

U. S. Steel Košice Foundation

Annual Report 2012

**Address: Vstupný areál U. S. Steel
044 54 Košice
Identification No: 35549891**

Annual Report of the U. S. Steel Košice Foundation

A. FOUNDATION ACTIVITIES IN 2012

The U. S. Steel Košice Foundation (hereinafter “the USSK Foundation“) was established on December 9, 2002 and incorporated in the Register of Foundations kept by the Ministry of Interior of the Slovak Republic with the number 203/Na-2002/695 on December 11, 2002. The USSK Foundation was established by U. S. Steel Košice, s.r.o. in order to support public-benefit activities in the following areas:

- healthcare,
- social, humanitarian and charity,
- supporting retirees – former employees of U. S. Steel Košice, s.r.o.,
- schools, science and education,
- supporting youth,
- physical activities and sport,
- culture, including cultural heritage preservation,
- protection and formation of the environment,
- preservation of natural treasures,
- humanitarian assistance for individuals or groups of people whose lives are at risk, or who need urgent help due to impact of natural disaster.

In 2012, the USSK Foundation supported projects in the following areas:

AREA	NUMBER OF PROJECTS	AMOUNT
Healthcare	2	32,794 EUR
Schools, science and education	40	43,547 EUR
Social, humanitarian and charity assistance	34	49,528 EUR
Physical activities and sport	6	14,465 EUR
Preservation of natural treasures	1	1,093 EUR
Total	83	141,427 EUR

Healthcare

The USSK Foundation supported two (2) healthcare projects with the amount of EUR 32,794.34. The main one was the project to help the Nemocnica Košice - Šaca a. s. 1st Private Hospital purchase a digital mammograph machine for its Radiodiagnostics Department, which will assist the early diagnosis of breast cancer. The USSK Foundation supported this project with financial funds totaling EUR 32,165.44. The joint gift from the USSK Foundation, the company U. S. Steel Košice and its employees tripled the amount, and this gift was presented at the Wishing Tree Christmas charity concert on December 7, 2012 in the Košice State Theater.

Information about other supported projects is given under Item D. *List of People and Entities Who Received Funds from the Foundation* – section Healthcare.

Schools, Science and Education

During 2012 the USSK Foundation supported three (3) projects organized by educational institutions, focusing mainly on education process enhancement, and provided 37 scholarships. The cash funds provided totaled EUR 43,547.04.

Annual Report of the U. S. Steel Košice Foundation

Scholarship Program

This is intended to support the university studies of talented students from foster homes, incomplete families or other socially-disadvantaged families from the Košice and Prešov regions. At the same time it is intended for children of the employees of U. S. Steel Košice. The program also motivates university students who are engaged in different social and volunteer activities, and at the same time it motivates high school students to achieve better results, since their enrollment in the program also depends on their school results.

Steel Park – Creative Factory

One of the projects supported by the USSK Foundation is the fun technology center called Steel Park – Creative Factory at the Kasárne/Kulturpark on Kukučínova Street in Košice. This untraditional exhibition will draw visitors, especially the younger ones, into the factory environment by means of interactive playing. The aim is to popularize the world of technology and manufacturing among children and young people using an attractive, unusual and creative approach.

The first floor is the entrance to the Factory. Using the interactive information wall, visitors can familiarize themselves with the whole content of the exhibition, and they can play a game with a virtual periodic table of the elements, or try out a robotic press for tin cans. Among the main attractions there will be an interactive sandpit, a geological borehole, or a magnetic climbing gangway.

On the second floor visitors will find various exhibits featuring elements of safety and environmental responsibility, a virtual blast furnace and steel converter, the production process of a hot rolling mill, galvanizing of steel sheet, and a metal toy car pressing machine. They can also try separating metal waste using an electromagnetic crane, and learn more about magnetism through a range of interactive exhibits. There will also be a mechanical platform, which will take them up to the third floor.

The third floor area is designed based on the idea of islands of presentational interactive games. Visitors will experience modern workplaces and technologies that use steel materials. There will be clear emphasis on working with robotics and 3D technologies.

Information about the specific projects supported is given under Item *D. List of People and Entities Who Received Funds from the Foundation* – section Education, Science and Schools.

Social, Humanitarian and Charity

During 2012 the USSK Foundation supported 34 projects of social, humanitarian and charity organizations in the Košice and Prešov regions with funds totaling EUR 49,527.65 and 18 of them were supported by public fundraising. One of projects in this area with long-time tradition was the “Wishing Tree” project, which tries to fulfill the Christmas wishes of children in foster homes and children from USSK families. In 2012 the USSK Foundation supported the St. Klement Hofbauer Foster Home in Podolíneč, the Uralská Street Foster Home in Košice, and fourteen USSK families who found themselves in difficult living situations due to long-term illness or the death of one of the parents. The Foundation provided funds for both foster homes to replace windows and interior equipment, and buy black and white appliances and sports gear for the children

Information about the specific projects supported is given under Item *D. List of People and Entities Who Received Funds from the Foundation* – Social, Humanitarian and Charity section.

Physical Activities and Sport

Annual Report of the U. S. Steel Košice Foundation

In this area the USSK Foundation supported six (6) projects, providing cash funds totaling EUR 14,465.00. The USSK Foundation focused mainly on the grant program “Your Chance to Play”. Among the projects supported by the USSK Foundation in 2012, there was also the international indoor soccer tournament for students with hearing disabilities in Prešov, which is the only official tournament worldwide specifically for this category of disabled soccer players.

The “Your Chance to Play” Grant Program

The program focuses on supporting children whose families do not have enough resources to finance their sport activities. These children have an opportunity to make progress only due to this support. The USSK Foundation’s approach is consistently based on equality of opportunities for everyone. A specific demonstration of this approach can be found in programs supporting ice-hockey, basketball and soccer players. The young ice-hockey players’ support program applies mainly to boys aged between 5½ and 15 years, for whom the USSK Foundation pays club fees in the Košice Ice-Hockey Club and part of the cost of buying hockey equipment. There is a similar situation with the soccer talents aged up to 15 years who are members of the Jednota Košice Athletics Club. For girls aged up to 15 years there is a young basketball players’ program, with the same form of support.

Information about the specific projects supported is given under Item *D. List of People and Entities Who Received Funds from the Foundation* – Physical education and sport section.

B. BREAKDOWN OF REVENUES BY ORIGINAL SOURCE

REVENUES	Amount in EUR
Contributions received from other legal entities	251,499
Contributions received from private individuals – other	0,00
Contributions received from private individuals – public fund-raising	12,726
Contributions from 2% share of paid income tax	18,000
Interest	1,388
Total	283,613

In 2012 the USSK Foundation received the following donations or financial funds exceeding EUR 331 from the same donor:

FINANCIAL GIFTS - DONATIONS	Amount in EUR
U. S. Steel Košice, s.r.o.	244,759
RMS, a.s. Košice	920
U. S. Steel Services s.r.o.	520
U. S. Steel Košice - Labortest, s.r.o.	500
OBAL-SERVIS, a.s. Košice	4,800
Total	251,499

C. BREAKDOWN OF EXPENSES BY INDIVIDUAL ACTIVITIES OF THE FOUNDATION

USSK Foundation Total Costs were EUR 135,768 and they consisted of Public Service Costs and Foundation Administrative Costs.

PUBLIC SERVICE COSTS	Amount in EUR
Healthcare	32,794
Schools, science and education	43,547
Social, humanitarian and charity assistance	42,328

Annual Report of the U. S. Steel Košice Foundation

Physical activities and sport	14,465
Preservation of natural treasures	1,092
Total	134,226

Costs for the year 2012 do not include the sum of 7 200 EUR which is to be paid out in accordance with Donation Contract DZ 28/2011 to the son of a deceased employee of U. S. Steel Košice, s.r.o. in regular monthly amounts until the year 2015. The whole contractual amount of 22 627,95 EUR was included in the costs for the year 2011.

FOUNDATION ADMINISTRATIVE COSTS	Plan in EUR (approved by Executive Board)	Amount in EUR
Foundation Administration		
- cost of audit services	950	876
- bank charges and other fees	500	402
- withholding tax on interest	250	264
Total Foundation Administrative Cost	1,700	1,542

At its meeting on November 18, 2011, the USSK Foundation Executive Board approved the budget for administration of the USSK Foundation for the year 2012.

D. LIST OF PEOPLE AND ENTITIES WHO RECEIVED FUNDS FROM THE FOUNDATION

Healthcare

#	Entity Name	Gift Value (EUR)	Gift Purpose	Gift Contract #
1.	University Children's Hospital Košice	628.90	purchase of instruments and equipment for the 3rd Clinic for Pediatric Anesthesiology and Intensive Medicine – public fund-raising	1/2012
2.	Hospital Košice – Šaca, 1st Private Hospital	32,165.44	purchase of a digital mammograph machine for the Radiodiagnostic Department	36/2012

Education, Science and Schools

#	Entity Name	Gift Value (EUR)	Gift Purpose	Gift Contract #
1.	Re-education Center, Košice	299.16	creative activity of the Center's inmates – public fund-raising	8/2012
2.	Steelpark - Creative Factory, Košice	13,779.00	to create exhibits for the Steel Park exposition – Creative Factory in a Building, which is located in the Barracks / Kulturpark, Kukučínova street No. 2, Košice	53/2012
3.	SRRZ - RZ at Elementary school, Bernolákova street, Košice	568.88	purchase of teaching aids for the Visual Arts Department at the Elementary Art School – public fund-raising	15/2012

LIST OF STUDENTS SUPPORTED

#	Student Name	Gift Value (EUR)	Gift Purpose	Gift Contract #
1.	Denisa Bálintová, Košické Ofšany	540.00	study expenses at the Technical University in Košice, Faculty of Economics	40/2011

Annual Report of the U. S. Steel Košice Foundation

LIST OF STUDENTS SUPPORTED				
#	Student Name	Gift Value (EUR)	Gift Purpose	Gift Contract #
2.	Milan Bartoš, Košice	540.00	study expenses at the Technical University in Košice, Faculty of Economics	41/2011
3.	Kristína Batmendijnová, Stará Ľubovňa	720.00	study expenses at Comenius University in Bratislava, Faculty of Math, Physics and Informatics	42/2011
4.	Veronika Bejdová, Sečovce	720.00	study expenses at Comenius University in Bratislava, Faculty of Mathematics, Physics and Informatics	43/2011
5.	Mária Betková, Hanušovce nad Topľou	660.00	study expenses at Comenius University in Bratislava, Jessenius Faculty of Medicine in Martin	44/2011
6.	Lucia Cisková, Prešov	540.00	study expenses at P. J. Šafárik University in Košice, Faculty of Law	45/2011
7.	Peter Červeňák, Košice	540.00	study expenses at the Technical University in Košice, Faculty of Electrical Eng. and Informatics	46/2011
8.	Marek Derňár, Košice	780.00	study expenses at Masaryk University in Brno, Czech Republic, Faculty of Natural Sciences	47/2011
9.	Katarína Dlugošová, Stará Ľubovňa	900.00	study expenses at Charles University in Prague, Czech Republic, 2nd Faculty of Medicine	48/2011
10.	Zuzana Durňaková, Košice	540.00	study expenses at P. J. Šafárik University in Košice, Faculty of Philosophy	49/2011
11.	Lucia Fabišiková, Košice	1,200.00	study expenses at the Slovak Technical University in Bratislava, Faculty of Chemical and Food-Processing Technologies	50/2011
12.	Dominika Fedáková, Stará Ľubovňa	420.00	study expenses at Comenius University in Bratislava, Faculty of Math, Physics and Informatics	51/2011
13.	Lucia Fedáková, Stará Ľubovňa	300.00	study expenses at Prešov University in Prešov, Faculty of Humanities and Natural Sciences	52/2011
14.	Claudia Fedorčáková, Košice	1,080.00	study expenses at the Economics University in Prague, Faculty of Finance and Accounting	53/2011
15.	Nikola Futejová, Stará Ľubovňa	900.00	study expenses at Charles University in Prague, Czech Republic, Faculty of Philosophy	54/2011
16.	Róbert Hrdlovič, Bc., Košice	600.00	study expenses at the Slovak Technical University in Bratislava, Faculty of Architecture	55/2011
17.	Dominika Jungerová, Bc., Spišská Nová Ves	600.00	study expenses at the University of Economics in Bratislava, Faculty of International Relations	56/2011
18.	Zuzana Jungerová, Spišská Nová Ves	600.00	study expenses at Comenius University in Bratislava, Faculty of Social and Economic Sciences	57/2011
19.	Renáta Kmezciková, Košice	600.00	study expenses at P. J. Šafárik University in Košice, Faculty of Public Administration	58/2011
20.	Lucia Lendelová, Košice	540.00	study expenses at P. J. Šafárik University in Košice, Faculty of Philosophy	59/2011
21.	Veronika Matiová, Ruskov	1,380.00	study expenses at the Technical University in Košice, Faculty of Mechanical Engineering	60/2011
22.	Vladimír Novák, Bc., Košice	900.00	study expenses at Comenius University in Bratislava, Faculty of Math, Physics and Informatics	61/2011
23.	Viktor Šlapák, Bc., Košice	540.00	study expenses at the Technical University in Košice, Faculty of Electrical Eng. and Informatics	62/2011

Annual Report of the U. S. Steel Košice Foundation

LIST OF STUDENTS SUPPORTED				
#	Student Name	Gift Value (EUR)	Gift Purpose	Gift Contract #
24.	Sabina Šlapáková, Bc., Košice	540.00	study expenses at the Technical University in Košice, Faculty of Electrical Eng. and Informatics	63/2011
25.	Lucia Špaková, Kežmarok	600.00	study expenses at Comenius University in Bratislava, Faculty of Management	64/2011
26.	Turzáková Lenka, Dobšiná	800.00	study expenses at Matej Bel University in Banská Bystrica, Pedagogical Faculty	65/2011
27.	Vasilková Jana, Košice	1,800.00	study expenses at University of Edinburgh for the French and English Language	66/2011
28.	Petra Vasilková, Svidník	660.00	study expenses at Trnava University in Trnava, Faculty of Law	67/2011
29.	Terézia Zorvanová, Sečovce	360.00	study expenses at Prešov University in Prešov, Faculty of Humanities and Natural Sciences	68/2011
30.	Claudia Fedorčáková, Košice	1,000.00	study expenses at the Economics University in Prague, Faculty of Finance and Accounting	28/2012
31.	Renáta Kmecziková, Košice	1,000.00	study expenses at P. J. Šafárik University in Košice, Faculty of Public Administration	29/2012
32.	Vladimír Novák, Bc., Košice	1,000.00	study expenses at Comenius University in Bratislava, Faculty of Math, Physics and Informatics	30/2012
33.	Zuzana Durňáková, Košice	1,000.00	study expenses at P. J. Šafárik University in Košice, Faculty of Philosophy	31/2012
34.	Milan Bartoš, Košice	1,000.00	study expenses at the Technical University in Košice, Faculty of Economics	32/2012
35.	Denisa Bálintová, Košické Oľšany	1,000.00	study expenses at the Technical University in Košice, Faculty of Economics	33/2012
36.	Marika Řiháková, Košice	1,000.00	study expenses at the Technical University in Košice, Faculty of Economics	34/2012
37.	Ján Hoffmann	1,000.00	study expenses at the Technical University in Košice, Faculty of Electrical Eng. and Informatics	35/2012

Social, Humanitarian and Charity

#	Entity Name	Gift Value (EUR)	Gift Purpose	Gift Contract #
1.	Miroslav Spačil	7,200.00	Monthly payments of 600 EUR during the period from August 15, 2011 to February 15, 2015 for covering costs of living, accommodation and studying for son of deceased USSK employee	28/2011
2.	ŠANCA, non-profit organization	322.76	purchasing of equipment for Combined School, #97 Opatovská Street, Košice – public fund-raising	2/2012
3.	Stonožka Family Center, Košice	154.03	contrib. to running of Stonožka Maternity Center, spec. for creating safe, hygienic environment for small children's games and meaningful use of leisure time for parents on maternity/paternity leave – public fund-raising	3/2012
4.	Rubikon Autistic Center, Košice	325.74	for activities of the centre – public fund-raising	4/2012
5.	St. Klement Hofbauer Foster Home, Podolíneč	434.62	for activities of Foster home – public fund-raising	5/2012
6.	Club for Disabled Children and Youth, Košice	357.70	physiotherapy aids for disabled children – public fund-raising	7/2012

Annual Report of the U. S. Steel Košice Foundation

#	Entity Name	Gift Value (EUR)	Gift Purpose	Gift Contract #
7.	SOSNA , Družstevná pri Hornáde	29.12	for educational courses and creative activity – public fund-raising	9/2012
8.	Anti-cancer League SR, Košice branch	352.29	for supportive psycho-social activity at the Košice branch Help Center – public fund-raising	10/2012
9.	Psychosocial Center, Košice	274.12	purchase of materials for clients' art therapy – public fund-raising	11/2012
10.	USMEJ SA NA MŇA Civic Association, Košice	480.91	purchasing special learning aids for pupils at Combined School, #13 Vojenská Street, Košice – public fund-raising	12/2012
11.	Uralská Street Foster Home, Košice1	161.98	purchasing of materials for children's interest activities – public fund-raising	13/2012
12.	Poľná Street Foster Home, Košická Nová Ves	353.61	purchasing of materials for children's interest activities – public fund-raising	14/2012
13.	ArtEst - polyesthetic education for disadvantaged youth, Košice	292.69	purchasing arts materials for mentally disabled children - public fund-raising	16/2012
14.	"Radosť" Association of Relatives and Friends, Košice	518.71	contrib. to expenses for activities of Rehabilitation Center for the Mentally Disturbed, # 1 Bauerova Street, Košice – public fund-raising	17/2012
15.	Archdiocesan Charity, Košice	269.37	running the Mother Theresa Hospice in Bardejovská Nová Ves, retirement homes and social services centers (Košice, Lipany, Veľký Šariš, Vojčice) and the Crisis Center, # 1 Poľná Street, Košická Nová Ves – public fund-raising	18/2012
16.	Salesians of don Bosca – province of Slovakia	3,000.00	covering costs of organizing out-of-town and summer camps for children from socially-disadvantaged backgrounds, held in July and August 2012	20/2012
17.	Rudolf SCHUBERT, Gyňov	1,000.00	elimination of damage on family house after natural disaster – storm	21/2012
18.	Libuša ČUNDERLÍKOVÁ , Košice	2,000.00	to cover expenses related to the funeral and transport of mortal remains of the deceased daughter of Ivana Čunderlíková	27/2012
19.	St. Klement Hofbauer Foster Home, Podolíneec	9,000.00	windows exchange, interior furnishing and sports gear for the children	37/2012
20.	Uralská Street Foster Home, Košice1	9,000.00	windows exchange, interior furnishing, "white" and "black" appliances and sports gear for the children	38/2012
21.	Miroslav PALKO, Košice	1,000.00	Coverage of living expenditures	39/2012
22.	Jozef GÁLL, Sady nad Torysou	1,000.00	Coverage of living expenditures	40/2012
23.	Miroslav MIŠĽAN, Košice	1,000.00	Coverage of living expenditures	41/2012
24.	Marek MOLNÁR, Zlatá Idka	1,000.00	Coverage of living expenditures	42/2012
25.	Ľubomír PÁSTOR, Trstené pri Hornáde	1,000.00	Coverage of living expenditures	43/2012
26.	Ján STAŠ, Košice	1,000.00	Coverage of living expenditures	44/2012
27.	Igor HUŇARA, Košice	1,000.00	Coverage of living expenditures	45/2012
28.	Ladislav GERGELY, Sokolany	1,000.00	Coverage of living expenditures	46/2012
29.	Slávka RUŽICKOVÁ, Trstené pri Hornáde	1,000.00	Coverage of living expenditures	47/2012
30.	Emília VANČOVÁ, Košice	1,000.00	Coverage of living expenditures	48/2012
31.	Anna BRINČEKOVÁ, Košice	1,000.00	Coverage of living expenditures	49/2012
32.	Martina GOSTŔOVÁ, Hrašovík	1,000.00	Coverage of living expenditures	50/2012
33.	Marek PALINSKÝ, Košice	1,000.00	Coverage of living expenditures	51/2012
34.	Milan ŠIRGEL, Košice	1,000.00	Coverage of living expenditures	52/2012

Physical Activities and Sport

#	Entity Name	Gift Value (EUR)	Gift Purpose	Gift Contract #
1.	Hearing-impaired Children's Sports Club , Prešov	1,000.00	organization of XX edition of international indoor soccer tournament for hearing-impaired under-16s	19/2012

Annual Report of the U. S. Steel Košice Foundation

#	Entity Name	Gift Value (EUR)	Gift Purpose	Gift Contract #
2.	Košice Ice-Hockey Club	8,665.00	Your chance to play – hockey - payment of club fees for 2012/2013 season and purchase of sports equipment for players (Matúš Trnka, Denis Konovalov, Tomáš Robert Metzger, Oliver Glitta, Samuel Koper, Matúš Kapcár, Dominik Matoňák, Gabriel Patrik, Samuel Sirotník, Jakub Köver, Matej Jurčo, Adrián Pipoly, Sebastián Dimun, Lubomír Patlevič, Jakub Cibák, Jakub Čerňák, Tristan Kozma, Sebastián Kozma, Patrik Jurčák, Lukáš Horváth, Matúš Horváth)	22/2012
3.	Jednota Athletics Club, Košice	2,160.00	Your chance to play-football - payment of club fees for 2012/2013 season and purchase of sports equipment for players (Karim Hamdan, Tomáš Jiří Bigoš, Slavomír Vávra, Martin Polaško, Samuel Karchňák, Daniel Chovanec, Lukáš Garbár, Ján Špak, Richard Špak, Richard Vlk, Michael Mato, Jakub Palša)	23/2012
4.	Union Press School Sports Club	1,760.00	Your chance to play-basketball - payment of club fees for 2012/2013 season and purchase of sports equipment for players (Petronela Scarlet Slatinová, Veronika Takáčsová, Veronika Harčarová, Martina Harčarová, Stanislava Pitvorová)	24/2012
5.	Abovia 96 School Sports Club, Košice	550.00	Your chance to play-basketball – payment of club fees for 2012/2013 season and purchase of sports equipment for players (Dominika Lacková, Viktória Vasiľová)	25/2012
6.	CBK JUGO School Sports Club, Košice	330.00	Your chance to play-basketball - payment of club fees for 2012/2013 season and purchase of sports equipment for players (Adriana Špaková)	26/2012

Preservation of Natural Treasures

#	Entity Name	Gift Value (EUR)	Gift Purpose	Gift Contract #
1.	Union of Mutual Assistance of People and Dogs, Košice	1,092.63	covering costs of activities of Ú.V.P. Animal Shelter near Haniska – public fund-raising	6/2012

E. CHANGES MADE IN THE FOUNDATION CHARTER AND THE USSK FOUNDATION BODIES

There were no changes made to the Foundation Charter in 2012.

Executive Board Changes

No changes occurred in the membership of the Executive Board during 2012.

F. FOUNDATION ADMINISTRATOR AND OTHER BODIES' EMOLUMENTS

In 2012 no emoluments were paid for their activities either to the Administrator or to the members of the Executive or Supervisory Boards of the USSK Foundation.

G. OVERVIEW OF FOUNDATION FUNDS' ACTIVITIES

In 2012 the USSK Foundation did not establish any Foundation Fund.

H. EMPLOYEES

In 2012 the USSK Foundation did not have any employees.

I. EXPECTATIONS FOR FUTURE DEVELOPMENT OF THE USSK FOUNDATION ACTIVITIES

The intention of the USSK Foundation is to continue supporting public projects in the field of education and healthcare, to financially support science, culture and charity through the foundation programs, to proceed with supporting talented children and youth either by financial or material contributions focusing on improvement of education processes and standard of living. The USSK Foundation will focus above all on supporting those individuals who need assistance, mainly children in foster homes and disabled individuals, as well as organizations and clubs involved in social and charity activities that are beneficial for our community. The USSK Foundation will be involved in humanitarian aid for individuals or groups who are affected by disasters or whose lives are at risk, as well as in environmental protection and nature preservation.

Košice, April 5, 2013

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Slávka Tvrdoňová
Foundation Administrator
U. S. Steel Košice Foundation

.....
David J. Rintoul
Chairman, Executive Board
U. S. Steel Košice Foundation

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 Executive Board and Administrator of the Nadácia U. S. Steel Košice:

We have audited the accompanying financial statements of Nadácia U. S. Steel Košice (hereinafter "the USSK Foundation"), which comprise the balance sheet as of 31 December 2012, income statement and notes, for the year then ended. We have issued an Auditor's Report dated April 5, 2013 on the financial statements as follows:

Opinion

In our opinion, the accompanying individual financial statements present fairly, in all material respects, the financial position of Nadácia U. S. Steel Košice as of 31 December 2012, and the results of its operations for the year then ended in accordance with Law No. 431/2002 Coll. on Accounting and other relevant accounting legislation.

Audited financial statements are included in the annual report.

We also verified whether the accounting information included in the annual report is consistent with the audited individual financial statements referred to above. The USSK Foundation Executives are responsible for the preparation of the annual report. Our responsibility is to express an opinion on whether the accounting information presented in the annual report is consistent with the individual financial statements.

We conducted the verification in accordance with International Standards on Auditing. Those standards require that the auditor plan and perform the verification to obtain reasonable assurance whether the annual report is free from accounting information that would significantly differ from the information stated in the individual financial statements. We compared the information stated in the Annual Report on pages 1-10 with that stated in the individual financial statements as of 31 December 2012. We did not verify those data and information that were not accounting information derived from the financial statements and book of accounts. We believe that the procedures performed provide a sufficient and appropriate basis for our opinion.

In our opinion, the accounting information included in the Annual Report is consistent in all material respects with the audited individual financial statements referred to above.

Prešov, April 5, 2013

ADEZ s.r.o.
ul. Slovenská 40
080 01 Prešov

Ing. Zdenka Kvasková
audit partner

SKAU Licence no. 310

SKAU Licence no. 427

U. S. Steel Košice Foundation

Financial Statements
for the year ended December 31, 2012

INDEPENDENT AUDITOR'S REPORT

To the Executive Board and Administrator of the foundation Nadácia U. S. Steel Košice ("the Foundation"):

We have audited the accompanying financial statements of the Foundation that comprise the balance sheet as at December 31, 2012, the related income statement and notes to the financial statements for the year then ended.

Management's Responsibility for the Financial Statements

These financial statements are the responsibility of the management of the Foundation. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and accounting methods as well as making accounting estimates that are reasonable in their circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing published by the Slovak Chamber of Auditors (SKAU). These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The audit includes examining, on a test basis, evidence supporting the financial statements data. An audit also includes assessing the accounting principles used and significant estimates made by the Foundation as well as evaluation the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2012 and the results of its operations for the year then ended in accordance with the provisions of Law # 431/2002 Coll. on Accounting and related accounting regulations.

Prešov, April 5, 2013

ADEZ s.r.o.
ul. Slovenská 40
080 01 Prešov
SKAU licence # 310

Ing. Zdenka Kvasková
Auditor in charge
SKAU licence # 427

BALANCE SHEET
as at December 31, 2012
(in EUR)

For accounting period from month year to month year

For previous accounting period from month year to month year

Financial statements:

- ordinary
 - extraordinary
 - interim

Tax Identification Number

INO

Accounting Entity Name

Residence of the Entity

Street and Number

ZIP Code

Town

Area Code

Phone Number

Fax Number

e-mail address

Prepared on: April 5, 2013	Signature of a member of entity responsible for accounting: Ing. Marcela Drenčaková	Signature of a member of entity responsible for preparation of financial statements: Ing. Beáta Marčáková	Signature of entity's statutory body or a member of entity's statutory body: Mgr. Slávka Tvrdoňová
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Assets		Row #	Current Period			Prior Period
			Gross 1	Adjustment 2	Net 3	Net 4
A		b				
A. TOTAL NON-CURRENT ASSETS r. 002 + r. 009 + r. 021		001				
1.	Intangible non-current assets total r. 003 to 008	002				
	Development costs 012 - (072 + 091AÚ)	003				
	Software 013 - (073 + 091AÚ)	004				
	Valuable rights 014 - (074 + 091AÚ)	005				
	Other intangible non-current assets (018 + 019) - (078 + 079 + 091 AÚ)	006				
	Acquisition of intangible non-current assets (041 - 093)	007				
	Advance payments made for non-current intangible assets (051 - 095AÚ)	008				
2.	Tangible non-current assets total r. 010 to r. 020	009				
	Land (031)	010		X		
	Works of art and collections (032)	011		X		
	Buildings 021 - (081 - 092AÚ)	012				
	Machinery and equipment 022 - (082 + 092AÚ)	013				
	Vehicles 023 - (083 + 092AÚ)	014				
	Perennial crops 025 - (085 + 092AÚ)	015				
	Livestock and draught animals 026 - (086 + 092AÚ)	016				
	Small tangible non-current assets 028 - (088 + 092AÚ)	017				
	Other tangible non-current assets 029 - (089 + 092AÚ)	018				
	Acquisition of tangible non-current assets (042 - 094)	019				
	Advance payments made for tangible non-current assets (052 - 095AÚ)	020				
3.	Non-current financial assets r. 022 to r. 028	021				
	Shares and ownership interests in controlled entities (061 - 096AÚ)	022		X		
	Shares and ownership interests in companies with significant influence (062 - 096AÚ)	023		X		
	Debt securities held to maturity (065 - 096 AÚ)	024				
	Loans to related parties and other loans (066 + 067) - 096 AÚ	025				
	Other non-current financial assets (069 - 096 AÚ)	026				
	Acquisition of non-current financial assets (043 - 096 AÚ)	027				
	Advanced payments made for non-current financial assets (053 - 096AÚ)	028				
Control Number r. 001 to r. 028		991				

Assets		Row #	Current Period			Prior Period
			Gross	Adjustment	Net	Net
a		b	1	2	3	4
B. CURRENT ASSETS r. 030 + r. 037 + r. 042 + r. 051		029	348,835		348,835	196,550
1.	Inventories r. 031 to r. 036	030				
	Raw material (112 + 119) - 191	031				
	Work in progress and semi-finished production (121 + 122) - (192 + 193)	032				
	Finished goods (123 - 194)	033				
	Animals (124 - 195)	034				
	Merchandise (132 + 139) - 196	035				
	Advance payments made for inventories (314AÚ - 391AÚ)	036				
2.	Long-term receivables r. 038 to r. 041	037				
	Trade receivables (311 AÚ to 314 AÚ) - 391AÚ	038				
	Other receivables (315 AÚ - 391 AÚ)	039				
	Receivables from associations members (358 AÚ - 391 AÚ)	040				
	Miscellaneous receivables (335AÚ + 373AÚ + 375AÚ + 378AÚ) - 391AÚ	041				
3.	Short-term receivables r. 043 to r. 050	042	1,201		1,201	
	Trade receivables (311 AÚ to 314 AÚ) - 391AÚ	043	1,201		1,201	
	Other receivables (315AÚ - 391AÚ)	044				
	Settlement with Social Insurance Company and health insurance companies (336)	045		X		
	Tax receivables (341 to 345)	046		X		
	Receivables due to financial relations to the state and regional budget (346 + 348)	047		X		
	Receivables from associations members (358 AÚ - 391AÚ)	048				
	Linking account for association (396 - 391AÚ)	049				
	Miscellaneous receivables (335AÚ + 373AÚ + 375AÚ + 378AÚ) - 391AÚ	050				
4.	Financial accounts r. 052 to r. 056	051	347,634		347,634	196,550
	Cash in hand (211 + 213)	052	8	X	8	
	Bank accounts (221AÚ + 261)	053	374,626	X	347,626	196,550
	Bank accounts with restriction period more than one year (221AÚ)	054		X		
	Short-term financial assets (251 + 253 + 255 + 256 + 257) - 291 AÚ	055				
	Acquisition of short-term financial assets (259 - 291AÚ)	056				
C. Accruals and prepayments total r. 058 to r. 059		057				
1.	Prepaid expenses (381)	058				
	Accrued revenues (385)	059				
TOTAL ASSETS r. 001 + r. 029 + r. 057		060	348,835		348,835	196,550
Control number r. 029 to r. 060		992	1,395,340		1,395,340	786,200

Equity and Liabilities		Row #	Current Period	Prior Period	
a		b	5	6	
A. Total liabilities and equity		r. 062 + r. 068 + r. 072 + r. 073	061	321,767	173,922
1.	Basic capital and cash funds	r. 063 to 067	062	6,639	6,639
	Basic capital	(411)	063	6,639	6,639
	Cash funds created according to special regulation	(412)	064		
	Reproduction fund	(413)	065		
	Gains or losses from revaluation of assets and liabilities	(414)	066		
	Gains or losses from revaluation of investments	(415)	067		
2.	Funds created from profit	r. 069 to r. 071	068		
	Reserve fund	(421)	069		
	Funds created from profit	(423)	070		
	Other funds	(427)	071		
3.	Retained earnings / (losses)	(+;-;428)	072	167,283	181,016
4.	Profit / (loss) for the period	r. 060 – (r. 062 + r. 068 + r. 072 + r. 074 + r. 101)	073	147,845	-13,733
B. Total liabilities		r. 075 + r. 079 + r. 087 + r. 097	074	19,406	22,628
1.	Provisions	r. 076 to 078	075		
	Legal provisions	(451 AÚ)	076		
	Other provisions	(459 AÚ)	077		
	Short term provisions	(323 + 451 AÚ + 459 AÚ)	078		
2.	Long-term liabilities	r. 080 to r. 086	079		
	Liabilities from the social fund	(472)	080		
	Bonds issued	(473)	081		
	Payables from rental	(474 AÚ)	082		
	Long-term advance payments received	(475)	083		
	Long-term un-invoiced deliveries	(476)	084		
	Long-term bills of exchange payable	(478)	085		
	Other long-term payables	(373 AÚ + 479 AÚ)	086		
3.	Short-term liabilities	r. 088 to r. 096	087	19,406	22,628
	Trade payables	(321 to 326) except 323	088	19,406	22,628
	Payables to employees	(331+ 333)	089		
	Settlement with Social Insurance Company and health insurance companies	(336)	090		
	Tax payables	(341 to 345)	091		
	Payables due to financial relations to the state and regional budget	(346 + 348)	092		
	Payables for unpaid subscribed shares and participations	(367)	093		
	Payables to associations members	(368)	094		
	Linking account for association	(396)	095		
	Other payables	(379 + 373 AÚ + 474 AÚ + 479 AÚ)	096		
4.	Bank loans and borrowings	r. 098 to r. 100	097		
	Long-term bank loans	(461AÚ)	098		
	Short-term bank loans	(231+ 232 + 461AÚ)	099		
	Short-term borrowings received	(241+ 249)	100		
C. ACCRUALS AND DEFFERED INCOME		r. 102 to r. 103	101	7,662	0
1.	Accrued expenses	(383)	102		
	Deferred income	(384)	103	7,662	0
TOTAL EQUITY AND LIABILITIES		r. 061 + r. 074 + r. 101	104	348,835	196,550
Control number		r. 061 to r. 104	993	1,072,550	618,917

Acc. #	Expenses	Row Number	Activity			Prior Period
			Main non-taxable	Business taxable	Total	
a	b	c	1	2	3	4
501	Consumption of material	01				
502	Consumption of energy	02				
504	Merchandise sold	03				
511	Repair and maintenance	04				
512	Travel expenses	05				
513	Entertainment costs	06				
518	Other services	07	930		930	923
521	Wages and salaries	08				
524	Legal social and health insurance	09				
525	Other social insurance	10				
527	Legal social expenses	11				
528	Other social expenses	12				
531	Road tax	13				
532	Real estate tax	14				
538	Other indirect taxes and fees	15				
541	Contractual fines and penalties	16				
542	Other fines and penalties	17				
543	Receivables written-off	18				
544	Interests	19				
545	Foreign exchange rate losses	20				
546	Gifts	21	13,779		13,779	
547	Special expenses	22				
548	Shortages and damages	23				
549	Other operating expenses	24	348		348	340
551	Depreciation and amortization expense of intangible and tangible non-current assets	25				
552	Net book value of intangible and tangible non-current assets sold	26				
553	Securities sold	27				
554	Material sold	28				
555	Costs of short-term financial assets	29				
556	Creation of funds	30				
557	Costs of securities revaluation	31				
558	Creation and settlement of provisions for impairment	32				
561	Contributions provided to organization units	33				
562	Contributions provided to other entities	34	49,630		49,630	79,075
563	Contributions provided to people	35	45,900		45,900	61,263
565	Provided contributions from income tax share	36	18,000		18,000	9,484
567	Provided contributions from public fundraising	37	6,917		6,917	6,423
Account class 5 total r. 01 to r. 37		38	135,504		135,504	157,508
Control Number r. 01 to r. 38		994	271,009		271,009	315,016

Acc. #	Revenues	Row. Number	Activity			Prior Period
			Main non-taxable	Business taxable	Total	
a	b	c	1	2	3	4
601	Revenues from own products	39				
602	Revenues from services	40				
604	Revenues from merchandise	41				
611	Change in work-in-progress	42				
612	Change in semi-finished production	43				
613	Change in finished goods	44				
614	Change in animals	45				
621	Capitalization of materials and merchandise	46				
622	Capitalization of internal services	47				
623	Capitalization of intangible non-current assets	48				
624	Capitalization of tangible non-current assets	49				
641	Contractual fines and penalties	50				
642	Other fines and penalties	51				
643	Payments from receivables written-off	52				
644	Interest	53	1,388		1,388	712
645	Foreign exchange rate gains	54				
646	Gifts received	55				
647	Special revenues	56				
648	Legal fees	57				
649	Other operating revenues	58	0		0	
651	Revenues from intangible and tangible non-current assets sold	59				
652	Revenues from long-term financial assets	60				
653	Revenues from securities and ownership interest sold	61				
654	Revenues from material sold	62				
655	Revenues from short-term financial assets	63				
656	Income from fund used	64				
657	Revenues from securities revaluation	65				
658	Rental income	66				
661	Contributions received from organization units	67				
662	Contributions received from other entities	68	251,499		251,499	100,000
663	Contributions received from people	69				26,808
664	Membership contributions received	70				
665	Received contributions from income tax share	71	18,000		18,000	9,484
667	Received contributions from public fundraising	72	12,726		12,726	6,917
691	Subsidies	73				
Account class 6 total r. 39 to r. 73		74	283,613		283,613	143,921
Profit / (loss) before tax r. 74 – r. 38		75	148,109		148,109	-13,587
591	Income tax expense	76	264		264	146
595	Additional payments of income tax	77				
Profit / (loss) after tax (r. 75 - (r. 76 + r. 77)) (+/-)		78	147,845		147,845	-13,733
Control number r. 39 to 78		995	863,444		863,444	260,670

1. GENERAL INFORMATION

a. Business Name and Address

Nadácia U. S. Steel Košice
Vstupný areál U. S. Steel
044 54 Košice
Identification No: 35549891

The U. S. Steel Košice Foundation was established on December 9, 2002 and incorporated in the Register of Foundations kept by the Ministry of Interior of the Slovak Republic under # 203/Na-2002/695 on December 11, 2002.

b. Boards of the USSK Foundation

The USSK Foundation Boards as of December 31, 2012 were:

Executive Board

Name	Position
David J. Rintoul	Chairman
Mgr. Elena Petrášková, LL.M	Member
Ing. Ján Bača	Member

Statutory Representative

Mgr. Slávka Tvrdoňová was Administrator of the USSK Foundation.

Supervisory Board

Name	Position
Joseph A. Napoli	Member
Mathew T. Lewis	Member
Ing. Martin Pitorák	Member

c. Main Activities of the USSK Foundation

The purpose of the USSK Foundation is to support activities in the areas of:

- social, humanitarian and charity assistance,
- supporting retirees – former employees of U. S. Steel Košice,
- healthcare,
- schools, science and education,
- supporting youth,
- physical activities and sport,
- culture, including cultural heritage preservation,
- protection and formation of the environment,
- preservation of natural treasures,
- humanitarian assistance for individuals or groups of people whose lives are at risk, or who need urgent help due to impact of natural disaster.

The USSK Foundation did not perform any profit-making activity either in 2012 or in 2011.

d. Average Number of Employees

The USSK Foundation did not have any employees as of December 31, 2012 (December 31, 2011: 0 employees).

e. Basis for Financial Statements Preparation

The financial statements of the USSK Foundation were prepared as ordinary financial statements in compliance with Law # 431/2002 Coll. on Accounting and Regulation of the Slovak Ministry of Finance # MF/24342/2007-74 as amended, which stipulate the details of accounting procedures and chart of accounts for accounting entities that were not founded or established to do business, and Regulation of the Slovak Ministry of Finance # MF/25682/2007-74 as amended, which stipulates the form of financial reports and scope of information from the financial statements to be disclosed for accounting entities that were not founded or established to do business.

f. Financial Statements for Previous Accounting Period

The financial statements for 2011 were approved by the Supervisory Board on March 14, 2012.

g. Financial Statements Currency

Financial data in these financial statements are presented in whole Euros.

2. ACCOUNTING METHODS AND GENERAL ACCOUNTING PRINCIPLES

a. Expectation of Continued Activity

The 2012 financial statements were prepared on a “going concern” basis.

b. Accounting Policies

Liabilities

Liabilities are initially measured at their nominal value. If document inventory identifies that the value of liabilities is different from the book amount, the liabilities are adjusted in the books and financial statements in the new value.

Deferred Income

Deferred income represents deferred contributions received from income tax share paid and is recognized in the amount representing contributions received but not used in the current year.

Revenues and Expenses

Revenues and expenses of the USSK Foundation are recognized in the related accounting period on an accrual basis.

Costs of cash funds provided are recorded based on concluded donation contracts in the period when the donation contract was concluded. If the donation contract includes an option to terminate provision of the funds at any time based on the USSK Foundation decision, the costs are recognized in the period when the cash was provided.

Revenues from contributions received from legal entities and private individuals are recognized in the period when the cash was received in the bank account or at the cash desk of the USSK Foundation.

Revenues from contributions arising from income tax share are recognized in the period when the contribution was used.

c. Subsidies and Grants Provided to the USSK Foundation

No subsidies or grants were provided to the USSK Foundation either in 2012 or in 2011.

d. Events after the Balance Sheet Date

Executive Board Changes

Since December 31, 2012 no significant events have occurred that would require recognition or disclosure in the 2012 financial statements.

3. INFORMATION WHICH COMPLETES AND EXPLAINS BALANCE SHEET DATA

Equity

The movement of equity is shown in the following tables (in EUR):

	Balance as of Dec 31, 2011	2011 profit distribution	Profit 2012	Balance as of Dec 31, 2012
Foundation basic capital	6,639	-	-	6,639
Retained profits (losses) of previous periods	181,016	-13,733	-	167,283
Profit/ loss for current year	-13,733	13,733	147,845	147,845
Total	173,922	-	147,845	321,767

	Balance as of Dec 31, 2010	2010 profit distribution	2011 loss and accounting correction	Balance as of Dec 31, 2011
Foundation basic capital	6,639	-	-	6,639
Retained profits (losses) of previous periods	317,105	-136,089	-	181,016
Profit/ loss for current year	-136,089	136,089	-13,733	-13,733
Total	187,655	-	-13,733	173,922

Foundation basic capital of EUR 6,639 was contributed in cash by the only founder – the company U. S. Steel Košice, s.r.o.

In accordance with the USSK Foundation Charter (Article VIII) the Supervisory Board approved the transfer of loss for the year 2011 totaling EUR 13 733 to the retained earnings at its meeting on June 8, 2012.

The USSK Foundation did not create either a Foundation Fund or any other funds prior to December 31, 2012 or December 31, 2011.

Liabilities

As of December 31, 2012 the USSK Foundation recorded outstanding liabilities arising from donation contracts of EUR 19,406 (as of December 31, 2011: EUR 22,628).

4. INFORMATION WHICH COMPLETES AND EXPLAINS DATA IN THE INCOME STATEMENT

Revenues from Received Contributions

Revenues from received contributions were as follows (in EUR):

	2012	2011
Contributions received from other legal entities	251,499	100,000
Contributions received from private individuals	0	26,808
Received contributions from income tax share	18,000	9,484
Received contributions from public fund-raising	12,726	6,917
Total	282,225	143,209

Other Revenues

Other revenues represented revenues from interest on current bank accounts and term deposits amounting to EUR 1,388 (2011: EUR 712).

Provided Contributions

Provided contributions and gifts were (in EUR):

	2012	2011
Contributions provided to other legal entities	49,630	79,075
Contributions provided to private individuals	45,900	61,263
Provided contributions from income tax share	18,000	9,484
Provided contributions from public fund-raising	6,917	6,423
Other gifts and donations	13,779	0
Total	134,226	156,245

Other Expenses

Other expenses were (in EUR):

	2012	2011
Financial statements auditing fees	876	876
Bank charges	341	333
Other services and charges	61	54
Total	1,278	1,263

The Auditor of the USSK Financial Statements did not provide any other services to the USSK Foundation either in 2012 or in 2011.

OTHER ASSETS AND LIABILITES

In 2012 the USSK Foundation concluded donation contracts totaling EUR 121,326.66 (2011: EUR 152,125). As of December 31, 2012, EUR 23,427 was outstanding (December 31, 2011: EUR 41,528), of which EUR 8,000 (2011: EUR 18,900) represented the unpaid amount from donation contracts concluded with individual students to support their studies.

As of December 31, 2012 and December 31, 2011, the USSK Foundation did not have any further future possible cash or non-cash liabilities that were not recognized in the balance sheet. The USSK Foundation did not have any financial rights or duties that were not accounted for and recognized in the balance sheet.

The USSK Foundation does not control or own any cultural real estate properties.

Prepared on: April 5, 2013	Signature of person responsible for book-keeping:	Signature of person responsible for financial statements preparation:	Signature of statutory representative of accounting entity or member of statutory board of accounting entity:
Approved on: April 5, 2013	Ing. Marcela Drenčáková	Ing. Beáta Marčáková	Mgr. Slávka Tvrdoňová