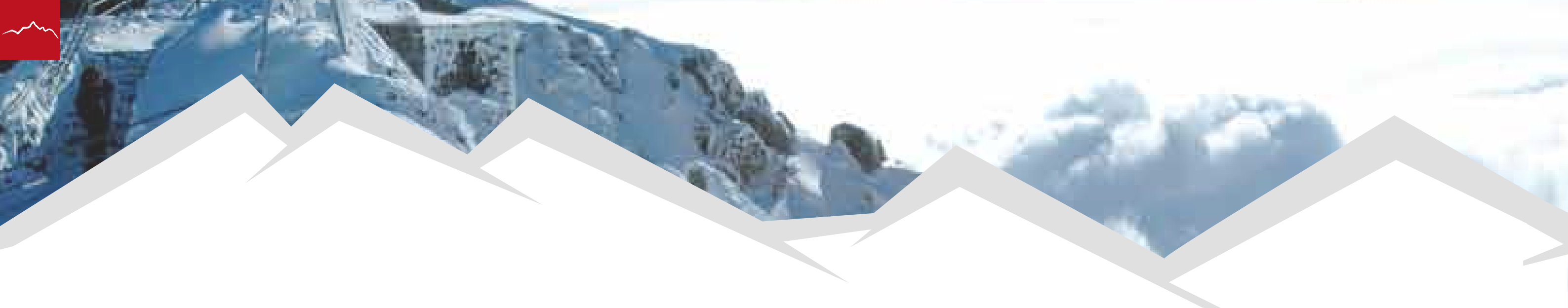
Half-year Report 2011/2012

of Tatry mountain resorts, a. s.

(Period of 1 November, 2011 to 30 April, 2012)



Ing. Bohuš Hlavatý
CEO
Tatry mountain resorts, a.s.

Dear Shareholders,

Tatry mountain resorts, a.s. (TMR) has once again reported positive half-year results in terms of revenue growth, operating profit and the number of visitors. Consolidated revenues increased by 17.4 % yoy, with operating profit before depreciation (EBITDA) improving by 34.9 %. In the same period of last year, we generated historically record results and we have now managed to enhance them. Owing also to our intensive investment strategy and capital investments from the previous year of EUR 29.6 million, we have attracted as many as 915.4 thousand visitors. Our investments were focused on improving and extending operations in mountain resorts and hotels in Vysoké Tatry (High Tatras) and Nízke Tatry (Low Tatras).

The Company's positive results may be attributed to the increasing demand for stay packages with ski passes and the increased sale of multi-day passes. This is reflected by the fact that we have managed to successfully cooperate with accommodation facilities in the region and that there is interest with skiers who come here for more than one day. The relatively stable weather, good for skiing, was also pleasing, mainly in the first half of the winter season, which significantly contributed to the increase of revenue and reduction of costs of snowmaking.

TMR has once again benefited from last year's acquisition of Aquapark Tatralandia. During the winter Tatralandia generated total revenues of as much as EUR 2.604 million.

The Company recorded consolidated total revenues of EUR 24.548 million (EUR 20.917 million). I am very glad that besides cableways, the aquapark and hotels, our dining facilities, sport services and stores in the resorts also participated in these positive results, as they reported significant growths compared to the previous period, which is confirmed by the increasing demand for supplementary services in mountain tourism. We are succeeding in attracting affluent clientele, who, besides the primary service, also purchase supplementary services. A customer who is looking not only for sport experiences but also for a complex offering of activities and services for themselves and the entire family from the morning until the evening hours.

Bohuš Hlavatý
CEO of TMR

TMR GROUP PROFILE

Tatry mountain resorts is a joint-stock company seated in Liptovský Mikuláš, registered on the Stock Bratislava Stock Exchange (BCPB). It is the largest entity in the field of tourism in Slovakia. Business activities of the TMR, a. s. Group are divided into three key segments: Mountains and Leisure (renamed from Mountains after the acquisition of Tatralandia in April 2011), Hotels and Real Estate. The Group‘s portfolio includes Aquapark Tatralandia and therein the Holiday Village Tatralandia accommodation complex, the mountain resort Jasná Nízke Tatry and the hotels Wellness hotel Grand Jasná****, Tri Studničky****, Srdiečko** and Chalets Záhradky de Luxe**** in Nízke Tatry. TMR also owns and leases hotels Liptov**, Ski&Fun Záhradky and Bungalovy** and Chata Kosodrevina. In Vysoké Tatry TMR owns and leases the resorts Vysoké Tatry – Tatranská Lomnica and Starý Smokovec and the hotels Grandhotel Praha Tatranská Lomnica****, Grandhotel Starý Smokovec**** (50 %), Hotel FIS*** and Hotel Slovakia***. The Group also owns 100 % of Tatry mountain resort services, a.s., which provides support functions.

REVENUES AND INCOME

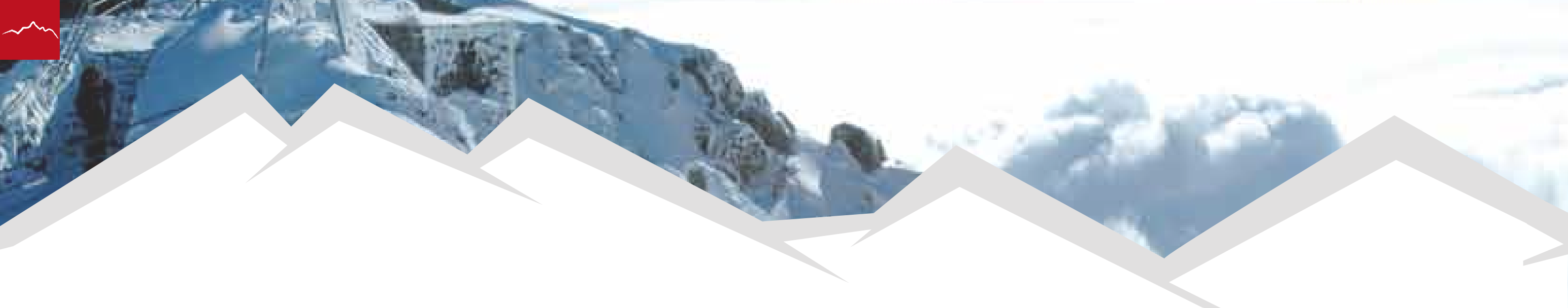
For the first half of 2011/12 (the period from 1 November 2011 to 30 April 2012), the Group recorded consolidated total revenues of EUR 24.548 million (EUR 20.917 million), representing a 17.4 % increase compared to the previous period. Increased revenues was reported by TMR mainly in the sub-segments Dining (+49 %) and Sport Services and Stores (+34.5 %). Sales from admissions to Aquapark Tatralandia, amounting to EUR 1.624 million, had a significant share in the revenues, since Tatralandia had not been under management of TMR in the previous period, but only since April 2011. Total revenues from the aquapark in all segments and sub-segments amounted to as much as EUR 2.604 million. The increase of revenues was affected by increased visit rate at the resorts Jasná, Nízke Tatry, Vysoké Tatry - Tatranská Lomnica and Starý Smokovec and the aquapark Tatralandia, in total by 9.7 % to 915.4 thousand, and by an increase in the average price of a daily ticket at the mountain resorts by EUR 2. Visit rate and revenues affected the investments made in 2010/11 in the amount of EUR 29.6 million, comprising the construction of the Buková hora 8-seater cableway in Vysoké Tatry, extension of snowmaking by 6 km in Vysoké Tatry and Nízke Tatry, extension of car park capacities and renovation of the hotels Wellness hotel Grand Jasná and Grandhotel Praha. The average sales per visitor went up as well; by 13.6 % in the Mountain Resorts, by 35.8 % in Dining and by 21.9 % in Sport Services and Stores. The average occupancy of hotels in the portfolio amounted to 48 % (56.4 %). The average daily price per room was recorded in the amount of EUR 51.73 (EUR 57.34) and the average length of stay in the hotels is 3.2 days (3.5). Slight decreases in key performance indicators (KPIs) in the hotel segment may be attributed to the decrease in corporate clientele, in particular during the second quarter, and the higher number of rooms compared to the previous year.

In the primary segment of Mountains and Leisure, the operating adjusted revenues improved by 21.3 % to EUR 18.352 million (EUR 15.126 million) and in the Hotels segment by 14.3 % to EUR 6.911 million (EUR 6.047 million). The Real Estate segment improved by 15.2 % to EUR 114.5 thousand (EUR 99.4 thousand), although this revenue is so far only from the lease of hotel facilities.

Gross consolidated profit went up by 15.8 % to EUR 20.503 million (EUR 17.711 million) with a 26.2 % increase in material consumption.

Consolidated earnings before interest, tax, depreciation and amortisation (EBITDA) improved by 34.9 % to EUR 7.835 million (EUR 5.809 million), with operating costs rising by 6.4 % to EUR 12.668 million (EUR 11.902 million). The increase of EBITDA may also be attributed to the fact that a large amount of the Group‘s costs is fixed, and costs do not rise proportionately to revenues. Operational profitability (EBITDA margin) of TMR improved by 4.2 percentage points to 31.9 %. Operational adjusted EBITDA of the Mountains and Leisure segment increased by 58.5 % to EUR 6.693 million (EUR 4.223 million), being reduced in the Hotels segment by 1.3 % to EUR 1.137 million (EUR 1.153 million) due to the decrease in corporate clientele, in particular during the second quarter. The value of depreciation slightly decreased from EUR 3.831 million to EUR 3.579 million. The Company’s net profit amounted to EUR 6.161 million (EUR 6.281 million), or EUR 0.92 per share, representing a slight decrease by 1.9 %. Net profit was affected by a decrease in interest income, net from EUR 4.322 million to EUR 1.996 million due to the dissolution of a part of bills of exchange to finance ongoing capital investments (the Funitel cableway system), which have not yet been reflected in the operating profit.



Revenues in thousands of EUR*		1/11 - 30/4 2011/2012	1/11 - 30/4 2010/2011
Mountains & Leisure		**18,352**	**15,126**
Mountain Resorts		12,678	12,110
	Vysoké Tatry	5,311	4,408
	Jasná Nízke Tatry	7,367	7,701
Aquapark		1,624	194
	Tatralandia	1,624	194
Dining		2,603	1,747
	Vysoké Tatry	996	622
	Jasná Nízke Tatry	1,290	1,035
	Tatralandia	316	90
Sport Services and Stores		1,447	1,076
	Vysoké Tatry	483	291
	Jasná Nízke Tatry	963	785
	Tatralandia	NA	NA
Hotels		**6,911**	**6,047**
	Vysoké Tatry	2,895	2,554
	Jasná Nízke Tatry	3,351	3,412
	Tatralandia HV	664	81
Real Estate		**115**	**99**
	Real estate projects	115	99
Total Revenues (operating)		**25,377**	**21,273**

EBITDA in thousands of EUR*		1/11 - 30/4 2011/2012	1/11 - 30/4 2010/2011
Mountains & Leisure		**6,693**	**4,223**
Mountain Resorts		5,289	3,643
	Vysoké Tatry	1,584	1,155
	Jasná Nízke Tatry	3,705	2,488
Aquapark		403	-104
	Tatralandia	403	-104
Dining		607	423
	Vysoké Tatry	283	176
	Jasná Nízke Tatry	271	219
	Tatralandia	53	28
Sport Services and Stores		395	261
	Vysoké Tatry	124	30
	Jasná Nízke Tatry	271	231
	Tatralandia	NA	NA
Hotels		**1,137**	**1,153**
	Vysoké Tatry	265	348
	Jasná Nízke Tatry	854	843
	Tatralandia HV	18	-39
Real Estate		**73**	**55**
	Real estate projects	73	55
TOTAL EBITDA		7,903	5,431
EBITDA MARGIN		*31.1 %*	*25.5 %*

* The adjusted operating results include 100 % results of Grandhotel Starý Smokovec, which is, according to IFRS, reported using the equity method, excluding the dissolution of reserve for the revitalisation of the Tatras of EUR 480,000 (2010/2011). Results of Aquapark Tatralandia for 1H 2010/11 are only for April 2011, when Tatralandia was incorporated into TMR.

SIGNIFICANT EVENTS FOR THE PERIOD FROM 1 NOVEMBER 2011 TO 30 APRIL 2012

INVESTMENTS

Important events affecting the Company for the reported period comprise, inter alia, the launch of the new Buková hora 8-seater cableway in Tatranská Lomnica at the beginning of the 2011/12 winter season. In the Real Estate segment, TMR completed the construction of the Grand Residences Tatranská Lomnica project in December 2011, comprising 17 luxury suites which are ready for sale and are currently being used as additional hotel capacities for Grandhotel Praha. In the relevant period, TMR also bought Hotel Slovakia in Vysoké Tatry for EUR 1.7 million and Hotel FIS for EUR 4.9 million, which had previously been leased.

VISITORS

During the „golden week" (27/12 – 10/1) the Company recorded an increased number of Russian-speaking visitors, which was positively reflected in sales. Even despite a slightly unfavourable euro/Polish zloty exchange rate in the first quarter, the Company recorded a slight increase in Polish visitors owing to an intensive marketing campaign on the Polish market prior to the winter season. However, the share of Polish visitors became stable in the second quarter, being comparable to the previous year.

SALE OF SKI PASSES

As for the sale of ski passes, the 6-day ski passes were a particular success, with their sale rising by 50 % in Vysoké Tatry, where the market is less saturated than the Jasná resort, where the sale of 6-day ski passes exceeded 21 thousand (+5 %). The trend of stay packages continued, comprising 6-day ski passes with discounts of up to 30 % and discounts on accommodation and other supplementary services. Accommodation packages were sold in Vysoké Tatry via the Tatry Card and their volume increased by 68 % compared to last year's season. In Jasná Nízke Tatry, packages were sold via the Liptov Region Card and their volume went up by 10 %.

GENERAL MEETING

On 21 April 2012, the Annual General Meeting of TMR was held, where the shareholders approved the 2010/11 financial statements, the auditor of the Company and new member of the Supervisory Board Roman Kudláček. The General Meeting also approved the Board of Director's proposal to pay shareholders 2010/11 dividends of EUR 6.439 million, representing EUR 0.96 per share. They also approved the Board of Director's decision on the dual listing of existing shares of TMR on the stock exchanges in Warsaw and in Prague.

FINANCIAL POSITION

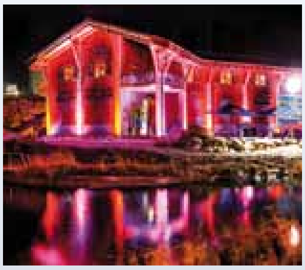
For the last six months, the value of short-term liquidity funds fell by EUR 15.683 million to EUR 60.933 million (EUR 99.770 million) due to the utilisation of a part of the bill of exchange receivables payable at sight for the financing of capital investments. Of this amount, the value of cash and cash equivalents at the end of the period was EUR 4.163 million (EUR 1.995 million) and the amount of EUR 56.770 million were other receivables (EUR 97.775 million) (See the Consolidated Financial Statements, Note 21).

The total value of the Group's loans decreased for the last six-month period by EUR 1.279 million to EUR 16.646 million (EUR 13.246 million) thanks to the proper repayment of loans, with the total debt-to-equity ratio representing 6.1 % (4.9 %) and total indebtedness amounting to 5.8 % (4.7 %).

The book value of total assets went up for the first half-year of 2011/12 by EUR 2.026 million to EUR 317.151 million (EUR 304.776 million). Fixed assets increased by EUR 17.488 million to EUR 189.127 million (EUR 157.540 million) owing to capital investments in cableways, facilities and hotels. During the first six months no significant transactions occurred with related parties . More information on related parties is included in Consolidated financial statements, Note 35.

Consolidated financial position in thousands of EUR	30/4/2012	30/4/2011	31/10/2011
Assets	**317,151**	**304,776**	**315,125**
Non-current assets	228,887	181,348	213,821
Current assets	88,264	123,428	101,304
Equity	**272,408**	**269,792**	**272,686**
Liabilities	**44,743**	**34,984**	**42,439**
Non-current liabilities	26,557	20,270	29,413
Current liabilities	18,186	14,714	13,026
Total debt	16,646	13,246	17,925
Total equity and liabilities	**317,151**	**304,776**	**315,125**






CASH FLOW

Cash flows from operating activities fell to EUR 2.820 million (EUR 10.369 million) due to changes of receivables of EUR 5.6 million resulting from the time lag. The drop was also caused by the fact that the Group has for the first time paid the current income tax and tax advances in the amount of EUR 1.8 million.

Cash flows from investment activities of EUR -22.701 million (EUR -48.896 million) represent capital expenditures for investments made.

Cash flows from operating activities of EUR 17.653 million (EUR 37.753 million) represent income from the repayment of bills of exchange, from which investments and expenses for the repayment of loans are financed.

OUTLOOK FOR 2011/12

In the 2011/12 fiscal year, the Company plans to grow in terms of revenue and number of visitors, relying on its aggressive investment strategy and action plan. The strategic steps for 2011/12 aimed at making operations more efficient and better are as follows:

- completion of the Funitel cableway system in the Jasná Nízke Tatry resort
- Twinliner Biela Púť – Priehyba – connecting the Jasná resort to Funitel
- 15-seater cableway from Kosodrevina to Chopok
- Extension of snowmaking at Chopok North and South
- Tropical Paradise – construction of a large all-season tropical hall in Aquapark Tatralandia
- Development investments in hotels –
    - reconstruction of rooms and new multi-purpose congress premises in Wellness hotel Grand Jasná
    - reconstruction of the lobby and restaurant and a new wellness center in Hotel FIS

The planned budget for the mentioned capital investments amounts to EUR 44 million and the Company already expects a partial return of some of these investments this year, namely in the case of the sale of admissions to Tropical Paradise, eliminating the risk of the effect of adverse weather. Its first section will be available already this summer.

This year the Company also plans the dual listing of existing shares on the stock exchanges in Warsaw and in Prague, which should produce a synergy effect in the form of PR, a stronger market position, supporting thus the planned TMR's acquisitions on these markets; in the case of PKL privatisation in Poland and in the case of the acquisition of Czech ski resorts.

HUMAN RESOURCES

The average number of TMR employees for the first half of 2011/12 is 742, i.e. 5.7 % more than for the identical period in the previous year, due to operation of Tatralandia during the entire winter season, since last year Tatralandia was in operation from April only. The servicing of a new 8-seater cableway in Tatranská Lomnica, the extension of restaurant facilities and acquisition of the Slovakia hotel contributed to the increase.

PARENT COMPANY

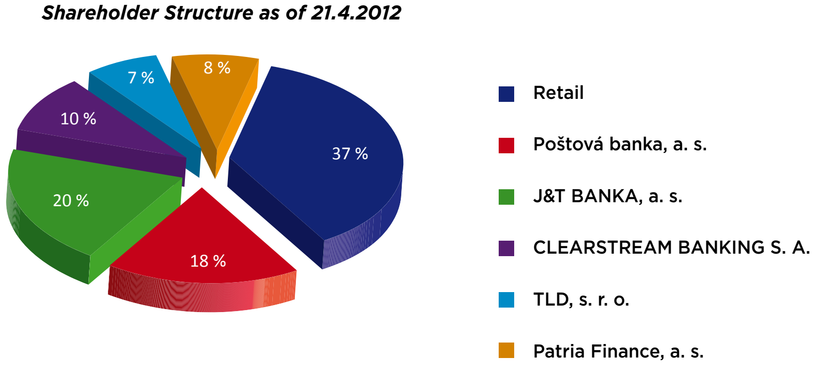
The total revenue of the parent entity amounted to EUR 23.8 million and profit amounted to EUR 6.5 million.

Cash flows in thousands of EUR	1/11 - 30/4		1/11. - 31/10
	2011/2012	2010/2011	2010/2011
Cash flow from operating activities	2,820	10,369	16,438
Cash flow from investment activities	-22,701	-48,896	-69,946
Cash flow from financial activities	17,653	37,753	57,148
Net gain on cash and cash equivalents	-2,228	-774	3,622




TMR STOCK PERFORMANCE

SHAREHOLDER STRUCTURE



Tatry mountain resorts, a.s.
and Subsidiaries

Interim Consolidated Financial Statements
for the Period from 1 November 2011 to 30 April 2012

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

Tatry mountain resorts, a.s. and Subsidiaries

Consolidated Statement of Comprehensive Income

in thousands of euros	**Note**	**1/11/2011 – 30/4/2012**	**1/11/2010 – 30/4/2011**
Revenue	4	24,383	19,984
Other operating income	5	165	933
Total income		**24,548**	**20,917**
Consumption of material and goods	6	-4,045	-3,206
Services purchased	7	-7,181	-7,125
Personnel expenses	8	-5,205	-4,434
Other operating costs	9	-339	-394
Revenue from sale of assets		50	51
Revenue from sale of company	3	1	-
Release of adjustments to receivables		6	-
Earnings before interest, tax, depreciation and amortisation (EBITDA)*		**7,835**	**5,809**
Depreciation and amortisation	13-14	-3,579	-3,831
Earnings before interest, tax (EBIT)		**4,256**	**1,978**
Interest income	10	2,098	4,418
Interest expenses	10	-333	-242
Net profit from financial instruments	11	231	146
Loss from associate	16	-51	-30
Profit before tax		**6,201**	**6,270**
Income tax	12	-29	10
Profit		**6,172**	**6,280**
attributable to:		6,172	6,280
- Owners of the Company		**6,172**	**6,280**
- Non-controlling interest		**-**	**-**
Other components of the consolidated income			
Revaluation of securities for sale at fair value	12	-11	3
Total consolidated income		**6,161**	**6,283**
attributable to:		6,161	6,283
- Owners of the Company		**6,161**	**6,283**
- Non-controlling interest		**-**	**-**
Earnings per share (euro)	26	**0.920**	**0.936**

*EBITDA represents earnings before tax, interest, amortisation and depreciation adjusted for other proceeds and costs included in EBITDA.

The notes on pages 15 to 59 are an integral part of the interim consolidated financial statements.
The consolidated income statement overview by individual segments is in Note 2 – Information about Segments.

Tatry mountain resorts, a.s. and Subsidiaries

Consolidated Statement of Financial Position

in thousands of euros	**Note**	**30/4/2012**	**31/10/2011**
Assets			
Goodwill and intangible assets	14	3,842	3,805
Property, plant and equipment	13	189,127	171,639
Investments in real estate	15	4,194	4,194
Trade receivables	20	1,153	1,153
Loans provided	19	7,962	7,674
Other receivables	21	17,448	18,095
Investment in associate	16	5,128	5,179
Deferred tax asset	17	33	2,082
Total non-current assets		**228,887**	**213,821**
Inventories	18	1,339	985
Trade receivables	20	2,957	4,046
Loans provided	19	176	236
Other receivables	21	56,770	70,225
Financial investments	23	18,315	17,337
Cash and cash equivalents	24	4,163	6,391
Other assets	22	2,990	1,626
Assets held for sale	25	1,554	458
Total current assets		**88,264**	**101,304**
Total assets		**317,151**	**315,125**
Equity	26		
Share capital		221,338	221,338
Share premium		30,430	30,430
Retained profit and other funds		20,640	20,918
Equity attributable to owners of Company		**272,408**	**272,686**
Non-controlling interest		-	-
Total equity		**272,408**	**272,686**
Liabilities			
Loans and borrowings	27	13,790	14,807
Trade payables	28	-	13
Reserves	29	20	20
Other non-current liabilities	30	862	611
Deferred tax liability	17	11,885	13,962
Total non-current liabilities		**26,557**	**29,413**
Loans and borrowings	27	2,856	3,118
Trade payables	28	5,854	4,915
Reserves	29	87	464
Current tax liability		-	1,121
Other current liabilities	30	9,389	3,408
Total current liabilities		**18,186**	**13,026**
Total liabilities		**44,743**	**42,439**
Total equity and liabilities		**317,151**	**315,125**

The notes on pages 15 to 59 are an integral part of the interim consolidated financial statements.

Tatry mountain resorts, a.s. and Subsidiaries

Consolidated Statement of Changes in Equity

in thousands of euros	Share capital	Share premium	Legal reserve fund	Funds from revaluation	Retained earnings	Interest attributable to persons with interest in equity of the parent company	Non-controlling interest	Total
Balance as of 1 November 2010	**221,338**	**30,430**	**1,436**	**-14**	**15,819**	**269,009**	**-**	**269,009**
Total consolidated income for the period								
Profit for the current accounting period	-	-	-	-	9,027	9,027	-	9,027
Other items of the consolidated income								
Revaluation of securities for sale at fair value	-	-	-	-15	-	-15	-	-15
Revaluation of tangible assets on transfer to investments in real estate	-	-	-	165	-	165	-	165
Total other items of the consolidated income	**-**	**-**	**-**	**150**	**-**	**150**	**-**	**150**
Total consolidated income for the period	-	-	-	**150**	**9,027**	**9,177**	**-**	**9,177**
Transactions with owners recognised directly into equity								
Contributions to the fund	-	-	965	-	-965	-	-	-
Dividends paid	-	-	-	-	-5,500	-5,500	-	-5,500
Total transactions with owners	**-**	**-**	**965**	**-**	**-6,465**	**-5,500**	**-**	**-5,500**
Balance as of 31 October 2011	**221,338**	**30,430**	**2,401**	**136**	**18,381**	**272,686**	**-**	**272,686**

Consolidated Statement of Changes in Equity (continued)

in thousands of euros	Share capital	Share premium	Legal reserve fund	Funds from revaluation	Retained earnings	Interest attributable to persons with interest in equity of the parent company	Non-controlling interest	Total
Balance as of 1 November 2011	**221,338**	**30,430**	**2,401**	**136**	**18,381**	**272,686**	**-**	**272,686**
Total consolidated income for the period								
Profit for the current accounting period	-	-	-	-	6,172	6,172	-	6,172
Other items of the consolidated income								
Revaluation of securities for sale at fair value	-	-	-	-11	-	-11	-	-11
Total other items of the consolidated income	**-**	**-**	**-**	**-11**	**-**	**-11**	**-**	**-11**
Total consolidated income for the period	-	-	-	**-11**	**6,172**	**6,161**	**-**	**6,161**
Transactions with owners recognised directly into equity								
Contributions to the fund	-	-	859	-	-859	-	-	-
Dividends paid	-	-	-	-	-6,439	-6,439	-	-6,439
Total transactions with owners	**-**	**-**	**859**	**-**	**-7,298**	**-6,439**	**-**	**-6,439**
Balance as of 30 April 2012	**221,338**	**30,430**	**3,260**	**125**	**17,255**	**272,408**	**-**	**272,408**

The notes on pages 15 to 59 are an integral part of the interim consolidated financial statements.

Tatry mountain resorts, a.s. and Subsidiaries

Consolidated statement of cash flows

in thousands of euros	**Note**	**1/11/2011 – 30/4/2012**	**1/11/2010 – 31/10/2011**
OPERATING ACTIVITIES			
Profit		**6,172**	**9,027**
Adjustments for:			
Gains on disposal of property, plant and equipment and intangible assets		-53	-326
Depreciation and amortisation	13-14	3,579	8,120
Value adjustment/(re-adjustment) to receivables		-6	4
Loss due to impairment of goodwill	14	-	3,300
Reversal of loss from impairment of tangible assets	13	-	-800
Gain on revaluation of investments in real estate	15	-	-394
Loss from associate	16	51	1,703
Net profit/(loss) from financial instruments	11	-231	1,706
Net interest gains	10	-1,765	-7,038
Negative goodwill	3	-	-8,106
Change in volume of reserves		-377	154
Tax	12	29	4,307
Change in trade receivables, other receivables and other assets		-3,255	3,324
Change in inventories		-354	-309
Change in trade payables and other liabilities		801	1,824
Cash flow from operating activities before income tax paid		**4,591**	**16,496**
Income tax paid		-1,771	-58
Cash flow from operating activities		**2,820**	**16,438**
INVESTMENT ACTIVITIES			
Acquisition of property, plant and equipment and intangible assets	13-14	-22,490	-29,377
Gains on sale of property, plant and equipment and intangible assets		241	1,078
Expenses on business combinations, net cash acquired		-	-10,200
Profit from sale of subsidiary	3	1	-
Advances provided		-	-19,251
Expenses for provision of financial investments		-1,961	-16,860
Income from sale of financial investments		1,506	-
Interest received		-	4,329
Dividends received		2	317
Cash flow from investment activities		**-22,701**	**-69,964**
FINANCIAL ACTIVITIES			
Gains on paid-up bills		19,387	94,690
New bills		-	-78,038
Loans provided		-123	-31,895
Payments of loans provided		81	75,488
Payments of finance lease liabilities		-82	-830
Payments of loans and borrowings received		-1,279	-2,254
New loans and borrowings		0	6,000
Interest paid		-331	-518
Dividends paid		-	-5,495
Cash flow from financial activities		**17,653**	**57,148**

Tatry mountain resorts, a.s. and Subsidiaries

Consolidated statement of cash flow (continued)

in thousands of euros	**Note**	**1/11/2011 – 30/4/2012**	**1/11/2010 – 31/10/2011**
Net gain on cash and cash equivalents		-2,228	3,622
Cash and cash equivalents at the beginning of the year	24	6,391	2,769
Effect of exchange rate fluctuations on cash and cash equivalents held		-	-
Cash and cash equivalents at the end of the year	**24**	**4,163**	**6,391**

The notes on pages 15 to 59 are an integral part of the interim consolidated financial statements.

Tatry mountain resorts, a.s. (the "parent company" or the "Company") is a joint stock company with its registered office and place of business in Demänovská Dolina 72, 031 01 Liptovský Mikuláš. The Company was established on 20 March 1992 and incorporated on 1 April 1992. The Company's identification number is 31 560 636 and its tax identification number is 2020428036.

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

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

In 2009 the Company decided to change its accounting period from the calendar year to a fiscal year from 1 November to 31 October. The change was to make the accounting period more realistic, as the Company's operations were subject to seasonal variations.

The structure of the Company's shareholders as of 30 April 2012 and as of 31 October 2011 was as follows:

30/4/2012	**Interest in share capital**		**Voting rights**
	in thousands of euros	%	%
J & T BANKA, a.s.	44,731	20.21 %	20.21 %
Poštová banka, a.s.	38,603	17.44 %	17.44 %
CLEARSTREAM BANKING S.A.	21,711	9.81 %	9.81 %
Patria Finance, a.s.	17,784	8.03 %	8.03 %
TLD, s. r. o.	16,279	7.36 %	7.36 %
minor shareholders	82,230	37.15 %	37.15 %
Total	**221,338**	**100 %**	**100 %**

31/10/2011	**Interest in share capital**		**Voting rights**
	in thousands of euros	%	%
Poštová banka, a.s.	38,603	17.44 %	17.44 %
J & T BANKA, a.s.	29,785	13.46 %	13.46 %
CLEARSTREAM BANKING S.A.	21,711	9.81 %	9.81 %
TLD, s. r. o.	16,279	7.36 %	7.36 %
Patria Finance, a.s.	14,923	6.74 %	6.74 %
TATRY INVESTMENT LIMITED	14,774	6.67 %	6.67 %
minor shareholders	85,263	38.52 %	38.52 %
Total	**221,338**	**100 %**	**100 %**

The interim consolidated financial statements of the Company for the period ending 30 April 2012 comprise the statements of the parent company and its subsidiaries (together referred to as the "Group") and the Group's interest in the associate.

The principal activities of the Group include cable and ski lift operations, restaurant and dining services, the operation of ski and snowboard schools and hotel management. Since 29 March 2011, the Group has operated Aquapark Tatralandia and has thereby expanded its portfolio of services rendered.

The average number of Group employees during the period from 1 November 2011 to 30 April 2012 was 734, out of which 8 were management (for the period from 1 November 2010 to 30 April 2011, it was 702, out of which 9 were management).

The Company's bodies are:

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

Supervisory Board:
Ing. Igor Rattaj (since 29 June 2009)
Ing. František Hodorovský (since 18 January 2011)
Jiří Uvíra (since 18 January 2011)
Jan Marian Komornicki (since 18 January 2011)
Boris Kollár (since 30 April 2011)
Jozef Slabý (from 28 August 2006 until 28 August 2011)
Roman Kudláček (since 21 April 2012)

Significant accounting policies

(a) Statement of compliance
The interim consolidated financial statements have been compiled in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and in accordance with the National Council of the Slovak Republic (NR SR) Act No. 431/2002 Coll. on Accounting. The interim consolidated financial statements are for the period of 1 November 2011 to 30 April 2012.

(b) Basis of Preparation
The consolidated financial statements have been prepared on the basis of acquisition costs, where real estate investments, securities available for sale and financial instruments at fair value have been revalued to their fair value through the income statement.

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

The consolidated financial statements have been compiled in thousands of euro. The accounting policies have been consistently applied by the Group companies and are consistent with those used in the previous accounting period.

Financial statements prepared in compliance with International Financial Reporting Standards require various judgements, assumptions and estimates to be exercised. These affect the reported amounts as assets, liabilities, income and expenses. Actual results will likely differ from these estimates. Critical accounting estimates and judgements made by the management with a significant risk of causing material adjustment in the next accounting period are discussed in Note 1 – Critical accounting estimates and assumptions.

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

The following International Financial Reporting standards, amendments and interpretation to standards and interpretations as adopted by the European Union became effective for the accounting period starting 1 November 2011, and have been applied in preparing the Group's consolidated financial statements:

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

Amendment to **IAS 24 Related Party Disclosures**, effective for annual accounting periods beginning 1 January 2011 or later, regulates the definition of related parties and facilitates reporting of related parties for governmental organisations.

Amendment to **IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction**, effective for annual accounting periods beginning 1 January 2011, earlier application permitted, remedies unintentional consequences of the original IFRIC 14. Without the amendment, in some circumstances entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct the problem. The amendment must be applied retrospectively to the earliest comparative period presented. The interpretation shall be without prejudice to current business activities and transactions of the Group.

Amendment to **IFRS 7 Financial Instruments: Disclosures**, effective for annual accounting periods beginning 1 January 2011 or later. The amendment explicitly stipulates that qualitative disclosures shall be in the context of quantitative disclosures enabling users to better evaluate the extent of risks arising from financial instruments.

Amendment to **IFRS 7 Financial Instruments: Disclosures**, effective for annual accounting periods beginning 1 July 2011 or later. The amendment introduces new requirements for disclosure of information about transactions comprising the transfer of financial assets including disclosure of financial assets not transferred in their entirety or transfers of financial assets transferred in their entirety but the transferor keeps a certain degree of existing exposure linked to these assets.

Amendment to **IAS 1 Presentation of Financial Statements**, effective for annual accounting periods beginning 1 January 2011 or later, stipulates that for each item of equity, an accounting entity shall submit an analysis of other items of comprehensive income for each item either in a statement of changes in equity or in the notes. The Group includes the presentation in the statement of changes in equity.

Amendment to **IFRIC 13 Customer Loyalty Programmes**, effective for annual accounting periods beginning 1 January 2011 or later. The amendment clarifies that the fair value of commitment of compensation takes into account the amount of discounts or incentives that should otherwise be offered to customers who received no commitment of compensation.

Issued International Financial Reporting Standards Not Yet Effective
As of 30 April 2012, the EU issued and subsequently adopted no International Financial Reporting Standards, amendments and interpretations to the standards which were not yet in force and thus not applied by the Group when preparing these financial statements.

Other International Financial Reporting Standards
The Group has not adopted early any other International Financial Reporting Standards as adopted by the EU where application thereof as of the financial statements' date was not mandatory. Where transition provisions give the companies a choice of whether to apply new standards prospectively or retrospectively, the Group decided to apply these standards prospectively from the date of transition to IFRS.

(c) Basis of Consolidation

i. Subsidiaries

Subsidiaries are those companies controlled by the Company. Control exists when the Company is authorised, directly or indirectly, to manage the financial and operational management of a company in order to obtain benefits from its activities. The existence and influence of potential voting rights that are currently exercisable or convertible are taken into account when assessing whether the Group has control over another company. The consolidated financial statements include the Group's interest in other companies according to the Group's right to control these companies regardless of whether the control is actually exercised or not. Financial statements of subsidiaries are included in the consolidated financial statements from the date of commencement of the control until the date of cessation of the control.

ii. Associates

Associates are those companies in which the Company has significant influence but not control over financial and operational management. It is assumed that the Company has significant influence in another company once it has between 20 to 50 per cent of the voting rights. The consolidated financial statements include the Group's interest in reported profits and losses of associates using the equity method from the date of commencement of the significant influence until the date of cessation of the influence. The investment is initially shown at acquisition cost. When the Group's interest in losses exceeds the carrying amount of the associate, the carrying amount of such a company is reduced to nil and recognition of future losses is terminated, except when the Group incurs possible liabilities in relation to the relevant associate.

iii. Scope of Consolidation

Four companies were included in the consolidation as of 30 April 2012 and as of 31 October 2011. All consolidated companies prepared their own financial statements to 30 April 2012. The list of these companies is stated in Note 39 – Companies within the Group.

iv. Transactions eliminated on consolidation

Intra-group balances and transactions within the Group, as well as any unrealised gains arising from transactions within the Group, are eliminated in preparing the consolidated financial statements.

v. Acquisition method

The acquisition method applies to reporting of acquisition of subsidiaries. The consideration within the business combination is measured at fair value calculated as a sum of fair values of the property transferred by the acquirer on the date of acquisition, liabilities incurred by the acquirer towards former owners of the acquiree and equity interest issued by the acquirer.

Costs related to acquisitions are recognised directly in the income statement.

The identifiable acquired assets and liabilities of the acquiree that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the date of acquisition.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously-held equity interest (if any) in the acquiree over the fair value of the identifiable net assets recognised. Otherwise, the arising difference is reassessed and the remaining part (negative goodwill) is recognised as a gain directly in the income statement.

vi. Consolidation of accounting methods

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

(d) Foreign currency

Foreign currency transactions

Items included in the financial statements of every company within the Group are reported in the currency of the primary economic environment where the relevant company is active (functional currency). Consolidated financial statements are presented in thousands of euros, representing both the functional currency and the presentation currency of the Company. Foreign currency transactions are translated into euros according to the actual exchange rate on the date of the performed transaction. Monetary assets and liabilities in foreign currency are translated into euros on the date of the financial statements preparation at the exchange rate of the European Central Bank applicable on the appropriate date.

Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies measured at acquisition cost are translated into euros at the exchange rate applicable on the date on which the transaction is performed. Non-monetary assets and liabilities denominated in foreign currencies measured at fair value are translated into euros at the exchange rates applicable on the dates on which the fair values are determined.

(e) Financial Instruments

i. Classification

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

Loans provided represent non-derivative financial assets with fixed and determinable payments, which are not quoted in an active market, and which are not classified as securities available for sale, financial assets held to maturity or financial assets measured at fair value through the income statement.

Securities available for sale represent non-derivative financial assets not classified as financial assets measured at fair value through the income statement, loans and advances to banks and customers or financial assets held to maturity.

Financial instruments measured at fair value through the income statement are those that the Group holds primarily for trading for the purpose of short-term profit taking.

ii. Recognition

Loans provided are recognised on the date of provision thereof by the Group.

The Group recognises financial instruments measured at fair value through the income statement and securities for sale on the date of its commitment to the purchase thereof.

Financial liabilities are recognised by the Group on the date of transaction.

iii. Measurement

Financial instruments are measured on initial recognition at fair value. If the financial instrument is not measured at fair value through the income statement, this measurement shall be increased by costs related to the acquisition or issuance of the financial instrument.

Subsequently, upon initial recognition, financial assets are measured at amortised cost, save for financial instruments measured at fair value through the income statement and securities for sale measured at fair value. Subsequently, upon initial recognition, financial liabilities are measured at amortised cost. In measurement at amortized cost, the difference between acquisition cost and nominal value is recognised in the income statement during the term of the relevant asset or liability on an effective interest rate basis.

iv. Fair value measurement principles

The fair value of financial instruments is based on their quoted market price on the date of the financial statements’ preparation without any deductions for costs related to acquisition. If a quoted market price is not available, the fair value of the instrument is estimated by the management using pricing models or discounted future cash flows techniques.

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

v. Gains and losses on subsequent revaluation

Gains and losses arising from a change in fair value are recognised in the income statement for financial instruments measured at fair value through the income statement and directly in the equity for securities for sale. A change in the fair value of securities available for sale is derecognised from the equity in the income statement at the moment of sale.

vi. Derecognition

A financial asset is derecognised when the Group loses control over the contractual rights comprised in that asset. This occurs when the rights are exercised, expire or are waived by the Group. A financial liability is derecognised when the liability specified in the contract expires, is satisfied or cancelled.

Assets available for sale that are sold are derecognised, and the corresponding receivables towards buyers for payment are recognised as of the date the Group commits to sell the assets.

(f) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and in banks, short-term highly liquid investments with an original maturity of three months or less, and short-term highly liquid investments which are directly convertible to a known amount of cash.

(g) Inventories
Inventories are recognised at the acquisition cost or at net realizable value, whichever is lower. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

Purchased inventories are measured at the acquisition cost, which includes the acquisition cost and other directly attributable costs incurred in acquiring the inventories and bringing them to their existing location and condition.

(h) Off-setting
Financial assets and liabilities are off-set and their net amount is reported in the balance sheet when the Group has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis.

(i) Impairment
The carrying amount of the Group's assets other than inventories (see accounting policy g), real estate investment (see accounting policy l), financial instruments measured at fair value through income statement (see accounting policy e), securities for sale (see accounting policy e) and deferred tax liability (see accounting policy p) is revalued at each date on which the financial statements are prepared to determine whether there is an objective indicator of impairment thereof. If such evidence exists, the recoverable value of the asset is estimated. Intangible assets with an indefinite life are not subject to amortisation. Impairment of these assets is reviewed annually as part of the cash-generating unit to which the assets belong.

The impairment of assets is recognised when the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Loans provided are recognised after deduction of adjustments to loan losses. Adjustment items are determined by the amount of loan and the debtor's action, with the value of all securities and guarantees of third parties being taken into account.

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

An impairment loss related to investments in shareholdings reported as held for sale shall not be cancelled or reduced through the income statement. If the fair value of the debt instrument available for sale increases, and if this increase can be objectively attributed to an event that occurred after reduction of value thereof recognised in profit or loss, then this impairment loss shall be cancelled or reduced. This elimination or reduction is recognised in profit or loss.

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

Impairment losses on receivables recognised at amortised cost are accounted for if the increase of recoverable amount can objectively be attributed to an event that occurred after the reduction of value thereof in the accounts.

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

For other assets, the impairment loss is cancelled or reduced if there is an indication that this impairment is no longer justified and there has been a change of assumptions used in determining the recoverable amount.

The limits for cancellation or reduction of impairment losses are not to exceed the carrying amount that would have been determined after consideration of depreciation and amortisation, provided the impairment loss is not recognised.

(j) Property, plant and equipment

i. Owned assets

Individual items of assets are measured at the acquisition price less accumulated depreciation (see below) and impairment losses of their value (see accounting policy i).

The acquisition price includes all costs directly attributable to the acquisition of the assets. The value of assets produced internally includes the cost of materials, direct labour costs, other costs directly related to the putting of the asset into use and the costs to remove and dismantle the equipment and to bring the site where it is located back to its original state.

In the event that the individual items of long-term tangible assets have different lifetime periods, these components of long-term assets are accounted as separate items (major components) of long-term tangible assets.

ii. Leased assets

Property lease contracts in which the Group assumes substantially all of the risks and rewards of ownership are classified as finance leases. Leased assets are reported at the lower of the following values: the fair value or current value of minimum lease payments at the beginning of a lease, reduced by accumulated depreciation (see below) and taking into account the impairment of assets (see accounting policy i).

iii. Subsequent expenditure

Subsequent expenditures are capitalised only if it is likely that the Group will have future economic benefits included in the relevant item of long-term assets and the cost can be reliably measured. All other expenditures including routine maintenance of long-term assets are recognised in the income statement in the period to which they relate.

iv. Depreciation

Other than in the cases stated below, depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of individual items of long-term assets. Land is not depreciated. The estimated useful lives are as follows:

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

The depreciation method, the estimated useful lives and the residual values are reviewed each year as of the financial statements' preparation date. Depreciation rates apply progressively to some items of property (cableways, snow machines) because they are worn and torn in the latter years of their useful lives.

Each significant part of long-term tangible assets whose acquisition costs are significant relative to the total acquisition cost of that item is amortised separately.

v. Capitalised financial costs

The financial costs associated with assets requiring significant time to be put into the state necessary for use or sale are capitalised by the Group as a part of the acquisition cost of the asset.

(k) Intangible assets

i. Goodwill and intangible assets acquired in a business combination

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously-held equity interest (if any) in the acquiree over the fair value of the identifiable net assets recognised. The goodwill on the acquisition of subsidiaries is included in intangible assets. The goodwill on the acquisition of associates and jointly controlled companies is included in investments in associates. Goodwill is verified annually for impairment and carried at acquisition cost after deducting accumulated impairment losses thereon. Profits and losses on the disposal of a company include the carrying amount of goodwill relating to the entity sold.

Negative goodwill arising on an acquisition is reassessed and any balance of negative goodwill after the reassessment is directly recognised in the income statement.

Intangible assets acquired in business combinations are recorded at fair value on the acquisition date if such an intangible asset is separable or arises from contractual or other rights. Intangible assets with indefinite useful lives are not amortised and recognised at acquisition cost less any impairment losses. Intangible assets with finite useful lives are amortised over their useful life and recognised at acquisition cost less accumulated depreciation and impairment losses.

ii. Software and other intangible assets

Software and other intangible assets acquired by the Group are recognised at acquisition cost after deduction of accumulated amortization (see below) and impairment losses thereon (see accounting policy i). The useful life of intangible assets is reviewed regularly.

iii. Amortisation

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful lives of the intangible assets, from the date the asset is available for use. The estimated useful lives are as follows:

- Software — 4 – 5 years
- Valuable rights — each item uses an individual plan of depreciation, this also includes trademarks, which represent non-depreciated assets.

(l) Investments in real estate

Investments in real estate represent assets held by the Group in order to gain lease proceeds or capital valuation, or both.

Investments in real estate are recognised at fair value, which is determined by an independent court expert or the management. Fair value is based on current prices of similar assets in an active market in the same location and under the same conditions or, if these are not available, the generally applicable pricing models, such as the yield method, shall be used. Any profit or loss resulting from changes of fair value is recognised in the income statement.

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

Details of valuation of investments in real estate are further specified in Note 1(b) – Critical accounting estimates and assumptions, Real estate investments valuation.

Income from the lease of real estate investments is accounted as described in accounting policy (o).

(m) Reserves

The Group shall recognise a reserve in the balance sheet if there is a legal or contractual obligation as a result of a past event and it is likely that there will be an outflow of economic benefit in the settlement of this obligation and this outflow can be reliably estimated.

i. Long-term employee benefits

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

ii. Short-term employee benefits

Liabilities arising from short-term employee benefits are reflected on a non-discounted basis and are recognised as expenses at the time of the employees' performance of work. In the event that the Group has a legal or contractual liability as a result of past work performed by employees and the amount of the liability can be reliably estimated, a reserve is made for the estimated short-term cash bonus or the planned share in profit.

(n) Interest income and expenses

Interest income and expenses are recognised in the income statement in the period to which they relate. All the borrowing costs are recognised in the income statement, save for capitalised financial costs; see accounting policy (j), section *(v)*.

(o) Income from lease
Income from the lease of real estate investments are recognised in the income statement on a straight-line basis during the period of lease.

(p) Income tax
Current accounting period income tax comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income of the current accounting period, using tax rates applicable on the date of preparation of the financial statements and any adjustment to tax payable in respect to previous accounting periods.

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

Income tax is accounted directly in the income statement except the part that relates to the items recognised directly in equity. In that case, the income tax is accounted in equity.

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

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

(q) Operating and finance lease payments
Operating lease payments are recognised in the income statement on a straight-line basis during the period of lease.

Minimum finance lease payments are divided into interest and principal payments. Interest is allocated to each period during the lease term so as to give a constant interest rate for the period applied to the unpaid part of principal.

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

(s) Income from services provided
The Group recognises six types of basic income from services provided:

- Cableways income
- Water park (aqua park) income
- Sport services and shops income
- Hotels income
- Restaurant facilities income
- Real estate projects income.

Income is accrued depending upon in which period the service was provided, excluding income from the water park (aqua park), hotels and restaurant facilities, which are reported to the income statement after the service has been provided. Income for services provided does not include value added tax. It is net of discounts and rebates (rebates, bonuses, discounts, letters of credit, etc.).

(t) Dividends

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

(u) Non-current assets and group of assets held for sale

If the value of non-current assets (or assets and liabilities in a group of assets held for sale) is expected to be realized mainly through sale rather than use thereof, these assets are classified as held for sale. Before the transformation of assets into assets held for sale, these assets (and all assets and liabilities in a group of assets held for sale) are evaluated in accordance with the relevant International Financial Reporting Standards as approved by the EU. Subsequently, on initial recognition as held for sale, the asset and a group of assets held for sale are recognised at net residual value or fair value less costs of sale, whichever is lower.

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

Impairment losses on initial recognition as held for sale are recognised in the income statement even if the revaluation reserve was created. The same applies to profits and losses on subsequent valuation. Recognised profits shall not exceed cumulative impairment losses.

Property, plant and equipment and intangible assets classified as held for sale are not depreciated.

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

(v) Segmental reporting

Operating segments are part of the Company that are able to generate income and costs with available financial information, which are regularly evaluated by persons with decision-making competence to decide on the allocation of resources and determine performance. The management monitors the 7 main segments, i.e. the cableways, water park, hotels, restaurant facilities, sports services and shops, real estate projects and others.

(w) Estimation of fair values

The following paragraphs summarize the major methods and assumptions used in estimating the fair values of financial assets and liabilities reflected in Note 31 – Information about fair value:

i. Loans provided

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

ii. Loans and borrowings

For loans and borrowings without defined maturity, the fair value has been calculated as an amount of liabilities due as of the date of preparation of the consolidated financial statements. For loans and borrowings with an agreed maturity, the fair value is calculated based on discounted cash flows using the current interest rates currently offered for loans and borrowings with a similar maturity.

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

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

Notes to the interim consolidated financial statements

1. Critical accounting estimates and assumptions

The preparation of financial statements in accordance with International Financial Reporting Standards as adopted by the EU requires the use of certain fundamental accounting estimates. It also requires that the management exercise its own judgement in the process of applying the accounting principles of the company. These accounting estimates will, therefore, rarely conform to the actual results. Estimates and assumptions that have significant risk of causing a significant adjustment to the carrying amount of assets and liabilities within the next accounting period are described below. The estimates and assumptions are continually reviewed. If the review of the accounting estimates applies only to one accounting period, it is reported in that period; if the review affects current and future accounting periods, it is reported in the period when the review was performed as well as in future periods.

(a) Business combinations and purchase price allocation

The identifiable assets, liabilities and contingent liabilities of an acquiree or part of business are recognised and measured at their fair value on the date of acquisition. The allocation of the total acquisition price among the net assets acquired for financial reporting purposes is performed with the support of professional advisors.

The valuation analysis is based on historical and prospective information available as of the date of the business combination. Any perspective fact that may affect the fair value of the acquired assets is based on the management’s expectations of progress in the competitive and economic environment existing at that time.

The results of the valuation analyses are also used for determining the amortisation and depreciation periods of the values allocated to specific intangible and non-current tangible assets.

A fair value adjustment resulting from business combination carried out as of 29 March 2011 (purchase of the asset – Aquapark Tatralandia) was reflected in the consolidated financial statements as of 31 October 2011. Buildings and structures, the geothermal borehole, water slides, movables and the business name were revalued. The purchase price of all assets was EUR 30,500,000 and the fair value after revaluation was stated at EUR 38,606,000. The result of this business combination was negative goodwill of EUR 8,106,000. Negative goodwill was created by the upward revaluation of all tangible assets (buildings and structures, geothermal borehole, water slides, movables), which were valued at deemed acquisition cost and by the upward revaluation of the business name using the method known in English as Relief-from-Royalty, taking into consideration the projected future income of Aquapark Tatralandia.

The fair value adjustments arising from business combinations that occurred in the accounting period 1 November 2010 to 31October 2011 are listed below:

in thousands of euros	**Property, plant and equipment**	**Intangible assets**	**Deferred tax asset/(liability)**	**Total net impact on balance sheet**
Property acquired				
Aquapark Tatralandia	5,791	2,315	-1,540	6,566

On 29 March 2011, the Group bought the property Aquapark Tatralandia. This property was acquired for EUR 30,500,000.

1. Critical accounting estimates and assumptions (continued)

(b) Real estate investments valuation

Real estate investments are recognised at fair value. The fair value of real estate investments is determined either by an independent court expert or the property is valued by the management (see Significant accounting policies, note l). In both cases the valuation is based on current market values and conditions. Market value represents the estimated value for which a property could be exchanged on the valuation day between potential seller and potential buyer in the form of a transaction based on independent parties after reasonable marketing, in which each party acts in an informed manner, prudently and without compulsion.

In the absence of actual market prices, the valuation takes into account the estimated net cash flows from property lease and capitalisation income, which reflects the specific risks inherent in a given market and also to the cash flows arising from the property. Valuation reflects (if applicable) the type of lessees using the property or responsible for meeting the lease commitments or potential users in the case of leaving the property not leased, the general market perception of the lessees' credibility, the distribution of responsibilities related to maintenance and insurance of property between the Group and lessees and the remaining life of the asset.

Investments in real estate represent three hotels (Ski, Liptov and Kosodrevina) in the carrying amount of EUR 1,874,000, which are leased to third parties operating them also as forest areas and lands acquired by acquisition in 2009 in the carrying amount of EUR 2,320,000. The value of hotels was determined by estimate of the hotels' management in the manner stated above. The value of lands was determined by the management using market prices, with the final value being based on the estimated market price per square metre depending on the type of land and market transactions for lands of similar character.

If the fair value of that part of investment in real estate determined based on the management's estimates is different from the management's estimates by 10 %, the carrying amount of investments in real estate would be higher or lower by EUR 419,000 compared to the amount reported as of 30 April 2012 (as of 31 October 2011: EUR 419,000).

1. Critical accounting estimates and assumptions (continued)

(c) Goodwill and impairment testing

As of the date of the financial statements, the Group assesses whether the goodwill has not been impaired. If an indicator of possible impairment is not detected, the Group is, in accordance with IAS 36, testing goodwill recognised in business combinations during the current accounting period and goodwill recognised in prior accounting periods for possible impairment annually on 31 October, i.e. as of the date of preparation of the annual consolidated financial statements.

On the day of acquisition, the acquired goodwill is assigned to individual cash-generating units (CGU) for which it is expected to benefit from synergies arising in business combinations.

In the accounting period from 1 November 2009 to 31 October 2010 during the acquisition of GRANDHOTEL PRAHA a.s., goodwill was generated in the amount of EUR 3,473,000 and upon the acquisition of a 50 % interest in Interhouse Tatry s.r.o. in the amount of EUR 1,108,000.

Since no indicator of possible goodwill impairment was identified in the preparation period of the interim financial statements, the Group did not test goodwill for potential impairment as of 30 April 2012. The test shall be made at the end of the accounting period on preparation of consolidated financial statements as of 31 October 2012.

A test of goodwill impairment was carried out as of 31 October 2011. The test result indicated impairment of goodwill and subsequently goodwill was written off in the amount of EUR 3,300,000 in GRANDHOTEL PRAHA a.s. and in the amount of EUR 1,108,000 in Interhouse Tatry s.r.o.

Impairment is determined by assessing the recoverable amount of CGU, which goodwill relates to on the basis of value in use. This value was derived from the estimated future cash flow estimated by the management. The discount rate used for the fair value estimate was 9.2 % (after considering income tax).

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

The projection of cash flows used in determining the fair value covers the medium-term period of five years with subsequent extrapolation for the next period. On the basis of such a standardized level of cash flow, terminal value was calculated with the assumption of cash flow growth at 2.2 % per year. The discount rates used in the projecting of cash flows were calculated as a weighted average cost of capital.

If the projected EBITDA, which is part of the projected cash flows, was lower by 5 % compared to the management's estimate, the value in use would be lower by EUR 1,304,000 in the case of Grandhotel Praha Tatranská Lomnica (GRANDHOTEL PRAHA a.s.) and by EUR 828,000 in the case of Grandhotel Starý Smokovec (Interhouse Tatry s.r.o.). In both cases it would be an increase in consolidated impairment losses; by the mentioned amount in the case of Grandhotel Praha and by 50 % of the mentioned amount in the case of Grandhotel Starý Smokovec.

1. Critical accounting estimates and assumptions (continued)

(d) Assets impairment testing

As of the date of the financial statements, the Group assesses whether the assets have not been impaired. IAS 36 requires assets impairment testing if there are internal or external indicators suggesting the possibility of assets impairment.

As of 30 April 2012, upon assessment, no indicator of impairment of the Group's assets has been identified.

As of 31 October 2011, upon assessment, indications of an impairment of the Groups' assets arose, and therefore, the assets impairment test was performed for Hotel GRAND JASNÁ, Hotel Tri studničky, Grandhotel Praha Tatranská Lomnica and Grandhotel Starý Smokovec, for the resort JASNÁ and the resort Vysoké Tatry.

The test result as of 31 October 2011 was a recognised impairment loss of residual value of Grandhotel Starý Smokovec in the amount EUR 642,000 and vice versa of Hotel GRAND JASNÁ and Hotel Tri Studničky. It indicated that a part of the adjustment to property created in the previous accounting period was not justified, and therefore, was released into revenue. In the case of Hotel GRAND JASNÁ, it was the amount of EUR 100,000 and in the case of Hotel Tri Studničky, it was the amount of EUR 700,000.

The Group performs six main activities: the operation of ski resorts, a water park, restaurant facilities, sport services and shops, accommodation services and real estate projects in three localities, Jasná (Nízke Tatry), Vysoké Tatry and Liptovský Mikuláš. Each locality was assessed by the management as an independent cash-generating unit (CGU). The Group monitors performance and creates individual budgets for all cash-generating units. The Group's property was assigned to individual cash-generating units by relevancy.

Potential impairment is determined by comparing the recoverable amount and the carrying amount of a cash-generating unit. The recoverable amount was determined according to the value in use. Fair value was derived from the value of future cash flows adjusted to the current value by discount. The discount rate used for the assets impairment testing was 9.2 % (after considering income tax). This discount rate was calculated using the weighted average cost of capital method.

The fair value of every cash-generating unit was determined according to projected cash flows arising from the long-term financial plan prepared by the management for individual hotels. The financial plans were prepared for a period of five consecutive years. The projected cash flows for the period following those five years were derived from these financial plans. During this subsequent period the achievement of such operational and financial performance which could be considered by the management to be sustainable in the long run is expected. On the basis of such a standardized level of cash flow, terminal value was calculated with the assumption of cash flow growth at 2.2 % per year.

The key assumptions affecting fair value most are, in addition to the discount rate, particularly the planned prices and attendance. The majority of assumptions is based on historical experience. In estimating future prices, the management also considered the prices of comparable resorts, hotels and water parks in other countries, taking into account differences among the target groups of visitors.

If the projected EBITDA as of 31 October 2011, which is part of the projected cash flows, was lower by 5 % compared to the management's estimate, the value in use for Grandhotel Praha Tatranská Lomnica would be lower by EUR 1,304,000, for Hotel GRAND JASNÁ it would decrease to EUR 1,472,000, for Hotel Tri Studničky it would be lower by EUR 346,000, for Grandhotel Starý Smokovec it would be lower by EUR 828,000, for the resort Jasná it would be lower by EUR 4,152,000 and for the resort Vysoké Tatry it would be lower by EUR 3,149,000. In this case, the consolidated impairment losses would go up by EUR 6,946,000.

1. Critical accounting estimates and assumptions (continued)

(e) Financial Instruments at fair value

The fair value of financial instruments is determined based on:

Level 1: the quoted market price (not adjusted) on the active market for identical assets or liabilities
Level 2: the inputs other than the quoted prices included in level 1, which are comparable for an asset or liability either directly (as prices of comparable instruments) or indirectly (derived from prices)
Level 3: the inputs for assets and liabilities that are not stated based on data from comparable markets (incomparable inputs)

If the quoted market price is not available, the fair value of the instrument is estimated using valuation techniques. When using the valuation models, the management uses estimates and assumptions which are consistent with the available information about estimates and assumptions which used by market participants to determine the prices of a particular financial instrument.

	30/4/2012				31/10/2011			
in thousands of euros	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Securities for sale	59	-	-	**59**	70	-	-	**70**
Financial instruments measured at fair value through income statement	18,223	-	-	**18,223**	17,242	-	-	**17,242**

On 17 March 2010 the Group bought 3,850 shares of Compagnie des Alpes (SA). Their value as of 30 October 2012 represents EUR 59,000 (as of 31 October 2011: EUR 70,000).

In the period from 1 November 2010 to 30 April 2012, the Group acquired 1,560,134 shares of Best Hotel Properties a.s., with their value as of 30 April 2012 representing EUR 18,223,000 (as of 31 October 2011: EUR 17,242,000).

2. Information about segments

Information about business segments – Consolidated profit or loss statement

in thousands of euros	Cableways		Aquapark		Hotel services		Restaurant facilities		Sports services and shops		Real estate projects		Other		TOTAL	
	30/4/2012	30/4/2011	30/4/2012	30/4/2011	30/4/2012	30/4/2011	30/4/2012	30/4/2011	30/4/2012	30/4/2011	30/4/2012	30/4/2011	30/4/2012	30/4/2011	30/4/2012	30/4/2011
	6 m	*6 m*	*6 m*	*6 m*	*6 m*	*6 m*	*6 m*	*6 m*	*6 m*	*6 m*	*6 m*	*6 m*	*6 m*	*6 m*	*6 m*	*6 m*
Revenue	12,651	11,796	1,612	193	6,020	5,114	2,546	1,720	1,439	1,061	115	100	-	-	**24,383**	**19,984**
Other operating income	26	792	12	-	62	99	57	27	8	15	-	-	-	-	**165**	**933**
Consumption of materials and goods	-685	-830	-166	-122	-1,809	-1,446	-899	-523	-484	-285	-2	-	-	-	**-4,045**	**-3,206**
Services purchased	-4,642	-5,524	-512	-79	-1,464	-1,068	-364	-238	-163	-173	-36	-43	-	-	**-7,181**	**-7,125**
Personnel expenses	-1,935	-1,929	-501	-89	-1,647	-1,545	-722	-537	-400	-334	-	-	-	-	**-5,205**	**-4,434**
Other operating costs	-177	-229	-42	-7	-99	-111	-11	-23	-5	-22	-5	-2	-	-	**-339**	**-394**
Revenue from sale of assets	50	45	-	-	-	10	-	-3	-	-1	-	-	-	-	**50**	**51**
Revenue from sale of company	-	-	-	-	-	-	-	-	-	-	-	-	1	-	**1**	**-**
Release of adjustments to receivables	-	-	-	-	6	-	-	-	-	-	-	-	-	-	**6**	**-**
Depreciation and amortisation	-2,017	-2,591	-356	-58	-856	-684	-152	-237	-88	-108	-	-	-110	-153	**-3,579**	**-3,831**
Interest income	-	-	-	-	-	3	-		-	-	-	-	2,098	4,415	**2,098**	**4,418**
Interest expenses	-254	-165	-	-	-38	-45	-18	-17	-23	-15	-	-	-		**-333**	**-242**
Net profit from financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	231	146	**231**	**146**
Loss from associate	-	-	-	-	-51	-30	-	-	-	-	-	-	-	-	**-51**	**-30**
Profit/(loss) of segment before tax	**3,017**	**1,365**	**47**	**-162**	**124**	**297**	**437**	**169**	**284**	**138**	**72**	**55**	**2,220**	**4,408**	**6,201**	**6,270**
Income tax															**-29**	**10**
Consolidated profit															**6,172**	**6,280**

The Group generates all of its income in the territory of the Slovak Republic. It is included among segmental eliminations in amounts reported for individual periods.

No company exceeded the total income share of 10 %.

2. Information about segments (continued)

Information about business segments – Consolidated statement of financial position

	Cableways		Aquapark		Hotel services		Restaurant facilities		Sports services and shops		Real estate projects		Other		TOTAL	
in thousands of euros	**30/4/2012**	**31/10/2011**	**30/4/2012**	**31/10/2011**	**30/4/2012**	**31/10/2011**	**30/4/2012**	**31/10/2011**	**30/4/2012**	**31/10/2011**	**30/4/2012**	**31/10/2011**	**30/4/2012**	**31/10/2011**	**30/4/2012**	**31/10/2011**
Goodwill and intangible assets	55	55	2,620	3,349	839	289	87	87	23	25	-	-	218	-	**3,842**	**3,805**
Property, plant and equipment	90,618	79,742	23,489	26,140	59,251	50,693	4,195	4,151	1,821	1,858	9,753	9,055	-	-	**189,127**	**171,639**
Investments in real estate	-	-	-	-	-	-	-	-	-	-	4,194	4,194	-	-	**4,194**	**4,194**
Inventories	115	475	283	154	90	234	73	86	778	36	-	-	-	-	**1,339**	**985**
Trade receivables	1,701	2,020	22	32	2,340	3,123	37	21	10	3	-	-	-	-	**4,110**	**5,199**
Investment in associate	-	-	-	-	5,128	5,179	-	-	-	-	-	-	-	-	**5,128**	**5,179**
Other receivables	23,434	19,042	-	-	1,478	-	-	-	-	-	-	-	49,306	69,278	**74,218**	**88,320**
Financial investments	-	-	-	-	-	-	-	-	-	-	-	-	18,315	17,337	**18,315**	**17,337**
Other assets	1,893	934	128	123	365	413	13	113	-	43	-	-	591	-	**2,990**	**1,626**
Loans provided	8,138	7,910	-	-	-	-	-	-	-	-	-	-	-	-	**8,138**	**7,910**
Cash and cash equivalents	1,904	2,083	900	1,980	864	1,518	356	561	105	228	-	21	34	-	**4,163**	**6,391**
Deferred tax asset	-	475	-	-	-	1,607	-	-	-	-	-	-	33	-	**33**	**2,082**
Assets held for sale	-	-	-	-	-	-	-	-	-	-	1,554	458	-	-	**1,554**	**458**
Total assets	**127,858**	**112,736**	**27,442**	**31,778**	**70,355**	**63,056**	**4,761**	**5,019**	**2,737**	**2,193**	**15,501**	**13,728**	**68,497**	**86,615**	**317,151**	**315,125**
Non-current loans and borrowings	12,650	13,493	-	-	650	745	312	350	178	219	-	-	-	-	**13,790**	**14,807**
Non-current trade payables	-	-	-	-	-	13	-	-	-	-	-	-	-	-	**-**	**13**
Other non-current liabilities	849	611	-	-	13	-	-	-	-	-	-	-	-	-	**862**	**611**
Current loans and borrowings	2,856	3,118	-	-	-	-	-	-	-	-	-	-	-	-	**2,856**	**3,118**
Current trade payables	3,044	4,453	898	69	1,825	354	13	29	74	10	-	-	-	-	**5,854**	**4,915**
Other current liabilities	2,674	2,924	-	43	271	354	-	62	-	25	-	-	6,444	-	**9,389**	**3,408**
Reserves	28	233	2	76	6	115	6	42	-	18	-	-	65	-	**107**	**484**
Deferred tax liability	-	-	-	-	-	-	-	-	-	-	-	-	11,885	13,962	**11,885**	**13,962**
Current tax liability	-	-	-	-	-	-	-	-	-	-	-	-	-	1,121	**-**	**1,121**
Total liabilities	**22,101**	**24,832**	**900**	**188**	**2,765**	**1,581**	**331**	**483**	**252**	**272**	**-**	**-**	**18,394**	**15,083**	**44,743**	**42,439**

Segmental eliminations are included in amounts reported for individual periods. The prices used between segments are based on the market prices for similar services and financing.

3. Gain and loss on the interest in a subsidiary

On 8 November 2011, the Group established its subsidiary Tatry mountain resorts operations, a.s., which was subsequently sold on 30 April 2012.

in thousands of euros	Date of formation	Acquisition cost	Cash outflow	Group's interest after acquisition in %
Formation of subsidiary				
Tatry mountain resorts operations, a.s.	8/11/2011	28	-28	100 %

in thousands of euros	Date of sale	Selling price	Cash inflow	Revenue from sale
Sale of subsidiary				
Tatry mountain resorts operations, a.s.	30/4/2012	29	29	1

Effect from sale

By sale of the subsidiary Tatry mountain resorts operations, a.s., the net assets and liabilities of which as of the date of sale 30 April 2012 represented cash and cash equivalents of EUR 28,000, the Group acquired a net cash inflow of EUR 1,000. The acquired remuneration was settled in cash, amounting to EUR 29,000.

4. Revenue

in thousands of euros	1/11/2011 – 30/4/2012	1/11/2010 – 30/4/2011
Cableways	12,651	11,796
Hotel services	6,020	5,114
Sports services and shops	1,439	1,061
Restaurant facilities	2,546	1,720
Water park (aqua park)	1,612	193
Real estate projects	115	100
Total	**24,383**	**19,984**

5. Other operating income

in thousands of euros	1/11/2011 – 30/4/2012	1/11/2010 – 30/4/2011
Compensations from insurance company	34	10
Contractual penalties	17	100
Other operating income	114	823
Total	**165**	**933**

For the period from 1 November 2010 to 30 April 2011, a part of other operating income amounting to EUR 479,000 represents a profit from cessation of liability from revitalisation due to an amendment to the applicable legislation.

6. Consumption of material and goods

in thousands of euros	**1/11/2011 – 30/4/2012**	**1/11/2010 – 30/4/2011**
Material in hotels and restaurant facilities	-1,367	-1,022
Goods	-1,198	-864
Fuel	-457	-439
Material for repair and maintenance	-425	-296
Other materials and goods	-598	-585
Total	**-4,045**	**-3,206**

7. Services purchased

in thousands of euros	**1/11/2011 – 30/4/2012**	**1/11/2010 – 30/4/2011**
Energy consumption	-2,147	-1,767
Advertising expenses	-1,796	-1,973
Rent (premises) and other associated expenses	-824	-947
Transport, accommodation and travel expenses	-383	-1,188
Other administrative costs	-331	-200
Cost of legal advice	-303	-36
Repair and maintenance expenses	-295	-226
Communication expenses	-108	-91
Services related to the premises owned	-99	-86
Training expenses	-72	-112
Other services purchased	-823	-499
Total	**-7,181**	**-7,125**

The Group uses the services of the audit firm KPMG Slovensko spol. s.r.o. to examine the consolidated financial statements and, based on the decision of the General Meeting with effect from the beginning of the financial year 2011, the company also uses the services of the audit firm KPMG Slovensko spol. s r.o. to examine the individual financial statements of all companies within the Group. The costs of these items have not yet been spent in the period from 1 November 2011 to 30 April 2012. The audit firms provided no other auditing services.

8. Personnel expenses

in thousands of euros	**1/11/2011 – 30/4/2012**	**1/11/2010 – 30/4/2011**
Wages and salaries	-3,782	-3,154
Compulsory social security contributions	-1,093	-961
Bonuses for top management and members of the statutory bodies	-146	-169
Other social costs	-184	-150
Total	**-5,205**	**-4,434**

The average number of Group employees during the period from 1 November 2011 to 30 April 2012 was 734, out of which 8 were management (for the period from 1 November 2010 to 30 April 2011, it was 702, out of which 9 were management), the number of employees with an agreement for the performance of a work assignment was 409 (for the period from 1 November 2010 to 30 April 2011: 492).

9. Other operating costs

in thousands of euros	**1/11/2011 – 30/4/2012**	**1/11/2010 – 30/4/2011**
Insurance (property, cars, travel)	-127	-18
Fees and commission costs	-113	-332
Shortages and damage	-49	-11
Other operating costs	-50	-33
Total	**-339**	**-394**

10. Interest income and expenses

in thousands of euros	**1/11/2011 – 30/4/2012**	**1/11/2010 – 30/4/2011**
Interest income	2,098	4,418
Interest expenses	-333	-242
Total	**1,765**	**4,176**

The Group has a bill of exchange receivable with a fixed interest rate of 7.5 % p.a., payable on demand, in its assets.

The Group draws on 5 loans by Tatra banka, akciová spoločnosť, with interest rates depending on 1-month and 3-month EURIBOR. The loans were granted for financing investments and refinancing a loan from another bank. Also, the Group has lease contracts signed through which it finances cars, snowcats, snow scooters, etc.

At present, the Group reports no capitalised financial costs.

11. Net profit from financial instruments

in thousands of euros	**1/11/2011 – 30/4/2012**	**1/11/2010 – 30/4/2011**
Revaluation of financial instruments measured at fair value through income statement	526	143
Costs of financial instrument administration	-305	-
Profit from sale of financial instruments measured at fair value through income statement	8	-
Other, net	2	3
Total	**231**	**146**

12. Income tax and deferred tax

in thousands of euros	**1/11/2011 – 30/4/2012**	**1/11/2010 – 30/4/2011**
Current tax:		
Tax for the current accounting period	-	-21
Adjustments related to previous periods	-57	-
	-57	**-21**
Deferred tax:		
Recognition and clearing of temporary differences	28	31
Total income tax	**-29**	**10**

Deferred income taxes are calculated using statutory tax rates the validity of which is assumed in the period in which a receivable is realized or a liability is settled.

The income tax is recognised in other parts of the comprehensive result.

in thousands of euros	**1/11/2011 – 30/4/2012**			**1/11/2010 – 30/4/2011**		
	Before tax	**Tax**	**After tax**	**Before tax**	**Tax**	**After tax**
Revaluation of securities for sale at fair value	-11	-	-11	3	-	3
Total other items of the consolidated income	**-11**	**-**	**-11**	**3**	**-**	**3**

See also Note 17 - Deferred tax asset, deferred tax liability.

13. Property, plant and equipment

in thousands of euros	**Lands and buildings**	**Individual movables and sets of movables**	**Assets under construction**	**Total**
Acquisition cost				
Initial balance as of 1/11/2010	81,981	36,312	17,197	135,490
Gains	4,675	6,782	17,842	29,299
Gains due to business combinations	34,974	317	-	35,291
Losses	-51	-525	-261	-837
Relocation within assets	13,437	7,793	-21,230	-
Revaluation at fair value at time of allocation into investments in real estate	204	-	-	204
Transfer into a group of assets held for sale	-	-	-356	-356
Transfer into real estate investments	-86	-	-	-86
Balance as of 31/10/2011	135,134	50,679	13,192	199,005
Initial balance as of 1/11/2011	135,134	50,679	13,192	199,005
Gains	7,129	383	14,861	22,373
Losses	-10	-205	-	-215
Relocation within assets	4,988	7,814	-12,802	-
Transfer into a group of assets held for sale	-	-	-1,198	-1,198
Balance as of 30/4/2012	147,241	58,671	14,053	219,965
Accumulated depreciation and losses from impairment of assets				
Initial balance as of 1/11/2010	-13,466	-6,253	-597	-20,316
Depreciation for the current accounting period	-3,705	-4,230	-	-7,935
Losses	11	74	-	85
Reversal of loss from impairment of assets	800	-	-	800
Balance as of 31/10/2011	-16,360	-10,409	-597	-27,366
Initial balance as of 1/11/2011	-16,360	-10,409	-597	-27,366
Depreciation for the current accounting period	-1,576	-1,927	-	-3,503
Losses	9	22	-	31
Balance as of 30/4/2012	-17,927	-12,314	-597	-30,838
Residual value				
as of 1/11/2010	**68,515**	**30,059**	**16,600**	**115,174**
as of 31/10/2011	**118,774**	**40,270**	**12,595**	**171,639**
as of 1/11/2011	**118,774**	**40,270**	**12,595**	**171,639**
as of 30/4/2012	**129,314**	**46,357**	**13,456**	**189,127**

As of 30 April 2012, the carrying amount of a 4-star hotel acquired by the Group by the acquisition of GRANDHOTEL PRAHA a.s. in 2009 represented EUR 17,082,000 (as of 31 October 2011: EUR 15,945,000).

In the course from 1 November 2011 to 30 April 2012, the parent company acquired the assets of the Hotel FIS in the amount of EUR 4,926,000 and of Hotel Slovakia in the amount of EUR 1,697,000 reported within the items of property and plant, individual movables and sets of movables.
In the course from 1 November 2010 to 30 April 2011, the parent company acquired the assets of Aquapark Tatralandia in the amount of EUR 35,291,000, reported within the property and plant, individual movables and sets of movables items.

13. Property, plant and equipment (continued)

Gains on assets under construction in the period from 1 November 2011 to 30 April 2012 of EUR 14,861,000 consist of a high-capacity Funitel cableway, 8-seater cableway, snowmaking systems in the ski resorts of Jasná and Tatranská Lomnica and other assets.
Gains on assets under construction in the period from 1 November 2010 to 31 October 2011 of EUR 17,842,000 consist of two 6-seater cableways, the restaurant facility Happy End, snowmaking systems in the ski resorts of Jasná and Tatranská Lomnica and other assets.

Unused assets
The Group owns a building under construction, for which adjustment in the value of 100 % has been created, i.e. EUR 597,000. The Group does not use these assets.

Impairment loss
For the period ending 30 April 2012 the Group identified no asset impairment loss.
For the period ending 31 October 2011 the Group recognised a reversal of asset impairment loss in the amount of EUR 800,000.

Insurance of assets
The Group insured its assets against natural disasters, theft, and vandalism and against general machinery risks. The Group also has civil liability insurance. The total insurance value of assets in the case of a natural disaster is EUR 164,245,000. The amount of insurance against general machinery risks is EUR 12,417,000, EUR 166,000 in the case of civil liability insurance and EUR 63,269,000 in the case of vandalism.

Guarantee
As of 30 April 2012 property, plant and equipment of EUR 132,891,000 were used to guarantee bank loans (as of 31 October 2011: in the amount of EUR 125,840,000).

Capitalised financial costs
At present, the Group reports no capitalised financial costs.

14. Goodwill and intangible assets

in thousands of euros

	Goodwill	Valuable rights	Software	Total
Acquisition cost				
Initial balance as of 1/11/2010	4,124	655	102	4,881
Gains	-	-	78	78
Gains due to business combinations	-	3,315	-	3,315
Losses	-	-	-9	-9
Balance as of 31/10/2011	4,124	3,970	171	8,265
Initial balance as of 1/11/2011	4,124	3,970	171	8,265
Gains	-	-	117	117
Losses	-	-4	-	-4
Balance as of 30/4/2012	4,124	3,966	288	8,378
Accumulated depreciation and losses from impairment of assets				
Initial balance as of 1/11/2010	-651	-294	-39	-984
Depreciation for the current accounting period	-	-155	-30	-185
Losses	-	1	8	9
Loss due to impairment of assets	-3,300	-	-	-3,300
Balance as of 31/10/2011	-3,951	-448	-61	-4,460
Initial balance as of 1/11/2011	-3,951	-448	-61	-4,460
Depreciation for the current accounting period	-	-58	-18	-76
Balance as of 30/4/2012	-3,951	-506	-79	-4,536
Residual value				
as of 1/11/2010	**3,473**	**361**	**63**	**3,897**
as of 31/10/2011	**173**	**3,522**	**110**	**3,805**
as of 1/11/2011	**173**	**3,522**	**110**	**3,805**
as of 30/4/2012	**173**	**3,460**	**209**	**3,842**

15. Investments in real estate

in thousands of euros	30/4/2012	31/10/2011
Acquisition cost		
Initial balance as of 1/11/2011 / 1/11/2010	4,194	3,714
Transfer from tangible assets	-	86
Revaluation to fair value	-	394
Balance as of 30/4/2012 / 31/10/2011	**4,194**	**4,194**

Investments in real estate represent three hotels (Ski, Liptov and Kosodrevina) in the amount of EUR 1,874,000, which are leased to third parties to operate, as well as forest areas and lands acquired by acquisition in 2009 in the amount of EUR 2,320,000.

In the period from 1 November 2011 to 30 April 2012 income from real estate investments represented EUR 115,000 and direct operating costs related to real estate investments amounted to EUR 42,000 (1 November 2010 to 30 April 2011: income from real estate represented EUR 100,000 and direct operating costs related to real estate investments amounted to EUR 50,000).

Real estate investments are measured at fair value (see Note 1b – Critical accounting estimates and assumption, Real estate investments valuation).

Guarantee
As of 30 April 2012 all real estate investments of EUR 4,194,000 were used to guarantee bank loans (as of 31 October 2011: in the amount of EUR 4,194,000).

16. Investment in associate

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

		Group's interest	
		30/4/2012	31/10/2011
Associate	**Country**	%	%
Interhouse Tatry s.r.o.	Slovakia	50	50

thousands of euros	Investment value	
	30/4/2012	31/10/2011
Acquisition cost of associate	7,526	7,526
EBITDA contract adjustment	-598	-598
Loss due to impairment of goodwill (previous period)	-1,108	-1,108
Group's interest in a loss on the associate (previous period)	-641	-46
Group's interest in a loss on the associate (current period)	-51	-595
Total	**5,128**	**5,179**

16. Investment in associate (continued)

Comprehensive financial data of Interhouse Tatry s.r.o., reported in total value thereof (100 %) as of 30 April 2012:

in thousands of euros	**Revenue**	**Loss**	**Current assets**	**Non-current assets**	**Current liabilities**	**Non-current liabilities**	**Equity**
Interhouse Tatry s.r.o.	829	-102	255	12,724	381	3,304	9,294

Profit and loss of the company represents the profit and loss for the period from 1 November 2011 to 30 April 2012.

Comprehensive financial data of Interhouse Tatry s.r.o., reported in total value thereof (100 %) as of 31 October 2011:

in thousands of euros	**Revenue**	**Loss**	**Current assets**	**Non-current assets**	**Current liabilities**	**Non-current liabilities**	**Equity**
Interhouse Tatry s.r.o.	1,668	-1,190	427	13,810	496	3,384	10,357

Profit and loss of the company represents the profit and loss for the period from 01 November 2010 to 31 October 2011. For the period from 1 November 2010 to 30 April 2011, profit represented an amount of EUR 812,000 and loss amounted to EUR 60,000.

17. Deferred tax asset, deferred tax liability

Deferred tax assets (liability) have been recognised for these items:

in thousands of euros	**Receivables**		**Liabilities**		**Total**	
	30/4/2012	**31/10/2011**	**30/4/2012**	**31/10/2011**	**30/4/2012**	**31/10/2011**
Temporary differences related to:						
Property, plant and equipment	1,474	1,474	-13,301	-13,337	**-11,827**	**-11,863**
Intangible assets	-	-	-473	-473	**-473**	**-473**
Investments in real estate	90	90	-	-	**90**	**90**
Other	600	608	-242	-242	**358**	**366**
Off-setting	-2,131	-2,139	2,131	2,139	**-**	**-**
Total	**33**	**33**	**-11,885**	**-11,913**	**-11,852**	**-11,880**

Deferred tax assets not recognised for these items:

in thousands of euros	**30/4/2012**	**31/10/2011**
Tax losses	6,797	6,853
Total	**6,797**	**6,853**

17. Deferred tax asset, deferred tax liability (continued)

The deferred tax asset from carry-forward losses is recognised only up to the amount to which it could be amortised against future tax profits in the future. Tax losses for which no deferred tax asset was recognised as of 31 October 2010 were acquired by acquisition of subsidiaries in the course of the accounting period.

The expected final periods for the amortisation of tax losses are as follows:

in thousands of euros	**2013**	**2014**	**2015**	**2016**	**after 2016**
Tax losses	-	87	1,159	5,551	-

The deadline for the amortisation of a tax loss is 5 years (losses incurred after 1 January 2010 have a 7-year deadline).

18. Inventories

in thousands of euros	**30/4/2012**	**31/10/2011**
Material	528	537
Goods	811	448
Total	**1,339**	**985**

As of 30 April 2012 inventories of EUR 1,246,000 were used to guarantee bank loans (as of 31 October 2011: EUR 52,000).

19. Loans provided

in thousands of euros	**30/4/2012**	**31/10/2011**
Short-term	176	236
Long-term	7,962	7,674
Total	**8,138**	**7,910**

As of 30 April 2012 long-term borrowings are represented mainly by the borrowing of EUR 5,914,000 (as of 31 October 2011: EUR 5,693,000) granted to WEBIS, s.r.o. with a fixed interest rate of 5 % p.a., with the outstanding cumulated interest on this amount as of 30 April 2012 amounting to EUR 507,000 (as of 31 October 2011: EUR 373,000), and the borrowing granted to 1. Tatranská, akciová spoločnosť amounting to EUR 1,951,000 (as of 31 October 2011: EUR 1,905,000) with a fixed interest rate of 7 % p.a., with the outstanding cumulated interest on this amount as of 30 April 2012 amounting to EUR 94,000 (as of 31 October 2011: EUR 48,000).

20. Trade receivables

in thousands of euros	**30/4/2012**	**31/10/2011**
Trade receivables	4,537	5,632
Adjustments to receivables	-427	-433
Total	**4,110**	**5,199**
Short-term	2,957	4,046
Long-term	1,153	1,153
Total	**4,110**	**5,199**

As of 30 April 2012 trade receivable consist mainly of the sale of Penzión Energetik (EUR 1,691,000); the rest consists of common operating and barter receivables, and buyback receivables in the settlement of a finance lease (as of 31 October 2011: receivable from the sale of Penzión Energetik (EUR 1,739,000); the rest consists of common operating receivables).

As of 30 April 2012 as well as of 31 October 2011 the value of adjustments consists of a discount of the non-current receivable for the sale of Penzión Energetik of EUR 338,000; the rest consists of adjustments to common operating receivables.

Classification of receivables by maturities is as follows:

in thousands of euros		**30/4/2012**			**31/10/2011**	
	Gross	**Adjustment**	**Net**	**Gross**	**Adjustment**	**Net**
due	2,593	-338	2,255	3,729	-338	3,391
up to 30 days past due	197	-	197	317	-	317
from 30 up to 180 days past due	732	-28	704	513	-	513
from 180 up to 365 days past due	332	-	332	608	-	608
more than 365 days past due	683	-61	622	465	-95	370
Total	**4,537**	**-427**	**4,110**	**5,632**	**-433**	**5,199**

Development of an adjustment in the course of the accounting period is shown in the following overview:

in thousands of euros	**30/4/2012**	**31/10/2011**
Balance as of 1/11/2011 / 1/11/2010	433	429
Value adjustment/re-adjustment	-6	4
Balance as of 30/4/2012 / 31/10/2011	**427**	**433**

21. Other receivables

in thousands of euros	**30/4/2012**	**31/10/2011**
Bill of exchange receivables	49,306	66,806
Advances provided	23,569	20,171
EBITDA contract	1,343	1,343
Total	**74,218**	**88,320**
Short-term	56,770	70,225
Long-term	17,448	18,095
Total	**74,218**	**88,320**

The value of the outstanding bill of exchange as of 30 October 2012 represents EUR 49,306,000 (as of 31 October 2011: EUR 66,806,000). The bill of exchange is payable at sight, with an interest rate of 7.5 % p.a.
As of 30 April 2012 the bill of exchange of EUR 49,306,000 towards J&T Private Equity B.V. (as of 31 October 2011: EUR 66,806,000), administered based on the contract on portfolio management with J&T Bank Switzerland Ltd., has been deposited for safekeeping.

The EBITDA contract follows from the purchase of contracts of interests in GRANDHOTEL PRAHA a.s. and Interhouse Tatry s.r.o. By purchase of the relevant companies on 28 December 2009, the Group acquired a guarantee from the sellers that the assets in the relevant companies shall deliver the agreed profitability (EBITDA) in the next four years. If the relevant profitability is not achieved, the original owners undertook to pay the difference of the agreed profitability for the period of four years. These payments are planned to be used mainly for the reconstruction of assets to which they relate.

The advances provided on assets relate to unfinished investment activities and future acquisitions. The future acquisition is the company operating cableways which the Group is interested in buying in the future. The contract is settled with WEBIS, s.r.o for the period of 5 years. The value of the advance provided was discounted to fair value as of 31 October 2011. The discounted rate used amounted to 2.821 %. By revaluation of the advance, a loss of EUR 2,500,000 occurred in the period from 1 November 2010 to 31 October 2011. If the value of the discounted rate changed by 5 %, the amount of the loss would be changed by EUR 114,000.

22. Other assets

in thousands of euros	**30/4/2012**	**31/10/2011**
Deferred expenses and deferred income	1,270	568
Other tax assets	1,096	547
Other assets	624	511
Total	**2,990**	**1,626**
Short-term	2,990	1,626
Long-term	-	-
Total	**2,990**	**1,626**

As of 30 April 2012 the other tax assets item includes mainly current tax assets of EUR 592,000 and VAT assets of EUR 504,000 (as of 31 October 2011: mainly VAT assets of EUR 545,000).

23. Financial investments

in thousands of euros	**30/4/2012**	**31/10/2011**
Financial instruments measured at fair value through income statement	18,223	17,242
Securities for sale	59	70
Other financial investments	33	25
Total	**18,315**	**17,337**

In the period from 1 November 2010 to 30 April 2012, the Group acquired 1,560,134 shares of Best Hotel Properties a.s. (the BHP), which manages a network of hotels. Their value as of 30 October 2012 represents EUR 18,223,000 (as of 31 October 2011: EUR 17,242,000). The Group received a guarantee for the purchase based on a consulting contract with J&T FINANCE GROUP, a.s. that the purchase of shares in BHP will earn a minimum 7 % p.a. for the period of 3 years.

On 17 March 2010, the Group purchased 3,850 shares of Compagnie des Alpes (SA), a French company traded on the Paris Stock Exchange, operating in the area of ski resorts and summer amusement parks. The Group purchased these shares as a financial investment. The shares are available for sale and are revalued at fair value into equity based on current stock market prices. Their value as of 30 October 2012 represents EUR 59,000 (as of 31 October 2011: EUR 70,000).

Also, the Group made a cash contribution to Tatranské dopravné družstvo, which deals with intermediary activities for services. The value of the contribution as of 30 October 2012 represents EUR 33,000 (as of 31 October 2011: EUR 25,000).

24. Cash and cash equivalents

in thousands of euros	**30/4/2012**	**31/10/2011**
Cash on hand	161	151
Valuables	71	49
Current bank accounts	3,931	6,191
Total	**4,163**	**6,391**

25. Assets held for sale

Assets held for sale as of 30 April 2012 contain assets under construction which the Group intends to sell.

A detailed structure of assets held for sale as of 30 April 2012 and 31 October 2011 is as follows:

in thousands of euros	**30/4/2012**	**31/10/2011**
Assets under construction	1,554	356
Assets advances provided	-	102
Total assets	**1,554**	**458**

26. Equity

Share capital and share premium
The authorised, issued and fully paid share capital as of 30 April 2012 and 31 October 2011 consisted of 6,707,198 ordinary shares in the nominal value of EUR 33 per share.

On 12 April 2010 the issues of shares designated as ISIN: CS0009011952, series 01, 02 , ISIN: SK1120002110, series 01, ISIN: SK1120005527, series 01, ISIN: SK1120006061, series 01, ISIN: SK1120009156, series 01 ceased and merged into a single issue of ISIN-u SK1120010287.

On 21 April 2012, the annual General Meeting of Tatry mountain resorts, a.s. was held. The General Annual also decided on the profit distribution of Tatry mountain resorts, a.s. generated in the period from 1 November 2010 to 31 October 2011 in the amount of EUR 8,590,000, so that an amount of the profit of EUR 859,000 was used to supplement the reserve fund of the company, an amount of EUR 6,439,000 will be used for payment of dividends to shareholders of the company, representing a dividend per share of EUR 0.96, and the rest of the profit of EUR 1,292,000 was transferred to the account of retained earnings.

The shareholders are entitled to receive dividends and the value of vote per share at General Meetings of the Company is defined as the ratio of the value of one share and the total amount of share capital. The following table includes shareholders of the Company with the number of shares, ownership interest and voting rights.

30/4/2012	**Number of shares**	**Ownership interest in %**	**Voting rights in %**
J & T BANKA, a.s.	1,355,477	20.21 %	20.21 %
Poštová banka, a.s.	1,169,782	17.44 %	17.44 %
CLEARSTREAM BANKING S.A.	657,894	9.81 %	9.81 %
Patria Finance, a.s.	538,912	8.03 %	8.03 %
TLD, s. r. o.	493,318	7.36 %	7.36 %
minor shareholders	2,491,815	37.15 %	37.15 %
Total	**6,707,198**	**100 %**	**100 %**

31/10/2011	**Number of shares**	**Ownership interest in %**	**Voting rights in %**
Poštová banka, a.s.	1,169,782	17.44 %	17.44 %
J & T BANKA, a.s.	902,566	13.46 %	13.46 %
CLEARSTREAM BANKING S.A.	657,894	9.81 %	9.81 %
TLD, s. r. o.	493,318	7.36 %	7.36 %
Patria Finance, a.s.	452,198	6.74 %	6.74 %
TATRY INVESTMENT LIMITED	447,700	6.67 %	6.67 %
minor shareholders	2,583,740	38.52 %	38.52 %
Total	**6,707,198**	**100 %**	**100 %**

26. Equity (continued)

Earnings per share

	30/4/2012	**30/4/2011**
Profit for the period in thousands of euros	6,172	6,280
Weighted average number of ordinary shares	6,707,198	6,707,198
Consolidated income per share in euros	**0.920**	**0.936**

Undistributable funds

Undistributable funds included in retained earnings consist of the legal reserve fund of EUR 3,260,000 (as of 31 October 2011: EUR 2,401,000). According to Slovak legislation, a legal reserve fund shall be mandatorily created on an annual basis, in a minimum amount of 10 % of the company's net profit and at least up to 20 % of the subscribed share capital (on a cumulative basis). The legal reserve fund may be used only for settlement of the company's losses and cannot be used for payment of dividends. The calculation of the legal reserve fund is made in compliance with the Slovak legal regulations.

Decrease of share capital

The extraordinary General Meeting held on 15 March 2010 approved a decrease of the Company's share capital from EUR 221,534,128.694362 to EUR 221,337,534. The reason for the decrease of the Company's share capital was to achieve one nominal value for all shares of the company, namely the value of EUR 33 per share.

27. Loans and borrowings

in thousands of euros	**30/4/2012**	**31/10/2011**
Short-term	2,856	3,118
Long-term	13,790	14,807
Total	**16,646**	**17,925**

Creditor	**Interest rate type**	**Due date**	**Outstanding amount as of 30/4/2012** *in thousands of euros*
Tatra-Leasing, s.r.o.	1M EURIBOR+ margin	30/9/2013	13
Tatra banka, akciová spoločnosť	1M EURIBOR+ margin	30/9/2013	617
Tatra banka, akciová spoločnosť	1M EURIBOR+ margin	30/9/2016	2,700
Tatra banka, akciová spoločnosť	1M EURIBOR+ margin	31/12/2016	1,419
Tatra banka, akciová spoločnosť	1M EURIBOR+ margin	31/12/2016	3,150
Tatra banka, akciová spoločnosť	1M EURIBOR+ margin	30/9/2017	4,016
Tatra banka, akciová spoločnosť	3M EURIBOR+ margin	30/9/2017	4,104
Tatra banka, akciová spoločnosť	1M EURIBOR+ margin	31/12/2018	627

Creditor	**Interest rate type**	**Due date**	**Outstanding amount as of 31/10/2011** *in thousands of euros*
Tatra-Leasing, s.r.o.	3M EURIBOR+ margin	30/9/2013	17
Tatra banka, akciová spoločnosť	1M EURIBOR+ margin	30/9/2013	823
Tatra banka, akciová spoločnosť	1M EURIBOR+ margin	30/9/2016	2,850
Tatra banka, akciová spoločnosť	1M EURIBOR+ margin	31/12/2016	1,568
Tatra banka, akciová spoločnosť	1M EURIBOR+ margin	31/12/2016	3,150
Tatra banka, akciová spoločnosť	1M EURIBOR+ margin	30/9/2017	4,461
Tatra banka, akciová spoločnosť	3M EURIBOR+ margin	30/9/2017	4,382
Tatra banka, akciová spoločnosť	1M EURIBOR+ margin	31/12/2018	674

In the period from 1 November 2011 to 30 April 2012 the weighted arithmetic average of interest rates on loans by banks amounted to 3.07 % (from 1 November 2010 to 31 October 2011: 3.16 %). The interest is payable on a monthly basis. For more information, see Note 10 – Interest income and expenses.

Guarantee

In order to guarantee bank loans, the following assets were used: lands; water areas; technology; and service buildings of mountain lift equipment: ski lifts, chair cableways, terrestrial cableways, hanging cableways, cabin cableways, transformers; operating buildings and structures: Hotel Srdiečko, Hotel Kosodrevina, Hotel Liptov, Hotel Grand, Hotel SKI, the former telecommunication building, bungalows. In the case of the guarantee of Hotel SKI and the former telecommunication building, Tatra banka, akciová spoločnosť is second in line (see also Note 33 – Finance lease). All tangible assets and trade receivables of the resorts Jasná and Vysoké Tatry are pledged as well.

As of 30 April 2012 property, plant and equipment, investments in real estate, inventories and receivables of EUR 142,395,000 were used to guarantee bank loans (as of 31 October 2011: in the amount of EUR 135,224,000).

28. Trade payables

in thousands of euros	30/4/2012	31/10/2011
Trade payables	5,323	4,318
Unbilled supplies	509	584
Retention money	22	26
Total	**5,854**	**4,928**
Short-term	5,854	4,915
Long-term	-	13
Total	**5,854**	**4,928**

Trade payables consist of liabilities on investments under construction and on common operating purchases. Past due liabilities amounted to EUR 2,748,000 as of 30 April 2012 (as of 31 October 2011: EUR 1,137,000).

29. Reserves

in thousands of euros	Holidays not taken	Other	Total
Initial balance as of 1/11/2011	464	20	484
Utilisation of reserves throughout the year	-377	-	-377
Balance as of 30/4/2012	**87**	**20**	**107**
Short-term			87
Long-term			20

in thousands of euros	Holidays not taken	Other	Total
Initial balance as of 1/11/2010	310	20	330
Formation of reserves throughout the year	463	-	463
Dissolution of reserves throughout the year	-4	-	-4
Utilisation of reserves throughout the year	-305	-	-305
Balance as of 31/10/2011	**464**	**20**	**484**
Short-term			464
Long-term			20

30. Other liabilities

in thousands of euros	**30/4/2012**	**31/10/2011**
Liabilities to shareholders, employees and partners	6,985	421
Finance lease liabilities	1,064	1,146
Deferred revenue	526	531
Advances received	441	662
Employee benefits	8	8
Other liabilities	1,227	1,251
Total	**10,251**	**4,019**
Short-term	9,389	3,408
Long-term	862	611
Total	**10,251**	**4,019**

As of 30 April 2012 liabilities to shareholders, employees and partners also contain liabilities for payment of dividends of EUR 6,439,000 and social fund liabilities of EUR 22,000 (as of 31 October 2011: social fund liabilities of EUR 18,000).

As of 30 April 2012 the amount of deferred revenue mainly represents a subsidy of EUR 167,000 for an education project (ZASI), a subsidy of EUR 98,000 for the Tri studničky hotel and a revenue of EUR 92,000 from the repaid lease of the 6-seater cableway in Jasná (as of 31 October 2011: a subsidy of EUR 167,000 for an education project (ZASI), a subsidy of EUR 100,000 for the Tri studničky hotel, a revenue of EUR 142,000 from the repaid lease of the 6-seater cableway in Jasná).

As of 30 April 2012 the amount of other liabilities also contains social security liabilities of EUR 282,000 and VAT liabilities on advances paid of EUR 178,000 (as of 31 October 2011: social security liabilities of EUR 210,000, deferred expenses of EUR 190,000, VAT liabilities on advances paid of EUR 287,000).

The formation and utilisation of a social fund during the accounting period is shown in the following overview:

in thousands of euros	**30/4/2012**	**31/10/2011**
Balance as of 1/11/2011 / 1/11/2010	18	13
Formation charged into expenses	18	25
Drawdown	-14	-20
Balance as of 30/4/2012 / 31/10/2011	**22**	**18**

31. Information about fair value

The following overview contains information about the carrying amount and fair value of the Group's financial assets and liabilities that are not carried at fair value:

in thousands of euros	**Carrying amount**		**Fair value**	
	30/4/2012	**31/10/2011**	**30/4/2012**	**31/10/2011**
Financial assets				
Cash and cash equivalents	4,163	6,391	4,163	6,391
Loans provided	8,138	7,910	7,579	6,947
Trade receivables	4,110	5,199	4,110	5,199
Other receivables	74,218	88,422	74,218	88,422
Financial investments	33	25	33	25
Other assets	2,990	1,626	2,990	1,626
Financial liabilities				
Loans and borrowings	16,646	17,925	17,685	20,422
Trade payables	5,854	4,928	5,854	4,928
Other liabilities	10,251	4,019	10,251	4,019

The mentioned balances as of 31 October 2011 also include a part of assets held for sale of EUR 102,000.

Other receivables as of 30 April 2012 also contain, inter alia, bill of exchange receivables of EUR 49,306,000 (as of 31 October 2011: EUR 66,806,000), payable on demand, and therefore the carrying amount thereof is not significantly different from the fair value thereof.

Financial investments do not contain the shares of Best Hotel Properties a.s. of EUR 18,223,000 (as of 31 October 2011: EUR 17,242,000) and the shares of Compagnie des Alpes (SA) of EUR 59,000 (as of 31 October 2011: EUR 70,000), because they are already carried at fair value.

32. Operating lease

Lease on the lessee's side

The Group rents land with ski slopes and cableways and rents some vehicles based on operating lease contracts. Major contracts for the lease of lands are concluded for the period of 30 years with another 10-year option. The major contracts have a 1-year notice period.

Costs of the operating lease for the period ending 30 April 2012 recognised in the income statement represented EUR 824,000 (for the period ending 30 April 2011: EUR 947,000).

The amount of rent for the period during which the contracts cannot be terminated is as follows:

in thousands of euros	**30/4/2012**	**31/10/2011**
less than 1 year	430	480
from 1 up to 5 years	14	31
more than 5 years	-	-
Total	**444**	**511**

33. Finance lease

The maturity of financial lease liabilities as of 30 April 2012 was as follows:

in thousands of euros	**Principal**	**Interest**	**Payments**
less than 1 year	475	31	506
1 up to 5 years	589	25	614
more than 5 years	-	-	-
Total	**1,064**	**56**	**1,120**

Guarantee

The following assets were used to guarantee the finance lease liabilities: the chair cableway (the subject of the lease) and buildings: Hotel SKI and the former telecommunication building (see also Note 27 – Loans and borrowings).

34. Information about risk management

This section provides details about the risks the Group is exposed to and about the method of management thereof.
The Group is exposed to risk in the following areas:

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

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

34. Information about risk management (continued)

Credit risk

The Group's primary exposure to credit risk arises through its trade receivables, lease receivables, other receivables and advances and loans provided. The degree of credit exposure is represented by the respective carrying amounts of these assets in the balance sheet. The carrying amount of receivables, advances and loans provided represents the maximum accounting loss that would have to be recognised if the counterparty completely failed to perform its contractual obligations and all collaterals and guarantees would be of no value. Therefore, this value highly exceeds the expected losses included in the provision for unrecoverable receivables.

As of 30 April 2012 the Group was exposed to the following credit risk:

in thousands of euros	**Legal entities**	**Banks**	**Other financial institutions**	**Other**	**Total**
Assets					
Cash and cash equivalents	-	3,931	-	232	4,163
Trade receivables	4,110	-	-	-	4,110
Loans provided	8,138	-	-	-	8,138
Other receivables	24,912	-	49,306	-	74,218
Financial investments	18,315	-	-	-	18,315
Other assets	1,822	2	1	1,165	2,990
	57,297	**3,933**	**49,307**	**1,397**	**111,934**

As of 31 October 2011 the Group was exposed to the following credit risk:

in thousands of euros	**Legal entities**	**Banks**	**Other financial institutions**	**Other**	**Total**
Assets					
Cash and cash equivalents	-	6,191	-	200	6,391
Trade receivables	5,199	-	-	-	5,199
Loans provided	7,910	-	-	-	7,910
Other receivables	21,616	-	66,806	-	88,422
Financial investments	17,337	-	-	-	17,337
Other assets	1,063	2	12	549	1,626
	53,125	**6,193**	**66,818**	**749**	**126,885**

The mentioned balances as of 31 October 2011 also include a part of the assets held for sale of EUR 102,000.

Other receivables also contain a bill of exchange receivable. The value of the outstanding bill of exchange is towards J&T Private Equity B.V., representing as of 31 April 2012 the amount of EUR 49,306,000 (as of 31 October 2011: EUR 66,806,000). The bill of exchange is payable at sight, with an interest rate of 7.5 % p.a. It is administered based on the contract on portfolio management with J&T Bank Switzerland Ltd. and deposited for safekeeping.

34. Information about risk management (continued)

Liquidity risk

Liquidity risk arises in the general financing of the Group's activities and financial positions. It includes the risk of being unable to finance assets at an agreed maturity and interest rate and inability to realize assets at a reasonable price in a reasonable time frame. Individual companies in the Group use different methods of managing liquidity risk. The Group's Management focuses on managing and monitoring the liquidity of each company.
In order to manage liquidity, the management changed the accounting year for the financial year ending 31 October. In the first half of its accounting period, the Group has the winter season, representing 55 % of the Group's income. According to the development in the first half-year, the Group is able to affect income and expenses well in advance to keep sufficient liquidity. In the Vysoké Tatry resort, seasonality is also compensated by a strong summer season, providing for a more stable liquidity through the entire year. By ownership of a bill of exchange payable at sight (more information in Note 21 – Other receivables), the Group has sufficient liquidity ensured.

The following table includes an analysis of the Group's financial assets and liabilities classified by remaining maturity. This analysis represents the most prudent alternative of the remaining maturities including interest. Therefore, the earliest repayment possible is reported for liabilities and the latest repayment possible is reported for assets. Assets and liabilities without a defined maturity are reported together in the "not specified" category.

As of 30 April 2012 the Group was exposed to the following liquidity risk:

in thousands of euros	**Carrying amount**	**Future cash flow**	**up to 3 months**	**3 months up to 1 year**	**1 year up to 5 years**	**more than 5 years**	**Not specified**
Assets							
Cash and cash equivalents	**4,163**	**4,163**	4,163	-	-	-	-
Trade receivables	**4,110**	**4,447**	2,887	70	1,490	-	-
Loans provided	**8,138**	**10,146**	141	35	9,970	-	-
Other receivables	**74,218**	**50,847**	49,306	944	597	-	-
Financial investments	**18,315**	**18,315**	-	-	-	-	18,315
Other assets	**2,990**	**1,809**	1,202	607	-	-	-
	111,934	**89,727**	**57,699**	**1,656**	**12,057**	**-**	**18,315**
Liabilities							
Trade payables	**5,854**	**-5,854**	-5,854	-	-	-	-
Loans and borrowings	**16,646**	**-18,911**	-609	-2,734	-14,473	-1,095	-
Other liabilities	**10,251**	**-9,333**	-7,540	-1,178	-615	-	-
	32,751	**-34,098**	**-14,003**	**-3,912**	**-15,088**	**-1,095**	**-**

Other receivables up to 3 months also contain a bill of exchange receivable, payable at sight. This bill of exchange will not be repaid for up to 3 months. The Group draws funds from bills of exchange as necessary for the purpose of financing investment activities and acquisitions. The drawdown of the bill of exchange is expected within the period of 2 years.

34. Information about risk management (continued)

As of 31 October 2011 the Group was exposed to the following liquidity risk:

in thousands of euros	Carrying amount	Future cash flow	up to 3 months	3 months up to 1 year	1 year up to 5 years	more than 5 years	Not specified
Assets							
Cash and cash equivalents	**6,391**	**6,391**	6,391	-	-	-	-
Trade receivables	**5,199**	**5,536**	3,826	220	1,490	-	-
Loans provided	**7,910**	**10,224**	236	-	82	9,906	-
Other receivables	**88,422**	**68,450**	66,806	102	1,542	-	-
Financial investments	**17,337**	**17,337**	-	-	-	-	17,337
Other assets	**1,626**	**1,414**	936	478	-	-	-
	126,885	**109,352**	**78,195**	**800**	**3,114**	**9,906**	**17,337**
Liabilities							
Trade payables	**4,928**	**-4,928**	-4,896	-19	-13	-	-
Loans and borrowings	**17,925**	**-20,184**	-534	-3,130	-11,185	-5,335	-
Other liabilities	**4,019**	**-2,891**	-1,838	-416	-637	-	-
	26,872	**-28,003**	**-7,268**	**-3,565**	**-11,835**	**-5,335**	**-**

The mentioned balances as of 31 October 2011 also include a part of assets held for sale of EUR 102,000.

Foreign exchange risk
The Group is not exposed to foreign exchange risk because almost all transactions are reported in euros.

Interest rate risk
The Group's operations are subject to the risk of interest rate fluctuations. The volume of this risk equals the sum of interest-earning assets and interest-bearing liabilities for which the interest rate differs at maturity or re-pricing compared to current interest rates. The period for which the interest rate of a financial instrument is fixed therefore indicates to what extent it is exposed to interest rate risk. The overview below provides information about the extent of the Group's interest rate exposure based on the contractual maturity date of its financial instruments.

As of 30 April 2012 and as of 31 October 2011 the Group has the following assets and liabilities bound to interest rates:

in thousands of euros	30/4/2012	31/10/2011
Fixed interest rate		
Assets	57,444	74,716
Liabilities	-	-
Variable interest rate		
Assets	-	-
Liabilities	-16,646	-17,925

34. Information about risk management (continued)

Sensitivity analysis for instruments with a variable interest rate
A change of 100 basis points in interest rates would have the following effect on the income statement:

in thousands of euros	**Profit (loss)**	
	100 bp growth	**100 bp drop**
30/4/2012		
Instruments with a variable interest rate	-166	166
Cash flow sensitivity	**-166**	**166**

in thousands of euros	**Profit (loss)**	
	100 bp growth	**100 bp drop**
31/10/2011		
Instruments with a variable interest rate	-179	179
Cash flow sensitivity	**-179**	**179**

Interest-bearing liabilities of the Group bear variable interest rates based on EURIBOR. The Group considers a variable interest rate to be self-management of the interest rate risk. In the case of economic expansion, the EURIBOR rate increases, but the economic performance of the population increases as well, and the company has better revenues and profits. In the case of economic recession, the behaviour is exactly the opposite.

Operational risk

Operational risk is the risk of loss arising from embezzlement, unauthorised activities, error, omission, inefficiency or system failure. This risk arises in the case of all of the Group's activities and all companies within the Group are exposed to such risk. Operational risk also includes the risk of a lawsuit.

The Group's objective is to manage operational risk so as to prevent financial losses and damage to the Group's reputation within the effectiveness of costs spent to achieve this objective, while avoiding measures hindering initiative and creativity.

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

The Group is also exposed to risk of adverse weather-related conditions. Resort attendance is dependent on the volume and period of snow. Adverse conditions negatively affect the number of skiers and the Group's revenues or profit or loss. Warm weather may disproportionately increase the cost of production of artificial snow and change the area for skiing. Historically, the region of Nízke Tatry had an average of 80 cm of snow during the winter season and the Vysoké Tatry region had 85 cm of snow. The start of the winter season and the snow conditions affect the perception of the whole season by skiers. The Group cannot in any way reliably predict snow conditions at the beginning of the winter season. Snow conditions during the winter season are stable every year.

35. Related parties

Identification of related parties

As shown in the following overview, the Group is in the relationship of a related party with its shareholders, who have significant influence in the Group, and with other parties; as of 30 April 2012 and 31 October 2011 or during the period from 1 November 2011 until 30 April 2012 and 1 November 2010 until 30 April 2011:

(1) Companies with joint control or significant influence over the entity and its subsidiaries or associates
(2) Joint ventures in which the Group is a partner
(3) Associates
(4) Members of the company's top management or shareholders of the Group (see also Note 8 – Personnel expenses)
(5) Other related parties.

Information about remuneration for members of the statutory bodies and top management is provided in Note 8 – Personnel expenses.

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

The Group has the following transactions with related parties:

in thousands of euros

	Note:	**Receivables 30/4/2012**	**Liabilities 30/4/2012**	**Receivables 31/10/2011**	**Liabilities 31/10/2011**
Interhouse Tatry s.r.o. [1]	3	315	-	368	-

in thousands of euros

	Note:	**Revenue 1/11/2011 – 30/4/2012**	**Costs 1/11/2011 – 30/4/2012**	**Revenue 1/11/2010 – 30/4/2011**	**Costs 1/11/2010 – 30/4/2011**
Interhouse Tatry s.r.o. [1]	3	63	-2	37	-

[1]By purchase of a 50 % interest in the associate Interhouse Tatry s.r.o. as of 28 December 2009, this company has been identified as a related party.

36. Events occurring after the date of preparation of the interim financial statements

No significant events occurred after the date of preparation of the financial statements.

37. Capital commitments and capital management

As of 30 April 2012 the Group has no significant capital commitments.

The Group's management deals with capital management in order to secure sufficient funds for planned investments in the period for which the investments were planned.

No external capital management requirements apply to the Company or its subsidiaries.

No changes in the Group's management approach to capital management occurred in the period from 1 November 2011 to 30 April 2012.

38. Contingent assets and contingent liabilities

Given that many areas of Slovak tax law have not been sufficiently tested in practice, there is uncertainty on how the tax authorities will apply these laws. This uncertainty cannot be quantified and will cease only once legal precedents or official interpretations of such authorities are available.

The Group is in a number of lawsuits. In two cases, the Group lost the lawsuits and the amount of compensation is being calculated. The maximum amount of compensation in these lawsuits may be up to EUR 1,241,000 and interest and charges.

24 June 2012	**24 June 2012**
Date of preparation of the financial statements	Date of approval of the financial statements

....

Bohuš Hlavatý	Jozef Hodek	Tomáš Kimlička	Marian Klas
Chairman of the Board of Directors	*Member of the Board of Directors*	*person responsible for preparation of financial statements*	*person responsible for accounting*

Interim Financial Statements prepared under Slovak legal regulations as of 30 April 2012

Balance Sheet Úč POD 1-01

BALANCE SHEET

as of 24 June 2012 (in whole euros)

Tax ID No. 2020428036

ID No. 31560636

SK NACE 55.10.0

Financial statements
- [x] - ordinary
- [ ] - extraordinary

Financial statements
- [x] - prepared
- [x] - approved

(check x *)*

		month	year
For the period	**from**	1 1	2011
	until	0 4	2012
Immediately preceding period	**from**	1 1	2010
	until	1 0	2011

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

Registered office of the accounting entity, Street, No.
Demänovská Dolina 72

Postal Code: 03101
Municipality: Liptovský Mikuláš

Phone No.: 044 / 5591505
Fax No.: 044 / 5591511

E-mail:

Prepared on: 20.6.2012	Signature of the person responsible for accounting:	Signature of the person responsible for preparation of the financial statements:	Signature of the member of the statutory body of the accounting entity or individual, being an accounting entity:
Approved on:			

Tax ID No.: 2020428036	Balance Sheet Úč POD 1-01

Designa-tion	ASSETS	Line No.	Current accounting period			Immediately preceding accounting period
a	b	c	1		2	3
			Gross-part 1	Correction-part 2	Net	Net
	Total assets line 002 + line 030 + line 061	**001**	344,359,189	41,028,452	303,330,738	298,368,679
A.	**Non-current assets line 003 + line 011 + line 021**	**002**	280,799,616	40,967,417	239,832,199	216,547,267
A.I.	**Non-current intangible assets – total (line 004 to 010)**	**003**	1,950,937	648,558	1,302,379	1,294,517
A.I.1.	Capital development costs (012) - /072, 091A/	004	0	0	0	0
2.	Software (013)-/073, 091A/	005	243,487	127,504	115,983	95,361
3.	Valuable rights (014)-/074, 091A/	006	1,757,736	647,404	1,110,331	1,199,156
4.	Goodwill (015) - /075, 091A/	007	-143,376	-143,376	0	0
5.	Other non-current intangible assets (019, 01X) - /079, 07X, 091A/	008	17,026	17,026	0	0
6.	Acquisition of non-current intangible assets (041) - 093	009	76,065	0	76,065	0
7.	Advance payments made for non-current intangible assets (051) - 095A	010	0	0	0	0
A.II.	**Property, plant and equipment - total (line 012 to 020)**	**011**	203,953,146	37,818,957	166,134,189	147,168,193
A.II.1.	Land (031)-092A	012	21,091,414	380,587	20,710,827	20,016,673
2.	Structures (021) - /081, 092A/	013	96,649,808	15,806,729	80,843,079	70,055,127
3.	Individual tangible assets and sets of tangible assets (022)-/082, 092A/	014	64,151,237	21,034,633	43,116,604	37,250,704
4.	Perennial crops (025)-/085, 092A/	015	0	0	0	0
5.	Livestock (026)-/086,092A/	016	0	0	0	0
6.	Other property, plant and equipment (029, 02X, 032)-/089, 08X, 092A/	017	29,450	0	29,450	29,450
7.	Acquisition of property, plant and equipment (042)-094	018	17,487,748	597,008	16,890,740	17,486,794
8.	Advance payments made for property, plant and equipment (052)-095A	019	4,543,490	0	4,543,490	2,329,445
9.	Value adjustment to acquired assets (+/- 097) +/- 098	020	0	0	0	0
A.III.	**Non-current financial assets -total (lines 022 to 029)**	**021**	74,895,532	2,499,902	72,395,630	68,084,557
A.III.1.	Shares and ownership interests in a subsidiary (061) - 096A	022	18,795,792	0	18,795,792	18,795,792
2.	Shares and ownership interests in a company with significant influence (062) - 096A	023	7,559,093	0	7,559,093	7,525,778

3.	Other non-current shares and ownership interests (063, 065)-096A	024	18,281,308	0	18,281,308	17,337,442
4.	Intercompany loans (066A) - 096A	025	0	0	0	0
5.	Other non-current financial assets (067A, 069, 06XA) - 096A	026	10,808,075	0	10,808,075	7,674,182
6.	Loans with maturity up to one year (066A, 067A, 06XA) - 096A	027	0	0	0	0
7.	Acquisition of non-current financial assets (043) - 096A	028	0	0	0	0
8.	Advance payments made for non-current financial assets (053) - 095A	029	19,451,265	2,499,902	16,951,363	16,751,363
B.	**Current assets line 031 + line 038 + line 046 + line 055**	**030**	62,258,296	61,034	62,197,261	81,346,451
B.I.	**Inventory - total (lines 032 to 037)**	**031**	1,225,678	0	1,225,678	903,946
B.I.1.	Raw material (112, 119, 11X) - /191, 19X/	032	451,389	0	451,389	464,865
2.	Work in progress and semi-finished products (121, 122, 12X) - /192, 193, 19X/	033	0	0	0	0
3.	Finished goods (123)-194	034	0	0	0	0
4.	Animals (124) - 195	035	0	0	0	0
5.	Merchandise (132, 133, 13X, 139) - /196, 19X/	036	774,289	0	774,289	439,081
6.	Advance payments made for inventories (314A) - 391A	037	0	0	0	0
B.II.	**Non-current receivables – total (lines 039 to 045)**	**038**	1,691,007	0	1,691,007	1,691,007
B.II.1.	Trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - 391A	039	1,691,007	0	1,691,007	1,691,007
2.	Net value of a contract (316A)	040	0	0	0	0
3.	Receivables from a subsidiary and a parent entity (351A) - 391A	041	0	0	0	0
4.	Other intercompany receivables (351A) - 391A	042	0	0	0	0
5.	Receivables from partners, members and association (354A, 355A, 358A, 35XA) - 391A	043	0	0	0	0
6.	Other receivables (335A, 33XA, 371A, 373A, 374A, 375A, 376A, 378A) - 391A	044	0	0	0	0
7.	Deferred tax asset (481A)	045	0	0	0	0
B.III.	**Current receivables - total (lines 047 to 054)**	**046**	55,416,968	61,034	55,355,934	72,544,660
B.III.1.	Trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - 391A	047	4,638,979	61,034	4,577,945	4,535,931
2.	Net value of a contract (316A)	048	0	0	0	0
3.	Receivables from a subsidiary and a parent entity (351A) - 391A	049	0	0	0	0
4.	Other intercompany receivables (351A) - 391A	050	0	0	0	0
5.	Receivables from partners, members and association (354A, 355A, 358A, 35XA, 398A) - 391A	051	0	0	0	0
6.	Social security (336) - 391A	052	0	0	0	0
7.	Tax assets and subsidies (341, 342, 343, 345, 346, 347) - 391A	053	1,246,988	0	1,246,988	953,697

8.	Other receivables (335A, 33XA, 371A, 373A, 374A, 375A, 376A, 378A) - 391A	054	49,531,001	0	49,531,001	67,055,032
B.IV.	**Financial accounts – total (line 056 to line 060)**	**055**	3,924,642	0	3,924,642	6,206,838
B.IV.1.	Cash on hand (211, 213, 21X)	056	211,856	0	211,856	184,924
2.	Bank accounts (221A, 22X +/- 261)	057	3,712,786	0	3,712,786	6,021,914
3.	Bank accounts with notice period exceeding one year 22XA	058	0	0	0	0
4.	Current financial assets (251, 253, 256, 257, 25X) - /291, 29X)	059	0	0	0	0
5.	Acquisition of current financial assets (259, 314A) - 291	060	0	0	0	0
C.	**Accrual/deferrals - total (lines 062 to 065)**	**061**	1,301,278	0	1,301,278	474,961
C.1.	Prepaid expenses - non-current (381A, 382A)	062	0	0	0	0
2.	Prepaid expenses - current (381A, 382A)	063	1,265,662	0	1,265,662	202,392
3.	Deferred income - non-current (385A)	064	0	0	0	0
4.	Deferred income - current (385A)	065	35,616	0	35,616	272,569

Tax ID No.: 2020428036	Balance Sheet Úč POD 1-01

Line designa- a	LIABILITIES b	No. tion c	Current accounting period 4	Immediately preceding accounting period 5
	Total equity and liabilities line 067 + line 088 + line 121	**066**	303,330,739	298,368,679
A.	**Equity line 068 + line 073 + line 080 + line 084 + line 087**	**067**	266,280,880	265,728,517
A.I.	**Share capital - total (lines 069 to 072)**	**068**	221,337,534	221,337,534
A.I.1.	Share capital (411 or +/- 491)	069	221,337,534	221,337,534
2.	Own shares and own business interests (/-/ 252)	070	0	0
3.	Change in share capital +/- 419	071	0	0
4.	Receivables for subscribed equity (/-/353)	072	0	0
A.II.	**Capital funds - total (lines 074 to 079)**	**073**	31,605,319	31,090,398
A.II.1.	Share premium (412)	074	30,430,378	30,430,378
2.	Other capital funds (413)	075	282,588	282,588
3.	Legal reserve fund (Non-distributable fund) from capital contributions (417, 418)	076	0	0
4.	Differences from revaluation of assets and liabilities (+/- 414)	077	892,353	377,432
5.	Differences from revaluation of capital interests (+/- 415)	078	0	0
6.	Differences from revaluation in the event of merger, amalgamation and demerger (+/- 416)	079	0	0
A.III.	**Funds created from profit - total (lines 081 to 083)**	**080**	3,240,121	2,381,097
A.III.1.	Legal reserve fund (421)	081	3,240,121	2,381,097
2.	Non-distributable fund (422)	082	0	0
3.	Statutory funds and other funds (423, 427, 42X)	083	0	0
A.IV.	**Profit/loss of previous years line 085 + line 086**	**084**	3,621,556	2,329,244
A.IV.1.	Retained earnings from previous years (428)	085	3,621,556	2,329,244
2.	Accumulated losses from previous years (/-/429)	086	0	0
A.V.	**Profit/loss for the accounting period after tax /+-/ line 001 - (line 068 + line 073 + line 080 + line 084 + line 088 + line 121)**	**087**	6,476,350	8,590,244
B.	**Liabilities line 89 + line 94 + line 106 + line 117 +**	**088**	36,536,094	32,122,390

	line 118			
B.I.	**Reserves - total (line 090 to line 093)**	**089**	113,550	526,637
B.I.1.	Legal reserves non-current (451A)	090	0	0
2.	Legal reserves current (323A, 451A)	091	86,859	499,946
3.	Other non-current reserves (459A, 45XA)	092	26,691	26,691
4.	Other current reserves (323A, 32X, 459A, 45XA)	093	0	0
B.II.	**Non-current liabilities – total (line 095 to line 105)**	**094**	5,659,943	5,705,037
B.II.1.	Non-current trade payables (321A, 479A)	095	0	0
2.	Net value of a contract (316A)	096	0	0
3.	Non-current unbilled supplies (476A)	097	0	0
4.	Non-current liabilities to a subsidiary and a parent entity (471A)	098	0	0
5.	Other non-current intercompany liabilities (471A)	099	0	0
6.	Non-current advance payments received (475A)	100	0	0
7.	Non-current bills of exchange to be paid (478A)	101	0	0
8.	Bonds issued (473A/-/255A)	102	0	0
9.	Liabilities related to social fund (472)	103	18,580	14,687
10.	Other non-current liabilities (474A, 479A, 47XA, 372A, 373A, 377A)	104	506,477	555,464
11.	Deferred tax liability (481A)	105	5,134,886	5,134,886
B.III.	**Current liabilities – total (line 107 to line 116)**	**106**	14,116,256	7,983,227
B.III.1.	Trade payables (321, 322, 324, 325, 32X, 475A, 478A, 479A, 47XA)	107	5,860,509	4,875,311
2.	Net value of a contract (316A)	108	0	0
3.	Unbilled supplies (326, 476A)	109	502,542	652,467
4.	Liabilities to a subsidiary and a parent entity (361A, 471A)	110	0	0
5.	Other intercompany liabilities (361A, 36XA, 471A, 47XA)	111	0	0
6.	Liabilities to partners and association (364, 365, 366, 367, 368, 398A, 478A, 479A)	112	6,443,658	4,770
7.	Liabilities to employees (331, 333, 33X, 479A)	113	395,109	293,079
8.	Liabilities related to social security (336, 479A)	114	214,534	158,446
9.	Tax liabilities and subsidies (341, 342, 343, 345, 346, 347, 34X)	115	50,923	1,177,230
10.	Other liabilities (372A, 373A, 377A, 379A, 474A, 479A, 47X)	116	648,982	821,924
B.IV.	**Current financial assistance (241, 249, 24X, 473A, /-/255A)**	**117**	0	0
B.V.	**Bank loans line 119 + line 120**	**118**	16,646,345	17,907,489
B.V.1.	Non-current bank loans (461A, 46XA)	119	14,198,250	15,060,261
2.	Current bank loans (221A, 231, 232, 23X, 461A, 46XA)	120	2,448,095	2,847,228

C.	**Accruals – total (line 122 to line 125)**	**121**	513,764	517,772
C.1.	Accrued expenses non-current (383A)	122	0	0
2.	Accrued expenses current (383A)	123	0	0
3.	Deferred income non-current (384A)	124	0	0
4.	Deferred income non-current (384A)	125	513,764	517,772

Income Statement Úč P
01

INCOME STATEMENT

as of 24 June 2012 (in whole euros)

Tax ID No.
2020428036

ID No.
31560636

SK NACE
55.10.0

Financial statements
x	- ordinary
	- extraordinary

(check x)

Financial statements
x	- prepared
x	- approved

For the period

	month	
from	1	1
until	0	4

Immediately preceding period

	month	
from	1	1
until	0	4

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

Registered office of the accounting entity, Street, No.
Demänovská Dolina 72

Postal Code
03101

Municipality
Liptovský Mikuláš

Phone No.:
044 / 5591505

Fax No.:
044 / 5591511

E-mail

Prepared on: 20.6.2012	Signature of the person responsible for	Signature of the person responsible for preparation of	Signature of the member of the statutory body of the

Tax ID No.: 2020428036		Income Statement Úč POD 2-01	

Desig-nation	Text	Line No.	Actual data	
			Current accounting period	Immediately preceding accounting period
a	b	c	1	2
I	Revenues from the sale of merchandise (604, 607)	01	1,429,117	715,646
A.	Cost of merchandise sold (504, 505A, 507)	02	1,058,510	605,267
+	**Trade margin line 01 - line 02**	**03**	370,608	110,379
II.	**Production line 05 + line 06 + line 07**	**04**	22,414,265	18,191,603
II.1.	Revenue from the sale of own products and services (601, 602, 606)	05	22,408,423	18,167,119
2.	Changes in internal inventory (+/- account group 61)	06	28	0
3.	Own work capitalized (account group 62)	07	5,814	24,484
B.	**Purchased consumables and services line 09 + line 10**	**08**	10,549,732	9,986,820
B.1.	Consumed raw materials, energy consumption and consumption of other non-inventory supplies (501, 502, 503, 505A)	09	4,581,544	3,936,639
2.	Services (account group 51)	10	5,968,188	6,050,181
+	**Added value line 03 + line 04 - line 08**	**11**	12,235,141	8,315,162
C.	Personnel expenses - total (lines 13 to 16)	12	4,347,172	3,470,136
C.1.	Wages and salaries (521, 522)	13	3,186,631	2,496,125
2.	Remuneration of board members of company or cooperative (523)	14	96,087	101,923
3.	Social security expenses (524, 525, 526)	15	912,819	751,205
4.	Social expenses (527, 528)	16	151,635	120,883

D.	Taxes and fees (account group 53)	17	103,428	41,122
E.	Amortization and value adjustments to non-current intangible assets and depreciation and value adjustments to property, plant and equipment (551, 553)	18	2,856,738	2,276,191
III.	Revenue from the sale of non-current assets sold and raw materials sold (641, 642)	19	167,086	576,261
F.	Residual value of non-current assets sold and raw materials sold (541, 542)	20	117,229	510,747
G.	Creation and reversal of value adjustments to receivables (+/- 547)	21	-5,650	0
IV.	Other operating income (644, 645, 646, 648, 655, 657)	22	133,646	601,091
H.	Other operating expenses (543, 544, 545 546, 548, 549, 555, 557)	23	208,042	33,971
V	Transfer of operating income (-) (697)	24	0	0
I	Transfer of operating expenses (-) (597)	25	0	0
*	**Profit/loss from operations line 11- line 12 - line 17 - line 18 + line 19 - line 20 - line 21 + line 22 - line 23 + (-line 24) - (-line 25)**	**26**	4,908,915	3,160,347
VI.	Revenues from the sale of securities and shares (661)	27	1,534,824	0
J.	Securities and shares sold (561)	28	1,526,122	0
VII.	Income from non-current financial assets line 30 + line 31 + line 32	29	2,291	2,888
VII.1	Income from securities and ownership interests in a subsidiary and in a company with significant influence (665A)	30	0	0
2.	Income from other non-current securities and shares (665A)	31	2,291	2,888
3.	Income from other non-current financial assets (665A)	32	0	0
VIII	Income from current financial assets (666)	33	0	0
K.	Expenses related to current financial assets (566)	34	0	0
IX	Gains on revaluation of securities and income from derivative transactions (664, 667)	35	0	0
L.	Loss on revaluation of securities and expenses related to derivative transactions (564, 567)	36	0	0
M.	Creation and reversal of value adjustments to financial assets +/- 565	37	0	0
X	Interest income (662)	38	2,098,277	4,410,926

N.	Interest expenses (562)	39	284,988	240,476
XI.	Exchange rate gains (663)	40	2,936	6
O.	Exchange rate losses (563)	41	3,654	1,299
XII	Other income from financial activities (668)	42	8,280	953
P.	Other expenses related to financial activities (568, 569)	43	264,357	288,946
XIII	Transfer of financial income (-) (698)	44	0	0
R.	Transfer of financial expenses (-) (598)	45	0	0
*****	**Profit/loss from financial activities line 27 - line 28 + line 29+ line 33 - line 34 + line35 - line 36 - line 37 + line 38 - line 39 + line 40 - line 41 + line 42 - line 43 +(- line 44) -(- line 45)**	**46**	1,567,487	3,884,052
******	**Profit/loss from ordinary activities before tax line 26 + line 46**	**47**	6,476,401	7,044,399
S.	Income tax on ordinary activities line 49 + line 50	48	51	210
S.1	- current (591, 595)	49	51	210
2.	- deferred (+/- 592)	50	0	0
******	**Profit/loss from ordinary activities after tax line 47 - line 48**	**51**	6,476,351	7,044,189
XIV.	Extraordinary income (account group 68)	52		
T.	Extraordinary expenses (account group 58)	53		
*	**Profit/loss from extraordinary activities before tax line 52 - line 53**	54	0	0
U.	Income tax on extraordinary activities line 56 + line 57	55	0	0
U.1.	- current (593)	56		
2.	- deferred (+/- 594)	57		
*****	**Profit/loss from extraordinary activities after tax line 54 - line 55**	**58**	0	0
*******	**Profit/loss for the accounting period before tax (+/-) [line 47 + line 54]**	**59**	6,476,401	7,044,399
V	Transfer of profit/net loss shares to partners (+/- 596)	60		

***	**Profit/loss for the accounting period after tax (+/-) [line 51 + line 58 - line 60]**	**61**	6,476,351	7,044,189

Notes to the Financial Statements as of 30 April 2012

A. INFORMATION ABOUT THE ACCOUNTING ENTITY

1. Business name and registered office of the company:

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

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

2. Principal activities of the Company include:

- Operation of cableways and ski-lifts
- Hotel business
- Restaurant services and catering
- Operation of water park
- Running a ski school

3. Average number of employees

The average number of the Company's employees for the period of 6 months as of 30 April 2012 was 610, out of which 5 were the top management (for the period of 6 months as of 30 April 2011, it was 583, out of which 5 were the top management).

4. Information about unlimited liability

The Company is not a fully liable partner in other companies under Section 56 (5) of the Commercial Code.

5. Legal grounds for the Financial Statements preparation

The Financial Statements as of 30 April 2012 were prepared as proper financial statements in accordance with Section 17 (6) of the National Council of the Slovak Republic (NR SR) Act No. 431/2002 Coll. on Accounting for the period from 1 November 2010 until 31 October 2011.

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

The Financial Statements of the Company as of 31 October 2011, the preceding accounting period, were approved by the Company's General Meeting on 21 April 2012.

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

The Financial Statements of the Company as of 31 October 2011, together with the Annual Report and Auditor's Report on the audit of the Financial Statements as of 31 October 2011 were deposited in the collection of deeds of the Companies Register on 3 May 2012. The Balance Sheet and Income Statement for the preceding accounting period were published in the Commercial Bulletin No. 118/2012 on 20 June 2012.

8. Approval of the auditor

On 21 April 2011 the General Meeting approved KPMG spol. s r.o. as the auditor for auditing the Financial Statements for the accounting period from 1 November 2011 until 31 October 2012.

B. INFORMATION ABOUT THE BODIES OF THE ACCOUNTING ENTITY

The Company's bodies have been:

Board of Directors:	*Supervisory Board:*
Ing. Bohuš Hlavatý, Chairman (since 29 June 2009)	Ing. Igor Rattaj (since 29 June 2009)
Ing. Branislav Gábriš, Vice-Chairman (since 18 February 2011)	Ing. František Hodorovský (since 18 January 2011)
Ing. Jozef Hodek, Member (since 29 June 2009)	Jiří Uvíra (since 18 January 2011)
Ing. Dušan Slavkovský, Member (since 1 May 2010)	Jan Marian Komornicki (since 18 January 2011)
Ing. Michal Krolák, Member (since 18 February 2011)	Boris Kollár (since 30 April 2011)
Ing. Andrej Devečka, Member (since 14 December 2006)	Jozef Slabý (from 28 August 2006 until 28 August 2011)
	Roman Kudláček (since 21 April 2012)

C. INFORMATION ABOUT THE CONSOLIDATED UNIT AND INFORMATION ABOUT THE PARTNERS OF THE ACCOUNTING ENTITY

The structure of the Company's shareholders as of 30 April 2012 and as of 31 October 2011 was as follows:

30 April 2012	**Interest in share capital**		**Voting rights**
	in thousands of euro	%	%
J & T BANKA, a.s.	44,731	20.21%	20.21%
Poštová banka, a.s.	38,603	17.44%	17.44%
CLEARSTREAM BANKING S.A.	21,711	9.81%	9.81%
Patria Finance, a.s.	17,784	8.03%	8.03%
TLD, s. line o.	16,279	7.36%	7.36%
minor shareholders	82,230	37.15%	37.15%
Total	**221,338**	**100%**	**100%**

31.10.2011	**Interest in share capital**		**Voting rights**
	in thousands of euro	%	%
Poštová banka, a.s.	38,603	17.44%	17.44%
J & T BANKA, a.s.	29,785	13.46%	13.46%
CLEARSTREAM BANKING S.A.	21,711	9.81%	9.81%
TLD, s. line o.	16,279	7.36%	7.36%
Patria Finance, a.s.	14,923	6.74%	6.74%
TATRY INVESTMENT LIMITED	14,774	6.67%	6.67%
minor shareholders	85,263	38.52%	38.52%
Total	**221,338**	**100%**	**100%**

The Company is included in the Consolidated Financial Statements of the Tatry mountain resorts Group. The Group's Consolidated Financial Statements is available directly in the registered office of the Company. The address of the registry court, maintained by the Companies Register, where the Consolidated Financial Statements are deposited is the District Court of Žilina, Pavla Orságha Hviezdoslava 28, 01001 Žilina.

D. INFORMATION ABOUT THE ACCOUNTING PRINCIPLES AND ACCOUNTING METHODS

(a) Basis for the Financial Statements preparation

The Financial Statements were prepared under the going concern assumption.

Accounting methods and general accounting principles were consistently applied by the accounting entity, except for:

- Accounting the difference between the recognized share value and the carrying value of deposited assets on the depositor's side. Such differences in the case of contributions in kind have been accounted with respect to the profit/loss, not to the equity, since 1 January 2010;
- Interest from other sources which arose before the non-current intangible assets were included in use and which are not a part of the acquisition cost of the non-current intangible assets from 1 July 2010.

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

Purchased non-current assets are valued at their acquisition cost which includes the acquisition cost and expenses related to acquisition (customs duty, transport, assembly, insurance and the like).

With effect from 1 January 2003 the acquisition cost of property, plant and equipment includes neither interest from other sources nor exchange rate differences that arose before the non-current assets were being put into use.

With effect from 1 July 2010 an acquisition price of non-current intangible assets does not include interest from other sources that arose before the non-current assets were being put into use.

Non-current assets produced by our own activity are valued as own costs. Own costs are all direct costs spent for production or other activity and indirect costs relating to production or other activity.

Depreciation

Depreciation of property, plant and equipment and non-current intangible assets is based on the expected period of use thereof and the expected course of wear and tear thereof. Depreciation starts on the first day the non-current assets are put into use. Low-value property, plant and equipment with the acquisition cost (or own costs) is EUR 996 and less are depreciated once when being put into use. Land is not depreciated. Low-value non-current intangible assets with the acquisition cost (or own costs) is EUR 1,666 and less are depreciated once when being put into use.

Other than in the cases stated below, depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of individual items of long-term assets. The estimated useful lives are as follows:

• Buildings	30 - 40 years
• Individual movables and sets of movables	
▪ Geothermal borehole	40 years
▪ Slides	25 years
▪ Cableways and ski lifts	12 - 20 years
▪ Equipment	5 - 12 years
▪ Inventory and others	5 - 10 years

The depreciation method, the estimated useful lives and the residual values are reviewed each year as of the financial statements preparation date. Depreciation rates apply progressively to some items of property (cableways, snow machines) because they are worn and torn in the latter years of their useful lives.

Each significant part of long-term tangible assets whose acquisition costs are significant relative to the total acquisition cost of that item is amortised separately.

The tax write-off is applied according to linear rates in the Income Tax Act.

(c) Securities and shares

Securities and shares are valued at their acquisition cost including acquisition expenses. The impairment of securities and shares is deducted from the acquisition cost.

(d) Inventories

Inventories are valued at the lower of the following values: acquisition cost (purchased inventories) or own costs (inventories produced by own activity) or the net realizable value.

The acquisition cost includes the price of the inventories and acquisition expenses (customs duty, transport, insurance, commission, discount and the like). Interest from other sources is not included in the acquisition cost. Purchased inventories are valued at the weighted arithmetic mean of the acquisition costs.

Own costs include direct costs (direct material, direct wages and other direct costs) and a part of indirect costs directly related to the production of inventories by own activity (production overheads). Production overheads is included in own costs depending on the degree of these inventories in progress. Administrative overheads and sales expenses are not included in the own costs. Interest from other sources is not included in the own costs.

Net realizable value is the estimated selling price excluding the estimated expenses for their completion and the anticipated expenses related to their sale.

Impairment of inventories is regulated by creation of adjustment.

(e) Made-to-order production

Made-to-order production is recognised using the percentage-of-completion-method.

(f) Receivables

Receivables are valued at their nominal value at the time of their occurrence; assigned receivables and receivables acquired by contribution to the share capital are valued at the acquisition cost including acquisition expenses. Such valuation is reduced by the doubtful and unenforceable receivables.

Non-current and current receivables, liabilities, loans and borrowings. Such items in the balance sheet are differentiated at the time of the liability and receivable occurrence according to the agreed maturity. Receivables and liabilities with a maturity up to 12 months are reported as current, and receivables and liabilities with a maturity of more than 12 months are non-current receivables.

(g) Cash and valuables

Cash and valuables are valued at their nominal value The impairment of their value is expressed by adjustment.

(h) Prepaid expenses and deferred income

Prepaid expenses and deferred income are recognised in the amount necessary for compliance with the substantive and temporal relation to the accounting period principle.

(i) Reserves

Reserves are created for future losses and liabilities which are more than likely to occur due to past events and which can be assumed. Reserves are liabilities with indefinite time or amount definition; they are created to cover known risks or losses from business activities. They are valued at the expected amount of liability.

(j) Liabilities

Liabilities are valued at their nominal value at the time of their occurrence. Liabilities are valued at their acquisition cost at the time of their assumption. If the stock-keeping procedure reveals that the amount of liabilities differs from the amount recorded in the accounts, the liabilities are recognised in the accounts and in the financial statements in this valuation.

(k) Taxes

Income tax is calculated at the amount 19% of the tax basis, which was calculated by adjustment of the accounting profit/loss before tax by attributable and deductible items.

(l) Deferred tax

The Company recognises the deferred tax in line with the accounting procedures, i.e. since 1 January 2003 it has been using the balance-sheet approach in calculation of temporary differences incurred between the carrying value and tax residual value of assets and liabilities, possibility to carry forward the tax losses and possibility to carry forward unused tax deductions and other tax claims. The 19% income tax rate is used, which will be applied in the future period. In the case of a deferred tax asset, the feasibility thereof against the tax base in the future is assessed. If it is not expected that the asset will be feasible, an adjustment is posted.

Deferred tax (deferred tax receivable and deferred tax liability) apply to:

a) Temporary difference between the carrying value of assets and the carrying value of liabilities presented in the balance sheet and their tax base,
b) Possibility to carry forward a tax loss, i.e. the possibility to deduct the tax loss from the tax base in the future,
c) Possibility to carry forward unused tax deductions and other tax claims.

(m) Accrued expenses and deferred income

Accrued expenses and deferred income are recognised in the amount necessary for compliance with the substantive and temporal relation to the accounting period principle.

(n) State budget subsidies

A claim for state budget subsidies is posted if it is almost certain that the Company will receive the relevant subsidy based on the conditions satisfied in order to receive the subsidy.

Subsidies for agricultural activities of the Company are first recorded as deferred income and dissolved as revenue from agricultural activity in the income statement in the substantive and temporal relation to spending of costs for the relevant purpose.

Subsidies for acquisition of property, plant and equipment and non-current intangible assets are first recognised as deferred income and dissolved in the income statement in the substantive and temporal relation to recognition of depreciations from these non-current assets.

(o) Lease

Operating lease. Assets leased based on operating lease are recognised as its assets by their owner, not the lessee.
Financial lease (with call option; without the call option it is considered an operating lease). Assets leased based on a contract concluded by 31 December 2003 are recognised as its assets by their owner, not the lessee. Assets leased based on a contract concluded on 1 January 2004 and later are recognised as its assets by their lessee, not the owner.

(p) Derivatives

Derivatives are valued at their fair value.

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

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

(q) Assets and liabilities hedged by derivatives

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

(r) Foreign currency

Assets and liabilities denominated in foreign currency are translated to euro as of the date of the accounting transaction by the reference exchange rate determined and declared by the European Central Bank or National Bank of Slovakia on the date preceding the date of the accounting transaction.

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

Advance payments made and advance payments received denominated in foreign currency through an account held in this foreign currency are translated to euro by the reference exchange rate determined and declared by the European Central Bank or National Bank of Slovakia on the date preceding the date of the accounting transaction. They are no longer converted to euro as of the date of preparation of the financial statements.

(s) Revenue

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

- Cableways income
- Water park (aqua park) income
- Sport services and shops income
- Hotels income
- Restaurant facilities income
- Real estate projects income

Income is accrued depending on which period the service was provided, excluding income from water park (aqua park), hotels and restaurant facilities, which are reported to the income statement after the service has been provided. Income for services provided does not include value added tax. It is net of discounts and rebates (rebates, bonuses, discounts, letters of credit, etc.).

E. INFORMATION ABOUT THE ASSETS OF THE BALANCE SHEET

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

Summary of transfers of the non-current intangible assets and the property, plant and equipment from 1 November 2011 until 30 April 2012 and for the comparable period from 1 November 2010 until 31 October 2011 is shown on pages 79 to 82.

On 29 March 2011, the Company bought a property - Aquapark Tatralandia. This property was acquired for EUR 30,500 thousand. The purchase price was settled as follows: EUR 16,300 thousand (EUR 10,200 thousand was the purchase price and EUR 6,100 thousand was the purchase price VAT) was paid via bank transfer to the seller's account and, at the same time, the remaining amount of the purchase price of EUR 20,300 thousand was settled by assignment of a bill of exchange receivable.

Aquapark Tatralandia is the largest all-year water amusement park with accommodation in Slovakia, the Czech Republic and Poland. It includes Aquapark Tatralandia and the accommodation complex Holiday Village Tatralandia. It is located in the region of Liptov.

The Company's lease includes (financial lease, contracts were concluded after 1 January 2004) cableways machinery, snow scooters, equipment in restaurant facilities and 9 vehicles that are recorded as its own property.

In order to guarantee bank loans, the following assets were used by the Company: lands, water areas, technology and service buildings of mountain lift equipment: ski lifts, chair cableways, terrestrial cableways, hanging cableways, cabin cableways, transformers, operating buildings and structures: Hotel Srdiečko, Hotel Kosodrevina, Hotel Liptov, Hotel Grand, Hotel SKI, the former telecommunication building, bungalows. In the case of guarantee by Hotel SKI and the former telecommunication building, Tatra banka, akciová spoločnosť ranks as the second one. All tangible assets and trade receivables are pledged as well.

As of 30 April 2012 Property, plant and equipment, inventories and receivables of EUR 127,816 thousand were used to guarantee bank loans (as of 31 October 2011: in the amount of EUR 121,479 thousand).

The Company insured its assets against natural disasters, theft, and vandalism and against general machinery risks. The Company has also civil liability insurance. The total insurance value of assets in the case of a natural disaster is EUR 147,165 thousand. The amount of insurance against general machinery risks is EUR 13,751 thousand, EUR 1,660 thousand in the case of civil liability insurance and EUR 61,609 thousand in the case of vandalism.

In EUR

Property, plant and equipment	Current accounting period as of 30 April 2012								
	Land	Structures	Individual movables and sets of movables	Perennial crops	Livestock and draught animals	Other property, plant and equipment	Acquisition of property, plant and equipment	Advance payments made for property, plant and equipment	**Total**
a	b	c	d	e	f	g	h	i	**j**
Initial valuation									
Opening balance	20,397,260	84,702,206	56,710,859	0	0	29,450	18,083,802	2,329,445	**182,253,022**
Increases	694,154	6,435,100	0	0	0	0	12,484,229	7,763,702	**61,742,216**
Decreases	0	7,885	119,519	0	0	0	0	5,549,658	**7,611,571**
Transfers	0	5,520,386	7,559,897	0	0	0	-13,077,284	0	**0**
Closing balance	21,091,414	96,649,807	64,151,237	0	0	29,450	17,487,748	4,543,490	**203,953,146**
Accumulated depreciation									
Opening balance	0	14,647,078	19,460,155	0	0	0	0	0	**34,107,233**
Increases	0	1,167,535	1,693,998	0	0	0	0	0	**2,861,533**
Decreases	0	7,885	119,519	0	0	0	0	0	**127,404**
Closing balance	0	15,806,729	21,034,633	0	0	0	0	0	**36,841,362**
Value adjustments									
Opening balance	380,587	0	0	0	0	0	597,008	0	**977,595**
Increases	0	0	0	0	0	0	0	0	**0**
Decreases	0	0	0	0	0	0	0	0	**0**
Closing balance	380,587	0	0	0	0	0	597,008	0	**977,595**
Residual value									
Opening balance	20,016,673	70,055,127	37,250,704	0	0	29,450	17,486,794	2,329,445	**147,168,193**
Closing balance	20,710,827	80,843,079	43,116,604	0	0	29,450	16,890,740	4,543,490	**166,134,189**

In EUR

Property, plant and equipment	Immediately preceding accounting period as of 31 October 2011								
	Land	Structures	Individual movables and sets of movables	Perennial crops	Livestock and draught animals	Other property, plant and equipment	Acquisition of property, plant and equipment	Advance payments made for property, plant and equipment	**Total**
a	b	c	d	e	f	g	h	i	**j**
Initial valuation									
Opening balance	7,213,064	55,970,005	42,418,904	0	0	29,974	17,757,107	4,733,323	**128,122,377**
Increases	13,165,978	26,020,487	11,524,627	0	0	0	6,920,594	4,110,530	**61,742,216**
Decreases	887	61,360	1,034,392	0	0	524	0	6,514,408	**7,611,571**
Transfers	19,105	2,773,074	3,801,720	0	0	0	-6,593,899	0	**0**
Closing balance	20,397,260	84,702,206	56,710,859	0	0	29,450	18,083,802	2,329,445	**182,253,022**
Accumulated depreciation									
Opening balance	0	12,737,031	17,248,631	0	0	0	0	0	**29,985,662**
Increases	0	1,971,407	3,245,916	0	0	0	0	0	**5,217,323**
Decreases	0	61,360	1,034,392	0	0	0	0	0	**1,095,752**
Closing balance	0	14,647,078	19,460,155	0	0	0	0	0	**34,107,233**
Value adjustments									
Opening balance	380,587	0	0	0	0	0	596,806	0	**977,393**
Increases	0	0	0	0	0	0	202	0	**202**
Decreases	0	0	0	0	0	0	0	0	**0**
Closing balance	380,587	0	0	0	0	0	597,008	0	**977,595**
Residual value									
Opening balance	6,832,477	43,232,974	25,170,273	0	0	29,974	17,160,301	4,733,323	**97,159,322**
Closing balance	20,016,673	70,055,127	37,250,704	0	0	29,450	17,486,794	2,329,445	**147,168,193**

In EUR

Non-current intangible assets	Current accounting period as of 30 April 2012							
	Capitalized development costs	Software	Valuable rights	Goodwill	Other non-current intangible assets	Acquired non-current intangible assets	Advance payments made for non-current intangible assets	**Total**
a	b	c	d	e	f	g	h	**i**
Initial valuation								
Opening balance	0	204,885	1,757,736	-143,376	17,026	0	0	**1,836,271**
Increases	0	38,602	0	0	0	76,065	0	**114,667**
Decreases	0	0	0	0	0	0	0	**0**
Transfers	0	0	0	0	0	0	0	**0**
Closing balance	0	243,487	1,757,736	-143,376	17,026	76,065	0	**1,950,937**
Accumulated depreciation								
Opening balance	0	109,524	558,580	-143,376	17,026	0	0	**541,754**
Increases	0	17,980	88,824	0	0	0	0	**106,804**
Decreases	0	0	0	0	0	0	0	**0**
Closing balance	0	127,504	647,404	-143,376	17,026	0	0	**648,558**
Value adjustments								
Opening balance	0	0	0	0	0	0	0	**0**
Increases	0	0	0	0	0	0	0	**0**
Decreases	0	0	0	0	0	0	0	**0**
Closing balance	0	0	0	0	0	0	0	**0**
Residual value								
Opening balance	0	95,361	1,199,156	0	0	0	0	**1,294,517**
Closing balance	0	115,983	1,110,331	0	0	76,065	0	**1,302,379**

In EUR

	Immediately preceding accounting period as of 31 October 2011							
Non-current intangible assets	Capitalized development costs	Software	Valuable rights	Goodwill	Other non-current intangible assets	Acquired non-current intangible assets	Advance payments made for non-current intangible assets	**Total**
a	b	c	d	e	f	g	h	**i**
Initial valuation								
Opening balance	0	156,971	757,736	-143,376	17,026	0	0	**788,357**
Increases	0	72,992	1,000,000	0	0	0	0	**1,072,992**
Decreases	0	25,078	0	0	0	0	0	**25,078**
Transfers	0	0	0	0	0	0	0	**0**
Closing balance	0	204,885	1,757,736	-143,376	17,026	0	0	**1,836,271**
Accumulated depreciation								
Opening balance	0	113,202	386,940	-143,376	15,766	0	0	**372,532**
Increases	0	21,399	171,640	0	1,260	0	0	**194,300**
Decreases	0	25,077	0	0	0	0	0	**25,077**
Closing balance	0	109,524	558,580	-143,376	17,026	0	0	**541,754**
Value adjustments								
Opening balance	0	0	0	0	0	0	0	**0**
Increases	0	0	0	0	0	0	0	**0**
Decreases	0	0	0	0	0	0	0	**0**
Closing balance	0	0	0	0	0	0	0	**0**
Residual value								
Opening balance	0	43,769	370,796	0	1,260	0	0	**415,825**
Closing balance	0	95,361	1,199,156	0	0	0	0	**1,294,517**

2. Non-current financial assets

In EUR

Non-current financial assets	Current accounting period as of 30 April 2012								
	Shares and ownership interests in a subsidiary	Shares and ownership interests in a company with significant influence	Other long-term securities and shares	Intercompany loans	Other non-current financial assets	Loans with maturity up to one year	Acquisition of non-current financial assets	Advance payments made for non-current financial assets	**Total**
a	b	c	d	e	f	g	h	i	**j**
Initial valuation									
Opening balance	18,795,792	7,551,093	17,312,128	0	7,674,182	0	0	19,251,265	**70,584,459**
Increases	0	8,000	2,486,756	0	3,133,892	0	0	200,000	**5,828,648**
Decreases	0	0	1,517,576	0	0	0	0	0	**1,517,576**
Transfers	0	0	0	0	0	0	0	0	**0**
Closing balance	18,795,792	7,559,093	18,281,308	0	10,808,044	0	0	19,451,265	**74,895,532**
Value adjustments									
Opening balance	0	0	0	0	0	0	0	2,499,902	**2,499,902**
Increases	0	0	0	0	0	0	0	0	**2,499,902**
Decreases	0	0	0	0	0	0	0	0	**0**
Closing balance	0	0	0	0	0	0	0	2,499,902	**2,499,902**
Carrying amount									
Opening balance	18,795,792	7,551,093	17,312,128	0	7,674,182	0	0	16,751,363	**68,084,558**
Closing balance	18,795,792	7,559,093	18,281,308	0	10,808,044	0	0	16,951,363	**72,395,630**

In EUR

Non-current financial assets	Immediately preceding accounting period as of 31 October 2011								
	Shares and ownership interests in a subsidiary	Shares and ownership interests in a company with significant influence	Other long-term securities and shares	Intercompany loans	Other non-current financial assets	Loans with maturity up to one year	Acquisition of non-current financial assets	Advance payments made for non-current financial assets	**Total**
a	b	c	d	e	f	g	h	i	**j**
Initial valuation									
Opening balance	18,795,792	7,525,778	84,777	0	5,115,725	0	0	0	**31,522,071**
Increases	0	25,315	17,519,820	0	2,558,457	0	0	19,251,265	**39,354,857**
Decreases	0	0	292,470	0	0	0	0	0	**292,470**
Transfers	0	0	0	0	0	0	0	0	**0**
Closing balance	18,795,792	7,551,093	17,312,128	0	7,674,182	0	0	19,251,265	**70,584,459**
Value adjustments									
Opening balance	0	0	0	0	0	0	0	0	**0**
Increases	0	0	0	0	0	0	0	2,499,902	**2,499,902**
Decreases	0	0	0	0	0	0	0	0	**0**
Closing balance	0	0	0	0	0	0	0	2,499,902	**2,499,902**
Carrying amount									
Opening balance	18,795,792	7,525,778	84,777	0	5,115,725	0	0	0	**31,522,072**
Closing balance	18,795,792	7,551,093	17,312,128	0	7,674,182	0	0	16,751,363	**68,084,558**

	Interest in SC	Interest in voting rights	Curre ncy	Profit/loss		Equity		Carrying value reported in the balance sheet	
	%	%		2011	2010	2011	2010	2012	2011
a) Subsidiaries									
GRAND HOTEL PRAHA a.s.	100	100	EUR	89 624	185 505	1 451 124	1 528 455	18 759 279	18 759 279
Tatry mountain resorts services, a.s.	100	100	EUR	-49 207	-5 642 154	-15 593	33 614	36 513	36 513
b) Associates									
Interhouse Tatry s.r.o.	50	50	EUR	110 313	16 308	869 916	759 603	7 525 778	7 525 778
c) Other									
Compagnie des Alpes								58 943	70 147
Best Hotel Properties a.s.								18 222 365	17 241 980
Tatranské Dopravné Družstvo								33 315	25 315
Total								**44 636 193**	**26 391 717**

In the period from 1 November 2011 until 30 April 2012, the Company acquired 88,529 and sold 151,312 shares of Best Hotel Properties a.s. (the BHP), which manages a network of hotels. Their value as of 30 April 2011 represents EUR 18,222 thousand. For the purchase based on contract on consulting with J&T FINANCE GROUP, a.s. the Company received a guarantee that the purchase of shares in BHP earns a minimum 7% p.a. for the period of 3 years.

On 17 March 2010, the Company purchased 3,850 shares of Compagnie des Alpes (SA), a French company traded on the Paris Stock exchange, operating in the area of ski resorts and summer amusement parks. The Company purchased these shares as a financial investment. The shares are revalued at fair value into equity based on current stock market prices. Their value as of 30 October 2012 represents EUR 59 thousand (as of 31 October 2011: EUR 70 thousand).

Also, the Company made a cash contribution to Tatranské dopravné družstvo, which deals with intermediary activities for services. The value of the contribution as of 30 April 2012 represents EUR 33,315.

The advances provided on non-current financial assets relate to unfinished investment activities and future acquisitions. The future acquisition is the company operating cableways which the company is interested to buy in the future. The contract is settled with WEBIS, s.r.o for the period of 5 years. The value of the advance provided was discounted to fair value. The discounted rate used amounted to 2.821%. A loss of EUR 2,500 thousand incurred by revaluation of the advance payment.

As of 30 April 2012 other long-term financial assets represent in particular a borrowing of EUR 5,914 thousand (as of 31 October 2011: EUR 5,693 thousand) granted to WEBIS, s.r.o. with a fixed interest rate of 5%, with the outstanding cumulated interest on this amount as of 30 April 2012 amounting to EUR 507 thousand (as of 31 October 2011: EUR 373 thousand), and the borrowing granted to 1. Tatranská, akciová spoločnosť as of 30 April 2012 of EUR 1,905 thousand (as of 31 October 2011: EUR 1,905 thousand) with a fixed interest rate of 7% p.a., with the outstanding cumulated interest on this amount as of 30 April 2012: EUR 94 thousand (EUR 48 thousand as of 31 October 2011).

As of 28 December 2009, the Company acquired a 100% interest in subsidiary GRANDHOTEL PRAHA a.s. and a 50% in associate Interhouse Tatry s.r.o. The price of shares of GRANDHOTEL PRAHA a.s. amounted to EUR 18,759 thousand and EUR 7,526 thousand for Interhouse Tatry s.r.o. GRANDHOTEL PRAHA a.s. is a company engaged in the hospitality industry, operating a 4-star hotel in Tatranská Lomnica. Interhouse Tatry s.r.o. is a company engaged in the hospitality industry, operating a 4-star hotel in Starý Smokovec (Grandhotel Starý Smokovec).

As of 11 October 2010, the Group acquired a 100% interest in subsidiary Tatry mountain resorts services, a.s. The price of the company's shares amounted to EUR 37 thousand. Tatry mountain resorts services, a.s is a company engaged in the provision of services in the area of accounting, financial consultancy, personnel and wage services, marketing and investment consultancy. The majority of its services is rendered to companies within the Group.

As of 30 April 2010, the Company and Tatranské lanové dráhy, a.s. (TLD) merged. TLD was dissolved and TMR remained the surviving company.

3. Inventories

The summary of inventories in the course of the accounting period is shown in the following overview:

	Balance as of 30. 4. 2012 EUR	Balance as of 31. 10. 2011 EUR
Material	451 389	464 865
Goods	774 289	439 081
Total	**1 225 678**	**903 946**

4. Receivables

The summary of receivables at the end of the accounting period is shown in the following overview:

Current receivables:

	30.4.2012 EUR	31.10.2011 EUR
Trade receivables	4,577,945	4,535,931
Tax assets and subsidies	1,246,988	953,697
Other receivables	49,531,001	67,055,032
Total current receivables	**55,355,934**	**72,544,660**

Non-current receivables:

	30.4.2012 EUR	31.10.2010 EUR
Non-current trade receivables	1,691,007	1,691,007
Total non-current receivables	**1,691,007**	**1,691,007**

As of 30 April 2012, other receivables were mainly receivables from outstanding bills of exchange. The value of the outstanding bill of exchange as of 30 April 2012 represents EUR 49,306 thousand (as of 31 October 2010, outstanding bills of exchange amounted to EUR 66,806 thousand). The bill of exchange is payable at sight, with an interest rate of 7.5%.

A long-term receivable represents a receivable from sale of real estate due in April 2014.

Adjustments to trade receivables

	Balance as of 31.10.2011 EUR	Creation (increase) EUR	Reduction (use) EUR	Cancellation (dissolution) EUR	Balance as of 30.4.2012 EUR
Trade payables	66 684	0	0	5 650	61 034
Other receivables	0	0	0	0	0
Total	**66 684**	**0**	**0**	**5 650**	**61 034**

Age structure of trade receivables	30.4.2012 EUR	31.10.2010 EUR
Group's accounts 311 - Customers	4,463,962	5,341,650
due	2,748,842	3,695,939
Up to 30 days past due	144,633	297,801
Up to 90 days past due	413,933	166,979
Up to 180 days past due	205,866	264,831
Up to 365 days past due	289,262	550,396
More than 365 days past due	661,426	365,704
Group's accounts 314 - Advance payments made	1,782,981	947,322
Group's accounts 315 - Other receivables	83,043	4,651
Group's accounts 391 - Adjustment to receivables	-61,034	-66,685
Total	**6,268,952**	**6,226,938**

5. Financial accounts

Cash in treasury, bank accounts and securities are reported as financial accounts. The Company may freely dispose of the bank accounts.

	30. 4. 2012 EUR	31. 10. 2011 EUR
Treasury, valuables	211 856	184 924
Current bank accounts	3 558 947	5 361 062
Savings bank accounts	0	0
Cash in transit	153 839	660 852
Total	**3 924 642**	**6 206 838**

6. Accruals

These are the following items:

	30. 4. 2012 EUR	31. 10. 2011 EUR
Other prepayments	1 265 662	202 392
Deferred income	35 616	272 569
Total	**1 301 278**	**474 961**

F. INFORMATION ABOUT THE LIABILITIES OF THE BALANCE SHEET

1. Equity

Information about equity are stated in section C and O.

2. Liabilities

Structure of liabilities (with the exception to loans and deferred tax liability) according to the remaining maturity is presented in the following overview:

	30.4.2012 EUR	31.10.2011 EUR
Past due liabilities	2,702,872	1,092,269
Liabilities with remaining maturity up to one year inclusive	11,413,384	6,890,958
Total current liabilities	**14,116,256**	**7,983,227**
Liabilities with remaining maturity from one to five years	525,057	570,151
Total non-current liabilities	**525,057**	**570,151**

Current and non-current liabilities of the Company include liabilities from financial lease for acquisition of machinery of cableways, snow scooters, equipment in restaurant facilities and 9 vehicles. The amount of future payments divided into the principal and financial expense according the maturity is presented in the following overview:

	30.4.2012		31. 10. 2011	
	principal EUR	financial cost EUR	principal EUR	financial cost EUR
Liabilities with remaining maturity up to 1 year	413 105	28 148	497 070	33 904
Liabilities with remaining maturity from 1 to 5 years	494 005	18 903	538 049	29 874
Liabilities with remaining maturity of more than 5 years	0	0	0	0
Total	**907 110**	**47 051**	**1 035 119**	**63 777**

3. Deferred tax liability

Calculation of the deferred tax liability is presented in the following overview:

	30.4.2012 EUR	31.10.2011 EUR
Temporary differences between the carrying value of assets and the carrying value of liabilities and their tax base		
- difference between the carrying and tax value of assets	26 661 351	26 661 351
- outstanding items not subject to tax	1 341 961	1 341 961
- adjustments to assets	-977 595	-977 595
Possibility to carry forward tax loss	0	0
Income tax rate (in %)	19	19
Deferred tax liability	**5 134 886**	**5 134 886**

4. Social fund

The formation and utilisation of social fund during the accounting period is shown in the following overview:

	30.4.2012 EUR	31.10.2011 EUR
Balance as of 1 November	14,687	11,524
Formation charged into expenses	16,000	21,897
Creation from earnings	0	0
Drawdown	-12,107	-18,734
Social fund	**18,580**	**14,687**

According to the Social Fund Act, a part of the social fund must be created against expenses and a part can be created from earnings. According to the Social Fund Act, the social fund shall be used to satisfy the social, health, recreational and other needs of employees.

5. Bank loans

Bank loans structure is presented in the following overview:

	Currency	Annual interest %	Maturity	Balance as of 30 April 2012 EUR	Balance as of 31 October 2011 EUR
			monthly		
Bank loan 2457/07	EUR	1M Euribor + margin	2012 – 2013	713,669	713,669
Bank loan 4316/2008	EUR	1MEuribor + margin	2012 – 2013	391,688	803,293
Bank loan 1851/07	EUR	3M Euribor + margin	2012 – 2013	730,266	730,266
Bank loan 659/2011	EUR	3M Euribor + margin	2012 – 2013	600,000	600,000
Bank loan Tatra Leasing, a.s.	EUR		2012 – 2013	12,472	0
Total short-term loans				**2,448,095**	**2,847,228**

	Currency	Annual interest %	Maturity	Balance as of 30 April 2012 EUR	Balance as of 31 October 2011 EUR
			monthly		
Bank loan 2457/07	EUR	1M Euribor + margin	2013 – 2017	3,389,929	3,746,764
Bank loan 4316/2008	EUR	1M Euribor + margin	2013 – 2018	2,272,123	2,262,166
Bank loan 1851/07	EUR	3M Euribor + margin	2013 – 2017	3,286,198	3,651,331
Bank loan 659/2011	EUR	3M Euribor + margin	2013 – 2016	5,250,000	5,400,000
Total long-term loans				**14,198,250**	**15,060,261**
Total bank loans				**17,907,489**	**17,907,489**

In order to guarantee bank loans, the following assets were used: lands, water areas, technology and service buildings of mountain lift equipment: ski lifts, chair cableways, terrestrial cableways, hanging cableways, cabin cableways, transformers, operating buildings and structures: Hotel Srdiečko, Hotel Kosodrevina, Hotel Liptov, Hotel Grand, Hotel SKI, the former telecommunication building, bungalows. In the case of guarantee by Hotel SKI and the former telecommunication building, Tatra banka, akciová spoločnosť ranks as the second one. All tangible assets and trade receivables are pledged as well.

As of 30 April 2012 Property, plant and equipment, inventories and receivables of EUR 127,816 thousand were used to guarantee bank loans (as of 31 October 2011: in the amount of EUR 121,479 thousand).

The Company reports no assets with the right of ownership occurred under a contract on security transfer of right or which would be used under a contract on borrowing.

6. Reserves

	Balance as of 31. 10. 2011 EUR	Creation (increase) EUR	Decrease (use) EUR	Cancellation (dissolution) EUR	Balance as of 30. 4. 2012 EUR
Legal reserves					
Wages for holiday incl. social security	449 925	0	363 066	0	86 859
Reserve for verification of financial statements and preparation of tax return	50 000	0	50 000	0	0
Reserve - other	21	0	21	0	0
Total legal reserves	**499 946**	**0**	**413 087**	**0**	**86 859**
Other reserves					
Reserve for repair and mainten	6 774	0	0	0	6 774
Reserve for recultivation	19 917	0	0	0	19 917
Other reserves - total	**26 691**	**0**	**0**	**0**	**26 691**
Total reserves	**526 637**	**0**	**413 087**	**0**	**113 550**

7. Accruals

The structure of accruals is presented in the following overview:

	30.4.2012 EUR	31.10.2011 EUR
Deferred income – EU subsidy	167,000	167,000
Deferred income – Revenue from sale of assets	131,819	141,851
Deferred income – Other	214,945	208,921
Deferred income - current	**513,764**	**517,772**

G. INFORMATION ABOUT REVENUE

1. Revenue for own work and goods

Revenue for own work and goods by individual segments, i.e. by the type of products and services, are presented in the following overview:

	30.4.2012 EUR	30.4.2011 EUR
Revenue from cableways	33,976	0
Revenue from water park	0	0
Revenue from restaurant facilities	57,311	34,493
Revenue from sport services and shops	653,597	351,960
Revenue from hotels	684,233	267,232
Revenue from real estate projects	0	61,961
Revenue from trade goods	**1,429,117**	**715,646**
Revenue from cableways	13,571,958	11,228,335
Revenue from water park	1,622,691	208,453
Revenue from restaurant facilities	2,213,842	1,853,216
Revenue from sport services and shops	781,645	767,787
Revenue from hotels	4,103,755	3,525,653
Real estate projects income	114,531	583,675
Revenue from own products and services	**22,408,423**	**18,167,119**

The Company generates majority of its revenue in the Slovak Republic.

2. Capitalization

Capitalization overview:

	30.4.2012 EUR	30.4.2011 EUR
Property, plant and equipment produced by own activity	5 814	22 380
Other capitalization	0	2 104
Total	**5 814**	**24 484**

3. Other operating income

	30.4.2012 EUR	30.4.2011 EUR
Contractual penalties	16 954	96 156
EU subsidies	0	481 529
Compensations from insurance companies and employees	26 329	7 585
Other operating income	90 362	15 821
Total	**133 645**	**601 091**

The EU subsidy represents a subsidy from the European funds project for employee education support – ZaSI.

4. Exchange rate gains

Summary of exchange rate gains:

	30.4.2012 EUR	30.4.2011 EUR
Realized exchange rate gains	2 936	6
Unrealized exchange rate gains	0	0
Total	**2 936**	**6**

5. Financial income

The structure of financial income is presented in the following overview:

	30.4.2012 EUR	30.4.2011 EUR
Other financial income	8 280	953
Income interest	2 098 277	4 410 926
Total	**2 106 557**	**4 411 879**

The Group has a bill of exchange receivable with a fixed interest rate of 7.5%, payable on demand, in its assets. Interest on bills of exchange together with other interest is reported in the income interest line.

6. Extraordinary income

During the year, the Company reported no extraordinary income.

H. INFORMATION ABOUT COSTS

1. Costs of services provided

Summary of costs of services provided:

	30.4.2012 EUR	30.4.2011 EUR
Marketing, advertising and propagation costs	2,078,166	2,196,110
Transport costs	1,113,234	1,513,115
Real estate rent	574,289	390,852
Advisory and consultancy services	293,305	90,873
Administrative costs	286,156	236,312
Repairs and maintenance	269,040	197,401
Accounting and finance costs	254,380	270,438
Lease	210,941	470,959
Telecommunication and IT services	116,814	117,372
Cleaning, washing and laundry costs	90,941	77,856
Training and education	69,457	110,329
Representation expenses	60,461	67,116

Travel expenses	12,935	8,568
Other costs	538,067	302,877
Total	**5,968,188**	**6,050,181**

The Company uses the services of the audit firm KPMG Slovensko spol. s r.o. to examine the individual and consolidated financial statements.

2. Exchange rate losses

Summary of exchange rate losses:

	30.4.2012 EUR	30.4.2011 EUR
Realized exchange rate losses	3 654	1 299
Unrealized exchange rate losses	0	0
Total	**3 654**	**1 299**

3. Financial expenses

The structure of financial costs is presented in the following overview:

	30.4.2012 EUR	30.4.2011 EUR
Bank fees	104 971	45 942
Financial costs related to financing of the company	159 386	211 872
Other	0	31 132
Total	**264 357**	**288 946**

Within the Bank fees, the Company reports fees from payment system as well as fees from financial institutions for administration of bills of exchange and portfolio of financial investments.

4. Extraordinary expenses

During the year, the Company reported no extraordinary expenses.

I. INFORMATION ABOUT THE INCOME TAX

Transfer from theoretical income tax to reported income tax is presented in the following overview:

	30.4.2012			30.4.2011		
	Tax base EUR	Tax EUR	Tax %	Tax base EUR	Tax EUR	Tax %
Profit (loss) before tax	6 476 401		100,00 %	11 271 771		100,00 %
thereof 19% theoretical tax		0	19,00 %		2 141 636	19,00 %
Unrecognised costs		0	0,00 %	4 194 220	796 902	12,30 %
Revenue not subject to tax		0	0,00 %	-8 378 125	-1 591 844	-24,58 %
Amortization of tax loss		0	0,00 %	-1 085 338	-206 214	-3,18 %
	6 476 401	0	19,00 %	6 002 528	1 140 480	3,54 %
Interest tax		51			419	
Current tax		**51**	**19,00 %**		**1 140 899**	**3,54 %**
Deferred tax		0	0,00 %		1 540 626	23,79 %
Total recognised tax		**51**	**19,00 %**		**2 681 525**	**27,33 %**

For information about deferred tax, see section F item 2 Deferred Tax.

J. INFORMATION ABOUT THE OFF-BALANCE SHEET ACCOUNTS DATA

1. Assets rented

The Company rents land with ski slopes and cableways and rents some vehicles based on the operating lease contracts. Major contracts for lease of lands are concluded for the period of 30 years with another 10-year option. The major contracts have 1-year notice period.

Costs of operating lease for the period ending 30 April 2012 recognised in the income statement represented EUR 785 thousand (for the period ending 30 April 2011: EUR 862 thousand).

The amount of rent for the period during which the contracts cannot be terminated is as follows:

in euro	30.4.2012	31.10.2011
less than 1 year	430,296	468,090
from 1 up to 5 years	13,768	24,385
more than 5 years	-	-
maturity not specified	-	-
Total	**492,475**	**492,475**

2. Assets leased

The Company lease the following to third parties for operational purposes:

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

The Company reports the assets leased as the property, plant and equipment. During the year, the Company terminated the lease contract for the Srdiečko hotel and started to operate it. Similarly during the year, the Company concluded a contract on lease of the Ski hotel. Total revenue from lease of assets amounted to EUR 114 thousand for 2012.

K. INFORMATION ABOUT OTHER ASSETS AND OTHER LIABILITIES

1. Contingent liabilities

Given that many areas of Slovak tax law have not been sufficiently tested in practice, there is uncertainty on how the tax authorities will apply these laws. This uncertainty cannot be quantified and it will cease only once the legal precedents or official interpretations of such authorities are available.

2. Other financial obligations

As of 30 April 2012, the Company reports no other financial obligations.

3. Contingent assets

The Company in a number of lawsuits. In two cases, the company lost the lawsuits and the amount of compensation is being calculated. The maximum amount of compensation in these lawsuits may be up to EUR 1,241 thousand and interest and charges.

L. INFORMATION ABOUT THE INCOME AND ADVANTAGES OF MEMBERS OF STATUTORY BODIES, SUPERVISORY BODIES AND OTHER BODIES OF THE ACCOUNTING ENTITY

Gross income of members of the statutory bodies of the Company for their work for the Company in the monitored accounting period amounted to EUR 96 thousand (in 2011: EUR 102 thousand).

M. INFORMATION ABOUT ECONOMIC RELATIONSHIPS OF THE ACCOUNTING ENTITY AND RELATED PARTIES

In the course of the accounting period, the Company made the following transactions with related parties:

In EUR

	services rendered		services received	
	30.4.2012	30.4.2011	30.4.2012	30.4.2011
GRANDHOTEL PRAHA a.s.	174,869	75,324	5,492	2,441
Interhouse Tatry s.r.o.	81,478	3,780	4,275	0
Tatry mountain resorts services, a.s.	118,344	22,460	1,011,301	630,597
Total	**507,489**	**101,564**	**2,093,995**	**633,038**

	receivables		liabilities	
	30.4.2012	31.10.2011	30.4.2012	31.10.2011
GRANDHOTEL PRAHA a.s.	187,613	32,879	3,027	1,532
Interhouse Tatry s.r.o.	59,745	74,368	2,764	362
Tatry mountain resorts services, a.s.	9,074	37,662	71,658	38,952
Total	**144,909**	**144,909**	**40,846**	**40,846**

N. INFORMATION ABOUT EVENTS OCCURRED AFTER THE DATE OF PREPARATION OF THE FINANCIAL STATEMENTS UNTIL THE DATE OF PREPARATION OF THE FINANCIAL STATEMENTS

No events occurred after the date of preparation of the financial statements.

O. INFORMATION ABOUT EQUITY

The summary of equity movements is shown in the following overview:

In EUR

Equity		Current accounting period as of 30 April 2012				
		Opening balance	Increases	Decreases	Transfers	**Closing balance**
a	b	c	d	e	f	g
Share capital		221,337,534	0	0	0	221,337,534
Share capital		221,337,534	0	0	0	221,337,534
Own shares and own business interests		0	0	0	0	0
Change in share capital		0	0	0	0	0
Capital funds		31,090,398	514,921	0	0	31,605,318
Share premium		30,430,378	0	0	0	30,430,378
Other capital funds		282,587	0	0	0	282,587
Legal reserve fund from capital deposits		0	0	0	0	0
Valuation differences from revaluation of assets and liabilities		377,432	514,921	0	0	892,353
Valuation differences from revaluation of capital interests		0	0	0	0	0
Valuation differences from revaluation in the event of merger, amalgamation and demerger		0	0	0	0	0
Funds from profit		2,381,097	0	0	859,025	3,240,122
Legal reserve fund		2,381,097	0	0	859,025	3,240,122
Non-distributable fund		0	0	0	0	0
Statutory funds and other funds		0	0	0	0	0
Profit/loss of previous years		2,329,244	0	0	1,292,312	3,621,556
Retained earnings from previous years		2,329,244	0	0	1,292,312	3,621,556
Accumulated losses from previous years		0	0	0	0	0
Profit/loss for the current accounting period		8,590,246	6,476,351	-6,438,910	-2,151,336	6,474,351
Total		**265,728,517**	**6,991,272**	**6,438,910**	**0**	**266,280,880**

In EUR

Equity	Immediately preceding accounting period as of 31 October 2011				
	Opening balance	Increases	Decreases	Transfers	**Closing balance**
a b	c	d	e	f	g
Share capital	221,337,534	0	0	0	221,337,534
Share capital	221,337,534	0	0	0	221,337,534
Own shares and own business interests	0	0	0	0	0
Change in share capital	0	0	0	0	0
Capital funds	30,698,497	391,900	0	0	31,090,398
Share premium	30,430,378	0	0	0	30,430,378
Other capital funds	282,587	0	0	0	282,587
Legal reserve fund from capital deposits	0	0	0	0	0
Valuation differences from revaluation of assets and liabilities	-14,468	391,900	0	0	377,432
Valuation differences from revaluation of capital interests	0	0	0	0	0
Valuation differences from revaluation in the event of merger, amalgamation and demerger	0	0	0	0	0
Funds from profit	1,435,686	0	0	945,411	2,381,097
Legal reserve fund	1,435,686	0	0	945,411	2,381,097
Non-distributable fund	0	0	0	0	0
Statutory funds and other funds	0	0	0	0	0
Profit/loss of previous years	-679,553	0	0	3,008,797	2,329,244
Retained earnings from previous years	0	0	0	2,329,244	2,329,244
Accumulated losses from previous years	-679,553	0	0	679,553	0
Profit/loss for the current accounting period	9,454,110	8,590,246	-5,499,902	-3,954,208	8,590,246
Total	**262,246,274**	**8,982,146**	**5,499,902**	**0**	**265,728,517**

The 2011 accounting profit of EUR 8,590,247 was distributed as follows:

	EUR
Payment of dividends	6 438 910
Contribution to reserve fund	859 025
Transfer to retained earnings	1 292 312
Total	**8 590 247**

The General Meeting shall decide on distribution of the 2012 accounting period profit.

P. SUMMARY OF CASH FLOWS AS OF 30 APRIL 2012

	30.4.2012	30.4.2011
Cash flow from operating activities		
Cash flow from operation	11,518,258	26,392,534
Interest paid	-284,988	-444,799
Interest received	376	2,275
Income tax paid	-1,710,771	-759
Dividends paid	0	0
Cash flows before extraordinary items	9,522,876	25,949,251
Income from extraordinary items	0	0
Net cash flow from operating activities	**9,522,876**	**25,949,251**
Cash flow from investment activities		
Purchase of non-current assets	-21,558,839	-41,287,641
Income from sale of non-current assets	165,692	0
Acquisition of investment	-1,180,384	-11,875,726
Dividends received	2,291	2,888
Net cash flow from investment activities	**-22,571,241**	**-53,160,479**
Cash flow from financial activities		
Income from increase of share capital	0	0
Loans received	0	471,288
Loans provided	-3,133,893	-31,490,925
Payments of loans provided	0	75,321,000
Payments of non-current liabilities	-132,922	-866,186
Payments of loans received	-1,273,614	-929,241
Repayment of bills of exchange	19,387,000	63,635,977
Issue of bills of exchange	0	-78,038,000
Net cash flow from financial activities	**14,846,571**	**28,103,914**
(Decrease) increase of cash and cash equivalents	1,798,206	892,685
Cash and cash equivalents at the beginning of the year	2,126,436	828,179
Cash and cash equivalents at the end of the year	**3,924,642**	**1,720,864**

	30.4.2012	30.4.2011
Net profit (before deduction of tax and extraordinary items)	**6,476,401**	**7,044,399**
Adjustment for in-kind transactions:		
Amortization of property, plant and equipment and non-current intangible assets	2,856,738	4,892,616
Income interest	-2,098,277	-4,410,926
Interest expense	284,988	240,476
Adjustment to receivables	0	0
Unrealized exchange rate losses	-3,654	-1,299
Unrealized exchange rate gains	2,936	6
Discount of other receivables	0	0
Reserves	0	0
Loss (profit) from sale of non-current assets	-57,165	172,040
Income from non-current financial assets	-2,291	-2,888
Profit from operation before change of working capital	7,459,676	7,934,425
Change of working capital:		
(Decrease) increase of trade receivables and other receivables (including accrued assets)	-2,479,277	13,325,150
(Decrease) increase of inventories	-321,732	-132,796
(Decrease) increase of liabilities (including accrued liabilities)	6,859,592	5,265,754
Cash flow from operation	**11,518,258**	**26,392,534**

Cash

Cash means cash, cash equivalents, cash funds on current accounts in banks, bank overdraft and a part of the Cash-in-Transit account's balance related to the transfer between a current account and treasury, or between two bank accounts.

Cash equivalents

Cash equivalents mean current financial assets convertible for an amount of cash known beforehand where there is no risk of a significant change in the value thereof within the next three months from the date as of which the financial statements are prepared, for instance term deposits on bank accounts deposited up to three-month notice period, liquid securities for trading, priority shares acquired by the accounting entity due within three months after the date as of which the financial statements are prepared.

24 June 2012	**24 June 2012**
Date of preparation of the financial statements	Date of approval of the financial statements

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Bohuš Hlavatý	Jozef Hodek	Tomáš Kimlička	Marian Klas
Chairman of the Board of Directors	*Member of the Board of Directors*	*person responsible for preparation of financial statements*	*person responsible for accounting*

Statement by the Board of Directors

Financial statements and the half-year report are prepared in accordance with special regulations; it gives a true and fair view of the assets, liabilities, financial position and profit/loss of the Company. The Half-year report has not been verified by an auditor.

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Ing. Bohuš Hlavatý

Chairman of the Board of Directors

……………………………………..

Ing. Hodek Jozef

Member of the Board of Directors

TATRY
MOUNTAIN RESORTS

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