

elektrina
distribúcia
život
podpora
energia
spoločnosť
svetlo
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férovosť
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Annual report 2015

Západoslovenská distribučná, a. s.



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Annex:

Independent Auditor's Report and Financial Statements as at 31 December 2015 prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union are included in appendix.

The annex can be found:

<http://www.skupinazse.sk/en/Investors/Economic-Results/Zapadoslovenska-distribucna-a.s.>

01 Profile of Západoslovenská distribučná, a.s.



Andrej Juris
Chairman of the Board of Directors

Foreword of the Chairman of the Board of Directors

The year 2015 could be characterised as a year of customer innovations. Several projects we worked on will make the communication between us and our customers easier. We have modernised the distribution system so that electricity distribution is even more reliable. Smart metering systems help consumers control their energy bills.

The economic results of Západoslovenská distribučná reflect stable regulatory framework; in 2015 we achieved a slightly better operating income (EUR 82.1m) as compared to last year (EUR 79.7 EUR). Over the year we invested approx. EUR 70 million, mainly in the distribution system upgrade and modernisation. The most important investments include global reconstructions of electrical stations in Pezinok and Zlaté Moravce and installation of electricity meters, including smart meters. We have invested also in smart grid elements, i.e. distribution system automated elements including remote localisation of break-downs and distribution system elements' control.

Investments include also several online solutions which will help our customers handle requests faster and facilitate communication, e.g. in the process of connecting. Customers welcome this approach and use online environment more often. That's why I am glad that last year we have launched the Geoportal. This application enables customers to download the plan of new connection, localise the planned works and failures or report them.

The portfolio of our pro-customer services is getting bigger. Mayors of municipalities can receive, if they wish so, text messages on the current failures. We offer list of electricians

that provide professional services in the area of electricity such as construction of the connection necessary for the supply point connection.

We had an ambitious plan in the area of smart meters implementation. We have installed more than 16,000 smart meters. End consumers can therefore profit from simple non-stop online access to currently measured values. At the same time, the smart metering system enables to monitor the distribution system more efficiently, helps detect unlawful consumptions and contribute to faster identification of failures and their removal. The system is fully automated, therefore the number of meter readings performed manually will be significantly reduced, thus eliminating burdens placed both on us and our customers.

We have continued in improving SAIDI and SAIFI indicators which express average time of electricity supply interruptions per year, or average number of electricity supply interruptions per year. We have made several internal changes with the aim of minimising the time of switch-off while ensuring regular inspections of facilities necessary for safe operation of the distribution system. We managed to "save" for our customers up to two hours of the total switch-off time in case of inspections of some transformer stations and section switches.

So that we can implement these changes we must place emphasis on development of our employees. In addition to trainings required by law we focus on improvement of communications skills of our people who are in direct contact with customers. Our Operational Excellence program offers a good opportunity for continuous progress and improvement. Operational Excellence is a way of functioning which concentrates on identifying problems, looking for roots of the problems and implementing solutions in the long-term.

In 2015 we presented several innovations, positively welcomed by our customers. It is our wish to continue in this trend. I would like to thank employees who, in addition to their day-to-day tasks, forward proposals for process improvements and the functioning of the entire company. I believe that we will continue in exploiting this potential and that continuous improvement of quality services will lead to even stronger trust between us and our customers.

Andrej Juris
Chairman of the Board of Directors

Company Bodies

The structure of statutory and supervisory bodies of Západoslovenská distribučná, a.s. in 2015 was as follows:

Statutory Body

Board of Directors	
As at 31 December 2015	
Chairman	Ing. Andrej Juris (start of office on 20 September 2011)
Vice-Chairman	Ing. Ľuboš Majdán (start of office on 16 October 2012)
Members	Ing. Tomáš Turek, Ph.D. (start of office on 1 May 2014)
	Ing. Marian Kapec (start of office on 21 March 2012)
	Ing. Peter Palmaj (start of office on 16 October 2012)

Supervisory Body

Supervisory Board	
As at 31 December 2015	
Chairman	Mgr. Andrej Glézl, PhD. LL.M (start of office as a Member of the Supervisory Board on 16 October 2012, elected the Chairman of the Supervisory Board on 18 December 2012)
Vice-Chairman	Marian Rusko (start of office as a Member of the Supervisory Board on 1 February 2014, elected the Vice-Chairman of the Supervisory Board on 2 April 2014)
Members	MUDr. Ján Zvonár, CSc. (start of office on 16 October 2012)
	Ing. Miroslav Struž (start of office on 16 October 2012)
	Ing. Kamil Panák (start of office on 16 October 2012)
	Ing. Petr Ivánek (start of office on 16 October 2012)
	Robert Polakovič (start of office on 2 July 2014)
	Silvia Šmátralová (start of office on 2 July 2014)
	Milan Sobolčíak (start of office on 2 July 2014)

The shareholders' structure in Západoslovenská distribučná, a.s. as at 31 December 2015 was as follows:

Shareholders' Structure			
As at 31 December 2015	Absolute amount in €	Equity share in the share capital	Voting rights
Západoslovenská energetika, a.s.	33,227,119	100%	100%

Scope of Business

Information on the Company and Its Scope of Business

Západoslovenská distribučná, a.s. (hereinafter the "Company"), Company ID: 36 361 518, with its seat at Čulenova 6, 816 47 Bratislava, was established on 20 April 2006 and incorporated in the Commercial Register on 20 May 2006. The Company is registered with the Commercial Register of the Bratislava I District Court, Section: Sa, File No.: 3879/B.

The Company was established by a Memorandum of Association on 20 April 2006, made in the form of Notary Deed N 137/2006, Nz 15077/2006 in accordance with the relevant provisions of Act No. 513/1991 Coll., Commercial Code. The Company was established with a view to complying with the legal requirements to unbundle electricity distribution from other businesses of the companies providing integrated services in the electricity sector, as stipulated by EU Directive 2003/54/EC concerning common rules for the internal market in electricity, which was transposed into Slovak legislation by means of Act No. 656/2004 Coll. on Energy and on Amendments to Some Acts. The Energy Act stipulated the date of 1 July 2007 as the latest date for unbundling the distribution system operations. Západoslovenská energetika, a.s. separated a part of the business performing the key distribution activities and contributed it into Západoslovenská distribučná, a.s.

The core business of the Company is electricity distribution.

Another organizational change took effect as at 31 December 2015 as another step towards centralization of activities related to distribution system operations in Západoslovenská distribučná. The change comprised the transfer of IT services and IT support activities including assets and employees from E.ON Business Services Slovakia spol. s r.o. to Západoslovenská distribučná by selling a part of the business.

02 Economy

In 2015, Západoslovenská distribučná, a.s., generated comprehensive income of € 44,673 thousand, with sales totaling € 432,944 thousand and costs totaling € 383,481 thousand.

The Company's key figures according to the International Financial Reporting Standards as adopted by the European Union:

Key figures as at 31 December

€ thousand	2015	2014
Non-current assets	979,193	975,676
Current assets	32,352	24,521
Total assets	1,011,545	1,000,197
Equity	135,607	134,267
Non-current liabilities	794,090	794,418
Current liabilities	81,848	71,512
Total equity and liabilities	1,011,545	1,000,197
Sales	454,116	432,944
EBIT (profit from operating activities)	82,076	79,721
EBITDA	155,890	153,923
Revenues	474,402	453,766
Expenses	414,175	383,481
Profit before tax	60,227	70,285
Net profit	44,298	53,108
Other comprehensive income	375	-931
Total comprehensive income	44,673	52,177
Cash outflows for investing activities	74,367	60,983
Full-time equivalent of employees (FTE)	1,247	1,271

Information on sales in monetary terms from electricity distribution:

Indicators	2015	2014
As at 31. 12.		
Volume of electricity distributed (GWh)	9,161	8,784
Sales from electricity distribution (€'000)	447,714	426,341
Number of supply points	1,106,517	1,093,412

Loans

Západoslovenská distribučná, a.s. did not draw bank loans but it had an intercompany loan amounting to € 630,000 thousand.

Distribution of the 2014 Profit

The Company's sole shareholder acting in the authority of the General Meeting approved in its resolution dated 16 June 2015 the distribution of the 2014 accounting profit amounting to € 49,538 thousand and the pay-out of dividends in the amount of € 42,983 thousand.

Cash outflows for investing activities

Capital expenditures amounted to € 74,367 thousand in 2015.

€ thousand	2015
Connection	16,368
Development and improvment of networks VN, NN, TS, EZ	19,227
Development and improvment of networks VVN (RZ, EZ, KZL)	19,806
Special projects	2,047
Purchase of energy devices	416
Land and easements	2,348
Transformers, inductors, resistors	2,231
Electrometers	6,749
Current investment assets	2,080
Other	286
IT projects	2,809
Total	74,367

Major Constructions of Západoslovenská distribučná, a.s. in Terms of Volume

€ thousand	2015
VHV Kráľová nad Váhom	5,204
VHV ES Zlaté Moravce - reconstruction	3,818
VHV ES Pezinok - reconstruction	3,010
ES veľké Kostoľany	2,687
Doplnenie technológie DO ÚO	1,158
VHV Križovany-galanta_Nové Zámky - reconstruction	1,881

Planned major constructions in 2016 in terms of volume:

Major Constructions of Západoslovenská distribučná, a.s. in Terms of Volume

€ thousand	2016
ES Veľké Kostoľany	4,000
ES Kráľová nad Váhom	4,000
VVN vedenie Križovany-Galanata-Nové Zámky - rekonštrukcia	2,000
ES Ovsšte - reconstruction	5,000
VVN vedenie Podunajské Biskupice - Slovaft - reconstruction	2,700

Decision on the 2015 Profit Distribution

At its meeting on 24 March 2016 the Board of Directors of Západoslovenská distribučná, a.s., acknowledged, and recommended to the Supervisory Board of Západoslovenská distribučná, a.s. to discuss, the following proposal for the distribution of the Company's profit for 2015.

Proposal for Distribution of the 2014 Profit of Západoslovenská distribučná, a.s.

Submitted to the Board of Directors of Západoslovenská distribučná, a.s. on 24 March 2016	€ thousand
Profit/loss for the year	44,298
Purchase of a part of business (Customer services) recognized as a decrease in equity*	(350)
Profit/loss to be distributed	43,948
Allotment to the reserve fund	4,430
Allotment to the social fund	1,190
Dividends	38,328
Total distribution of profit	43,948

03 New Services for Customers

Západoslovenská distribučná has prepared several on-line services for its customers, which will shorten and improve the processing of connection requests and simplify communication, e.g. during the connection process. Customers appreciate this initiative as demonstrated by their ever-increasing use of the on-line platform. For example, since 2014 customers have been able to submit connection requests via our web portal. In the first year after the launch, ZSD received and processed 41% of the total connection requests received via this channel, and last year the share increased to over 54%. Additionally, since October 2015 customers have been able to opt for having the connection contract sent in electronic form to a specified email address. An option to download a layout plan via Geoportal has also been added to our web form.

Geoportal

It allows customers to electronically submit a request for information about the existence of electric line networks managed by Západoslovenská distribučná. It also allows creating a site plan for a new connection and to attach the outcome as an annex to the connection request submitted by a customer via the www.zsdis.sk application. Using the "Map of outages and shutdowns" and "No electricity in my street" functions, it is possible to detect planned works and outages in the area of residence. If a user finds a device in an unsatisfactory technical condition or recorded at a wrong place, he can notify the Company using the "Information for the network administrators" function.

Electricity at a Single Click

ZSD provides an opportunity for municipalities to have a banner placed at their websites free of charge. By simply clicking on the banner users are taken to an online request for connection to the distribution system, without the need to search for it. At the same time, a list of planned outages in electricity supplies in the village/town for at least next 15 calendar days and of existing outages lasting for more than 15 minutes is automatically generated. Information comprises the time when such outage occurred and estimated time of its elimination. Both applications are also available at the Company's website.

SMS in the Event of Outage

The Company sends an SMS notification of existing outages to mayors if they wish to receive them. The notification comprises information about an outage in their village/ town, number of affected locations and estimated time of outage elimination. If a mayor wishes to make use of this free-of-charge service, he/she just needs to request it via e-mail at

odberatel@zsdisk.sk in which he/she gives the name of the municipality (in Bratislava – name of the city district) and a phone number or a number at which an SMS is to be sent.

Recommended Electricians

ZSD also contributes to increasing customer satisfaction during the connection process by helping customers to choose an electrician at their area of residence. The Company's website www.zsdisk.sk/sk/elektrikari provides a list of proven electricians who provide professional services in electrical engineering, such as construction of a connection required to connect a supply point.

The "Recommended Electricians" service is free of charge. The recommended electricians published at the website must hold an authorization to perform at least two of the following activities: design of electrical facilities, electrical assembly works (construction of connections, installation of a switchboard), electrical installation works (construction of distribution systems for residential premises, installation of electrical appliances), inspections and testing of electrical facilities, lightning conductors and appliances (inspection activities).

Reducing the Duration and Number of Customer Disconnections

Planned outages in electricity supply are required during revisions of the distribution system. In 2015, the Company focused its efforts on reducing the duration and number of such outages. After implementing several measures and system solutions the Company managed to "save" nearly two hours in the overall time required for disconnections during revisions of certain types of transformer stations and section switches.

By the introduction of new technologies that localize outages more quickly the Company successfully reduced the time required to eliminate unplanned electricity outages.

ZSD Ombudsman

The Company endeavours to provide quality and fair services to its customers. Despite that there may be situations where a customer feels that his motion has not been adequately investigated or considers the way in which the Company addressed his motion to be inadequate. Therefore, on 1 August 2015 the Company introduced the position of Ombudsman, which can be contacted by customers with a request to verify the procedure in which their previous motions were addressed.

Customers can reach the ZSD Ombudsman via e-mail at ombudsman@zsdisk.sk or by mail at the Company's mailing address (Západoslovenská distribučná, a.s.; P.O.BOX 292; 810 00 Bratislava 1). A written motion can also be submitted in person at the Company's Registry: Západoslovenská distribučná, a.s.; Čulenova 6;

816 47 Bratislava. All useful information about contacting the Ombudsman is available at <http://www.zsdisk.sk/sk/O-spolocnosti/Prava-zakaznika>

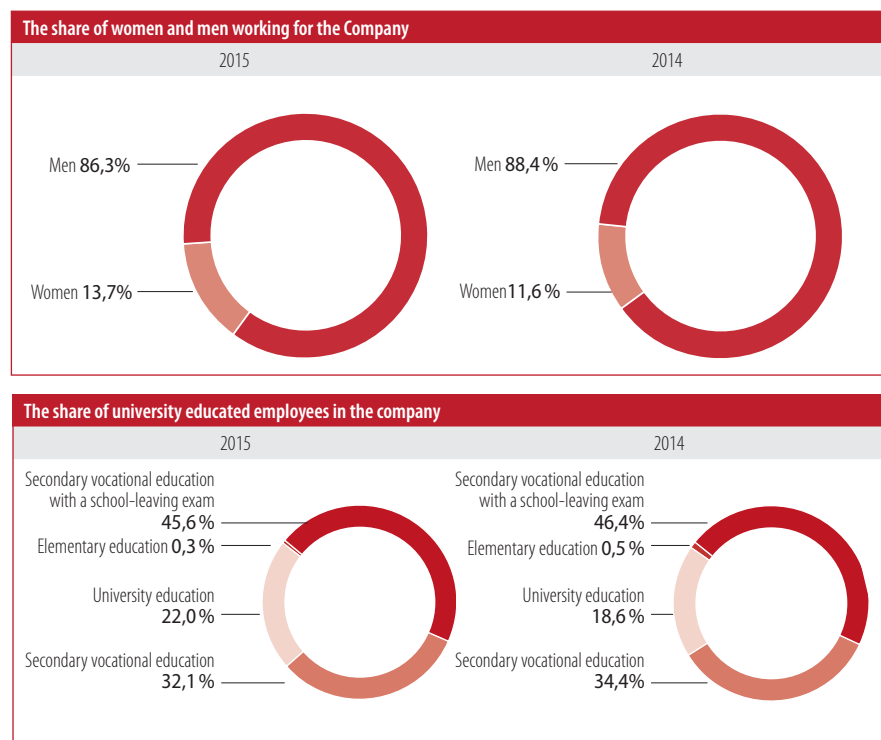
Call Centre Personnel Assessment

Telephone contact with the Call Centre operators is a major contact channel for ZPD. The Company needs customer feedback to be able to ensure customer satisfaction with the settlement of their requests. In late 2015 the Company introduced a new method of collecting feedback on its Call Centre operators – Staffino.

After a phone call with an operator, customers receive an email with a request to evaluate the call. As a result, customers contribute to the enhancement of the quality of the operators' services.

04 Human Resources

In 2015, the average number of ZSD's employees was 1,247. The average age of the employees was 46.2 years. In 2015, the number of women increased year-on-year by 19.7% and the number of employees with university degrees increased year-on-year by 20.8%.



Employee Remuneration:

In compliance with the obligations arising from the collective agreement, the Company increased wages and salaries comprising fixed and variable components on average by 2.06%.

The employees were remunerated based on their work performance, which had a direct impact on the amount of variable salary components and extraordinary bonuses.

All employees of the Company were provided with Social Fund contributions for recuperation, relaxation, cultural events and entertainment. The Company continued to provide above-standard preventative medical check-ups to its employees. The employer also continued to make contributions to the supplementary pension savings scheme. Each employee was entitled to 5 extra vacation days on top of their entitlement under the Labour Code.

Training:

Employee training and development is a top priority for the Company. In 2015, the Company carried out 1,091 educational activities. The average training costs per employee amounted to EUR 371 and, on average, 5.4 training days per employee were provided. The bulk of training sessions was driven by legislative requirements. Specialists in electric facilities management who are in contact with customers were trained in communication skills. A two-year intensive development program for ZSD's talented employees was completed under the "Talent Pool" succession program.

ZSD also creates room for secondary-school and university students. A scholarship program has been prepared for university students; as part of this program, students work in the Company for the last two years of their studies with an opportunity to join the Company at specific job positions. Talented university graduates may participate in the so-called "Trainee Program", which is aimed at training potential successors for the Company's key positions by their systematic development and job rotation.

Numerous projects are also prepared for secondary-school students, with the traditional ZSE Open event being the largest one. During the event, secondary electrical-engineering school students and teachers have an opportunity to spend one day in the Company's premises. The Best EKO Idea and 4E.ON development and competition projects also continued. As part of the projects, the Company supported 10 projects aimed at implementing business ideas focusing on energy savings and environmental protection, and 10 projects aimed at creating interactive educational tools for secondary schools.

With respect to education of primary school pupils, the Young Electric Technician project continued in Elektrárňa Piešťany together with the Children's Town of Professions project in Bratislava. For several years, the company is preparing for secondary school students Competition Najlepší nápad (Best Idea). The program aims to inspire young people to start their own business.

05 Occupational Health and Safety

In terms of occupational health and safety, the Company paid close attention to the working and social conditions of its employees. Through various activities it successfully raised awareness of employees with respect to occupational health and safety, healthy lifestyle, fitness and flexibility enhancement. The Company invested more than EUR 630,000 into personal and protective work equipment and tools, training courses on occupational health and safety, and preventative medical check-ups.

Západoslovenská distribučná is a member of the ZSE Group. The so-called TRIF comb. indicator is reported separately in the ZSE Group – it is the number of incidents that occurred with respect to the Group's employees and those of contractors performing work at the ZSE Group facility/worksites per 1 million hours worked during the monitored period. In 2015, the TRIF comb. reached 0.6.

The TRIF index is reported separately for the contractors' employees. In 2015, the contractors' employees worked a total of 603,936 hours at the ZSE Group facilities or worksites. No occupational injury was suffered by contractors' employees during the monitored period.

In 2015, during the second supervisory audit the Company demonstrated an improvement in the established system of integrated management (SIM) and maintained the ISO 14001 and OHSAS 18001 certificates. During the audit, the certification company identified strengths and improvements of the SIM and concluded that the SIM complied with the requirements of ISO 14001 and OHSAS 18001 standards and the legislation, and that it showed sustainable improvement. The audit resulted in a recommendation issued by the certification company to continue the certification process.

06 Environmental Protection

Environmental protection is one of the Company's top priorities. With the aim to protect and improve the quality of environment, the Company takes preventative measures in all business activities performed.

By implementing specific environmental projects, the Company takes a pro-active approach to ensuring the protection of avifauna, avoiding soil and water contamination and adopting measures aimed at reducing noise in the vicinity of its operations.

In 2015, the Company invested the amount of EUR 503 thousand to make the operation of its facilities more environmentally-friendly. In addition, additional investments were made into enhancing the environmentally-friendly operations as part of the reconstruction of the distribution network in relation to structures which use materials and equipment with a minimum negative impact on the environment. Costs of environmentally-friendly operation and maintenance of facilities including waste disposal amounted to EUR 148 thousand. Risk of the contamination of underground water sources reduced due to environmentally-friendly measures adopted at electric station transformers.

With the aim to eliminate the risk of death of protected species of birds as they land on electric line masts, 188 high-voltage line masts were equipped with console cases. Also, preparatory works on the "LIFE Energy in Countryside" project were underway, in which the Company closely cooperated with the "Raptor Protection of Slovakia" NGO.

Due to consistent separation of waste generated when repairing energy facilities, 542 tons of scrap was handed over for recycling. Special attention was paid to the maintenance of equipment containing SF6 gas, which is classified as a fluorinated greenhouse gas. Gas leaks are consistently monitored and recorded.

07 Corporate Responsibility

The ZSE Group is one of the leaders in Slovakia in terms of corporate responsibility, and its principles are part of the Company's everyday decisions and business strategy. Corporate responsibility has a direct impact on the loyalty and satisfaction of the employees. It covers the Company's conduct not only in terms of energy, but also in relation to local communities and environment. The ZSE Group considers it essential to encourage people to participate and contribute to making the world we create a better place for living.

ZSE focuses its activities primarily on education, innovation and environment.



Green Schools: ZSE Helps Make Schools Green

In 2015, ZSE became the general partner of the Green School program.

It is an educational program designed for nursery, primary and secondary schools that wish to change themselves and their surroundings. The program aims to support school communities whose members try out the magic and traps of cooperation. Students, with the help of teachers and parents, address the actual needs of their schools and surroundings, and thus contribute to a positive change. It is insufficient to only learn about environmental issues; it is imperative to change one's behaviour too. Waste production can be given as an example. No matter how interesting teachers' presentation of the topic to children is, if schools fail to introduce a program aimed at minimizing waste production, lecturing only will have no effect. Therefore, the program motivates the implementation of long-term and hands-on activities that have a real positive impact on the environment of schools and their surroundings.

The main coordinator of the program is the Živica Centre for Environmental and Ethical Education. The Živica team believes that schools can offer children more than just formal education. Živica supports schools with a variety of inspirational and experiential workshops, materials and information service. Professional personal consultants and platforms for sharing experience with other schools provide schools with practical support. It is a network of people who inspire a change.

As many as 450 schools participated in the program during its 10-year existence. Inspiration for changes in education is available here: <http://www.zelenaskola.sk/> and here: <http://www.zivica.sk/>



ZSE Supplies Energy for Development of Young Talents at the Socrates Institute

The Socrates Institute is an accredited educational program for university students. It is a one-year study program consisting of 10 interactive learning workshops. The Institute was established to create conditions for the development of talents, young people who are not afraid to work on their improvement, to take responsibility for their decisions and to pursue their vision. The Socrates Institute is open to students or graduates of any specialization; as a result, scientists, lawyers, economists, doctors, journalists and artists study together. ZSE has been a partner of the Socrates Institute for several years. It allows young ambitious students to study free of charge.



Impact Hub

Innovations help improve the quality of life, make our lives easier and contribute to sustainable development. ZSE believes that changes in our surroundings can be made by common efforts. Therefore, the Company has chosen the Impact Hub as a key partner in promoting innovation. The Impact Hub is an international co-working platform aimed at promoting innovative and socially-responsible ideas.

ZSE aims to develop and support key topics – sustainability, energy efficiency, and green technologies. The Company is committed to supporting new businesses and startups that focus on innovative approaches in these areas.



Elektrárňa Piešťany (Piešťany Power Plant)

ZSE refurbished this former municipal power plant registered in the list of national cultural monuments and put it into operation in 2014. Since then it has served as an educational centre for primary and secondary schools. By means of interactive facilities visitors learn, for example, why electricity gives a shock, how a solar-powered car would work, or how much electricity there is in one kilogram of coal. They can try hands-on physical experiments or learn how electrical circuits work and how energy-efficient household appliances are.



Return of Eagles

Due to the nature of ZSE's business, it is natural that the Company is eagerly interested in environmental protection. For more than 20 years it has cooperated on several projects with the "Raptor Protection of Slovakia" NGO with the aim to make power lines more environmentally-friendly. These efforts are aimed at installing eco-barriers on power line mast structures or the so-called diversion elements that minimize the risk of collisions with power lines even in bad weather conditions. The Company has so far invested nearly one million euros in these activities.

In addition, ZSE has prepared the "Return of Eagles" campaign in cooperation with the Raptor Protection of Slovakia NGO. Its purpose is to provide information about eagles and promote the involvement of the public in the initiative to improve conditions for endangered birds of prey and their return to the countryside. The campaign was inspired by the story of an adopted young eagle Karol.



After he was abandoned by his parents due to extensive mining work directly beneath the nest, the young eagle was fed for several days in captivity. Then he was given a second home with adoptive eagle parents which took a good care of him and in early August he flew from the nest.

Donations could be made during the "Return of Eagles" campaign to support the protection of this endangered species. Donors receive an original T-shirt with a picture of Karol as a gift for their contributions.

ZSE Employees Disenchanting Castles

In association with the Slovak Scout Association it has been 10 years since the Company began to organize the "Disenchanting of Castles" project, which since its origin has focused on helping castle ruins through voluntary work. In 2015, 103 employees who worked more than 618 volunteer hours per year participated in the restoration of castles.



Report on Verifying Consistency of the Annual Report with the Financial Statements, as required by § 23 of Act No. 540/2007 Coll. (Addendum to the Auditor's Report)

To the Shareholder, Supervisory Board, and Board of Directors of Západoslovenská distribučná, a.s.:

We have audited the financial statements of Západoslovenská distribučná, a.s. ("the Company") at 31 December 2015, on which we issued Independent Auditor's Report on 24 March 2016 and on which we expressed an unqualified audit opinion as follows:

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Západoslovenská distribučná, a.s. as at 31 December 2015, its financial performance, and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

In accordance with the Act No. 431/2002 Coll. on Accounting, as amended, we also verified whether accounting information included in the Company's annual report at 31 December 2015 is consistent with the audited financial statements referred to above.

Management's Responsibility for the Annual Report

The Company's management is responsible for the preparation, accuracy, and completeness of the annual report in accordance with the Slovak Accounting Act.

Auditor's Responsibility for Verifying Consistency of the Annual Report with the Financial Statements

Our responsibility is to express an opinion on whether the accounting information presented in the annual report is consistent, in all material respects, with the Company's audited financial statements. We conducted the verification in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements, and plan and perform the verification to obtain reasonable assurance whether the accounting information presented in the annual report is consistent, in all material respects, with the Company's audited financial statements.

The scope of work includes performing procedures to verify that the accounting information presented in the annual report is consistent with the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the annual report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the annual report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. We did not verify those data and information in the annual report that were not derived from the financial statements.

We believe that the verification performed provides sufficient and appropriate basis for our opinion.

PricewaterhouseCoopers Slovensko, s.r.o., Karadžičova 2, Bratislava - mestská časť Staré Mesto 815 32,
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The company's ID (IČO) No. 35739347.

Tax identification No. of PricewaterhouseCoopers Slovensko, s.r.o. (DIČ) 2020270021.

VAT Reg. No. of PricewaterhouseCoopers Slovensko, s.r.o. (IČ DPH) SK020270021.

Spoločnosť je zapísaná v Obchodnom registri Okresného súdu Bratislava 1, pod vložkou č. 16611/B, oddiel: Sro.
The company is registered in the Commercial Register of Bratislava 1 District Court, ref. No. 16611/B, Section: Sro.



Opinion

In our opinion, the accounting information presented in the annual report of Západoslovenská distribučná, a.s. prepared for the year ended on 31 December 2015 is consistent, in all material respects, with the audited financial statements referred to above.

PricewaterhouseCoopers Slovensko

PricewaterhouseCoopers Slovensko, s.r.o.
SKAU licence No. 161



Tučný

Mgr. Juraj Tučný, FCCA
UDVA licence No. 1059

Bratislava, 21 April 2016

Our report has been prepared in Slovak and in English languages. In all matters of interpretation of information, views or opinions, the Slovak language version of our report takes precedence over the English language version.

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