

A. FOUNDATION ACTIVITIES IN 2013

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 2013, the USSK Foundation supported projects in the following areas:

AREA	NUMBER OF PROJECTS	AMOUNT
Healthcare	6	46,127 EUR
Schools, science and education	24	340,069 EUR
Social, humanitarian and charity assistance	32	43,203 EUR
Physical activities and sport	4	10,530 EUR
Preservation of natural treasures	1	1,063 EUR
Total	67	440,992 EUR

Healthcare

The USSK Foundation supported 6 healthcare projects with the amount of EUR 46,127.43. The main one was the project to help the Children’s Faculty Hospital in Košice for buying infusion pumps and linear dosing dispensers for the children’s oncology and hematology ward which will help to improve therapy of children with serious disorder. The USSK Foundation supported this project with financial funds totaling EUR 36,606.40. The joint gift from the USSK Foundation, the company U. S. Steel Košice, s.r.o. and its employees tripled the amount, and this gift was presented at the Wishing Tree Christmas charity concert on December 6, 2013 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 2013 the USSK Foundation supported 24 projects organized by educational institutions, focusing mainly on education process enhancement, and provided 18 scholarships. The cash funds provided totaled EUR 340,069.06.

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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, s.r.o. 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 in 2013 was the fun technology center called Steel Park – Creative Factory at the Kasárňe/Kulturpark in Kukučínova Street in Košiciach. The Foundation provided material gifts – material and services for creating individual exposition showpieces. The creative factory, through more than fifty showpieces placed on three floors, demonstrates by means of interactive form the steel story. It reveals the riddles of the science, techniques and technology to young people and educates them. „We hope this project will start up the technical and scientific thinking in the young people awareness in the city and in the entire region“ has expressed his conviction, during Steel Park opening, the President of U. S. Steel Košice, s.r.o. and the Chairman of U. S. Steel Košice Foundation Administrative Board George F. Babcoke. „The technology and engineering are in the creative factory presented in a playful form, we believe that it will not only educate the young people, but also it will inspire them. Maybe the new leaders of the Slovak industry will grow out of them in the future“.

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 2013 the USSK Foundation supported 32 projects of social, humanitarian and charity organizations in the Košice and Prešov regions with funds totaling EUR 43,202.93 and 18 of them were supported by public fundraising. The Foundation has helped to buy the biotronic lamp for the rehabilitation center in Foster Home Košice, Hurbanova Street 42. 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 the St. Klement Hofbauer Foster Home in Podolíneč Foster home and children from ten USSK families. In 2012 the USSK Foundation supported, 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

In this area the USSK Foundation supported 4 projects, providing cash funds totaling EUR 10,530.00. The USSK Foundation focused mainly on the grant program “Your Chance to Play”. Among the projects supported by the USSK Foundation in 2013, 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

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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	195,643
Contributions received from private individuals – other	3,267
Contributions received from private individuals – public fund-raising	15,217
Contributions from 2% share of paid income tax	13,000
Interest	99
Total	227,226

In 2013 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.	181,850
U. S. Steel Services s.r.o.	440
U. S. Steel Košice - Labortest, s.r.o.	550
RMS, a.s. Košice	12,500
Prijaté celkom	195,340

C. BREAKDOWN OF EXPENSES BY INDIVIDUAL ACTIVITIES OF THE FOUNDATION

USSK Foundation Total Costs were EUR 435,262.80 and they consisted of Public Service Costs and Foundation Administrative Costs.

PUBLIC SERVICE COSTS	Amount in EUR
Healthcare	46,127
Schools, science and education	340,069
Social, humanitarian and charity assistance	36,003
Physical activities and sport	10,530
Preservation of natural treasures	1,063
Total	433,792

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 25,627.95 EUR was included in the costs for the year 2011.

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FOUNDATION ADMINISTRATIVE COSTS	Plan in EUR (approved by Executive Board)	Amount in EUR
Foundation Administration		
- loss by exchange	0	83
- cost of audit services	950	931
- bank charges and other fees	500	438
- withholding tax on interest	250	19
Total Foundation Administrative Cost	1,700	1,471

At its meeting on December 6, 2012, the USSK Foundation Executive Board approved the budget for administration of the USSK Foundation for the year 2013.

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

Healthcare

#	Entity Name	Gift Value (EUR)	Gift Purpose	Gift Contract #
1.	Foundation "Health for all", Košice - Šaca	229.09	Purchase of a digital mammograph machine for Radiodiagnostic Department – public fund-raising	1/2013
2.	Children's Faculty Hospital Košice	409.29	Activity of central admission of Children's Faculty Hospital in Košice – public fund-raising	6/2013
3.	Foundation "Health for all", Košice - Šaca	5,591.30	Purchase of a digital mammograph for Hospital Košice - Šaca a.s. 1st Private Hospital – public fund-raising	19/2013
4.	Hospital Košice - Šaca a.s. 1st Private Hospital	3,106.17	Purchase of a digital mammograph machine for Radiodiagnostic Department	20/2013
5.	Hospital Košice - Šaca a.s. 1st Private Hospital	185.18	Improvement of health care in the Radiodiagnostic Department	28/2013
6.	Children's Faculty Hospital Košice, Children's Oncology and Hematology Ward	36,606.40	Purchase of infusion pumps and linear dosing dispensers	54/2013

Education, Science and Schools

#	Entity Name	Gift Value (EUR)	Gift Purpose	Gift Contract #
1.	Reeducation center, Košice - Horný Bankov	390.05	Creative activity of Center's inmates – public fund-raising	8/2013
2.	SRRZ - RZ at the Elementary Art School, Bernolákova Street 26, Košice	542.99	Purchase of teaching aids for the Visual Art Department at the Elementary Art School – public fund-raising	13/2013
3.	Steelpark – Creative Factory, Košice	80,948.98	Material gifts – material and services for creating showpieces within exposition Steel Park – Creative Factory in a building which is placed in the object of Kasárne / Kulturpark, Kukučínova Street 2, Košice	23/2013
4.	Technical University in Košice, Faculty of Arts	5,500.00	Organizational provision of international project Workshop Metal Inspiration 2013	24/2013
5.	Steelpark – Creative Factory, Košice	155,987.62	Material gifts – material and services for creating showpieces within exposition Steel Park – Creative Factory in a building which is placed in the object of Kasárne / Kulturpark, Kukučínova Street 2, Košice	33/2013
6.	Steelpark – Creative Factory, Košice	78,699.42	Material gifts – material and services for creating showpieces within exposition Steel Park – Creative Factory in a building which is placed in the object of Kasárne / Kulturpark, Kukučínova Street 2, Košice	45/2013

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LIST OF STUDENTS SUPPORTED				
#	Student Name	Gift Value (EUR)	Gift Purpose	Gift Contract #
1.	Claudia Fedorčáková, Košice	1,000.00	Study expenses at the Economics University in Prague, Faculty of Finance and Accounting	28/2012
2.	Renáta Kmezciková, Košice	1,000.00	Study expenses at the P. J. Šafárik University in Košice, Faculty of Public Administration	29/2012
3.	Vladimír Novák, Bc., Košice	1,000.00	Study expenses at the Comenius University in Bratislava, Faculty of Math, Physics and Informatics	30/2012
4.	Zuzana Durňáková, Košice	1,000.00	Study expenses at the P. J. Šafárik University in Košice, Faculty of Philosophy	31/2012
5.	Milan Bartoš, Košice	1,000.00	Study expenses at the Technical University in Košice, Faculty of Economics	32/2012
6.	Denisa Bálintová, Košické Oľšany	1,000.00	Study expenses at the Technical University in Košice, Faculty of Economics	33/2012
7.	Řiháková Marika, Košice	1,000.00	Study expenses at the Technical University in Košice, Faculty of Economics	34/2012
8.	Ján Hoffmann, Košice	1,000.00	Study expenses at the Technical University in Košice, Faculty of Electrical Eng. and Informatics	35/2012
9.	Marika Řiháková, Košice	1,000.00	Study expenses at the Technical University in Košice, Faculty of Economics	35/2013
10.	Claudia Fedorčáková, Košice	1,000.00	Study expenses at the Economics University in Prague, Faculty of Finance and Accounting	36/2013
11.	Zuzana Durňáková, Košice	1,000.00	Study expenses at the Charles University in Prague, Faculty of Philosophy	37/2013
12.	Ján Hoffmann, Košice	1,000.00	Study expenses at the Technical University in Košice, Faculty of Electrical Eng. and Informatics	38/2013
13.	Ronald Zakhar, Rožňava	1,000.00	Study expenses at the Slovak Technical University in Bratislava, Faculty of Chemical and Food Technology	39/2013
14.	Katarína Sokáčová, Košice	1,000.00	Study expenses at the Technical University in Košice, Faculty of Engineering	40/2013
15.	Ádám Korcsmáros, Drnava	1,000.00	Study expenses at the Czech Technical University in Prague, Faculty of Architecture	41/2013
16.	Matej Šelepšký, Trstené pri Hornáde	1,000.00	Study expenses at the University of Glasgow, UK, MA Business Economics and Management	42/2013
17.	Ladislav Nagy, Košice	1,000.00	Study expenses at the Technical University in Košice, Faculty of Engineering	43/2013
18.	Ľubomíra Ondejková, Košice	1,000.00	Study expenses at the Economics University in Prague, Faculty of Informatics and Statistics	44/2013

Social, Humanitarian and Charity

#	Entity Name	Gift Value (EUR)	Gift Purpose	Gift Contract #
1.	Miroslav Spačil, Košice	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 a son of deceased USSK employee.	28/2011

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#	Entity Name	Gift Value (EUR)	Gift Purpose	Gift Contract #
2.	Anti-cancer League SR, Bratislava	484.80	For supportive psycho-social activity of the Anti-cancer League SR, at the Košice branch, Paulínyho Street 63 in Košice – public fund-raising	2/2013
3.	St. Klement Hofbauer Foster Home, Podolíneč	500.71	For activities of foster home – public fund-raising	3/2013
4.	USMEJ SA NA MŇA Civic Association	555.93	Purchasing of special teaching aids for pupils at the Combined School in Vojenska Street 13 in Košice, – public fund-raising	5/2013
5.	ŠANCA, n.f.	215.83	For buying material equipment for the Combined School, Opatovská cesta 97, Košice – public fund-raising	7/2013
6.	ROTARY KLUB Košice Classic	1,080.72	For infrastructure in Autistic Center Rubikon in Myslava – public fund-raising	9/2013
7.	Autistic Center Rubikon, n.o.	958.71	For activities of this center – public fund-raising	10/2013
8.	Foster Home Košice, Uralská Street 1	256.51	For buying artistic and working material in the therapeutic workshop – public fund-raising	11/2013
9.	Foster Home Košická Nová Ves	287.10	For buying material for spare-time activity of children from the foster home – public fund-raising	12/2013
10.	"Radosť" Association of Relatives and Friends, Košice	347.97	For activities of Rehabilitation Center for the mentally disturbed, Bauerova Street 1 in Košice – public fund-raising	14/2013
11.	Jegorovovo Square 5, Košice / Psychosocial Center	253.83	Purchase of materials for client's art therapy – public fund-raising	15/2013
12.	Civic Association ETP Slovensko – Center for sustainable development	541.52	For activities of this association – public fund-raising	16/2013
13.	Archdiocesan Charity Košice	193.80	Operation of the Mother Teresa Hospice in Bardejovska Nova Ves, of Pensioner's Home and the Home of Social Services Košice, Lipany, Veľký Šariš, Vojčice and for Crisis Center in Košická Nova Ves – public fund-raising	17/2013
14.	Stonožka Family Center - Košice	125.50	For operating and creating the safe and hygienic environment for small children's games and meaningful use of leisure time for parents on maternity/paternity leave – public fund-raising	18/2013
15.	Mr. František Juraško, Košice - Šaca	1,000.00	For removing damages in the family house after natural disaster - storm	21/2013
16.	Mr. Libor Andraško, Košice	1,000.00	For removing damages in the flat after fire	22/2013
17.	Salesians of don Bosco – Province of Slovakia, Bratislava	2,000.00	Covering costs of organizing out-of-town and summer camps for children from socially-disadvantaged backgrounds held in July and August 2013	25/2013
18.	Uralska Street 1 Foster Home Košice	500.00	Purchase of colors, paintbrushes, glues and other material needed for foster home interior repairs	26/2013
19.	Foster Home Sečovce	250.00	For working-creative therapy for children	27/2013
20.	Hurbanova Street 42 Foster Home Košice	450.00	Purchase of biotronic lamp for children's rehabilitation center	34/2013
21.	St. Klement Hofbauer Foster Home Podolíneč	5,000.00	For foster home interior furnishing, purchase of sports requisites, white and black goods	46/2013
22.	Viera Pahuliová, Košice - Košická Nová Ves	500.00	For reimbursement of suitably invested costs for the need of household	47/2013
23.	Viera Pahuliová, Košice - Košická Nová Ves	1,500.00	For reimbursement of suitably invested costs for the need of household	48/2013

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#	Entity Name	Gift Value (EUR)	Gift Purpose	Gift Contract #
24.	Ing. Marián Lipnický, Košice	2,000.00	For reimbursement of suitably invested costs for the need of household	49/2013
25.	Ing. Janka Šipláková, Drienovec	2,000.00	For reimbursement of suitably invested educational costs and out-of-school activities of Janka, Patrik and Tibor Biskups	50/2013
26.	Adriana Lacková, Geča	2,000.00	For reimbursement of suitably invested costs for the need of household	51/2013
27.	Slavka Ružičková, Trstené pri Hornáde	2,000.00	For reimbursement of suitably invested costs for the need of household	52/2013
28.	Marek Janočko, Košice	2,000.00	For reimbursement of suitably invested costs for the need of household	53/2013
29.	Martin Vaško, Košice	2,000.00	For reimbursement of suitably invested costs for the need of household	55/2013
30.	Zdeněk Čejka, Moldava nad Bodvou	2,000.00	For reimbursement of suitably invested costs for the need of household	56/2013
31.	Eduard Klešík, Vyšná Myšľa	2,000.00	For reimbursement of suitably invested costs for the need of household	57/2013
32.	Jozef Gáll, Sady nad Torysou	2,000.00	For reimbursement of suitably invested costs for the need of household	58/2013

Physical Activities and Sport

#	Entity Name	Gift Value (EUR)	Gift Purpose	Gift Contract #
1.	KOŠICE Ice-Hockey Club	7,960.00	Your chance to play – hockey (Jakub Köver, Dominik Trnka, Matúš Trnka, Nikolaj Richard Milanič, Samuel Sirotnák, Matúš Kapcár, Matej Jurčo, Gabriel Patrik, Ľubomír Patlevič, Dominik Matoňák, Dávid Sofár, Sebastián Dimun, Sebastián Kozma, Patrik Jurčák, Ján Lechman, Jakub Čerňák, Peter Novák, Jakub Lukáč, Samuel Koper, Adam Matej)	29/2013
2.	CBK JUGO School Sports Club, Košice	330.00	Your chance to play – basketball (Adriana Špaková)	30/2013
3.	Jednota Athletics Club ,Košice	1,240.00	Your chance to play – football (Karim Hamdan, Slavomír Vavra, Martin Polaško, Lukáš Garbar, Richard Vlk, Richard Špak, Daniel Chovanec, Lukáš Kováč, Michael Mato)	31/2013
4.	The Deaf Children Sports Club, Prešov	1,000.00	Organizational provision of the 21st edition of international indoor football tournament of deaf children under 16.	32/2013

Preservation of Natural Treasures

#	Entity Name	Gift Value (EUR)	Gift Purpose	Gift Contract #
1.	Union of Mutual Assistance of People and Dogs, Košice	1,062.71	covering costs of activities of Ú.V.P. Animal Shelter near Haniska – public fund-raising	4/2013

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

There were no changes made to the Foundation Charter in 2013.

Changes in the administrative and supervisory boards

On July 1, 2013, David J. Rintoul, at the USSK Foundation Administrative Board meeting, stepped down from his post of the USSK Foundation chairman and the member of administrative board, and at the same time George F. Babcoke was elected, to July 1, 2013, to the post of the new member of the USSK Foundation Administrative Board.

On November 25, 2013, Mgr. Elena Petrášková, LL.M, at the USSK Foundation Administrative Board meeting, stepped down from her post of the USSK Foundation Administrative Board member, and at the same time RNDr. Miroslav Kiraľvarga was elected, to November 25, 2013, to the post of the new member of the USSK Foundation Administrative Board.

On February 1, 2013, the USSK Foundation Administrative Board took into account expiry of the period of service of USSK Foundation Supervisory Board member Joseph A. Napoli.

On May 24, 2013, the USSK Foundation Administrative Board elected Charles James Bond to the post of the Supervisory Board member.

F. FOUNDATION ADMINISTRATOR AND OTHER BODIES' EMOLUMENTS

In 2013 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 2013 the USSK Foundation did not establish any Foundation Fund.

H. EMPLOYEES

In 2013 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, March 21, 2014

.....
Slávka Tvrdoňová
Foundation Administrator
U. S. Steel Košice Foundation

.....
George F. Babcoke
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 2013, income statement and notes, for the year then ended. We have issued an Auditor's Report dated March 21, 2014 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 2013, 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 1-9 with that stated in the individual financial statements as of 31 December 2013. 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, March 21, 2014

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, 2013

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, 2013, 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, 2013 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, March 21, 2014

ADEZ s.r.o.
ul. Slovenská 40
080 01 Prešov
SKAU licence # 31

Ing. Zdenka Kvasková
Auditor in charge
SKAU licence # 427

FINANCIAL STATEMENT

Úč NUJ

of non-profitable accounting entity
in the double-entry accounting system

compiled to 3 1 . 1 2 . 2 0 1 3

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The data are being filled in block letters (according to this specimen), with typewriter or with printer, namely in black or in dark blue colors.

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Tax identification number <input type="text"/>	Financial statement <input checked="" type="checkbox"/> regular <input checked="" type="checkbox"/> compiled <input checked="" type="checkbox"/> extraordinary <input checked="" type="checkbox"/> approved Mark with x)	Month Year For period from 0 1 2 0 1 3 to 1 2 2 0 1 3 Directly previous period from 0 1 2 0 1 2 to 1 2 2 0 1 2
Company ID 3 5 5 4 9 8 9 1 SID SK NACE <input type="text"/>		

Added articles of financial statement

Balance (Úč NUJ 1-01) Notes

Profit and loss statement (Úč NUJ 2-01) (mark with x)

Business name or name of accounting entity

N a d á c i a U . S . S t e e l K O Š I C E

Accounting entity seat

Street V s t u p n ý a r e á l U . S . S t e e l No.

Zip Code 0 4 4 5 4 Village Ko š i c e

Phone number 0 5 5 / 6 7 3 4 9 1 5 Fax number

E-mail address s t v r d o n o v a @ s k . u s s . c o m

Compiled on: 2 1 0 3 2 0 1 4	Signing record of a person responsible for accounting keeping Ing. Marcela Drenčáková	Signing record of a person responsible for accounting compilation Ing. Beáta Marčáková	Signing record of a statutory body or a member of accounting entity statutory body: Mgr. Slávka Tvrdoňová
Approved on: 2 1 0 3 2 0 1 4			

Tax Office Records

Place for registration number

Imprint of tax office presentation stamp

Assets		Row #	Current Period			Prior Period
			Brutto	Korekcia	Netto	Netto
A		b	1	2	3	4
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	132,169.70		132,169.70	348,835.11
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				1,201.40
	Trade receivables (311 AÚ to 314 AÚ) - 391AÚ	043				1,201.40
	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	132,169.70		132,169.70	347,633.71
	Cash in hand (211 + 213)	052		X		8.04
	Bank accounts (221AÚ + 261)	053	132,169.70	X	132,169.70	347,625.67
	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	132,169.70		132,169.70	348,835.11
Control number r. 029 to r. 060		992	528,678.80		528,678.80	1,395,340.44

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	113 731,05	321,767.35
1.	Basic capital and cash funds	r. 063 to 067	062	6,638.78	6,638.78
	Basic capital	(411)	063	6,638.78	6,638.78
	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	315,128.57	167,283.31
4.	Profit / (loss) for the period	r. 060 – (r. 062 + r. 068 + r. 072 + r. 074 + r. 101)	073	- 208,036.30	147,845.26
B. Total liabilities		r. 075 + r. 079 + r. 087 + r. 097	074	8,227.95	19,405.87
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	8,227.95	19,405.87
	Trade payables	(321 to 326) except 323	088	8,227.95	19,405.87
	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 DEFERRED INCOME		r. 102 to r. 103	101	10,210.70	7,661.89
1.	Accrued expenses	(383)	102		
	Deferred income	(384)	103	10,210.70	7,661.89
TOTAL EQUITY AND LIABILITIES		r. 061 + r. 074 + r. 101	104	132,169.70	348,835.11
Control number		r. 061 to r. 104	993	411,375.83	1,072,549.98

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	931.39		931.39	930.07
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	82.75		82.75	
546	Gifts	21	315,636.02		315,636.02	13,779.00
547	Special expenses	22				
548	Shortages and damages	23				
549	Other operating expenses	24	437.69		437.69	347.59
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	47,836.40		47,836.40	49,630.44
563	Contributions provided to people	35	40,000.00		40,000.00	45,900.00
565	Provided contributions from income tax share	36	13,000.00		13,000.00	18,000.00
567	Provided contributions from public fundraising	37	17,319.71		17,319.71	6,917.22
Account class 5 total r. 01 to r. 37		38	435,243.96		435,243.96	135,504.32
Control Number r. 01 to r. 38		994	870,487.92		870,487.92	271,008.64

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	99.42		99.42	1,388.20
645	Foreign exchange rate gains	54				
646	Gifts received	55				
647	Special revenues	56				
648	Legal fees	57				
649	Other operating revenues	58				0.01
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	195,642.56		195,642.56	251,499.00
663	Contributions received from people	69	3,267.36		3,267.36	
664	Membership contributions received	70				
665	Received contributions from income tax share	71	13,000.00		13,000.00	18,000.00
667	Received contributions from public fundraising	72	15,217.16		15,217.16	12,726.06
691	Subsidies	73				
Account class 6 total		r. 39 to r. 73	74	227,226.50	227,226.50	283,613.27
Profit / (loss) before tax		r. 74 – r. 38	75	-208,017.46	-208,017.46	148,108.95
591	Income tax expense	76	18.84		18.84	263.69
595	Additional payments of income tax	77				
Profit / (loss) after tax (r. 75 - (r. 76 + r. 77)) (+/-)		78	-208,036.30		-208,036.30	147,845.26
Control number		r. 39 to 78	995	38,418.08	38,418.08	863,444.44

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, 2013 were:

Executive Board

Name	Position
David J. Rintoul (01.01.2013 - 01.07.2013)	Chairman
George F. Babcoke (01.07.2013 – 31.12.2013)	Chairman
Mgr. Elena Petrášková, LL.M (01.01.2013 – 25.11.2013)	Member
RNDr. Miroslav Kiraľvarga (25.11.2013 – 31.12.2013)	Member
Ing. Ján Bača	Member

Statutory Representative

Mgr. Slávka Tvrdoňová was Administrator of the USSK Foundation.

Supervisory Board

Name	Position
Joseph A. Napoli (01.01.2013 – 01.02.2013)	Member
Charles James Bond (24.05.2013 – 31.12.2013)	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, s.r.o.
- 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 2013 or in 2012.

Average Number of Employees

The USSK Foundation did not have any employees as of December 31, 2013 (December 31, 2012: 0 employees).

d. 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/17616/2013-74 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.

e. Financial Statements for Previous Accounting Period

The financial statements for 2012 were approved by the Supervisory Board on March 11, 2013.

f. Financial Statements Currency

Financial data in these financial statements are presented in Euros rounded to two decimal places.

2. ACCOUNTING METHODS AND GENERAL ACCOUNTING PRINCIPLES

a. Expectation of Continued Activity

The 2013 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 2013 or in 2012.

d. Events after the Balance Sheet Date

Executive Board Changes

Since December 31, 2013 no significant events have occurred that would require recognition or disclosure in the 2013 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, 2012	2012 profit distribution	Profit 2013	Balance as of Dec 31, 2013
Foundation basic capital	6,639	-	-	6,639
Retained profits (losses) of previous periods	167,283	147,845	-	315,129
Profit/ loss for current year	147,845	-147,845	-208,036	-208,036
Total	321,767	-	-208,036	113,732

	Balance as of Dec 31, 2011	2011 profit distribution	2012 loss and accounting correction	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

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 2012 totaling EUR 147,845.26 to the retained earnings at its meeting on May 15, 2013.

The USSK Foundation did not create either a Foundation Fund or any other funds prior to December 31, 2013 or December 31, 2012.

Liabilities

As of December 31, 2013 the USSK Foundation recorded outstanding liabilities arising from donation contracts of EUR 8,227.95 (as of December 31, 2012: EUR 19,405.87).

4. INFORMATION WHICH COMPLETES AND EXPLAINS DATA IN THE INCOME STATEMENT**Revenues from Received Contributions**

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

	2013	2012
Contributions received from other legal entities	195,643	251,499
Contributions received from private individuals - others	3,267	0
Contributions received from income tax share	13,000	18,000
Contributions received from private individuals - public fund-raising	15,217	12,726
Total	217 127	282,225

Other Revenues

Other revenues represented revenues from interest on current bank accounts amounting to EUR 99.42 (2012: EUR 1,388 – including revenues from interest on term deposits).

Provided Contributions

Provided contributions and gifts were (in EUR):

	2013	2012
Contributions provided to other legal entities	47,836	49,630
Contributions provided to private individuals	40,000	45,900
Provided contributions from income tax share	13,000	18,000
Provided contributions from public fund-raising	17,320	6,917
Other gifts and donations	315,636	13,779
Total	433,792	134,226

Other Expenses

Other expenses were (in EUR):

	2013	2012
Financial statements auditing fees	931	876
Bank charges	431	341
Other services and charges	90	61
Total	1,452	1,278

The Auditor of the USSK Financial Statements did not provide any other services to the USSK Foundation either in 2013 or in 2012.

5. OTHER ASSETS AND LIABILITES

In 2013 the USSK Foundation concluded donation contracts totaling EUR 435,792.13 (2011: EUR 121,326.66). As of December 31, 2013, EUR 18,227.95 was outstanding (December 31, 2012: EUR 23,427), of which EUR 10,000 (2012: EUR 8,000) represented the unpaid amount from donation contracts concluded with individual students to support their studies.

As of December 31, 2013 and December 31, 2012, 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: March 21, 2014	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: March 21, 2014	Ing. Marcela Drenčáková	Ing. Beáta Marčáková	Mgr. Slávka Tvrdoňová