



ANNUAL REPORT 2013

Motoway Company in the Republic of Slovenia
DARS d.d.

Ljubljana, April 2014

CONTENTS

BUSINESS REPORT	5
FINANCIAL REPORT	67





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BUSINESS REPORT

CONTENTS

BUSINESS REPORT

LETTER FROM THE MANAGEMENT BOARD	8
REPORT ON THE WORK OF THE SUPERVISORY BOARD FOR 2013	14
INFORMATION ABOUT THE COMPANY AND KEY BUSINESS DATA	16
THE MISSION, VISION, VALUES AND STRATEGIC DIRECTIONS, INTEGRATED MANAGEMENT SYSTEM POLICY	20
MOTORWAYS AND EXPRESSWAYS IN THE REPUBLIC OF SLOVENIA AND TRAFFIC LOADS	22
KEY BUSINESS EVENTS IN THE 2013 FINANCIAL YEAR	27
BUSINESS RISKS	29
FINANCIAL RISKS	32
ANALYSIS OF BUSINESS PERFORMANCE	34
BUSINESS ACTIVITIES OF THE COMPANY	36
Tolling	36
Motorway Maintenance	38
Management	40
Investments	42
INVESTMENTS IN MOTORWAY DEVELOPMENT AND RECONSTRUCTION	46
COMPANY RESEARCH AND DEVELOPMENT ACTIVITIES	48
INTEGRATED MANAGEMENT SYSTEM	49
INTERNAL AUDIT	50
SOCIAL RESPONSIBILITY	51
Traffic and Safety Concerns	51
Environmental Management	54
Human Resources Management	56
User Satisfaction and Communication	59
ANTICIPATED COMPANY DEVELOPMENT	61
EVENTS AFTER THE BALANCE SHEET DATE	61
CORPORATE GOVERNANCE STATEMENT OF DARS D.D.	62



KRATICE

ABC	Automatic non-cash toll collection
MW	Motorway
AUKN	Capital Assets Management Agency of the Republic of Slovenia
TS	Toll station
DARS d.d.	Družba za avtoceste v Republiki Sloveniji d.d. (Motorway Company in the Republic of Slovenia)
NSP	National Spatial Plan
SRA	Slovenian Roads Agency
EBITDA	Earnings before interest, tax depreciation and amortisation
ETS	Electronic Tolling System
EW	Expressway
ITS	Intelligent Transportation Systems
	Concession Agreement A concession agreement for motorway management and maintenance in the Republic of Slovenia.
IBCP	International Border Crossing Point
MISP	Ministry of Infrastructure and Spatial Planning
NMCP	National Motorway Construction Programme in the Republic of Slovenia
DBP	Design for Building Permit
TIC	Traffic Information Centre for public roads
AADT	Average Annual Daily Traffic
ETF	Free Traffic Flow
ED	Execution Design
R3	Motor vehicles having two or three axles whose maximum permissible weight exceeds 3,500 kg, and groups of motor vehicles having two or three axles whose maximum permissible weight exceeds 3,500 kg.
R4	Motor vehicles having more than three axles whose maximum permissible weight exceeds 3,500 kg, and groups of motor vehicles having more than three axles and a trailer whose maximum permissible weight exceeds 3,500 kg
RS	Republic of Slovenia
TCMS	Traffic control and management system
SOD	Slovenian Compensation Company
SAS	Slovenian Accounting Standards 2006
MCRSA	Motorway Company in the Republic of Slovenia Act (ZDARS-UPB 1) (Official Gazette of the Republic of Slovenia, No. 20/2004)
MCRSA-1	Motorway Company in the Republic of Slovenia Act (Official Gazette of the Republic of Slovenia, No. 97/2010-ZDARS-1)
CA-1	Companies Act (CA-1) (Official Gazette of the Republic of Slovenia, No. 65/2009-UPB3, 83/2009)
PPA	Public Procurement Act
FBA	Fiscal Balance Act (Official Gazette of the Republic of Slovenia, No. 40/2012)

LETTER FROM THE MANAGEMENT BOARD



Introduction

The 2013 fiscal year was a year of change and consolidation for DARS d.d. in different areas because of the necessary adaptation to the current economic circumstances at home and abroad. The strategic goal of DARS d.d. is to become a stable manager, capable of using income generated from toll and other revenue to ensure the sustained development of the Company, its long-term stable and socially responsible operation and safe use of the motorway network. In order to ensure that DARS d.d. successfully grows, develops and attains its goals, the Company was reorganised at the beginning of 2013 with the desire to make it an active manager of the Slovene motorway system; towards the end of the year, we also introduced a management system that conforms with these goals. For the first time since its inception, the Company adopted a Business Plan for 2014 on the basis of targeted management, which is founded on activity indicators according to individual areas and on the optimisation of all operating costs as well as the introduction of new projects and improvements in different areas.

Our objective is a balanced fulfilment of the demands of all our stakeholders. Consequently, we will use the management system to gradually develop efficient indicators and criteria that will allow us to transparently monitor and direct all our endeavours.

Company Business Activities

Toll Collection

In 2013, toll collection from vehicles proceeded on a routine basis and in the framework of two separate tolling systems (for vehicles up to and exceeding the maximum permissible weight of 3.5 tonnes). Our Company's revenue was EUR 305.3 M, where EUR 166.3 M (6.36% more than in 2012) was generated by toll collection from freight vehicles and EUR 139.0 M (0.3% more than during the previous year) came from vignette sales.

In 2013, we put a lot of thought into creating a new pricing policy that will guarantee the long-term financial sustainability and debt repayment of DARS d.d. In October, a government decision confirmed the price increase of toll per driven kilometre for vehicles with a maximum permissible weight

exceeding 3.5 tonnes. It also changed the toll price list and established higher prices for tolls and modified conditions for discounts and rebates. The new higher prices of vignettes, valid from 1 December 2013 onwards, as well as the introduction of a new toll-rate category for two-track vehicles have also had a positive influence on Company revenue.

ETS

The Company published a public tender for establishing and operating an electronic tolling system in free traffic flow on motorways and expressways with 10-year financing; however, the National Review Commission invalidated it. DARS consequently began preparing changes to the tender documents, especially from the point of view of the optimal project financing model.

Maintenance

Our regular motorway maintenance programme is conducted in such a manner as to cause as little traffic disruption as possible and is carried out during periods when traffic loads on an individual section are lowest; we also pay special attention to the orderliness, transparency and safety of motorways



and expressways. In spite of this, the carrying out of maintenance work often poses an obstacle for users because of the dense personal and transit freight traffic. On the other hand, the rising volume of traffic requires more and more comprehensive maintenance and reconstruction works. Maintenance works during the day are planned outside of peak periods, where the average annual daily traffic on individual motorway sections is taken into account. Regular maintenance work carried out the most urgent patching of the carriageway through contracts; this type of work was more prevalent in 2013 than in previous years.

Management

In 2013, we reintroduced the management area, which includes management, traffic and traffic safety management and the management of all of DARS d.d. assets, road infrastructure and machinery as well as all property.

In 2013, we brought the pavement-management system into the final phase; we started conducting inspections of constructions, especially tunnels, noise monitoring, etc. with the goal of increasing the quality

of maintenance and preparing multi-annual maintenance plans; this will form the foundations for establishing a management system for other constructions as well. We have begun to introduce certain projects for optimising the costs of electricity use and electro-mechanical maintenance.

The Company has focused mainly on traffic safety when it comes to investment into electro-mechanical equipment. This applies to fulfilling the demands of the European directive on road tunnel safety and to increasing road safety in general. We finished with the introduction of CCTV in the Karawanks Tunnel, carried out projects in the context of the public procurement for the reconstruction of the ventilation system in the Karawanks Tunnel, which is being conducted in collaboration with Asfinag, and also prepared other project documentation for the rearrangement of road tunnel systems.

In order to better orient ourselves towards the User, traffic safety and socially-responsible actions as well as ensure conditions for the safe use of the roads under our management, we carried out various activities, for

example setting up anti-noise and safety barriers and crash absorbers.

Investments

In 2013 and in accordance with its business plan, DARS d.d. organised and managed projects involving the construction and reconstruction of motorway sections.

The preparation of ten national spatial plans was carried out in 2013 in the field of spatial planning and integration in the environment. A Governmental Decree on the Spatial Plan of National Importance for the State road at the Velenje jug-Slovenj Gradec section was adopted in September. In the processes of integrating motorways and expressways into the environment, the Company cooperated with the public and users within the scope of its jurisdiction and strove to implement socially acceptable solutions.

In the area of design, we started preparing a project in 2013 for constructing the Draženci–IBCP Gruškovje motorway section. The co-financing for the project was obtained from TEN-T European funds, while the European Commission adopted a deci-

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sion on granting financial aid for preparing the execution design. The project for acquiring a building permit for the full Šmarje - Sap junction was also drawn up and submitted for review.

In 2013, the carrying out of finishing work on individual motorway sections was once again accompanied by numerous problems, mainly connected to Slovenian construction companies, which were faced with bankruptcy and liquidity problems. In spite of these difficulties, we worked towards completely remedying deficiencies and carried out other activities associated with finishing projects.

In 2013, we reconstructed 10.7 kilometres of carriageways, carried out four partial reconstructions of bridging structures and realised the majority of the planned smaller investment projects.

The Company continued the construction of the Koper-Izola section with the Markovec Tunnel; however, it was not completed in 2013, mainly because of insolvency and the introduction of bankruptcy proceedings for companies belonging to contractors. All the

construction work and the electro-mechanical equipment in the road tunnel and route section still need to be completed.

In the framework of the project entitled Construction of Noise Barriers on Five Motorway Sections in the Republic of Slovenia, which is included in the amended Operational Programme of Environmental and Transport Infrastructure Development (co-financing through the Cohesion Fund), we fully carried out noise protection activities at the Malence-Šmarje-Sap section; construction also started at the Unec-Postojna section. This year, we also carried out all the other procedures for sub-contracting, which enables us to continue the realisation of the project next year.

International cooperation

We also see opportunities in marketing our own knowledge and experiences. As an established motorway manager in the European area, we can pass on our knowledge and experience to other motorway managers in Bosnia and Herzegovina, Croatia and Serbia, which at the same time allows us to open up new markets to different Slovenian

companies. In September 2013, DARS d.d. and the Public Company Motorways of the Federation of Bosnia and Herzegovina signed a Memorandum of Understanding that serves a basis for such collaboration.

Subsidiary Companies

In order to more effectively market the optical network along its motorways, DARS founded the DELKOM (DELKOM, trženje elektronskih komunikacij, projektiranje in svetovanje, d.o.o.) subsidiary company in October 2013. This company will find it easier to adapt to changing market conditions and the changing offers of new electronic communication services. The DELKOM Company markets electronic communications and takes optimum advantage of surplus capacities. DARS d.d.'s aim is to generate additional revenue that it will then use to repay its debt.

Analysis of Business Operations

In spite of difficult economic circumstances, the total revenue of DARS d.d. for 2013 amounted to EUR 328 M and was 3% higher than revenue generated in 2012. The increase in total revenue was mainly influ-



enced by other higher operating revenue and higher revenue generated by toll collection from personal and freight vehicles.

The Company's expenses for 2013 amounted to EUR 271 M, which represents a five% decrease compared to 2012; this is the result of measures undertaken in order to rationalise DARS d.d. operating costs. The largest shares were that of amortisation with 55% and financial expenses at 19 percent. The cooperation of all employees and the Company management during activities such as increasing the quality of services, reorganisation, acquiring additional revenue, reducing costs and rescheduling financial liabilities not only influenced the record profits but also helped significantly lower costs. Consequently, the EBITDA (net sales and Earnings before Interest, Taxes, Depreciation and Amortisation) increased by 4% compared to 2012, while the Company's net profits for 2013 amounted to EUR 47 M, a staggering increase of 93% compared to the profit or loss in the same period in 2012. Compared to similar companies in neighbouring countries, DARS d.d. has managed to achieve the

lowest costs of material, services and work per running kilometre of motorways.

Debt Repayment

In 2013, the Company started undergoing a period of substantial debt amortisation. The debt was incurred in previous years, with the money going towards intensive construction and reconstruction. Even in the previous year, debt management was identified as one of the main activities of the Company with the aim of achieving DARS' main objective: the independent repayment or settlement of all its financial liabilities, which are 100% guaranteed by the Republic of Slovenia. In 2013, the Company repaid the principal in the amount of EUR 142.6 M and paid interest of EUR 51.5 M. On 31 December 2013, the total debt of the Company amounted to EUR 2,795.6 M.

Due to the Company's growing financial commitments for the following years, i.e. the repayment of loans, we started holding talks with banks (lenders) in 2013 on the re-scheduling of liabilities amounting to a total value of EUR 202 M. A part of these liabili-

ties, amounting to EUR 97 M, has already been contractually agreed upon, while talks about the remainder are currently in the completion phase.

DARS d.d. has already prepared a draft of the Framework Act for Debt Restructuring, which it had sent to the competent ministries for coordination. The goal of the suggested Act is to enable DARS d.d. to actively manage its existing debt, restructure its credit portfolio and ensure all the necessary resources for covering already due liabilities from the existing debt in a timely manner. This mainly concerns the management of maturities and resource prices. The Republic of Slovenia continues to retain the control mechanism over DARS d.d. borrowing; however, in passing the Framework Act for Debt Restructuring, DARS d.d. is able to avoid the habitual long procedure associated with adopting individual sureties acts for debt restructuring in the National Assembly.

ISO-Standard, Environmental Management In the area of sustainable development and the preservation and protection of the



environment, we have continued with the implementation of the adopted environmental management system ISO 14001, which comprehensively regulates the environmental aspects of waste minimisation and rational use of energy, the active monitoring of our activities in terms of protecting the environment through to the adoption and implementation of environmental legislation and the education of our employees to ensure more environmentally friendly operations. In 2013, the Company successfully introduced an occupational health and safety system according to the requirements of the OHSAS 18001: 2007 Standard. It was integrated into the existing quality and environment management system, which was confirmed by an external and independent accredited institution.

Road Safety

In 2013, we paid special attention to all aspects associated with the road safety of our Users. The additional information about the correct and safe use of the MW, which was provided to users, had an impact on lowering the number of casualties and increasing the traffic flow on motorways. In 2013, we managed a motorway and expressways network that was twice as large as the one in 2001; at the same time, we managed

to attain a 20% reduction in the number of fatalities (16). We also successfully ensured less traffic congestion compared to 2012, even though the traffic flow was on the rise. The number of occasions when we had to remove freight traffic because of significant snowfall in Slovenia and abroad increased; we also limited traffic because of the Bora wind. By introducing a temporary main control centre, we were able to successfully carry out national traffic-management measures in association with neighbouring countries. The Traffic Information Centre for State roads, which is organised in the framework of DARS d.d., received 47% more calls than the year before, demonstrating its active role when it comes to providing nation-wide information on the state of road traffic. We successfully finished the "Save a Life" preventive campaign, which focused on the correct way of forming vehicle lines on motorways in the event of an accident.

User Satisfaction and Communication

In 2013, DARS d.d. once again paid attention to the adoption of measures for increasing the satisfaction of motorway and expressway users. On the basis of user satisfaction surveys, conducted in April 2013, we

recorded a higher level of satisfaction; the measured grade was 3.64 (the highest being 5). DARS d.d. guarantees comprehensive and up-to-date access to information to the media and the wider public through its media centre, which can be found on the Company's website (www.dars.si); there, visitors can find interesting and useful information, a video and photo gallery as well as a presentation of the field of maintenance and toll collection. In the past year, we have also worked on establishing a link to the public through social media such as Twitter, Facebook and YouTube. We mainly use these services to inform people about traffic and different campaigns (media campaigns included). At the same time, we try to raise awareness about the importance of road safety. DARS d.d. is strongly connected with the general social environment because of its role and activities. It operates and acts as a socially responsible company, which is why we understand our responsibilities towards people and the environment where we are present.

Conclusion

We at DARS d.d. have taken strategic steps and through the active role of all employees have begun to move from our role as a constructor to that of active motorway



manager. 40 years have passed since the first motorway section was built and 20 years since the inception of DARS, which is now a member of the European family of motorway and expressway maintenance and management companies. All this represents the foundation, which undeniably give us the opportunity for progress, ensuring the comfort and safety of the User and the chance to take advantage of market challenges with the aim of increasing company revenue.

The strategic goal of DARS d.d. changed in 2013 and is now to become a stable manager capable of using income generated from toll and other revenue to ensure the sustained development of the Company, its long-term stable and socially responsible operation and the safe use of the motorway network. On the one hand, this was conditioned by the changed economic and social environment and on the other by the justified demands of Slovenian motorway and expressway users for a safe, flowing and

quality managed and maintained road.

The Company's operating results from 2013 attest to the management's and the employees' efforts, which were directed towards reorganising, acquiring additional revenue, reducing costs and rescheduling financial liabilities. In addition to the record profits, we have also recorded substantially lower costs.

Since we are aware that motorway and expressway users are under heavier financial burdens, we took a proactive approach in the past year towards acquiring additional revenue by taking advantage of in-house knowledge, experience and the available infrastructure.

The trends of rising revenues and net profit or loss as well as falling expenses and costs of DARS d.d. – combined with the trends of rising revenues and falling costs and expenses per kilometre of motorways – are preliminary results that show we are heading in the right direction.

We at the Company ensure the socially responsible and efficient construction, operation and maintenance of motorways and other infrastructure networks in the Republic of Slovenia and provide the conditions for their safe use.

We are systematically developing strategic partnerships with stakeholders in order to insure optimal business operations and long-term company growth and development. On our path, we are guided by the constant search for and development of positive forms of long-term, correct and mutual cooperation with different stakeholders as well as by proactive and regular communication with stakeholders.

Our goal is a safe and satisfied user. In pursuing this goal, the Company not only carries out the planned measures but also regards this aim as its present and future vision and mission.

Tine Svoljšak

Board Member

mag. Matjaž Knez

Chairman of the Management Board

Franc Skok

Board Member

REPORT ON THE WORK OF THE SUPERVISORY BOARD FOR 2013

1. Composition of the DARS d.d. Supervisory Board

In accordance with point 7.3.1 of the Articles of Association of DARS d.d. of 14 March 2011, the Supervisory Board is comprised of six members. Two members of the Supervisory Board are employee representatives.

The Supervisory Board consisted of the following members in 2013:

- Vito Meško, Member – employee representative from 29 April 2004;
- Marjan Sisinger, Member – employee representative from 1 May 2012;
- Dušan Hočevar, Member from 25 May 2012, Chairman from 7 June 2012;
- Ivan Križnič, Member from 25 May 2012, Deputy Chairman from 7 June 2012;
- Silva Savšek – Member from 25 May 2012;
- Robert Čehovin – Member from 25 May 2012.

2. Activities of the Supervisory Board

Members of the DARS d.d. Supervisory Board follow the Code of Ethics of the Slovenian Directors' Association and respect its principles.

In 2013, the Supervisory Board of DARS d.d. met at thirteen regular, one correspondence and two extraordinary sessions.

Members regularly attended sessions, which is borne out by the fact that all Supervisory Board members were present at all of the sessions.

The members are active at the sessions and participate in discussions in order to clarify any differing opinions and to reconcile and explain them to an extent that they are professionally, legally and strategically harmonised. The harmonised activity of the Supervisory Board is illustrated by the fact that all decisions adopted in 2013 were unanimous. The discussions show that the members of the Supervisory Board thoroughly prepared themselves for the sessions to facilitate active and professional participation in discussions on individual items of the agenda.

In accordance with Point 7.3.7 of the Articles of Association of DARS d.d., the Supervisory Board of DARS d.d. granted one consent to transactions having individual values exceeding EUR 2.5 M. In accordance with a decision of the Supervisory Board in 2010, that the consent of the Supervisory Board has to again be obtained for the conclusion of annexes to contracts that the Supervisory Board had already approved, even for annexes with values less than EUR 2.5 M, the Supervisory Board gave its consent for twenty such annexes in 2013. Pursuant to the provisions of the Articles of Association of DARS d.d., the Supervisory Board gave consent to nine selections of the best bidder.

During the March session, the members of the Supervisory Board acquainted themselves with the introduction of the ETS in the FTF and the procedures that were being carried out in relation to this in accordance with the decision of the government of the Republic of Slovenia in June 2012.

During the April session, the Supervisory Board acquainted itself with the business plan involving the establishment of the DELKOM, trženje elektronskih komunikacij, projektiranje in svetovanje, d.o.o. subsidiary company. During the same session, it also acquainted itself with the Internal Audit Service's 2013 Annual Plan and with the 2012 report on the work of the Internal Audit Service.

During the next April session, the Supervisory Board adopted a report on the results of the examination of the Annual Company Report for 2012 with the proposed amendments and discussed the audited DARS d.d. Annual Report for 2012 in accordance with Articles 272 and 282 of the Companies Act and Points 7.3.7 of the Articles of Association of DARS d.d. After approving the Annual Report for 2012, the Supervisory Board recommended to the meeting a discharge of the Management Board and the Supervisory Board. The Supervisory Board also adopted the decision to recommend to the Company's Management Board that it should decide on the distributable profit and allot it entirely for other reserves from profit, pursuant to Articles 230 and 293 of the Companies Act.

During the May session, the Supervisory Board gave its consent to the rescheduling of the DARS d.d. Business Plan for 2013.

During the July session, the Supervisory Board acquainted itself with the work of the Management Board and judged it to have been successful.

During the August session, the Supervisory Board acquainted itself with the unaudited Semi-annual Report for January-June 2013 and gave its agreement to the Rules on the Organisation of DARS d.d. The members of the DARS d.d. Supervisory Board also acquainted themselves with urgent changes to the toll-collection pricing policy that the Company had sent to the competent governmental bodies for discussion and consent a month before.

During the September session, the Supervisory Board acquiesced to the draft of an agreement on business cooperation and the regulation of mutual relations with the DELKOM, trženje elektronskih komunikacij, projektiranje in svetovanje, d.o.o. subsidiary company.

The Supervisory Board regularly discussed reports on the scope of works performed on individual sections – separately according to underlying contracts and annexes, reports on reconstruction and maintenance works, claims for the review of public procurement procedures and reports on concluded financial transactions with values exceeding EUR 2.5 M.

It also regularly discussed Company activities aimed at increasing traffic flow, motorway safety and generating additional revenue, including in the area of international cooperation with foreign managers (in Croatia, Bosnia and Herzegovina and Serbia), the operation of the new and independent DELKOM Company and the human resources reports and reports on occupational health and safety.

The Supervisory Board of DARS d.d. has assessed that the Management Board of DARS d.d. and the Supervisory Board of DARS d.d. carried out their tasks efficiently and to the benefit of the Company.

2.1. Committees of the DARS d.d. Supervisory Board

Audit Committee

In June 2012, the Supervisory Board appointed new members of the Audit Committee. The work of the Committee is coordinated by Silva Savšek. The Chairwoman and her deputy come from the Supervisory Board, while the third member, Silva Jamnik, is an Expert Member, chosen from a registry of experts that is published by The Slovenian Institute of Auditors.

In 2013, the Audit Committee met at ten regular sessions and one extraordinary session.

Supervisory Board Committee for Human Resources and Management Board Evaluation

The Human Resources Committee was established at the end of November 2012. Ivan Križnič was appointed as the Committee Chairman.

In 2013, the Committee met at 6 regular sessions.

2.2. Organisation of Work

In accordance with its Rules of Procedure, the DARS d.d. Supervisory Board has a Secretary from among the company employees who is responsible exclusively to the Chairman of the Supervisory Board for work performed for the Supervisory Board. The Secretary coordinates the work of the Supervisory Board and its committees, ensures that the Company's professional services duly prepare the materials for the sessions of the Supervisory Board and its committees and performs other tasks specified in the Rules of Procedure of the Supervisory Board.

The Supervisory Board most frequently meets at the DARS d.d. branch in Ljubljana. Whenever a field inspection is required in order to deal with a certain issue in the field, the Supervisory Board conducts a field meeting.

This method of work ensures the optimal efficiency of the Supervisory Board's activities.

At the beginning of 2013, the Supervisory Board performed a procedure of efficiency assessment.

3. Approval of the Annual Report and Proposed Appropriation of Accumulated Profit for the Year 2013

The Supervisory Board of DARS d.d. discussed the Annual Report of DARS d.d. for the year 2013 within the legally prescribed period. It took note of the Auditor's Report and the submitted opinion of

a certified auditor on the examination of financial statements for the 2013 financial year and established that the certified auditor had not discovered any misstatements or irregularities that could have an impact on the financial statements of the Company. The Auditor's Report did not contain any remarks or reservations addressed to the Management Board or the Supervisory Board of the Company.

Pursuant to the provisions of Articles 64 and 230 of CA-1, on the basis of the audited financial statements of the Company and within the context of the comprehensive treatment of the Annual Report, as well as the proposal of the Management Board, the Supervisory Board of DARS d.d. established that net profit for the period from 1 January to 31 December 2013 amounted to EUR 47,143,874. The established net profit shall be allocated as follows:

- EUR 2,357,194 in legal reserves;
- EUR 22,393,340 in other revenue reserves according to the decisions of the DARS d.d. Management Board and the Supervisory Board.

The accumulated profits as of 31 December 2013 amounted to EUR 22,393,340.

The appropriation of accumulated profit will be decided by the General Meeting of the Company.

The DARS d.d. Supervisory Board adopted the decision on the approval of the reviewed DARS d.d. Annual Report for 2013 during the session that took place on 24 April 2014. According to Article 282 of CA-1, this means that the DARS d.d. Supervisory Board agrees to the reviewed report and thus accepts the DARS d.d. Annual Report for 2013.

The Supervisory Board of DARS d.d. has assessed that the Management Board of DARS d.d. and the Supervisory Board of DARS d.d. carried out their tasks efficiently and to the benefit of the Company in 2013, as is evident from the business results attained, and has proposed that the General Meeting discharge their members of their duties in accordance with the provisions of Article 293 of CA-1.



Dušan Hočevár
Chairman of the Supervisory Board

PODATKI O DRUŽBI IN KLJUČNI POSLOVNI PODATKI

NAME	Družba za avtoceste v Republiki Sloveniji d.d. (Motorway Company in the Republic of Slovenia)
Abbreviated name: DARS d.d.	kratica: DARS d. d.
REGISTERED OFFICE	Ulica XIV. divizije 4, 3000 Celje
Tel.: (03) 426-40 -71	tel.: (03) 426-40-71
Fax: (03) 426-40-71	faks: (03) 544-20-01
BRANCH OFFICE	Dunajska 7, 1000 Ljubljana
Tel.: (01) 300-99-00	tel.: (01) 300-99-00
Fax: (01) 300-99-01	faks: (01) 300-99-01
WEBSITES	www.dars.si www.promet.si
YEAR OF ESTABLISHMENT	1993
REGISTER-ENTRY NUMBER	1/06158/00, District Court of Celje
FOUNDER	Republic of Slovenia
SHAREHOLDER	Republic of Slovenia
REGISTRATION NUMBER	5814251000
VAT NUMBER	SI92473717
SHARE CAPITAL	EUR 2,319,866,345.16
SHARES ISSUED	55,592,292 no par value shares

DARS d.d. was founded in 1993 on the basis of MCRSA (Motorway Company of the Republic of Slovenia Act). It began business operations on 1 January 1994. It had public entity status until 31 December 2003 in the form of a public limited company; from 1 January 2004 onwards, it has been a public limited company and corporate entity. The sole founder and shareholder of DARS d.d. is the Republic of Slovenia, which in accordance with the Slovenian Sovereign Holding Act (Official Gazette of the Republic of Slovenia, No. 105/2012) is represented by the Slovenian Compensation Company (Slovenska odškodninska družba, d.d., hereinafter referred to as SOD). In the framework of its operating activities, DARS d.d. takes into account the Recommendations by the SOD that were adopted in April 2013. The aim of the Recommendations is to establish a better system of corporate governance of the State's financial assets, the regulation of the companies and the consequent better operation of these companies.

At the end of 2010, the MCRSA-1 entered into force, in accordance with which DARS d.d.:

- Performs special tasks in relation to spatial planning and integrating motorways into the environment as well as tasks in relation to acquiring real property for the requirements of motorway construction in the name of the Republic of Slovenia and for the State's account;
- Constructs motorways in its own name and for its own account;
- Manages and maintains motorway sections based on granted construction concessions.

By enforcing developmental documents, the State maintains the strategic supervision of the development of motorways by determining new sections and deadlines for the opening of newly built sections to traffic.

MCRSA-1 determines the status, tasks and obligations of DARS d.d., and regulates real right relations in connection to motorways. Under this Act, DARS d.d. was transformed into a concessionaire that was awarded the right of superficies for the duration of the concession relating to land where it will perform construction work and takes over all financial obligations related to the construction of new motorway sections. MCRSA-1 also stipulates that DARS d.d., in the name of the Republic of Slovenia and for its account, performs individual tasks in relation to spatial planning and integrating motorways into the environment as well as tasks in relation to acquiring real property for the requirements of motorway construction. The Act also stipulates that DARS d.d. will continue with the construction of motorways and expressways that were initiated prior to the entry into force of MCRSA-1 and that it will continue to manage and maintain the existing motorways and expressways in the Republic of Slovenia.

The FBA, which entered into force in 2012, made the right of superficies established for the benefit of DARS d.d. payable.

Table 1: Key Performance Data by Year

Key performance data by year	Year 2009	Year 2010	Year 2011	Year 2012	Year 2013	2013/2012 Index
Revenue	272,329,357	316,615,824	336,538,471	317,316,358	327,666,309	103
Expenses	259,421,061	278,327,509	305,730,681	286,629,433	271,187,458	95
Net sales revenue	266,050,392	301,412,873	310,772,380	305,817,390	315,640,478	103
Operating revenue	271,053,728	314,278,720	331,169,720	312,333,910	323,741,607	104
Operating expenses	259,366,619	205,792,943	228,906,759	216,782,091	220,741,765	102
Concession fees	169,447,153	0	0	0	0	-
Operating profit or loss	11,687,109	108,485,776	102,262,961	95,551,818	102,999,842	108
EBITDA	21,189,454	223,979,429	261,146,284	240,989,883	251,088,123	104
Net profit/loss for the period	10,161,585	30,463,365	24,609,552	24,406,263	47,143,874	193
Share capital	212,823	2,319,866,345	2,319,866,345	2,319,866,345	2,319,866,345	100
Equity as of 31 December	55,413,862	2,402,580,775	2,411,382,960	2,425,789,223	2,472,933,097	102
Total value of assets as of 31 December *	5,935,788,392	5,611,218,851	5,529,053,959	5,626,879,758	5,644,936,606	100
Balance of debt as of 31 December	2,947,416,960	2,998,506,697	2,931,830,772	2,828,280,071	2,795,662,158	99
Repayment of debt - principal	62,614,691	133,910,263	66,675,925	103,550,701	142,617,913	138
Payment of interest **	91,263,756	79,015,798	79,275,822	74,434,649	51,491,774	69

* Data for 2009 refer to the assets of DARS d.d. and assets of the Republic of Slovenia provided for management.

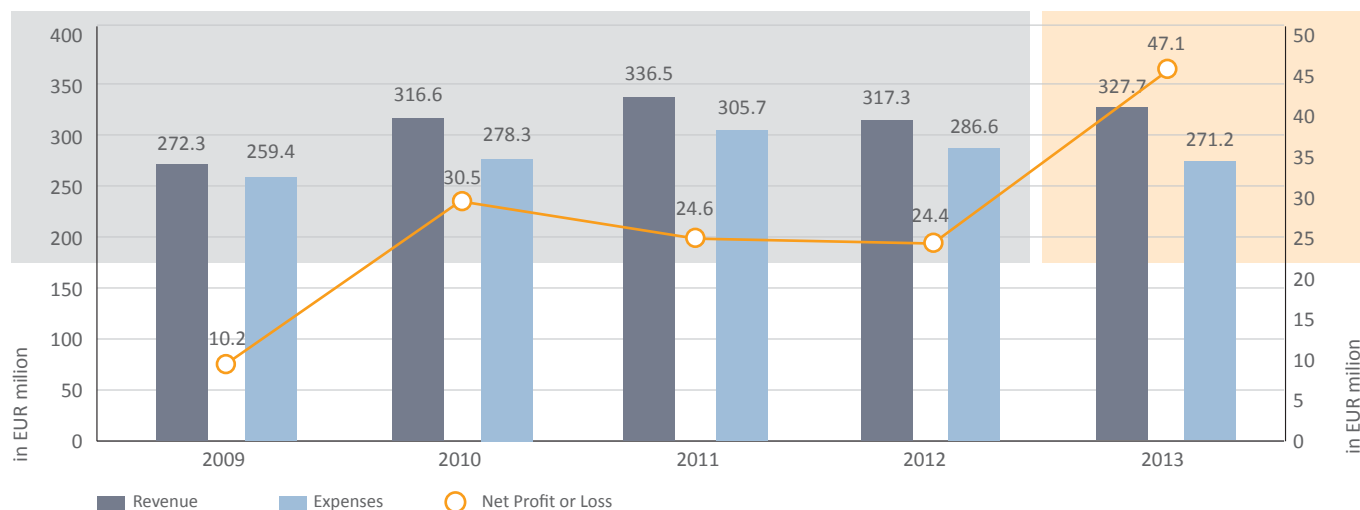
** The data refer to actual outflows for interest in the individual year.

Indicators	Year 2009	Year 2010	Year 2011	Year 2012	Year 2013	2013/2012 Index
Operating margin	4.4%	36.0%	32.9%	31.2%	32.6%	105
EBITDA margin	8.0%	74.3%	84.0%	78.8%	79.5%	101
Net margin	3.8%	10.1%	7.9%	8.0%	14.9%	186
Return on equity (ROE)	18.4%	2.5%	1.0%	1.0%	1.9%	191

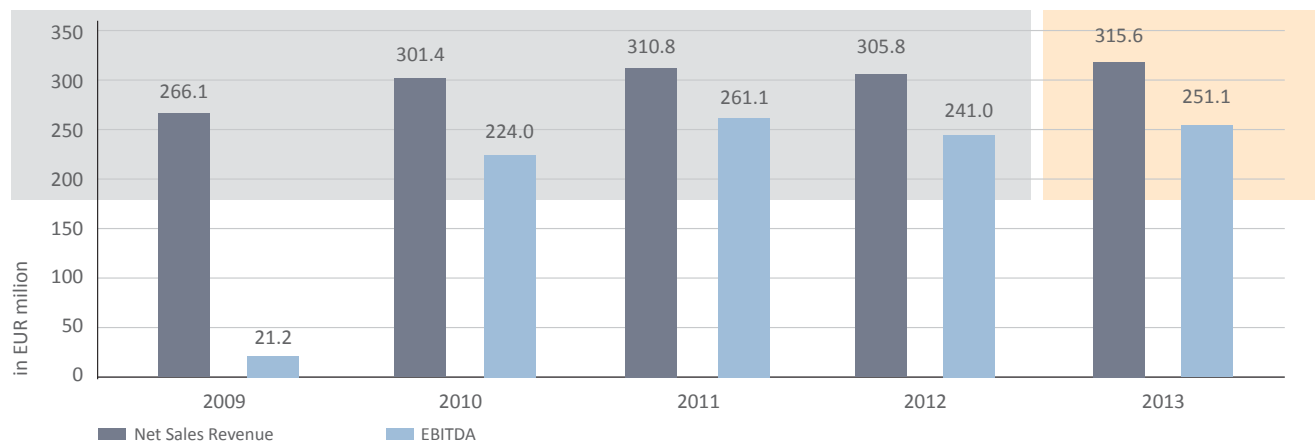
Numbers of employees	Year 2009	Year 2010	Year 2011	Year 2012	Year 2013	2013/2012 Index
Year end	1,250	1,247	1,249	1,226	1,237	101

The SOD expects DARS d.d. to realise a 2% return on equity rate by 2015.

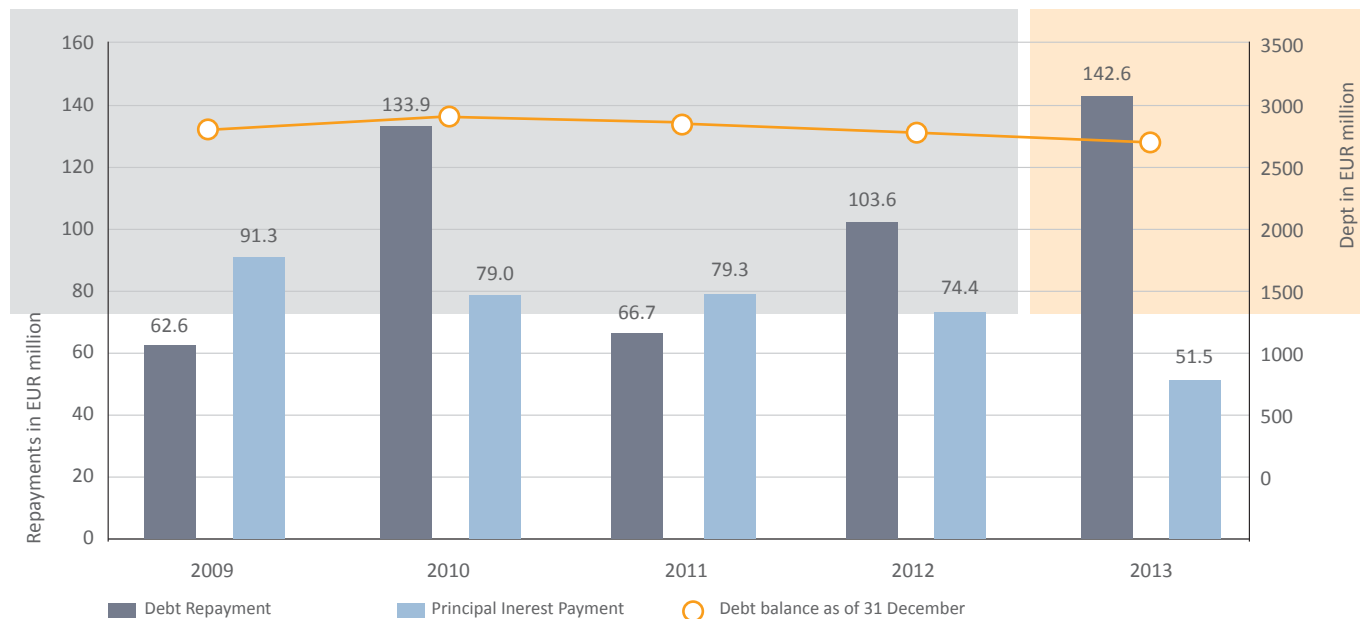
Graph 1: Movement in DARS d.d. total revenue, expenses and net profit or loss for 2009-2013



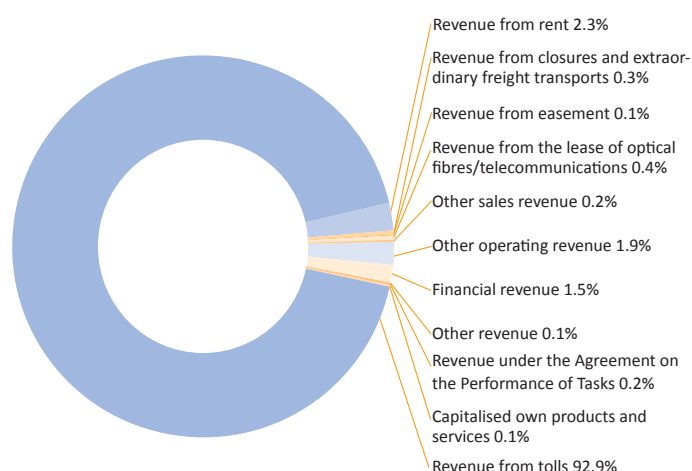
Graph 2: Movement in DARS d.d. net sales revenue and operating profit before depreciation for 2009-2013



Graph 3: Debt balance (31 December), principal repayment and interest payment in the 2009-2013 period



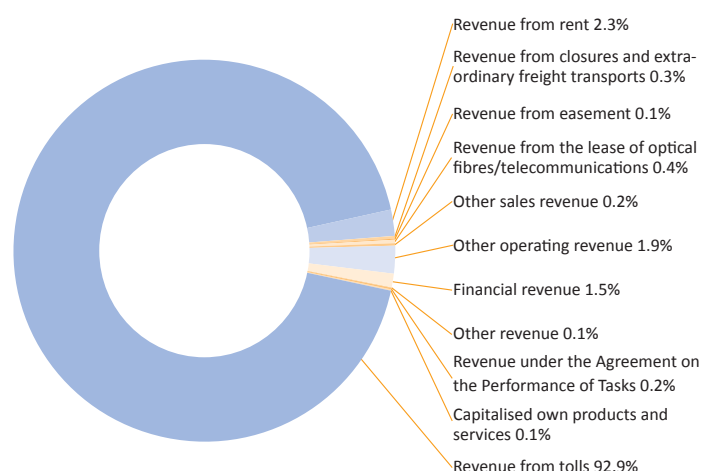
Graph 4: Structure of revenue of DARS d.d. in 2012



Revenue from tolls
Revenue from rent
Other operating revenue
Other revenue

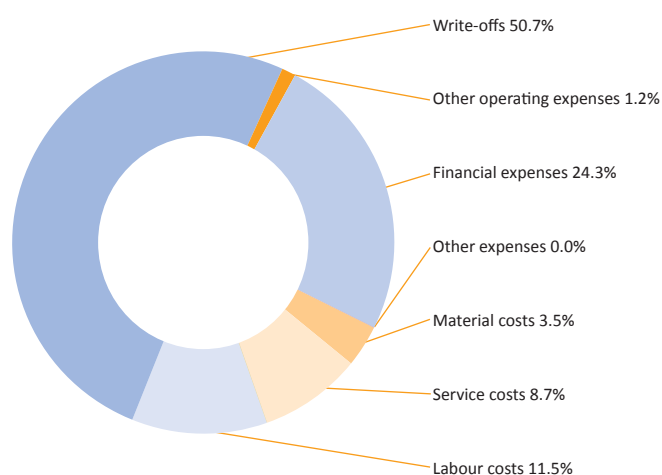
Revenue from easement
Revenue under the Agreement on the Performance of Tasks
Other sales revenue
Revenue from closures and extraordinary freight transports

Graph 5: Structure of revenue of DARS d.d. in 2013



Capitalised own products and services
Revenue from the lease of optical fibres/telecommunications
Financial revenue

Graph 6: Structure of expenses of DARS d.d. in 2012

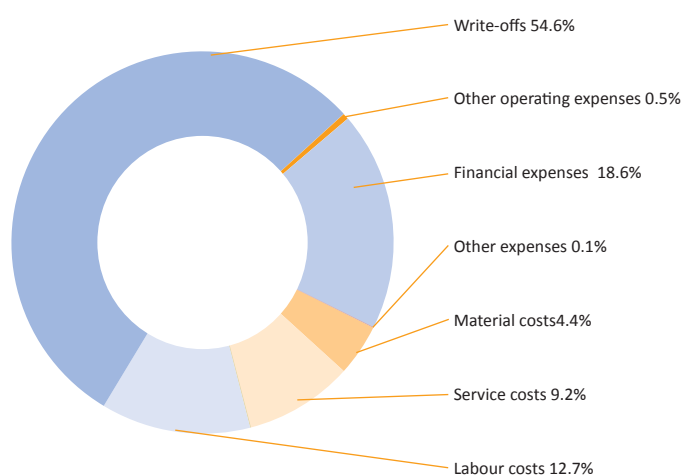


Write-offs
Financial expenses
Labour costs

Other operating expenses
Other expenses
Material costs

Service costs

Graph 7: Structure of expenses of DARS d.d. in 2013



THE MISSION, VISION, VALUES AND STRATEGIC DIRECTIONS, INTEGRATED MANAGEMENT SYSTEM POLICY



MISSION

We ensure socially responsible and efficient management, maintenance and construction of motorway and other infrastructural networks in the RS, providing conditions for their safe use. By systematically developing new business ideas, we encourage the constant growth and development of the DARS d.d. company and its employees.

VISION

Each year, DARS d.d. becomes a more successful and market-oriented learning company that develops and manages modern infrastructure networks and operates for the benefit of all stakeholders.

CORE VALUES

Responsibility

We take on work commitments in a responsible manner, with ourselves and the Company in mind; always thinking of our users, we strive to deliver quality executions of our tasks.

Cost-effectiveness

We at the Company try to be conscientious owners – our work goals are carried out in a quality, timely and cost-effective manner.

Innovation

We promote and continually develop innovative approaches to our work; creative thought is our guide, because we know that this is the only way to develop innovative solutions with high added value for our customers, employees, the company and its owner.

Transparency

Our activities and business operations are transparent and fair for all company stakeholders; they are in accordance with generally applicable regulations and our personal Code of Ethics.

STRATEGIC DIRECTIONS OF DARS D.D.

Strategic partnerships with stakeholders

We at DARS try to systematically develop strategic partnerships with all stakeholders that provide us with adequate conditions for optimal business operations and long-term company growth and development.

Effective Debt Management

Our company guarantees the stable and sustained servicing of our obligations stemming from incurred debt (i.e. effective financial engineering for successful debt management).

Ensuring Traffic Flow and Safety on Motorway Networks

We ensure adequate traffic flow and safety on motorways and on other road infrastructure using an expert approach and objective analyses. We also constantly improve our organisation and operative excellence in a measurable and financially sound manner.

Systematic development and implementation of new ideas

We strive to develop new, market-oriented programmes with high added value in a systematic and sustainable manner.

Effective Company Resource Management

We endeavour to manage all the resources of our business system as effectively as possible: human, material, financial and information resources.

INTEGRATED MANAGEMENT SYSTEM POLICY

Through the professional and responsible performance of tasks, the Management and all employees of the Company devote their best efforts to try and fulfil the requirements and expectations of our clients, the owner, employees, the environment and society. Our business success is not left to chance. It is meticulously planned, managed and supervised. We are dedicated to the constant improvement of all work processes, with special emphasis on preventive action.

Our objective is to provide a quality and ecologically comprehensive service that is safe for employees.

This goal is being achieved in the following ways:

- By making responsible decisions based on facts,
- By providing good conditions and relations both inside and outside of the Company,
- By encouraging employee innovation,
- Through consistent compliance with legislation, other mandatory requirements and development guidelines,
- Through the careful selection of qualified partners and other external contractors,
- By supporting the development of the profession and acquiring new knowledge,
- Through active public relations,
- Through the commitment to preventing health risks and injuries of employees,
- By committing ourselves to environmental protection and friendly mutual relations.

Planning and Business Objectives at the Company and Process Level

The future strategic goal of DARS d.d. is to become a stable manager of the State motorway system, capable of using income generated from toll and other revenue to ensure the sustained development of the Company, its long-term stable and socially responsible operation and safe use of the motorway network. At the end of 2013, we began preparing for systematic management by objectives with the aim of ensuring future successful business operations, growth, development and the fulfilment of the objectives of DARS d.d. With this in mind, the Company adopted a Business Plan for 2014 on the basis of targeted management for the first time since its inception that is founded on company activity indicators according to individual areas (i.e. KPIs) and on the optimisation of all operating costs as well as on the introduction of new projects and improvements in different areas. The monitoring and achieving of objectives will form the basis for preventive and corrective measures that are necessary due to the need to constantly adapt to changes in the business environment and to follow the goals set.

Projects and Improvements

In the coming years, we at DARS d.d. intend to carry out a large number of projects in individual work areas and thus follow the business plan, the strategic goals and the Company's vision.

On the basis of the adopted management system policy and the related strategic goals, we will determine measurable operative goals using key performance indicators (KPIs) that are identified in the Company's business plan.

We develop the system in such a way as to make constant improvement and innovation a key characteristic of all employees at all organisation levels.

MOTORWAYS AND EXPRESSWAYS IN THE REPUBLIC OF SLOVENIA AND TRAFFIC LOADS



In 1994, under a special agreement, the Republic of Slovenia transferred to DARS d.d. the management and maintenance of all constructed motorways and infrastructural facilities and devices on them. DARS d.d. thus received the 198.8 kilometres of two-lane and four-lane motorways and expressways and 67.5 kilometres of link roads.

Through the implementation of the NMCP, the motorway network managed and maintained by DARS d.d. began to expand. By the end of 2013, DARS d.d. was responsible for the management of 607 km of motorways, 166.6 km of link roads, 22.3 km of turn-offs and 7.1 km of other connecting roads.

Slovenia has a vignette (toll sticker) tolling system for light vehicles and an open and closed tolling system for heavy duty vehicles.

The vignette tolling system is designed for vehicles whose maximum permissible weight does not exceed 3,500 kg, regardless of the weight of the trailer. The purchase of a vignette is a prerequisite for the use of motorways and expressways under the administration of DARS d.d.

Table 2: Length of the network managed and maintained by DARS d.d. as of 31 December 2013

As at 31 December 2013 (in km)	Length of MW and EW (A)	Length of turn-offs	Length of link roads	Length of other roads	Closed system for vehicles over 3,500 kg	Open system for vehicles over 3,500 kg	Toll roads for vehicles over 3,500 kg	Toll-free roads for vehicles over 3,500 kg
A1 Šentilj – Dragučova – Maribor – Slivnica – Celje – Trojane – Ljubljana (Zadobrova–Malence–Kozarje) – Postojna – Razdrto – Divača – Črni Kal – Srmin	245.266	11.782	70.701	0	98.442	146.824	245.266	0
A2 Karawanks Tunnel – Lesce – Podtabor – Kranj – Ljubljana (Kozarje) – on the A1 – Malence – Ivančna Gorica – Bič – Pluska – Trebnje – Hrastje – Novo mesto – Kronovo – Drnovo – Obrežje	175.472	4.933	48.004	2.180	9.514	140.241	149.755	25.717
A3 Divača (Gabrk) – Sežana vzhod – Fernetiči	12.246	0	5.131	2.724	12.246	0	12.246	0
A4 Slivnica – Draženci and Gruškovje – Republic of Croatia	21.671	4.450	6.440	0.686	0	20.750	20.750	0.921
A5 Maribor (Dragučova) – Lenart – Senarska – Vučja vas – Murska Sobota – Dolga vas – Lendava – Pince	79.574	1.099	15.839	0	0	79.574	79.574	0
H2 Pesnica – Maribor (Tezno)	7.200	0	3.590	0	0	0	0	0
H3 Ljubljana (Zadobrova – Tomačevo – Koseze)	10.222	0	6.849	0	0	6.330	6.330	3.892
H4 Razdrto (Nanos) – Vipava – Ajdovščina – Selo – Šempeter – Vrtojba	42.127	0	4.837	1.545	19.213	22.914	42.127	0
H5 Škofije – Koper (Škocjan) – (Dragonja)	7.833	0	2.756	0	0	0	0	7.833
H6 Koper (Škocjan) – Koper (Žusterna) – (Lucija)	1.889	0	1.493	0	0	0	0	1.889
H7 MW A5 – Dolga vas	3.526	0	0.955	0	0	3.526	3.526	0
Total MWs and EWs	607.026	22.264	166.595	7.135	139.415	420.159	559.574	47.452

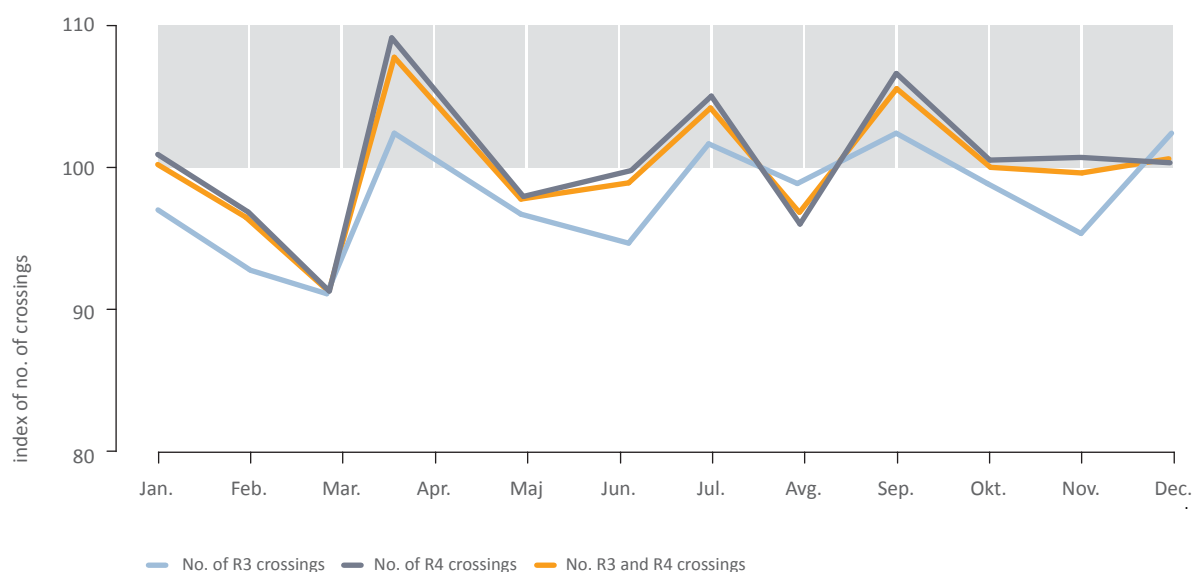
An open and closed tolling system is in use for vehicles whose maximum permissible weight exceeds 3,500 kg. Tolls on the 559.6 kilometres of motorways and expressways are paid directly using two methods: the classic payment method (using credit cards and cash) and the electronic method (the DARS Card / the DARS Transporter Card and the ABC Tag). Heavy duty vehicles, whose maximum permissible weight exceeds 3,500 kg, are not tolled on the Ljubljana Bypass section, the Maribor Bypass road, on coastal roads or the northern part of the Upper Carniola (Gorenjska) section because construction of the tolling stations has been suspended.

For DARS d.d., greater traffic loads mean more revenue from toll collection, but at the same time, they represent a burden for the Company's business operations in terms of motorway maintenance.

During the period of implementation of the Resolution on the National Motorway Construction Programme when accelerated construction of the motorway system in the RS was under way, i.e. after 2004, traffic on Slovenian motorways and expressways markedly increased and continued to do so until 2008. After 2009, when the growth in traffic slowed, a smaller increase was noticeable again on Slovenian motorways and expressways. In 2012, a decline in both personal and cargo traffic was recorded, which is the result of aggravated economic conditions.

In 2013, vehicle traffic on motorways and expressways was lower by more than a percent compared to 2012. The highest degree of traffic reduction was recorded on the Vipava and Štajerska sections, while the Primorska section recorded a slightly higher traffic flow compared to 2012.

The total number of vehicle crossings that belonged to the R3 and R4 toll-rate categories increased by 0.14% (the number decreased by 0.11% on the Primorska leg and by 1.22% on the Štajerska section; the number of vehicle crossings belonging to the R3 and R4 toll-rate categories increased by 2.50% on the Ljubljana ring road and by 6.31 on the Gorenjska leg). At the same time, the number of R3 toll-rate category crossings through toll stations decreased by 1.17% compared with 2012. However, the number of R4 toll-rate category crossings through toll stations increased by 0.43%.

Graph 8: Index of the number of crossings in 2013/2012 for R3 and R4 toll-rate categories at all toll stations

The ratio of crossings with electronic media employing the ABC system and manual toll collection also changed considerably already in 2011 and also in 2012 (in 2012, the share of crossings using the ABC system was 47.2% and the share using manual toll collection 52.8 %). This trend also continued in 2013. The total number of crossings using the ABC electronic media system thus increased by a further 9.3% compared to 2012 and achieved a 51.5% share (the increase was by 15.6% in toll-rate category R3 and by 8.5% in toll-rate category R4). This shows a continuing trend of users switching to contact-free toll collection. The total number of crossings using manual toll collection fell by an average of 8.7% (7.8% for toll-rate category R3 and 9% for toll-rate category R4).

Since October 2013, we can also notice a sudden increase in collected tolls on all MW sections, except on the Gorenjska leg. This is the consequence of new toll prices that have been valid since 1 October 2013. Revenue from toll collected in 2013 increased by 5.9% compared to the previous year.

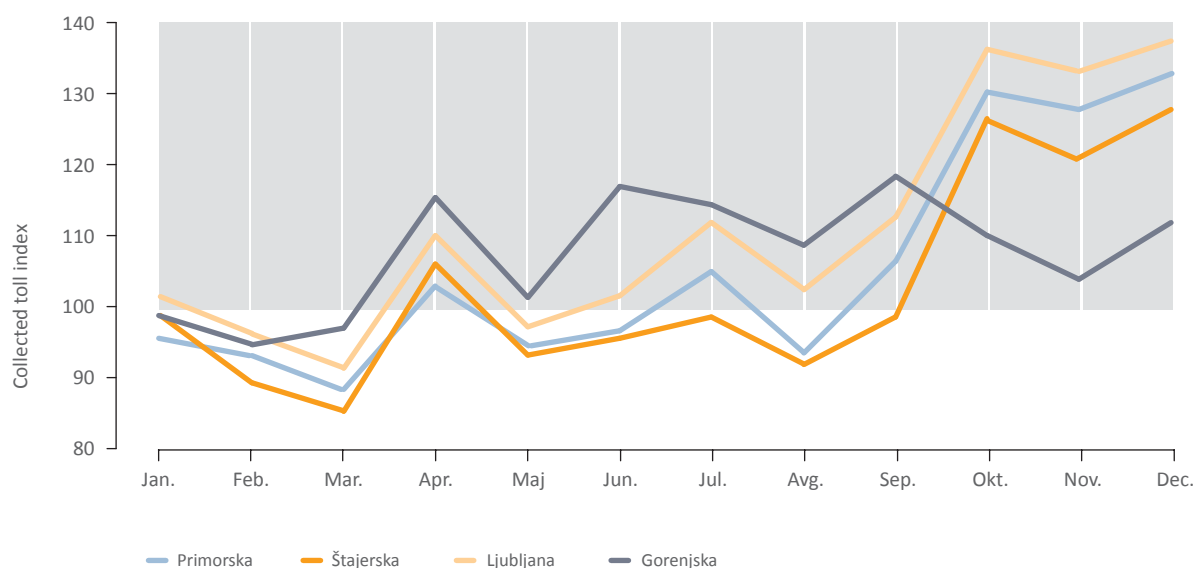
Graph 9: Collected toll index (for toll-rate categories R3 and R4) in 2013/2012 by motorway sections

Image 1: Motorway system in the Republic of Slovenia, December 2013



KEY BUSINESS EVENTS IN THE 2013 FINANCIAL YEAR



February

A public tender for establishing an electronic tolling system for vehicles whose weight exceeds 3.5 t was published on 11 February 2013 with funding available over 10 years.

March

The Company performed a reorganisation – a new area, Management, was established, which combines traffic and traffic safety management and the management of all DARS d.d. assets, road infrastructure and devices as well of all real property.

On 29 March 2013, DARS d.d. concluded an annex to the EUR 47 M loan contract it has with the Unicredit bank in order to reschedule the loan; the maturity has been extended for 5 years and includes an amortizing loan repayment.

July

The National Review Commission annulled the tender for the electronic tolling system in free traffic flow.

In July, DARS d.d. signed two loan contracts, one with Nova Ljubljanska Banka in the amount of EUR 50 M and the other with Sberbank in the amount of EUR 60 M. The debt liabilities are insured with a guarantee from the Republic of Slovenia, pursuant to the Act on the Consent and Guarantee of the Republic of Slovenia to DARS d.d. for Indebtedness raised by Loans and the Issue of Debt Securities for the Construction of Highway sections of the Motorway Construction Programme in the Republic of Slovenia in amount of EUR 297.81 M (Official Gazette of the Republic of Slovenia, No. 97/2010).

October

A new toll-price list for the use of toll roads has been available since 1 October 2013 (Official Gazette of the Republic of Slovenia, No. 79/2013), which has new toll prices for vehicles whose maximum permissible weight exceeds 3,500 kg and has changed conditions for discounts and rebates.

The DARS d.d. subsidiary company DELKOM was founded. Its aim is to market telecommunications and to plan, develop and maintain the telecommunications network and its devices.

December

The Decree on Amendments on the Decree on Toll Roads and Toll (Official Gazette of the Republic of Slovenia, No. 76/2013) became applicable on 1 December 2013, changing toll-rate categories and the retail vignette prices.

On 9 December 2013, the European Commission adopted the decision on allocating EU financial aid for preparing the executive design for the Draženci–Gruškovje motorway section.

On 20 December 2013, DARS d.d. concluded an annex to the loan contract with Banka Koper (adopting the receivables of the parent bank – Intesa Sanpaolo – for its account) in the amount of EUR 50 M that is valid from 2 January 2014 onwards. It includes the extension of maturity by 7 years and the amortizing loan repayment.

BUSINESS RISKS



We at DARS d.d. understand the serious consequences that would result if different kinds of risks were realised. Risk management is an important factor on the road to success in this increasingly uncertain business environment. That is why we pay a lot of attention to the timely detection of risks and their management. The process of risk management has become part of our strategic business operations, which is why we are proud of our successful risk management in 2013. Our primary objective was decreasing the influence of negative consequences related to the economic crisis on the results of business processes; we succeeded in recognising the dangers and the associated risks on time. We also managed to monitor risks through the business processes and act in time so as to prevent any major divergence from the planned results. We systematically manage risks using a risk register that includes all risks and measures or the control used by the Company to manage risks.

In 2013, the following risk types were managed:

- Impact of external factors (macroeconomic position, public relations),
- Risks associated with legislation and regulations,
- Risks associated with investment projects and the fulfilment of contractual provisions,
- Risks associated with ensuring resources,
- IT support to business processes,
- Environment protection,
- Occupational health and safety.

Impact of External Factors

The Company concurrently monitors economic flows and actively adjusts its operations to new situations in the economic and political spheres. External risks related to legislation and regulations are managed by monitoring legislation and through consultations as well as by submitting proposals during the drafting of laws. The Company also participates in the preparation of price lists and prepares the recommended methodology to determine toll prices, changes in tolls and methods of toll payment. Potential loss due to the Company's negative public image is difficult to measure and even harder to repair. Risks of break downs that could arise in connection with communication with various segments of the public were managed using appropriate communication strategies. Emphasis was placed on communications with both the external and internal public.

Legislation and Regulation Risk

The Legal Service is responsible for the legal security and the legality of business operations. It also participates in other areas where its cooperation is necessary. Above all, it regularly monitors changes in the legislation, is involved in preparing or reviewing contracts, is involved in preparing internal acts, manages and coordinates disputes and organises and performs land purchases.

Risks associated with the non-fulfilment of contractual provisions in implementing investment projects

The Company diligently monitors all information related to the operations of its business partners and prepares measures to prevent the impact of events detrimental to the Company's operations (modifications to contractual provisions and consensual terminations of contracts). Already during the contractor selection procedure within the public procurement, the Company carefully examines the envisaged construction deadlines of individual projects, payment conditions and guarantees; it carefully prepares time schedules for concluding individual phases of construction and ensures quality negotiations. It reviews the eligibility of any changes in investment projects and their impact on costs and schedules. It also regularly monitors investment costs, both regular ones and those that arise due to later modifications to a project. The supervision and monitoring of projects is performed with the assistance of our contractual partners (engineers).

Risks Associated with Ensuring Resources

When purchasing goods and services as a company liable to the provisions of the Public Procurement Act, all purchasing procedures must be implemented in accordance with public procurement procedures. Timely planning, an analysis of competition in the market, careful drafting of tender documentation and an active role as custodians of contracts are key measures in managing various types of procurement risk (the risk of inadequate planning, risk of an inadequate supply of goods or services, risk of uneconomic procurement, risk of non-performance due to changed circumstances and risk of delays in the delivery or implementation of services).

IT Support to Business Processes

We manage the risk of disruptions/errors by regularly monitoring the state of IT systems and responding immediately to unforeseen events. We have set up a continuity system for the IT system (having duplicates of the most important parts of the IT equipment and setting up a secondary data centre) and put in place security measures in order to protect and safeguard the IT systems against unauthorised tampering and loss of data. Independent IT security assessments are one method used to identify potential threats.

The risk that might be caused by disruptions in the operation of the information infrastructure is managed through regular maintenance and software and hardware updates as well as by implementing a clear vision for the development of the Company's IT system.

Employees

Employees are one of the key factors in the successful operation of a company. When it comes to successfully managing work process risks, which could be due to the human factor, we ensure an adequate professional and economically rational degree of necessary human resources. We also adequately invest in the expert knowledge of already employed workers and in the development of their competences and skills so as to ensure they do their work efficiently. In 2013, we carried out a reorganisation in order to increase company operating efficiency. To this end, we also applied some HR changes that ensured successful work in the context of all work processes. In addition to ensuring an adequate number of new human resources in the work processes and constant employee work-related training and education, we also conduct annual checks

of the organisational atmosphere and employee satisfaction. Based on the results of the analysis, we implement measures for improving the quality of the workplace and the organisational atmosphere. These help us establish the necessary efficient work communication and cooperation. In cooperation with the Occupational Health and Safety Service, we perform various activities linked to promoting occupational health that have a positive influence on maintaining the vital energy of employees. This in turn influences their working capabilities and helps manage the rate of sick leave.

Occupational Health and Safety

The most significant and most difficult to manage risk for DARS employees, when it comes to serious injuries, still remains the risk of collisions of road users with construction sites and workers.

In 2013, Occupational Health and Safety and other company services have consequently continued activities aimed at informing road users about the importance of following motorway code and the erected road signs. The short films were shown on the POP TV television channel during the evening slot. We are also preparing a leaflet for drivers of freight vehicles that will focus on the dangers of driving in the emergency lane. When preparing a review of the occupational health and safety risk assessment (August 2013), we also planned to implement additional measures. One of the most important involves the introduction of the noise version of the boundary line between the inside lane and the emergency lane. We think this measure will not only guarantee a higher degree of safety for our workers but also for road users.

In order to ensure integrated risk management, we introduced the requirements of the BS OHSAS 18001 international standard in the framework of all business operations. We emphasise systematic and preventive action in order to raise the level of occupational health and safety of all employees.

Risks Related to Environment Protection

In accordance with its role as a motorway and expressway management and maintenance company, DARS d.d. has implemented an environmental management system in the framework of all business operations that it uses to consistently implement its environmental protection policy at all levels of its activity. The common thread running through the environmental management system is the assessment and analysis of environmental influences and aspects, which are identified in the environmental aspect registry.

In order to reduce environmental influences, we determined approximate and operational targets as well as programmes that will be used to reach these targets. Risks related to environment protection, including the risk of inappropriate waste disposal, risk of environmental pollution and risks associated with protecting impact areas are becoming more and more important. The systematic management of these risks reflects the ecological awareness of employees. Accidents on motorways can have a negative impact on the environment; this is why it is important to reduce the risks that emerge through accidents and react appropriately when they occur. The probability of emergencies is also reduced through preventative measures. Training and exercises for appropriate reactions guarantee minimum impacts on the environment if such extraordinary events occur. By implementing appropriate activities within the scope of motorway maintenance such as cleaning of flood control reservoirs, implementing the annual programme of operational monitoring of meteoric water (LPOM), collecting, sorting and controlled disposal of waste, implementing measures to reduce light pollution and constantly controlling carbon monoxide concentrations and visibility in tunnels, we significantly contributed to reducing negative impacts on the environment and controlling the risks emerging in the environment. A more detailed explanation of environmental management can be found in Chapter I.15.2 under noise, waste management, gas emissions and the influence of grit materials on the environment.

FINANCIAL RISKS



Financial risks are risks that may negatively influence the ability to generate financial revenue, control financial expenses, preserve the value of financial resources and control financial liabilities.

By managing various types of financial risks, the Company endeavours to attain maximum stability of operations and reduce the exposure to individual types of risks to an acceptable level. Most importantly, it focuses on maximally stabilising the cash flow for the settlement of liabilities arising from loans for motorway construction.

Table 3: Types of financial risks

No.	Description of risk	Risk assessment		Degree of risk	Risk management (controls)
		Probability of risk occurrence	Consequences of risk occurrence		
1	2	3	4	5 = 3*4	6
1	Risk of changes in exchange rates	1	1	1	Use of natural protection by matching cash flow, regular monitoring of currency markets, hedging with appropriate financial instruments
2	Risk of changes in interest rates	3	3	9	Monitoring interest rate fluctuations, negotiations with credit institutions, hedging with appropriate financial instruments
3	Credit risk	2	3	6	Monitoring and regular analysis of the Company's credit portfolio
4	Credit risk of business partners	2	2	4	Monitoring exposure to individual partners
5	Liquidity risk	2	2	4	Planning needs for liquid funds, previously agreed loan facilities and overdrafts

Probability of risk occurrence: 1-small, 2-medium, 3-large
Consequences: 1-good, 2-mediocre, 3-bad

Risk of Changes in Exchange Rates

In 2013, exchange rate fluctuation risks were predominantly hedged by means of natural protection, i.e. by matching cash flow. This type of hedge is possible due to the small number of currencies used by DARS d.d. in its operations as well as the fact that a large majority of its transactions are carried out in Euros.

Risk of Changes in Interest Rates

At the end of 2013, the Company had 28 long-term loans that were partly or entirely linked to the EURIBOR reference interest rate (6-month or 3-month rate). In 2013, DARS d.d. contracted two long-term loans totalling EUR 110 M. In so doing, it increased its exposure to risks associated with changes in interest rates.

Part of the variable interest rate of long-term loans is hedged through the use of adequate derivatives with which the variable interest rate was changed into a fixed interest rate. According to the state on 31 December 2013, 37.5% of the Company's loans were based on a fixed interest rate and 61.1% on a variable interest rate, while 1.4% comprised interest-free debt. By using derivatives (IRS transactions), the Company hedged 38.9% of its credit portfolio against interest rate risks. If interest-free debt is also taken into account, a combined 40.3% of DARS d.d.'s credit portfolio is protected against interest rate risks, while 59.7% of it is exposed to the variable interest rate.

In 2013, the European Central Bank reduced its key interest rate to 0.25 percent. The value of the EURIBOR reference interest rate (6-month) oscillated between 0.3% and 0.4% throughout the entire year.

A simulation of the influence of interest rate changes on financial expenses in 2013, considering the debt of DARS d.d. and the interest rate structure on 31 December 2013, shows that an increase or decrease of EURIBOR by 1 percentage point would present an increase or decrease in financial expenses of approximately EUR 17 M annually.

DARS d.d. Credit Risk

Credit risk for DARS d.d. represents the possibility that the Company will not be able to settle obligations arising from loans. Its basic source of funds for the repayment of obligations arising from loans in accordance with MCRSA-1 includes revenue from toll collection, the amount of which also suffices to cover obligations arising from loans. However, the credit portfolio is very diligently monitored, since negative changes in financial markets can rapidly and significantly change the amount of annual obligations arising from loans. Therefore, it is important for DARS d.d. to enforce a tolling system in Slovenia that maximises revenue from tolls and enables the motorway manager to manage these revenues with the lowest possible costs. The risk is managed concurrently with the management of interest rate risk.

Credit risk of business partners

The credit risk of business partners represents the possibility that receivables are only partially paid or not paid at all. DARS d.d. regularly monitors outstanding receivables from individual business partners and, if necessary, takes appropriate action. This risk exists in connection with the sale of vignettes through sales agents, the issuers of payment cards that can be used to pay toll at toll stations and the payment of tolls for vehicles over 3,500 kg using electronic media, where payment is made for the previous month on the basis of an issued monthly invoice. The level of this risk and the nature of the Company's business operations currently do not require any limitation of maximum exposure to individual partners, the active management of receivables or credit rating calculations, but hedging instruments are required for a specific segment of users.

Liquidity risk

In 2013, risks linked to solvency were reduced through effective liquidity management and the formation of a highly liquid investment portfolio. The Company's liquidity risk is assessed as moderate.

The Company has a deficit of working capital in the amount of EUR 199,163,923. This is the result of larger long-term financial obligations that were overdue in 2014. The difference, which came about because of the high amount of short-term investments on the one hand and the increase in short-term financial obligations to banks on the other, is manageable by controlling liquidity risk. The Company will solve these risks by rescheduling and refinancing its financial sources. On 29 March 2013, DARS d.d. concluded an annex to the Unicredit loan contract amounting to EUR 47 M in order to reschedule its debt. It includes the extension of maturity by 5 years and the amortizing loan repayment. Consequently, this entails a higher loan margin. On 20 December 2013, DARS d.d. concluded an annex to the loan contract with Banka Koper (adopting the receivables of the parent bank – Intesa Sanpaolo – for its account) in the amount of EUR 50 M. It includes the extension of maturity by 7 years and the amortizing loan repayment. Consequently, this entails a higher loan margin.

ANALYSIS OF BUSINESS PERFORMANCE



Revenue of DARS d.d.

Table 4: Overview of DARS d.d. Revenue

Type of revenue	2012 (in EUR)	2013 (in EUR)	Index 2013/2012	Structural share for 2013
Revenue under the Agreement on the Performance of Tasks	487,200	412,267	85	0.1
Toll revenue	294,884,886	305,296,550	104	93.2
-Vignettes	138,518,071	138,983,036	100	42.4
-Freight Traffic	156,366,816	166,313,513	106	50.8
Revenue from leases	7,356,477	7,270,137	99	2.2
Revenue from closure and overweight load transports	1,064,196	741,471	70	0.2
Revenue from easements	311,866	291,588	93	0.1
Revenues from lease of optical fibres/telecommunication lines	1,111,106	955,645	86	0.3
Other sales revenue	601,659	672,821	112	0.2
Other operating revenue	6,084,425	7,695,741	126	2.3
Financial revenue	4,823,468	3,854,688	80	1.2
Other revenue	158,979	70,014	44	0.0
Capitalised own products and services	432,096	405,388	94	0.1
TOTAL REVENUE	317,316,358	327,666,309	103	100.0

Revenue of DARS d.d. for the 2013 fiscal year amounted to EUR 327.7 M, which represents a 3 percentage point increase compared to 2012. Toll revenue, which represents a full 93% of all revenue, was 4% higher in 2013 compared to last year's turnover; this year, we sold 5,704,446 vignettes, which is 156,203 more vignettes than in 2012. Toll revenue from freight traffic increased because of the new pricing policy for collecting toll from freight vehicles, which entered into force on 1 October 2013, and was 6% higher than in the preceding period.

Expenses of DARS d.d.

Table 5: Overview of DARS d.d. Cost Expenditure

Type of expense	2012 (in EUR)	2013 (in EUR)	Index 2013/2012	Structural share for 2013
Cost of materials	10,172,010	11,896,765	117	4.4
Cost of services	24,949,202	25,078,481	101	9.2
Labour costs	32,837,039	34,310,284	104	12.7
Write-offs	145,438,064	148,088,281	102	54.6
Other operating expenses	3,385,777	1,367,954	40	0.5
Financial expenses	69,778,952	50,308,752	72	18.6
Other expenses	68,391	136,941	200	0.1
Total Expenses	286,629,433	271,187,458	95	100.0

The expenses of DARS d.d. in 2013 amounted to EUR 271.2 M and were down by five% in comparison to 2012.

Compared to the turnover during the previous period, material costs increased by 17%, mainly because of the above-average number of winter interventions and the increased use of grit materials. Labour costs increased for the same reason. The Company had to pay more overtime for special burdensome and hazardous work.

DARS d.d. Profit or Loss

The net profit of DARS d.d. for the period from 1 January to 31 December 2013 amounted to EUR 47.1 M and was 93% higher in comparison to the net profit in 2012.

Table 6: Performance Indicators

		31/12/2012	31/12/2013
Financing ratios			
Equity financing ratio in %	Equity	43.11	43.81
	Liabilities		
Long-term financing ratio in %	Equity + provisions + long-term liabilities	95.64	92.38
	Liabilities		
Short-term financing ratio in %	Short-term liabilities (including short-term AEDR)	4.36	7.62
	Liabilities		
Investment ratios			
Fixed asset investments ratio in %	Fixed assets (at carrying amount)	97.96	95.78
	Assets		
Long-term investments ratio in %	Fixed assets + long-term investments + long-term operating	97.96	95.78
	Assets		
Horizontal financial structure ratios			
Quick ratio in %	Liquid assets + short-term receivables	15.56	8.76
	Short-term liabilities		
Current ratio in %	Current assets	45.15	54.33
	Short-term liabilities		
Operating ratios			
Operating efficiency ratio in %	Operating revenue	144.08	146.66
	Operating expenses		
Operating profit rate in %	Operating profit	30.59	31.82
	Operating revenue		
Net profit margin in %	Net profit	7.69	14.39
	Revenue		
Profitability ratios			
Net return on equity	Net profit for the period	0.01	0.02
	Average equity (without net profit for the period)		

BUSINESS ACTIVITIES OF THE COMPANY



TOLLING

In 2013, the Company generated EUR 305,296,550 from collecting toll or 96.7% of all revenue from sales.

The tolling of vehicles whose maximum permissible weight exceeds 3,500 kg (freight vehicles) is performed at 28 tolling stations; payments are performed by stopping or without stopping the vehicle. When tolling by stopping, motorway users pay the toll either in cash or with one of 12 payment cards or electronic media. Drivers who use the ABC electronic tags can cross the toll station in the ABC fast lanes with a speed of up to 40 km/h. They only have to stop for the prepayment of toll in payment lanes or at smaller toll stations where there are no special fast lanes. Since 2010, it is possible to pay differentiated toll according to EURO emission classes using adequately modified electronic media. Using electronic media, it is possible to pay toll using the prepayment and post-payment method.

Since 1 July 2008, the tolling of vehicles with a maximum permissible weight of up to 3,500 kg (personal vehicles) has been carried out on the basis of payment with respect to the time of use of motorways, as proven by the purchase and installation of the appropriate vignette.

Tolling of vehicles with a maximum permissible weight exceeding 3,500 kg

In 2013, the Company generated EUR 166,313,513 of revenue by tolling freight vehicles, which represents a 6.36% increase compared to 2012, when revenue amounted to EUR 156,366,816.

In order to ensure the long-term financial sustainability of DARS d.d., a new toll price-list was introduced on 1 October 2013. It has higher base prices, lower discounts and rebates as well as altered conditions for being eligible for the latter. This is the first change in the price-list since 1 January 2010. The base price for the first toll-rate category (R3) increased by 30%, while the base price of the second category (R4) went up by 50%. We also changed the discount factors for vehicles according to individual EURO emission classes. Freight vehicles are tolled in two toll-rate categories and now in four EURO emissions classes.

Altering the structure of the vehicle fleet in favour of more eco-friendly vehicles and consequently increasing the number of driven kilometres in higher EURO emissions classes has a long-term negative influence on Company revenue when pricing policy does not change. Compared to 2012, the number of kilometres driven in EURO 0-II classes, which have the highest toll, decreased by 13% in 2013, while the number grew by a full 34% in the EURO IV+ class. The number of driven kilometres by the heaviest freight vehicles (R4) in the EURO V emissions class is especially on the rise.

There were 49,500 electronic media adapted for differentiated payment in circulation at the end of 2013. 75% of this figure were ABC electronic system tags, while the rest were DARS cards.

Even though the tolling of freight vehicles using ABC electronic tags is not optimal, the system not initially being made for freight vehicles, it enables toll collection without stopping and at the same frequency and speed, thus allowing the vehicle to pass through the toll station, making it increasingly popular among users. Crossings with ABC tags represented a 51.5% share in 2013, which is a 4.3 percentage point increase compared to 2012.

Sales of Vignettes

The amendments to the Decree on Tolerated Roads and Tariffs, which entered into force on 1 December 2013, changed toll-rate categories and the prices of certain kinds of vignettes. The second toll-rate category was split into the 2A toll-rate category, which includes all camping vehicles and vehicles whose maximum permissible weight does not exceed 3,500 kg, the height above the front axle not surpassing 1.30 m, while vehicles that measure 1.30 m or more above the front axle now fall into the 2B toll-rate category.

In 2013, the trend of slightly reduced sales of annual vignettes continued; however, the sale of short-term vignettes for two-track vehicles increased. 810,593 yearly vignettes for two-track vehicles were sold, which is 19,798 or 2.38% less compared to 2012. On the other hand, 3,688,839 weekly vignettes for two-track vehicles were sold, which represents 141,761 or 4% more than the previous year; 1,149,265 monthly vignettes were sold, i.e. 33,876 or 3.04% more compared to 2012. In 2013, we also sold 1,306 yearly, 15,271 half-yearly and 39,172 weekly vignettes for one-track vehicles.

The vignettes sold generated EUR 138,983,036 of revenue in 2013, while the revenue generated in 2012 amounted to EUR 138,518,071, which means 2013 revenue increased by 0.3%. The number of vignette points-of-sale increased; since 1 December 2013, they are being sold at 1,665 retail outlets in Slovenia and in 1,024 abroad. In 2013, we undertook and mostly successfully concluded negotiations on lowering vignette sale commission fees with our contractual partners.

An important share of vignette sales is represented by sales at 37 of our own retail outlets, including sales at toll stations and border crossings, which is especially significant in times of holidays and summer vacations. In 2013, we sold a total of 634,100 vignettes at these retail outlets, which is 1.9% more than in 2012 and 3.4% more in terms of value.

In 2013, there were 204,699 Austrian vignettes sold at the Hrušica toll station and at the Gruškovje and Obrežje border crossings, which is 17.9% more than in 2012.

The Company once again successfully carried out toll supervision in 2013. Toll inspectors issued 41,553 fixed penalty notices. This is 5.2% less than in 2012. The lower number is mainly the result of the participation of toll inspectors during activities carried out by the winter service and the loss of strategic vignette-control places at reorganised toll stations. Despite the effort put in to make fines part of the revenue of DARS d.d., they still remain State revenue.

Employee Safety

In 2013, we finished activities associated with the safe crossing of vignette lanes (this includes setting up underpasses and overpasses and organising TS work on both sides of the motorway). As a result, no employees were injured in such a way in 2013. Toll inspectors also conducted their work safely and without any major work-related injuries in 2013.

Upgrade of Toll Collection System Software in 2013

In 2013, we performed one major upgrade on the basis of a legislative amendment (the upgrade was due to a change in the VAT rate).

We also carried out several major scheduled upgrades on the basis of predetermined technical requirements (switching to the 11g version of the Oracles Express Edition software, linking the CRM module with other input modules in the ACC Manager application, shifting and reconfiguring the ACC database for server equipment at two locations and changing the Java environment for the display and use of the Oracle Forms software tool) as well as several smaller unscheduled upgrades based on the requirements of the tolling and business areas (updating the modules of central tolling applications for managing the non-payment of toll, the refunding of credit, EURO emissions agreements and for transferring VAT data into the DARS business information system Microsoft Dynamics NAV).

Setting up the Electronic Toll Collection System

In 2013, DARS d.d. executed public procurement for establishing and operating an electronic toll collection system in free traffic flow based on the governmental decision of the Republic of Slovenia from 7 June 2012. However, the public procurement was invalidated by Decision No. 018-128/2013-17 of the National Review Commission.

In accordance with the provisions of the aforementioned Decision, DARS d.d. prepared a response report and recommendations for changes to the tender documentation to be harmonised with the grantor of concessions in order to continue with the project.

MOTORWAY MAINTENANCE

Motorway Maintenance

Our regular maintenance programme is conducted in such a manner as to cause as little traffic disruption as possible and is carried out during periods when traffic loads on an individual section are lowest; we also pay special attention to the orderliness, transparency and safety of motorways and expressways. In spite of this, the carrying out of maintenance work often poses an obstacle for users because of the dense personal and transit freight traffic.

It is practically impossible to carry out maintenance works without congestion, particularly on the A1 motorway where traffic is intense throughout most of the day, while maintenance works cannot be carried out at night due to the hazard posed to workers and road users.

In 2013, we patched up approximately 27,000 square kilometres of roadways, filled in over 159,000 meters of cracks in the asphalt, reconstructed the grooving on 470 square meters of driving surfaces and fixed 288 square meters of porous asphalt.

Maintenance works during the day are planned outside of peak periods, where the average annual daily traffic on individual motorway sections is taken into account, and we also cooperate with surveillance traffic centres.

During the tourist season and holidays, maintenance personnel assisted in the regulation of traffic at temporary vignette sales locations set up at points of entry into the country. Using the coordinated action of police officers and inspectors, closures of vignette lanes were carried out for the purpose of controlling vignette usage and motorway closures were regulated by redirecting traffic to rest areas.

In 2013, we began with several projects linked to the regular maintenance of motorways. In addition to annual and winter maintenance implementation plans, we again concentrated on the optimal use of gritting materials and decreased the average use of grit compared to previous years. We continued to introduce additional monitoring of winter service vehicles through a GPS signal. The drivers took part in educational courses on the correct way to spread grit and were also given additional instructions. Certain vehicles were additionally fitted with GPS devices, bringing the total number of such vehicles to 246 (including vehicles driven by toll inspectors). The Company also introduced the calibration of gritting vehicles upon every change of gritting material as well as the recording of this data.

By buying three additional mixers of sodium chloride solution, we will reduce the cost of gritting materials.

In 2013, we continued work using special vehicles, especially when roughing road tunnel surfaces and removing road markings. Road markings were also done in cold plastics on the basis of data obtained from road marking reflectivity measurements.

Electro-machine Maintenance

In 2013, we performed key tasks, as defined in the Concession Contract and the maintenance and operations projects, in order to ensure road safety and the correct operation of devices.

By optimising electro-machine maintenance, we reduced the costs of outside services.

We optimised the outlet groups of electricity users, thus reducing the network charges (10 outlets).

We also performed minor reconstruction work, for example adapting the electrical wiring because of the demolition of toll stations, replacing the sensors in road tunnels, repairing the LED direction indicators, etc.

When preparing new contracts with outside contractors, we took into account the additional education provided to employees in 2014, thus lowering the costs of outside contractors.

MANAGEMENT

Infrastructure management

The Company's tasks relating to infrastructure management were based on the Public Roads Act, Construction Act and other regulations on managing public roads and traffic safety.

We provided for the timely issue of the project conditions and consents for interventions in the motorway buffer zones, for which the Company has the right of superficies. Compared to 2012, the number of procedures has somewhat decreased. However, we still took part in technical inspections, which are performed pursuant to the Construction Act.

Representatives of the Department submitted our remarks and participated in drafting the Rules for Ways of Marking Public Roads and on Records of Public Roads and Related Constructions. Our proposals were quite successful.

We duly entered all obtained data when it came to administering databases of road data (DRD), we ensured upgrades and training in connection to the SISEI (Spatial Information System of Economic Infrastructure), collaborated with the SRA to include subsections into the basic motorway network register and assisted BCP users with all necessary data.

In 2013, we began collecting operating permits throughout the motorway network and entering them into the DRD. We will continue with this task in 2014.

By using the professional Pavement Management System (PMS-DARS), we prepared the Draft for Reconstructing Pavements from 2013 to 2028. Graphical and statistical demonstrations of the state of pavements were prepared according to the amount of invested funds and an »automatic« 15-year draft of a strategic plan for reconstructing pavements in an unlimited budget scenario. We prepared a draft of a plan for pavement reconstruction at the project level (5 years), taking into account the limited available funds. We included »smaller investment projects – patching« into the system; we also calculated the influence of reducing funds on the investment maintenance of pavements. Activities aimed at introducing the management of facility management into the PMS-DARS system were being carried out during the whole period.

Based on the positive results of high-pressure cleaning in road tunnels, which allowed us to improve the friction properties of the concrete pavement, we performed a trial high-pressure cleaning of the asphalt pavement on the Brnik link road. The cleaning was performed using a special vehicle owned by DARS d.d. and manufactured by Cappellotto that is principally meant for removing horizontal road markings and maintaining porous asphalt. We used the SCRIMTEX measurement vehicle to measure friction characteristics before and after the cleaning. The results of the measurements showed that the procedure is also effective on asphalt. After the trial high-pressure cleaning, we performed this measure on two critical sections, which are also important from the point of view of road safety. We will monitor the sustainability of these measures by conducting measurements.

We continued to monitor the state of road tunnels and decided on intervention measures in certain tunnels. This allowed us to remove the detached concrete fragments in the Kastelec and Dekani tunnels in time that would otherwise have endangered road users.

On the basis of reports on the seasonal review of motorway infrastructure and an analysis, we agreed on a unified systemic approach to performing seasonal reviews and assessing the state of equipment and drainage on the motorway. Our goal is the more effective planning of measures on these parts of the infrastructure.

Areas for Auxiliary Activities

In 2013, two rest areas opened: Cikava on the Malence–Višnja Gora MW section and Dul on the Pluska–Ponikve MW section. The total number of areas for auxiliary activities on the Slovenian motorway network thus increased to 63. The areas are divided into 4 categories: so called small rest areas (Type 1), petrol stations (Type 2), supply stations (Type 3), which in addition to a petrol station also have a restaurant, and supply centres (Type 4), which are the highest type of rest area and have a petrol station, restaurant and a motel.

In 2013, the Company generated EUR 6.82 M in revenue from contracts concluded for the right to use/lease areas for the construction of facilities for auxiliary activities.

Real Estate Management

In 2013, the Company continued work involving the procedures for handling applications or inquiries received for the divestment of surplus real estate managed or owned by DARS d.d., notification to interested parties, the establishment of excessive land and other real estate and the definition of various divestment possibilities and other manners of disposal of real estate located outside motorway routes.

In 2013, the Company published four calls for public tenders for selling DARS d.d.-owned real estate. The total base value of all the real estate up for sale amounted to approximately EUR 1,068,000. No offers were sent in response to the public tenders; we have also detected a significant drop in new demands for the purchase of individual real estate. During the finishing phase of selling real estate based on tenders from the previous years, the Company generated approximately EUR 40,000 in revenue in 2013 from selling real estate.

A total of 62 procedures for granting easements were finished; they involved contractual easement compensation totalling EUR 246,706. The scope of easements is on the decline and is mostly limited to the management of utility lines and their connections. The Company slowed the management of some larger investments in the area of the electricity industry (reconstruction of single-voltage power transmission lines into two-voltage 110 and more kilovolt lines), where investors are probably waiting for the amending act of the Energy Act to come into force. The latter will include free easement for such work on all State-owned land.

Telecommunications Marketing

Revenue from the leasing of optical fibres amounted to EUR 955,000 in 2013 and somewhat decreased compared to 2012, since the leaseholders gave up on optical fibres passing through the Karawanks Tunnel and switched to Telekom Slovenije's fibre optic cable.

In the area of easements for the construction and operation of base stations belonging to mobile communications operators, revenue stayed at 2012 levels. We expect higher revenue in the coming years when networks for the fourth generation of mobile phones will be built on the motorway network. Because of the specifics of the construction work, the Company expects that a larger number of base stations will be needed and optical infrastructure will have to be leased.

Traffic and Road Safety Management

In 2013, the Company improved road safety: we managed a MW/EW network that was more than twice as large as the one in 2001 (a 154% larger network), yet we achieved a 20% drop in the number of fatalities. We reworked all the traffic management procedures with great care (introducing a new service), took care of the safety documentation and plans for road tunnels and prepared a concrete plan for road safety.

We performed regular exercises in road tunnels, trained traffic controllers and TIC operators, introduced control centre managers, prepared new instructions for traffic management and participated in preventive media campaigns.

We successfully renovated head toll stations and ensured optimal road safety.

We were faced with an increased number of closed EW because of the Bora wind; freight vehicles were more often forced to leave the motorway because of heavy snowfall in Slovenia and abroad; we managed unforeseen events through the temporary main control centre, by increasing work at the Traffic Information Centre and through more effective international traffic management coordination.

INVESTMENTS

Spatial Planning

In 2013, the preparation procedures for ten national spatial plans that had undergone the initial process stages were implemented in the field of spatial planning and integration into the environment.

- The National Spatial Plan Initiative with the Document Identification of the Investment Project (DIIP) and the analysis of guidelines were prepared in order to complete the Karawanks MW tunnel; the Company also organised a press conference and prepared a draft decision on preparing the NSP for adoption by the Government of the Republic of Slovenia. Multiple sessions of the Construction Committee were organised and a Technical Committee was founded in order to coordinate the shared questions of DARS and Asfinag.
- The Government of the Republic of Slovenia adopted a decision on preparing an NSP for the MW at the Postojna/Divača–Jelšane section. Several variants were considered. The conference on the spatial plan discussed amending the Decision on preparing the NSP, and technical bases were prepared for the Variants Study/Pre-investment Assessment.
- The Government of the Republic of Slovenia adopted a decision on preparing the most adequate variant for the EW at the Koper–Dragonja section. Technical bases were prepared for the disposal of surplus material.
- A Revision of the traffic model for the entire area of influence of the Third Development Axis route from Austria to the A1 motorway was being prepared for the State road at the Slovenj Gradec jug–Dravograd section and at the Otiški vrh–IBCP Holmec based on the decisions of the MISPP from 21 June 2012 and pursuant to the Decision of the Government of the Republic of Slovenia from 25 October 2012. This Revision will confirm or invalidate the planning guidelines, which will determine the method of continuing the procedure.
- Regarding the Šentrupert–Velenje jug section of the State road, the Government of the Republic of Slovenia adopted a Decision on 19 March 2013 on stopping the procedure for preparing an NSP for the State road between the A1 MW and the Velenje jug link road according to the F2-2 and F3b variant. The Government of the Republic of Slovenia then went on to adopt Decision no. 35000-2/2013/8 on 23 May 2013, stating that the preparation of the NSP should continue according to variant F3b, which is realistically feasible. This was followed by intensive coordination with the ministries for conservation.
- A Governmental Decree on the SPN (Official Gazette of the Republic of Slovenia, No. 72/2013) was adopted for the State road at the Velenje jug–Slovenj Gradec jug section.
- An Environmental Impact Report was prepared for the Šmarje - Sap link road. This was also followed by an application for acquiring environmental approval.

In the processes of integrating motorways and other State roads into the environment, the Company cooperated with the public and users within the scope of its jurisdiction and strove to implement socially acceptable solutions.

In 2013, we also carried out tasks for ensuring the needs of the Company in its role as manager:

- Ensuring guidelines and opinions in procedures involving the preparing of municipal planning documents and project conditions as well as ensuring consent for project solutions in the road buffer zone managed by DARS d.d. and in areas where DARS d.d. has the right of superficies but the road has yet to be built;
- Ensuring documentation for managing and maintenance projects (conceptual design for small rest areas, CD for the Kozina v Bertokih MW-base branch) for the spatial planning and environmental integration phase.

Project Engineering and Investment Documentation

In the context of the Jagodje–Lucija EW project engineering, we prepared a revision and harmonisation of the preliminary design with the currently valid legislation and optimised project solutions; we will continue this by conducting the project engineering within the required NSP allowances.

A call for tenders was carried out for the preparation of the project documentation for the ED phase for constructing the Draženci–IBCP Gruškovje motorway segment; we also sent in the application documents for co-financing with the TEN-T European funds. The Commission Decision on granting European funds was adopted on 9 December 2013. In 2013, the Company carried out the first phase of the ED project and the investment documentation.

In 2013, the Company published a call for tenders for DBP/ED project engineering for the Šmarje - Sap full link road. Before the project engineering began, we examined the traffic starting points from the previous phase of integration. The main part of the DBP project was submitted for review in December.

Construction

In 2013, DARS d.d. organised the project management for finishing construction of sections in the framework of the DARS d.d. Business Plan for 2013. The MW base Hrušica in Podtabor, Petrol Service Cikava and the Murska Sobota Supply Centre were committed to final use.

The Company continued the construction of the Koper–Izola section with the Markovec Tunnel; however, it was not completed in 2013, mainly because of insolvency and the introduction of bankruptcy proceedings for companies belonging to contractors. Consequently, DARS d.d. managed all activities aimed at continuing and finishing all construction work and electro-machine equipment in the road tunnel and on the route of the section; the conditions for achieving the set deadlines also included the timely submission of all work in accordance with the PPA and the conclusion of a contract with the contractors.

In 2013, the Company continued and finished the uncompleted construction work on the Pluska–Ponikve–Hrastje MW route, together with the accompanying facilities. We remedied deficiencies, obtained reports and managed the detailed documentation. When our partner's insolvency resulted in the annulment of the contract, the Company concluded a new contract for finishing the 8-1 cut-and-cover structure and remedying the deficiencies on the Ponikve–Hrastje MW constructions. The contractor is finishing the work. The rehabilitation of regional and municipal roads has also been finished; the latter were additionally burdened because of the construction of both MW sections. The Company monitored wildlife on both sections during the MW operating times, while the post-excavation work at the archaeological sites at the Pluska–Ponikve MW section were also completed.

In 2013, DARS d.d. again encountered a number of problems in realising projects, particularly because of bankruptcies and/or liquidity problems faced by leading Slovenian construction companies. In spite of these difficulties, we worked towards completely remedying deficiencies and carried out other activities associated with finishing projects.

We continued to perform the required monitoring after the construction work was finished. We maintained habitats, reviewed documentation (the as-built design, the project for the operation and maintenance of the work, the road-data data bank), obtained final reports and proofs, reviewed and confirmed construction books, performed final statements of accounts, prepared the documentation for archiving, acquired operating permits, monitored constructions in the warranty period and managed property and legal affairs after the finished assessment.

Reconstruction

Construction works

Reconstruction work encompasses the implementation of investment maintenance works and maintenance works in the public interest in the area of carriageways, bridging structures and other structures and equipment as well as investments within the existing infrastructure.

In 2013, we reconstructed a total of 10.73 kilometres of carriageways, including removing expansion joints and replacing hydroisolation and asphalt on both constructions. We finished the reconstruction of the overpass at the Postojna link road after annulling the contract with the bankrupt contractor; we also replaced the expansion joints, the hydroisolation and asphalt on the Slivnica overpass. After a large landslide was triggered at the Vrhole slope, we performed urgent measures in order to ensure the stability of the sliding material, which posed a threat to traffic. The Company carried out smaller investment projects on carriageways throughout the motorway network; we also performed work on smaller slopes and dykes.

Throughout the year, activities in the field of concluding contracts and preparing suitable documentation for works in the following year were performed.

In 2013, the Company carried out the final calls for tender in the framework of the Nose Barrier Construction Project on Five Motorway Sections in the Republic of Slovenia, which is part of the amended Operative Programme for the Development of Environmental and Road Infrastructure; this enables us to claim co-financing of the project in the amount of 85% of eligible costs. The Company concluded three contracts and carried out work at the Malence–Šmarje - Sap section. Works at the Unec–Postojna section began in Autumn and will continue after the winter pause.

Electro-mechanical works and ITS

In 2013, several reconstruction and investment works were carried out for the renovation of the existing motorway network equipment, increased traffic safety and equipping of motorways in accordance with new regulations (directives) and legislation that lie within the scope of the adopted Business Plan of DARS d.d.

The most extensive work was being done in the Karawanks Tunnel in accordance with Directive 2004/54/EC. The Company finished setting up the CCTV and automatic traffic-detection systems, repairing the supervisory-control system and the radio system. The repair of the ventilation system is also being carried out and performed with outside technical support. These works are scheduled to be finished in 2015. A system of measured access of freight vehicles into the road tunnel has been set up in front of the Karawanks Tunnel. Smaller reconstruction works were also performed in certain other road tunnels. The Company repaired the LED direction indicator lamps in the Podmilj tunnel, replaced the access doors in the Golovec tunnel operations centre, additional mechanical protection for the mounted ventilators was provided in the Trojane and Jasovnik tunnels, the battery blocks of the UPS-devices were replaced in the Močna tunnel and the entire UPS-device was replaced in the Škofije cut-and-cover. The Company also performed a few other smaller repairs of electro-machine equipment and ITS.

In order to ensure emergency power supply, a movable DEA was purchased for the Razdrto–Vipava EW tunnels, while a stationary DEA was constructed in the Cenkova tunnel for the same reason. As part of the investment programme, the Company upgraded the road weather system, an anemometer was set up at the Lozice viaduct, additional »VI VOZITE« (You are driving) radar signs were put up, new automatic traffic counters with vehicle classification were installed and a few smaller investments were made into the electro-machine equipment and ITS.

New cable ducts were built in the framework of the reconstruction of the carriageway, and the TC-network was upgraded at the Gabrk–Divača and Divača–Kozina MW. We also performed a few other smaller reconstruction works on the telecommunications system and the transmission routes.

The Company performed a few smaller upgrades and reconstructions of existing systems: preparing the Brdo portal, harmonising the TSMS bases and updating the TSMS equipment at the Vransko Control Centre.

After the contract was concluded at the end of the year, the Company set in motion the preparation of the preliminary design, the ED and an abstract from the ED, which were used for the call for tender for the optimisation of the Kozina RDC and the preparation of a redundant location for transferring DARS d.d. business function data. The described design documents will be completed in 2014. The CC Hrušica was also reconstructed in the scope of the introduction of the CCTV and automatic traffic-detection system in the Karawanks Tunnel.

In 2013, we prepared and reviewed the design documents and prepared geotechnical documentation in order to carry out electro-machine works and ITS. The Company prepared and confirmed the safety documentation for the Ločica tunnel that will serve as the reference documentation for preparing safety documentation for other tunnels. Acquiring the contract for preparing safety documentation for the Trojane, Podmilj, Jasovnik and Golo rebro tunnels is already in place. An amendment to the working Rescue and Protection Plan for the Pleto-varje and Golo rebro tunnels is also being prepared. When preparing and executing the works, the occupational health and safety coordinator also performed his duties.

In 2013, the Company finished with the field analysis and construction of the database of public service infrastructure (PSI) and the entry of the PSI into the SMARS public registry for the A1 Austria–Šentjakob MW, the A4 Slivnica–Gruškovje MW, the A5 Dragučova–Pince MW, the H2 Pesnica–MB vzhod–Ptujška EW and the H7 Dolga vas–Hungary Border EW. We finished updating and managing the PSI (public service infrastructure) data layers with the Spatial Information System of Economic Infrastructure (SISEI).

Carrying out activities in the scope of international projects and programmes

In 2013, the Company ended co-financing activities based on European funds from the EasyWay – Phase 2 programme. We continued to actively cooperate in the field of international traffic management harmonisation with Italy, Austria, Croatia and Hungary. The CIPS (SecMan) international project, which looks at potential dangers facing constructions on motorways, was brought to a close. We continued with activities associated with the TIP international project, which looks into planning operations and activities for improving coordination of terminals and intermodal hubs in Gorica and Vrtojba with the Vileš–Gorica–Razdrto motorway axis.

In 2013, the Company also signed two international cooperation agreements: The Memorandum on Cooperation between DARS d.d. and the Public Company Roads of the Federation of Bosnia and Herzegovina and the Memorandum of Understanding about Road Safety in the Alpine Transport Network and the Use of Intelligent Support Tools when Making Decisions in the Event of Traffic Emergencies between DARS d.d. and the TranSAFE-Alp project partners.

INVESTMENTS IN MOTORWAY DEVELOPMENT AND RECONSTRUCTION

Investments in the Name and on Behalf of the RS

Spatial planning, motorway placement and real estate acquisition for motorway construction were implemented by DARS d.d. pursuant to Article 4 of MCRSA-1 and in the name and on behalf of the RS. The aforementioned tasks were realised in the amount of EUR 11.6 M.

Table 7: Realised value of tasks performed in the name and on behalf of the RS (in EUR)

Spatial planning, motorway placement and real estate acquisition	Realisation*
HAJDINA–ORMOŽ: Ptuj–Markovci	4,080
Otiški Vrh–IBCP Holmec (additional programme)	98,950
Šentrupert–Velenje (additional programme)	157,477
Velenje–Slovenj Gradec (additional programme)	453,804
Slovenj Gradec–Dravograd (additional programme)	3,302
Postojna/Divača–Jelšane (additional programme)	81,239
Koper–Dragonja (additional programme)	89,760
SLIVNICA–GRUŠKOVJE: Draženci–Gruškovje (additional programme)	685
Brezovica interchange	7,021
Šmarje - Sap road link on the Malence–Šmarje - Sap MW section	31,081
Vrhnika interchange	2,147
The Karawanks Tunnel – upgrade	51,559
RAZDRTO–VIPAVA: Rebernice	537
JAGODJE–LUCIJA	761
Connection of the Cerklje airport to the Smednik–Krška vas MW	114
Implementation of additional parking facilities for heavy duty freight vehicles	1,307
Tasks pursuant to Article 4 of MCRSA-1 (preparation of guidelines and opinions to spatial acts)	18,743
Spatial Planning	1,002,568
Acquiring real estate before acquiring the building permit	7,688,872
Acquiring property after receiving the building permit	2,435,509
Acquiring property	10,124,381
ŽELODNIK–VODICE: Želodnik–Mengeš with the Mengeš Bypass	390,004
ŽELODNIK–VODICE: Mengeš–Žeje	92,760
Other connecting roads	4,406
Acquiring real estate for connecting roads	487,170
Total spatial planning, motorway placement and real estate acquisition	11,614,119

*The listed tasks are performed by DARS d.d. in the name and for the account of the Republic of Slovenia, which is why the values are listed in gross amounts.

Investments in the Name of DARS d.d. and for its Account

In 2013, investment activities were performed in accordance with the ability to ensure financial sources. The value of motorway section construction and reconstruction in 2013 amounted to EUR 41.5 M.

Table 8: Realised value of investments in the name of DARS d.d. and for its account

Motorway development	Realisation not including acquiring land, spatial planning and financing costs	Financing costs	Total realisation
	1	2	3 = 1 + 2
New Toll Collection System	74,791	0	74,791
JAGODJE–LUCIJA	1,533,543	0	1,533,543
SLIVNICA–GRUŠKOVJE: Draženci–Gruškovje (additional programme)	495,904	0	495,904
Brezovica interchange	6,298	0	6,298
Šmarje - Sap interchange on the Malence–Šmarje - Sap MW section	65,351	0	65,351
Project documentation	2,101,096	0	2,101,096
HAJDINA–ORMOŽ: Gorišnica–Ormož	0	584,308	584,308
KOPER–IZOLA	7,210,264	612,550	7,822,814
KLANEC–ANKARAN: Connecting road to Luka Koper (Phase II)	10,094	0	10,094
ŠENTVID–KOSEZE: Šentvid–Koseze	140,948	0	140,948
ŠMARJE - SAP–VIŠNJA GORA: Platform for Cikava PS	277,576	0	277,576
Continuing construction	7,638,881	1,196,859	8,835,740
Completion works on motorways opened for traffic by 2013	6,092,424	0	6,092,424
Implementation of additional parking facilities for freight vehicles	3,016,238	0	3,016,238
Implementation of noise protection measures on TEN-T network	1,639,950	0	1,639,950
Rehabilitation of State roads	2,249,340	0	2,249,340
Hrušica MWB branch at Podtabor	193,180	0	193,180
Gorenjska motorway leg: construction of the Naklo interchange	142,692	0	142,692
Controlled drainage management	92,498	0	92,498
Measures after warranty expiration	614,022	0	614,022
Other items	7,947,920	0	7,947,920
Motorway reconstruction (construction works)	10,379,966	0	10,379,966
Motorway reconstruction (electro-mechanical works)	4,223,650	0	4,223,650
Motorway reconstruction (improving road safety)	1,832,714	0	1,832,714
Total development and motorway reconstruction	40,291,442	1,196,859	41,488,300
ŽELODNIK–VODICE: Želodnik–Mengeš with the Mengeš Bypass	32,647	0	32,647
Other connecting roads	11,144	0	11,144
Development of connecting roads in the framework of the motorway programme	43,791	0	43,791
Total development and motorway and connecting road reconstruction	40,335,233	1,196,859	41,532,092

COMPANY RESEARCH AND DEVELOPMENT ACTIVITIES



In 2013, DARS d.d. continued implementing the introduction of the road management project for the roads it manages. In addition to the current work with the PMS – DARS expert system (PMS: Pavement Management System), which is performed using the dTIMS_CT software tool (Deighton's Total Infrastructure Management System with Concurrent Transformation), we organised a workshop that presented the Bridge Management System (BMS) used by the Austrian motorway manager (ASFINAG). The workshop's conclusion was that the dTIMS_CT software tool, which DARS uses for managing carriageways, is also appropriate for managing bridging structures.

In 2013, DARS d.d. – together with the SRA – successfully concluded cooperation in a three-year international programme called ERA NET ROAD II. Its aim is to strengthen cooperation in the area of road and transport research in the framework of the European research sphere. The programme's objective is to introduce and improve overall road asset management through the definition and development of methods and procedures that could be employed to optimise the use and performance of management processes from the technical, economic and sustainable perspectives. Seven research projects were carried out in the framework of the project. These were presented at the closing symposium (Asset Management Symposium) in Copenhagen. A joint report – ERA-NET Roads II »Effective Asset Management Meeting Future Challenges Technical Report« – was also prepared. It summarises the results of individual projects and provides an answer as to what to do with the project results. Additionally, two other reports were drawn up, i.e. the Social Benefit Report and the Supplementary Report on the Case Studies, which demonstrate examples of the use of individual project results according to countries.

At the end of this programme, the execution of tenders and the monitoring of the progress of individual programmes was taken up by the Conference of European Directors of Roads – CEDR.

INTEGRATED MANAGEMENT SYSTEM



The Integrated Management System includes a quality aspect according to the requirements of the ISO 9001 Standard, an environmental-protection aspect according to the ISO 14001 Standard and an occupational health and safety aspect according to the BS OHSAS 18001 Standard. Together, these aspects form a unified management system that is described in the Rules of Procedure for the Management System and related documents.

The foundations for the Integrated Management System and the requirements of the Standards are constant improvements on the basis of the PDCA approach (plan–do–check–act), which is the driving force behind progress and the optimisation of business processes on all levels of Company operations.

At the beginning of 2013, the Company's Management Board confirmed the project introducing an occupational health and safety system. The requirements of this project were integrated into the existing quality management and environmental protection system. To this end, we performed an internal audit using a group of seven competent internal auditors in November 2013. In December 2013, the first part of the certification assessment according to BS OHSAS 18001 requirements was carried out by an independent external institution – The Slovenian Institute of Quality and Metrology. The assessment confirmed that the system is adequate and that the second part of the certification assessment can be carried out. The latter was successfully done in January 2014.

In order to maintain the credibility of the quality management and environmental protection system, the Company performed an internal audit with a group of 39 competent internal auditors and with 19 auditing groups. The success and effectiveness of the quality management and environmental protection system was confirmed by an external independent institution (TÜV SÜD Sava d.o.o.) in the scope of the regular assessment of both management systems. This also confirms their compliance with regulations and legal requirements.

INTERNAL AUDIT



The internal audit is performed independently and autonomously, applying necessary professional care and following professional regulations. The internal auditors take into account the valid State legislation and the internal acts of DARS d.d. They perform their tasks – planning, internal auditing and reporting – independently, autonomously and impartially. Internal auditing is carried out in accordance with International Standards for the Professional Practice of Internal Auditing, the Code of Internal Auditing Principles, the Code of Ethics and the Code of Professional Ethics for Internal Auditors. Internal auditors constantly improve their knowledge and methodology in compliance with international standards of professional practice of internal auditing.

Internal Auditing provides objective assurances and advice to the Management Board of DARS d.d. with the aim of creating added value and improving operational efficiency and performance. Internal Auditing assists the Company in accomplishing its objectives by stimulating the well-considered management of different types of risks, meaning that it evaluates the system of internal controls in a systematic and organised manner and provides recommendations for proper risk management. Internal Auditing operates with the authorisation of the Management Board, to which it is responsible. The Annual Plan of Internal Auditing is approved by the management Board, and it is also presented to the Audit Committee of the Supervisory Board. Internal Auditing reports to the management and the Audit Committee of the Supervisory Board on its findings and recommendations for improving the effectiveness of the internal controls for managing risk.

Internal Audit operations are based on the Basic Charter on the Operation of the Internal Auditing Department and the Rules on the Operation of the Internal Auditing Department. The work of Internal Auditing is performed in compliance with the Annual Plan, which is based on the annual risk analysis and includes all recognised and assessed types of risks and the opinion of the Management Board.

Three regular internal audits, 6 extraordinary internal audits, the coordination of an agreed businesses with external contractors and active participation in the arrangement of the custody of contracts because of reorganisation were planned and implemented in 2013. The Department also allotted a lot of its time to consulting. It finished 16 consulting business transactions. In addition to regular and extraordinary auditing reviews, Internal Auditing in 2013 monitored the implementation of recommendations from past audits.

SOCIAL RESPONSIBILITY



TRAFFIC AND SAFETY CONCERNS

We are constantly looking after the traffic safety of our users and the safety of our employees that conduct field work on the motorways. By investing in traffic control and management systems and prevention projects, which raise awareness about safe driving among users, as well as by cooperating with all intervention groups and regularly training field and control centre workers, we are able to achieve a high traffic-safety standard. We consistently and swiftly inform the Slovenian public about traffic conditions on all State roads and regularly conduct measures aimed at traffic management at the national and international level.

Traffic Safety on Motorways and Expressways

Traffic safety on roads managed by DARS d.d. increased in 2013 compared to the previous year, since the number of traffic accidents from previous years continued to decline. The number of injured and the number of fatalities in traffic accidents also continued to decline. Based on the statistics on traffic accidents and their consequences in 2013, it is evident that the number of traffic accidents, the number of minor and major physical injuries and the number of fatalities minimally declined compared to 2012, while the length of the motorway and expressway network remained the same. The data for the 2010–2013 period are shown in the table below.

Table 9: Traffic Safety Statistics for the 2010–2013 period

Consequences of traffic accidents on motorways and expressways					
Year	Road category	No injuries	Minor physical injuries	Major physical injuries	Fatalities
2010	MW	3480	674	60	18
	EW*	481	142	13	1
2011	MW	3259	647	60	16
	EW	391	69	7	4
2012	MW	3048	631	59	18
	EW	371	66	7	0
2013	MW	3049	568	44	16
	EW	341	78	0	0

* The table does not include the data on accidents on the H1 expressway that was managed by the Slovenian Roads Agency.

By decreasing the number of traffic accidents, especially those involving major injuries, the possibility of a traffic accident resulting in a fatality also decreases; consequently, DARS d.d. will continue to increase its efforts to prevent these kinds of accidents. This will only be possible with the active participation of all sectors and departments of DARS d.d. (Investment, Maintenance, Management and Toll) and in close cooperation with other agencies and organisations that are directly connected to traffic safety (Police, Ministry of Infrastructure and Spatial Planning and the Slovenian Traffic Safety Agency). In accordance with EU guidelines, which predict a reduction in the number of road fatalities by 50 percent, DARS d.d. – in its capacity as motorway and expressway manager – will have to do its part. The number of fatalities and major injuries on roads in the Republic of Slovenia has decreased so significantly in the past years that Slovenia will not be able to realise the set goals without the contribution of DARS.

The activities of DARS d.d. in the field of improving traffic safety in 2013 were (and will remain in the future) predominantly oriented towards the following areas:

- Participation in the preparation of acts and executive acts that will enable the effective implementation of legal provisions and measures for protecting dangerous road points (after the adoptions of the Roads Act, almost all regulations must be amended);
- Concurrent implementation of measures prescribed by the Directive on Road Safety Management (2008/96/EC). These measures are:
 - Preparation of an impact assessment on road safety for all planned investments in the TEN-T network (the link road to the West Maribor bypass, the linking of the 3rd Development Axis – the Podlog variant, the Vrhnika link road, the linking of the expressway towards Jelšane on the A1 and linking the motorway towards Dragonja on the A1);
 - Verification of traffic safety for the prepared project documentation (ED Draženci–Gruškovje);

- On the basis of traffic accidents recorded in 2012, the Company began implementing measures that will have a positive impact on road safety. These measures are:
 - Change in traffic signalisation;
 - Erection of additional safety fences and guardrails;
 - Improving the friction characteristics of the carriageway (road tunnels, Višnja Gora and the Kozarje junction);
- Continuation of the European Road Assessment Programme (EuroRAP), which is based on international experience and enables the identification of dangerous traffic segments;
- Installation of newer and more modern traffic signalisation and traffic equipment that will follow directives and guidelines and ensure more consistent compliance with motorway codes and prevent the most severe traffic accidents (TSMS, CCTV, radar, navigation, etc.);
- Conducting preventive activities inside the Company and outside (cooperation with the Slovenian Traffic Safety Agency, the Police and educational institutions);
- Unified traffic control and management: we created the Main Control Centre;
- And the most important Company acquisition in terms of safety: the establishment of the Traffic and Road Safety Management Department, which hosts all the traffic experts.

Road Tunnel Safety

Both preventative and concrete activities and measures following emergencies were implemented in 2013 to ensure tunnel safety.

A total of 36 accidents/emergencies were recorded that led to the need to temporarily remove facilities or parts of facilities from traffic. The total number of emergencies decreased by 21% compared to 2012. Among these emergencies, we must single out the crash of a vehicle into the back wall of an emergency niche in the Jasovnik tunnel and the traffic accident involving a freight vehicle at the Austrian portal of the Karawanks Tunnel. Both events ended in the deaths of the drivers. There were also instances when traffic needed to be halted because of the strong Bora wind (the Kastelec tunnel in the direction of Ljubljana had to be preventively closed on five occasions for a couple of hours).

The Company continued with the necessary activities involved in adequately securing the back walls of emergency niches in tunnels. It actively participated in discussions on this issue in Europe.

The Rules for the Management of Rescue and Protection Plans in Tunnels Longer than 500 m was updated. The plans were brought up-to-date and harmonised in accordance with the Company's reorganisation. We began the procedure for harmonising the plan for Golo rebro and Pletovarje with a sample working plan for the Cen-kova tunnel.

Rescue units performed drills in the Podnanos, Šentvid, Golo rebro and Cen-kova tunnels. These were moved from 2012. Drills also took place in the Karawanks, Kastelec and Trojane tunnels. The Karawanks Tunnel drill was a State drill and was performed in cooperation with Asfinag and the competent Austrian bodies. The experience from the drills show that we can expect an effective response from the »112« and »113« services and DARS in case of an emergency; in the case of the Karawanks Tunnel, an adequate response from the units of both countries can also be expected.

Within the prescribed fire-fighting regime of other longer tunnels, the Company continued to co-finance fire-fighting units responsible for the Trojane, Karawanks, Kastelec and Dekani tunnels.

The Company continued with procedures aimed at harmonising tunnels with the EU Directive. In addition to carrying out procedures for upgrading electro-mechanical equipment, the Company also started preparing tunnel safety documentation that will serve as the basis for issuing operating permits. Tunnels will not be able to operate without acquiring these permits.

Among the basic conditions for tunnel safety are also regular maintenance and monitoring of the flow of traffic through the tunnels. These were conducted throughout 2013. Conducting and monitoring traffic is best carried out in tunnels that are located at the sections of smart roads. This allows for rapid and effective action from the control centre operator should an emergency occur.

Special measures aimed at reducing risks in the Karawanks Tunnel were once again performed during the summer of 2013, i.e. during peak traffic loads. The competent Austrian ministry also introduced additional restrictions for freight vehicles at the start of weekends from the end of July to the beginning of September. They also introduced thermal scanning and the measured flow of heavy duty vehicles at the access point to the tunnel's north-side portal. The Company set up a system for the measured flow of heavy duty vehicles in front of the Slovene toll station at Hrušica and also began with procedures for setting up the thermal scanning of heavy duty vehicles on the Slovenian side as well. These measures improve safety in tunnels but further improvements can also be made with the upgrade of the second tunnel tube or an appropriate emergency-rescue tunnel with a simultaneous upgrade of the ventilation system. In 2013, these activities for the Karawanks Tunnel continued in the scope of a special intergovernmental construction committee.

ENVIRONMENTAL MANAGEMENT

Noise

The Government of the Republic of Slovenia adopted »The Noise Action Programme for the First Phase Major Roads and Major Railways«. The Programme requires that managers of road and railway infrastructure implement measures. The Programme includes the following sections: Brezovica–Vrhnika, Unec–Postojna, Celje–Arja vas, Dramlje–Celje and Malence–Šmarje - Sap. DARS succeeded in submitting the Construction of Noise Barriers on Five Motorway Sections in the Republic of Slovenia project to the Environmental and Road Infrastructure Development Action Programme (OPROPI), which enables it to be financed through the project's cohesion funds in the amount of 85% of eligible costs. By constructing anti-noise projects, the manager will be able to prevent excessive noise pollution of the environment by the source of the noise. This will lessen the negative influence of noise on the inhabitants living in the vicinity of the relevant motorway sections. In 2013, the Company carried out the anti-noise protection of the Malence–Šmarje - Sap section; construction also began on the Unec–Postojna section.

In 2013, we also constructed two test fields using special noise-reducing asphalt. The goal of this project was to further reduce noise pollution. For the first time, we used so called rubberised asphalt. This type of asphalt is produced by mixing in bitumen with added shredded waste rubber. The first results show that this reduces the level of noise by more than 2dB. The installation of asphalt that generates less noise is the key element in reducing noise from traffic.

Waste Management

DARS d.d., as the operator and maintainer of motorways and expressways consistently implements the environmental protection policy in all areas. In recent years, there has been much talk about controlled waste management. We are committed to this by the valid waste-management legislation. All activities were carried out with the goal of strictly separating waste at the source. We carried out in-house education and training with the aim of obtaining additional knowledge in the field of waste management and achieving strict waste separation in the next step. We set up collection points for waste at individual locations and added containers for separate waste collection. We hand over the waste to authorised waste-disposal personnel (collectors, landfill owners, etc.). When it comes to larger quantities of waste, we have collectors for indi-

vidual types of waste that we contracted through calls for tenders. This does not include municipal waste, which falls under the domain of utilities. This is managed by concession-holders appointed by the local community or by public utility companies. In this regard, we continued concluding contracts with utilities for the disposal of mixed municipal waste and separated fractions of municipal waste. All other waste can be divided into two categories: non-hazardous and hazardous waste. Among non-hazardous waste collected in 2013, the majority was collected during road cleaning; waste also came from desanding, from septic-tank water, from water used for cleaning tunnels and from waste plastics. The majority of hazardous waste consisted of waste oils, water containing oil, sludge, waste paints and varnishes and absorbent papers (used to clean up roads after accidents). In 2013, we began publishing calls for tenders for seven drip trays, i.e. constructions for draining liquid sludge waste material, in order to better manage liquid sludge waste material. We will continue to implement these constructions in 2014. This will allow us to achieve lower quantities or weights of the relevant waste material. This in turn will reduce waste-disposal costs.

The Company kept records in connection with managing all kinds of waste. In 2013, this was done in electronic form for the first time using the IS-Odpadki system introduced by the Ministry of Agriculture and the Environment for the whole of Slovenia. The Company was awarded the ISO 14001 environmental certificate, which confirmed we were on the right track and that our environmental goals were effective.

Protection of Waters

Rainwater can be removed from roads using two methods: with dispersed water drainage and controlled water drainage using retention basins. In 2013, we constructed 726 retention basins in order to implement controlled drainage. The basins were regularly maintained and cleaned, while the sludge waste material was handed over to authorised collectors of such waste. In 2013, we thus performed the regular cleaning of all of the most burdened separators of oils (motorway bases and branches) and the basic maintenance of retention basins (grass cutting, repair of damaged parts and cleaning desanding areas). At the end of 2013, we also performed the complete cleaning of the Ravbarkomanda retention basin, which is one of the most burdened retention basins owing to its specific location on the outskirts.

In accordance with legislation, we performed the Annual Programme of Operational Monitoring in 2013 (APOM) for waste water from rainfall. We drew up a report on conducting the APOM in 2012 and prepared recommendations for conducting the APOM in 2014. These were then sent to the Ministry of Infrastructure and Spatial Planning and the Ministry of Agriculture and the Environment for confirmation.

We also conducted the controlled collection of tunnel waste water from washing that was handed over to waste disposal crews as a specific kind of waste and then driven to waste-water treatment plants.

Gas Emissions

Tunnels longer than 1000 meters are equipped with ventilation systems, while the automatic control of these systems enables us to monitor gas emissions. Using automatic control, we were able to monitor the presence of carbon monoxide and adequate visibility. In 2013, there were no particularities during the operation of tunnels as far as the measurement of gas emissions is concerned.

Environmental Impacts of Road Gritting

To prevent slippery roads and ensure safe road conditions in winter, roads are gritted using various gritting materials. The materials used have a minimum impact on the ground, quality of surface and groundwater, flora, fauna, humans and animals, facilities (road lanes, bridges, viaducts and buildings) and on vehicles. The Company tried to include the environmental impact of spreading salt in the Annual Programme of Operational Monitoring (APOM) of rainwater from retention basins for 2012 and 2013, since DARS also monitored the values of chloride, sodium, magnesium and calcium during the spring rains and in the scope of the APOM. The APOM Report for 2013 will be prepared by the end of March 2014. The results and the indicators on the ground will help shape our future policies.

HUMAN RESOURCES MANAGEMENT

Employees in DARS d.d.

Table 10: Key data on DARS d.d. employees for 2012 and 2013

	2012	2013
Status of employees in DARS d.d.		
Number of employees in DARS d.d.	1226	1237
Demographic data on employees		
Average age of employees	43 years	43.6 years
Percentage of women employed	25.0%	25.6%
Employee education structure		
Percentage of employees with a maximum 4th level education	43.6%	41.8%
Percentage of employees with 5th level education	33.9%	33.5%
Percentage of employees with 6th level education	14.2%	15.7%
Percentage of employees with 7th level education or higher	8.2%	9.1%
Social security of DARS d.d. employees		
Number of solidarity benefits granted	56	53
Number of employees with disability status	43	42
Number of procedures introduced for recognising disabilities	12	8
Number registered in collective accident insurance	121	120
Number registered in voluntary pension insurance	16	37
Degree of sick leave	4.7%	4.9%
Employee development – education and training		
Number of conducted internal educational courses	1956	1492
Number of referrals to external education and training programmes	162	128
Number of pedagogical hours per employee within the scope of internal education and training	15.3	10.3
Number of pedagogical hours per employee within the scope of external education and training	1.4	1.2
Number of concluded and valid part-time studies contracts	18	5

Employees – the Company's Capital

The Rules on the Organisation of DARS d.d. came into force on 1 March 2013, which allowed us to adjust the organisational scheme to business needs in order to achieve the short-term and long-term business objectives of the Company. This entailed certain changes in human resources and significant work involving the preparation of new employment contracts for all employees. The second phase of the reorganisation procedure followed in September – the execution of the extraordinary promotion of employees. In addition to activities related to the reorganisation, the Company also hired new employees. The Company consequently published 20 in-house and 58 external job vacancies, which resulted in 45 new employees. 34 employees left during that year, 23 of which retired. This enabled us to ensure an adequate HR quality level, which is necessary for attaining set objectives and for the uninterrupted business operation and execution of operative work at DARS d.d.

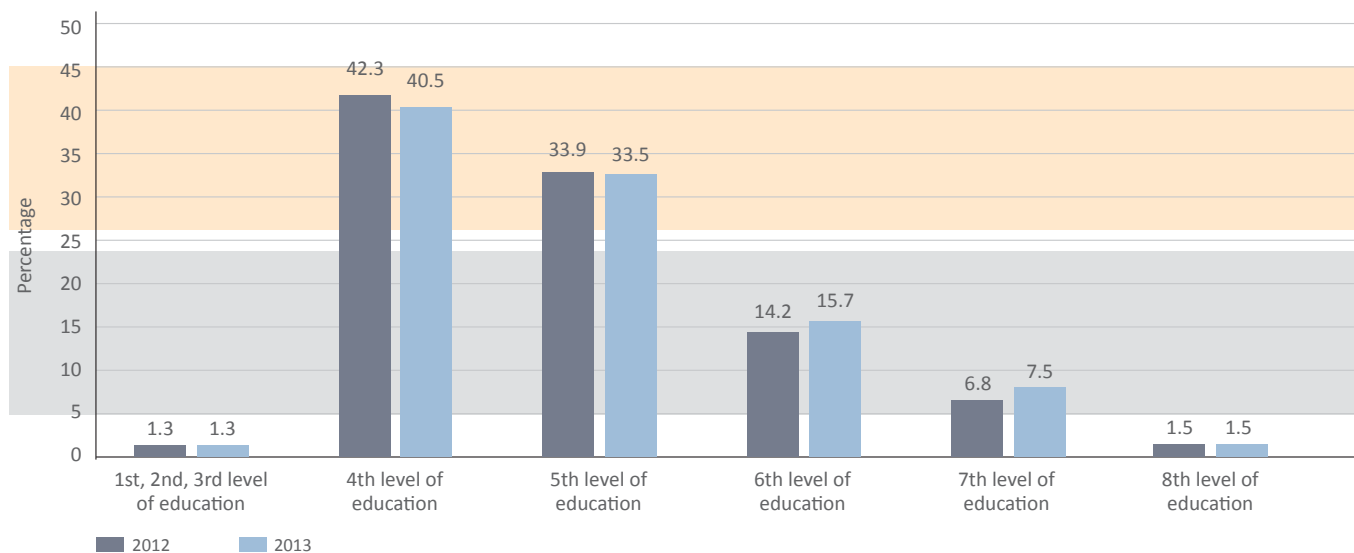
In accordance with the collective agreement and agreement on the criteria and payment of solidarity aid to its employees, DARS d.d. has been providing a high level of social security and aid for a number of years. The Company stayed true to its mission also in 2013, paying out solidarity aid on 53 occasions.

On the basis of the adopted Strategy for the Treatment of Workers with Altered Working Capacity and the Plan for Promoting Occupational Health in DARS d.d., we continued to systematically follow our goal of maintaining and improving employee health. For a number of years now, DARS d.d. has been carrying out various activities in this area under the project slogan »Healthy, Safer, Better«. This is our method for tackling risk factors that could have detrimental effects on employee health. In 2012, DARS d.d. was awarded a national prize for good practices by the Ministry of Labour, Family, Social Affairs and Equal Opportunities; in 2013, the European Network for Workplace Health Promotion (ENWHP) presented the Company with a European award for good practices in the area of managing employees with chronic conditions. In 2013, DARS d.d. began actively implementing the First Aid for Mental Distress at the Workplace project. The Company was successful at the call for proposals to co-finance health-awareness projects at the workplace and now receives funds from the Health Insurance Institute of Slovenia.

In 2013, the Company continued with its activities in the field of educational programmes for improving expert knowledge and competences of employees with the aim of improving work success and efficiency. We formed a set of key HR groups using a system called The Discovery of Natural Latent Abilities (DNLA). We further systematically prepared a database of in-house lecturers that have very specific experience and knowledge from their field of work that cannot be obtained through formal education. They were offered additional developmental support in terms of training courses and knowledge upgrades that allow them to work outside DARS d.d. through cooperating and connecting with other organisations in the country and abroad; they have the opportunity to exchange experience and knowledge and also perform additional registered educational activities by offering their own knowledge on the market.

In 2013, we recorded an increase in the general educational level, which is due to years of investment into employee educational levels. The share of workers with 4th and 5th educational levels has decreased and was replaced by a larger number of employees with higher and university degrees.

Graph 10: Comparative Overview of Employee Educational Structure for 2012 and 2013 in %



The Company organised a professional consultation on DARS d.d. work areas and presented the state and the future challenges facing individual work areas. DARS d.d. employees were also given awards and commendations for extraordinary work achievements in 2013 and for years of dedicated service as a sign of recognition and as motivation for future work.

Occupational Health and Safety

In 2013, the Company changed its organisational structure and work posts were systematised, which is why it was necessary to re-evaluate work conditions and assess risks employees are faced with during their work. An audit of the risk assessment was necessary for all newly-systematised posts. Before conducting the risk assessment, we were required to inspect work spaces, perform measurements of micro-climate conditions and check the mandatory records of inspections of work and fire-fighting equipment. We analysed reports on accidents involving injuries to personnel at work and dangerous occurrences, which happened in the last 5 years, as well as the annual occupational medicine reports on the health status of our employees. We look at whether measures that were planned in the scope of the previous risk assessment audit were being implemented. The risk assessment audit and the proposed measures for ensuring greater employee safety were prepared by the Occupational Health and Safety Department in cooperation with an authorised occupational medicine professional. The essential part or result of the assessment is a plan for implementing measures for ensuring an adequate level of safety and health of employees at their workplace. The plan proposal was coordinated with the persons responsible for the work processes and with the Management Board. It was then sent to the Works Council for discussion; on 22 August 2013, the Company's Management Board approved the final coordinated version.

In addition to this work, we prepared and implemented periodic training and qualification tests for maintenance crews (drivers-technicians, group leaders and foremen), workshop workers, janitors and warehouse workers. The Company carried out 29 in-house training courses, which were attended by 589 regularly employed workers. We enlisted the aid of external institutions to organise training courses that we cannot perform ourselves due to special requirements. These were attended by 328 workers.

The Company provided regular implementation of periodical medical examinations and vaccination against tick-borne encephalitis and voluntary vaccination of workers against flu.

In spite of all activities performed in the last few years, there were 30 work-related accidents involving employees in 2013 (less than in 2012 [37] and more than in 2011 [23]). Out of this number, a total of 6 employees (5 maintenance workers and 1 toll-station cashier) were injured when vehicles crashed into road-side work sites. One employee was gravely injured during such a crash and is still undergoing medical treatment.

USER SATISFACTION AND COMMUNICATION

Satisfaction of Motorway and Expressway Users in Slovenia

In April 2013, we measured user satisfaction; users (n = 1,009) evaluated 20 factors that they encounter when driving on motorways.

The most important satisfaction factors are ploughed roads and the intelligibility of road signalisation (during reconstruction work, in tunnels and on the motorway), while the hospitality industry is the least important factor.

The average satisfaction rating, measured in April 2013, was 3.64 (the highest possible rating is 5). On average and according to the comparable 7th measurement wave, user satisfaction increased by 3.13%.

Measurements of satisfaction with individual motorway segments showed that satisfaction among regular users of all motorway segments increased, especially among users of the Ljubljana Bypass (+5.2%). The lowest increase was recorded among the Primorska and Dolenjska motorway users (+1.9%).

The highest degree of user satisfaction was recorded in the area of toll inspection (9%) and the number of petrol stations (8%). The most significant decrease in satisfaction was recorded in relation to preventive application of gritting materials (-3%) and ploughing (-2%).

As in previous years, the DARS d.d. Company actively worked at preparing and adopting measures aimed at increasing user satisfaction in 2013.

Communication with Media

DARS d.d. ensures the media receives comprehensive and up-to-date access to information. All media representatives have equal right when it comes to accessing information. Representatives of all media outlets also have access to announcements regarding DARS d.d. in the Media Centre, which can be found on the www.dars.si website. The section Press Releases allows them to separately access general and financial news. Interesting and practical information is also published at the Media Centre for other segments of the public; a video and photo gallery, presentation of the work of maintenance and toll collection segments and various publications and instructions issued by the Company are available on its website.

In 2013, we also began actively communicating on social networks (Twitter, Facebook and YouTube). We mainly use these services to inform people about traffic and different campaigns (media campaigns included). At the same time, we try to raise awareness about the importance of road safety.

DARS d.d. is very much in the media spotlight. By following the media, we can determine that in 2013 slightly more than 7,500 articles mentioned DARS d.d. in Slovenian printed and electronic media. Out of these, DARS d.d. was the central topic 73% of the time. The general assessment of the Company's presence in the media was positive.

The Company generally replies to most media queries in 24 hours.

Communications with Motorway and Expressway Users

Users most often contact the Company with concrete questions, proposals, comments, complaints and even praise relating to the use of motorways and expressways. Questions most frequently refer to reconstruction and maintenance works, traffic safety and toll collection or toll stickers (vignettes). Persons residing in the vicinity of motorways are most interested in measures to reduce or eliminate the negative impact of motorway traffic on the environment.

We generally reply to most user queries in 24 hours (last year, we received 1,636 such queries).

Information on Public Road Conditions

A great deal of attention is focused on complete and quality notifications for users regarding driving conditions on motorways and expressways. The Traffic Information Centre for State Roads (TIC), which was co-founded by DARS d.d. and the Slovenian Roads Agency, collects information on the current situation on roads and passes it on to users through the www.promet.si website; this is also the media's source for information, which they then relay to the public.

TIC operators also tune into various media outlets several times a day with live reports. Users can also obtain information via the toll-free telephone number or direct telephone conversations with operators.

Communications with Experts and Professionals

The professional and business public include all external participants and institutions affiliated with the Company or which influence its operations. Special attention is given to content regarding traffic safety, education and preventative actions on the roads the Company manages.

Communication with Employees

We pay special attention to the mutual exchange of information among employees, who represent one of the most important segments of our public. Communication with employees is carried out in a variety of ways.

The internal newsletter »Avtoceste« (Motorways) is published periodically, which, together with the editorial committee and in accordance with their policy, acquaints employees with the news, expert content and items of interest on the operations and activities of the Company.

The Company informs employees of current events within, and in connection to, the Company through the monthly bulletin 'Preglednik' (Examiner).

DARS also sends out individual information by e-mail. Since not all employees have company e-mail addresses, we also publish this information on notice boards.

The Company's Intranet site is intended for notifications and exchange of information with and between employees. The site content is regularly updated. Numerous useful documents, forms, acts, photo documentation and clippings are also published on the site.

In the event of larger events and decisions that are important for the Company and its employees, employee communication also take place outside standard communication methods.

Communication with the Environment

DARS d.d., due to its powerful role and significance in the broader social environment, strongly endeavours to act as a socially responsible company. The Company is well aware of the responsibility it has to people and the environment in which it operates. Through awareness and preventative campaigns in the areas of traffic and road safety and environmental protection, it takes an active part in current social events, co-creating them to the greatest extent possible.

To the greatest extent possible, the Company contributes to humanitarian projects and projects connected to preventative action in traffic through sponsorships and other forms of cooperative support as well as via professional associations whose activities are associated with road construction and maintenance.

Sponsorship and donor programmes are clearly published on the Company's website.

ANTICIPATED COMPANY DEVELOPMENT



At the end of 2012, DARS d.d. and the Republic of Slovenia concluded an annex to the existing concession contract on the management and maintenance of motorways that harmonised the concession relationship between the Republic of Slovenia and DARS d.d. with the FBA. On the basis of the concluded annex, DARS d.d., in accordance with its abilities, in its name and for its account, will continue constructing motorways, for which the procedures of integration in the environment commenced prior to the introduction of the FBA, as well as maintaining and managing them. In addition to these transactions, DARS will continue, in the name and for the account of the RS, to perform tasks related to spatial planning and integration of motorways in the environment and the acquisition of land and other real estate for motorway construction in accordance with the contract on the implementation of performance order pursuant to Article 4 of MCRSA-1.

The regulation of the method for guaranteeing financial sources for the payment of obligations from debt and the continuing implementation of activities pursuant to MCRSA-1 are of the utmost importance for the future development of the Company. The arrangement of the toll-collection system is also very important, as toll has become an even more important budgetary item for the Company since MCRSA-1 and the FBA came into force.

In accordance with its vision of the future, DARS d.d. will become an increasingly market-oriented company, which, in addition to developing and improving the existing business model, will systematically develop and implement new business ideas. The main purpose of the activities will be to obtain additional toll and particularly non-toll revenue and thus create diversification of its revenue portfolio.

The Company will use a professional approach based on objective analysis to ensure traffic flow capacity and safety on motorways and other road infrastructure in a financially viable way to improve its organisation going forward. The Company will intensively deal with the effective management of the human, material, financial and information resources of the Company.

EVENTS AFTER THE BALANCE SHEET DATE

Events that emerged after the date of the financial statements did not impact the financial statements of DARS d.d. for 2013.

CORPORATE GOVERNANCE STATEMENT OF DARS D.D.

In accordance with the fifth paragraph of Article 70 of CA-1, the Articles of Association of DARS d.d. entered into the court register at the District Court in Celje on 31 March 2011 and the provisions of the Corporate Governance Code for Joint Stock Companies and the Corporate Governance Code for Capital Assets of the Republic of Slovenia, the Company hereby presents, as part of the Business Report, the following Corporate Governance Statement of DARS d.d.

1. Reference to the Corporate Governance Code

DARS d.d. hereby informs its shareholders and the public that it carries out its operations in accordance with the regulations and legislation applicable to the Company and which also regulate the majority of issues set forth in the Corporate Governance Code for Joint Stock Companies adopted on 8 December 2009 by Ljubljanska Borza, d.d., Ljubljana, the Slovenian Directors' Association and the Manager Association; since 15 May 2013, this also applies to the Corporate Governance Code for Capital Assets of the Republic of Slovenia, which was adopted by the Slovenian Compensation Company and mainly recommends principles, procedures and criteria for the conduct of members and management and control bodies of companies with capital assets of the Republic of Slovenia.

The Code draws its content mainly from the Corporate Governance Code for Companies with Capital Assets of the Republic of Slovenia, which was adopted by the Capital Assets Management Agency of the Republic of Slovenia on 13 January 2011. The latter Code became null and void when the aforementioned institution was abolished and the Management of Assets Owned by the Republic of Slovenia Act (Official Gazette of the Republic of Slovenia, No. 38/2010 et seq.) was annulled.

The Company hereby declares that the corporate governance codes that apply to it are publicly available on the website of Ljubljanska Borza d.d. – <http://www.ljse.si/> – and on the website of the Slovenian Compensation Company: <http://www.so-druzba.si/sl-si/o-druzbi/pravni-akti/arhiv>.

2. Deviations of the Company from the Provisions of the Code

The Company declares that it observes the provisions of the Code, except for certain deviations stemming from its special status, as its sole shareholder is the Republic of Slovenia.

After the Slovenian Sovereign Holding Act came into force, the Republic of Slovenia, as the sole stockholder, exercises its rights through the Slovenian Compensation Company, which in turn exercises its voting rights at the General Meeting, by appearing before courts and other authorities and by assembling the General Meeting.

DARS d.d. does not observe the provisions of the Code in settling those issues that are regulated for the Company by applicable law or are settled by the Company in a different manner in conformity with the provisions of the Articles of Association or acts of the Company. The Company also does not observe the provisions of the Code in cases when non-mandatory conduct is not prescribed in its acts or when certain types of conduct are not prescribed as a legal obligation.

3. The Functioning of the Company's General Meeting and its Key Competences, Description of Shareholder Rights and the Manner of Exercising Such Rights

The Company has the status of a public limited company functioning as a commercial company under CA-1.

The functioning of the General Meeting and its key competences, as well as the rights of shareholders and the manner of exercising such rights, are defined in more detail in the Articles of Association of DARS d.d.

The sole founder and shareholder of DARS d.d. is the Republic of Slovenia. Following the entry into force of the Slovenian Sovereign Holding Act, it exercises its rights through the Slovenian Compensation Company until such a time as it is reorganised into the Slovenian Sovereign Holding. The Republic of Slovenia exercises its shareholder's rights, as defined in CA-1 and the Articles of Association, at general meetings.

General meetings are convened by the Management Board of DARS d.d. using its own initiative, at the request of the Supervisory Board or the Company's shareholder.

A general meeting must be convened in legally-defined cases, however no less than once per year.

4. The Composition and Activities of the Company's Managerial and Supervisory Bodies and their Committees

4.1 Management Board

The composition and activities of the Company's Management Board are determined by the Articles of Association of DARS d.d. According to the Articles of Association of DARS d.d., the Company's Management Board may have a maximum of five members. A person can be appointed to the position of board member if they fulfil the conditions of Article 255 of CA-1 and Point 7.2.2. of the Articles of Association of DARS d.d. The Supervisory Board appoints all board members for a maximum period of five (5) years. All board members are employed by the Company.

The DARS d.d. Management Board is composed of the following members: Chairman Matjaž Knez, Board Members Tine Svoljšak and Franc Skok and the Labour Manager/Board Member Janko Kernel (the latter until 23 October 2013).

The Management Board manages the Company in the Company's best interests, independently and at its own responsibility. At the same time, it must act as a diligent and honest manager and protect the business secrets of the Company. In realising its tasks, the Management Board adopts measures and carries out the procedures defined by law and the Articles of Association of the Company.

If the Management Board has more than two members, the Company is jointly represented by the Chairman of the Management Board and a member of the Management Board.

The Management Board adopts resolutions within the scope of its competences with a majority vote of all members of the Board. Each member of the Management Board is entitled to one vote. In the case of a tied vote, the vote of the Chairman of the Management Board is decisive. The Labour Manager participates in decision-making whenever the Management Board decides on staff and social issues.

The Management Board adopts rules of procedure on its work, to which the Supervisory Board grants consent.

4.2 Company Supervisory Board

In accordance with Point 7.3.1 of the Articles of Association of DARS d.d., the Supervisory Board is comprised of six members. Two members of the Supervisory Board are employee representatives.

In accordance with the Articles of Association of DARS d.d., the Supervisory Board adopts the Rules of Procedure on its work. The Supervisory Board appoints the Chairman and Deputy Chairman.

The Supervisory Board must be convened at least once every quarter with a mandatory convocation once semi-annually. The Supervisory Board constitutes a quorum if at least two thirds of the members are present at a meeting, including the Chairman or Deputy Chairman of the Supervisory Board.

In accordance with the Articles of Association of DARS d.d., the Supervisory Board supervises the management of business transactions that are managed by the Company; discharges the Management Board; convenes general meetings; reviews and examines the ledgers and documentation of the Company, its cash in hand, securities and inventory of goods and other items; grants the Management Board advance consent for transactions exceeding a value of EUR 2.5 M (VAT not included); grants consent for the establishment and/or termination of subsidiaries; performs other activities defined in the CA-1 and other legal regulations; confirms the annual report with the proposed distribution of net profit for the reporting period; submits proposals to the General Meeting for the distribution of accumulated profit; grants consent to the appointment of the auditor; appoints the Audit Committee of the Supervisory Board; grants consent for the purchase and divestment of stakes or shares in other companies; and grants consent regarding the planning documents of the Company.

The Supervisory Board is required to examine the annual report and the proposed appropriation of accumulated profit submitted by the Management Board. It must compile a written report on the results of its examination for the General Meeting.

The more detailed composition and activities of the Supervisory Board of the Company and its committees in 2013 are presented in the Report of the Supervisory Board.

Decisions related to the General Meeting, Management Board and Supervisory Board and Company securities are summarised in the Articles of Association adopted by the General Meeting on 14 March 2011 and entered into the court register on 31 March 2011 and adopted in connection to a decision on increasing capital with an in-kind contribution pursuant to MCRSA-1; it was amended at the General Meeting on 30 August 2013 with a decision on amending the Articles of Association by expanding activities.

Ljubljana, 24 April 2014

Supervisory Board of DARS d.d.

Management Board of DARS, d.d.

Dušan Hočevar

Chairman of the Supervisory Board



mag. Matjaž Knez

Chairman of the Management Board



Tine Svoljšak

Board Member



Franc Skok

Board Member







U - Nova Jarke
U - Nova Moste
U - Smartno
400 m

FINANCIAL REPORT

CONTENTS

FINANCIAL REPORT

STATEMENT OF MANAGEMENT RESPONSIBILITY	69
II.1 FINANCIAL STATEMENTS OF DARS n.d.	70
II.2 REPORTING COMPANY	76
II.3 IMPORTANT ACCOUNTING POLICIES	76
II.4 NOTES TO FINANCIAL STATEMENTS	87
II.4.1 EXPLANATORY NOTES TO THE BALANCE SHEET	87
II.4.2 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME	107
II.5 OPERATING AND FINANCIAL RISKS	114
II.6 EVENTS AFTER THE BALANCE SHEET DATE	114
II.7 ANNUAL REPORT AUDIT FOR 2013	115
II.8 AUDITOR'S REPORT	116

STATEMENT OF MANAGEMENT RESPONSIBILITY

Pursuant to Article 60a of the Companies Act, the Management Board of DARS d.d. certifies herewith that the Annual Report 2013 of DARS d.d., Celje, including the Corporate Governance Statement, has been prepared and published in compliance with the Companies Act, the Financial Instruments Market Act, the Slovenian Motorways Company Act and Slovenian Accounting Standards.

The members of the DARS d.d., Celje Management Board, which include Matjaž Knez, Chairman, Tine Svoljšak, Board Member, and Franc Skok, Board Member, in accordance with Article 110 of the Financial Instruments Market Act; to the best of their knowledge declare that:

- The financial report for the company DARS d.d., Celje for 2013 is prepared in compliance with the Slovenian Accounting Standards and provides a true and fair presentation of the assets and liabilities, financial situation and profit or loss for the company DARS d.d., Celje;
- The Business Report of DARS d.d., Celje for 2013 includes a fair presentation of the development and results of the operations of the Company as well as its financial position, including a description of key risks to which DARS d.d., Celje, is exposed.

Celje, 17 Aprila 2014

Tine Svoljšak

Member of the
Management Board



mag. Matjaž Knez

Chairman of the
Management Board



Franc Skok

Member of the
Management Board



II. 1 FINANCIAL STATEMENTS OF DARS D.D.

Balance Sheet as of 31 December 2013

IN EUR (without cents)	Notes	31. 12. 2013	31. 12. 2012	1. 1. 2012
ASSETS		5,644,936,606	5,626,879,758	5,529,053,959
A. LONG-TERM ASSETS		5,411,306,452	5,516,175,615	5,393,091,150
I. Intangible assets and long-term active accrual	II.4.1.1	185,481,259	189,398,484	1,134,910
1. Long-term property rights		185,481,259	189,398,484	1,134,910
II. Tangible fixed assets	II.4.1.2	5,221,090,224	5,322,475,559	5,386,321,113
1. Land and buildings		5,035,717,485	5,146,717,106	5,246,700,708
a) Land		31,827,375	31,849,769	32,019,185
b) Buildings		5,003,890,110	5,114,867,337	5,214,681,523
3. Other machines and equipment		18,693,359	11,352,376	15,680,766
4. Tangible fixed assets under acquisition		166,679,380	164,406,077	123,939,640
b) Tangible fixed assets in construction and manufacture		166,679,380	164,406,077	123,939,640
IV. Long-term financial investments	II.4.1.3	200,964	964	964
1. Long-term fin. investments, excluding loans		200,964	964	964
c) Other long-term financial investments		200,964	964	964
V. Long-term operating receivables	II.4.1.4	30,754	30,754	362,399
3. Long-term operating receivables from others		30,754	30,754	362,399
VI. Deferred tax assets	II.4.1.5	4,503,250	4,269,854	5,271,764
B. CURRENT ASSETS		232,552,327	109,617,511	134,989,833
I. Assets (disposal groups) available for sale	II.4.1.6	184,691	208,822	120,628
II. Inventories	II.4.1.7	2,746,616	2,425,678	2,485,847
1. Material		2,741,513	2,425,678	2,485,847
3. Products and merchandise		5,103	0	0
III. Short-term financial assets	II.4.1.8	191,957,813	68,835,709	98,276,200
1. Short-term investments, excluding loans		191,957,813	68,835,709	98,276,200
b) Other short-term financial investments		191,957,813	68,835,709	98,276,200
IV. Short-term operating receivables	II.4.1.9	36,463,994	37,105,096	32,454,832
2. Short-term trade receivables		12,758,917	9,448,414	10,636,125
3. Short-term operating receivables due from others		23,705,077	27,656,683	21,818,707
V. Cash	II.4.1.10	1,199,214	1,042,206	1,652,326
C. SHORT-TERM DEFERRED COSTS AND ACCRUED REVENUE	II.4.1.11	1,077,827	1,086,632	972,976

IN EUR (without cents)	Notes	31. 12. 2013	31. 12. 2012	1. 1. 2012
LIABILITIES		5,644,936,606	5,626,879,758	5,529,053,959
A. EQUITY	II.4.1.12	2,472,933,097	2,425,789,223	2,411,382,960
I. Called-up capital		2,319,866,345	2,319,866,345	2,319,866,345
1. Share capital		2,319,866,345	2,319,866,345	2,319,866,345
2. Unregistered paid-in capital		0	0	0
II. Capital reserves		26,428,084	26,428,084	26,428,084
III. Revenue reserves		104,245,327	68,416,558	53,398,994
1. Statutory reserves		6,298,252	3,941,058	2,774,928
5. Other revenue reserves		97,947,076	64,475,500	50,624,066
V. Retained net earnings		0	0	0
VI. Net profit or loss for the financial year		22,393,340	11,078,236	11,689,537
B. PROVISIONS AND DEBT ACCRUED COSTS AND DEFERRED REVENUES	II.4.1.13	101,745,549	96,305,360	92,185,138
1. Provisions for pensions and other similar liabilities		2,177,870	2,093,556	2,108,866
2. Other provisions		19,487,425	20,502,177	17,526,584
3. Long-term passive accrual		80,080,255	73,709,626	72,549,687
C. NON-CURRENT LIABILITIES		2,640,259,745	2,859,607,244	2,832,307,873
I. Long-term financial liabilities	II.4.1.14	2,478,687,915	2,685,662,158	2,828,280,071
2. Long-term financial liabilities to banks	II.4.1.15	2,318,323,368	2,525,297,611	2,667,915,524
3. Long-term financial liabilities from bonds	II.4.1.16	160,364,547	160,364,547	160,364,547
II. Long-term operating liabilities	II.4.1.17	161,571,831	173,945,086	4,027,801
5. Other long-term operating liabilities		161,571,831	173,945,086	4,027,801
D. SHORT-TERM LIABILITIES		409,462,651	226,937,920	173,614,192
II. Short-term financial liabilities	II.4.1.18	332,956,650	160,572,191	125,594,663
2. Short-term financial liabilities to banks		328,046,909	153,907,113	118,629,051
4. Other short-term financial liabilities		4,909,741	6,665,079	6,965,612
III. Short-term operating liabilities	II.4.1.19	76,506,001	66,365,729	48,019,529
2. Short-term trade payables to suppliers		42,755,278	42,851,292	40,198,466
4. Short-term operating advance payables		37,916	4,765	12,405
5. Other short-term operating liabilities		33,712,807	23,509,672	7,808,658
E. SHORT-TERM ACCRUED COSTS AND DEFERRED REVENUES	II.4.1.20	20,535,564	18,240,011	19,563,797

The accounting guidelines and explanatory notes are a constituent part of the Financial Statements and should be read in connection thereto.
Explanation of Column 1.1. 2012 and 31.12.2012 is provided on page 86.

Statement of Comprehensive Income for the Period from 1 January to 31 December 2013

IN EUR (without cents)	Notes	From 1. 1. to 31. 12. 2013	From 1. 1. to 31. 12. 2012
1. Net sales revenue	II.4.2.1	315,640,478	305,817,390
Toll revenue		305,296,550	294,884,886
Revenue from leases		7,270,137	7,356,477
Revenue from closure and overweight load transports		741,471	1,064,196
Revenue from easements		291,588	311,866
Revenue from agency contracts		412,267	487,200
Revenue from telecommunications		955,645	1,111,106
Other sales revenue		672,821	601,659
3. Capitalised own products and services	II.4.2.2	405,388	432,096
4. Other operating revenue	II.4.2.3	7,695,741	6,084,425
5. Costs of goods, materials and services	II.4.2.4	-36,975,246	-35,121,212
a) Purchase value of sold goods and materials and costs of materials used		-11,896,765	-10,172,010
b) Cost of services		-25,078,481	-24,949,202
6. Labour costs	II.4.2.5	-34,310,284	-32,837,039
a) Cost of wages and salaries		-25,226,863	-24,055,250
b) Social security and pension insurance costs		-4,874,417	-4,712,014
c) Other labour costs		-4,209,004	-4,069,775
7. Write-offs	II.4.2.6	-148,088,281	-145,438,064
a) Depreciation and amortisation expense		-147,713,076	-145,240,755
b) Operating expenses from revaluation of intangible assets and tangible fixed assets		-151,219	-15,978
c) Operating expenses from revaluation of operating current assets		-223,986	-181,331
8. Other operating expenses	II.4.2.7	-1,367,954	-3,385,777
10. Financial revenue from loans	II.4.2.8	3,595,999	4,790,909
b) Financial revenue from loans to others		3,595,999	4,790,909
11. Financial revenue from operating receivables	II.4.2.9	258,689	32,559
b) Financial revenue from operating receivables due from others		258,689	32,559
12. Financial expenses from impairments and financial investment write-offs		0	-1,857,944
13. Financial expenses from financial liabilities		-50,278,047	-67,889,083
b) Financial expenses for loans received from banks	II.4.2.10	-41,307,041	-58,828,525
c) Financial expenses from issued bonds	II.4.2.11	-7,335,463	-7,348,266
d) Financial expenses from other financial liabilities	II.4.2.12	-1,635,543	-1,712,292
14. Financial expenses from operating liabilities	II.4.2.13	-30,705	-31,925
b) Financial expenses for liabilities to suppliers		-18,455	-27,952
c) Financial expenses for other operating liabilities		-12,250	-3,973
15. Other revenue	II.4.2.14	70,014	158,979
16. Other expenses	II.4.2.15	-136,941	-68,391
17. Tax on profit	II.4.2.16	-9,568,374	-5,278,752
18. Deferred Taxes		233,396	-1,001,911
19. Net profit/loss for the period	II.4.2.17	47,143,874	24,406,263
23. Other comprehensive income		0	0
24. Total comprehensive income for the period		47,143,874	24,406,263

The accounting guidelines and explanatory notes are a constituent part of the Financial Statements and should be read in connection thereto.
Explanation of Column Year 2012 is provided on page 86.

Cash Flow Statement for the period from 1 January to 31 December 2013

IN EUR (without cents)	Year 2013	Year 2012
A. Operating cash flow		
a. Income statement items		
Operating revenues (except from revaluation) and financial revenues from operating receivables	323,640,272	308,846,313
Operating expenses excluding amortisation and depreciation (except from revaluation) and financial expenses from operating liabilities	-72,639,727	-65,222,287
Corporate income tax and other taxes not included in operating expenses	-6,628,995	-5,276,325
	244,371,549	238,347,701
b. Changes in net current assets (and accruals, provisions, and deferred tax receivables and liabilities) in operating balance sheet items		
Opening less closing operating receivables	-3,690,693	-4,169,451
Opening less closing deferred costs and accrued revenues	8,805	-113,656
Opening less closing deferred tax assets	0	1,001,911
Opening less closing assets (disposal groups) available for sale	24,132	-88,194
Opening less closing inventories	-320,938	138,540
Closing less opening operating debts	-624,031	6,317,396
Closing less opening non-current accrued costs and deferred revenues and provisions	7,735,742	-10,256,200
	3,133,016	-7,169,655
c. Net operating proceeds or net operating expenses (a+b)	247,504,565	231,178,047
B. Cash Flows from Investment Activities		
a. Cash Receipts from Investment Activities		
Inflows from interest received and shares in profit received relating to investment activities	1,755,759	4,910,513
Cash receipts from disposal of tangible fixed assets	24,650	1,050,233
Inflows from disposal of short-term financial investments	1,840,240	29,440,491
	3,620,648	35,401,237
b. Cash disbursements from investing activities		
Cash disbursements to acquire intangible assets	-632,985	-5,919,067
Cash disbursements to acquire tangible fixed assets	-41,928,750	-78,236,624
Cash disbursements to acquire long-term investments	-200,000	0
Outflow for the acquisition of short-term financial investments	-123,122,104	0
	-165,883,839	-84,155,690
c. Net proceeds from investment activities or net expenses from investment activities (a + b)	-162,263,191	-48,754,454
C. Cash Flows from Financing Activities		
a. Cash receipts from financing activities		
Cash proceeds from increase in long-term financial liabilities	110,000,000	0
	110,000,000	0
b. Cash disbursements from financing activities		
Outflow for given interest related to financing activities	-50,494,582	-65,693,863
Outflow for repayment of long-term financial liabilities	-142,617,913	-103,550,701
Cash repayments of short-term financial liabilities	-1,971,872	-3,789,150
Expenditure for payment of dividends and other shares of net profit	0	-10,000,000
	-195,084,367	-183,033,714
c. Net finance proceeds or net expenses in financing (a + b)	-85,084,367	-183,033,714
D. Closing balance of cash	1,199,214	1,042,206
x. Net increase/decrease in cash for the period (sum total of net cash Ac, Bc and Cc)	157,009	-610,121
y. Cash at beginning of period	1,042,206	1,652,326

The accounting guidelines and explanatory notes are a constituent part of the Financial Statements and should be read in connection thereto.
Explanation of Column Year 2012 is provided on page 86.

Statement of Changes in Equity for the Period from 1 January 2012 to 31 December 2013

IN EUR (without cents)	I. Called-up capital	II. Capital reserves	III. Revenue reserves		V. Net profit or loss from previous periods	VI. Net profit or loss for the financial 1. Net profit for the financial year	Total equity
	1. Share capital		1. Statutory reserves	4. Other reve- nue reserves			
A.1 Balance as of 31.12.2011	2,319,866,345	26,428,084	2,774,928	66,431,433	0	11,689,537	2,427,190,327
Retrospective restatement	0	0	0	-15,807,367	0	0	-15,807,367
Balance as of 1.12.2012	2,319,866,345	26,428,084	2,774,928	50,624,066	0	11,689,537	2,411,382,960
A.2 Balance as of 1.1.2012	2,319,866,345	26,428,084	2,774,928	50,624,066	0	11,689,537	2,411,382,960
B.1. Changes in equity – transactions with owners							
g) Dividend payment					-10,000,000		-10,000,000
B.2. Total comprehensive income for the reporting period							
a) Input of net profit for the reporting period						24,406,263	24,406,263
B.3. Changes in capital							
a) Allocation of the remainder of net profit of the comparative reporting period to other components of equity				1,689,537	10,000,000	-11,689,537	0
b) Allocation of a part of net profit of the reporting period to other components of capital under a decision of management and supervisory bodies			1,166,130	11,078,236		-12,244,366	0
f) Other changes in equity				1,083,661		-1,083,661	0
D. Balance as of 31.12.2012	2,319,866,345	26,428,084	3,941,058	64,475,500	0	11,078,236	2,425,789,223
A.2 Balance as of 1.1.2013	2,319,866,345	26,428,084	3,941,058	64,475,500	0	11,078,236	2,425,789,223
B.2. Total comprehensive income for the reporting period							
a) Input of net profit for the reporting period						47,143,874	47,143,874
B.3. Changes in capital							
a) Allocation of the remainder of net profit of the comparative reporting period to other components of equity				11,078,236	0	-11,078,236	0
b) Allocation of a part of net profit of the reporting period to other components of capital under a decision of management and supervisory bodies			2,357,194	22,393,340		-24,750,534	0
D. Balance as of 31.12.2013	2,319,866,345	26,428,084	6,298,252	97,947,076	0	22,393,340	2,472,933,097
PROFIT FOR APPROPRIATION on 31.12.2013					0	22,393,340	22,393,340

The accounting guidelines and explanatory notes are a constituent part of the Financial Statements and should be read in connection thereto. Explanation of the Restatement item is provided on page 86.

Statement of Accumulated Profit and Proposal Regarding its Appropriation

IN EUR (without cents)	31.12.2013	31.12.2012
A. Net profit or loss for the financial year	47,143,874	24,406,263
B. Net profit or loss from previous periods	0	0
C. Increase in revenue reserves		
- Increase of legal reserves	2,357,194	1,166,130
- Increase of other profit reserves	22,393,340	12,161,897
PROFIT FOR APPROPRIATION	22,393,340	11,078,236

Explanation of Column for year 31.12.2012 is provided on page 86.

Net profit of DARS d.d. for 2013 will be allocated to legal reserves and other revenue reserves at the recommendation of the Management and Supervisory Boards of DARS d.d. and in accordance with the Companies Act (CA-1). The accumulated profits of DARS d.d. as of 31 December 2013 amounted to EUR 22,393,340. The General Meeting of DARS d.d. will decide on the allocation of accumulated profit in accordance with CA-1.

II. 2 REPORTING COMPANY

DARS d.d. is a registered legal entity with its registered office in Slovenia. The address of the registered office of the Company is Ulica XIV. divizije 4, 3000 Celje. The Company compiles the financial statements and reports defined in the first paragraph of Article 60 of CA-1 in accordance with Slovenian Accounting Standards (SAS). The Management Board of the Company confirmed the financial statements on 16 April 2014.

II. 3 IMPORTANT ACCOUNTING POLICIES

Basis for the preparation of the financial statements

The financial statements of DARS d.d., together with notes and disclosures of the most important categories, have been prepared in accordance with the accounting and reporting requirements of the Slovene Accounting Standards (SAS) and in accordance with the provisions of CA-1 and MCRSA-1.

When preparing the financial statements, we took into account two essential accounting assumptions: the creation of trade events and the going concern.

The financial statements are compiled in euros. Foreign currency-denominated items have been translated into euros using the reference exchange rate of the European Central Bank, applicable on the last day of the accounting period.

The comparable information is in accordance with the disclosures referring to the current reporting period.

Management must, in the compilation of the financial statements, give an assessment, appraisal and opinions that impact the use of the accounting policies and disclosed value of assets, liabilities, revenues and expenses. Actual results may deviate from these assessments. The assessments and aforementioned presumptions must be evaluated on an ongoing basis. Amendments to accounting assessments are recognised for the period in which the assessment is amended and for all future years for which the amendment applies.

These financial statements are compiled as separate financial statements of the Company intended for general requirements. The financial statements were compiled for the reporting period that started on 1 January 2013 and ended on 31 December 2013, i.e. in accordance with the Slovenian Accounting Standards 2006.

These obligatory financial statements are prepared in order to fulfil legal requirements. In accordance to the law, the Company is required to ensure an independent audit of these financial statements. The audit is limited to the audit of obligatory financial statements for general requirements, where the legal requirement for the audit of obligatory financial statements is fulfilled. The audit considers obligatory financial statements as a whole and does not provide assurance on individual items, accounts or trades. Audited financial statements are not intended for the use of any party for the requirements of making decisions in relation to the ownership, financing or any other specific trades referring to the company. Therefore, the users of obligatory financial statements may not rely exclusively on the financial statements and are obliged to implement other appropriate procedures prior to making any decisions.

Intangible Assets and Long-term Deferred Costs and Accrued Revenues

Intangible assets are investments in the acquired rights (licences, software) and the right of superficies as one of the real rights.

Intangible assets are initially recognised at purchase value. The purchase price is comprised of any costs incurred during purchase and in preparing them for their intended use. After initial recognition, intangible assets are presented at purchase value decreased by the amortised value adjustment.

The Company independently determines annual amortisation rates regarding the useful life of an individual intangible fixed asset with a finite useful life.

Intangible assets are presented in the balance sheet as a collective item at their carrying amount, which is the amount at which an asset is recognised after deducting any accumulated amortisation from its cost. The right of superficies was established pursuant to MCRSA-1 for the benefit of the DARS d.d. company on land owned by the Republic of Slovenia, where motorways are considered as constructions that had been constructed or the construction of which had commenced prior to the enforcement of MCRSA-1. The right of superficies is established for a 50-year period (from 4 December 2010 to 4 December 2060) free of charge. The Fiscal Balance Act made the right of superficies payable, therefore an annual compensation is paid for it in accordance with the annual implementation contract for the performance of contracts pursuant to Article 4 of MCRSA-1.

The right of superficies is one of the material rights and as such is categorised under intangible fixed assets and is initially recognised at purchase value. The right of superficies has a definite useful life and is amortised during this period, i.e. the period for which it had been established. The useful life of the right of superficies is the period during which the Company has a legal right to utilise it. The Company uses the straight-line amortisation method.

Impairments of assets or cash-generating units are recognised whenever their book values exceed their replacement value. Impairments are shown in the income statement. If the Company operates with an adequate profit and within the scope of business plans, no need for impairment exists.

Tangible fixed assets

Property, plant and equipment include land plots, buildings, equipment and property, plant and equipment in the course of construction. Such assets are presented in the balance sheet as a collective item, by type of asset at their carrying amount, which is the amount at which an asset is recognised after deducting any accumulated depreciation from its cost. Fixed assets that can no longer be used because they are defective, obsolete or similar are permanently withdrawn from use.

A tangible fixed asset is, on initial recognition, measured according to its cost. This comprises its purchase price, import duties and non-refundable purchase taxes as well as any directly attributable costs of bringing it into working condition.

Subsequent expenses associated with tangible fixed assets increase their cost, if they increase the future economic benefits generated by such assets in excess of the originally assessed ones or result in an extension of the useful lives of such assets. A motorway section is activated on the day when it is opened to traffic and the costs which arise after this date and which are connected with the construction of the motorway section increase its purchase value once per year, i.e. as the balance on 31 December of the current year.

The cost of fixed assets comprises the borrowing costs connected with the acquisition of property, plant and equipment until it is purposed for use. Borrowing costs include:

- interest,
- other company costs connected with borrowing financial assets.

Borrowing costs that can be directly ascribed to the purchase, construction or manufacture of a fixed asset can be capitalised as part of the purchase value of this asset. Other borrowing costs are recognised as an expense in the period when they emerge.

Costs directly connected with borrowing and intended for financing motorway construction increase the purchase value of motorways as long as the motorway sections for which the loans were taken are under construction (until they can be used). The Company ceases to capitalise borrowing costs when motorway sections are open to traffic.

The purchase value of an asset produced by the Company includes the costs of material, the direct labour costs and other costs that can be directly attributed to the goal of preparing the asset for use.

Repairs or maintenance of tangible fixed assets are intended for restoring or maintaining the future economic benefits expected from the originally estimated level of asset performance. Expenses are recognised as expenses when incurred.

The cost model is applied for the valuation of tangible fixed assets.

The Company divides a major tangible fixed asset cost into significant parts in accordance with SAS 1 and SAS 13. If the parts have different useful lives and/or usage patterns that are relevant in relation to the entire cost of the tangible fixed asset, each part is considered separately.

If the cost of the tangible fixed asset is significant, then it can be divided into parts. If the parts have different useful lives and/or usage patterns that are relevant in relation to the entire cost of the tangible fixed asset, each part is considered separately.

The difference between the net proceeds on disposal and the carrying amount of an item of company-owned tangible fixed asset disposed of shall be recognised as operating revenue from revaluation if the first exceeds the latter, or as operating expenses from revaluation if the latter exceeds the first.

The Company annually verifies the carrying amount of tangible fixed assets in order to ascertain whether there are any signs of impairment. Should such signs exist, the recoverable amount of the asset is assessed. The recoverable amount is considered as the net sales value or its value in use, whichever is greater. The impairment of an asset is recognised when its carrying amount exceeds the recoverable amount. Impairments are shown in the income statement.

If a tangible fixed asset is sold, it is re-categorised under non-short-term assets for sale.

Depreciation and Amortisation Expense

The carrying amount of tangible fixed assets, and intangible assets, is decreased by depreciation or amortisation. The basis for the assessment of tangible fixed assets, and the amortisation of intangible assets, is the complete cost of fixed assets. Following activation, all subsequent investments that increase the future benefits of the fixed asset or enable a longer fixed asset service period (e.g. investment maintenance, reconstruction of roads and facilities) are included in the basis.

The Company independently determines annual amortisation rates with regards to the useful life of an individual tangible fixed asset and intangible long-term asset.

The useful life depends on:

- The expected physical use,
- The expected technical ageing,
- The expected economic ageing,
- The expected legal or other use restrictions.

The useful life of an individual asset is the shortest useful life of one of the mentioned factors.

A tangible fixed asset starts to be amortised on the first day of the month following its availability for use. Tangible fixed assets – motorways – begin use on the day the motorway opens for road users whereby it is not necessary that the investment be concluded or all deficiencies remedied.

The carrying amount of an intangible asset with a finite useful life decreases with amortisation. Amortisation starts when an intangible asset is available for use.

Amortisation of a tangible or intangible fixed asset is calculated for each asset separately, using the straight line method. Land, substructures of motorways and assets under acquisition are not depreciated.

The Company divides the cost of a major tangible fixed asset into significant parts in accordance with SAS 1 and SAS 13. If these parts have different useful lives and/or usage patterns that are relevant in relation to the entire cost of the tangible asset, each part is considered separately.

The amortisation rate for tangible fixed assets and intangible assets:

Intangible assets	Key components	Amortisation rate 2013
Land	Land used for motorway maintenance bases, business and residential buildings, rest stops and surplus alongside motorways	0%
Motorway substructures	Construction works (preparatory works, ground works), landscaping costs, archaeological excavation costs, costs of building demolition, etc.	0%
Motorway superstructures	a) Superstructure (road surface of the motorway route, buffer, etc.)	3 %
	b) Project costs, costs of motorway construction financing, costs of motorway construction supervision and costs of services necessary for the construction of individual motorway sections, plus other costs	3 %
	c) Drainage facilities (sewage, oil collectors, retention basins, water protection facilities)	6 %
	d) Fences (safety fences and crash barriers, anti-noise protection)	6 %
	e) Traffic signalisation and traffic equipment (vertical and horizontal signalisation, road illumination, emergency call system, CVP, cable sewage, etc.)	6 %
	f) Traffic control and management system – electro-mechanical equipment	8 %
	g) Traffic control and management system – building-construction part	6 %
Motorway facilities (viaducts, bridges, tunnels, overpasses, underpasses, retaining walls, etc.)	a) Construction elements	3 %
	b) Tunnel equipment and electromechanical installations	6 %
Road infrastructure – other operators	State or municipal roads that are not motorways and were built by DARS d.d. in accordance with NPJA.	0 %
Buildings	Motorway maintenance bases, toll stations with cabins and overhangs, other constructed facilities alongside motorways (sanitary facilities at rest stops, etc.), the administration building in Celje, holiday facilities and apartments	3 %
Equipment	Equipment (office furniture, workshop equipment, maintenance equipment, office supplies, etc.)	20 %
Equipment and ABC-system devices		20 %
Personal vehicles		20 %
Machinery		20 %
Small tools		20 %
Computers and computer equipment		50 %
Software		50 %

The annual amortisation and depreciation of tangible fixed assets and intangible assets of the Company represent an operating expense.

Amortisation and depreciation needs to be accounted, even if the asset is no longer in use or has been removed from use, until it is fully amortised.

The costs of amortisation of assets acquired through donations are compensated as business revenue and according to an appropriate decrease in long-term provisions.

Such assets are presented in the balance sheet as a collective item, by type of asset, at their carrying amount, which is the amount at which an asset is recognised after deducting any accumulated depreciation from its cost.

Non-current assets available for sale

Non-current assets available for sale:

- Tangible fixed assets,
- Investment property, valued at cost model,
- Other non-current assets.

It is reasonably anticipated for the carrying amount of non-current assets available for sale that it will be settled mostly due to the sale in the following 12 months (after the date of the balance sheet) and not by further use. The amortisation of an asset is terminated when it is determined as a non-current asset available for sale. Such a non-current asset available for sale is assessed at the carrying amount and at fair value, decreased by the costs of sale.

Long-term Financial Investments

Long-term financial investments are investments that the Company plans to own for a period longer than one year and which it does not intend to trade. Long-term financial investments are held by the Company to earn returns and thus increase its financial revenue.

Long-term financial investments are initially recognised at cost, i.e. the amount of money invested.

Deferred Tax Assets

Deferred tax receivables are recognised for the amounts of profit tax that will be returned in future periods. Deferred tax receivables are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Insignificant amounts of deferred tax assets are not recognised.

Inventories

The quantity units of material inventories are valued at purchase price after initial recognition, and the cost comprises the purchase price including all discounts, import duties and direct purchase costs present on the invoice. The purchase price is reduced by any discounts received.

The consumption of inventories was valued according to the average sliding prices method until 31 December 2012. DARS d.d. changed its method of inventory valuation by switching to the FIFO method on 1 January 2013, which also entails a change in accounting policy.

The Company implements write-offs of inventories if the sale thereof is completely terminated or if they are unmarketable.

If the carrying amount exceeds the historical cost of an item of inventories, a revaluation of inventories is carried out at the year-end.

Short-term Financial Assets

A short-term financial investment is a financial investment owned by the Company for less than one year, or an investment purposed for trading.

Hybrid financial instruments can be any of the short-term financial investments owned by the Company in order to be insured against risks.

Short-term financial investments are initially recognised at cost, i.e. the amount of money invested. A revaluation of short-term financial investments to fair value is carried out during and at the end of the business year with the established difference posted under financial revenue or financial expenses.

Foreign currency-denominated short-term financial investments are translated into the national currency on the date they are incurred using the reference exchange rate of the European Central Bank.

Short-term Operating Receivables

Short-term operating receivables comprise short-term trade receivables due from domestic and foreign customers, short-term trade receivables from operations in foreign markets, interest receivables on short-term sight deposits and financial investments, advances receivable, input VAT receivable, short-term receivables in connection to European funds and other receivables.

Short-term operating receivables are initially recognised at the amounts indicated in relevant documents provided their collection can be assumed. Interest is calculated in accordance with the contract on the maturity dates of the short-term receivables and on the balance sheet date. Foreign currency-denominated short-term financial investments are translated into the national currency on the date they are incurred using the reference exchange rate of the European Central Bank.

At the balance sheet date, the adequacy of the recorded amount of individual receivables is reassessed by the Company on the basis of objective evidence of their recoverability. Allowances are set up for doubtful receivables that we believe will not be settled by their due date or in their full amount. Value adjustments of receivables are reported to the benefit of special correction accounts of receivables and charged to operating expenses from revaluation.

The Company performs a complete write-off of receivables for which all actions were taken with due diligence to achieve the repayments of receivables or for which it has established that further legal procedures are not economically justified or where a bankruptcy procedure or compulsory settlement have been executed. In order for the Company to perform a write-off, it needs to obtain adequate documentary evidence: the rejection of the confirmation of balance of the receivables, the court decision, the decision on compulsory settlement, the decision on bankruptcy proceedings and other documents.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, cash in banks, cash in transit and call deposits. Cash in transit is cash transferred from the register to an adequate bank account and not entered as credit on the same day.

Domestic and foreign currency denominated cash is presented separately. Cash and cash equivalents expressed in the domestic currency are disclosed at their nominal values. Cash denominated in a foreign currency is translated into the national currency using the reference exchange rate of the European Central Bank applicable on the date of receipt. The balance of cash denominated in a foreign currency is translated into the national currency on the last day of the business year using the reference exchange rate of the European Central Bank. Exchange rate differences arising due to the conversion increase either financial revenue or financial expenses.

Equity

Capital is the Company's liability to its owners that prior to the Company ceasing to operate matures into payment. The Company's capital comprises of called-up capital, capital reserves, reserves from profit (legal reserves and other reserves from profit) and undistributed net profit for the operating year.

Capital reserves of the Company comprise the value of real assets transferred by the Republic of Slovenia to the Company upon its transformation for the purpose of motorway operation and maintenance and the general capital revaluation adjustment, which was transferred to capital reserves on 1 January 2006, as well as a surplus of assets that represents the difference between the in-kind contribution of the Republic of Slovenia and value of newly-issued shares of the Company.

Legal reserves are reserves set up in accordance with the Companies Act. The Company must form legal reserves in the amount of legal and capital reserves defined in points 1 through 3 of Article 64 of CA-1 that must amount to at least 10 percent of the Company's share capital. If the total of the legal and capital reserves defined in points 1 through 3 of the first paragraph of Article 64 of the Companies Act does not attain a 10 percent share of the Company's share capital in the business year, five% of the net profit must be allocated to legal reserves, reduced by the amount used for covering losses from previous periods in the balance sheet.

Pursuant to the third paragraph of Article 230 of CA-1, managing and supervisory bodies may at the adoption of the annual report form other reserves from profit from the amount of net profit remaining after the utilisation of net profit for the purposes as defined in the first paragraph of Article 230 of CA-1, however they may not utilise for this purpose more than one half of the net profit amount that remains after the utilisation of the profit for the purposes defined in the first paragraph of the mentioned Article.

Other revenue reserves comprise non-nominal capital and are increased annually through the appropriation of net profit.

Capital components and changes in equity are disclosed in the Statement of Changes in Equity.

Provisions and Long-term Accrued Costs and Deferred Revenues

Provisions are created for present obligations that arise from binding past events and are expected to be settled in a period that cannot be determined with certainty, but a reliable estimate can be made of the amount of obligations. Long-term provisions are set up for accrued costs or expenses and are decreased by the amounts of costs or expenses for which they were formed in accordance with the plan.

In accordance with SAS, the Company formed long-term provisions for retirement benefits and jubilee premiums based on an actuarial calculation.

The Company forms long-term provisions due to long-term costs calculated in advance for severance pay due to redundancy of employees working at toll stations that would arise at the introduction of the new tolling system and long-term costs calculated in advance for payments at retirement to employees who are not included in the collective voluntary supplementary pension insurance plan in accordance with the agreement between the unions and the Company.

Long-term provisions for long-term accrued costs are also set up with regards to the possible unfavourable outcome of lawsuits related to motorway construction, reconstruction, operation and maintenance as well as labour disputes. Provisions for lawsuits are formed on the basis of an estimate as to the likely outcome of these disputes at the time when the likelihood of a negative outcome for the Company exceeds 50 percent.

Long-term accrued costs and long-term deferred revenue comprise deferred revenue expected to cover estimated expenses in a period of more than one year.

Long-term deferred revenue also includes earmarked State financial support for the acquisition of fixed assets. The donations are earmarked to cover amortisation charges of fixed assets thus acquired and are utilised by transferring to operating revenue.

Government grants are initially recognised in financial statements as deferred revenue when acceptable assurance exists that the company will receive the grants and fulfil relevant requirements. Deferred revenue

received for covering costs is consistently recognised as revenue in periods when the costs arise and which the revenue should compensate. Asset-related deferred revenues are recognised in the income statement among other operating revenues in the period of useful life of a particular asset.

Long-term deferred revenue is formed for assets received from realised guarantees for the rectification of defects, performance guarantees and tender bonds. Realised guarantees are used for covering the costs of realisation purpose or in the case of the realisation of performance guarantees also for the purpose of the guarantee for the rectification of defects during the warranty period.

Long-term provisions have also been set up in the amount co-financed by users of the ABC system, namely third and fourth toll-rate category vehicles. These provisions relate to warranties granted on the sale of electronic tags. At the end of each accounting period, long-term provisions are restated to the present value of expenditure that is potentially required to settle the liability. The warranty granted on an ABC system tag is 1 (one) year from the date of its acceptance. Its service life is seven years. If an electronic tag is purchased, used and then returned undamaged within its service life, the user is entitled to a refund of the proportionate share of the co-financed amount, taking into account the undepreciated amount of the electronic tag. The annual amortisation rate is 14.29%. The claim of refund of a proportionate share of the co-financed amount, taking into account the undepreciated amount of the electronic tag, and the return of the unused net credit actually paid are possible only on the basis of a written claim with the obligatory statement of the identification number (ID) and the return of the electronic tag and receipt of purchase (or payment of the co-financed amount).

Long-term Financial Liabilities to Banks

Long-term financial liabilities to banks also include long-term loans taken out for the acquisition of fixed assets.

Long-term financial liabilities that will mature within a year of the balance sheet date are shown as short-term financial liabilities.

Long-term financial liabilities are initially recognised at the amounts indicated in relevant documents evidencing the receipt of cash. Foreign currency-denominated long-term financial investments are translated into the national currency on the date they are incurred using the reference exchange rate of the European Central Bank.

Long-term financial liabilities on the basis of foreign loans and denominated in foreign currency are translated into the national currency on the last day of the business year using the reference exchange rate of the European Central Bank.

The payment of interest from long-term loans taken out for the purchase of fixed assets increase the acquisition value of fixed assets until the fixed asset for which the loan was taken out is acquired. Following the fixed asset being commissioned, the payment of interest on loans represents a financial expense.

The Company incurs debt in its name and for its account. The liabilities arising from loans taken out are secured by a guarantee of the Republic of Slovenia.

Long-term Liabilities from Bonds

Long-term financial investments incurred from issued bonds are initially recognised at a cost indicated in relevant documents proving the receipt of funds.

The payment of coupons from issued bonds increases the acquisition value of fixed assets until the fixed asset for which the loan was taken out is acquired. Following the fixed asset being commissioned, the payment of interest represents a financial expense.

The Company incurs debt in its name and for its account. The liabilities arising from the issued bonds are secured by a guarantee of the Republic of Slovenia.

Long-term Operating Liabilities

Long-term operating liabilities include the liability for the right of superficies compensation. Based on the annual implementation contract on the execution of contracts on the basis of Article 4 of MCRSA-1, the short-term part of a long-term liability is transferred to short-term liabilities.

Long-term operating liabilities are recorded in the amount of co-financing costs of motorway construction by local communities and public utility companies for the purposes of such co-financing, and following the construction of such objects, they are transferred by DARS d.d. to individual co-financing items.

Short-term Financial Liabilities to Banks

Short-term financial liabilities for bank loans for the acquisition of tangible fixed assets comprise:

- The short-term portion of long-term liabilities maturing in the following year,
- Weighted interest on 31 December 2013 for bank loans and bonds issued for motorway construction and reconstruction and weighted interest for derivative financial instruments that were concluded to insure bank loans against changing interest and exchange rate risks.

The Company discloses derivative financial instruments in the Statement of Other Comprehensive Income. The Company uses derivatives exclusively for protecting cash flow. The Company shows the effects of the derivatives in financial revenue or financial expenses.

Short-term Operating Liabilities

Short-term operating liabilities include short-term liabilities to suppliers, construction contractors (including contractually retained amounts) and third parties; liabilities arising from purchase prices and indemnifications in the acquisition of land; liabilities to employees and liabilities to state institutions for taxes and contributions. A special type of short-term operating debt is the liability to buyers for acquired advance payments and also for received short-term securities.

Short-term operating liabilities are initially recognised at amounts indicated in relevant documents provided that creditors require their settlement. Foreign currency-denominated liabilities are translated into the national currency at the date they are incurred using the applicable reference exchange rate of the European Central Bank.

Short-term Accrued and Deferred Items

Deferred costs and accrued revenue are amounts incurred but not yet charged against an entity's activities and they do not yet affect its profit or loss. Deferred costs and accrued revenue comprise deferred costs of commission to vignette sales agents and deferred costs of vignette printing, which are recognised in the amount equal to the proportionate share of each allowed amount of revenue from the sold vignettes.

Short-term accrued expenses and deferred revenues comprise accrued costs and short-term deferred revenues.

Accrued costs are costs that affect the Company's profit or loss for the period. The payment obligation is envisaged in the next accounting period. The Company also recognises costs associated with rewards for business performance of the Management Board and executives as accrued costs.

Short-term deferred revenue arises when services to be rendered in the future have already been invoiced or even paid. Short-term deferred revenue was formed for revenue from tolls collected in the form of top-ups on electronic toll media (ABC tags, DARS cards and DARS Transporter cards) invoiced and paid in 2013 but not used in the same year. Revenue will be deferred until crossings are made by the users of the service. Short-term deferred revenue also included revenue from vignettes charged in 2013, which will be valid in 2014, and from half-yearly vignettes, which will be partly or entirely valid in 2014 (a half-yearly vignette is valid six months from the date of purchase, and the annual vignette for 2014 is valid from 1 December 2013 until 31 January 2015).

Revenue

Revenue is recognised if increases in economic benefits during the accounting period are associated with an increase in assets or decrease in liabilities, provided the increases can be reliably measured. Revenue is recognised when it can be reliably expected that cash receipts will flow from them to the entity, unless such receipts were realised on the incurrence of revenue. Revenue is divided into operating, financial and other revenue.

Operating revenue comprises:

- Tolls collected,
- Rentals paid by various service providers to use motorway service areas,
- Revenue from motorway closures and extraordinary freight transports,
- Revenue from easements for the installation of facilities and devices of public importance alongside motorways,
- Revenue from telecommunications,
- Revenue pursuant to performance contracts,
- Other operating revenue,
- Capitalised own products and services.

Capitalised own products and services apply to capitalised services linked to motorway closures that the Company did not charge to external contractors working on reconstructing roads.

Financial revenue comprises interest revenue and foreign exchange gains. Financial revenue is recognised unless there is justified doubt as to its amount and collectability. Interest revenue is recognised on a time proportion basis, taking account of the outstanding principal amount and the applicable interest rate.

Other revenue comprises unusual items increasing profit or loss for the period (damages received, remuneration for the employment of disabled persons above the quota, etc.).

Expenses

Expenses are recognised if the decrease in economic benefits in the accounting period is connected with a decrease in assets or an increase in debt and if this decrease can be reliably measured. Expenses are classified as operating expenses, financial expenses and other expenses.

The Company's operating expenses comprise expenses associated with motorway construction, reconstruction, management and the maintenance of motorways.

Operating expenses comprise:

- Costs of materials and cost of goods sold,
- Costs of services,
- Labour costs,
- Write-offs (disclosures connected to calculated amortisation are shown among disclosures of intangible assets and tangible fixed assets),
- Other operating expenses.

Financial expenses comprise interest expenses from received loans and issued bonds, expenses from derivatives used to insure against financial risks, foreign exchange losses, default interest and impairment of financial investments. Financial expenses are recognised when accrued, regardless of related payments.

Other expenses comprise unusual items that decrease the profit or loss for the period. Other operating expenses comprise of:

- Payment of court-ordered indemnifications,
- Reimbursement of auditing costs,
- Other cash penalties.

Corporate Income Tax

Corporate income tax is calculated in accordance with the Corporate Income Tax Act. Income tax is payable on the taxable profit generated during the tax period and for 2013 comprised 17 percent.

Deferred tax is intended to cover temporary differences arising between the tax base of an asset and liability and its carrying amount using the balance sheet liability method in accordance with the valid tax rates at the time.

Cash flow Statement

The Cash Flow Statement was prepared using the indirect method (Version II) on the basis of data from the Balance Sheets as of 31 December 2013 and 31 December 2012, the Income Statement for 2013 and from additional information required for adjustment of inflows and outflows.

The Cash Flow Statement comprises cash flow from operating, investing and financing activities.

Correction of Errors from Previous Years

In 2013, DARS d.d. corrected the following errors from previous years:

- It corrected the error linked to the transfer of long-term accrued costs and deferred revenues from received cohesion funds under operating revenues from that business year during which costs, for which the long-term deferred revenues were formed, were incurred. The error is connected to the disbursement of long-term accrued costs and deferred revenues in 2010 and 2011 and amounts to EUR 19,045,020. Pursuant to accounting standards, DARS d.d. rectified the past error by adjusting the opening balance of liabilities and equity capital for the first past period presented, since the error occurred before 2012.
- It aligned the transfer of long-term accrued costs and deferred revenues from received cohesion funds under operating revenue for 2012 as a result of correcting the error described in line one because of the adjusted basis for the calculation of the transfer. The alignment of the transfer has the opposite effect from the error described in line one and amounts to EUR 1,305,616. Pursuant to accounting standards, DARS d.d. corrected the error from the comparative period in the statements for the current year by adjusting the comparative amounts from the presented past period that gave rise to the error.

Adjustment to the Balance Sheet

IN EUR (without cents)	Balance as of 1. 12. 2012	Impact of the change	Adjusted balance as of 1. 1. 2012	Balance as of 31. 12. 2012	Impact of the change	Adjusted balance as of 31. 12. 2012
A. III. 5. Other revenue reserves	66,431,433	-15,807,367	50,624,066	79,199,206	-14,723,706	64,475,500
B. 3. Long-term passive accrual	53,504,667	19,045,020	72,549,687	55,970,222	17,739,404	73,709,626
D. III. 5. Other short-term operating liabilities	11,046,312	-3,237,654	7,808,658	26,525,371	-3,015,699	23,509,672

Adjustment of Comprehensive Income Statement

IN EUR (without cents)	From 1. 1. to 31. 12. 2012	Impact of the change	Adjusted from 1. 1. to 31. 12. 2012
4. Other operating revenue	4,778,809	1,305,616	6,084,425
17. Tax on profit	-5,056,797	-221,955	-5,278,752
24. Total comprehensive income for the period	23,322,602	1,083,661	24,406,263

II.4 NOTES TO FINANCIAL STATEMENTS

II.4.1 EXPLANATORY NOTES TO THE BALANCE SHEET

II.4.1.1 Intangible Assets and Long-term Active Accrual

The Company's intangible assets comprise computer software and the right of superficies.

Overview of Intangible Asset Movement in 2013

IN EUR (without cents)	Intangible fixed assets under construction	Software	Right of superficies	Total
Purchase value				
Balance as of 31.12.2012	0	6,794,246	190,810,787	197,605,033
Purchases	632,985	0	0	632,985
Activation	-617,385	617,385	0	0
Balance as of 31.12.2013	15,600	7,411,631	190,810,787	198,238,018
Revaluation				
Balance as of 31.12.2012	0	5,915,510	2,291,039	8,206,549
Depreciation and Amortisation	0	622,715	3,927,495	4,550,210
Balance as of 31.12.2013	0	6,538,225	6,218,534	12,756,759
Current value				
Balance as of 31.12.2012	0	878,736	188,519,748	189,398,484
Balance as of 31.12.2013	15,600	873,406	184,592,253	185,481,259

Overview of Intangible Asset Movement in 2012

IN EUR (without cents)	Intangible fixed assets under construction	Software	Right of superficies	Total
Purchase value				
Balance as of 31.12.2011	0	6,001,350	0	6,001,350
Purchases	191,603,683	0	0	191,603,683
Activation	-191,603,683	792,896	190,810,787	0
Balance as of 31.12.2012	0	6,794,246	190,810,787	197,605,033
Revaluation				
Balance as of 31.12.2011	0	4,866,440	0	4,866,440
Depreciation and Amortisation	0	1,049,070	2,291,039	3,340,109
Balance as of 31.12.2012	0	5,915,510	2,291,039	8,206,549
Current value				
Balance as of 31.12.2011	0	1,134,910	0	1,134,910
Balance as of 31.12.2012	0	878,736	188,519,748	189,398,484

Major additions to intangible assets in 2013:

- Upgrade of the DARS d.d. Project Information System in the amount of EUR 210,796,
- Upgrade of the software for the toll collection system in the amount of EUR 259,490,
- Upgrade of software for the supervision and sale of vignettes in the amount of EUR 32,929,
- Upgrade of the software for infrastructure system support in the amount of EUR 43,130,
- Upgrade of the software for the road database in the amount of EUR 15,330,
- Upgrade of information support for KAŽIPOT II for informing and monitoring the traffic situation in the amount of EUR 26,015,
- Upgrade of the GIS application in the amount of EUR 28,655.

As of 31 December 2013, no intangible assets were pledged as security for liabilities and no signs of impairment were observed for intangible assets predominantly comprising newly-acquired intangible assets.

The right of superficies was established pursuant to MCRSA-1 for the benefit of the DARS d.d. company on land owned by the Republic of Slovenia, where motorways are considered as constructions that had been constructed or the construction of which had commenced prior to the enforcement of MCRSA-1. The right of superficies is established for a 50-year period (from 4 December 2010 to 4 December 2060) free of charge. The Fiscal Balance Act made the right of superficies payable, therefore an annual compensation is paid for it in accordance with the annual implementation contract for the performance of contracts pursuant to Article 4 of MCRSA-1.

The right of superficies has a definite useful life and is amortised during this period for which it had been established. The useful life of the right of superficies is the period during which the Company has a legal right to utilise it.

II.4.1.2 Tangible Fixed Assets

Tangible fixed assets comprise land, buildings, equipment and property as well as tangible fixed assets being constructed or manufactured.

Land applies to the land used for motorway maintenance bases, business and residential buildings, rest stops and surplus alongside motorways.

Buildings comprise motorways (understructure, superstructure, constructions, road infrastructure – other operators) and other facilities (motorway bases, toll stations, business premises in Celje, vacation accommodation units and apartments).

The Slovenian Accounting Standards do not specifically determine which costs present the purchase value of the motorway understructure, therefore the Company adopted this determination itself. The categorisation of costs presenting the purchase value of the motorway understructure and superstructure is presented in the amortisation rate table.

Equipment refers to movable equipment intended for management, maintenance and toll collection activities.

The Company divides a major cost of tangible fixed assets into the significant parts of such tangible fixed assets in accordance with SAS 1 and SAS 13. If these parts have different useful lives and/or usage patterns that are relevant in relation to the entire cost of the tangible asset, each part is considered separately.

Major acquisitions and activation of tangible fixed assets in 2013 comprised:

- Investment into motorways and other buildings in the amount of EUR 38,899,115,
- Purchase of machinery, devices and connections in the amount of EUR 422,540,

- Purchase of work, cargo and trailer vehicles in the amount of EUR 48,542,
- Upgrade of the toll collection system in the amount of EUR 95,695,
- Purchase of office furniture and other office supplies in the amount of EUR 50,983,
- Purchase of computer equipment in the amount of EUR 67,563,
- Purchase of personal and combined vehicles in the amount of EUR 34,705,
- Upgrade of electro-mechanical equipment for the traffic management and control system in the amount of EUR 31,860.

No tangible fixed assets belonging to DARS d.d. were pledged as security for liabilities as of 31 December 2013. Loans and bonds issued for the financing of tangible fixed assets belonging to DARS d.d. are secured by a guarantee of the Republic of Slovenia.

Movement of tangible fixed assets in 2013

IN EUR (without cents)	Land	Motorways (substructures, superstructures, facilities, road infrastructure – other opera- tors)	Buildings (ba- ses, toll stati- ons, administra- tion building in Celje, holiday units, apart- ments, etc.)	Equipment and small tools	Property, plant and equipment under construc- tion	Total
Purchase value						
Balance as of 31 December 2012	31,849,769	5,312,404,958	72,723,887	99,209,831	164,406,077	5,680,594,522
Purchases in 2013	0	0	0	0	41,926,346	41,926,346
Transfer between items	0	-15,748,134	0	15,748,134	0	0
Activation	0	35,751,395	3,149,760	751,888	-39,653,043	0
Eliminations in 2013 (divestments, write-offs)	-22,394	-2,040	-269,501	-380,901	0	-674,837
Balance as of 31 December 2013	31,827,375	5,332,406,179	75,604,146	115,328,952	166,679,380	5,721,846,032
Revaluation						
Balance as of 31 December 2012	0	264,947,761	5,313,748	87,857,455	0	358,118,964
Transfer between items	0	-1,889,154	0	1,889,154	0	0
Amortisation in 2013	0	133,662,197	2,231,793	7,268,875	0	143,162,866
Eliminations in 2013 (divestments, write-offs)	0	0	-146,130	-379,891	0	-526,021
Balance as of 31 December 2013	0	396,720,804	7,399,412	96,635,593	0	500,755,809
Current value						
Balance as of 31 December 2012	31,849,769	5,047,457,197	67,410,149	11,352,376	164,406,077	5,322,475,559
Balance as of 31 December 2013	31,827,375	4,935,685,375	68,204,734	18,693,359	166,679,380	5,221,090,224

Overview of tangible fixed asset movement in 2012

IN EUR (without cents)	Land	Motorways (substructures, superstructures, facilities, road infrastructure – other opera- tors)	Buildings (MW bases, toll stati- ons, administra- tion building in Celje, holiday units, apart- ments, etc.)	Equipment and small tools	Property, plant and equipment under construc- tion	Total
Purchase value						
Balance as of 31 December 2011	32,019,185	5,277,352,371	72,338,108	97,752,733	123,939,640	5,603,402,036
Purchases in 2012	0	0	0	0	78,236,624	78,236,624
Transfer between items	0	0	0	0	0	0
Activation	0	35,052,586	385,780	2,331,821	–37,770,187	0
Eliminations in 2012 (divestments, write-offs)	–169,416	0	0	–874,722	0	–1,044,138
Balance as of 31 December 2012	31,849,769	5,312,404,958	72,723,887	99,209,831	164,406,077	5,680,594,522
Revaluation						
Balance as of 31 December 2011	0	131,870,655	3,138,301	82,071,967	0	217,080,923
Transfer between items	0	0	0	0	0	0
Amortisation in 2012	0	133,077,106	2,175,447	6,648,094	0	141,900,646
Eliminations in 2012 (divestments, write-offs)	0	0	0	–862,606	0	–862,606
Balance as of 31 December 2012	0	264,947,761	5,313,748	87,857,455	0	358,118,963
Current value						
Balance as of 31 December 2011	32,019,185	5,145,481,716	69,199,807	15,680,766	123,939,640	5,386,321,113
Balance as of 31 December 2012	31,849,769	5,047,457,197	67,410,140	11,352,376	164,406,077	5,322,475,559

II.4.1.3 Long-term Financial Investments

Among the long-term financial investments of DARS d.d., we include a 0.04 % stake in the company Slovenska cestna podjetja d.o.o. in the amount of EUR 964, the value of which did not change in 2013, as well as a 100% stake in the DELKOM d.o.o. subsidiary company, founded in 2013, in the amount of EUR 200,000.

II.4.1.4 Other Non-current Operating Receivables

Other long-term operating receivables in the amount of EUR 30,754 refer to the transfer of the confirmed share of receivables due to the confirmation of compulsory settlement to the T-2 d. o. o. company to long-term liabilities.

II.4.1.5 Deferred Tax Assets

Movement of deferred tax receivables in 2013:

IN EUR (without cents)	31. 12. 2013	Changes in 2013	31. 12. 2012
Provisions for severance pay and jubilee benefits	242,780	19,054	223,726
Provisions for redundancies	38,210	15,419	22,791
Provisions for civil claims	1,453,244	158,346	1,294,898
Provisions for electronic tags	22,930	-3,938	26,868
Revaluation of receivables	2,717,385	15,815	2,701,570
Fixed assets	28,700	28,700	0
	4,503,250	233,396	4,269,854

Changes in 2013 mostly refer to the adjustments of the amount of deferred taxes considering the planned tax rate in the anticipated year of use.

Deferred tax receivables are recognised for the amounts of profit tax that will be returned in future periods and are directly recognised in capital.

II.4.1.6 Assets Held for Sale

Short-term assets include tangible fixed assets in the amount of EUR 184,691 that are available for sale. These assets refer solely to real estate.

II.4.1.7 Material Inventory

Material inventories comprise inventories of materials, spare parts, small tools and packaging. Inventories increased by 13% compared to the 31 December 2012 figure. Inventories of materials with an 87% share represent the major share in the structure of inventories, whereas inventories of gritting materials account for 51% and inventories of vignettes for 2014 for 12 % of the total inventories of materials.

IN EUR (without cents)	31. 12. 2013	Share	31. 12. 2012	Index
Material	2,379,785	87%	2,084,274	114
Spare parts	157,920	6%	130,350	121
Small tools and packaging	203,808	7%	202,267	101
Materials in transit	0	-	8,787	-
Total	2,741,513	100%	2,425,678	113

The sale of 2013 vignettes for personal and motor vehicles ended on 30 November 2013. In accordance with SAS 4.41, the inventory of unsold 2013 vignettes was written-off against the revaluation from operating expenses in the amount of EUR 53,102, which represents the purchase cost of the vignettes.

The consumption of inventories was valued according to the average sliding prices method until 31 December 2012. DARS d.d. changed its method of inventory valuation by switching to the FIFO method on 1 January 2013, which also entails a change in accounting policy. If during the past years and until 31 December 2012 the Company had used the FIFO method for valuing the consumption of inventories, material costs would have been higher by EUR 2,952.

During the annual material stocktaking and the stocktaking of small tools, the Company discovered deficits amounting to EUR 79,931 and surpluses amounting to EUR 132,436.

No inventories of DARS d.d. were pledged as security for liabilities as of 31 December 2013. The book value of inventories does not exceed their recoverable value. The inventories of the Company represent current inventories.

The inventories did not show signs of impairment, therefore no impairment was implemented.

II.4.1.8 Short-term Financial Investments in Others

As of 31 December 2013, short-term financial investments in others amounting to EUR 191,957,813 included:

- Short-term deposits with banks in the amount of EUR 186,450,000, with an average maturity of 115 days and average 2.26 % weighted interest rate;
- A short-term overnight deposit with a bank in the amount of EUR 5,507,813, with 0.65% interest rate.

Short-term financial investments are not exposed to credit risk or there is only a minimum risk that the counterparty would not fulfil its obligations, since the Company invests its liquidity surpluses of assets in bank deposits in the Republic of Slovenia.

II.4.1.9 Short-term Operating Receivables

IN EUR (without cents)	31. 12. 2013	Share	31. 12. 2012	Index
Short-term trade receivables:	12,758,917	35%	9,448,414	135
- toll receivables	11,554,833	32%	8,062,558	143
- receivables from the use of motorway service areas	326,109	1%	862,735	38
- receivables from motorway closures	339,686	1%	248,194	137
- short-term receivables from the DELKOM d.o.o. subsidiary company	32,992	0%	0	-
- other short-term trade receivables	2,033,499	6%	1,710,097	119
- adjustment of value of other short-term receivables	-1,528,202	-4%	-1,435,170	0
Short-term operating receivables due from others:	23,705,077	65%	27,656,683	86
- advances receivable for operating current assets	12,387	0%	1,824	679
- short-term receivables from operations for foreign accounts	36,386,668	100%	35,535,937	102
- short-term receivables adjustment for foreign accounts	-14,434,530	-40%	-14,434,530	100
- short-term receivables from financial revenue	222,173	1%	148,256	150
- value adjustment of short-term receivables from financial revenue	-21,887	0%	-21,887	100
- input VAT receivables	768,077	2%	351,773	218
- other short-term receivables due from state institutions	152,299	0%	4,891,825	3
- other short-term receivables	619,889	2%	1,183,485	52
Total	36,463,994	100%	37,105,096	98

The majority share of short-term operating receivables represents receivables from operations for foreign accounts to the Republic of Slovenia for transactions from Article 4 of MCRSA-1, fees from performance contracts in the amount of EUR 22,014,165 and receivables due from domestic commission agents and foreign sales agents in the amount of EUR 14,028,694. 28% of all short-term trade receivables represent trade receivables for tolls while the remainder comprises other short-term receivables.

DARS d.d. performs business operations on behalf of and for the account of the State on the basis of Article 4 of MCRSA-1. These transactions are recorded in accounting ledgers as transactions for foreign accounts. This refers to tasks connected to spatial planning and the placement of motorways and the acquisition of real estate required for the construction of motorways that the Company performs in accordance with performance contracts. DARS d.d. records receivables due from the Republic of Slovenia for implemented transactions. The funds for such transactions are guaranteed from the budget of the Republic of Slovenia in accordance with Article 10 of MCRSA-1.

Breakdown of short-term trade receivables by maturity

IN EUR (without cents)	Undue	Up to 60 days	Over 60 days	Total
Short-term operating receivables trading for third party accounts	18,587,971	3,368,990	14,472,822	36,429,783
Formed adjustments of value of receivables from operations for foreign accounts	0	0	-14,434,530	-14,434,530
Short-term trade receivables	12,076,924	222,423	1,987,772	14,287,119
Formed adjustments of value of trade receivables	0	0	-1,528,202	-1,528,202

No DARS d.d. receivables were pledged as security for liabilities as of 31 December 2013. Short-term operating receivables of the Company are not secured and represent the Company's current receivables.

In 2013, the Company formed an adjustment of value of short-term operating receivables in the amount of EUR 129,839.

On 31 December 2013, the Company had a formed adjustment of value of short-term receivables from the Republic of Slovenia in the following amounts:

- EUR 14,434,530 from receivables from the Republic of Slovenia and linked to operations from foreign accounts described in Article 4 of MCRSA-1 and conducted in 2010;
- EUR 801,718 from receivables for compensation according to the contract on the implementation of the order for 2010.

As of 31 December 2013, the Company still believes that it entitled to those receivables, but because the State did not acknowledge these receivables and based on their maturity, the Company nevertheless made an adjustment to the value of the total amount of receivables already in 2011 as a precaution.

II.4.1.10 Cash

IN EUR (without cents)	31. 12. 2013	Share	31. 12. 2012	Index
Cash in banks	371,214	31%	136,206	273
Cash in hand	1,807	0%	1,726	105
Cash in toll booths	348,540	29%	358,940	97
Cash in transit	477,653	40%	545,334	88
Total cash and cash equivalents	1,199,214	100%	1,042,206	115

The "cash in transit" item represents money from collected toll that has yet to be wired to the DARS d.d. bank account. After the finished annual inventory of the cash in transit from collected toll on 30 November 2013, the Company harmonised the disclosed balance in the books with the actual balance.

II.4.1.11 Short-term Accruals and Prepaid Expenditure

Deferred costs and accrued revenue amounting to EUR 1,077,827 comprise short-term deferred costs that will be charged against profit or loss in future accounting periods.

Among other things, deferred costs and accrued revenue amounting to EUR 1,077,827 represent short-term deferred costs for the commission paid to sales representatives from vignettes and amounting to EUR 330,695 and short-term deferred costs for licensing Microsoft software in the amount of EUR 247,145.

II.4.1.12 Equity

The movement in equity is shown in the Statement of Changes in Equity for the period from 1 January 2013 to 31 December 2013 in which the reasons for changes in equity items are evident. The equity is, in its total amount, a part of the Company's net worth.

Equity reflects the owner financing of the Company and represents the Company's liabilities to its owners. It is determined by both the amounts invested in the Company by owners and by the amounts occurring in the Company's operation.

The Company's share capital amounts to EUR 2,319,866,345 and is distributed to 55,592,292 ordinary registered shares owned by the Republic of Slovenia. The book value of a share on 31 December 2013 was EUR 44.48. It is calculated as a ratio between the total value of capital and the number of shares.

The shares give the owner the full right to participate in the management of the Company, the right to a profit share (dividend) and the right to an adequate part of the remainder of assets upon liquidation or bankruptcy of the Company.

Company equity increased by EUR 11,078,236 in 2013 following a decision made at the Company's General Meeting. It was the result of forming other profit reserves. Legal reserves in the amount of EUR 2,357,194 were formed in accordance with CA-1 and on the basis of the Company's management's decisions other reserves from profit were formed in the amount of EUR 22,393,340.

II.4.1.13 Provisions and Long-term Accrued Costs and Deferred Revenues

In accordance with SAS, the Company formed long-term provisions for retirement benefits and jubilee premiums based on an actuarial calculation. The actuarial calculation of 31 December 2013 was performed for each employee so that it took into account the costs of retirement benefits to which they are entitled on the basis of employment contracts and the cost of all expected jubilee premiums for the total service period until retirement. The calculation of provisions is based on an actuarial calculation that considered the following assumptions:

- The nominal long-term interest rate is evaluated at 3.05 % in accordance with the IAS 19 Standard considering the average maturity at the Company, i.e. 17.3 years;
- The expected long-term growth of jubilee premiums and non-taxable amounts in the calculation of the amount of the expected long-term inflation, which amounts to 2% annually;
- Employee fluctuation, which depends mostly on their age;
- The expected employee mortality rate in accordance with the mortality rate for Slovenia for the 2000-2002 period, categorised according to sex;
- Future long-term nominal increase in wages - 2.5% annually.

The Company joined the collective voluntary supplementary pension insurance scheme in 2006. In accordance with an agreement concluded with trade unions, all of the Company's employees were entitled to join this scheme, except those being of retirement age on 31 December 2006, i.e. 50 years (for women) and 55 years (for men). The employer will pay to these employees a lump sum equal to the interest-free premiums it would have to pay on their behalf had they been included in the pension scheme. The Company formed long-term provisions for this reason.

In previous years, the Company set up long-term provisions for long-term accrued costs related to employment relationships that would arise upon the transition from the electronic toll collection to the free-flow traffic system. The electronic toll collection system where motorway users would pay fees for the use of motorways according to the distance-travelled principle is the final vision and objective of the toll collection system in the Republic of Slovenia. The Government of the Republic of Slovenia adopted the Action Plan for

the Introduction of ETS in FTF on 26 November 2009. In June 2012, the Ministry of Infrastructure and Spatial Planning engaged DARS d.d. to implement all necessary activities on the basis of which Slovenia would transfer to the ETS in FTF for vehicles with a maximum permissible weight over 3,500 kg in 2015. A reassessment of the required long-term provisions for anticipated costs related to the restructuring of the tolling implementation division was carried out on 31 December 2013, and based on the Restructuring Plan, the Company adopted a resolution on the reconciliation of long-term provisions formed for the purchase of the insurance period for redundant employees and a portion of the provisions for severance payments for redundant employees with an assessment of envisaged costs.

Long-term provisions have also been set up in the amount co-financed by users of the ABC system, namely third and fourth toll-rate category vehicles. These provisions relate to warranties granted on the sale of electronic tags. At the end of each accounting period, long-term provisions are restated to the present value of expenditure required to settle liabilities. The warranty granted on an ABC system tag is 1 (one) year from the date of its acceptance. Its service life is seven years. If an electronic tag is purchased, used and then returned undamaged within its service life, the user is entitled to a refund of the proportionate share of the co-financed amount, taking into account the undepreciated amount of the electronic tag. The annual amortisation rate is 14.29%. Claiming a refund of a proportionate share of the co-financed amount, taking into account the undepreciated amount of the electronic tag, and the return of the unused net credit actually paid are only possible on the basis of a written claim with the obligatory statement of the identification number (ID) and the return of the electronic tag and receipt of purchase (or payment of the co-financed amount).

The Company formed long-term deferred revenue in 2013 for EU funds received for the preparation of spatial and project documentation and motorway construction or tasks related to them (improving road safety – construction of traffic control and management systems). These funds were received within the EU Cohesion Fund, TEMPO-CONNECT projects, the EasyWay programme and the secMan/Home project.

In 2013, the Company formed long-term deferred revenues for assets received from realised guarantees for the rectification of defects, performance guarantees and tender bonds. Realised guarantees are used for covering the costs of the realisation purpose or in the case of the realisation of performance guarantees also for the purpose of the guarantee for the rectification of defects during the warranty period.

Movement of long-term provisions and accrued costs and deferred revenue in 2013

IN EUR (without cents)	Balance as of 31. 12. 2012	Implementa- tion in 2013	Reversal in 2013	Additional creation in 2013	Balance as of 31. 12. 2013
Provisions for retirement benefits	1,363,516	74,484	0	116,088	1,405,121
Provisions for employee jubilee premiums	664,931	60,221	0	102,303	707,013
Provisions for voluntary supplementary pension insurance	65,108	9,480	0	10,108	65,736
Provisions for claims related to motorway operation and maintenance	9,961	9,961	0	13,319	13,320
Provisions for employment-related claims	0	0	0	15,000	15,000
Provisions for claims related to construction and reconstruction	20,215,786	9,779	2,106,110	937,131	19,037,029
Provisions for severance pay linked to toll-system change	276,430	0	0	145,647	422,077
Amortisation of holiday facilities and apartments	196,464	9,815	0	0	186,649
Equipment – free acquisition	1,593	797	0	0	796
Return of ETC tags	346,245	5,532	70,948	0	269,765
Lease of optical fibres	491,310	49,695	0	0	441,616
Cashed-in guarantees	5,031,204	363,802	0	8,316,764	12,984,166
State subsidies received	67,642,810	2,887,834	0	1,442,286	66,197,263
Total	96,305,359	3,481,400	2,177,057	11,098,647	101,745,549

Provisions, and long-term accrued costs and deferred revenues are formed for the following purposes:

- Provisions for jubilee benefits amounting to EUR 707,013 and provisions for retirement severance pay amounting to EUR 1,405,121 were formed on the basis of an actuary calculation on 31 December 2013.
- On 31 December 2013, provisions in the amount of EUR 65,736 for retirement benefits to employees not included in the pension scheme of collective voluntary supplementary pension insurance under the agreement between the trade unions and the Company.
- The Company presented provisions in the amount of EUR 13,320 on account of long-term costs calculated in advance due to expected losses from indemnification claims for lawsuits connected with the management and maintenance of motorways and EUR 19,037,029 for lawsuits in connection with claims relating to construction and reconstruction. A further EUR 15,000 is earmarked for employment-related lawsuits.
- During 2005-2007, provisions were formed and charged against long-term accrued costs for the purchase of the insurance during this period and severance pay for employees that would become redundant following the transition from the electronic toll collection to free-flow traffic system. The Government of the Republic of Slovenia adopted the Action Plan for the Introduction of the ETS in FTF on 26 November 2009. In June 2012, the Ministry of Infrastructure and Spatial Planning engaged DARS d.d. to implement all necessary activities on the basis of which Slovenia would transfer in 2015 to the ETS in FTF for vehicles with a maximum permissible weight over 3,500 kg. A reassessment of the required long-term provisions for anticipated costs of restructuring the Tolling Implementation Division was carried out on 31 December 2013, and based on the Restructuring Plan, the Company formed provisions for redundant employees in the amount of EUR 422,077.
- In previous years, long-term accrued costs and deferred revenue were set up from grant funds in the amount of the acquisition values of holiday facilities and apartments that serve to cover the costs of depreciation of the holiday facilities with furnishings and apartments throughout their service lives. In 2013, the denoted provisions decreased by the costs of amortisation in the amount of EUR 9,815.
- Provisions in the amount of EUR 269,765 (the buyers of ETC tags are entitled to return ETC tags within seven years from the date of purchase) were formed for settlement of contingent liabilities arising from the return of purchase money upon a possible return.
- The Company also shows long-term deferred revenue from advance purchases of optic fibres by users in the amount of EUR 441,616 among long-term accrued costs and deferred revenue.
- The Company formed long-term accrued costs and deferred revenues in the amount of EUR 12,984,166 for assets acquired with the realisation of performance guarantees and guarantees for the rectification of defects.
- On 31 December 2013, the Company presented long-term accrued costs and deferred revenues for acquired state grants for the purchase of property, plant and equipment in the total amount of EUR 66,197,263. The increase in 2013 is connected to funds received from the EU cohesion fund for the "Construction of Noise Barriers on Five Motorway Sections" project in the amount of EUR 444,999 and the funds from TEN-T for the "Project Engineering for Obtaining a Building Permit for the Draženci-IBCP Gruškovje Motorway Segment" in the amount of EUR 923,887 as well as funds received for the EasyWay Phase II programme in the amount of EUR 66,401. The value of long-term deferred revenue is decreased by the amortisation amount of fixed assets and by the amounts of other types of costs for which the funds were granted.

II.4.1.14 Long-term Financial Liabilities

The Company obtains loans on the international and domestic financial markets for its operational needs. The aim of the loans is to finance motorway construction and reconstruction. All loans are secured by a guarantee of the Republic of Slovenia. In 2013, the Company secured loans in the amount of EUR 110 M. A loan amounting to EUR 60 M was secured at Sberbank Slovenija d.d., while a loan in the amount of EUR 50 M was secured at NLB d.d.

The interest rates and manner of calculating interest for received loans are contractually defined and represent a business secret. The weighted annual interest rate for the total loan amount of DARS d.d. amounted to 1.74% on 31 December 2013. The interest rate for the total debt of DARS d.d. on 31 December 2013 amounted from 0.37 to 5.05 %.

Long-term financial liabilities refer in their full amount to motorway construction and reconstruction.

IN EUR (without cents)	31. 12. 2013	Share
Long-term loans acquired from domestic banks	932,178,622	38%
Long-term loans acquired from foreign banks	1,351,110,238	55%
Long-term loans acquired from foreign entities	35,034,508	1%
Long-term bonds issued	160,364,547	6%
Total	2,478,687,915	100%

Long-term financial liabilities by maturity

IN EUR (without cents)	31. 12. 2013	Share
Long-term financial liabilities with a maturity of up to 5 years	900,468,680	36%
Long-term financial liabilities with a maturity longer than 5 years	1,578,219,235	64%
Total	2,478,687,915	100%

Movement of long-term financial liabilities in 2013

Long-term financial liabilities	Balance as of 31. 12. 2012	Increase in 2013	Decrease in 2013	Balance as of 31. 12. 2013
European Investment Bank	907,837,867	0	53,673,313	854,164,553
Nova Ljubljanska banka	359,375,000	50,000,000	15,312,500	394,062,500
Kreditanstalt für Wiederaufbau	366,782,297	0	124,360,422	242,421,875
Consortium of Slovenian banks	332,150,485	0	31,793,980	300,356,505
Depfa Bank	208,333,333	0	23,809,524	184,523,809
Unicredit Bank Slovenia	117,025,038	0	8,335,837	108,689,201
Kommunalkredit	70,000,000	0	0	70,000,000
Hypo Alpe Adria Bank	56,907,462	0	4,170,379	52,737,083
Intesa Sanpaolo (formerly: BIIS)	50,000,000	0	50,000,000	0
Avtovie Venete S.p.A.	38,219,463	0	3,184,955	35,034,508
Banka Koper	18,666,667	0	2,333,333	16,333,334
Sberbank Slovenija	0	60,000,000	0	60,000,000
Bonds	160,364,547	0	0	160,364,547
Total	2,685,662,158	110,000,000	316,974,243	2,478,687,915

II.4.1.15 Long-term Financial Liabilities to Banks

Long-term share of the principal amount of bank borrowings by lenders

Lender	IN EUR (without cents)	
	Balance as of 31. 12. 2013	Share
Consortium of Slovenian banks	300,356,505	13%
Hypo Alpe Adria Bank	52,737,083	2%
Unicredit Bank Slovenia	108,689,201	5%
Banka Koper	16,333,333	1%
NLB	394,062,500	17%
Sberbank Slovenija	60,000,000	3%
European Investment Bank	854,164,553	37%
Kreditanstalt für Wiederaufbau	242,421,875	10%
Depfa Bank	184,523,810	8%
Avtovie Venete S.p.A.	35,034,508	1%
Kommunalkredit Austria AG	70,000,000	3%
Total	2,318,323,368	100%

a) Loans from the Consortium of Slovenian Banks

DARS d.d. obtained seven loans from the consortium of local banks in the period from 1996 to 2004. These loans were paid off in 2013 in a total amount of EUR 31,793,980.

Long-term liabilities to the consortium of banks and maturity dates

Type	Repayment period	IN EUR (without cents)
I	from 2002 to 2016	48,584,558
II	from 2004 to 2019	40,260,381
III	from 2007 to 2019	64,486,629
IV	from 2008 to 2020	32,030,715
V	from 2007 to 2020	36,723,497
VI	from 2009 to 2021	29,664,046
VII	from 2012 to 2024	48,606,679
Total		300,356,505

b) Loans from Hypo Alpe Adria Bank

The Company took out three loans from Hypo Alpe Adria Bank, in 2003, 2004 and 2005. These loans were paid off in 2013 in the total amount of EUR 2,083,916. Long-term financial liabilities decreased by EUR 4,170,379. In 2014, the Company will begin paying off the principal of the Hypo Alpe Adria III loan worth EUR 2,086,463.

Long-term liabilities to Hypo Alpe Adria Bank and maturity dates

Type	Repayment period	IN EUR (without cents)
I	from 2011 to 2023	22,075,611
II	from 2012 to 2024	11,883,305
III	from 2014 to 2023	18,778,167
Total		52,737,083

c) Loans from Unicredit bank Slovenia

DARS d.d. took out three loans from Unicredit Bank Slovenia, in 2005, 2006 and 2009. The loan from 2006 was intended for refinancing and the early repayment of loans from the bank Kreditanstalt für Wiederaufbau. On 29 March 2013, DARS concluded an annex to the EUR 47 M loan contract it has with Unicredit Bank in order to reschedule the loan; the maturity has been extended for 5 years and includes an amortizing loan repayment, which consequently entails a higher loan margin. The loans from Unicredit Bank Slovenia were paid off in 2013 in the total amount of EUR 8,335,837.

Long-term liabilities to Unicredit Bank and maturity dates

Type	Repayment period	IN EUR (without cents)
I	from 2011 to 2023	15,022,534
II	from 2007 to 2021	46,666,667
III	from 2015 to 2019	47,000,000
Total		108,689,201

d) Loan from Banka Koper

The Company took out a loan with Banka Koper in 2006 that was intended for the refinancing and early repayment of loans taken out with the Kreditanstalt für Wiederaufbau bank.

The loan from Banka Koper was paid off in 2013 in the amount of EUR 2,333,333.

Long-term liabilities to Banka Koper and the period of repayment

Type	Repayment period	IN EUR (without cents)
I	from 2007 to 2021	16,333,333
Total		16,333,333

e) Loans from NLB

In 2007 and 2008, DARS d.d. contracted two loans with NLB that were completely drawn-up for financing motorway construction. In 2013, DARS d.d. contracted a new loan with NLB amounting to EUR 50 M, which it will again use for financing motorway construction.

The loans from NLB were paid off in 2013 in the amount of EUR 15,312,500.

Long-term liabilities to NLB and maturity dates:

Type	Repayment period	IN EUR (without cents)
I	from 2012 to 2027	199,062,500
II	from 2015 to 2027	145,000,000
III	from 2016 to 2023	50,000,000
Total		394,062,500

f) Sberbank Loan

In 2013, DARS d.d. contracted a new loan with Sberbank amounting to EUR 60 M, which it will use for financing motorway construction.

Long-term liabilities to Banka Koper and the period of repayment

Type	Repayment period	IN EUR (without cents)
I	from 2016 to 2022	60,000,000
Total		60,000,000

g) Loans from the European Investment Bank (EIB)

The loans from the European Investment Bank were taken out during the period from 1994 to 2006 with EUR 49,264,000 of the amount repaid in 2013. Long-term financing liabilities decreased by EUR 53,673,313; in addition to the EIB A,B,C, EIB II, EIB III, EIB IV, EIB V and EIB VI loan principals (worth a total of EUR 49,292,000), the Company will start repaying two other loan principals – EIB VII (EUR 3,409,091) and EIB VIII (EUR 972,222) – in 2014. The remainder of the loans are due between 2014 and 2037.

Long-term liabilities to the European Investment Bank and the period of repayment

Type	Repayment period	IN EUR (without cents)
A, B, C	from 2000 to 2014, 2015, 2016	6,189,200
II	from 2003 to 2018	30,333,333
III	from 2004 to 2019	52,500,000
IV.	from 2005 to 2019	53,333,333
V	from 2007 to 2027	75,000,000
VI	from 2012 to 2029	91,190,000
VII	from 2014 to 2037	246,590,909
VIII	from 2015 to 2033	299,027,778
Total		854,164,553

h) Loans from Kreditanstalt für Wiederaufbau (KfW)

The first loan from Kreditanstalt für Wiederaufbau was taken out in 1997. DARS d.d. took an additional three loans from Kreditanstalt für Wiederaufbau in 2008 and 2009 that were also earmarked for financing motorway construction. The amount of EUR 5,283,350 was repaid in 2013 for loans taken out from Kreditanstalt für Wiederaufbau (KfW I). Long-term financial liabilities decreased by EUR 124,360,422. In 2014, two loan principals – KfW 50 and KfW 55 (with a value of EUR 105 M) – will mature; so will the principal of KfW 267.5 worth EUR 16,718,750 and the principal of KfW I worth EUR 2,641,672.

Long-term liabilities to Kreditanstalt für Wiederaufbau and repayment dates

Type	Repayment period	IN EUR (without cents)
I	from 2005 to 2014	0
II	from 2013 to 2029	242,421,875
III	2014	0
IV	2014	0
Total		242,421,875

i) Loans from Pfandbriefsbank (DEPFA)

In 2006, DARS d.d. obtained two loans from Depfa Bank totalling EUR 225,000,000. The loan from Depfa Bank II was paid off in 2013 in the amount of EUR 16,666,667. Long-term financial liabilities decreased by EUR 23,809,524. In 2014, the Company will additionally begin paying off the principal of the DEPFA I loan worth EUR 7,142,857.

Long-term liabilities to Depfa Bank and repayment dates

Type	Repayment period	IN EUR (without cents)
I	from 2014 to 2024	67,857,143
II	from 2013 to 2021	116,666,667
Total		184,523,810

j) Loan from Autovie Venete (AVV)

The loan obtained by DARS d.d. from Autovie Venete was obtained on the basis of a memorandum of consent between the Government of the Republic of Slovenia and the Government of the Republic of Italy for the construction of motorway facilities required for connecting the Slovene motorway network with the Italian network. The loan was contracted in the year 2000. In 2013, the Autovie Venete loan was repaid in the amount of EUR 3,184,955.

Long-term liabilities to AVV and repayment dates

Type	Repayment period	IN EUR (without cents)
I	from 2011 to 2025	35,034,508
Total		35,034,508

k) Loan from Kommunalkredit Austria AG (Kommunalkredit)

In 2010, DARS d.d. obtained a loan from Kommunalkredit Austria AG in the amount of EUR 70,000,000. The loan was obtained at a fixed interest rate. The principal of this loan was not due for payment in 2013.

Long-term liabilities to Kommunalkredit and repayment dates

Type	Repayment period	IN EUR (without cents)
I	from 2015 to 2020	70,000,000
Total		70,000,000

II.4.1.16 Long-term Financial Liabilities from Bonds

DARS d.d. issued three series of bonds in 2004 and 2005 for the financing of motorway construction and reconstruction. The liabilities arising from the issued bonds are secured by a guarantee of the Republic of Slovenia.

Issue	Maturity	Size of issue in EUR (excl. cents)
in EUR (excl. cents)	2024	56,042,047
DRS2	2025	61,758,920
DRS3	2020	42,563,580
Total		160,364,547

a) DARS 1st issue bonds (DRS1)

In 2004, the bonds of first issue, designated DRS1, were issued in the aggregate nominal amount of EUR 56,042,047. The principal is due in its total amount in 2024. The annual coupon rate is 5.1 percent. The bonds are traded on the Ljubljana Stock Exchange.

b) DARS 2nd issue bonds (DRS2)

In 2005, the bonds of second issue, designated DRS2, were issued in the aggregate nominal amount of EUR 61,758,920. The principal is due in its total amount in 2025. The annual coupon rate is 4.5 percent. The bonds are traded on the Ljubljana Stock Exchange.

c) DARS bonds of 3rd issue (DRS3)

In 2005, the bonds of third issue, designated DRS3, were issued in the aggregate nominal amount of EUR 42,563,580. The principal is due in its total amount in 2020. The annual coupon rate is 4 percent. The bonds are traded on the Ljubljana Stock Exchange.

II.4.1.17 Long-term Operating Liabilities

Long-term operating liabilities include the liability for the right of superficies compensation in the amount of EUR 157,544,029. Based on the Annual Implementation Contract on the execution of contracts on the basis of Article 4 of MCRSA-1, the short-term part of a long-term liability for 2014 is transferred to short-term liabilities.

The right of superficies was established pursuant to MCRSA-1 for the benefit of the DARS d.d. company on land owned by the Republic of Slovenia, where motorways are considered as constructions that had been constructed or the construction of which had commenced prior to the enforcement of MCRSA-1. The right of superficies is established for a 50-year period (from 4 December 2010 to 4 December 2060) free of charge. Compensation is paid for the right of superficies in accordance with the Fiscal Balance Act.

The value of compensation for the right of superficies was determined on the basis of the authorised real property appraiser's opinion, provided on 7 June 2012, and amounted to EUR 190,810,787 without VAT.

On 31 December 2013, the Company paid EUR 7,201,714 compensation for the right of superficies more than the compensation value of the right of superficies as an intangible fixed asset.

Long-term operating liabilities include liabilities in the amount of EUR 4,027,802 from the co-financing of accompanying infrastructure (predominantly municipal) constructed within the scope of the motorway infrastructure that does not include motorways and that the Company, following their construction, must hand over to the co-financers.

II.4.1.18 Short-term Financial Liabilities

Short-term liabilities represent the short-term portion of long-term financial liabilities maturing in the following year and interest due from bank loans, bonds issued and derivatives.

Short-term financial liabilities for bank loans for the acquisition of plant, property and equipment comprise:

a) A part of the principal of long-term loans maturing into payment in 2014,

Lender	31. 12. 2013	V EUR (brez centov) 31. 12. 2012
Evropska investicijska banka A,B,C	6,021,000	5,994,000
Evropska investicijska banka II	8,666,667	8,666,667
Evropska investicijska banka III	11,666,667	11,666,667
Evropska investicijska banka IV	10,666,667	10,666,667
Evropska investicijska banka V	6,000,000	6,000,000
Evropska investicijska banka VI	6,270,000	6,270,000
Evropska investicijska banka VII	3,409,091	0
Evropska investicijska banka VIII	972,222	0
Kreditanstalt für Wiederaufbau I	2,641,672	5,283,350
Kreditanstalt für Wiederaufbau 267,5	16,718,750	8,359,375
Kreditanstalt für Wiederaufbau 55	55,000,000	0
Kreditanstalt für Wiederaufbau 50	50,000,000	0
Pfandbriefsbank (DEPFA) I	7,142,857	0
Pfandbriefsbank (DEPFA) II	16,666,667	16,666,667
IntesaSanpaolo (BIIS)	50,000,000	0
Autovie Venete	3,184,955	3,184,955
Konzorcij bank I	24,127,749	24,127,748
Konzorcij bank II	448,169	448,169
Konzorcij bank III	700,942	700,942
Konzorcij bank IV	344,416	344,416
Konzorcij bank V	397,011	397,011
Konzorcij bank VI	659,201	659,201
Konzorcij bank VII	5,116,493	5,116,491
Hypo Alpe Adria I	833,042	833,042
Hypo Alpe Adria II	1,250,874	1,250,874
Hypo Alpe Adria III	2,086,463	0
Unicredit bank I	1,669,170	1,669,170
Unicredit bank II	6,666,667	6,666,667
Banka Koper I	2,333,333	2,333,333
Nova Ljubljanska banka	15,312,500	15,312,500
Total principals	316,974,243	142,617,913

b) As of 31 December 2013, other short-term financial liabilities to banks include

IN EUR (without cents)	31. 12. 2013	31. 12. 2012
Interest payable on long-term loans	7,652,185	7,878,494
Interest payable on bonds	3,416,071	3,410,706
Interest payable on derivatives	4,409	0
Other financial liabilities	0	0
Liabilities from derivatives	4,909,741	6,665,079
Total	15,982,406	17,954,279

Short-term financial liabilities for interest rates apply to interest accumulated by 31 December 2013 as well as to accrued interest on 31 December 2013. Interest rates and the method of calculating interest for concluded transactions are contractually bound; from 31 December 2013, they annually ranged from 0.37 to 5.05 percent.

In previous years, the Company, in accordance with its active risk management policy in the financial area, decided to decrease its exposure to the risk of changed interest rates on the market to protect itself against interest rate risk. On 31 December 2013, 60% of the Company's portfolio value was exposed to a variable interest rate while 39% was exposed to a fixed interest rate. Interest-free loans make up the remaining percentage.

Liabilities from derivative financial instruments in the amount of EUR 4,909,741 refer to liabilities arising from the valuation of derivative financial instruments on 31 December 2013.

Detailed description of derivative financial instruments, concluded as of 31 December 2013:

Interest Risk Insurance in the Amount of EUR 40 M

In 2007, DARS d.d. concluded interest risk insurance in the amount of EUR 40,000,000 with three-year maturity. With this transaction, DARS d.d. partially insured the loan contracted with Unicredit Bank Slovenia. The loan was insured for three years with a fixed interest rate and the possibility of a further seven-year extension. In 2010, the Company decided to extend the transaction for a further seven years.

II.4.1.19 Short-term Operating Liabilities

IN EUR (without cents)	31.12.2013	Share	31.12.2012	Index
Short-term liabilities to suppliers	42,755,278	56%	42,851,292	100
Short-term receivables for advances	37,916	0%	4,765	796
Short-term liabilities to employees	3,354,088	4%	3,880,902	86
Short-term liabilities to the State	29,211,938	38%	19,145,515	153
- corporate income tax liability	2,174,800	3%	782,383	278
- VAT liability	6,184,772	8%	1,303,351	475
- liabilities for contributions of the payer	338,285	0%	452,273	75
- short-term liability for the right of superficies	19,846,511	26%	15,767,333	126
- other liabilities to the State	667,571	1%	840,176	79
Short-term liabilities to others	1,146,781	1%	483,255	237
Total	76,506,001	100%	66,365,729	115

The largest share (63 percent) are liabilities to suppliers. These liabilities comprise unpaid liabilities for performed and charged works in the construction of motorways, performed by local and foreign suppliers (including contractually retained amounts), liabilities from indemnifications in the acquisition of land for transactions for the benefit and for the account of the Republic of Slovenia, operating liabilities from the management and maintenance of motorways and other short-term operating liabilities.

Contractually retained funds represent funds retained as a performance guarantee and until the fulfilment of all contractual obligations by the contractor (work acceptance, remedying of all deficiencies and handover of guarantees for the remedy of defects during the warranty period) are retained in the maximum amount of five% of the contractual value. Following the concluded contracts with the contractors, the retained funds belong to said contractors and are transferred when the contractors fulfil their contractual obligations and furnish the investor with the required documents. In 2013, liabilities from retained funds amounted to EUR 28,304,324 and represented a 66% share of all liabilities to suppliers.

Short-term operating liabilities also include the short-term part of the long-term liability for the compensation for the right of superficies, which for 2014 amounts EUR 19,846,511 in accordance with the Annual Implementation Contract for the performance of contracts on the basis of Article 4 of MCRSA-1.

Overview of short-term trade payables

IN EUR (without cents)	Undue	Up to 60 days	Over 60 days	Total
Short-term trade payables (current liabilities)	13,894,919	488,504	44,711	14,428,134
Short-term trade payables (retained amounts)	28,304,324	0	0	28,304,324

Overview of trade payables as of 31 December 2013

IN EUR (without cents)	31. 12. 2013	Share
SCT, d.d., Ljubljana, Slovenia (in bankruptcy)	10,182,733	24%
ALPINE BAU GmbH Salzburg, Celje subsidiary	3,434,063	8%
NGR d.d. – in bankruptcy	1,956,020	5%
CGP, d.d.	1,782,688	4%
CPM, d.d. – in bankruptcy	1,538,751	4%
PRIMORJE d.d. – in bankruptcy	1,474,615	3%
SGP POMGRAD d.d.	1,253,620	3%
CP Ljubljana, d.d. – in bankruptcy	1,118,905	3%
CM Celje, d.d. – in bankruptcy	974,055	2%
STRABAG d.o.o.	844,904	2%
Other suppliers	18,194,925	43%
Total	42,755,278	100%

The Company's liabilities to employees predominantly represent calculated December salaries and compensation for salaries and wages and reimbursement of costs to employees in connection to work, paid out in January 2014.

II.4.1.20 Short-term Accrued Costs and Deferred Revenues

IN EUR (without cents)	31. 12. 2013	Share	31. 12. 2012	Index
Short-term accrued costs	343,934	2%	168,286	204
Short-term deferred revenues	20,191,630	98%	18,071,725	112
Total	20,535,564	100%	18,240,011	113

The Company's liabilities comprise costs or expenses calculated in advance, and these refer mostly to expenses for the auditing of financial statements for 2013 calculated in advance in the amount of EUR 21,966 and the costs for the implementation of the actuarial calculation of provisions for jubilee premiums and severance pay on 31 December 2013 in the amount of EUR 495, expenses for the variable income of the Management Board calculated in advance in the amount of EUR 184,969 and the variable part of the wages paid to employees according to individual contracts in the amount of EUR 136,504.

Short-term deferred revenue arises when services to be rendered in the future have already been invoiced or even paid. Short-term deferred revenue was formed for revenue from tolls collected in the form of top-ups on electronic toll media (ABC tags, DARS cards and DARS Transporter cards) invoiced and paid in 2013 but not followed by toll crossings in the same year. Revenue will be deferred until crossings are made by the users of the service. Short-term deferred revenue also included revenue from vignettes charged in 2013, which will be valid in 2014, and from half-yearly vignettes, which will be partly or entirely valid in 2014 (a half-yearly vignette is valid six months from the date of purchase, and the annual vignette for 2014 is valid from 1 December 2013 until 31 January 2015).

Short-term deferred revenue comprises:

- Revenue from already charged annual vignettes for 2014 and from half-yearly vignettes, which will be partly or entirely valid in 2014, in the total amount of EUR 10,803,616 (a half-yearly vignette is valid six months from the date of purchase and the annual vignette for 2014 is valid from 1 December 2013 until 31 January 2015);
- Revenue from the credit on electronic prepaid toll media (DARS cards, ABC tags), which was charged and paid in 2013 but no crossings of toll stations were made in the same year, in the amount of EUR 9,333,840. Revenue will be deferred until crossings are made by the users of the service;
- Other short-term deferred revenue in the amount of EUR 54,174.

Off Balance-sheet Items

The Company recorded a total of EUR 171,299,135 in off balance sheet items. The amount of EUR 170,785,807 refers to potential cash or receivables from obtained guarantees or other instruments of insurance, e.g. performance guarantees or guarantees for the rectification of defects.

EUR 274,283 represents contingent liabilities towards municipalities based on unjustified calculations and collection of fees for the use of building land, together with default interest.

The value of the inventories of vignettes for the use of toll roads in the Republic of Austria that were also sold by DARS d.d. amounted to EUR 239,045.

II.4.2 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

II.4.2.1 Net Sales Revenue

IN EUR (without cents)	2013	Share	2012	2013/2012 Index
Toll revenue	305,296,550	97%	294,884,886	104
- revenue from vignette sale	138,983,036	-	138,518,070	
- other revenue from tolls	166,313,513	-	156,366,816	
Revenue from leases	7,270,137	2%	7,356,477	99
Revenue from closure and overweight load transports	741,471	0%	1,064,196	70
Revenue from telecommunications	955,645	0%	1,111,106	86
Revenue from easements	291,588	0%	311,866	93
Revenue from agency contracts	412,267	0%	487,200	85
Other sales revenue	672,821	0%	601,659	112
Total net sales revenue	315,640,478	100%	305,817,390	103

In 2013, revenue from toll amounted to EUR 305,296,550 and represented 97% of all revenue from sales, which is a 4% increase compared to 2012. From this figure, toll-collection revenue from vehicles with a maximum permissible weight of 3.5 tonnes (the vignette system) represents EUR 138,983,036, which is 46% of all revenue from toll; toll-collection revenue from vehicles with a maximum permissible weight exceeding 3.5 tonnes represents EUR 166,313,513 or 54%.

Revenue from tolls is followed by revenue from leases (for the lease of motorway service areas and base stations) that in 2013 amounted to EUR 7,270,137. Revenue is earned from the leasing of land alongside motorways for the provision of catering services and the erection of petrol service stations. Revenue from leases decreased by 1% compared to 2012.

Sales revenue also includes revenue from road closures and overweight load transports in the amount of EUR 741,471, revenue from telecommunications in the amount of EUR 955,645 and revenue from easements in the amount of EUR 291,588.

Revenue from the contract on the performance of contracts in 2013 amounted to EUR 412,267. This revenue applies to the implementation of tasks that DARS d.d. performs for the Republic of Slovenia pursuant to Article 4 of MCRSA-1. The tasks encompass spatial planning and placing motorways into the environment as well as the acquisition of real estate for motorway construction.

Other sales revenue in the amount of EUR 672,821 includes revenue from the sale of ETC tags, revenue from towing, snow ploughing and clearing road accidents, revenue from rentals for holiday facilities and apartments, revenue from the sale of waste material and other sales revenue.

Net sales revenue was earned entirely on the domestic market.

II.4.2.2 Capitalised Own Products and Services

In 2013, the Company capitalised motorway road closure services that it did not charge to external contractors who provide motorway reconstruction services. Revenue from capitalised own services in 2013 amounted to EUR 405,388.

II.4.2.3 Other Operating Income

IN EUR (without cents)	2013	Share	2012	Index
Revenue from the reversal of long-term provisions	2,248,871	29%	395,693	568
Revenue from insurance benefits	2,451,679	32%	2,768,622	89
Other operating revenue	2,995,190	39%	2,920,110	103
Total other operating revenue	7,695,741	100%	6,084,425	126

The revenue from the reversal of long-term provisions in the amount of EUR 2,248,871 also includes the reversal of provisions for lawsuits, the reversal of business performance calculated in advance for 2012 that was not paid off, the reversal of provisions for unexploited annual leave in 2012 and the reversal of provisions for electronic tags.

Revenue from insurance benefits includes revenue from received insurance benefits for the repair of damage on motorway sections and facilities along motorways. In 2013, they amounted to EUR 2,451,679.

The most important revenue items among other operating revenue that totalled EUR 2,995,190 were granted EU funds (Cohesion Fund, TEN-T, EasyWay programme, Tip project, HOME project) in the amount of EUR 2,383,636 and other operating revenue from funds received from municipal co-financing in the amount of EUR 534,605, which is transferred to revenue upon the receipt of the funds from long-term accrued costs and deferred revenue, in accordance with the ensuing costs (amortisation calculation). EUR 24,650 of other operating revenue refers to operating revenue for revaluation, created by the sale of real property and equipment.

II.4.2.4 Costs and Operating Expenses

Overview of costs

IN EUR (without cents)	2013	Share	2012	Index
Cost of materials	11,896,765	5%	10,172,010	117
Cost of services	25,078,481	11%	24,949,202	101
Labour costs	34,310,284	16%	32,837,039	104
Depreciation and Amortisation	147,713,076	67%	145,240,755	102
Operating expenses for revaluation of intangible long-term assets and tangible FA	151,219	0%	15,978	946
Operating expenses from revaluation of operating current assets	223,986	0%	181,331	124
Other operating expenses	1,367,954	1%	3,385,777	40
Total operating expenses	220,741,765	100%	216,782,091	102

Breakdown of costs of materials

IN EUR (without cents)	2013	Share	2012	Index
Cost of materials	5,602,757	47%	3,666,321	153
Energy costs	4,956,330	42%	4,766,061	104
Cost of spare parts	497,772	4%	504,284	99
Write-offs of small tools	602,196	5%	885,238	68
Other costs of materials	237,711	2%	350,106	68
Total	11,896,765	100%	10,172,010	117

Cost of materials represents a 5 percent share of all operating expenses and is higher by 17 percent in comparison with 2012. The increase was mostly caused by the increased use of salt and chlorides during the winter, since they represent a 32 percent share in the cost of materials.

Breakdown of costs of services

IN EUR (without cents)	2013	Share	2012	Index
Costs of the supervising engineer	386,648	2%	461,308	84
Cost of maintenance of operating fixed assets	6,445,789	26%	6,093,335	106
Leases	1,046,671	4%	1,092,700	96
Cost of payment transactions and insurance premiums	2,598,819	10%	2,319,966	112
Commissions for sold vignettes	6,631,700	26%	6,564,049	101
Cost of other services	7,968,854	32%	8,417,843	95
Total	25,078,481	100%	24,949,202	101

Cost of services represents an 11% share of all operating expenses. Other services in 2013 included commissions for sold vignettes (26% share), cost of maintenance of operating fixed assets (26% share) and cost of payment transactions and insurance premiums (10% share).

II.4.2.5 Labour Costs

Labour costs represent a 16% share of all DARS d.d. operating expenses. In 2013, they were 5% higher than in 2012.

Type of labour costs	2013	Share	2012	Index
Cost of wages and salaries	25,226,863	74%	24,055,250	105
Social security and pension insurance costs	4,874,417	14%	4,712,014	103
Other labour costs	4,209,004	12%	4,069,775	103
Total	34,310,284	100%	32,837,039	104

Labour costs include cost of supplementary pension insurance premiums in the amount of EUR 804,596.

On the last day of 2013, there were 1237 workers employed by the Company. The average staff count in 2013 was 1,193 (computed on the basis of working hours).

In 2013, wages and salaries were paid in line with the General Collective Agreement for Economic Activities and the Corporate Collective Agreement of DARS d.d., while the salaries of the Management Board of DARS d.d. were also paid in accordance with the Act Regulating the Incomes of Managers of Companies owned by the Republic of Slovenia and Municipalities (ZPPOGD - Official Gazette of the Republic of Slovenia, No. 21/2010).

The average salary a DARS d.d. in 2013 (in euros)

Average gross salary	Year 2013	Year 2012
DARS d.d.	1,742	1,663
Republic of Slovenia	1,523	1,525

The number of employees and the employee educational structure as of 31 December 2013 are presented in the Business Report of the Annual Report, under the chapter Human Resources Management (Section I.15.3).

The total gross earnings of the members of the Management Board of DARS d.d. in 2013 amounted to EUR 380,569. The table below presents the earnings of the members of the Management Board of DARS d.d. by individual members.

IN EUR (without cents)	Matjaž Knez Chairman of the Management Board	Tine Svoljšak Management Board Member	Franc Skok Management Board Member	Janko Kernel Management Board Member/ Labour Manager By 23. 10. 2013	Total
Gross salary	99,266	89,546	89,821	64,471	343,104
Payment of variable income for 2012	7,398	6,658	4,439	980	19,475
Benefits	5,970	2,707	2,562	2,430	13,669
Reimbursement of costs	795	851	1,043	702	3,391
Supplementary pension insurance	0	0	456	474	930
Total	99,266	89,546	89,821	64,471	343,104

The gross earnings of employees employed under employment contracts not subject to the Collective Agreement amounted to EUR 665,595 in 2013.

The earnings of the Supervisory Board members in 2013 are shown below.

IN EUR (without cents)	Basic remuneration for being a member of the Supervisory Board	Supervisory Board meeting fees	Basic remuneration for being a member of the Audit Committee	Audit Committee meeting fees	Basic remuneration for being a member of the Personnel Committee	Personnel Committee meeting fees	Travel expenses	Benefits	Total
Ivan Križnič	13,000	4,345	0	0	4,875	1,100	2,749	201	26,270
Silva Savšek	13,000	4,345	4,875	2,420	0	0	442	217	25,299
Robert Čehovin	13,000	4,345	3,250	2,420	0	0	1,803	217	25,035
Vito Meško	13,000	4,345	0	0	3,250	1,100	0	217	21,912
Marjan Sisinger	13,000	4,345	0	0	0	0	0	201	17,546
Silva Jamnik, zunanja strokovnjakinja	0	0	0	4,400	0	0	1,818	0	6,218
Total	84,500	26,070	8,125	9,240	11,375	3,300	7,371	1,253	151,234

Other earnings of the Supervisory Board members were not recorded.

The claims of employees under labour disputes contested by the Management Board of DARS d.d. are disclosed in the note to long-term provisions.

II.4.2.6 Write-offs

IN EUR (without cents)	2013	Share	2012	Index
Amortisation of intangible fixed assets	4,550,210	3%	3,340,109	136
Amortisation of tangible fixed assets	143,162,866	97%	141,900,646	101
Operating expenses for revaluation of intangible assets and property, plant and equipment	151,219	0%	15,978	946
Operating expenses from revaluation of operating current assets	223,986	0%	181,331	124
Total	148,088,281	100%	145,438,064	102

The amortisation of intangible fixed assets, which includes the amortisation of software and right of superficies, amounted to EUR 4,550,210 in 2013. The right of superficies was established pursuant to MCRSA-1 for the benefit of the DARS d.d. company on land owned by the Republic of Slovenia, where motorways are considered as constructions that had been constructed or the construction of which had commenced prior to the enforcement of MCRSA-1. The right of superficies is valid for a period of 50 years.

Operating expenses from revaluation of operating current assets comprise mostly of the adjustments of the value of trade receivables in the amount of EUR 129,839, write-offs of receivables in the amount of EUR 40,073 and the revaluation of inventories of vignettes for 2013, the sales of which ended on 30 November 2013, i.e. in the amount of EUR 53,102.

II.4.2.7 Other Operating Income

The item "Other operating income", which amounts to EUR 1,367,954, also includes the costs of forming long-term provisions amounting to EUR 1,121,205. The costs of forming long-term provisions in 2013 comprise:

- Long-term accrued costs of contingent losses on claims related to motorway construction and reconstruction in the amount of EUR 937,131 and for claims related to motorway management and maintenance in the amount of EUR 13,319, as well as employee lawsuits from employment contracts in the amount of EUR 15,000;
- Provisions formed for severance pay for redundant employees due to the changed toll system in the amount of EUR 145,647;
- Provisions in the amount of EUR 10,108 formed for retirement benefits to employees who are not included in the pension scheme of collective voluntary supplementary pension insurance based on an agreement between the trade unions and the Company.

II.4.2.8 Financial Revenue from Loans to Others

Financial revenue from loans to others in the amount of EUR 3,595,999 includes revenue from short-term surplus liquid funds deposited with banks and investments in securities and revenue from revaluation of financial investments held for sale.

II.4.2.9 Financial Revenue from Operating Receivables Due from Others

Financial revenue from operating receivables due from others in the amount of EUR 258,689 refers to financial revenue from operating receivables and includes calculated default interest and positive exchange rate differences

II.4.2.10 Financial Expenses for Loans Received from Banks

Financial expenses in the amount of EUR 41,307,041 represent interest calculated for long-term loans. The average weighted interest rate of long-term loans as of 31 December 2013 was 1.58 percent.

II.4.2.11 Financial Expenses from Issued Bonds

Financial expenses in the amount of EUR 7,335,463 represent interest calculated for long-term securities issued. The average weighted interest rate of long-term loans as of 31 December 2013 was 4.35 percent.

II.4.2.12 Financial Expenses from Other Financial Liabilities

Financial expenses from other financial liabilities in the amount of EUR 1,635,543 also include negative interest on derivative financial instruments, which present the difference between the variable interest rate of an insured loan and the fixed interest rate on the derivative instrument.

II.4.2.13 Financial Expenses from Operating Liabilities

Financial expenses from operating liabilities in the amount of EUR 30,705 also include accrued interest on late payment from late-settled liabilities.

II.4.2.14 Other Revenue

Other revenue in the amount of EUR 70,014 represents revenue from indemnities received under court judgements, revenue from invoiced contract penalties, revenue from bonuses for exceeding the quota of disabled employees and fees obtained by DARS d.d. within the scope of implementing supervision of violations of toll collection and similar.

II.4.2.15 Other Expenses

Other expenses in the amount of EUR 136,941 primarily comprise the payment of damages arising from court decisions, reimbursed costs in audit procedures according to the Public Procurement Act, given donations and similar.

II.4.2.16 Corporate Income Tax

Corporate income is calculated in accordance with the Corporate Income Tax Act (ZDDPO-2). Income tax is payable on the taxable profit generated during the tax period and for 2013 comprised 17 percent points.

IN EUR (without cents)	2013	2012
1 Revenue	327,666,309	317,316,359
2 Expenses	271,187,458	286,629,433
3 Total profit (1 – 2)	56,478,851	30,686,925
4 Decrease in revenue	120,068	65,125
5 Increase in revenue	0	0
6 Decrease in expenses for forming provisions and revaluation of receivables	325,492	216,144
7 Decrease in expenses, other non-deductible expenses	1,420,573	1,076,311
8 Increase in deductible expenses	33,505	76,898
9 Difference between revenues and expenses recognised for tax purposes (1 – 2 – 4 + 5 + 6 + 7 – 8)	58,071,343	31,837,358
10 Tax base (9)	58,071,343	31,837,358
11 Change in tax base due to a change in accounting policies and error correction	-134,705	-174,430
12 Increase in tax base by the amount of tax relief used	0	0
13 Tax relief for investments	534,039	1,145,145
14 Relief for employment of disabled persons	296,042	287,504
15 Relief for implementation of the practical part of professional training	0	3,822
16 Tax relief for supplementary pension insurance	804,596	812,276
17 Tax relief for donations	17,410	15,250
18 Tax base (10 + 11 + 12 – 13 – 14 – 15 – 16 – 17)	56,284,551	29,398,932
19 Corporate income tax	9,568,374	5,278,752

Net profit for the period is the amount of total profit determined in the income statement decreased by income tax liability in the accounting period and decreased by deferred taxes.

IN EUR (without cents)	2013	2012
Operating profit	102,999,842	95,551,820
Profit from financing activities	-46,454,064	-64,955,483
Profit from extraordinary activities	-66,927	90,589
TOTAL PROFIT	56,478,851	30,686,926
Tax on profit	-9,568,374	-5,278,752
Deferred Taxes	233,396	-1,001,911
Net profit/loss for the period	47,143,873	24,406,263

Deferred tax receivables are the amounts of income tax recoverable in future periods. The effective tax rate for 2013 calculated as a quotient of total paid tax and total profit for 2012 amounted to 11.60 percent.

II.4.2.17 Net Profit or Loss for the Period Restated by the Use of the Cost of Living Index

IN EUR (without cents)	Growth in %	Equity amount	Effect of restatement	Decreased profit or loss for the period
Equity – all items except profit in the current year	0.70%	2,425,789,223	16,980,525	30,163,349

II. 5 OPERATING AND FINANCIAL RISKS

Operating and financial risks are presented in the business part of the Annual Report under chapters I.7 and I.8.

II. 6 EVENTS AFTER THE BALANCE SHEET DATE

Events which emerged after the date of the financial statements did not impact the financial statements of DARS d.d. for 2013.

II. 7 ANNUAL REPORT AUDIT FOR 2013

The contractual price of the audit of the 2013 Annual Report of DARS d.d. amounted to EUR 21,966 (exclusive of VAT). The audit was carried out by the audit company Deloitte revizija d.o.o., Ljubljana. The audit company did not perform any other services for DARS d.d. in 2013.

II.8 AUDITOR'S REPORT



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INDEPENDENT AUDITOR'S REPORT to the owners of the company Družba za avtoceste v Republiki Sloveniji d.d.

Report on the Financial Statements

We have audited the accompanying financial statements of the company Družba za avtoceste v Republiki Sloveniji d.d. (hereinafter: the 'Company'), which comprise the balance sheet as at 31 December 2013, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Slovene Accounting Standard 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Except as discussed in the following paragraphs, 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 as to whether the financial statements are free from material misstatement.

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

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

Ime Deloitte se nanaša na Deloitte Touche Tohmatsu Limited, pravno osebo, ustanovljeno v skladu z zakonodajo Združenega kraljestva Velike Britanije in Severne Irske (v okviru »UK private company limited by guarantee«), in mrežo njenih članic, od katerih je vsaka ločena in samostojna pravna oseba. Podroben opis pravne organiziranosti združenja Deloitte Touche Tohmatsu Limited in njenih družb članic je na voljo na www.deloitte.com/si/nasa-druzba.

Member of Deloitte Touche Tohmatsu Limited

Basis for Qualified Opinion – Deviation from SAS in year 2010

On 1 January 2010, the Company transferred to its books of account all fixed assets which had been posted in the off-balance sheet until 31 December 2009 (property of the Republic of Slovenia under management of DARS d.d.). For the purpose of transfer, the Company complied with Article 25 of the Motorway Company of the Republic of Slovenia Act (ZDARS-1), which states that the assets and liabilities, determined by Articles 14, 15 and 18 of ZDARS-1, are for the first time disclosed and recorded in the Company's books of account for the whole 2010 financial year and are taken into account in preparation of financial statements. We are not familiar with any other official interpretation of the Act, and, accordingly, the Company depreciated in its books of account the assets acquired under ZDARS-1 throughout the whole 2010 financial year and did not start depreciating the assets on the first day of the month following the month the assets had become available for their intended use (date of adoption of the Act, which is 4 December 2010). The described accounting solution that was made legal by ZDARS-1 does not comply, with Slovene Accounting Standards. As a result, the net profit has been understated by the amount of the 2010 depreciation, i.e. EUR 106,598 thousand.

Opinion

In our opinion, except for the effects described in the paragraph "*Basis for Qualified Opinion – Deviation from SAS in year 2010*" the financial statements give a true and fair view of the financial position of the Company as at 31 December 2013 and of its financial performance and its cash flows for the year then ended in accordance with Slovene Accounting Standards.

Report on Other Legal and Regulatory Requirements

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

DELOITTE REVIZIJA d.o.o.

Kristian Milošič
Certified Auditor

Yuri Sidorovich
President of the Board

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

Deloitte.

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

Ljubljana, April 17, 2014

TRANSLATION ONLY – SLOVENIAN ORIGINAL PREVAILS

APPENDIX 1: TRANSPARENCY OF FINANCIAL RELATIONS AND MAINTENANCE OF SEPARATE ACCOUNTS FOR DIFFERENT ACTIVITIES

DARS d.d., pursuant to the Transparency of Financial Relations and Maintenance of Separate Accounts for Different Activities Act (TFRMSADAA-1, Official Gazette of the Republic of Slovenia, No. 33/2011), separately records business operations for transactions that it conducts in the name and for the account of the Republic of Slovenia in accordance with Article 4 of MCRSA-1 and for transactions conducted in its name and for its account, i.e. the construction and reconstruction of motorways, their management and maintenance and toll collection.

Pursuant to Article 4 of MCRSA-1 and the Agreement on the Performance of Contracts, DARS d.d. performs tasks related to the spatial planning and arrangement of motorways in space and acquisition of real estate for the needs of motorway construction. These transactions are managed as transactions for foreign accounts. DARS d.d. records receivables towards the Republic of Slovenia for services performed. The funds for such transactions are guaranteed from the budget of the Republic of Slovenia in accordance with Article 10 of MCRSA-1. In 2012, the Republic of Slovenia and DARS d.d. concluded an Agreement on the Performance of Contracts in accordance with Article 4 of MCRSA-1 and the Annual Implementation Contract for 2013 that managed mutual relations in 2013. The 2013 Implementation Contract defines the content and the estimated value of the performed work, the DARS d.d. compensation for performed tasks and the dynamics of invoicing and paying services included in the contract.

On the basis of the Annual Implementation Contract for 2013, DARS d.d. is entitled to compensation that is consistent with the actual number of performed hours. The cost of performed tasks, which is incurred in connection to third parties, is entirely charged to the Republic of Slovenia and is invoiced to the RS by DARS d.d.

DARS d.d. shows fees from agency contracts that the Republic of Slovenia recognises to DARS d.d. for implemented orders as revenue from the costs of activities to the spatial planning and arrangement of motorways in space and acquisition of real estate required for the needs of motorway construction. When it comes to the cost of activities, the Company records the entire costs of the Spatial Planning Department and the cost of material, services, labour and asset amortisation of the Legal Office (35%), the Finance and Accounting Department and the Areas of Investment (general) (five percent) and Controlling (seven percent). In 2013, the Company showed a loss of EUR 119,565 from operations connected to the activities defined in Article 4 of MCRSA-1.

The Company implements the construction and reconstruction of motorways that it operates and manages and maintains and implements toll collection within the scope of concession activities that the Company performs in its name and for its account. DARS d.d. shows total revenue from activities, except the revenue under the Agreement on the Performance of Contracts, and under costs it shows all costs, except total costs of the Spatial Planning Department and the cost of materials, services, work and amortisation of the Legal Office (39 percent), Finance and Accounting Department and Areas of Investment (general) (five percent) and Controlling (seven percent). Individual items are explained in detail in the Notes to the Financial Statements.

The Company does not prepare a separate balance sheet due to the negligible significance of individual items. Property, plant and equipment and the appertaining amortisation costs are allocated among activities in accordance with the aforementioned division.

Statement of Comprehensive Income for the period from 1 January to 31. December 2013

IN EUR (without cents)		Agreement on the Per- formance of Contracts	Concession Agreement	Total
1.	Net sales revenue	412,267	315,228,211	315,640,478
	Toll revenue	0	305,296,550	305,296,550
	Revenue from leases	0	7,270,137	7,270,137
	Revenue from closure and overweight load transports	0	741,471	741,471
	Revenue from easements	0	291,588	291,588
	Revenue from agency contracts	412,267	0	412,267
	Revenue from telecommunications	0	955,645	955,645
	Other sales revenue	0	672,821	672,821
3.	Capitalised own products and services	0	405,388	405,388
4.	Other operating revenue	0	7,695,741	7,695,741
5.	Costs of goods, materials and services	-173,164	-36,802,082	-36,975,246
	a) Purchase value of sold goods and materials and costs of materials used	-6,913	-11,889,852	-11,896,765
	b) Cost of services	-166,251	-24,912,230	-25,078,481
6.	Labour costs	-354,457	-33,955,827	-34,310,284
	a) Cost of wages and salaries	-281,221	-24,945,642	-25,226,863
	b) Social security and pension insurance costs	-51,545	-4,822,873	-4,874,417
	c) Other labour costs	-21,691	-4,187,312	-4,209,004
7.	Write-offs	-1,892	-148,086,389	-148,088,281
	a) Depreciation and Amortisation	-1,892	-147,711,184	-147,713,076
	b) Operating expenses from revaluation of intangible assets and tangible fixed assets	0	-151,219	-151,219
	c) Operating expenses from revaluation of operating current assets	0	-223,986	-223,986
8.	Other operating expenses	-2,319	-1,365,635	-1,367,954
10.	Financial revenue from loans	0	3,595,999	3,595,999
	b) Financial revenue from loans to others	0	3,595,999	3,595,999
11.	Financial revenue from operating receivables	0	258,689	258,689
	b) Financial revenue from operating receivables due from others	0	258,689	258,689
12.	Financial expenses from impairments and financial investment write-offs	0	0	0
13.	Financial expenses from financial liabilities	0	-50,278,047	-50,278,047
	b) Financial expenses for loans received from banks	0	-41,307,041	-41,307,041
	c) Financial expenses from issued bonds	0	-7,335,463	-7,335,463
	d) Financial expenses from other financial liabilities	0	-1,635,543	-1,635,543
14.	Financial expenses from operating liabilities	0	-30,705	-30,705
	b) Financial expenses for liabilities to suppliers	0	-18,455	-18,455
	c) Financial expenses for other operating liabilities	0	-12,250	-12,250
15.	Other revenue	0	70,014	70,014
16.	Other expenses	0	-136,941	-136,941
17.	Tax on profit	0	-9,568,374	-9,568,374
18.	Deferred Taxes	0	233,396	233,396
19.	Net profit/loss for the period	-119,565	47,263,439	47,143,874
23.	Other comprehensive income	0	0	0
24.	Total comprehensive income for the period	-119,565	47,263,439	47,143,874

