



*Thousands of
Entertainment Images*

HIT GROUP
ANNUAL REPORT
2003





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Entertainment Images*

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Thousands of Entertainment Images

Each new moment and each new person adds a small piece to the entertainment mosaic that the Hit Group has been building and expanding for twenty years now.

We are the leading entertainment and tourism company in Slovenia, whilst our objective is to become one of the leading entertainment and tourism companies in Europe. We are confident of our success because for us, investments, development, expansion and innovation are not an achievement in and of themselves. On the contrary. They are only milestones on the road towards our final objective and the greatest reward we can earn.

The greatest reward that the Hit Group can earn are satisfied guests who leave with new experiences and memories, guests who return again and again to add yet other images to our thousands of entertainment images.

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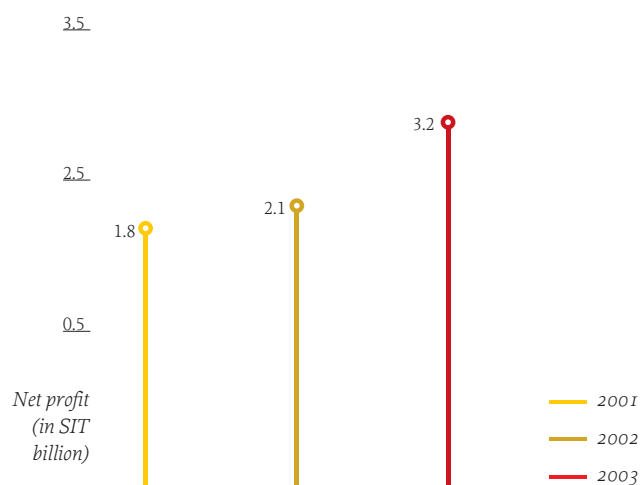
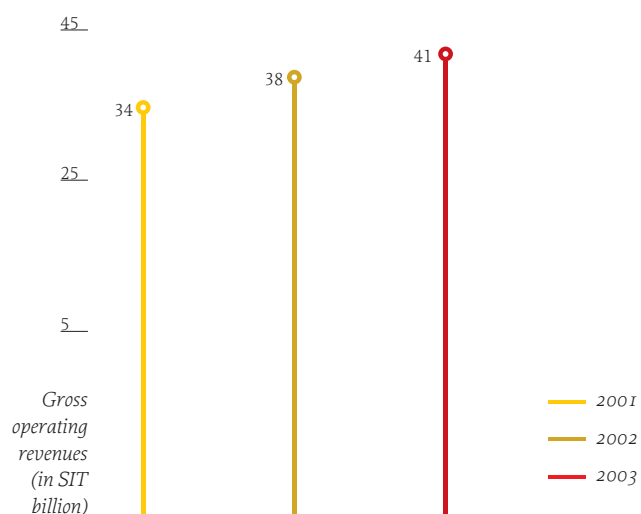
Hit Group in 2003

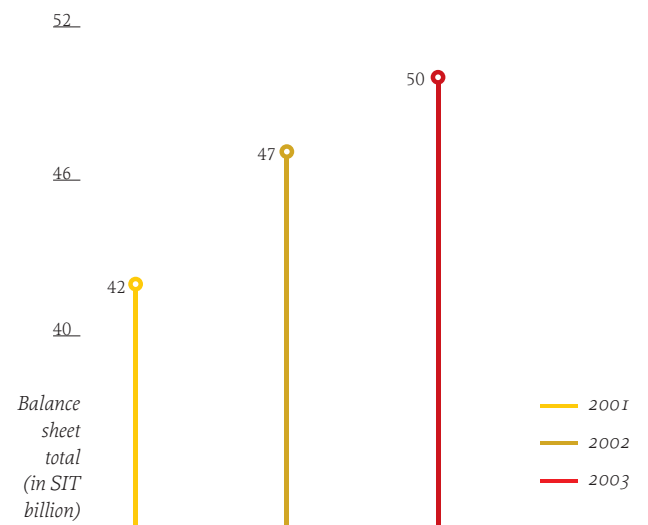
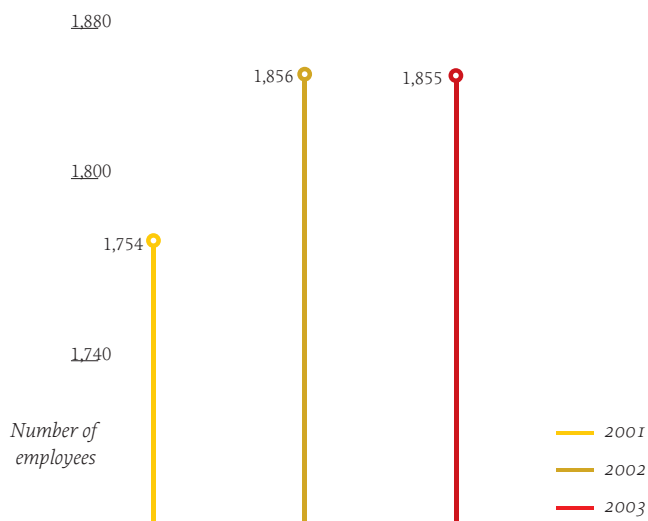
- SIT 41.1 billion in gross operating revenues,
 - SIT 3.2 billion in net profit,
- EUR 164.7 million in gross gaming revenues (gross operating revenues from games of chance and entrance tickets before gaming tax and output VAT),
- SIT 11.6 billion in gaming tax paid in Slovenia (gaming tax and concession duties),
 - 1.5 million casino visitors,
 - 214 thousand overnight stays,
- 1,855 employees as of 31 December 2003,
 - 12% return on capital.

Bank of Slovenia exchange rate at 31 December 2003: 236.7 SIT per 1 EUR

Bank of Slovenia average exchange rate in 2003: 233.7 SIT per 1 EUR

Note: Exchange rates are provided for informational purposes only.







Branko Tomažič,
President of the Management Board

Uniting the Best

Introduction by the President of the Hit Management Board

A successful financial year is behind us. Despite the unfavourable economic conditions marked by very weak economic growth, we have managed to attract the same number of visitors to our gaming and entertainment centres, increase revenues across all business activities, preserve employment and, at a group level, produce a net profit of SIT 3.2 million, all of which demonstrates our soundness and readiness for new challenges. In addition, we have consolidated our position as the leading player in the Slovenian tourist industry and are becoming, through investments either finished or planned, a clearly recognisable tourist industry group, operating regionally and nationwide, but also internationally. We are developing a top-quality tourist product, thus reaching far beyond our gaming roots.

Drawing on our experience in the gaming industry, we have successfully applied accumulated know-how to developing technological products within the technological pillar of the company. One high-tech company has grown out of this experience, as will other companies in the near future.

Today, the Hit Group is developing three well-rounded tourist destinations. In addition to our core location in Nova Gorica we have become the most important agent for the development of tourism in the Upper Sava valley where - after the takeover of the Špik Hotel in Gozd Martuljek - we account for more than half of all hotel facilities. The Maestral tourist and entertainment resort in Montenegro, representing Hit's most significant investment abroad as well as the largest Slovenian investment in Montenegro, is our newest tourist destination and undoubtedly the most well-rounded tourist resort in the Southern Adriatic region. In total, the Hit Group has over 1,600 hotel beds.

Given that dynamic investment activities in Slovenia and abroad continued throughout 2003, the effect of the investment cycle on the results of some group members is not surprising. The HTP Gorenjka company, on the contrary, achieved above-average results despite the construction of the new Prisank Grand Hotel and the consequent lack of facilities. The investment in the Colosseum Club entertainment centre in Sarajevo, Bosnia and Herzegovina, has also begun to earn the expected returns, after the centre expanded its services.

The Hit Group is well aware of its importance for the local and broader Slovenian environment. In 2003, Hit alone contributed to local and state budgets SIT 11.6 billion in the form of gaming tax and concession duties or, considering also other contributions, duties, non-deductible VAT and corporate income tax, as much as SIT 21.5 billion. Everywhere we operate, we have become the strategic development partner for local communities. This is true not only for Nova Gorica, but also for Montenegro, where the success of our investment depended largely on the exemplary co-operation with local and state authorities, as well as for Kranjska Gora, where we participate in the preparation of the economic development strategy of the municipality.

Whilst being satisfied with our achievements, we can not remain indifferent to certain developments in Slovenia. Namely, contrary to its strategy of the development of the industry, the government continues granting concessions to numerous, small slot halls. By doing so, it increases the chance of developing a low-quality and geographically-dispersed tourist product without any significant positive micro and macroeconomic effects, risking to show the entire entertainment industry in a bad light. This notwithstanding, we expect the government - which, after all, is indirectly the majority owner of Hit - to eventually realise where its true economic interest lies, and accordingly enable development of a quality tourist product, also by means of adequate law amendments, as laid down in the Strategy of Slovenian Tourism 2002 - 2006.

In 2004, we will mark 20 years since our entry into the gaming business, and we are entering the European future with ambitious plans. In 2004 alone we intend to carry out, together with associated companies, investments for a total value of SIT 9 billion. In Slovenia, we will complete construction of the Aurora gaming and entertainment centre in Kobarid and a slot hall in Gornja Radgona, initiate the renovation of the Park gaming and entertainment centre in Nova Gorica, and prepare all things necessary for the commencement of the construction of an entertainment centre in Šentilj. The Hit Group will round off 2004 with a new corporate image aimed at increasing brand recognition.

All of the above will of course be possible only with skilled and satisfied employees. We will thus dedicate even more energies to their training, as well as to the improvement of human relations.

Branko Tomažič

President of the Management Board



Hit tourist destinations



Nova Gorica (Slovenia)

- Perla Gaming and Entertainment Centre
- Park Gaming and Entertainment Centre
- Lipa Hotel
- Sabotin Hotel
- Hit Sports Centre
- Restaurants, inns, bars, etc.: Mark, Triglav, Vrtnica, Rožna dolina, Pri hrastu, Bacchus bar, Soča, Hitro



Kranjska Gora (Slovenia)

- Kranjska Gora Gaming and Entertainment Centre
- Prisank Grand Hotel
- Larix Hotel
- Vitranc Apartments
- Špik Hotel (Gozd Martuljek)*

** Investment or take-over completed in 2004.*



Montenegro

- Maestral Resort & Casino*

** Investment or take-over completed in 2004.*

Other Hit casinos and gaming and entertainment centres



Rogaška Slatina Casino

(Rogaška Slatina, Slovenia)

Otočec Casino

(Otočec, Slovenia)

Aurora Gaming and Entertainment Centre

(Kobarid, Slovenia)*

Colosseum Club Gaming and Entertainment Centre

(Sarajevo, Bosnia and Herzegovina)

Dama Slot Hall

(Gornja Radgona, Slovenia)*

** Investment or take-over completed in 2004.*

Hit activities

Entertainment

Perla Gaming and Entertainment Centre

850 slot machines, 55 gaming tables, entertainment theatre with 380 seats, four-star hotel with 94 first-class rooms and 11 suites, restaurants, two conference halls with 330 seats in total, wellness centre, discotheque

Park Gaming and Entertainment Centre

443 slot machines, 37 gaming tables, four-star hotel with 80 rooms and 4 suites, restaurant

Kranjska Gora Gaming and Entertainment Centre

300 slot machines, 22 gaming tables, entertainment theatre with 220 seats, four-star hotel with 25 rooms and 4 suites, restaurants

Colosseum Club Gaming and Entertainment Centre

80 slot machines, 8 gaming tables, restaurant, entertainment theatre

Aurora Gaming and Entertainment Centre

120 slot machines, 10 gaming tables, restaurant, concert stage

Rogaška Slatina Casino

90 slot machines, 8 gaming tables

Otočec Casino

49 slot machines, 7 gaming tables

Online entertainment

Hit Casinos Online

www.hitcasinosonline.com

Internet portal offering safe, transparent and quality on-line gaming entertainment.

Hotels and other tourist activities

Maestral Resort & Casino

four-star hotel with 171 rooms and 9 suites, casino with 102 slot machines and 11 gaming tables, concert stage, restaurants, private sandy beach, indoor and outdoor swimming pool, wellness centre, sports park

Prisank Grand Hotel

four-star hotel, 220 beds, restaurants

Larix Hotel

four-star hotel, 240 beds, aqua park, wellness centre, congress centre, restaurant

Špik Hotel

three-star hotel with 92 rooms, restaurant, 3 conference halls with 230 seats, playgrounds, auto camp, discotheque

Vitranc Apartments

three-star apartments, 85 beds

Sabotin Hotel

three-star hotel, 68 rooms, 5 suites, restaurant

Lipa Hotel

three-star hotel, 42 rooms, restaurant

Hit Sports Centre

multi-purpose hall with 540 seats, indoor tennis courts, athletics track

Hittours

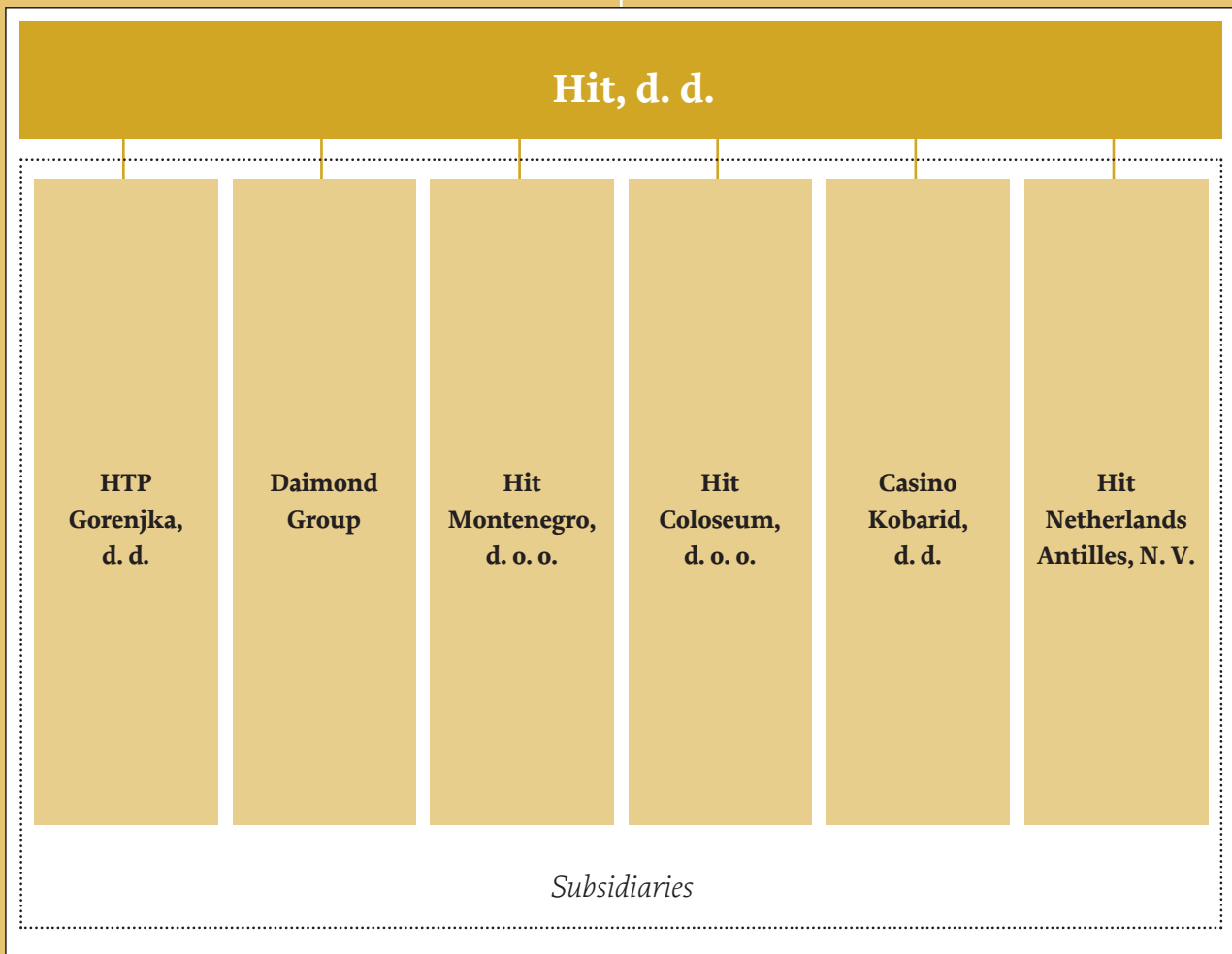
travel agency

Restaurants

Mark, Triglav, Pri hrastu, Vrtnica, Rožna Dolina, Bacchus bar, Soča, Hitro

In addition to restaurants operating within its gaming and entertainment centres and hotels, the Hit Group owns and operates many other restaurants, inns, bars, etc. with almost 700 seats (plus outdoor seats).

Hit Group organisational structure



Major events in 2003

March

- Start-up of Hit Internacional (Skopje, Macedonia) in which Hit holds a 20% equity stake.

April

- Hit Mega Jackpot in the amount of EUR 1,071,675 won in the Kranjska Gora Casino.
- Formation of Casino Kobarid, a subsidiary company.
- Supervisory board approves a proactive strategy for Hit's development.

May

- Hit sells its equity stake in G&P Hotels of Bled.
- Increase in capital of HTP Gorenjka.

July

- Completion of renovation of hotel rooms in the Kranjska Gora gaming and entertainment centre.

August

- Launch of a re-designed web site (address: www.hit.si).

September

- Cessation of the organisation of games of chance by Hit Netherlands Antilles.
- Supervisory board decides to increase the capital of Hit Montenegro.

October

- Adoption of the Act Amending the Gaming Act.
- Commencement of Phase II of the renovation of the Maestral Hotel (Montenegro).

November

- The Perla gaming and entertainment centre celebrates its 10th birthday.

December

- Completion of renovation of the Sabotin Hotel (Solkan, Slovenia).
- HTP Gorenjka opens the new Prisank Grand Hotel.
- Commencement of the Gornja Radgona slot hall investment project.



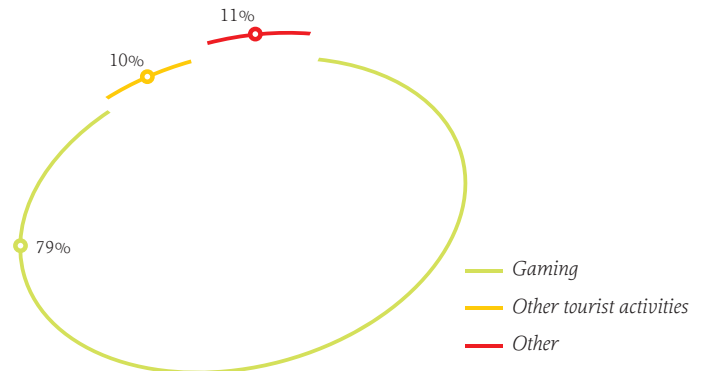
*"Time?
I don't have
time ... I live."*

*"Here. Now.
I don't care;
just as
I'd take off my coat,
I can leave aside
everything that's
piled up.
And everything
changes-it
becomes a wild,
glittering night.
We too become
glittery.
We aren't having fun
-we are fun."*



At Hit, we try to unravel as many faces of entertainment as possible to understand them, possibly improve them, and then offer them to our guests. From the latest cocktail, the most modern entertainment device and the most comfortable hotel room or suite, to the tiny shell on the beach and all the other small things that make a day or evening special. Everything, down to the smallest detail - the wine to complement a meal, the slope of the slide, the music in the foyer, the bow tie of the dealer - has been planned and tailor-made.

2003 Business Report of the Hit Group



Gross operating revenues

In 2001, Hit acquired majority equity stakes in four companies, thus becoming the ultimate controlling company, and as such required to prepare consolidated financial statements.

In 2003, Hit controlled already six companies, three of which it founded abroad together with its strategic partners. These companies are only in their early phase, still developing their markets, a fact that is reflected in their operations. In 2003, only the Colosseum Club (Sarajevo, Bosnia and Herzegovina) operated throughout the year, whilst the casino on the island of Bonaire (the Netherlands Antilles) ceased its operations in the second half of the year and the Maestral Hotel (Pržno, Montenegro) operated only a part of the summer season.

Revenues breakdown

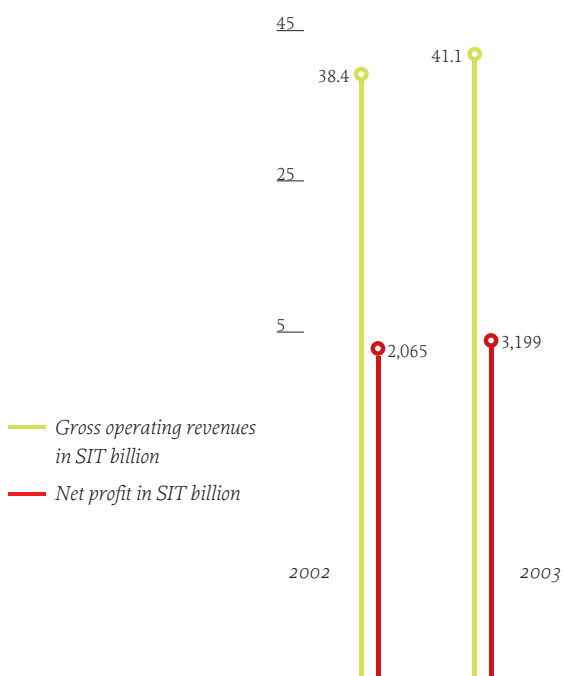
In 2003, the group's operating revenues were SIT 41.1 billion gross. Of this, gross operating revenues generated in Slovenia amounted to SIT 39.9 billion or 97%, whilst gross operating revenues generated in foreign markets amounted to SIT 1.2 billion or 3%.

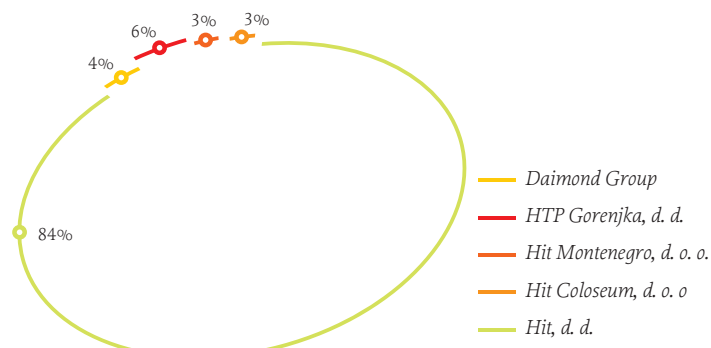
The main business area of the group remains gaming, complemented by various tourist services. In 2003, net gaming revenues (gross gaming revenues after gaming tax) accounted for 79% of the group's gross operating revenues, whilst revenues from other tourist activities and other revenues accounted for 10% and 11% respectively.

Financial revenues and extraordinary revenues were SIT 1.9 billion.

The group's costs and expenses were SIT 38.8 billion.

The group's net profit was SIT 3.2 billion, representing 7% of its total revenues (gross operating revenues plus financial revenues plus extraordinary revenues).





Number of employees of the Hit Group by individual companies as of 31 December 2003

Employees

As at the end of 2003, the Hit Group employed 1,855 persons, of which the parent company Hit 80%.

In Hit, we take care of the health and social welfare of our employees. Since the beginning of 1999, all have received a regular periodical medical examination. We also helped design the so-called second pension pillar or fund, to which the majority of our employees have subscribed.

We are thus one of the few Slovenian companies that pay the highest premiums for its employees who have joined the pension scheme.

Educational structure of employees of the Hit Group as of 31 December 2003

	Hit, d. d.	Daimond Group	HTP Gorenjka, d. d.	Hit Montenegro, d. o. o.	Hit Coloseum, d. o. o.	Total Hit Group
No education	128		6	8		142
Short-term 1 vocational education	9		4	4	1	18
Short-term 2 vocational education	4		9	13	13	39
Vocational education	387	15	53	5		460
Secondary education	706	45	41	13	39	844
2-year higher education	130	6	3	6	2	147
4-year higher education	73					73
University education	103	9	2	5		119
MSc	12	1				13
Specialisation						
PhD						
Other						
Total	1,552	76	118	54	55	1,855

Investments and development projects

A majority of investment funds in 2003 was allocated to investment projects, whilst only a smaller portion was allocated to the acquisition of intangible and tangible fixed assets, mostly gaming equipment.

In terms of investment projects, 2003 was even more intense than the previous year. The major share of funds was allocated to investment projects, the most significant being Phase II of the renovation of the Maestral Hotel in Montenegro. Two other large investment projects were the renovation of hotel rooms in the Kranjska Gora gaming and entertainment centre and in the Sabotin Hotel.

As regards development projects, the most important was the electronic casino project, followed by a casino reception project, an ON-LINE project, and many others.

In 2003, Hit Montenegro was busy with Phase I of the renovation of the Maestral Hotel and with works enabling its temporary operation in the summer season, and commenced Phase II of the renovation in the autumn.

HTP Gorenjka completed the construction of the new Prisank Grand Hotel. The investment project commenced at the end of March, when the old hotel was pulled down; the newly-constructed hotel already opened its doors at the beginning of December.

Balance sheet analysis

At the end of 2003, Hit Group's capital stood at SIT 30 billion, up 19% from the end of 2002. Capital represented 60% of total liabilities and capital, up 6.4 percentage points from the end of 2002. Long-term liabilities and provisions represented 15% of total liabilities and capital, down 26% from the end of 2002, whilst short-term liabilities and accrued costs (expenses) and deferred revenues increased by 8%.

At the end of 2003, the group's assets were SIT 49.9 billion, up 7% from the end of 2002. Of this, current assets represented 28% and fixed assets 72%. From the end of 2002, the share of current assets in total assets increased 8 percentage points (and the share of fixed assets in total assets decreased 8 percentage points).

Hit Group assets		(in SIT 000)	
	31 Dec 2002	31 Dec 2003	Index
Tangible fixed assets	28,947,923	29,399,003	102
Other fixed assets	8,730,663	6,658,674	76
Current assets	9,123,807	13,869,601	152
Total	46,802,393	49,927,278	107

Financial indicators

In 2003, return on capital, measured as the ratio of net profit to average capital (excluding the profit for the period), was 12.3%, up 3.7 percentage points as against 2002.

Revenues profitability, measured as the ratio of net profit to total revenues (operating revenues plus financial revenues plus extraordinary revenues), was 7.4%, up 2.2 percentage points as against 2002.

Total efficiency, measured as the ratio of total revenues to total costs and expenses, was 1.08 (2002: 1.06).

Return and efficiency ratios			
	2002	2003	Index 03/02
Return on capital	8.6%	12.3%	143
Revenues profitability	5.2%	7.4%	142
Total efficiency	1.06	1.08	102

2003 Business Report of the controlling company Hit, d. d.



Branko Tomažič



Silvan Križman



Borut Jamnik



Tomica Dumančič

Company profile

Company name:

Hit hoteli, igralnice, turizem, d. d., Nova Gorica

Abbreviated name: Hit, d. d., Nova Gorica

Principal place of business: SI-5000 Nova Gorica,
Delpinova 7a

Telephone: +386 5 3364000

Fax: +386 5 3025557

E-mail: pr@hit.si

Web site address: www.hit.si

Principal activities

- organisation of special games of chance
 - hotels
 - restaurants
 - retail sale
 - bars
- activities of travel agencies

Management Board

President: Branko Tomažič

Members:

- Silvan Križman,
- Borut Jamnik (from 1 July 2003 to 31 December 2003),
- Tomica Dumančič, employee representative (until 19 July 2004).

Supervisory Board

Chairman: Pavel Pirc

Members:

- Peter Velkavrh,
- Črtomir Špacapan (until 27 August 2003),
- Mirko Brulc (since 27 August 2003),
- Darko Končan,
- Aleš Furlan (until 18 February 2004),
- Igor Lapajne,
- Matej Brezigar (since 20 February 2004).

Capital

Share capital: SIT 6,788,634,000

Total number of shares: 6.788.634

Nominal value of each share: SIT 1,000

Ownership structure		2003	
	No. of shares	Stake in %	Votes in %
Ordinary shares			
Slovenska odškodninska družba, d. d.	1,357,727	20.00	33.33
Kapitalska družba, d. d.	1,357,727	20.00	33.33
Nova Gorica Municipality	1,022,614	15.06	25.11
Šempeter-Vrtojba Municipality	183,726	2.71	4.51
Kranjska Gora Municipality	131,699	1.94	3.23
Rogaška Slatina Municipality	11,541	0.17	0.28
Novo mesto Municipality	8,146	0.12	0.21
Total ordinary shares	4,073,180	60.00	100
Preference shares	2,715,454	40.00	-
Total shares	6,788,634	100.00	

Business Report of Hit, d.d.

Hit is the parent company of the Hit Group.

Its revenues account for more than 85% of the group's revenues. Its five casinos offer over 120 gaming tables and 1,600 slot machines, whilst its hotels can accommodate almost 600 guests.

2003 was a successful year for Hit.

Both operating revenues and gross profit were above the planned figures.

Hit's casinos succeeded in attracting a number of visitors that was 4% above the planned figure. Compared to the previous year, the number of visitors (1,470,000) dropped by less than one percent. Notwithstanding this, the company still succeeded in maintaining market shares in key markets.

In terms of investment projects, 2003 was even more intense than the previous year: the company worked on 36 different projects and one-time tasks.

In 2003, Hit continued its restrictive employment policy. The average number of employees, calculated from the end-of-month figures, was 1,549, and remained more or less the same as in 2002.

Revenues breakdown

At Hit, the gaming sector generates almost 90% of gross operating revenues. In 2003, gross gaming revenues (i.e., gross operating revenues from games of chance and entrance tickets before gaming tax and output VAT on entrance fees) went up by more than 8% as against 2002, and were SIT 37.7 billion. Gross revenues generated by the F&B and hotel sectors (sales of food and beverages and overnight stays), intra-sectoral sales included, were SIT 4.8 billion, an increase of SIT 198 million or 4% compared to 2002.

Various taxes, as calculated by the company, were: gaming tax SIT 5,924 million, output VAT on entrance fees SIT 33 million (both deductible items in the calculation of net sales revenues), concession duties SIT 5,667 million (an item included under expenses) - in total, SIT 11.6 billion, more than 33% of the taxable base or 31% of gross gaming revenues.

Total revenues*, generated by the company in 2003, were SIT 36.2 billion, up 8% as against 2002.

The company's costs and expenses (including concession duties) were SIT 32.8 billion, up 4% as against 2002.

The main activity of Hit is the organisation of special games of chance. Under the VAT Act, this activity is not subject to VAT, and the company is therefore entitled to deduct only a certain percentage of the input VAT, which corresponds to the share of revenues from its other activities in total revenues. In 2003, Hit was entitled to deduct only 12% of the input VAT, whilst the net value of each incoming invoice was actually increased by the remaining 88%. For gaming companies, this non-deductible input VAT represents an additional tax burden, in the case of Hit amounting to almost SIT 1 billion in 2003.

Due to tax deductions that were less than in 2002, the corporate income tax was significantly higher and amounted to as much as SIT 829 million. Net profit for the financial year 2003 was SIT 2.6 billion, up 36% as against 2002.

** Total revenues include gross operating revenues, financial revenues and extraordinary revenues. The 2002 figures and the 2003 planned figures have been adjusted, i.e., decreased by the intra-sectoral sales by the F&B and hotel sectors.*

Physical performance indicators

In 2003, Hit's casinos were visited by 1,470 thousand guests, down 0.6% as against 2002. Fewer guests than in 2002 visited particularly in March and in summer.

The majority of them still came from Italy, however 1% less than in 2002. On the other hand, the number of guests from Slovenia and Croatia increased, their share in the total number of guests however still remaining relatively low.

In 2003, the hotel occupancy rate decreased as compared with 2002: the room occupancy rate was down 3 percentage points and the bed occupancy rate was down 2 percentage points. Room occupancy rate was 59% and bed occupancy rate was 51%.

As at end of December 2003, Hit employed 1,552 persons, 5 more than as at the end of 2002.

In 2003, the company only employed persons with specific skills.

Balance sheet analysis

At the end of 2003, Hit's capital stood at SIT 24.2 billion, up 12% from the end of 2002. Capital represented 64% of total liabilities and capital, up almost 5 percentage points from the end of 2002. Long-term liabilities and provisions were SIT 4.6 billion and represented 12% of total liabilities and capital, down 26% from the end of 2002. Short-term liabilities and accrued costs (expenses) and deferred revenues were SIT 8.9 billion, up 4% from the end of 2002.

At the end of 2003, Hit's assets were SIT 37.7 billion, up 3% from the end of 2002. Of this, current assets represented 22% and fixed assets 78%. From the end of 2002, the share of current assets in total assets increased 4 percentage points (and the share of fixed assets in total assets decreased 4 percentage points).

Physical performance indicators

	2002	2003	Index 03/02
No. of visits to casinos (in thousands)	1,479	1,470	99
Room occupancy rate	62%	59%	95
Bed occupancy rate	53%	51%	96

Profiles of companies belonging to the Hit Group

HTP Gorenjka, Kranjska Gora, Slovenia

Company

HTP Gorenjka Kranjska Gora, d. d.,
Borovška 99, SI-4280 Kranjska Gora,
Slovenia

The principal activities of HTP Gorenjka are hotels
and tourism.

The following operated within the company in 2003:
Larix Hotel; Prisank Hotel until the end of the first
quarter and, after completion of renovation in
December, Prisank Grand Hotel; Garni apartments,
later renamed Vitranc Apartments; and Bor restaurant
(leased until November). The "Dom na Vitrancu"
hostel was either closed or leased. Total hotel facilities
were 455 beds at the beginning of the year and 545
beds at the end of the year, representing some 40% of
all hotel facilities in the Kranjska Gora municipality,
private rooms and apartments excluded.

A major event in 2003 was the SIT 1.5 billion
investment in the Grand Hotel Prisank.

The investment project commenced at the end
of March, when the old hotel was pulled down;
the newly constructed hotel opened its doors already
on 5 December. Capital of the company was increased
in order to enable realisation of investment and to
consolidate the company's financial position.

**After the takeover of the Špik Hotel in Gozd
Martuljek in 2004, the group accounts for more
than half of all hotel facilities
in the Upper Sava valley.**

Daimond Group, Šempeter pri Gorici, Slovenia

Controlling company

Daimond Trgovina in zastopanje, d. d.,
Žnidarčičeva ulica 19, SI-5290 Šempeter pri Gorici,
Slovenia

The principal activities of the group are: wholesale
and retail trade including imports and foreign
exchange transactions. Being itself part of the group,
the Daimond company is also a parent company and
thus required to prepare its own consolidated
financial statements. 2003 was successful for the
Daimond Group, as it managed to substantially
increase both total revenues and net profit.

2003 was marked also by investments in the total
value of SIT 1.3 billion, of which investments
in capital of local and foreign companies, made
together with Hit, represented over 80%.

Hit Coloseum, Sarajevo, Bosnia and Herzegovina

Company

Hit Coloseum, Društvo sa ograničenom odgovornošću za ugostiteljstvo i turizam, d. o. o. Sarajevo, Terezije bb, KSC Skenderija, PP 497, 71000 Sarajevo, Bosnia and Herzegovina

The principle activities of the company are the organisation of special games of chance and restaurants. The company began regular operation, i.e., organising special games of chance, on 18 July 2002.

The Coloseum Club, managed by Hit Coloseum company, is the largest gaming and entertainment centre in Bosnia and Herzegovina. It offers 8 gaming tables and 80 slot machines, as well as a self-service and an à la carte restaurant that can seat 120 guests.

The Coloseum Club is situated in Skenderija, a commercial district in the centre of Sarajevo, and covers more than 2,500 square meters, of which 1,500 are intended for guests.

After the entertainment centre expanded its services in 2003, it has become the central entertainment point, as well as the venue for major cultural events and shows in Sarajevo.

Hit Montenegro, Pržno, Montenegro

Company

Hit Montenegro, d. o. o., Pržno, Montenegro

The principal activities of the company are hotels, restaurants and the organisation of games of chance. In addition to these activities, the company registered other activities, such as retail sale, activities related to real estate management and others.

In terms of operations, the financial year 2003 was not yet regular for Hit Montenegro: at the beginning of the year, the Maestral Hotel was inoperative due to Phase I renovation, works enabling its temporary operation in the summer season, and preparations for Phase II.

The period between March and May was dedicated to preparations of the Maestral Hotel for the 2003 season. After having obtained the building permit and prepared the site for construction, work commenced in the second half of September. By the end of the year, 15% of all work was completed. Phase II was completed in June 2004, when the Maestral tourist and entertainment resort welcomed its first guests.

Due to renovation, the hotel was open only 143 days in 2003, i.e., from 1 May to 20 September, whilst hotel rooms were available to guests only 112 days, i.e., from 1 June to 20 September.

After completion of investment work, the Maestral tourist and entertainment resort is the largest and the most well-rounded tourist resort in the Southern Adriatic region.

Casino Kobarid, Kobarid, Slovenia

Company

Casino Kobarid, igre na srečo in gostinstvo, d. d.,
Postaja 4, SI-5216 Most na Soči, Slovenia

The principal activity of the company
is the organisation of special games of chance.

Casino Kobarid was entered in the court register
on 11 April 2003. It operates the Aurora gaming
and entertainment centre in Kobarid, which opened
its doors on 30 July 2004. The financial year 2003 was
thus not yet regular for the company.

HIT Netherlands Antilles, island of Bonaire, the Netherlands Antilles

Company

Hit Netherlands Antilles N.V., J.A. Abraham Blvd. 80,
Kralendjik, Bonaire, Netherlands Antilles

The principal activity of the company
is the organisation of special games of chance.
It began regular operation (Casino Caribes)
in November 2001. The firm ceased operations
on 30 September 2003, and sold its assets in 2004.

Whether the company shall continue operations
will be decided in 2004.



*"I like to forget
about the world,
because then the
world forgets about
me for a moment."*



*"I only hear the sound of the waves,
see the seagulls, touch the smooth
stones. Feels good. Piling up stones to
form a tower, I pull myself together.*

And I'm breathing ...

*Late afternoon finds me picking up
shells along the beach, playing ducks
and drakes, and laughing at fat fish.*

Boo, fish! I'm off to dinner!"

Managing entertainment in an unobtrusive way. Constantly offering not only more entertainment, but also new types of entertainment. Investing in knowledge. Welcoming whomever opens the door to our world as a unique and unrepeatable guest of ours. Having decided to treat each guest separately, we have opted for the most demanding guests. Because the most demanding guests will only be satisfied by the best.

Current investments and development plans

2004 will be a pivotal year for both the Hit Group as well as for the controlling company Hit, as it will mark 20 years since the entrance into the gaming business. After 20 years of gaming development, the Hit Group has become one of the most important agents behind Slovenian tourism, and current and planned investments will further consolidate this position. Hit Group will continue to strongly support the development of the local and national economy.

The group will build its future on gaming and entertainment activities, upgraded with a comprehensive range of tourist services related to contemporary styles of leisure time management.

The Maestral tourist and entertainment resort in Montenegro, Hit's biggest investment abroad, was completed in June 2004, the new Aurora Gaming and entertainment centre was opened in Kobarid on 30 July, in November the Dama slot hall in Gornja Radgona on the Austrian border will be opened. Hit will commence renovation of the Park gaming and entertainment centre in Nova Gorica at the end of the year, and plans are prepared for the construction of a new gaming and entertainment centre in Šentilj on the Austrian border.

Due to the fast development of the Hit Group and the increasingly wider range of services provided, a new corporate image will be introduced by the end of 2004, aimed at increasing brand recognition.

In accordance with the development strategy, the controlling company Hit will become one of the leading European companies in the gaming industry. The company intends to achieve this by expanding and upgrading operations both in Slovenia and abroad. The basic strategic project remains the development of Nova Gorica as an entertainment destination within the broader tourist destination of the Goriška region. However, this will not be realisable without adequate development incentives, defined by the government in its Strategy of Slovenian Tourism 2002 - 2006.

In addition to core gaming and tourist activities, Hit will continue developing technological products for the gaming and entertainment industry.



Maestral Resort & Casino, Montenegro - opened on 4 June 2004

- 16,000 square meters of hotel areas, 14,000 square meters of outside areas
- 171 rooms, 9 suites
- casino, 102 slot machines, 11 gaming tables
- 160 newly employed persons
- investment value: EUR 33 million



Aurora Gaming and Entertainment Centre, Kobarid - opened on 30 July 2004

- 120 slot machines, 10 gaming tables
- 60 newly employed persons
- investment value: SIT 1.8 billion



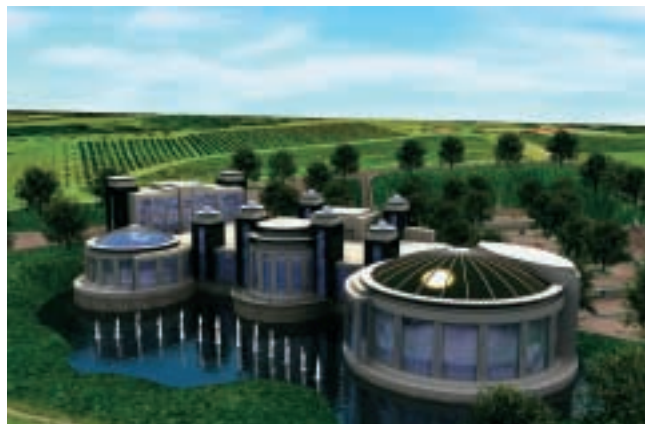
Dama Slot Hall, Gornja Radgona - opening planned for November 2004

- 90 slot machines
- 20 newly employed persons
- investment value: SIT 520 million



Renovated Park Gaming and Entertainment Centre, Nova Gorica - commencement of works in January 2005, completion in December 2005

- 650 slot machines, 35 gaming tables
- 86 hotel rooms
- 2 restaurants
- entertainment theatre
- investment value: SIT 4.5 billion



Šentilj Gaming and Entertainment Centre, Šentilj - commencement of construction in 2005, completion in 2006

- 600 slot machines, 18 gaming tables
- 80 hotel rooms
- entertainment theatre with 1,000 seats
- 2 restaurants
- 300 newly employed persons
- investment value: SIT 9.5 billion



HIT Racing Team

The Hit Group is aware of the fact that the contemporary economy is one of brands, where companies with recognisable and reputable brands achieve better results in the long run. The competition is increasingly imitating us, therefore we search for new ways of communication.

For this reason, we have decided to participate in the Ferrari Challenge Cup for three years with our own team and Nina Jerančič as the only female racer. This will enable us to develop tighter relationships with Ferrari, one of the most recognisable, prestigious and popular brands world-wide. This co-operation, which will enhance the image and recognition of our brand, started back in 1998, when we purchased Michael Schumacher's race suit at an auction, continued in 2002 with a visit by Rene Aronoux and exhibition of F1 racing cars at the Perla, and was crowned in 2003 with the widely followed charity football match "Good Ball", in which Michael Schumacher also took part.



*"With years,
you recognise
new nuances
easily and enjoy
them more."*



What will they like? What will their wishes be?
The company that knows the answers to these questions will remain ahead. The ability to anticipate wishes and fulfil them - even before guests have expressed them - is not a rare and miraculous attribute, but a necessary skill for success. For this reason, we put our knowledge, professional approach and entrepreneurial spirit into the development of a top-quality and widely accessible product - for the enjoyment, relaxation and entertainment of our guests.

We have interwoven games and supporting services into a single product to offer our guests a richer leisure experience.

So: What will they like today,
what will their wishes be today? Whatever.

*"We feel how moments become alive-
like the flap of a butterfly's wings,
the glint of sun on water-and they are
already gone. Yet some of them will be
etched forever onto our memories.
We'll know where to look for them,
and find them easily."*

Relations with the broader social environment

Our business has a significant incremental effect on the economic strength of regions in which we operate and on the Slovenian economy in general. Apart from direct developmental effects, Hit alone contributed to local and state budgets SIT 11.6 billion in the form of gaming taxes or, considering also other contributions, as much as SIT 21.5 billion.

The Hit Group supports numerous community activities through sponsorships and donations, whereby the main stress is on sports and culture. Among others it supported the twelfth season of the Hit Muses concert cycle, which took place at the Dobrovo castle, and the fifteenth Kogoj's Days in Kanal. It has also contributed to the cultural creativeness of the Kobarid and Gorica museums and, for many years in a row, to the cultural activities of the Slovenes living abroad in Italy.

Hit is the leading sponsor of the Slovenian 2003/2004 champion, the Gorica football club of Nova Gorica. A large portion of sponsorship money was allocated to the football school of the Young Football Player Club of Nova Gorica with more than 400 young participants. The company also contributed to the Slovenian champion, the female Hit volleyball club, the cycling club Hit Casino Nova Gorica, the Gorica basketball club, the tennis club, the chess club, the athletics club Gorica, the kayak club of Soške elektrarne, and the table tennis club.

Hit was the main Slovenian sponsor of two world cup events in alpine skiing, the Vitranc Cup in Kranjska Gora. It has sponsored the Jesenice and Kranjska Gora hockey clubs for many years.

Hit is also an important player in terms of systematic financing of sports foundations and foundations for the disabled. Furthermore, it continued supporting associations that bring together persons suffering from severe illnesses (asbestos patients' association, cancer patients' association, kidney patients' association).



Taxes and duties paid by Hit, d. d. in 2003

in SIT billion

	2002	2003	Index
Gaming tax	5.3	5.9	112
Concession duties	5.6	5.7	101
Total gaming tax and concession duties	10.9	11.6	106
Total taxes and duties (gaming tax, concession duties, tax on profit, non-deductible input VAT, other taxes, contributions, fees, etc.)	19.9	21.5	108

Institutional conditions for conducting business

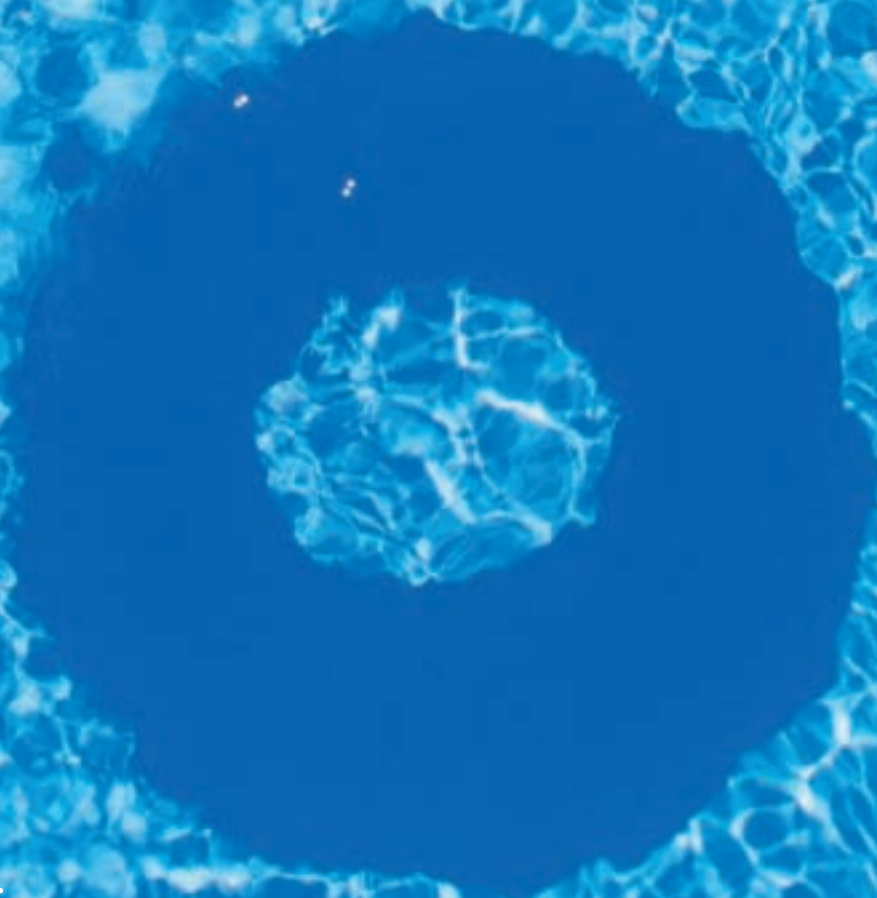
The Strategy of the Development of Gaming in Slovenia 1997 and the Strategy of Slovenian Tourism 2002 - 2006 provide a strategic framework for the Slovenian gaming and tourism industry.

More specific issues concerning gaming and entertainment are regulated by the Gaming Act and the Gaming Tax Act.

In these documents, the government proclaimed entertainment tourism as one of the most important development opportunities of the Slovenian tourism and economy. A necessary prerequisite for both is development of a high-quality and concentrated entertainment product, to be regulated by the government by means of adequate tax legislation and through selective granting of gaming concessions to casinos and slot halls.

However, developments in the gaming industry in the last year show that government institutions are not respecting the set strategies and are granting concessions to numerous small slot halls, therefore not contributing towards the desired concentration of entertainment product, but rather encouraging development of geographically-dispersed facilities without any significant positive micro- and macroeconomic effects. Such trends lead to a lack of transparency in the structure of the gaming industry, which may cause problems in justifying such a system within the European Union.

The present taxation policy does not enable strategic investments in entertainment tourism infrastructure as set out in the Strategy of Slovenian Tourism 2002 - 2006, and Hit has therefore prepared several draft amendments in 2004 and presented them to the Ministry of Finance.



*"Will we visit
again?"*



*"My friend and I are swimming,
sliding down the slide, chasing each
other, splashing around ...
All of a sudden I'm a little kid again,
carefree and relaxed.
I enjoy swimming in the waves,
giving way to my feelings.*

*Sometimes I feel I've got
hold of a new memory.
At night, I fall asleep immediately.*

*I like mornings best,
when everything starts anew."*

Our objective, as well as our reward, are not merely satisfied guests, but those so satisfied that they will return again and again. For twenty years now we have been trying to anticipate their wishes, make their dreams come true, and above all - entertain them. For this reason, we have expanded our services so as to reach one and all: individual guests and families, young and mature people. We want to and must satisfy them all. Moreover, we must surprise them time after time. In this, we are constantly improving. That we are on the right road is demonstrated by the growth of our capacities and the increase in the number of returning guests. Very satisfied guests.

Income statement of the Hit Group for the financial year ended 31 December 2003		
	2003	2002
(in 000 SIT)		
Net sales revenues	40,675,024	36,507,880
Capitalised own products and/or services		1,617,970
Operating expenses from revaluation and other operating expenses	469,065	318,684
Gross operating revenues	41,144,089	38,444,534
Operating expenses	(37,076,792)	(35,944,959)
Costs of goods, materials and services	(12,283,363)	(12,839,981)
Costs of goods and materials sold and materials used	(5,035,267)	(4,511,711)
Costs of services	(7,248,096)	(8,328,270)
Labour costs	(14,718,781)	(13,816,239)
Costs of wages and salaries	(10,056,099)	(9,556,739)
Social security costs	(3,024,705)	(2,775,713)
- Pension insurance costs	(1,587,185)	(1,542,543)
- Other social security costs	(1,437,520)	(1,233,170)
Labour costs arising from revaluation	(328,535)	(329,287)
Other labour costs	(1,309,442)	(1,154,500)
Amortisation expenses	(3,827,396)	(3,315,457)
Amortisation expenses and operating expenses from revaluation of fixed assets	(3,611,227)	(3,120,112)
Operating expenses from revaluation of operating current assets	(216,169)	(195,345)
Other operating expenses	(6,247,252)	(5,973,282)
Operating profit or loss	4,067,297	2,499,575
Financial revenues	1,205,985	857,475
Financial revenues from shares	133,939	103,389
Other financial revenues from shares	133,939	103,389
Financial revenues from long-term and short-term receivables	1,072,046	754,086
Interest revenues and revenues from receivables due from associates	5,781	7,149
Other interest revenues and revenues from short-term receivables	1,066,265	746,937
Financial expenses	(1,742,277)	(1,220,761)
Financial expenses from long- and short-term investment write-offs	(32,811)	(129,811)
Financial expenses from revaluation of investments in associates	(2,460)	(208)
Other financial expenses from revaluation	(30,351)	(129,603)
Interest expenses and financial expenses for other liabilities	(1,709,466)	(1,090,950)
Other interest expenses and financial expenses for other liabilities	(1,709,466)	(1,090,950)
Net profit or loss from ordinary activities	3,531,004	2,136,289
Extraordinary revenues	705,009	217,115
Extraordinary expenses	(29,628)	(32,324)
Extraordinary expenses less expenses for capital revaluation adjustment	(29,628)	(32,324)
Profit or loss from extraordinary activities	675,381	184,791
Income tax	(1,007,315)	(255,164)
NET PROFIT OR LOSS FOR THE PERIOD	3,199,069	2,065,916
Thereof: net profit of minority shareholders	630,207	62,618
Thereof: net profit of majority shareholders	2,568,862	2,003,298

Balance sheet of the Hit Group for the financial year ended 31 December 2003

	31 Dec 2003	31 Dec 2002
(in 000 SIT)		
Assets	49,927,279	46,802,393
Fixed assets	36,057,677	37,678,586
Intangible fixed assets	2,410,787	1,946,611
Deferred operating costs	32,843	110,516
Concessions, patents, licences, trademarks and other rights	1,978,155	1,594,538
Advances for intangible fixed assets	358,035	0
Consolidated goodwill	21,158	28,211
Other intangible fixed assets	20,596	133,936
Intangible fixed assets being acquired		79,410
Tangible fixed assets	29,399,003	28,947,923
Land and buildings	24,567,518	24,090,948
- Land	2,817,204	1,595,954
- Buildings	21,750,313	22,494,994
Manufacturing plant and equipment	160,516	172,568
Other plant and equipment	3,335,976	3,704,565
Tangible fixed assets being acquired	1,334,993	979,842
- Advances for tangible fixed assets	35,858	45,734
- Tangible fixed assets in course of construction or manufacturing	1,299,135	934,108
Long-term investments	4,247,887	6,784,052
Shares of minority shareholders in the group	0	0
Shares in associates	627,320	1,936,373
Long-term receivables from investments in associates	0	0
Other long-term shares	3,440,396	4,501,941
Investment property	8,723	8,723
Other long-term receivables from investments	171,448	337,015
Own shares	0	0
Current assets	12,614,384	7,936,909
Inventories	1,049,857	891,682
Material	259,580	264,807
Merchandise	777,012	578,221
Advances to third entities	13,264	48,654
Operating receivables	4,191,851	3,633,267
Long-term operating receivables	1,092,828	779,584
Other long-term operating receivables	1,092,828	779,584
Short-term operating receivables	3,099,023	2,853,683
Short-term trade receivables	1,261,336	1,003,962
Short-term receivables due from associates	17,722	47,471
Short-term receivables due from other entities	1,819,965	1,802,250
Short-term investments	3,851,951	1,011,157
Shares purchased for resale	604,427	132,915
Short-term investments in other entities	3,247,524	878,242
Bank balance, cheques and cash in hand	3,520,725	2,400,803
Deferred costs (expenses) and accrued revenues	1,255,218	1,186,898

Balance sheet of the Hit Group for the financial year ended 31 December 2003		
continued	31 Dec 2003	31 Dec 2002
(in 000 SIT)		
Capital and liabilities	49,927,279	46,802,393
Majority interest	23,756,460	21,594,036
Called-up capital	6,788,634	6,788,634
Share capital	6,788,634	6,788,634
Revenue reserves	7,633,983	5,385,483
Legal reserves	1,270,849	1,270,849
Other reserves	6,363,134	4,114,634
Net profit or loss from previous periods	1,820,584	2,146,225
Unappropriated share of net profit for the financial year	1,272,213	1,051,448
Capital revaluation adjustment	6,237,477	6,221,470
General capital revaluation adjustment	6,221,471	6,221,470
Specific capital revaluation adjustment	16,006	0
Translation capital adjustment	3,569	776
Minority interest	6,236,651	3,537,799
Net profit or loss of minority shareholders	630,208	62,618
Other minority interest	5,606,443	3,475,181
Provisions	1,563,232	2,637,851
Long-term provisions	1,563,232	2,637,851
Long-term provisions for grants for fixed assets	9,826	19,963
Other long-term provisions	34,765	690,646
Consolidated bad will	1,518,641	1,927,242
Financial and operating liabilities	17,652,201	17,650,884
Long-term financial liabilities	5,557,047	7,173,559
Long-term financial liabilities to banks	3,737,073	5,148,289
Long-term financial liabilities to other entities	1,819,974	2,025,270
Long-term operating liabilities	328,191	266,584
Long-term operating liabilities to other entities	328,191	266,584
Short-term financial and operating liabilities	11,766,963	10,210,741
Short-term financial and operating liabilities to associates	6,187	290
Short-term financial liabilities to banks	3,741,088	4,065,302
Short-term operating liabilities from advances	17,372	5,445
Short-term trade payables	2,307,582	1,733,366
Short-term financial and operating liabilities to other entities	5,694,734	4,406,338
Accrued costs (expenses) and deferred revenues	718,735	1,381,823

Cash flow statement of the Hit Group for the financial year ended 31 December 2003

2003

2002

(in 000 SIT)

CASH FLOWS FROM OPERATING ACTIVITIES

Inflows from operating activities	39,805,633	36,090,520
Operating revenues	40,612,730	36,737,561
Extraordinary revenues associated with operations	35,976	217,115
Opening less closing operating receivables	(774,753)	(557,953)
Opening less closing deferred costs (expenses) and accrued revenues	(68,320)	(306,203)
Outflows from operating activities	(34,930,195)	(31,547,829)
Operating expenses excluding depreciation and long-term provisions	(32,886,305)	(30,617,224)
Extraordinary expenses associated with operations	(29,629)	(48,864)
Income tax and other taxes not included in operating expenses	(1,007,315)	(243,463)
Closing less opening inventories	(158,175)	(89,476)
Opening less closing operating liabilities	(266,515)	(718,048)
Opening less closing accrued costs (expenses) and deferred revenues	(582,256)	169,246
Net cash from operating activities	4,875,438	4,542,691
CASH FLOWS FROM INVESTING ACTIVITIES		
Inflows from investing activities	2,655,759	824,752
Financial revenues associated with investing activities	133,939	824,752
Offset decrease in long-term investments	2,521,820	0
Offset decrease in short-term investments	0	1,305,579
Outflows from investing activities	(7,359,558)	(10,481,327)
Financial expenses associated with investing activities	(2,460)	(3,926,774)
Offset increase in intangible fixed assets (excluding revaluation)	(811,557)	(1,880,554)
Offset increase in tangible fixed assets	(3,704,747)	(963,385)
Offset increase in long-term investments (excluding revaluation)	0	(3,710,614)
Offset increase in short-term investments (excluding revaluation)	(2,840,794)	0
Net cash from investing activities	(4,703,799)	(9,656,575)

Cash flow statement of the Hit Group for the financial year ended 31 December 2003

continued

2003

2002

(in 000 SIT)

CASH FLOWS FROM FINANCING ACTIVITIES

Inflows from financing activities	4,696,706	6,762,215
Financial revenues associated with financing activities	1,072,046	1,332,568
Offset increase in minority interest	2,068,645	786,725
Offset increase in long-term financial liabilities (excluding revaluation)	0	4,642,922
Offset increase in short-term financial liabilities (excluding revaluation)	1,556,015	0
Outflows from financing activities	(3,751,216)	(2,276,269)
Financial expenses associated with financing activities (excluding revaluation)	(1,709,466)	(1,091,331)
Extraordinary expenses associated with financing activities	0	(105,671)
Decrease in majority interest (excluding net loss for the period)	(425,238)	(318,946)
Offset decrease in long-term provisions	0	(21,510)
Offset decrease in long-term financial liabilities (excluding revaluation)	(1,616,512)	0
Offset decrease in short-term financial liabilities	0	(738,811)
Net cash from financing activities	945,490	4,485,946
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	3,520,725	1,095,224
Net increase/decrease in cash and cash equivalents	1,117,129	(627,938)
Exchange rate differences from translation	2,793	(29,919)
Opening balance of cash and cash equivalents	2,400,803	1,753,081

*Auditor report
to the owners of HIT, d.d., Nova Gorica
(Translation from the original).*

We have audited the accompanying consolidated balance sheet of the Group HIT hoteli, igralnice, turizem d.d., Delpinova 7a, Nova Gorica (hereinafter the Group HIT d.d., Nova Gorica, or the controlling company), as at 31 December 2003, and the related: consolidated profit and loss account, consolidated statement of cash flow and consolidated statement of changes in equity for the year then ended, as well as the notes thereto. We have also audited the consolidated business report of the controlling company's management. These financial statements and the consolidated business report are the responsibility of the controlling company's management.

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the subsidiary companies Daimond, Trgovina in zastopanje d.d., Šempeter pri Gorici, and HTP GORENJKA d.d., Kranjska Gora, whose assets constitute 15% and 11% respectively of the total assets of the Group HIT d.d., Nova Gorica, as at 31 December 2003, and revenues from ordinary activities 11% and 2% respectively of the total revenues from ordinary activities of the Group HIT d.d., Nova Gorica, in the year then ended. These financial statements were audited by two other auditors: BDO EOS Revizija d.o.o., Ljubljana, and KPMG SLOVENIJA d.o.o., Ljubljana, whose reports have been furnished to us. Our opinion, insofar as it relates to the amounts, included for the subsidiary companies Daimond, Trgovina in zastopanje d.d., Šempeter pri Gorici, and HTP GORENJKA d.d., Kranjska Gora, is based on the reports of these other auditors.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion on the financial statements.

In our opinion, the consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Group HIT hoteli, igralnice, turizem d.d., Delpinova 7a, Nova Gorica, as at 31 December 2003, and the results of its operations and changes in equity for the year then ended in accordance with Slovenian Accounting Standards.

The consolidated business report is consistent with the audited consolidated financial statements.

Without expressing a qualified opinion, we shall draw attention to the notes to the financial statements. As at 31 December 2003, the Group presented under its short-term operating liabilities SIT 876,273 thousand of liabilities, originally recognised in the books of account of the controlling company for the years 1991, 1992 and 1993. The legal basis for the recognition of such liabilities remains doubtful until the Supreme Court of the Republic of Slovenia decides on the pending dispute between the company and the Agency of the Republic of Slovenia for the Audit of Ownership Transformation of Companies regarding the liabilities for salaries contained in the 1993 financial statements.

Ljubljana, 29 April 2004

Deloitte & Touche revizija d.o.o., Ljubljana

Signed:

Alenka Podbevšek
Director/Partner

Jelka Blejec
Certified Auditor



REVIZORJEVO POROČILO

lastnikom družbe HIT d.d. Nova Gorica

Revidirali smo priloženo skupinsko bilanco stanja skupine HIT hoteli, igralnice, turizem d.d., Delpinova 7a, Nova Gorica (odslej skupina HIT d.d., Nova Gorica ali obvladujoča družba) z dne 31. decembra 2003 ter z njo povezane: skupinski izkaz poslovnega izida, skupinski izkaz finančnega izida, skupinski izkaz gibanja kapitala in priloženo k tem izkazom, za tedaj končano leto. Pregledali smo tudi konsolidirano poslovno poročilo posloводства obvladujoče družbe. Za te računovodske izkaze in za konsolidirano poslovno poročilo je odgovorno posloводство obvladujoče družbe. Naša naloga je na podlagi revizije izraziti mnenje o teh računovodskih izkazih. Nismo revidirali računovodskih izkazov podrejene skupine Daimond, Trgovina in zastopanje d.d., Šempeter pri Gorici in odvisne družbe HTP GORENJKA d.d., Kranjska Gora, katerih sredstva skupaj znašajo 15 % in 11 % sredstev skupine HIT d.d., Nova Gorica na dan 31. decembra 2003, in redni prihodki 11 % in 2 % vseh rednih prihodkov skupine za tedaj končano poslovno leto. Te računovodske izkaze sta revidirali drugi revizijski družbi: BDO EOS Revizija d.o.o., Ljubljana in KPMG SLOVENIJA d.o.o., Ljubljana, katerih poročila o revidiranju smo pridobili. Naše mnenje, v kolikor se nanaša na zneske, vključene za podrejeno skupino Daimond, Trgovina in zastopanje d.d., Šempeter pri Gorici in za odvisno družbo HTP GORENJKA d.d., Kranjska Gora, temelji na poročilih teh drugih revizijskih družb.

Revizijo smo opravili v skladu z mednarodnimi standardi revidiranja. Ti zahtevajo od nas načrtovanje in izvedbo revizije za pridobitev primernega zagotovila, da računovodski izkazi ne vsebujejo bistveno napačnih navedb. Revizija vključuje preizkuševalno preverjanje dokazov o zneskih in razkritjih v računovodskih izkazih. Revizija vključuje tudi presojanje uporabljenih računovodskih načel in pomembnih ocen posloводства ter ovrednotenje celovite predstavitve računovodskih izkazov. Prepričani smo, da je naša revizija primerna podlaga za naše mnenje o računovodskih izkazih.


Po našem mnenju so skupinski računovodski izkazi s priloženo iz prvega odstavka v vseh pomembnih pogledih resnični in poštena predstavitev finančnega stanja skupine HIT hoteli, igralnice, turizem d.d., Delpinova 7a, Nova Gorica na dan 31. decembra 2003, poslovnega izida njenega posloovanja ter gibanja kapitala v tedaj končanem letu, v skladu s slovenskimi računovodskimi standardi.

Konsolidirano poslovno poročilo je skladno z revidiranimi skupinskimi računovodskimi izkazi.

Ne da bi v svojem mnenju izrazili pridržke, opazujemo na pojasnila k računovodskim izkazom. Skupina izkazuje na dan 31. decembra 2003 med kratkoročnimi poslovnimi obveznostmi za 876.273 tisoč SIT obveznosti, izvimo pripoznanih v poslovnih knjigah obvladujoče družbe v prejšnjih letih 1991, 1992 in 1993. Pravna podlaga za pripoznanje teh obveznosti je dvomljiva, zato bo za razrešitev bistvenega pomena pričakovana odločba Vrhovnega sodišča Republike Slovenije v še nezaključenem sporu med družbo in Agencijo Republike Slovenije za revidiranje lastninskega preoblikovanja podjetij, o obveznostih za obračunane plače po zaključnem računu za leto 1993.

Ljubljana, 29. april 2004

Deloitte & Touche revizija d.o.o., Ljubljana


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