-	-	-	(12)
Decrease of statutory funds	-	-	-	-	-
Profit for the year	-	-	-	404	404
At 31 December 2011	50 734	1 734	6 922	(3 064)	56 326

Cashflow statement for the year ended 31 December 2011
(In thousands of euro)

	2011	2010
OPERATING ACTIVITIES		
Cash receipts from customers	55 983	48 928
Cash paid to suppliers	(21 093)	(15 559)
Cash paid to employees	(28 222)	(25 501)
Cash generated from operations	6 668	7 868
Income tax paid	(683)	(404)
Cash flows from operating activities	5 985	7 464
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(2 996)	(4 239)
Acquisition of intangible assets	(366)	(255)
Interest received	68	41
Revenues from sale of property, plant and equipment	9	-
Cash flows used in investing activities	(3 285)	(4 453)
FINANCING ACTIVITIES		
Loan repayments	-	-
Interest paid	-	-
Cash flows used in financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	2 700	3 011
Cash and cash equivalents at beginning of year	18 511	15 500
Cash and cash equivalents at end of year	21 211	18 511

GENERAL INFORMATION

Letové prevádzkové služby Slovenskej republiky, štátny podnik (hereinafter “the Enterprise”) is a state owned enterprise domiciled at Letisko M. R. Štefánika, 823 07 Bratislava, the Slovak Republic.

Air Traffic Control of the Slovak Republic was established as a state owned budget contributory organization on 1 January 1993 following the separation of the Slovak and Czech Republics. On 17 November 1999 the Slovak Ministry of Transportation, Post Offices and Telecommunications issued a decision on dissolution of the budget contributory organization Air Traffic Control of the Slovak Republic as at 31 December 1999 and establishment of the state owned enterprise Letové prevádzkové služby Slovenskej republiky, š.p. as at 1 January 2000. All assets were transferred under the administration of the Slovak Ministry of Transportation, Post Offices and Telecommunications as of the dissolution of the budget contributory organization. These assets were transferred into the stewardship of the state owned enterprise. The assets used for the Enterprise's operations and administrated by the Enterprise are owned by the State and they are disclosed in the Enterprise's accounts.

The main activity of the Enterprise is the provision of air navigation services to airline operators flying over the Slovak Republic and to those landing at public controlled Slovak airports.

The Slovak Republic has been a member of EUROCONTROL, the European Organization for the Safety of Air Navigation since 1 January 1997. At that time, the Slovak Republic became a party to a multilateral agreement with EUROCONTROL relating to the collection of en route navigation service charges. As required by EUROCONTROL, the Enterprise applies the “Principles for establishing the cost-base for route facility charges and the calculation of the unit rates”, dated June 2011. The Enterprise applies the principles according to Regulation (EC) No 550/2004 of the European Parliament and of the Council of 10 March 2004 on the provision of air navigation services over a unified European airspace, and has established a cost allocation system related to the main activities.

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below.

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS) issued by the International Accounting Standards Board (“IASB”) and with interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (“IFRIC”).

Basis of preparation

The financial statements have been prepared under the historical cost convention and do not form part of the statutory accounts of the Enterprise, which have been prepared separately in accordance with the Slovak Act on Accounting. The financial statements were approved by the Directors on 11 June 2012.

Financial statements were prepared under the going concern assumption.

The accounting policies are consistent with those used in the previous year.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are considered to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

New standards and interpretations not yet adopted

The following recently issued standards, amendments to standards and interpretations are not effective for the year ended 31 December 2011, and have not been applied in preparing these financial statements:

IFRS 7 Amendments to IFRS 7 Financial Instruments: Disclosures (effective for annual periods beginning on or after 1 July 2011);

IFRS 9 Financial Instruments (effective for annual periods beginning on or after 1 January 2013);

IAS 12 Deferred tax: Recovery of Underlying Assets (Amendments to IAS 12) (effective for annual periods beginning on or after 1 January 2012)

The principal effects of these changes are as follows:

Amendments to IFRS 7 Financial Instruments: Disclosures

The amendments allow users of financial statements to improve their understanding of transfer transactions of financial assets, including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The amendments to IFRS 7 are not relevant to the Enterprise's financial statements as the Enterprise has not issued such instruments at any time in the past.

IFRS 9 Financial Instruments

IFRS 9 is the first standard issued as part of a wider project to replace IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply. Prior periods need not be restated if an entity adopts the standard for reporting periods beginning before 1 January 2012. The amendments to IFRS 9 are not relevant to the Enterprise's financial statements as the Enterprise has not issued such instruments at any time in the past.

Deferred tax: Recovery of Underlying Assets (Amendments to IAS 12)

IAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 Investment Property. The amendment provides a practical solution to the problem by introducing a presumption that recovery of the carrying amount will, normally, be through sale. The Company does not expect amendments to IAS 12 to have an impact on the separate financial statements.

Cash and cash equivalents

Cash and cash equivalents comprise of cash deposits and petty cash.

Trade and other receivables

Trade and other receivables are stated at their cost less provision for bad and doubtful debts.

Inventories

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and impairment losses. Land is not depreciated.

Depreciation is provided using the straight-line method over the estimated useful life of each asset as follows:

Asset	Period
Building and infrastructure	12 - 40 years
Plant and equipment	4 - 15 years

Expenditures on repairs and maintenance of property, plant and equipment made to restore or maintain future economic benefits expected from the assets are recognized as an expense when incurred.

Impairment

The carrying amounts of the Enterprise's assets, other than inventories and deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the income statement.

Intangible assets

Intangible assets are amortized using the straight-line method. Software is amortized over a period from two to five years and valuable rights over the period of twelve years.

Provision for employee benefits

The Enterprise creates provision for retirement benefits (other long-term employee benefits). The Enterprise's net obligation in respect of long-term service benefits, other than pension plans, is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value using the risk-free interest rate.

Employee benefits – contributions for supplementary pension insurance

Obligations for contributions to supplementary pension insurance are recognized as an expense in the income statement as incurred.

Trade and other payables

Trade and other payables are stated at cost.

Foreign currency

Balances presented in the financial statements and related notes are expressed in the currency used in the economic environment of the Enterprise (functional currency). Financial statements are presented in thousands of euro which is the functional and presentational currency of the Enterprise.

Transactions denominated in foreign currencies are translated to euro at the exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated to euro at the exchange rate of the European Central Bank on the balance sheet date. Resulting exchange differences, both realized and unrealized, are recognized in the income statement for the year.

Non-monetary assets and liabilities in foreign currency valued in acquisition cost are translated to euro at the exchange rate on the transaction date. Non-monetary assets and liabilities in foreign currency valued at fair value are translated to euro using the exchange rate of the fair value recalculation date.

Revenue recognition

Revenue from services rendered is recognized in the income statement based on transactions (overflights and approaches) completed at the balance sheet date.

Operating lease payments

Payments made under operating leases are recognized in the income statement on a straight-line basis over the term of the lease.

Net financing costs

Net financing costs comprise interest receivable on funds invested and foreign exchange gains and losses.

Income taxes

Income tax on the profit or loss for the year comprises of current and deferred taxes.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

2. PROPERTY, PLANT AND EQUIPMENT

In thousands of euro

	Land and buildings	Plant and equipment	Assets under construction	Total
Cost				
At 1 January 2010	24 727	66 629	3 436	94 792
Additions	248	2 797	5 272	8 317
Disposals	(138)	(2 604)	-	(2 742)
Transfers	103	2 419	(2 576)	(54)
At 31 December 2010	24 940	69 241	6 132	100 313
Accumulated depreciation and impairment losses				
At 1 January 2010	6 774	52 814	-	59 588
Charge for the year	655	5 997	-	6 652
Disposals	(118)	(2 613)	-	(2 731)
At 31 December 2010	7 311	56 198	-	63 509
Net book value				
At 1 January 2010	17 953	13 815	3 436	35 204
At 31 December 2010	17 629	13 043	6 132	36 804

In thousands of euro

	Land and buildings	Plant and equipment	Assets under construction	Total
Cost				
At 1 January 2011	24 940	69 241	6 132	100 313
Additions	-	-	27 038	27 038
Disposals	(56)	(2 387)	(424)	(2 866)
Transfers	85	4 252	(4 337)	-
At 31 December 2011	24 969	71 106	28 409	124 485
Accumulated depreciation and impairment losses				
At 1 January 2011	7 311	56 198	-	63 509
Charge for the year	667	5 579	-	6 246
Disposals	(56)	(2 386)	-	(2 443)
At 31 December 2011	7 922	59 391	-	67 312
Net book value				
At 1 January 2011	17 629	13 043	6 132	36 804
At 31 December 2011	17 048	11 716	28 409	57 173

The Enterprise is insured against natural disasters, thefts, damages and general damages on equipment. Total value insured in case of natural disasters is 101 363 thousands of euro. Value insured against general damage on equipment is 66 147 thousand of euro and the value insured against thefts is 265 thousands of euro. The Enterprise is acquiring new administrative building, value of which is 23 900 thousands of euro as at 31 December 2011 and it will be financed using long-term bank loan after final take over from constructor.

The Enterprise did not identify any unused assets as at 31 December 2011 and 2010.

3. INTANGIBLE ASSETS

In thousands of euro	Software	Valuable rights	Total
Cost			
At 1 January 2010	4 151	-	4 151
Additions	228	27	255
Disposals	(103)	-	(103)
Transfers	54	-	54
At 31 December 2010	4 330	27	4 357
Accumulated depreciation and impairment losses			
At 1 January 2010	3 160	-	3 160
Charge for the year	344	1	345
Disposals	(104)	-	(104)
At 31 December 2010	3 400	1	3 401
Net book value			
At 1 January 2010	991	-	991
At 31 December 2010	930	26	956

In thousands of euro	Software	Valuable rights	Total
Cost			
At 1 January 2011	4 330	27	4 357
Additions	584	-	584
Disposals	(219)	-	(219)
Transfers	-	-	-
At 31 December 2011	4 695	27	4 722
Accumulated depreciation and impairment losses			
At 1 January 2011	3 400	1	3 401
Charge for the year	344	3	347
Disposals	-	-	-
At 31 December 2011	3 744	4	3 748
Net book value			
At 1 January 2011	930	26	956
At 31 December 2011	951	23	974

4. DEFERRED TAX LIABILITY AND ASSET

Deferred tax assets and liabilities as at 31 December 2011 and 2010 are attributable to the items detailed in the table below:

In thousands of euro	Assets		Liabilities		Net	
	2011	2010	2011	2010	2011	2010
Property, plant and equipment	-	-	(915)	(908)	(915)	(908)
Inventories	354	314	-	-	354	314
Receivables	967	687	-	-	967	687
Provision for employee benefits	682	439	-	-	682	439
Deferred tax assets / (liabilities)	2 003	1 440	(915)	(908)	1 088	532
Set off of tax	-	-	-	-	-	-
Net deferred tax	2 003	1 440	(915)	(908)	1 088	532

The deferred tax liability/asset as at 31 December 2011 has been calculated using a tax rate of 19% (2010: 19%).

5. INVENTORIES

In thousands of euro	2011	2010
Spare parts and supplies	2 316	2 505
Provision for slow-moving items	(1 863)	(1 653)
	453	852

6. TRADE AND OTHER RECEIVABLES

In thousands of euro	2011	2010
Trade accounts receivable	16 951	14 964
Provision for bad and doubtful debt	(7 830)	(4 886)
Advances to suppliers	204	289
Value added tax receivable	567	502
Other receivables and prepaid expenses	141	244
	10 034	11 113

7. CAPITAL AND RESERVES

Issued capital

Following the separation of the Czech and Slovak Air Traffic Services on 1 January 1993 the State contributed as capital net assets of 8 579 thousand euro and made subsequent cash contributions of 7 347 thousand euro. With the transformation of the Enterprise from a budget contributory organization to a state owned enterprise on 1 January 2000, statutory funds amounting to 17 615 thousand euro were capitalized, thereby increasing the issued capital to 33 541 thousand euro.

Issued capital was increased in 2002 by the transfer of 5 066 thousand euro from other capital funds. The increase in issued capital was approved by the Supervisory Board on 28 August 2002. In 2006 and 2007 no changes occurred. In 2008, the issued capital was increased by the transfer of 12 193 thousand euro from other capital funds as approved by the Supervisory Board on 29 April 2008. As at 31 December 2008, the Issued capital was 50 801 thousand euro.

The Enterprise transferred land close to Sliač to Ministry of Defence reward-free during 2009. As this land was a non-monetary contribution to share capital, this transfer in amount of 21 thousand euro represents decrease of share capital.

In 2010 the Enterprise additionally transferred property indis severable from the transferred land also reward free. As this property was a non-monetary contribution to share capital, this transfer in amount of 34 thousand euro represents decrease of share capital.

In 2011 the Enterprise additionally disposed of property in amount of 13 thousand euro. As this property was a non-monetary contribution to share capital, this disposal in amount of 13 thousand euro represents decrease of share capital. As at 31 December 2011, the issued capital amounts to 50 734 thousand euro.

Other capital funds

Other capital funds consist of Fund for expansion and Statutory fund. The Minister of Transportation, Post Offices and Telecommunications decided on 7 July 2011 to transfer to fund for expansion an amount of 450 thousand euro and to the statutory fund, 10 thousands of euro from 2010 profit (profit as presented in statutory financial statements prepared in accordance with the Slovak Act on Accounting). The remuneration of statutory representatives and the members of Supervisory Board was in total 32 thousand euro. The remuneration of the Supervisory was paid during 2011. Transfer to social fund out of profit for the year ended 2010 was 350 thousand euro. Movements in other capital funds represent movements in statutory funds based on Slovak accounting framework. As at 31 December 2011, other capital funds were 6 922 thousand euro.

Legal reserve fund

The increase in legal reserve fund in amount of 50 thousand euro was approved by the Minister of Transportation, Post Offices and Telecommunications on 7 July 2011. As at 31 December 2011, the legal reserve fund amounted to 1 734 thousand euro. This reserve fund is not available for distribution and should only be used as a reserve against future losses arising from business activities.

8. PROVISION FOR EMPLOYEE BENEFITS

In thousands of euro	2011	2010
Present value of retirement benefits	3 587	2 309
out of that short-term part	535	343
out of that long-term part	3 052	1 966

It is understood by the Enterprise and employees that the benefit is transitional for the period before new legislation on retirement of air traffic controller (ATCO) become valid. Moreover the new benefit is contingent on the agreement between the employee and the Enterprise. The liabilities, past service and current service costs for this benefit have been therefore calculated only for periods until the expected introduction of new legislation.

Movements in provision for retirement benefits:

In thousands of euro	2011	2010
At 1 January	2 309	2 154
Interest costs	27	22
Current service costs	702	446
Actuarial (gains) / losses	909	252
Benefits paid	(359)	(565)
At 31 December	3 587	2 309

Actuarial loss (909 thousand of euro) is caused mainly by a change of discount rates, by a change of estimated future payroll growth (in connection to predicted inflation according to National Bank of Slovakia 3.9% in 2011; 2.9% in 2010) and change of fluctuation (1.92% in 2010; 1.85% in 2011).

Under collective agreements with employees, the Enterprise pays to employees certain retirement benefits. Each employee, who has been employed with the Enterprise for 5 years or less, is eligible for a retirement benefit of 1 average monthly salary and, if employed for more than 5 years this amount increases to 4 times the monthly salary. For the employees with ATCO licence this benefit is increased to 24 times of the monthly salary.

9. TRADE AND OTHER PAYABLES

In thousands of euro	2011	2010
Trade accounts payable	2 063	2 411
Salaries, wages and social security payable	2 454	2 453
Employee income taxes	518	514
Social fund	670	776
Other payables and accrued expenses	1 080	1 031
	6 785	7 185

Based on collective agreements with employees, the Enterprise operates a defined contribution plan for endowment insurance of employees from the social fund. It was agreed with the insurance enterprise that the minimum amount contributed by the Enterprise should not be lower than 100 euro per annum per employee. In 2011, the Enterprise contributed to the employees' endowment insurance an amount of 374 thousand euro (2010: 343 thousand euro). In 2011, the Enterprise also contributed from the social fund to the employees' supplementary pension insurance an amount of 12 thousand euro (2010: 18 thousand euro).

10. PERSONNEL EXPENSES

In thousands of euro	2011	2010
Wages and salaries	21 251	19 507
Legal social insurance	4 666	4 369
Supplementary pension insurance	1 206	1 126
Provision for retirement benefits	1 238	842
Additional contribution to social fund	350	570
Social fund expense	269	255
Remuneration of the Supervisory Board and Directors	159	85
Retirement benefits	43	27
Other personnel expenses	395	410
	29 577	27 191

The average number of employees during 2011 was 474 (2010: 473) including 5 directors (2010: 4).

There was an additional contribution to the social fund from profit 2010 (profit as presented in statutory financial statements prepared in accordance with the Slovak Act on Accounting) in the amount of 350 thousand euro based on the decision of Ministry of transport, post and telecommunications dated 7 July 2011.

11. OTHER OPERATING EXPENSES

in thousands of euro	2011	2010
EUROCONTROL membership fees (see below)	2 398	2 917
Insurance	2 519	2 798
Other services	750	816
Telecommunications costs	1 077	1 098
Meteorological services	1 719	1 549
Provisions and write-offs of bad and doubtful debts	2 827	2 228
Repairs and maintenance	975	1 122
Advisory, audit	357	401
Material consumption and energy supplies	1 569	1 427
Travel	637	486
Rent of premises	462	457
Training	287	420
THALES (service)	244	244
Maintenance fees for technical software	542	383
State air traffic inspection	297	308
Provision for spare parts	210	82
CAA	1 035	989
Other operating expenses	452	232
	18 357	17 957

EUROCONTROL membership fees represent an annual contribution of the Slovak Republic (as a Contracting State) to the EUROCONTROL budget calculated in proportion to the value of its Gross National Product (initial 30%) and to the value of the route facility cost-base (further 70%).

Advisory and audit include also audit fees under IFRS done by KPMG Slovensko in the amount 30 thousand euro (2010: 30 thousand euro). In 2011 the Enterprise used also auditing company AUDI ALTERAM, s.r.o. (2011: 20 thousands of euro, 2010: auditing company BDR: 29 thousands of euro). KPMG Slovensko provides also audit of the Cost allocation system in the amount 30 thousand euro (2010: 30 thousand euro) and other advisory services in the amount 19 thousand euro.

12. NET FINANCING INCOME

In thousands of euro	2011	2010
Interest income	73	41
Interest expenses	(16)	(14)
Net foreign exchange losses		1
Total financing expenses	(16)	(13)
Net financing costs	57	28

13. INCOME TAX EXPENSE

In thousands of euro	2011	2010
Current year tax expense	(696)	(615)
Deferred tax income / (expense)	555	420
Total income tax expense in income statement	(141)	(195)

Income taxes have been provided for at a rate of 19% (2010: 19%) of taxable income based on Slovak accounting and tax regulations and deferred tax at a rate of 19% (2010: 19%). The difference between the Enterprise's effective and the corporate tax rates is a result of permanent and temporary differences arising from the inclusion of certain revenue and expense items in the accounting income that are not included in the calculation of taxable income. Reconciliation between accounting income and taxable income is as follows:

In thousands of euro		2011		2010
Profit before tax		545		415
Income tax using the prevailing corporation tax rate	19%	(104)	19%	(79)
Non-deductible expenses	634%	(3 454)	485%	(2 014)
Non-taxable income	-215%	1 174	-221%	918
Temporary differences	-412%	2 243	-236%	980
	26%	(141)	47%	(195)

14. RELATED PARTY TRANSACTIONS

During the year ended 31 December 2011, the Directors of the Enterprise and members of the Supervisory Board received wages and salaries amounting to 1 225 thousand euro (2010: 1 174 thousand euro) and 337 thousand euro (2010: 308 thousand euro), respectively.

15. COMMITMENTS**Capital commitments**

As at 31 December 2011, the Enterprise has entered into purchase agreements for property, plant and equipment totalling approximately 16 453 thousand euro (2010: 31 337 thousand euro). Out of this amount 5 974 thousand euro relates to the construction of the new building.

Lease obligations

The Enterprise leases for office and warehouses spaces based on the contracts with the minimum cancellation period of six months. The minimum annual lease payments are 470 thousand euro (2010: 480 thousand euro).

16. FINANCIAL INSTRUMENTS

Exposure to credit and foreign currency risks arises in the normal course of the Enterprise's business.

Credit risk

The Enterprise has potential credit risk exposures for trade receivables and cash investments. The exposure to credit risk with regard to trade receivables is not concentrated due to a large customer base. Adequate provision is made for doubtful debts. The Enterprise's cash balances are deposited with international banks operating in Slovakia. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Foreign currency risk

The Enterprise is not exposed to foreign currency risk as majority of transactions are in euro, the functional currency.

Liquidity risk

The Enterprise maintains liquidity management with the objective of ensuring that funds will be available at all times to honour all cash flow obligations as they become due. The table shows assets and liabilities by remaining contractual maturity.

In thousands of euro	2011			Total
	1 year or less	1 - 5 years	More than 5 years	
Assets				
Trade and other receivables	10 034	-	-	10 034
Cash and cash equivalents	21 211	-	-	21 211
Equity and liabilities				
Provision for employee benefits	(535)	(909)	(2 143)	(3 587)
Other non-current liabilities	-	(258)	-	(258)
Corporate income tax	(76)	-	-	(76)
Trade and other payables	(30 685)	-	-	(30 682)
Net position	(51)	(1 167)	(2 143)	(3 358)

In thousands of euro	2010			Total
	1 year or less	1 - 5 years	More than 5 years	
Assets				
Trade and other receivables	11 113	-	-	11 113
Corporate income tax	18 511	-	-	18 511
Cash and cash equivalents				
Equity and liabilities				
Provision for employee benefits	(343)	(601)	(1 365)	(2 309)
Other non-current liabilities		(293)	-	(293)
Trade and other payables	(60)	-	-	(60)
Trade and other payables	(10 172)	-	-	(10 172)
Net position	19 049	(894)	(1 365)	16 790

Fair values

The carrying value of financial instruments (cash and cash equivalents, receivables, payables) approximates their fair value.

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

No subsequent event occurred after 31 December 2011 that would have a material impact on the true and fair presentation of facts subject to the bookkeeping.

Cash flow			EUR
Line No.	Mark	TEXT	2011
001	Z/s	Net profit before taxation	1 351 376
002	A.1	Adjustments for non-monetary transactions	10 748 551
003	A.1.1	Depreciations to non-current assets	6 727 540
004	A.1.2	Depreciated price to non-current assets besides sales	23 011
006	A.1.4	Value adjustment to provisions (+/-)	817 902
007	A.1.5	Value adjustment to adjusting entries (+/-)	2 820 916
008	A.1.6	Value adjustment to accrual and deferral of costs and revenues	11 591
009	A.1.7	Dividends and shares accounted to revenues	
010	A.1.8	Interests accounted to expenses (+)	
011	A.1.9	Interests accounted to revenues (-)	-73 207
012	A.1.10	Exchange rate gains of cash as of the Balance Sheet date (-)	-21
013	A.1.11	Exchange rate loss of cash as of the Balance Sheet date (+)	
014	A.1.12	Proceeds from sale of non-current assets (+/-)	8 812
015	A.1.13	Other items of non-monetary status influencing profit/loss from ordinary activities	412 007
016	A.2	Changes in working capital	-2 611 254
017	A.2.1	Value adjustment to receivables (-/+)	-1 966 154
018	A.2.2	Value adjustment to liabilities (+/-)	-832 382
019	A.2.3	Value adjustment to inventory (-/+)	187 282
020	A.2.4	Value adjustment to financial accounts	
021	--	Cash flow from operating activities Z/s+A1+A2	9 488 673
022	A.3	Interests received (besides interests received from investment activities) (-)	
023	A.4	Interests paid (besides interests included into financial activities)	
024	A.5	Dividends and other shares income (besides income from investment activities)	
025	A.6	Dividends and other shares paid (besides pays included in investment activities) (-)	-32 130
026	--	Cash flow from operating activities (+/-), (A1 to A6)	9 383 336
027	A.7	Income tax paid (besides pays included in financial and investment activities) (-/+)	-683 428
028	A.8	Extraordinary income from operating activities (+)	33 500
029	A.9	Extraordinary expenses from operating activities (-)	
030	A1-A9	Net cash flow from operating activities (sum A1 to A9)	8 733 408
031	--	Cash flow from investment activities	
032	B.1	Purchase of non-current intangible assets (-)	-365 997
033	B.2	Purchase of non-current tangible assets (-)	-5 701 072
034	B.3	Purchase of securities	
035	B.4	Proceeds from sale of non-current intangible assets (+)	
036	B.5	Proceeds from sale of non-current tangible assets (+)	8 823
037	B.6	Proceeds from sale of securities	
038	B.7	Expenses of extended long-term loans	
039	B.8	Incomes from long-term loans	
043	B.11	Received interests except for interests on operating activity (+)	68 282
044	B.12	Dividends and shares received	
047	B.15	Income tax paid	
048	B.16	Extraordinary incomes from investment activities	
049	B.17	Extraordinary expenses from investment activities	
050	B.18	Other investment incomes	
051	B.19	Other investment expenses	
052	B1-B20	Net cash flow from investment activities	-5 989 964
053	----	Cash flow from financial activities	
054	C.1	Cash flow in equity (C.1.1-C.1.8)	-14 567
055	C.1.1	Proceeds from issuance of share capital	

056	C.1.2	Proceeds from other deposits	
057	C.1.3	Received financial donations	
060	C.1.6	Expenses related to decrease of funds created by accounting entity (-)	-2 000
062	C.1.8	Expenses related to decrease of share capital (-)	-12 567
063	C.2	Cash flow from long-term and short-term financial activities (C.2.1-C.2.10)	0
064	C.2.3	Proceeds from bank loans	
065	C.2.4	Repayment of received bank loans	
066	C.2.5	Proceeds from received loans	
067	C.2.6	Repayment of received loans	
068	C.2.7	Expenses of financial leasing	
069	C.2.8	Incomes from other long-term and short-term liabilities from financial activities	
070	C.2.9	Expenditures from other long-term and short-term liabilities from financial activities	
072	C.3	Interests paid included to financial activities	
076	C.7	Income tax paid from financial activities (-)	-12 974
077	C.8	Extraordinary incomes related to financial activities	
078	C.9	Extraordinary expenses related to financial activities	-15 326
079	C1-C9	Net cash flow from financial activities	-42 867
080	D	Net increase / decrease of funds	2 700 577
081	E	Cash and cash equivalents at the start of the period	18 510 728
082	F	Cash and cash equivalents at the end of the period, exchange-rate differences excluded	21 211 306
083	G	Exchange-rate difference as of the Balance Sheet date	21
084	H	Cash and cash equivalents with exchange-rate difference	21 211 326

The 2011 LPS SR, š. p.'s Annual Report was elaborated on 18 April 2012.

There have been no consequent occurrences since the elaboration of the 2011 LPS SR, š. p.'s Annual Report as of the day when the Financial Statements of LPS SR, š. p. state enterprise, were elaborated.

Acronyms and Abbreviations

ACC	Area Control Centre
AIM	Aeronautical Information Management
AIP	Aeronautical Information Publication
AIS	Aeronautical Information Service
ALERFA	Alert Phase
AMM	Assistant Message Management
APP	Approach Control Unit
ASMT	Automatic Safety Monitoring Tool
ATC	Air Traffic Control
ATM	Air Traffic Management
ATIS	Automatic Terminal Information Service
ATM	Air Traffic Management
CAA	Civil Aviation Authority
CNS	Communication, Navigation Surveillance
Cospas	Satellite-based search and rescue system
CTR	Controlled zone
DAAS	Division of Airport and Approach Services
DERS	Division of En-route Services
DTZL	Division Infrastructure
ELT	Emergency Locator Transmitter
EUROCONTROL	European Organization for the Safety of Air Navigation
FAB CE	Functional Aispace Block Central Europe
FDO	Flight Data Operator
FIC	Flight Information Centre
FIR	Flight Information Region
IANs	Institution of Air Navigation Services
ILS	Instrument Landing System
INCERFA	Uncertainty Phase
LETVIS	Air Visual Information Systems
LZIB	Bratislava Airport
LZKZ	Košice Airport
LZPP	Piešťany Airport
LZSL	Sliač Airport
LZTT	Poprad Airport
LZZI	Žilina Airport
MoD SR	Ministry of Defense of the Slovak Republic
MoT SR	Ministry of Transport, Construction and Regional Development of the Slovak Republic
RCC	Rescue Coordination Centre
SAF	Safety
Sarsat	Search and Rescue Satellite Aided Tracking
SATM	ATM - specific occurrences
SES	Single European Sky
TMA	Terminal control area
TZL	Technical provision of Air Traffic Services
TWR	Aerodrome control tower
VOLMET	Meteorological information for aircraft in flight



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