



SLOVINTEGRA

CONSOLIDATED ANNUAL REPORT



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BRATISLAVA, JUNE 2007





The board of directors of Slovintegra, a. s.

INDEPENDENT AUDITOR'S REPORT FOR SHAREHOLDERS OF SLOVINTEGRA, A. S., BRATISLAVA.

We have audited the accompanying consolidated financial statements of SLOVINTEGRA, a. s. (the "Company"), which comprise the balance sheet as at 31 December 2006, the statement of income, cash flow and changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of Directors' Responsibility for the consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Slovak Act on Accounting. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of SLOVINTEGRA, a. s. as of 31 December 2006, and of the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Bratislava July 17, 2007

EKOGE s. r. o.
Pekná cesta 19, 831 05 Bratislava
Company register, Oddiel: Sro, Vložka č. 9037/B
License SKAU 210


Ing. Gampe Marta
Responsible Auditor
License SKAU 96

1. ACTIVITIES OF THE GROUP IN 2006

In 2006 the company commenced what was to be the second decade of its existence. 2006 was an important year for the company due to the implementation of the new strategic plans adopted at the May 2006 General Meeting. In accordance with this strategy, the main attention was paid to financial investments. In cooperation with renowned banks, such as Bangué Privé Edmond De Rothschild Europe, BNP Paribas AM, Morgan Stanley Private Wealth Management among others, several investment funds were established, which are set to manage financial investments for some 5 – 8 years. Although these funds have literally existed for less than a year, it goes without saying that they meet the expectations from the aspect of achieved yields, portfolio diversification, and the protection of capital. In spite of relatively extensive drops on the world's financial markets, in May and June 2006 the funds reached the estimated yields. Regarding financial investments, the results were negatively affected by the exchange losses which arose from the relatively significant and unexpected strengthening of the Slovak Crown at the end of 2006 compared to leading world currencies, particularly the EUR and the USD where a major part of the financial investments is allocated.

2006 was the year the company entered a new business area, namely the energy industry. The

new subsidiary, SlovinTEGRA Energy – instigated the construction of a combined steam-gas ring network with an output of 85 MWh. in the Levice Industrial Park in May 2006. Completion of the construction and commissioning is scheduled for May 2007.

In 2006, the company continued in its efforts to implement a Medical centre project aimed at preventive health safeguards, diagnostics and one-day surgery. The first marked success achieved pertaining to the efforts in this area led to a building permit being obtained and building work itself commencing by the end of the year.

Generally, 2006 may be deemed successful, in particular due to the company successfully starting new development programs concerning financial investments, the energy industry and the health service. Successful implementation of these new projects will bring new added value for the shareholders in the future, resulting in an increase in the equity and the corresponding payment of dividends.

In the next following epoch, the company's effort will be aimed at the development of the current portfolio of previously commenced business activities and the search for new lucrative business opportunities with the aim of creating new values for our shareholders and the company.

2. CONSOLIDATED GROUP

Parent Company

SLOVINTEGRA, a. s., of Jašíkova 2, 821 03 Bratislava, is a joint-stock company (hereinafter referred to as the “Company”), established on February 27, 1995 and registered in the Commercial Register of the Slovak Republic on April 06, 1995. The Company’s consolidated financial statements for the year ending December 31, 2006 have been prepared for the Company and its subsidiaries (hereinafter referred to as the “Group”).

The figures in the financial statements are given in SKK thousand. The Slovak Crown is the currency in which most transactions are carried out and cleared.

In 2006, the Company employed 5 employees on average, including 1 manager.

Subsidiaries

Name and seat:

Trenčianske minerálne vody, a. s.,
Jašíkova 2, 821 03 Bratislava,
Slovak Republic

Scope of activities:

Tapping natural mineral water and the production of non-alcoholic beverages

Reg. No.: 35 86 71 59

Ownership interest: 76 % up until March 2006,
100 % from April 2006

Number of employees: 39, including 3 managers

Name and seat:

GRANITOL, a. s.,
Partyzánska 464, 793 05 Moravský Beroun,
Czech Republic

Scope of activities:

- Manufacture of products made of plastic and films
- Metal working
- Locksmithery
- Installation, repair, maintenance of selected electrical equipment

Reg. No.: 00 01 21 14

Ownership interest: 100 %

Number of employees: 384, including 16 managers

Name and seat:

PORTFIN, o. c. p., a. s.
– broker with securities,
Jašíkova 2, 821 03 Bratislava,
Slovak Republic

Scope of activities:

- Main investment activities
- Supplementary investment activities

Reg. No.: 35 87 35 31

Ownership interest: 100 %

Number of employees: 5, including 3 managers

Name and seat:

Microline Enterprise Limited,
8 Gregory Afxentiou Avenue, EL.PA.Livadiotis,
Office 401, 6023 Larnaca, Cyprus

Ownership interest: 100 %

In 2006 the company performed no activities and had no employees.

Name and seat:

Sunpalm Enterprise Limited,
EL.PA.Livadioti, Flat/office 401, 6023 Larnaca,
Cyprus

Ownership interest: 100 % from 12. 5. 2006

In 2006 the company performed no activities and had no employees.

Name and seat:

GEOSAN GAMA, s. r. o.,
Šancová 48, 811 05 Bratislava,
Slovak Republic

Scope of activities:

Engineering activities, procurement activities in the construction industry, construction industry consultancy, procurement activities connected with the management and leasing of real estate, real estate agency

Reg. No.: 35 94 71 01

Ownership interest: 50 % ownership interest up until June 2006

Number of employees: 0

Name and seat:

GasTrading, s. r. o.,
Šafárikova 1, 934 01 Levice,
Slovak Republic

Scope of activities:

Gas supply, gas distribution

Reg. No.: 36 28 58 71

Ownership interest: 50 % ownership interest up until December 2006

Number of employees: 1

Name and seat:

SLOVINTEGRA ENERGY, s. r. o.,

Šafárikova 1, 934 01 Levice, Slovak Republic

Scope of activities: Retail, mediation of trade, services, and manufacture to the extent stipulated in its free trading license

Reg. No.: 35 96 84 86

Ownership interest: 67 % ownership interest up until June 2006

Number of employees: 3, including 1 manager

Name and seat:

SI DEVELOPMENT, s. r. o.,

Jašíkova 2, 821 03 Bratislava, Slovak Republic

Scope of activities: Engineering activities, procurement activities in the construction industry, consulting in the construction industry, procurement activity connected with management and leasing of real estate, real estate agency

Reg. No.: 36 28 73 26

Ownership interest: 100 % ownership interest up until April 2006

Number of employees: 0

Názov a sídlo:

SI REAL, s. r. o.,

Jašíkova 2, 821 03 Bratislava, Slovak Republic

Scope of activities: Engineering activity, procurement activity in the construction industry,

construction industry consultancy, procurement activities connected with the management and leasing of real estate, real estate agency

Reg. No.: 36 29 27 88

Ownership interest: 100 % ownership interest up until April 2006

Number of employees: 0

Name and seat:

SI MEDICAL, s. r. o.,

Jašíkova 2, 821 03 Bratislava, Slovak Republic

Scope of activities:

– leasing of real estate – procurement activity

Reg. No.: 36 68 04 78

Ownership interest: 100 % ownership interest up until September 2006

Number of employees: 0

Name and seat:

MULTIWORLD – Absolute One

Ownership interest: 97,31 %

Name and seat:

Opti – Growth – First Optimal Growth

Ownership interest: 99,9936 % ownership

interest held by Slovintegra, a. s.,

00,0064 % ownership interest held by Portfin,

o. c. p.

3. ACCOUNTING RULES

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (hereinafter referred to as “IFRS”) adopted by the International Accounting Standards Board, which had been published as IAS until 2002.

The consolidated financial statements of the Group include the financial statements of the parent company and the subsidiaries.

The financial statements are prepared on the principle of historical costs, with the exception of assets and liabilities which are given in their real value, namely the derivative financial tools, marketable securities, securities available for sale, and investment into real estate.

The financial statements are based on the accounting records kept according to Slovak legislation and reflect certain adjustments and reclassifications in order for the financial statements to be in compliance with the IFRS. The accounting rules which are stated herein below have been applied on a consistent basis for all periods presented in these financial statements and the opening balance sheet according to the IFRS, prepared as of the date of transition, January 1, 2004, for the purpose of transformation to the IFRS. These

rules were applied on a consistent basis in the independent companies included in the Group.

Subsidiaries

These are the companies which are controlled by the Company. Control exists if and when the Company has the power to manage, directly or indirectly, financial and operational rules in order to achieve benefits from its activities. In reviewing control, the voting rights which may be exercised are taken into consideration. The financial statements of the subsidiaries are included in the consolidated financial statements from the date of commencement of the control until the date the control concludes. All inter-company transactions, balances, costs and revenues are eliminated.

Accounting the Revenues

Revenues are evaluated at the real value of the acquired counter-value or receivables and represent the amounts which are obtained for supplies of products and services in normal business conduct. The revenues are the given net of discounts, VAT or any other commercial taxes (excise tax). The revenues for supplies are entered at the moment of delivery of the products and the passing of the title thereto (the right to dispose thereof).

Foreign Currency

Transactions in foreign currencies are converted by the exchange rate on the date of the transaction. Any exchange rate differences arising are cleared to the expenses or revenues in the consolidation statement. As of the date of the balance sheet, the financial items of the assets and liabilities denominated in the foreign currency are converted into Slovak Crowns by the exchange rate quoted by the National Bank of Slovakia, applicable on the date of the balance sheet. Any non-actual profits and losses due to movements in the exchange rates are fully cleared in the consolidation sheets.

Foreign establishments include foreign subsidiaries and affiliates. Their assets and liabilities were converted to SKK by the exchange rate quoted by the National Bank of Slovakia, applicable on the date of the balance sheet. The expenses and revenues of the foreign establishments are converted to SKK by average exchange rates quoted by the National Bank of Slovakia for the given period. Any exchange rate differences in converting the foreign establishment's data are entered in the equity as reserves from conversion and are shown in the revenue sheet upon the sale of the subsidiary or affiliate.

Social Security and Pension Schemes

The Company pays contributions to the statutory health, social, and pension insurance funds and contributions to the Employment Fund from the gross payroll, according to the rates applicable for the relevant year. The expenses for social insurance are shown in the revenue sheet in the same period as the corresponding payroll. The Company has no obligation to pay any contributions to these funds from the gross payroll above the statutory limit.

Expenses on Loans

All expenses on loans are stated in the revenue sheet.

Income Tax

Income tax is paid from the profit at a rate of 19 % after adjustments, i.e. less deductibles, based on the tax base.

The deferred tax is calculated by means of the obligation method on all temporary differences between the tax and the book value of the assets and liabilities. The deferred tax is calculated to an amount equal to the rate expected for the period when the assets are to be executed or when the obligation is settled. The deferred tax is entered in the consolidation sheets, except for

cases when it applies to items which are entered in the equity accounts. The applicable income tax rate as of January 1, 2006 is 19 % (from January 1, 2005: 19 %). The main temporary differences for the purposes of the deferred tax arise from the differences between the book and tax depreciations, from the differences between the recognized leasing for the income tax and the moment of accounting thereof, from the non-implemented exchange rate differences which have been fully recognized for tax purposes only since 2005 (according to the Slovak Income Tax Law). The deferred tax is also calculated on any temporary differences which arise in investments into subsidiaries and affiliates, except for the cases when the accounting of the temporary differences is under control and the temporary differences shall be cleared in the near future.

Non-current Tangible and Intangible Assets

a) Assets in Ownership

Land, buildings, and equipment are appraised in the acquisition costs. Such costs include the price for the acquired assets and additional costs upon acquisition, such as e.g. freight, installation and customs duties. Buildings and equipment manufactured by the Company are appraised by the costs for direct material, direct works, and overhead costs.

The non-current tangible and intangible assets are depreciated to the costs in the revenue sheet by means of a linear method during the estimated lifetime. Non-current intangible assets which have an indefinable lifetime are not depreciated. Land is not depreciated. The estimated lifetimes according to the main groups of the non-current tangible assets are:

Buildings, constructions	20 – 30 years
Machines, equipment, vehicles	4 – 20 years
Long-term intangible assets	4 – 5 years

In accordance with the IAS 36, up until the date of the financial statements, an appraisal is prepared in order to ascertain as to whether or not the value of the assets is reduced. Any discovered losses from reduced value are immediately entered in the consolidation sheets. The interest rate applied in calculation of the current value of the future cash flows in determining the use value is the rate deemed reasonable from the aspect of the Company in the Slovak economic environment.

Non-current assets which are under construction and are determined in the future as investments into real estate are entered – up until the point of completion – to an amount equal to the acquisition costs on the account of

investments in progress. Upon completion, they are reclassified in the investments account as real estate and are appraised in real value.

However, any expenses incurred for the replacement of a component forming a part of an asset which is itemised separately, including the expenses for general haulage and large inspections, are capitalized. Any other expenses following the date of acquisition are allocated to the book value of the assets only in the event that any future usufruct is expected, when compared to the original amount. Any other expenses are itemised in the consolidation sheets.

b) Leased Assets

Leasing is always classified as financial leasing when all risks and benefits of the ownership are transferred to the lessee according to the terms and conditions of the contract. Any other kind of leasing is classified as operative leasing. Any assets and liabilities acquired under financial leasing are entered as the lowest extent of the real value on the date of acquisition and the current value of the minimum leasing installments. The financial expenses representing the difference between the aggregate obligation from the financial leasing and the

real value of the acquired property are entered in the revenue sheet during the term of leasing by applying the implicit interest rate.

Non-current Assets Acquired for Sale

The non-current assets classified as being acquired for sale are appraised by the lower book value and the real value (less the costs on sale).

Goodwill

Any goodwill arising in consolidation represents the excess of the acquisition costs on the investment over the share of the identifiable assets and liabilities of the subsidiaries and affiliates to the real value. The goodwill is entered as assets and is appraised at least once in a year in respect of drops in value. A loss from the drop in value is immediately entered in the revenue sheet and is not re-accounted. In the case of the sale of a subsidiary or affiliate, the goodwill is shown in the consolidation sheet as a part of the revenues from sale.

Investments

a) Investments into Bonds and Property Securities

The investments into securities are entered on the date of transaction and are primarily

appraised by acquisition costs. The bonds held until their maturity are appraised in amortization costs and are appraised in respect of the drop in value which reflects the non-returnable amounts.

Any other investments are classified as marketable or available for sale. Such investments are appraised to their real value. The real value means their quoted value as of the date of the balance sheet. Any gains and losses from the marketable securities are entered in the consolidation sheet. Any gains and losses from the securities available for sale are entered in the equity on the account of adjustments to assets.

b) Investment into Real estate

Any investment is given in its real value determined on an annual basis according to the appraisal prepared by an independent expert. The real value is based on current prices in the active market for similar items in the same location and under the same conditions. Any gains and losses from the change in real value are entered in the consolidation sheet.

Trade and Other Receivables

Trade and other receivables are shown in their nominal values. The value thereof is reduced

by an adjustment made to the estimated amount, if it is expected that it will not be collected.

Derivative Financial Tools

The Group exploits derivative financial tools for the purpose of hedging against the risks from changes in foreign currencies and interest rates which arise in its operational, financial, and investment activities. In accordance with its corporate rules, the Group does not issue any derivative financial tools for trading purposes. In spite of that, derivative financial tools which fail to satisfy the conditions of hedging are entered as traded tools.

Financial tools are primarily entered in the acquisition costs. They are then appraised to their real value. The real value of the interest swap means an estimated amount which would be paid or collected by the Group for termination of the swap as on the date of the balance sheet, accounting for the normal interest rates and the credit value of third parties. The real value of a forward foreign currency contract means its quoted market value as of the date of the balance sheet, being the current value of the quoted forward price.

Cash and Cash Equivalents

Cash and cash equivalents include money in cash and the balances in bank accounts and highly liquid investments with minor risks of value fluctuation, the original maturity of which is three months or less as of the date of acquisition. The short-term marketable securities for trading are not included in the cash equivalents.

Reserves

The reserves are entered when any legal or contingent obligation exists as a result of previous events and it is probable that it will

be necessary to use resources which represent the economic usufruct in order to settle the obligation, and the amount of the obligation may be reliably estimated.

Distinction of Segments

Segments form a distinctive part of the group, dealing with the manufacture of products or the provision of services (business segment) or the supply of products and services in certain economic environments (geographic segment), being subject to the risks and benefits different from those which are faced by other segments.

4. REVENUES

Analysis of Group's Revenues (in SKK thousand):	2006	2005	2004
Revenues from product sales	2 970	5 109	4 957
Revenues from sales of products made of plastics and sets	1 599 011	1 538 633	716 338
Changes in inventory	33 474	4 869	-592
Interest income	137 828	77 563	109 157
Revenues from investments	4 407 808	11 152 732	1 911 283

5. COSTS

Analysis of the Group's Costs (in SKK thousand):	2006	2005	2004
Financial costs	559 913	209 125	138 450
Consumption of material and energy for goods sold	1 226 961	1 151 090	543 244
Payroll	167 217	171 207	95 160
Depreciation	167 217	82 402	45 072
Service costs	145 976	159 211	72 555
Interest expenses	29 491	5 206	3 371
Sold securities and ownership interests	4 344 335	8 037 579	1 836 103
Sale of ownership interest in the subsidiary		79 220	

6. TAXES

In SKK thousand	2006	2005	2004
Tax and including:	22 089	460 563	45 265
Deferred tax	-220	3 598	4 671

In addition to the amount shown in the revenue sheet, the equity also includes the deferred tax receivable from the interim profit – the remaining of material in stock, purchased from the subsidiary by the other subsidiary to the amount of SKK 3,000.

7. GOODWILL

In SKK thousand	2006	2005	2004
Goodwill total (including:)	289 189	267 752	272 851
Trenčianske minerálne vody, a. s.	15 191	4 682	6 160
Granitol, a. s.	262 805	262 805	266 691
GasTrading, s. r. o.	10 313		
GEOSAN, s. r. o.	615		
Microline Enterprise Limited	265	265	

8. MARKETABLE SECURITIES

in SKK thousand	2006	2005	2004
Securities for sale – non-current assets	8 141 165	340 300	8 232 878
Marketable securities – current assets		1 568 598	

The real value of these securities is based on market prices.

9. INVENTORY

The inventory consists of the following items:	2006	2005	2004
Material	101 402	78 168	108 165
Work in progress	33 657	15 930	11 475
Manufactured products	61 790	48 285	49 497
Goods	354	560	663
Less: adjustment	-5 641	-1 739	

10. OTHER ASSETS

	2006	2005	2004
Buildings, land, equipment	2 045 871	394 254	452 832
Other intangible assets	51 798	73 568	96 242
Trade receivable and other	514 279	290 540	210 022
Cash and cash equivalents	1 663 166	9 692 550	551 009

Buildings, Land, and Equipment

The buildings are recorded in the Trenčianske minerálne vody, a. s., Granitol, a. s., GEOSAN GAMA, s. r. o., GasTrading, s. r. o. and Slovintegra Energy, s. r. o. subsidiaries. The equipment consists of motor vehicles, production lines, and other equipment required for production.

On December 31st, the following Granitol, a. s. assets were pledged: a welding machine in favour of Česká sporitelna, a. s., and real estate is mortgaged in favour of Československá obchodná banka, a. s., the Komerční banka's long-term loan and HVB's short-term loan is secured by blank notes.

Intangible Assets

The intangible assets recorded in the relevant accounts include a license and software. The most important item is the appreciation right satisfying the condition of IAS 38. The period of exploitation is 60 months.

Cash

The balances in bank accounts and cash represent the money possessed by the Group and short-term bank deposits with a maturity of three months or less. The balance values of such assets correspond approximately to their real values.

11. BANK LOANS

In SKK thousand	2006	2005	2004
Bank loans	1 174 105	5 530	13 277

Bank loans consist of loans provided by various commercial banks for the purchase of non-current assets.

12. RESERVES

In SKK thousand	2006	2005	2004
Reserves	31 780	28 650	17 723

13. REGISTERED STOCK CAPITAL

The registered stock capital consists of:

Registered stock capital: SKK 1 098 100 000
 Paid-up capital: SKK 1 098 100 000
 Number, type, kind,
 Nominal value:
 9,762 ordinary, documentary,
 nominal value: SKK 50,000
 122 ordinary, documentary,
 nominal value: SKK 5,000,000

14. FUNDS

In SKK thousand	2006	2005	2004
Funds	1 210 110	1 311 752	1 171 867

The parent company's funds amounting to SKK 1,205,453,000 on December 31, 2006 were at-tuned by the adjustments to assets (exchange rate differences).

15. RETAINED PROFIT

In SKK thousand	2006	2005	2004
Retained profit	9 022 549	9 594 162	8 553 100

The retained profits are adjusted by the interim profit of the acquired and un-exhausted stock of the subsidiaries, incorrectly entered interest in the subsidiary and deferred tax from the interim profit.

Multiworld Absolute One and OPTI Growth, in both of which the parent company holds an interest, were calculated as of 31. 12. 2006 to their real value. The possible effect thereof on the profit was adjusted within the retained profit as follows:

In SKK thousand	
Total value of MULTIWORLD	3 196 570
97,31 % interest held by Slovintegra, a. s.	3 110 582
MULTIWORLD Profit	110 225

In SKK thousand	
Total value of OPTI GROWTH	2 874 007
00,0064 % interest held by Portfin, o. c. p.	184
99,9936 % interest held by Slovintegra, a. s.	2 976 616
OPTI GROWTH Profit (Loss)	-102 793

16. FINANCIAL ANALYSIS

a) Liquidity Indicators

Indicator	Individual financial statements of the parent company	Consolidated financial statements of the group
Cash ratio	310,50	4,55
Quick ratio	318,39	5,96
Current ratio	319,56	6,80

Cash ratio – the indicator shows the relation between the quickest liquidable assets (securities) and short-term obligations. The optimum values of this indicator are between 0,2 and 0,6.

Quick ratio – the indicator's numerator contains also short-term receivables. The values in the

interval of 1 – 1,5 are recommended as best. The short-term obligations should not exceed the volume of securities and short-term receivables.

Current ratio – the indicator's numerator also contains the inventory. The benchmark is the interval of 2 – 2,5.

b) Activity Indicators

Indicator	Individual financial statements of the parent company	Consolidated financial statements of the group
Turnover of assets	0,42	0,50
Collection of short-term receivables	3,50 days	29,06 days
Payment of short-term obligations	0,43 days	20,10 days

The subsidiaries have a negative effect on the indicators inferring the collection of the short-term receivables and short-term obligations.

c) Indebtedness Indicators

Indicator	Individual financial statements of the parent company	Consolidated financial statements of the group
Debt ratio	0,47 %	12,46 %
Loan ratio	0	9,02 %
Share of owner's equity (self-financing)	99,53 %	–
Share of owner's equity in the group	–	87,54 %
Share of owner's equity of the parent company in the group	–	87,21 %

The parent company's debt ratio is extremely low; almost 99,53 % of the assets are covered by its own resources. The total ratio in the group is also very low; almost 87,54 % of the assets are covered by their own resources.

Comparison of the last two indicators shows high capital participation of the parent company in the subsidiaries included in the consolidated financial statements.

d) Return Indicators

Indicator	Individual financial statements of the parent company	Consolidated financial statements of the group
Return on assets (ROA)	-1,190 %	-1,211 %
Return on parent company's capital	-1,196 %	–
Return on capital in the group	–	-1,384 %
Return on capital of majority shareholders in the group	–	-1,144 %

The return indicators are negative, because the parent company as well as the consolidated group shows loss for the year 2006.

17. EVENTS AFTER THE BALANCE SHEET DATE

Since December 31, 2006, no events have occurred which would have a material impact on the presented data in these financial state-

ments, or would result in any changes in the financial statements or in the modification of these notes.

18. AFFILIATES

Any transactions between the Company and its subsidiaries as affiliates were eliminated in consolidation; therefore they are not mentioned in these notes.

Business Transactions

During the year, the group of companies performed the following transactions with the affiliates as members of the Group:

In SKK thousand	Costs		Revenues	
	2005	2006	2005	2006
Slovintegra, a. s.	16 503	16 821	2 252	8 070
Trenčianske minerálne vody, a. s.	3 729*	1 927**	20	26
Granitol, a. s.			2 344	2038
SI REAL, s. r. o.		1 721		
GEOSAN GAMA, s. r. o.		6 010		
GasTrading, s. r. o.		43***		
Slovintegra Energy, s. r. o.		388		
Portfin, o. c. p., a. s.	1	4	16 044	17 239

In SKK thousand	Receivables		Obligations	
	2005	2006	2005	2006
Slovintegra, a. s.	13 473	222 476	1 129	1 238
Trenčianske minerálne vody, a. s.			13 904	395
Granitol, a. s.	427	395		
SI REAL, s. r. o.				46 712
GEOSAN GAMA, s. r. o.				125 657
GasTrading, s. r. o.				50 043***
Slovintegra Energy, s. r. o.				35
Portfin, o. c. p., a. s.	1 133	1 278****		

* Revenues of SKK 427,000 in Trenčianske minerálne vody, a. s. for stock – un-exhausted

** Revenues of SKK 395,000 in Trenčianske minerálne vody, a. s. for stock – un-exhausted

*** SKK 64,000 – incorrectly entered interest fees on a loan

**** SKK 5,000 to TMV, which was paid on 31. 12., but was recorded in the account only in 2007

The purchases and sales were carried out for normal prices according to the Group's price list. The receivables and liabilities which are outstanding are not secured and are to be

paid in money. No guarantees were provided or accepted. No adjustments to the receivables relating to the affiliates were created.

19. EXPECTED AND FUTURE DEVELOPMENT OF THE GROUP

We expect that the year 2007 will be a year of further development in our company. We will further increase our efforts and seek out business activities in areas in which we are already established, such as financial investments, foil and plastic packing production, the energy industry, and also in other areas such as environmental protection and new technologies.

We shall further pay attention to the development of our subsidiaries. We shall strengthen the position of Portfin as the securities broker acting as the main manager of our company's financial investments. In Granitol, we shall continue with the implementation of the medium-term plan and will endeavour to increase the share of our products held on the Czech and

Slovak market. We shall further continue in our effort to improve the efficiency of Trenčianske minerálne vody, to increase the sales of Mitická mineral water on the Slovak market, and seek out export possibilities to neighbouring countries. We shall additionally pay great attention to Slovintegra Energy and GasTrading which are to gradually commence the planned operational regime upon the completion of the construction of the Combined Vapor Gas Cycle in the Levice Industrial Park. In the health service, we shall focus on the construction of the Medical Centre in Petržalka in collaboration with SI Real and shall prepare the start of a new company named SI Medical which is to provide medical services in the Medical Centre.

Consolidated Balance Sheet

Assets (in SKK thousand)	for the period as of 31. 12. 2004	for the period as of 31. 12. 2005	for the period as of 31. 12. 2006
Non-current assets	9 054 803	1 076 092	10 528 023
Buidings, land, equipment	452 832	394 254	2 045 871
Goodwill	272 851	267 752	289 189
Intangible assets	96 242	73 568	51 798
Other securities for sale	8 232 878	340 300	8 141 165
Other non-current assets		218	
Current assets	984 256	11 727 301	2 484 337
Inventory	169 800	141 204	191 562
Trade receivables and other	252 068	315 476	514 279
Cash and cash equivalents	551 009	9 692 550	1 663 166
Marketable securities		1 568 598	
Other current assets	11 379	9 473	115 330
Total assets	10 039 059	12 803 393	13 012 360

Consolidated Income Statement

Equity and Liabilities (in SKK thousand)	for the period as of 31. 12. 2004	for the period as of 31. 12. 2005	for the period as of 31. 12. 2006
Total equity	9 709 151	12 077 693	11 390 682
Registered stock capital	2 221	1 099 550	1 098 100
Company shares and interests	-14 850	-1 296	-420
Funds	1 171 867	1 311 752	1 210 110
Minority interest	-3 187	73 525	60 343
Retained profit/accumulated loss	8 553 100	9 594 162	9 022 549
Total liabilities	329 908	725 700	1 621 678
Long-term liabilities	61 325	52 489	1 256 440
Long-term loans	13 277	5 530	1 174 105
Deferred tax	4 671	3 598	7 081
Other long-term liabilities/provisions	43 377	43 361	75 254
Short-term liabilities	268 583	673 211	365 238
Trade liabilities and other	93 371	93 090	203 465
Tax liabilities	10 013	417 899	810
Short-term loans	139 793	129 852	107 506
Short-term provisions	21 043	31 428	31 780
Other short-term liabilities	4 363	942	21 677
Total equity and liabilities	10 039 059	12 803 393	13 012 360

In SKK thousand	for the period of the year 2004	for the period of the year 2005	for the period of the year 2006
Revenues from sale of goods	4 957	5 109	2 970
Revenues from sale of products and services	716 338	1 538 633	1 599 011
Change in inventory	-592	4 869	33 474
Consumption of material and energy	538 974	1 146 755	1 222 688
Sold goods	4 270	4 335	4 273
Payroll	95 160	171 207	167 217
Depreciations	45 072	82 402	89 897
Services	72 555	159 211	145 976
Other costs	25 076	54 839	65 628
Other revenues	32 050	69 199	78 303
Interest income	109 157	77 563	137 828
Interest expenses	3 371	5 206	29 491
Sold securities and interests	1 836 103	8 037 579	4 344 335
Income from sale of interest		79 220	
Other financial expenses	138 450	209 125	559 913
Income from sale of securities and interests	1 861 922	10 941 432	4 366 748
Gains from noncurrent securities	105 043	211 300	41 060
Other financial income	136 060	147 893	234 494
Profit before taxes	205 904	3 046 119	-135 530
Tax expenses	45 265	460 563	22 089
Profit after taxes	160 639	2 585 556	-157 619
Minority interest	-376	-4 889	-27 989

Consolidated Statement of Equity

In SKK thousand	31. 12. 2005	Increase	Decrease	Transfer	31. 12. 2006
Owner's Equity	12 077 693	387 992	1 075 003	0	11 390 682
Registered stock capital	1 099 550		1 450		1 098 100
Company shares and interests	-1 296	876			-420
Funds	1 311 752	173 567	275 209	0	1 210 110
Adjustment to assets	-70 774	70 774			0
Funds	1 359 719	102 793	252 402		1 210 110
Adjustment to the fund	22 807		22 807		0
Minority interest	73 525	85 988	99 170		60 343
Retained profit/Accumulated loss	9 594 162	127 561	699 174	0	9 022 549
Retained profit	9 620 481		574 969		9 045 512
Adjustments to goodwill and exchange differences	-17 336	17 336			0
Adjustments to profit/loss	-8 983	110 225	124 205		-22 963

Consolidated Cash Flow Statement

	in SKK thousand
Cash flow from operating activities	
Net income for the current accounting period	-135 530
Non-cash operations	-4 417 012
Depreciations of non-current intangible and tangible assets	89 897
Change in items of accrued costs and revenues	9 236
Dividends and other shares in profit entered in revenues	-4 407 808
Interest entered in revenues	-137 828
Interests entered in expenses	29 491
Other items of a non-cash character, affecting the profit/loss from operating activities, other than those which must be stated separately	-21 871
Effect of changes in working capital, other than items which are included in cash and cash equivalents	-599 740
Change in receivables from operating activities	-198 803
Change in liabilities from operating activities	-328 708
Change in inventory	-50 358
Cash flow created in operating activities, other than revenues and expenses which must be stated in separate lines	-5 130 411
Received interests, other than those which are including in investment activities	137 828
Expenses for paid interests, other than those which are included in financial activities	-29 491
Revenues from dividends and other portions of profits, with the exception of those intergrated in investment activities	4 407 808
Cash flow created in operating activities prior to the company's income tax cash flow and cash flow pertaining to extraordinary activities	-636 355
Net cash flow operating activities	-636 355
Cash flows from investment activities (IA)	
Expenses for acquisition of fixed tangible assets (-)	-8 099 171
Other income relating to investment activities (+)	0
Net cash flows from investment activities	-8 098 953
Cash flows from financial activities (FA)	
Expenses relating to equity decreases	-620 469
Expenses for payment of other short- and long-term liabilities from the company's fin. activities, other than those which must be stated separately	1 230 951
Net cash flow from financial activities	583 482
Net increase or decrease of cash	-8 151 826
Balance of cash and cash equivalents at the beginning of the acc. period	9 692 550
Balance of cash and cash equivalents at the end of the acc. period before accounting for exch. differences as of the date of fin. statement	* 1 540 724

* The marketable short-term securities are not included in the cash equivalents



For more information about Slovintegra, a. s., as well as possible cooperation of the company will be provided on the following address.

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