



ANNUAL REPORT 2006



ENVIDOM - Association of producers of appliances for recycling

**Collective system of electrical and electronic equipment manufacturers and importers
for categories 1 and 2 - large and small household appliances**

Address:

Ružová dolina 6, 821 08 Bratislava, Slovak Republic

Founded:

on the basis of a deed of foundation of 15th March, 2005

Registered:

on 5th May, 2005 in the register of interest associations of legal entities maintained
at the Regional State Administration Office in Bratislava under no. OVVS/1362/2/2005/BC3-TSK

Founders:

**BSH domácí spotřebiče, s.r.o.
EAST TRADING COMPANY, spol. s r.o.
Electrolux Slovakia, s.r.o.
GORENJE Slovakia, s.r.o.
Philips Slovakia, s.r.o., divízia DAP
Whirlpool Slovakia, spol. s r.o.
Indesit Company Magyarország, Kft
MORA SLOVAKIA, s.r.o.
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Since August 2005, the ENVIDOM association has been a full member of the prestigious WEEE FORUM, which associates European collective take-back systems of manufacturers and importers of electrical and electronic equipment set up to collect and recycle waste electrical and electronic equipment.

FOREWORD BY THE GENERAL DIRECTOR



ENVIDOM collective take-back system founded by large and small household appliance manufacturers aimed at long-term and systematic solving of issues related to the collection and ecological liquidation of waste electrical and electronic equipment has been successfully operating for almost two years. During this period, in cooperation with other partners, we effectively managed not only to meet all obligations and limits prescribed by law but by our activity we have significantly contributed to approaching the setting of transparent and clear rules of waste electrical and electronic equipment collection and recycling system in Slovakia.

In 2006 ENVIDOM collective take-back system dealt with collection, recycling and recovery of 4,564 tons of waste electrical and electronic equipment from large and small appliances thus meeting the limit resulting from law as well as for all participants of the ENVIDOM collective take-back system. Besides meeting the limits the ENVIDOM association dealt last year especially with building and development of various systems of waste electrical and electronic equipment collection in order to provide final consumers with as many possibilities for comfortable handover of old appliances as possible. We have built a functioning take-back system via electrical and electronic equipment retailers with central logistics and control via web portal on the entire territory of the Slovak Republic. The take-back collection nowadays means more than 25 % of weight of all collected products while the coverage of the territory of the Slovak Republic in 2006 achieved 90 %. As at the end of 2006 there were 400 retailers participating in the system which last year contributed to the total amount of the collected waste electrical and electronic equipment by 1,244 tons.

Along with building the collective take-back system, last year the ENVIDOM association focused especially on connection, coordination and development of the separate collection system via collection sites in the communities and via collection companies and treatment companies. We have developed a system of mobile

collection in communities which are the actual result of our endeavour to get the issue of collection of redundant electrical and electronic equipment as close to the consumer as possible. We have completed the information system for the identification of the place of waste origination and real amount of waste and in cooperation with authorized recycling companies we have secured recycling and appreciation of the collected waste electrical and electronic equipment in environmentally-friendly manner.

The limits of waste collection and recycling from large and small appliances are extremely demanding every year with growing tendency. The obligation to collect and recover particular amount of waste electrical and electronic equipment is set for manufacturers and importers of electrical and electronic equipment (EEE) by the amendment of 2004 Waste Act. The collection objectives are set for every year as a percentage share from the amount launched to the market in kilograms in the previous year (established by the Slovak Governmental Ordinance No. 388/2005). Those objectives should be in line with the objectives of EU countries up to 2008 with the current market performance expressed by the volume of annually launched products approximately twice to three times higher (evaluated in kilograms of electrical and electronic equipment) than in Slovakia. Despite meeting the collection objectives, in 2006 we in our association shall this year try to make the collection objectives real via an amendment of the Waste Act and to set them fairly upon real resources corresponding to the situation in our country. Our amendment proposals include also precisely defined principles of collective system functioning, transparency of their functioning, clear reporting, clearer delimitation of responsibility of manufacturers for new waste and obligation of manufacturers at individual security of their responsibility for new waste including its financing.

Year 2006 of the ENVIDOM collective system functioning confirmed that our effort motivated especially by the sincere interest in environment was bringing real results. Continuously growing number of participants of the collective system as well as improving awareness of the public are guarantees for us that the collection and recycling of old electrical and electronic equipment are gradually becoming a common part of our life thus jointly contributing to the environment improvement around us.

Martin Ciran
General Director
of the ENVIDOM association

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ABOUT ENVIDOM

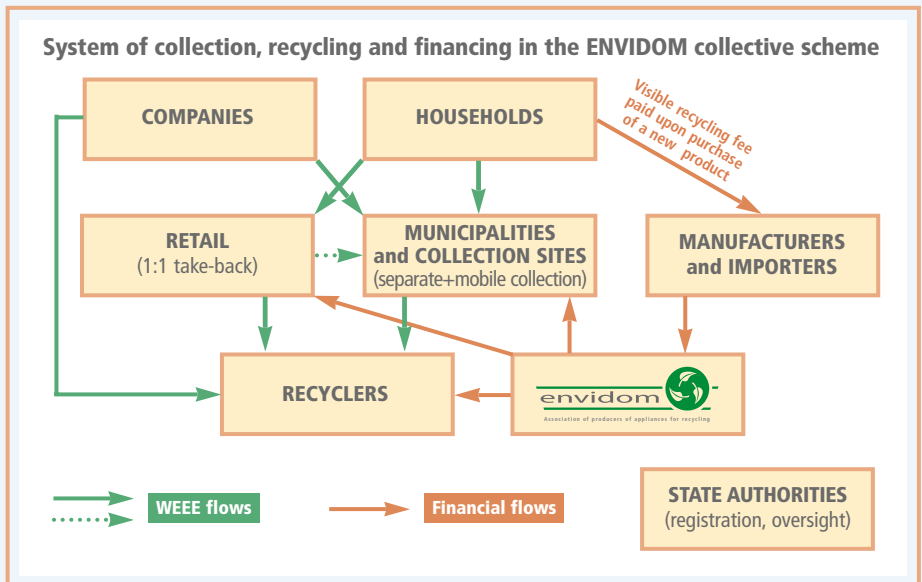
ENVIDOM - an association of producers of appliances for recycling - was founded on 15th March, 2005 by ten major manufacturers and importers of household appliances operating in Slovakia as a non-profit organisation of legal entities for the purpose of creating and managing a collective take-back system for the collection and recycling of waste from large and small household appliances. On the basis of mutual agreement, ENVIDOM assumed responsibility for the following obligations of manufacturers and importers of household appliances under the Waste Act:

- registration with the Ministry of Environment of the Slovak Republic
- regular reporting to the Ministry of Environment of the Slovak Republic about the amount of EEE placed on the market and the amount of recycled and recovered WEEE
- financial and organisational framework of the obligations related to both historical and new waste:
 - take-back and separate collection of WEEE from households
 - logistics, treatment, recycling and recovery of WEEE
 - safe disposal of dangerous substances via authorised recyclers
- fulfilment of the collection, recycling and recovery targets

PRINCIPLES OF THE ENVIDOM COLLECTIVE SYSTEM

The following are ENVIDOM's basic principles of operation:

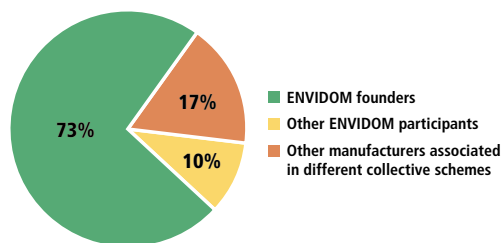
1. non-profitability
2. transparency of financial, waste and material flows = direct financing and control of WEEE collection, transport and treatment
3. efficiency = ENVIDOM does its best to ensure that the process of collecting and recycling WEEE is carried out at minimum cost and imposes no unnecessary financial burden on system participants and Slovak consumers
4. communication = ENVIDOM informs consumers about the possibilities of returning WEEE, waste collection events and about prevention and principles of proper handling of WEEE
5. protection of the interests of consumers and system participants.



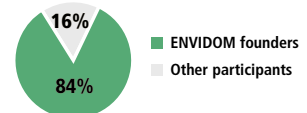
POSITION OF THE ENVIDOM COLLECTIVE SCHEME ON THE WEEE MARKET

The collective ENVIDOM system has 68 direct participants and 93 participants registered via manufacturers with the registered office outside the territory of the Slovak Republic with highly significant market share in both EEE categories

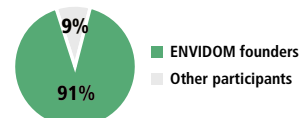
Market share of ENVIDOM participants in category 1 - Large household appliances (LHA)



Market share in refrigeration appliances

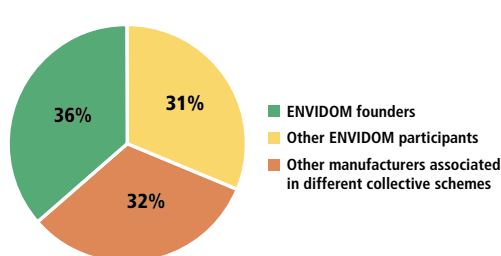


Market share in other large household appliances

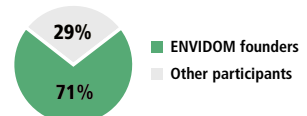


In 2006 the Envidom participants placed on the market 22,781 tons of LHA (83 %) of the total amount of 27,585 tons (ENVIDOM participants and participants of other collective schemes)

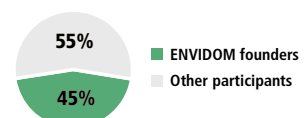
Market share of ENVIDOM participants in category 2 - Small household appliances (SHA)



Market share in vacuum cleaners



Market share in other small household appliances



In 2006 the Envidom participants placed on the market 2,301 tons of SHA (68%) of the total amount of 3,398 tons (ENVIDOM participants and participants of other collective schemes)

ABOUT ENVIDOM

At present, there are 10 official collective systems in Slovakia, of which 5 have been set up by EEE manufacturers and importers. According to data from individual companies, the total size of the market with electrical and electronic products intended for households under categories 1 to 7 amounted to 51,976 thousand tons in 2006, more than half of which came from companies participating in the ENVIDOM collective scheme.

FINANCING

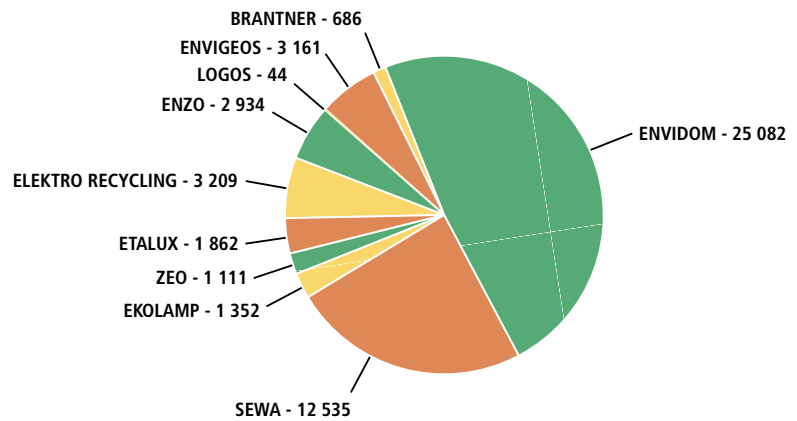
The **visible recycling fee** is used to finance the collection, logistics and recycling of the so-called *historical waste* from large and small household appliances (placed on the market prior to 13th August, 2005; all organisations operating on the market at this time hold responsibility for the collection and recycling of this waste to an extent corresponding with their market share). The amount of the visible recycling fees will be revised every 1 to 2 years.

Recycling fees (SKK incl. VAT / 1 pc placed on the market)	2005-2006	2007
Refrigerators, freezers	500	500
Cooling show-cases with fan cooling	150	150
Other large household appliances (washing machines, dishwashers, driers, cooking stoves,...)	150	150
Other large household appliances (up to 10 kg - centrifuges, small cook stoves, cooker hoods)	40	40
Vacuum cleaners	40	24
Other small household appliances (mixers, irons, hairdryers, coffee-makers,...)	10	6

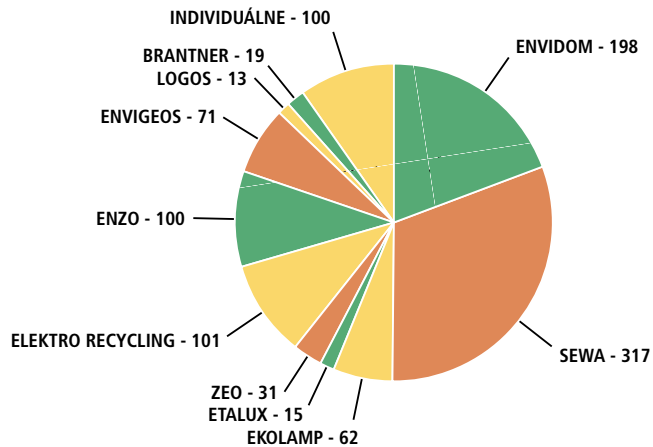
So called *new waste* (coming from the products placed on the market after 13th August, 2005) cannot be financed via visible recycling fees according to the valid legislation. For this reason, a system of continuous financing is used at the moment, which is defined on the basis of statistical percentage share in all products placed on the market in a given year determining the amount of new products that will become waste in the first and following years of use.

The current and future stability of the ENVIDOM collective system is guaranteed by mutual agreement between all participants of the system on the assumption of liability for future waste in the event of, for instance, bankruptcy of any of the participants.

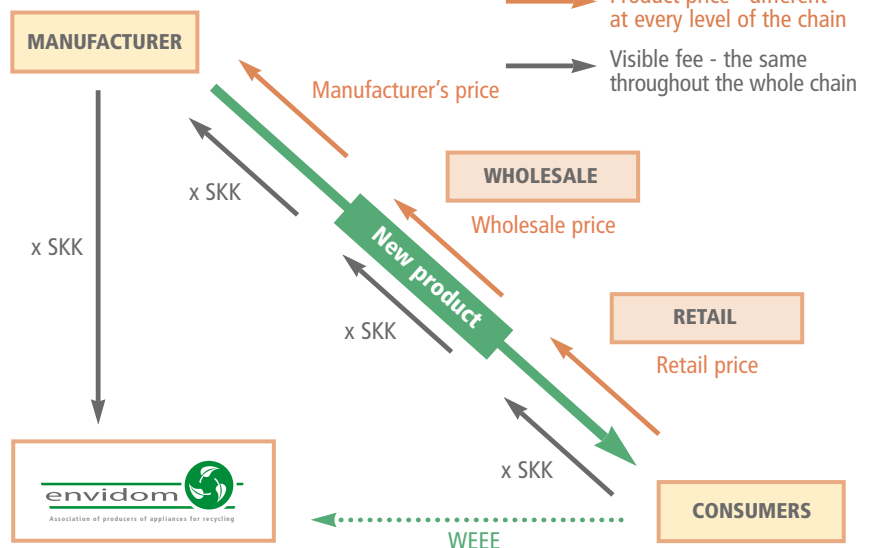
The amount of EEE intended for households placed on the market in 2006 in tons by individual collective systems (total of 51,976 tons)



The shares of numbers of participants of collective systems in the Slovak Republic as at the end of 2006 (calculated from the registry of the Ministry of Environment of the Slovak Republic as a sum of registrations for every category and manufacturer)



Flow of recycling fees





COLLECTION, LOGISTICS AND TREATMENT

The primary reason for establishing the ENVIDOM association was to create and administer an effective and sustainable system of collection and recycling of household appliances that would swiftly, efficiently and simply deal with the issue of WEEE disposal throughout the whole territory of the Slovak Republic. In principle, this involves three operational areas - collection, logistics and treatment of WEEE.

COLLECTION

A priority of the ENVIDOM collective system is to provide end consumers with as many opportunities as possible to comfortably return unused or dysfunctional appliances; therefore, ENVIDOM uses three ways of WEEE collection:

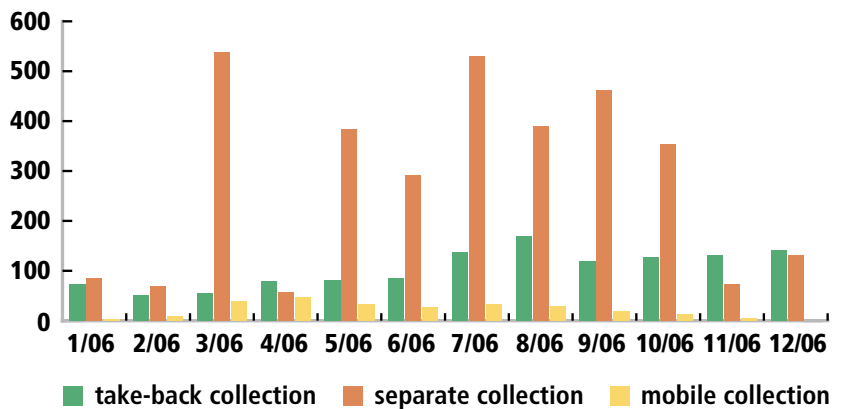
- take-back
- separate collection
- mobile collection

Take-back

The ENVIDOM association is working to ensure that, besides collection sites and collection events in municipalities, EEE retailers become an important collection point and a provider of information on the collection of WEEE for end consumers, as it is in the interest of manufacturers and importers. ENVIDOM places no limitations on EEE retailers in the take-back of EEE. Retailer can take back old appliances from customers when buying new EEE regardless of the type of the returned and purchased product or even accept EEE when the customer is not buying any new product. ENVIDOM takes care of the transport of any WEEE from small and large household appliances collected by retailers and financially rewards them. The take-back logistics are organised very effectively thanks to the use of a logistics web portal. The portal is very simple to use - all a retailer needs to do is to enter the number of collected appliances by individual groups. As soon as the retailer has collected at least 5 large household appliances, ENVIDOM will use its co-operating companies to transport them within 3 working days.

As of 1st February, 2007, more than 400 stores had been registered as a take-back point in the ENVIDOM system. In 2006, the ENVIDOM association collected more than 28,800 pcs of old large household appliances and 19,000 pcs of small household appliances through these retailers. There is at least one retailer providing take-back in every district in Slovakia. These take-back points are located in towns

Development of take-back, separate and mobile collection in 2006 in tons



indirectly covering a population of more than 4.7 million in the Slovak Republic.

Separate collection

As a standard, separate collection is carried out by waste collection companies directly in municipalities at scheduled waste collection times or by means of various collection events. WEEE can also be returned at collection sites, if such facility is available in the municipality. Via separate collection in 2006 almost 63,000 pcs of large and 120,600 pcs of small household appliances were collected.

ENVIDOM cooperates with collection companies providing services of separate collection for communities and operating several collection sites. Collection companies operate mostly on regional basis and in term of their activity, ENVIDOM covers almost whole Slovakia. Our most significant transregional partners at securing separate collection include the companies ASA, Marius Pedersen, Detox, however, we cooperate also with lots of regional companies such as Vepos, OLO, Schwarz-Eko, various associations of communities and others. ENVIDOM offers the service of WEEE collection also directly to communities.

Mobile collection

Along with permanent collection sites and scheduled collection events, the ENVIDOM association in cooperation with the company ANEO organizes special mobile collections directly in communities. The citizens are informed about the mobile collection event in advance directly in their community. After the handover of appliances on the date of collection to the place determined in advance, ENVIDOM shall secure their transport and processing in ecologically suitable way. In 2006 mobile collections in more than 100 communities were carried out with total 251 tons of WEEE collected.

Zlatý mravec Award (Gold Ant)

The ENVIDOM association for their activity in the field of WEEE collection and recycling was granted an award of waste management "Zlatý mravec 2006" in the category of Communal Waste Management. Expert committee appraised by it especially building of the functioning system of the take-back collection via EEE retailers with central logistics and control via web portal on the entire territory of the Slovak Republic which currently includes 400 retailers. ENVIDOM significantly participated in the development of the mobile collection system in communities and participated in the development and coordination of the separate collection system via collection sites and communities as well as collection companies on the territory of the Slovak Republic. Waste Management Award is a significant award not only of the work of the ENVIDOM association but also the effort of the retailers in the Slovak Republic. The take-back collection currently represents almost 26 % of weight of all collected EEE.

LOGISTICS AND TREATMENT

The contracted transport companies take WEEE from the collection points to waste treatment and recycling companies upon the order of the ENVIDOM association. The transport from take-back collection (from EEE retailers) functions via a web portal on which the transporters follow transport requirements of individual stores, and in case of being interested, they reserve the transport and within three days they transport the WEEE. ENVIDOM supervises the efficiency of the entire system as well as observation of transport deadlines. Old EEE from the take-back collection are transported directly to treatment companies.



COLLECTION, LOGISTICS AND TREATMENT

The transport of WEEE collected at collection sites, communities and mobile collection is provided directly by collection companies or contracted carriers on the basis of an order. Waste treatment and recycling companies recycle, recover and dispose of WEEE in an environmentally-friendly manner and transfer recycled materials to manufacturers for further use.

A criterion for co-operation is quality service and quality treatment and recycling technology. ENVIDOM only co-operates with authorised collection, transport and recycling companies selected on the basis of experience,

efficiency and affordability, so that all principles of environmental protection (EU operational standards developed in co-operation with the WEEE Forum organisation) are adhered to and the fulfilment of the recycling and recovery targets guaranteed. The transparency of material flows is ensured by means of transparent monitoring of the whole process of collection, transport and recycling and environmental audits of treatment companies. Our most important partners in the area of waste treatment include regional companies, such as Arguss, Zedko Banská Bystrica or Ekoray, and the transregional company Elektro Recycling.

After long-term absence of complex treatment technology, in 2006 recycling of cooling devices started on the territory of the Slovak Republic, thus completing building of a complex of facilities for material recovery of all eliminated EEE. The stated facilities form a base for fulfillment of obligations of manufacturers and importers or distributors resulting from the valid EU legislation and its implementation in the legislation of the Slovak Republic.

In 2006 total of more than 31,000 pcs of refrigerators and freezers from households collected by Envidom system were processed by means of technologies for cooling device treatment.

FULFILMENT OF THE COLLECTION AND RECOVERY TARGETS

EEE manufacturers and importers were imposed on the obligation to recycle and recover a certain amount of WEEE under the Waste Act. This amount is specified by Slovak Governmental Ordinance No. 388/2005 as a percentage share of the collection and it is calculated from the amount (in kg) of EEE placed on the market in the preceding year. The recovery and recycling targets are set as a percentage of the average weight of the collected EEE. This percentage defines what section of the EEE collected has to be energetically and materially recovered (and only the remaining section can be land-filled). The recovery and recycling targets will rise exponentially and are very strict, especially for our categories.

Rates for calculating the contributions to the Recycling Fund

The contributions to the Recycling Fund should be paid by manufacturers and importers in the event they fail to meet the recycling and recovery targets. The contribution can be calculated from the difference between the recycling and recovery limit in percentage for the given category and actually achieved percentage of recycling and recovery multiplied by the amount of collected and recovered WEEE and per kg rate for individual categories. Under the legislation in force, the contribution is only paid for EEE intended for households. The contribution for EEE that are not intended for household (categories 8, 9, 10) shall be paid at the specified rate for the whole amount placed on the market with the possibility of deduction for the collected amount of WEEE.

WEEE collection, recycling and recovery targets according to the Slovak Governmental Ordinance No. 388/2005

Category	WEEE collection targets in % (of the amount of EEE placed on the market in the preceding year in kg)				Targets in % (of the average amount of EEE collected in kg)	
	2005	2006	2007	2008 and further years	WEEE recovery	Reuse and recycling of WEEE
1. Large household appliances	7	20	46	49	80	75
2. Small household appliances	4	14	24	27	70	50
3. Information technology and telecommunications equipment	7	19	38	37	75	65
4. Consumer equipment	7	19	32	32	75	65
5. Lighting equipment (gas-discharge lamps)	1 (0)	2 (0,5)	4 (1)	5 (1)	70	50
6. Electrical and electronic tools	1	2	4	5	80	80
7. Toys, leisure and sports equipment	1	1	2	2	70	50
8. Medical devices	-	-	-	-	-	-
9. Monitoring and control instruments	-	-	-	-	70	50
10. Automatic dispensers	-	-	-	-	80	75

Rates for calculation of the contributions to the Recycling Fund

Category	The amount of the fee per kg in SKK	Category	The amount of the fee per kg in SKK
1. Large household appliances		5. Lighting equipment	
refrigerators/freezers	28	containing mercury	50
other large household appliances	16	with no mercury content	40
2. Small household appliances	20	6. Electrical and electronic tools	20
3. Information technology and telecommunications equipment		7. Toys, leisure and sports equipment	20
personal computers	50	8. Medical equipment	40
others	40	9. Monitoring and control instruments	40
4. Consumer equipment		10. Automatic dispensers	20
TV sets	50		
others	40		



FULFILMENT OF THE COLLECTION AND RECOVERY TARGETS

Collection, recycling and recovery targets for 2006

In 2006 the ENVIDOM collective system successfully fulfilled the collection, recycling and recovery targets on behalf of its participants

in necessary amounts and concurrently ensured submission of reports individually for every participant to the Ministry of the Environment of the Slovak Republic by the statutory deadline of 31st March, 2007. The stated results were achieved also due to

commissioning new device for recycling and recovery of cooling devices in the company Elektro Recycling in Slovenská Ľupča by the end of 2006 as well as by starting the use of SEG technology in the company ARGUSS in Loka in the second half of the year 2006.

Collection and recycling targets in 2005 and 2006 achieved for ENVIDOM collective system

	Year	Placed on the market for the previous year (t)	Collection targets (%)	Collection targets (t)	Fulfillment of the collection targets (t)	Fulfillment of the collection targets (%)	Recovery limits (%)	Recovery limits (t)	Fulfillment of recovery limits (t)	Fulfillment of recovery limits (%)	OPaR limits (%)	OPaR limits (t)	Fulfillment of OPaR limits (t)	Fulfillment of OPaR limits (%)
1. Large household appliances	2005	22 128,6	7,0%	1 549,0	1 597,2	7,2%	80,0%	1 239,2	1 503,5	94,1%	75,0%	1 161,8	1 499,0	93,9%
	2006	20 127,1	20,0%	4 025,4	4 214,0	20,9%	80,0%	3 220,3	3 836,2	91,0%	75,0%	3 019,1	3 776,1	89,6%
2. Small household appliances	2005	2 220,3	4,0%	88,8	128,3	5,8%	70,0%	62,2	111,2	86,7%	50,0%	44,4	110,9	86,4%
	2006	2 425,1	14,0%	339,5	350,2	14,4%	70,0%	237,7	287,5	82,1%	50,0%	169,8	240,2	68,6%
TOTAL 1 and 2	2005	24 348,9		1 637,8	1 725,5			1 301,4	1 614,7			1 206,2	1 609,9	
	2006	22 552,2		4 364,9	4 564,2			3 458,0	4 123,7			3 188,8	4 016,2	

OPaR - Repeated use and recycling

Collection in 2006 according to the collective system for the Slovak Republic

	Amount placed on the market in tons		COLLECTION TARGETS in % - GOVERNMENTAL ORDINANCE 388/2005				Contribution to the RF of the SR SKK/kg - Decree 208/2005, § 9	GUARANTEE on the blocked account SKK/t - Decree 208/2005, § 9	COLLECTION 2006 - preliminary FACT, reported data from CS or **calculated as % share from placing on the market in the previous period											
	2005	2006	2005	2006	2007	2008			COLLECTIVE SYSTEMS (CS) ESTABLISHED BY MANUFACTURERS AND IMPORTERS						COLLECTION AND RECYCLING COMPANIES DECLARED AS "CS"					TOTAL REGISTERED %
									ENVIDOM 15. 2. 2007	SEWA 31. 1. 2007	EKOLAMP 27. 3. 2007	ZEO 27. 3. 2007	ETALUX 26. 2. 2007	ELEKTRO RECYCLING 27. 3. 2007	ENZO **	LOGOS **	ENVIGEOS 27. 3. 2007	BRANTNER **		
1. Large household appliances	24 049	27 585	7	20	46	49			4 144	331	0	2	0	29	352	5	50	11	4 924	
1a. Other large household appliances	14 212	17 275	7	20	46	49	16	5 000	2 872	331	0	0	0	29	352	5	50	11	3 550	
1b. Refrigerators/freezers	9 837	10 310	7	20	46	49	28	17 000	1 272	0*	0	2	0	0*	0*	0*	0*	0*	1 374	
2. Small household appliances	3 281	3 398	4	14	24	27	20	12 000	349	37	0	0	0	24	26	0	32	2	470	
3. Information technology and telecommunications equipment (IT&T)	4 026	5 774	7	19	38	37			0	691	0	0	0	41	19	0	19	0	771	
3a. IT&T without CRT's	3 954	4 889	7	19	38	37	40	17 000	0	691	0	0	0	41	19	0	19	0	771	
3b. IT&T - CRT' and LCD only	72	885	7	19	38	37	50	17 000	0	0*	0	0	0	0*	0*	0	0*	0	0	
4. Consumer equipment (CE)	9 331	7 561	7	19	32	32			0	1 286	0	0	0	334	94	0	56	5	1 774	
4a. CE without CRT's	7 681	2 873	7	19	32	32	40	16 000	0	1 286	0	0	0	334	94	0	56	5	1 774	
4b. CE - CRT and LCD only	1 650	4 688	7	19	32	32	50	16 000	0	0*	0	0	0	0*	0*	0	0*	0*	0	
5. Lighting equipment	3 584	3 707							0	1,0	142	0	61	4	0,5	0	7	0,4	217	
5a. Lights	2 829	3 188	1	2	4	5	40	32 000	0,0	1,0	22,4	0,0	57,7	4,0	0,5	0,0	7,0	0,3	92,9	
5b. Gas discharge lamps	754	520	0	0,5	1	1	50	32 000	0,0	0*	120,1	0,0	3,6	0,0	0*	0,0	0*	0*	123,7	
6. Electrical and electronic tools	3 648	3 432	1	2	4	5	20	15 000	0	1	0	21	0	7	5	0	39	1	73	
7. Toys, leisure and sports equipment	233	518	1	1	2	2	20	17 000	0	2	0	0	0	1	0	0	0	0	3	
8. Medical equipment	35	55	0	0	0	0	40	0	0	18	0	0	0	11	0	0	0	0	29	
9. Monitoring instruments	32	38	0	0	0	0	40	0	0	29	0	0	0	6	0	0	0	0	35	
10. Automatic dispensers	150	180	0	0	0	0	20	0	0	179	0	0	0	2	0	0	0	0	181	
FROM HOUSEHOLDS	48 153	51 975							4 493	2 349	142	23	65	440	496	5	203	19	8 232	
FROM NON-HOUSEHOLDS	217	272							0	226	0	0	0	19	0	0	0	0	245	
TOTAL	48 370	52 247							4 493	2 575	142	23	65	459	496	5	203	19	8 477	

* data for the year 2006 not distinguished within the category in the report

** data for the year 2006 not provided yet to the collective system, calculated from placed on the market in 2005

*** final data of ENVIDOM for the year 2006 show 4,564.2 tons

SHARE OF COLLECTIVE SYSTEMS IN %

COLLECTION PER INHABITANT kg / inhab. from HOUSEHOLDS

COLLECTION PER INHABITANT kg / inhab. from NON-HOUSEHOLDS

TOTAL COLLECTION PER INHABITANT kg / inhab

54,6%, 28,5%, 3,2%, 0,3%, 0,8%, 5,3%, 6,0%, 0,1%, 2,5%, 0,2%, 100%

0,85, 0,44, 0,05, 0,00, 0,01, 0,08, 0,09, 0,00, 0,04, 0,00, 1,55

0,00, 0,04, 0,00, 0,00, 0,00, 0,00, 0,00, 0,00, 0,00, 0,05

0,85, 0,49, 0,05, 0,00, 0,01, 0,09, 0,09, 0,00, 0,04, 0,00, 1,60



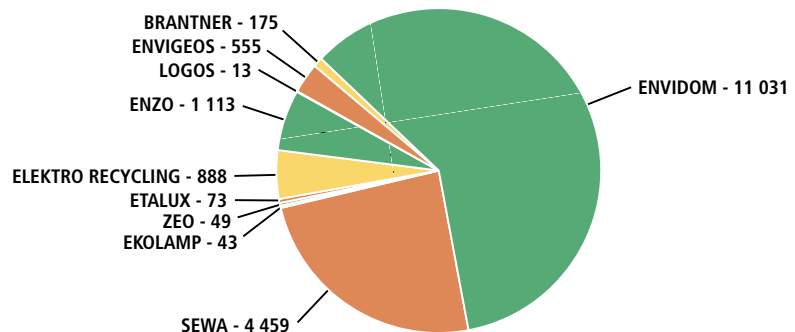
COLLECTION TARGETS IN 2007

The ENVIDOM collective system fulfilled basic tasks and obligations of its members in 2006. In co-operation with our partners, we collected and recycled the required amount of WEEE thus meeting the collection, recycling and recovery targets for 2006. We have created the essential conditions and rules for the operation of the collection and recycling scheme and achieved interesting results, especially in the area of take-back and logistics.

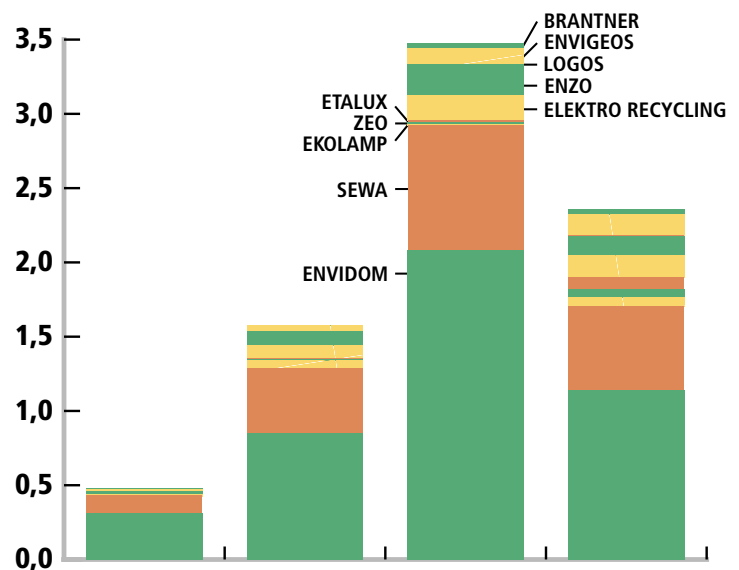
Due to the increasingly growing pace of collection, recycling and recovery targets, we will face a very demanding task in 2007. We will have to ensure the collection of 46 % of large household appliances and 24 % of small household appliances from the amount of appliances placed on the market in 2006, which is more than twofold increase over 2006 in category 1 and almost twofold increase in category 2.

Waste collection, recycling and recovery targets from large and small household appliances are more demanding every year. Those targets should meet targets in EU countries by 2008 where approximately 22 to 35 kg of EEE per one inhabitant are placed on the market every year what is two-to threefold more than in Slovakia. In the Slovak Republic, approximately 11 kg EEE of all categories per inhabitant are placed on the market every year. One of the targets of the ENVIDOM association for the coming period is thus making collection targets more real and continuing in securing meeting recycling and recovery targets. We stand for more justified setting targets upon real resources of waste from EEZ. In the period of 2007 and 2008, the ENVIDOM association shall endeavour to maintain the transfer of so called quantitative system (setting targets in kg) to the qualitative system in the form of securing balanced coverage of the territory of the Slovak Republic with collection. Upon the detailed mapping of the situation, the ENVIDOM association together with other collective systems (CS) founded by household appliance manufacturers considers collection and recovery of 2.35 kg of WEEE from households per one inhabitant for all collective systems altogether real.

Approximate amount of WEEE as a target for collection in 2007 in tons by collective systems (total of 18,400 tons) according to the Slovak Governmental Ordinance No. 388/2005, calculated from the data provided by individual collective systems on amounts placed on the market in 2006



Actual results in 2005 and 2006 and collection targets in kg per inhabitant of the Slovak Republic for the year 2007 according to the Slovak Governmental Ordinance No. 388/2005 and the estimate of the actual collection amounts for the year 2007 according to the collective systems established by manufacturers



	2005 COLLECTION (kg/inhab.) REALITY	2006 COLLECTION (kg/inhab.) REALITY	2007 COLLECTION (kg/inhab.) GOVERNMENT ORDINANCE	2007 COLLECTION (kg/inhab.) REAL ESTIMATE OF THE CS
BRANTNER	0,01	0,00	0,03	0,03
ENVIGEOS	0,01	0,04	0,10	0,14
LOGOS	0,00	0,00	0,00	0,00
ENZO	0,02	0,09	0,21	0,13
ELEKTRO RECYCLING	0,01	0,08	0,17	0,15
ETALUX	0,00	0,01	0,01	0,08
ZEO	0,00	0,00	0,01	0,05
EKOLAMP	0,00	0,05	0,01	0,06
SEWA	0,12	0,44	0,84	0,57
ENVIDOM	0,31	0,85	2,08	1,14

FINANCIAL INFORMATION

Development of assets, own resources and liabilities in 2005 to 2006

	2006	2005
ASSETS (in SKK thousands)		
A. Non-current assets	541	525
B. Current assets	90 657	54 181
Total ASSETS	91 198	54 706

LIABILITIES (in SKK thousands)		
A. Own resources of coverage of fixed and current assets	6	-86
B. Foreign resources	91 192	54 792
Total LIABILITIES	91 198	54 706

Development of costs and revenues in 2005 to 2006

	2006	2005
COSTS (in SKK thousands)		
Total accounting class 5	125 606	57 677

REVENUES (in SKK thousands)		
Total accounting class 6	125 903	57 677
Business result after taxation	92	-86

Total evaluation of costs of the ENVIDOM collective system for the year 2006

	Total (in SKK)	For EEE categories of			
		refrigerators (in SKK)	other VDS (in SKK)	vacuum cleaners (in SKK)	other MDS (in SKK)
Total costs*	125 810 972	67 828 201	45 039 116	4 683 647	8 260 009

* total costs include: operating costs, system costs, income tax, reserves for costs related to WEEE liquidation

VDS - large household appliances

MDS - small household appliances

	SKK/kg of WEEE - average	For EEE categories of			
		refrigerators (in SKK/kg)	other VDS (in SKK/kg)	vacuum cleaners (in SKK/kg)	other MDS (in SKK/kg)
Total costs*	16,60	30,02	10,71	12,95	13,33

* total costs include: operating costs, system costs, income tax

VDS - large household appliances

MDS - small household appliances

LIST OF PARTICIPANTS OF THE ENVIDOM COLLECTIVE SYSTEM

List of members and participants of the ENVIDOM collective system in 2006 (direct relationship)

1. AAA KLIMA SLOVAKIA, s.r.o.	23. FAGOR SLOVENSKO, s.r.o.	46. Miele, s.r.o.
2. AMWAY SLOVENSKO, s.r.o.	24. František Jánošík	47. MOS, s.r.o.
3. ASPICO Slovakia, s.r.o.	25. František Majtán - Tovar pre domácnosť	48. N&N Group, s.r.o.
4. AZOR, s.r.o.	26. Frigotech, spol. s r.o.	49. NEPA Slovakia, spol. s r.o.
5. Baumatic Slovakia, s.r.o.	27. GASTROSET SK, s.r.o.	50. NOSRETI SK, s.r.o.
6. Beko Slovakia, s.r.o.	28. GM Electronic Slovakia, spol. s r.o.	51. Pavol Rabatin
7. Brel, spol.s r.o.	29. Gorenje Slovakia, s.r.o.	52. PEKUR, s.r.o.
8. BSH domáci spotrebiče, s.r.o., o. z.	30. Groupe SEB Central - Europe Kft.	53. Peter Závacký - Globtaktik
9. Carrefour Slovensko, a.s.	31. IKEA HANIM - DUNAVIA, s.r.o.	54. Philips Slovakia, s.r.o.
10. CFF spol., s r.o.	32. Indesit Company Magyarország Kft.	55. PREMT, s.r.o.
11. CONET, s.r.o.	33. Ing. Dušan Repta - Biatec	56. PROTON SK, a.s.
12. DAIKIN AIRCONDITIONING CENTRAL EUROPE - SLOVAKIA, s.r.o.	34. INTERCALEX , spol. s r.o.	57. RAVAL PLUS, s.r.o.
	35. Interlinea, a.s.	58. RAVAL TRADE, s.r.o.
13. DATART MEGASTORE, s.r.o.	36. Internet Mall Slovakia, s.r.o.	59. Samsung Electronics Magyar Rt.- slov. org.
14. Domo Omnia, a.s.	37. ISOLIT-BRAVO SLOVAKIA, spol. s r.o.	60. Štefan Duša - IMFREINEX
15. Domoss Technika, a.s.	38. Kanlux, s.r.o.	61. Štefan Matyasovszky - Hrom
16. Dr. NATUR, s.r.o.	39. Karma Slovakia, s.r.o.	62. Tatra Commerce, spol. s r.o.
17. DREKIA, s.r.o.	40. Kika Nábytok Slovensko, s.r.o.	63. TATRAMAT - ohrieváče vody, s.r.o.
18. East Trading Company, s.r.o.	41. Linde Chladiaca Technika Slovakia, s.r.o.	64. VALLENS, s.r.o.
19. EASTCON AG SR, spol. s r.o.	42. Luto Slovakia, a.s.	65. VARTA Baterie, spol. s r.o. - o. z.
20. EBD, spol. s r.o.	43. Marex Trade - Slovakia, s.r.o.	66. Whirlpool Slovakia, s.r.o.
21. Electrolux Slovakia, s.r.o.	44. Mart. Tech International, s.r.o.	67. Zelmer Slovakia, s.r.o.
22. ETA-Slovakia, s.r.o.	45. McTREE SR, a.s.	68. Zoltán Névény

Besides the above-stated "direct" participants the ENVIDOM collective system had also 93 participants in 2006 represented by manufacturers with the registered office outside the territory of the Slovak Republic (indirect relationship).



BOARD OF DIRECTORS OF THE ENVIDOM ASSOCIATION



Ing. Ján Spůra
Chairman of the Board
(Whirlpool Slovakia, spol. s r. o.)



Kornélia Ciglanová
Member of the Board
(EAST TRADING COMPANY, spol. s r. o.)



Ing. Ingrid Potančoková
Member of the Board
(Philips Slovakia, s. r. o., divízia DAP)



Jiří Kremla
Member of the Board
(Electrolux Slovakia, s. r. o.)



Ing. Karol Juran
Member of the Board
(GORENJE Slovakia, s. r. o.)



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(BSH, domácí spotřebiče, s. r. o., org. zložka Bratislava)



Ing. Róbert Kabina
Member of the Board
(Indesit Company Magyarország, Kft)



Petr Neuvirt
Member of the Board
(ETA - Slovakia, spol. s r. o.)

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Chairman of the Supervisory Board
(Whirlpool Slovakia, spol. s r. o.)



Ing. Jiří Bartoš
Member of the Supervisory Board
(ETA - Slovakia, spol. s r. o.)



Pavol Csicso
Member of the Supervisory Board
(GROUPE SEB ČR a SR, s. r. o.)



Ing. Jozef Laco
Member of the Supervisory Board
(Philips Slovakia, s. r. o., divízia DAP)



Norbert Furín
Member of the Supervisory Board
(BSH, domácí spotřebiče, s. r. o.)

EMPLOYEES OF THE ENVIDOM ASSOCIATION

Upper line from the left:

Martin Konečný, IT specialist

Ing. Rastislav Ulbricht, financial director

Ing. Martin Ciran, General Director

Mgr. Peter Valent, operational director

Lower line from the left:

Mgr. Jana Obertová, operational assistant

Liliana Demjenová, operational assistant

Martina Fort, office manager,
PR & marketing

Ing. Darina Redlerová, chief accountant



LOGOS OF FOUNDERS OF ENVIDOM

B/S/H/



gorenje | ■

Indesit Company



PHILIPS



Association of producers of appliances for recycling

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