

ANNUAL REPORT **2008**



DDIs STABILITA
DOPLNKOVÁ DŮCHODKOVÁ SPOLOČNOST, a.s.



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Basic company data

| | |
|-------------------------------|--|
| Company name | STABILITA, d.d.s., a.s. |
| Company seat | Bačikova 5, 040 01 Košice |
| Correspondence address | Bačikova 5, 040 01 Košice |
| Company registered | 1st April 2007 |
| Registration Number | 36 718 556 |
| Registered at | Companies Register of District Court Košice I, Section Sa, Fikle No. 1407/V |
| Depository | Slovenská sporiteľňa, a. s. |
| Board of directors | Ing. Miloš Krššák, predseda predstavenstva JUDr. Marián Melichárek, podpredseda predstavenstva Ing. Igor Hornák, CSc., člen predstavenstva |
| Supervisory board | Ing. Ján Žačko Ing. Rudolf Pecar JUDr. Magdaléna Martincová JUDr. Alena Vyskočilová RNDr. Miroslav Kiraľvarga, MBA Ing. Ján Peržel Ing. Stanislava Fejfarová, CSc. Ing. Ľubor Podracký Ing. Róbert Rigo Ing. Štefan Hlinka Ing. Ľudovít Ihring |

Chairman of the Board Address

Dear clients,



Appraisal of the eleventh year of operation of the Complementary pension company STABILITA within Slovak market probably has to include the term „not simple“.

While our key task for the year 2008 was mainly successful transition to Euro currency, we have been focused at our effort to achieve your maximum satisfaction.

That is why we are very happy that in that difficult period we managed to realize some important decisions. The major issue is definitely a reduction of administration charges from 1.7.2008, and that from original 3% to 2,25% in contribution fund and only 2% in benefit fund. We also tried to meet your specific requirements and in August we have moved our contact office from Piešťany to new premises in Trnava in order to make it easier accessible to our clients. We also moved our Bratislava office into new, more suitable premises and in the end of the year we certainly pleased mostly our clients from southeastern districts of Slovakia. In the beginning of November our branch network have added up new office in the middle of Michalovce. Those are also the activities helping to build mutual trust and increase the level of satisfaction of our almost 160 thousand clients.

Passed months have brought also a number of unexpected revulsions. We can say for sure that from the long-term point of view the year of 2008 was the second worst after 1931. Unpredictable fluctuations

of crude oil price, US dollar value fall to its 30-year minimum, mistrust within financial market caused by hypothecary crisis, major decrease of economic growth – those are the factors which caused hard times for financial institutions and their clients.

Even though our investments were not directed to any problematic, or even bankrupting financial institutions, not even pension funds could avoid some temporary market fluctuations within last year. Fluctuation in valorization at long-term saving products is nothing unusual in the world, but for our clients and also for us a completely new situation and experience requiring extremely sensitive approach, open and professionally sound communication. Product of complementary pension saving thanks to its unique benefits in the form of employer contribution and tax reliefs has still its competitive position and especially in this demanding period we consider maintaining trust of our partners and clients an utmost priority.

I would like to express my thanks on behalf of our company for your favour, understanding and support

With regards

A handwritten signature in black ink, which appears to read "Krššák". The signature is written in a cursive, flowing style.

Ing. Miloš Krššák
chairman of the board
and director general of STABILITA, d.d.s., a.s.

**Funds
of the Complementary
Pension company
STABILITA d.d.s, a.s.**

**Stabilita contribution
d.d.f., STABILITA, d.d.s., a.s.**

Complementary pension company name:

STABILITA, d.d.s., a.s.

Complementary pension fund name:

STABILITA príspevkový d.d.f.,
STABILITA, d.d.s., a.s.

**Date of registration of complementary
pension fund:**

1.4.2007

Depository:

Slovenská sporiteľňa, a.s.

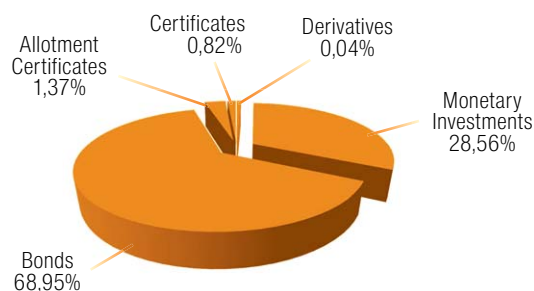
Portfolio Manager Comment

The Slovak Crown History Review:
<http://ekonomika.sme.sk/c/4226511/slovenska-koruna-po-sestnastich-rokoch-konci.html>

Major fluctuation of share quotations on the world financial markets continued in December., drop in crude oil price, decrease of IR, growth of unemployed number in the USA has created synergic effect, which reflects in growing number of companies with applications for assistance. Governments do not provide assistance in the same way to everyone and that causes spreading of crisis to another sectors, flooding the agriculture and there is a threat of outbreak of deflation spiral not only in the USA, but also in Europe. Present crisis in the USA according to statistical data is ranked among the longest recession after W.W.II .Pessimism from future development is noticeable also in the SAXO bank analyst forecasts for 2009: price of crude oil is to fall down to USD 25/barrel, share indices S&P500 is to decrease to 500 points, Chinese economics growth is to reduce to 0% and there is a possibility of Italy leaving Eurozone. Our Crown currency has said goodbye to us on 31.12.2008 and after 116 years we will not pay in crowns here in Slovakia. Through strengthening it has reached a conversion rate of SKK 30.126 {EUR 1. Decrease of yield interest rate in SKK in average by 0.203% had occurred from 1.12.2008 and by 0428% in average from 1.1.2008. Trend of yield increase continues in December in spite of decrease of interest rate.

Comments as at 31.12.2008

**Portfolio structure of asset classes in the
Contribution c.p.f. as at 31.12.2008**



Top 5 Investments

| Name | Currency | Share |
|-----------------|----------|-------|
| 1 ŠD 206 2026 | SKK | 5,90% |
| 2 ŠD 204/C 2019 | SKK | 5,26% |
| 3 KTV 1/2009 | SKK | 5,17% |
| 4 DB FRN 2015 | SKK | 4,77% |
| 5 KTV 1/2009 | SKK | 4,07% |

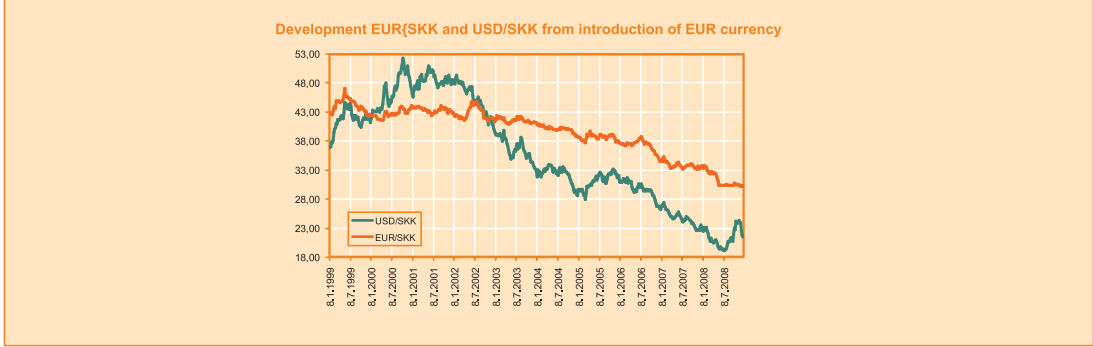
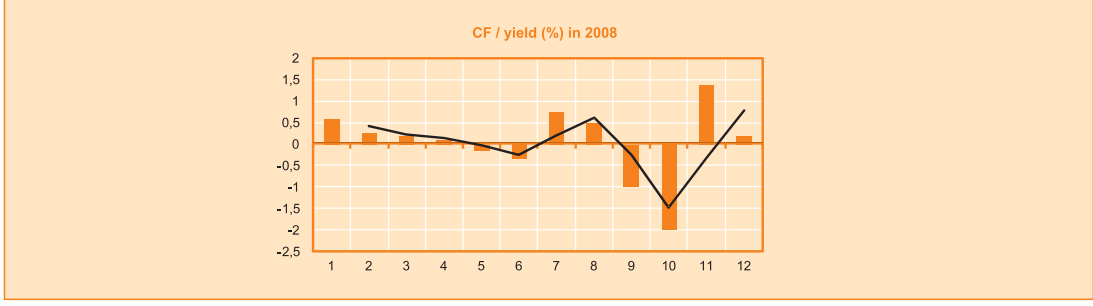
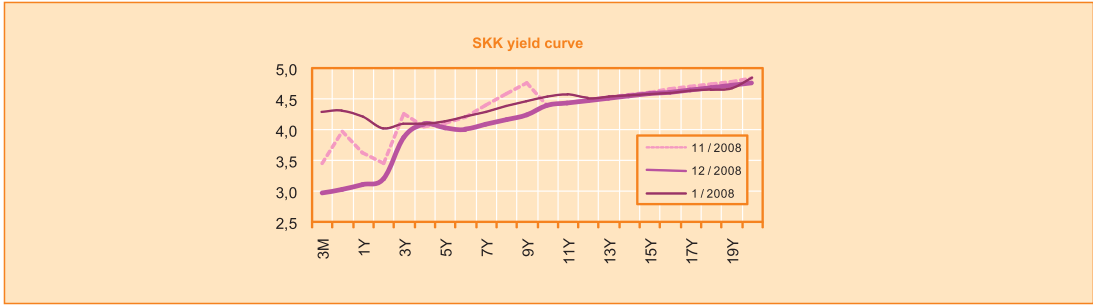
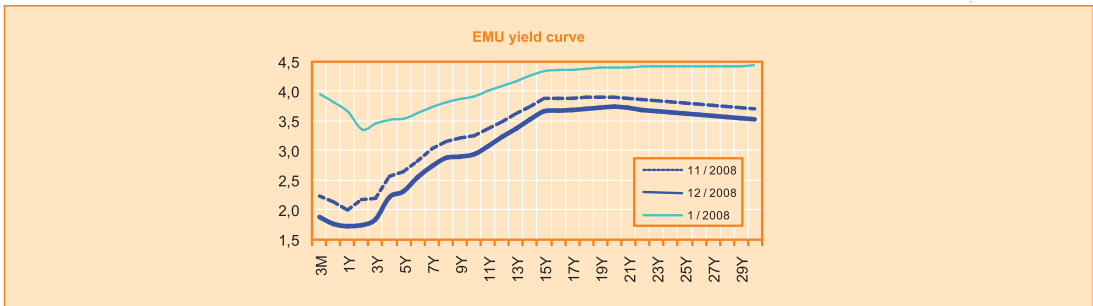
Economic indicators

| Indicator | 10/2008 | 11/2008 | 12/2008 |
|----------------------------|---------|---------|---------|
| Yields (%) | -1,9965 | 1,3947 | 0,1740 |
| Costs / administration (%) | -0,1896 | -0,1865 | -0,1897 |
| Costs /other (%) | -0,0063 | -0,0051 | -0,0139 |
| Net yield (%) | -2,1926 | 1,2031 | -0,0296 |

Notice: Data related to valorization of c.p.f.as shown in table may vary from valorization of monetary funds on personal account of participant or beneficiary due to various amount and frequency of contributions.

| | | |
|-----------------|-----|---------------|
| Yields | SKK | 527 060 386 |
| Costs | SKK | 642 251 104 |
| Econom. results | SKK | -115 190 717 |
| Assets | SKK | 5 105 916 600 |
| NAV value | SKK | 5 059 349 674 |

**IR / interest rates, HC / hypothecary crisis
S / securities**



Notice: Revenues of fund assets as achieved in the past do not guarantee future revenues. Data related to asset value development in funds and revenues from investment of fund assets do not predict their future development. There is various level of risk related to saving in complementary pension funds, depending on the specific investment strategy of the fund. Value of contributions to complementary pension saving as well as revenues from investment in fund may grow or fall and participant may not receive total amount of contributions into complementary pension saving. Investment strategy goal may not be achieved in spite of expended professional care. Company does not guarantee achievement of investment strategy goal in any way.

STABILITA benefit d.d.f., STABILITA, d.d.s., a.s.

Complementary pension company name:

STABILITA, d.d.s., a.s.

Complementary pension fund name:

STABILITA výplatný d.d.f.,

STABILITA, d.d.s., a.s.

Date of registration of complementary pension fund:

1.4.2007

Depository:

Slovenská sporiteľňa, a.s.

Portfolio Manager Comment

The Slovak Crown History Review:

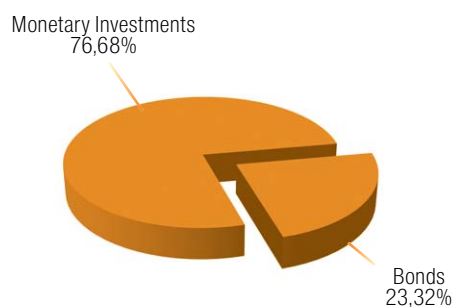
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Major fluctuation of share quotations on the world financial markets continued in December., drop in crude oil price, decrease of IR, growth of unemployed number in the USA has created synergic effect, which reflects in growing number of companies with applications for assistance. Governments do not provide assistance in the same way to everyone and that causes spreading of crisis to another sectors, flooding the agriculture and there is a threat of outbreak of deflation spiral not only in the USA, but also in Europe. Present crisis in the USA according to statistical data is ranked among the longest recession after W.W.II .Pessimism from future development is noticeable also in the SAXO bank analyst forecasts for 2009: price of crude oil is to fall down to USD 25/barrel, share indices S&P500 is to decrease to 500 points, Chinese economics growth is to reduce to 0% and there is a possibility of Italy leaving Eurozone. Our Crown currency has said goodbye to us on 31.12.2008 and after 116 years we will not pay in crowns here in Slovakia. Through strengthening it has reached a conversion rate of SKK 30.126 {EUR 1. Decrease of yield interest rate in SKK in average by 0.203% had occurred from 1.12.2008 and by 0428% in average from 1.1.2008. Trend of yield increase continues in December in spite of decrease of interest rate.

Comments as at 31.12.2008

Portfolio structure of asset classes in the Contribution c.p.f. as at 31.12.2008



Top 5 Investments

| Názov | Mena | Podiel |
|----------------|------|--------|
| 1 KTV 1/2009 | SKK | 15,08% |
| 2 KTV 1/2009 | SKK | 15,01% |
| 3 KTV 1/2009 | SKK | 14,81% |
| 4 HZL OTP 2009 | SKK | 9,42% |
| 5 KTV 1/2009 | SKK | 8,18% |

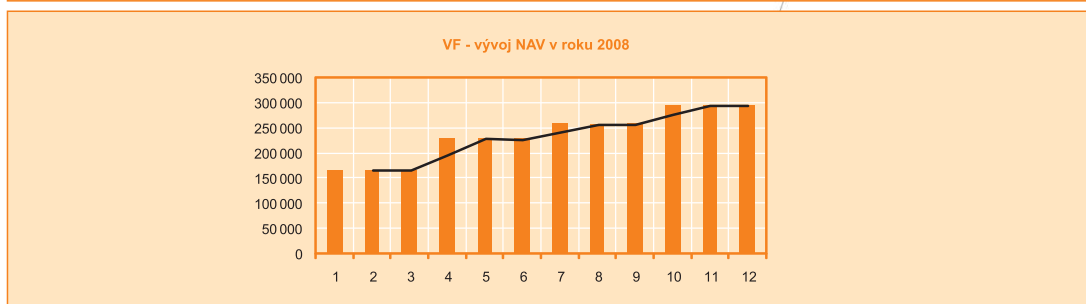
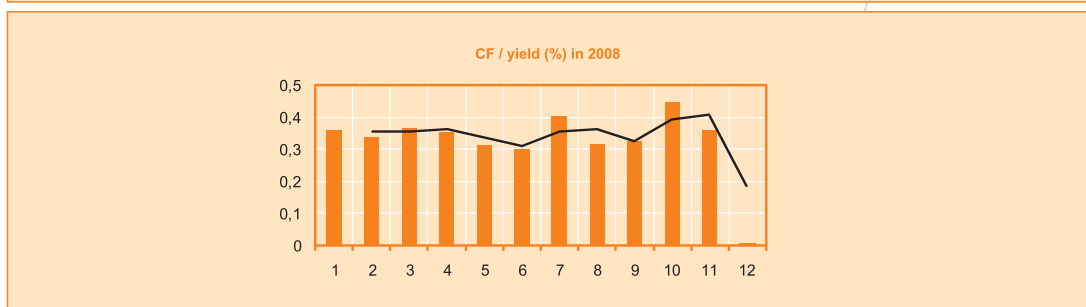
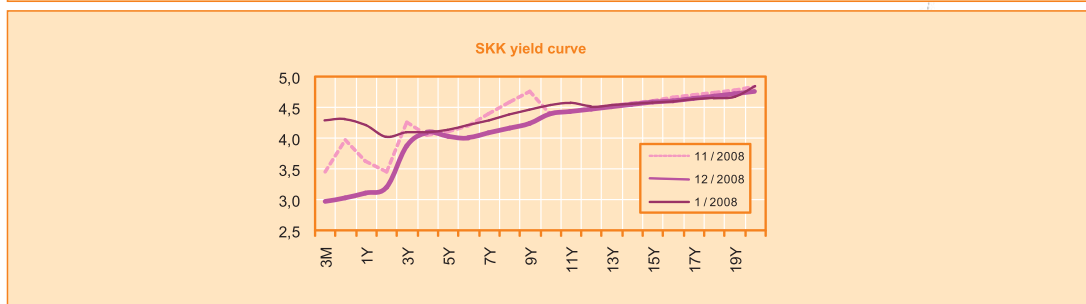
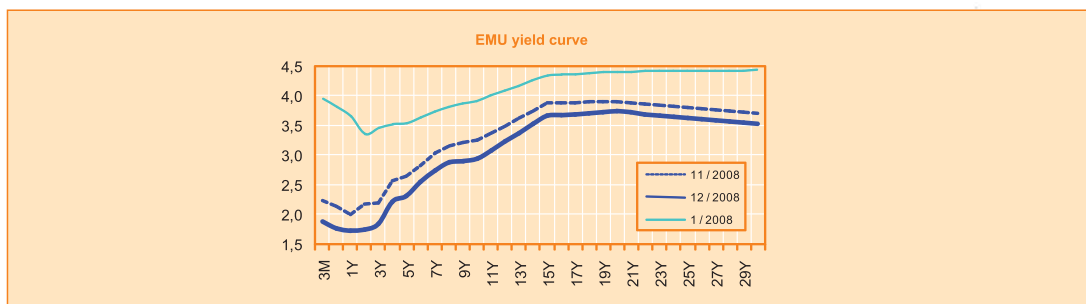
Economic indicators

| Indicator | 10/2008 | 11/2008 | 12/2008 |
|----------------------------|---------|---------|---------|
| Yields (%) | 0,4483 | 0,3600 | 0,0052 |
| Costs / administration (%) | -0,1704 | -0,1657 | -0,1696 |
| Costs /other (%) | -0,0056 | -0,0066 | -0,0079 |
| Net yield (%) | -2,2723 | 0,1877 | -0,1722 |

Notice: Data related to valorization of c.p.f.as shown in table may vary from valorization of monetary funds on personal account of participant or beneficiary due to various amount and frequency of contributions.

| | | |
|-----------------|-----|-------------|
| Yields | SKK | 11 221 555 |
| Costs | SKK | 7 759 203 |
| Econom. results | SKK | 3 426 352 |
| Assets | SKK | 295 105 554 |
| NAV value | SKK | 294 432 291 |

**IR / interest rates, HC / hypothecary crisis
S / securities**



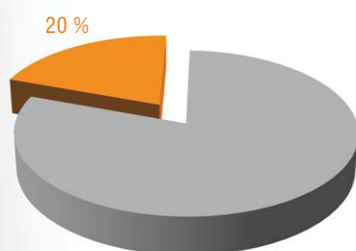
Notice: Revenues of fund assets as achieved in the past do not guarantee future revenues. Data related to asset value development in funds and revenues from investment of fund assets do not predict their future development. There is various level of risk related to saving in complementary pension funds, depending on the specific investment strategy of the fund. Value of contributions to complementary pension saving as well as revenues from investment in fund may grow or fall and participant may not receive total amount of contributions into complementary pension saving. Investment strategy goal may not be achieved in spite of expended professional care. Company does not guarantee achievement of investment strategy goal in any way.

Market share and client volume development

Impact of financial and economic crisis, strengthened by growing level of mistrust in financial institutions and their products, affected also a development on the complementary pension saving market. Mainly within last months of the last year the number of new policy contracts was substantially lower than within the same period of some previous years.

As at 31.12.2008 STABILITA d.d.s., a.s., concluded 158 836 participant contracts. Within last year 6 315 participants joined our system of complementary pension saving and that have increased their total number by 4,14% compared to 2007 figures.

STABILITA, d.d.s., a.s., complementary pension saving market share



■ Stabilita, d.d.s., a.s.

There were 250 new employer contracts concluded last year and that raised their total number to 4 008 in the end of the year. This figure includes employers with employer contract including employer's contribution concluded with the STABILITA d.d.s., a.s.

We have managed to compensate recent lower demand in the contract sales through focused redirection of our supporting marketing activities into the area of stabilization of policy holder stock and gradual increase of individual participant contributions. There was a positive reaction to those activities from almost 7 000 saving policy holders, who raised their contribution in average by 219,-Sk/7,27 EUR during 2008. Average contribution of participant amounted to SKK 788,27,-/26,17 EUR as at 31.12.2008, that is an increase by 2,24% compared to 2007 figures. Average amount of participant contribution in the end of the year amounted to SKK 336,49,-Sk/11,17 EUR and employer contribution of SKK 451,78,-Sk/15,00 EUR

Average age of saving policy participants is 44 years

| year | employer contracts | participant contracts |
|------------------|--------------------|-----------------------|
| as at 31.12.1998 | 103 | 23 499 |
| as at 31.12.1999 | 176 | 29 934 |
| as at 31.12.2000 | 393 | 53 429 |
| as at 31.12.2001 | 1 050 | 73 671 |
| as at 31.12.2002 | 2 777 | 102 431 |
| as at 31.12.2003 | 4 127 | 116 666 |
| as at 31.12.2004 | 5 715 | 128 055 |
| as at 31.12.2005 | 6 919 | 133 712 |
| as at 31.12.2006 | 8 180 | 140 395 |
| as at 31.12.2007 | 9 114 | 152 521 |
| as at 31.12.2008 | 4 008 * | 158 836 |

* Commencing from 1st of January 2008 there was a change implemented in registration of employer's contracts while in order to unify the process of declaration of activities of Associations of Complementary Pension Companies there were rejected „contribution transfer contracts“, that means contracts without specified employer's contribution.

Information related to expected future development of activities of unit of account

Company performs an administration of assets within both funds on separate basis in its own name and in the interest of participants of complementary pension saving policy holders. Separate and individual accounting is kept for company itself and each complementary pension fund and prepares financial statements for itself and each complementary pension fund under its administration. Next year revenues of the complementary pension company are expected for 2009 in total amount of SKK 126 980K, estimated costs in amount of SKK 119 766K, expected pre-tax profit in amount of SKK 7 214K. Company is to introduce a pension unit within first half-year in accordance with legal act No. 650/2004 Legal Code § 47 a 87 letter i).

Events of special significance

Following events of special significance have occurred after the expiry of accounting period related to the relevant annual report:

1. Company has altered the statute of both funds in accordance with an amendment of legal act No. 650/2004 Legal Code. The amendment is mainly related to alteration of investment facility in funds, transition to Euro currency in accordance with legal act No. 659/2007 Legal Code oZ.z. and alteration of benefit plan.
2. Company is to introduce a complementary pension unit commencing from 1.6.2009, participant share in assets in contribution c. p.f. and beneficiary in benefit c.p.f.. is to be registered through the number of complementary pension units, value of the unit stated in euro currency.

Data related to organization unit registered abroad

Company has no unit of account registered abroad.

Profit appropriation proposal

Complementary pension company profit allocation proposal for the year 2008

| Item | Value in SK |
|--|---------------|
| Economic results for 2008 | 18 594 737,57 |
| Allocation: | |
| allocation to mandatory reserve fund 10% | 1 859 500,00 |
| allocation to social fund | 185 900,00 |
| Payout of dividend and directors fees | 0,00 |
| Retained earnings from previous years | 16 549 337,57 |

The background is a solid orange color with a subtle gradient. On the left side, there is a stylized globe showing continents in a lighter shade. Several thin, white, wavy lines originate from the top left and curve across the page towards the right. The text is positioned in the upper left quadrant.

INDEPENDENT AUDITOR REPORT

verification of financial statements
compiled as at 31. December 2008

of the
STABILITA, d.d.s., a.s.
company



TAX & AUDIT SERVICES

**Independent Auditor Report
for STABILITA , d.d.s., a.s. company shareholders**

We have executed an audit of the attached financial statements of the STABILITA, d.d.s., a.s., which includes a balance sheet as at 31st December 2008, income statement, review of changes within equity, cashflow review and annotations for the year concluded to this date as well as review of significant accounting principles and accounting methods and further explanatory annotations.

Company management responsibility for the financial statements

Company management is responsible for preparation and objective presentation of this financial statement in accordance with the International Standards for Financial Reporting, as approved by European Union. This responsibility includes proposal, implementation and observance of internal audits relevant for preparation and objective presentation of financial statements, which does not include any substantial discrepancies either due to fraud or error, then selection and application of the proper accounting principles and methods as well as implementation of realization of accounting assessments adequate to the given circumstances.

Auditor responsibility

Our responsibilities include a provision of position related to this financial statement based on our audit. We have executed in accordance with the International Standards of Auditing. In accordance with the standards we are supposed to observe ethical standards, design and execute the audit in a way enabling to achieve a reasonable assurance that the financial statement does not include any substantial discrepancies. The audit also includes an implementation of procedures in order to reach an auditor evidence regarding amounts and data as shown within the financial statement. Selected methods are at the discretion of auditor, including risk assessment of substantial discrepancies within the financial statement either due to fraud or error. Considering the risks, the auditor takes into account an internal auditing relevant to preparation and objective presentation of financial statement within the unit of accounting in order to propose auditing methods applicable for given circumstances, but not for a purpose of declaration of position regarding effectiveness of internal audits within the unit of accounting. Audit also includes an evaluation of suitability of the applied accounting principles and accounting methods and adequacy of accounting assessments as conducted by a company management as well as assessment of presentation of the financial statement as a whole.

We are convinced that auditor evidence we have gathered provide adequate and appropriate basis for our position.

Position

In our opinion the financial statements provide true and objective review of financial standing of the STABILITA, d.d.s., a.s., company as at 31st of December 2008, its economic results and cashflow for the year concluded at the given date in accordance with International Standards for Financial Reporting as approved by the European Union.

Bratislava , 27th February 2009

MANDAT AUDIT s.r.o.
SKAU Licence No. 278

Ing. Martin Šiagi
Auditor responsible
SKAU decree No. 871



www.stabilita.sk

STABILITA
DOPLNKOVÁ DOKONČOVANÁ SPOLUČNOSŤ, s.r.o.

**Individual financial
statements for a period
from 1.1. 2008 to 31.12. 2008**

**Balance sheet
as at 31.12. 2008 (In thds.SKK)**

| Item | Číslo pozn. | 31.12.2008 | 31.12.2007 |
|---|-------------|----------------|---------------|
| ASSETS | x | x | x |
| Long-term assets | x | x | x |
| Acquisition of long-term tangible and non-tangible assets | (1) | 0 | 23 |
| Non-current intangible assets | (2) | 441 | 353 |
| Non-current tangible assets | (3) | 6 161 | 6 855 |
| Investments into affiliated companies | (4) | 30 831 | 30 831 |
| Current assets | x | x | x |
| money and non-monetary equivalents | (5) | 983 | 2 204 |
| Bank receivables | (6) | 58 353 | 43 805 |
| Client and other receivables | (7) | 10 152 | 12 019 |
| Other current receivables | (8) | 722 | 772 |
| Assets total | | 107 643 | 96 862 |
| EQUITY AND LIABILITIES | x | x | x |
| Current liabilities | x | x | x |
| Trade liabilities | (9) | 3 836 | 8 515 |
| Reserves and other liabilities | (10) | 10 868 | 9 919 |
| Income tax related liabilities | (11) | 270 | 4 354 |
| income tax due | (12) | 116 | 4 234 |
| income tax deferred | (13) | 154 | 120 |
| Share capital - total | | 92 669 | 74 074 |
| Share capital subscribed | (14) | 50 000 | 50 000 |
| Reserve fund | (15) | 6 785 | 5 000 |
| Other capital funds | (16) | 1 100 | 1 100 |
| Differences from deposits into SC of subsidiary companies | (17) | 125 | 125 |
| Non-allocated profit | (18) | 16 064 | |
| Profit/loss of ordinary accounting period after taxation | | 18 595 | 17 849 |
| Liabilities and share capital-total | | 107 643 | 96 862 |

In Košice on 27. 02. 2009



Ing. Miloš Krššák
chairman of the board



JUDr. Marián Melichárek
vice-chairman of the board



Agáta Bachledová
responsible for preparation
of company financial statements

**Income statement as at
31.12. 2008 (SKK thds)**

| Item | Pozn. | 31. 12. 2008 (12 mes. roka) | 31. 12. 2007 (9 mes. roka) |
|---|-------------|--------------------------------|-------------------------------|
| Interest income and paralell costs | (1) | 2 138 | 975 |
| Interest expense and paralell costs | (2) | (87) | (50) |
| Net interest income | (3) | 2 051 | 925 |
| Income from recompenses and commissions | (4) | 132 727 | 99 751 |
| Recompense and commission costs | (5) | (2 260) | (3 408) |
| Net profit (loss) from recompense and commiss. | (6) | 130 467 | 96 343 |
| Other income | (7) | 346 | 1 775 |
| General administration costs | (8) | (108 424) | (76 645) |
| incl.: | | | |
| Personnel costs | (9) | (46 355) | (34 200) |
| Depreciation of tangible and intangible assets | (10) | (2 937) | (1 761) |
| Other costs | (11) | (59 132) | (40 684) |
| Prprofit (loss) prior taxation | (12) | 24 440 | 22 398 |
| Income tax | (13) | (5 845) | (4 549) |
| After tax profit | (14) | 18 595 | 17 849 |
| Basic profit per share | (15) | 0,37 | 0,36 |

In Košice on 27.02.2009



Ing. Miloš Krššák
chairman of the board



JUDr. Marián Melichárek
vice-chairman of the board



Agáta Bachledová
responsible for preparation
of company financial statements

Annotations to the Individual Financial Statements for period from 1.1. 2008 to 31.12. 2008

A. General information about unit of account

Complementary pension company STABILITA, d.d.s., a. s., was established by a charter in a form of notarial deed drawn up by notary public JUDr. Magdaléna Drgoňová under No. N3/2006, Nz 1079/2006, NCRIs 1071/2006 of 12th January 2006, with registered seat at Bačikova 5, 040 01 Košice, IČO 36 718 556, DIČ 20 22 311 852, entered in Companies Register of District Court Košice I, section Sa, file No. 1407/V. The company was created through transformation of the Complementary pension company Stabilita with registered seat at Bačikova 5, 041 48 Košice, IČO 31 262 368, entered in the Register of complementary pension insurance companies carried on by the Ministry of labour, social affairs and family of SR under No. 002/97 – RDDP in compliance with stipulations of the legal act No. 650/2004 of Legal Code related to complementary pension saving policies and alterations and amendments of certain legal acts within wording of of subsequent regulations. Based on the decision of National Bank of Slovakia of 29th November 2006 under No. UDK-004/2006/PDDS, which had become effective on 6th December 2006, the company was entered to Register of Companies on 1st April 2007. Complementary pension insurance company Stabilita ceased its operation on that date and the STABILITA, d.d.s., a.s., company is a legal successor of complementary pension insurance company and performs its activities in accordance with an above mentioned legal act related to complementary pension saving.

Main subject of company operation activities in accordance with extract from the Register of Companies includes:

- creation and management of complementary pension funds in purpose of execution of complementary pension saving policies in compliance with granted licence and stipulations of the legal act related to complementary pension saving. Company have performed its activities within the Slovak Republic territory.

Complementary pension funds

Company has under its management 2 complementary pension funds as at 31st December 2008, that is one contribution complementary pension fund and one benefit complementary pension fund. Value of assets under administration is listed in the table.

| | |
|---|-----------|
| Stabilita, contribution c.p.f., STABILITA, d.d.s., a.s. | 5 105 916 |
| Stabilita, benefit c.p.f., STABILITA, d.d.s., a.s. | 295 105 |

Contribution pension fund is created for indefinite period and has no legal subjectivity. Trade name of contribution complementary pension fund is Stabilita príspevkový d.d.f., STABILITA, d.d.s., a. s., (hereinafter contribution pension fund). Company has commenced the creation of contribution pension fund on the day of its establishment based on the transfer of relevant assets equivalent to value of liabilities of complementary pension insurance company to insurance policy holders of complementary pension in compliance with procedure stipulated within thirteenth part of the legal act No. 650/2004 Legal Code, namely provision § 83 clause. 5 of the Legal Act related to Complementary Pension companies and in compliance with a procedure of delimitation of assets and liabilities of DDP Stabilita stipulated within the transformation project of DDP Stabilita.

Assets in contribution pension fund is not a part of company assets, records of property management are kept separate from company assets and management records. Investment strategy of contribution pension fund is equilibrate and takes account the fund foundation purpose. The aim is to create a long-term yield of capital at the medium risk level based on the balanced allocation of assets between stock investments on the one hand and investments in bonds and financial investments on the other hand. Company has invested monetary funds in contribution pension fund mainly into bonds and financial investments denominated in SKK or in major part secured against currency risk and in compliance with the Statute of complementary pension fund, part IV. – risk profile of complementary pension fund. Strategy necessitates allocation of invested assets between stock items on the one hand and bond and monetary items on the other hand within partial elimination of currency risk. The stock item must not exceed 50 % of assets in contribution c. p.f. Further limitations and details of investment strategy ensue from relevant bylaws and statute. This statute has been altered by a decision of the board of directors regarding approval of amendments within this statute and approved by ordinary general meeting on 13.5.2008 in accordance with a decision of the NBS of 1.4.2008 OPK 3844/2008-PLP, which has come into effect on 23. 4. 2008. Those amendments have been released on company web page through publishing complete reading of statute with notification regarding changes in recompense for the fund administration which changed starting from 1.7.2008 from original 3,0 % of average annual net value of assets in contribution fund of d.d.f. has been reduced to 2,25 %.

Benefit pension fund is created for indefinite period and has no legal subjectivity. Trade name of benefit complementary pension fund is Stabilita výplatný d.d.f., STABILITA, d.d.s., a.s., (hereinafter benefit pen-

sion fund). Company has commenced the creation of benefit pension fund on the day of its establishment based on the transfer of relevant assets equivalent to value of liabilities of complementary pension insurance company towards beneficiaries of complementary pension insurance in compliance with the procedure stipulated within thirteenth part of legal act related to DDS and mainly within regulation § 83 clause 5 of legal act related to DDS and in compliance with procedure of delimitation of assets and liabilities of DDP Stabilita as stipulated within the transformation project of DDP Stabilita. Assets within benefit pension fund may be utilized only in purpose of securing a proper and secure investment of assets in benefit pension fund and protection of beneficiaries of complementary pension saving. Investment strategy of benefit pension fund is conservative type, takes account of the purpose of establishing the benefit pension fund, which is to secure resources for settlement of benefits of complementary pension saving policy, that requires investments into assets providing for valorization of equity, but also its liquidity taking into account continuous payout of benefit in accordance with valid benefit schemes according to participant contracts and benefit plans. Because of that its equity may not be invested into shares and other securities with yields dependant on share value development. Benefit pension fund yield also may not be affected by currency fluctuations. Assets within benefit pension fund are mainly invested within monetary and capital market into securities, time deposits and other instruments with pre-set interest rate. Further limitations and details in investment strategy ensue from relevant bylaws and statute. Statute of benefit c.p.f. has been altered by a decision of board of directors regarding approval of amendments within this statute and approved by a general meeting on 13. 5. 2008 in compliance with a decision of the NBS of 1st April 2008 OPK 3842/2008-PLP, which came into effect on 23. 4.2008. Amendment is related to alteration of recompense for fund administration representing 2,00 % of average annual net value of assets in benefit c.p.f. from original 2,5%, effectual from 1.7. 2008..

Company provides for administration of accounting and financial reporting of complementary pension funds separately from its own accounting and financial reporting in accordance with § 30 clause. 1 of legal act No. 650/2004 of Legal Code.. Complementary pension funds under company's management have no legal subjectivity, but each of them prepares relevant financial statements independently and on its own behalf.

Depository of complementary pension funds is the Slovenská sporiteľňa, a.s., with registered seat at Tomášikova 48, 832 37 Bratislava, IČO 00 151 653, entered in Companies Register administered by the

District Court Bratislava I., section Sa, file No. 601//B (hereinafter depository).

STABILITA, d.d.s., a.s., company is a part of consolidated unit as being controlling entity within another company (§ 22 clause 2 Act on Accounting). Another company is the Stabilita Servis, s. r. o., company, providing attendant services for STABILITA, d.d.s., a.s.. Even when the company is a part of consolidated unit being a parent company of accounting unit of trade company STABILITA Servis, s.r.o., with 100% stake, it does not meet requirements for preparation of consolidated financial statements in accordance with § 22 clause. 10) letter a),b),c). Stabilita Servis, s.r.o., provides attendant services for STABILITA, d.d.s., a. s. company commencing on 1.4. 2007 that is from the date of foundation.

Board of directors members as at 31.12.2008

| Board of directors | |
|-------------------------|---------------|
| Ing. Miloš Krššák | chairman |
| JUDr. Marián Melichárek | vice-chairman |
| Ing. Igor Hornák, CSc. | member |

Members of supervisory board as at 31.12.2008

| | |
|---------------------------------|---------------|
| Ing. Ján Žačko | chairman |
| Ing. Rudolf Pecar | vice-chairman |
| JUDr. Magdaléna Martincová | member |
| JUDr. Alena Vyskočilová | member |
| RNDr. Miroslav Kiralvarga, MBA | member |
| Ing. Ján Peržef | member |
| Ing. Stanislava Fejfarová, CSc. | member |
| Ing. Ľubor Podracký | member |
| Ing. Róbert Rigo | member |
| Ing. Štefan Hlinka | member |
| Ing. Ľudovít Ihring | member |

Approval of financial statements for previous accounting period

General meeting on 13.5.2008 approved financial statements for previous accounting period.

Release of financial statements for previous accounting period

Company financial statements as at 31st December 2007 together with Annual report and auditor report regarding verification of financial statement as at 31st December 2007 was deposited into register of deeds of Companies register on 6.6.2008.

Approval of auditor

General meeting on 23. 9. 2008 approved the Mandat Audit, s.r.o. company as an auditor for verification of financial statements for accounting period from 1st January 2008 to 31st december 2008.

B. Accounting principles and methods applied

Individual financial statement have been prepared in accordance with International Financial Reporting Standards, hereinafter IFRS) as passed by the European Union institutions and presuming that the company is to capable to continue in its activities in close future.. Following new standards and interpretations had become effectual at the time of approval of this individual financial statement, but not applied by the company as having only insignificant impact to preparation of the given financial statements:

IFRIC 11 – intra-group transactions and transactions with own shares

IFRS 7 – Amendments and alterations of the International Accounting Standard IAS 39

IFRS 8 – Operating segments

Also is not expected that adopted standards would have any significant impact to company equity within reporting process.

This financial statement have been prepared with respect to deferring item, individual accounting items are deferred to periods of time and factual relevance and based on on historical costs, while the company's obligation to prepare continuous financial statement ensues from the Accountancy Act 431/2002 Legal Code., § 18.

B1) Company registration as at 1. 4. 2007

Company has been established through transformation of complementary pension insurance company Stabilita on 1.4.2007. Company concluded an extraordinary closing individual financial statement as at 31.3.2007 in accordance with IFRS and subsequently in accordance with the legal act related to complementary pension saving allocated assets among the company, contribution complementary pension fund and benefit complementary pension fund. At the same time prepared opening balance sheets of company and both funds as at 1.4.2007.

B2) Money and monetary equivalents

Money and monetary equivalents consist of petty cash in a cash-box in Slovak crowns and also in foreign currencies, postal stationery, rest of permit mail and balances on current and deposit accounts.

B3) Non-current tangible and intangible assets for current accounting period

Non-current tangible and intangible assets are declared in acquisition price, which is reduced by depreciations (amortization) of the said assets. Depreciations of assets are calculated using method of uniform depreciation according to period of utilization based on the Accounting Act 431/2002 Legal code § 28.

B4) Reserves for liabilities and value adjustments

Reserves represent liabilities with unspecified time definition or amount. Created providing that:

- there exists any legal or factual obligation to carry out the benefit payout, resulting from past events
- there is more than probable that benefit payout obligation is to occur and require a debiting of funds representing economic revenue
- there is possible to perform a reasonably reliable estimate of benefit obligations

Reserve item utilizes the principle of correct numerical expression of closing balance of reserve account of the balance sheet and related closing balance of costs item. Difference between the amount of tax-deductible reserve made and amount of actual cost which the reserve had been made for, in accordance with § 20 clause 20 of ZDP, is to be included into the tax base within the taxable year of utilization or cancellation of the reserve.

B5) Foreign currency conversion

Monetary assets and liabilities declared in foreign currency are converted into Slovak crowns and declared in statements converted by an official exchange rate of National Bank of Slovakia as at date of compilation of individual financial statements.

B6) Accounting of revenues and costs

Deferring of interest yields and costs related to assets and liabilities items is declared on the relevant accounts of those items. Interest revenues and costs are recognized in a period with time and factual relevance.

C. Review of equity movements as at 31. 12. 2008

| No. | Items | 1.4.2007 | Change | 31.12.2007 | Change | 31.12.2008 |
|------------|--|---------------|---------------|---------------|---------------|---------------|
| a | b | 1 | 2 | 3 | 4 | 5 |
| 1. | Share capital | 50 000 | | 50 000 | | 50 000 |
| a) | subscribed share capital | 50 000 | | 50 000 | | 50 000 |
| b) | receivables from shareholders (x) | | | | | |
| c) | decrease of share capital (x) | | | | | |
| 2. | Own shares (x) | | | | | |
| 3. | Share premium | | | | | |
| a) | transfer to share capital (x) | | | | | |
| b) | sale or transfer of own shares (x) | | | | | |
| 4. | Other capital funds | 1 100 | | 1 100 | | 1 100 |
| a) | transfer to share capital (x) | | | | | |
| b) | allocation to shareholders (x) | | | | | |
| c) | allotment certificate movement (x) | | | | | |
| 5. | Reserve funds | 5 000 | 125 | 5 125 | | 6 910 |
| a) | mandatory contribution | 5 000 | | 5 000 | 1 785 | 6 785 |
| b) | other increase | | | 125 | | 125 |
| c) | settlement of losses of annual business conduct (x) | | | | | |
| d) | transfer to share capital (x) | | | | | |
| e) | allocation to shareholders (x) | | | | | |
| 6. | Other funds created from distribution of earnings | | | | | |
| a) | settlement of losses of annual business conduct (x) | | | | | |
| b) | transfer to share capital (x) | | | | | |
| c) | transfer to reserve funds (x) | | | | | |
| d) | allocation to shareholders (x) | | | | | |
| 7. | differences from securities for sale | | | | | |
| 8. | Differences from hedging derivatives | | | | | |
| 9. | Differences from deposits to share capital in foreign currency | | | | | |
| 10. | Differences from deposits to share capital of subsidiary and affiliated units of accounting | | | | | |
| a) | share in profit/loss of subsidiary or affiliated unit of accounting x/(x) | | | | | |
| 11. | Differences from valuation of assets in allotment fund of other fund | | | | | |
| 12. | Retained earnings | | | | 16 064 | 16 064 |
| a) | transfer to share capital (x) | | | | | |
| b) | settlement of losses from previous periods (x) | | | | | |
| c) | contributions to funds (x) | | | | | |
| d) | allocation to shareholders (x) | | | | | |
| e) | contribution to social fund (x) | | | | | |
| f) | Payout of directors fees | | | | | |
| g) | transfer of share in profit/loss of subsidiary or affiliated unit of accounting | | | | | |
| 13. | Accumulated losses (x) | | | | | |
| a) | transfer for reduction of share capital (x) | | | | | |
| 14. | Profit or loss of current accounting period (x) | | 17 849 | 17 849 | 18 595 | 18 595 |
| 15. | Share capital (total - lines 1 to 14) | 56 100 | | 74 074 | | 92 669 |

D. Cashflow review as at 31.12. 2008

| Item name | 31.12.2008 | 31.12.2007 |
|--|----------------|-----------------|
| Cashflow from business activities | | |
| Economic results of current activity prior income taxation (+/-) | 24 440 | 22 398 |
| Non-monetary operations affecting economic results from current activities | 861 | 779 |
| depreciations of non-current intangible assets and non-current tangible assets | 2 937 | 1 761 |
| Change of accruals / deferrals items of expenses and earnings (+/-) | 98 | (58) |
| Interest recognized as earnings (-) | (2 138) | (975) |
| Interest recognized as expenses (+) | 0 | 50 |
| Non-current assets sale earnings | 0 | |
| Exchange rate gains | (36) | 1 |
| Other items of non-monetary character | | |
| Effect of changes of operating capital to economic results from current activities | (1 713) | (10 648) |
| Change in receivables from operation activities (-/+) | 1 867 | (12 698) |
| Change in liabilities from operation activities (+/-) | (3 547) | 1 906 |
| Inventory changes | (33) | 144 |
| Cashflow from operation activities excluding revenues and expenses listed separately in other part of cashflow review (+/-) | (8 142) | X |
| Interest received (+) | 0 | 975 |
| Interest paid (-) | (2 093) | (50) |
| Income tax related expenses | (6 049) | (185) |
| Net cashflow from operation activities | | 740 |
| Cashflow from investment activities | (2 119) | |
| Expenses related to acquisition of non-current tangible and intangible assets (-) | (2 232) | (5 291) |
| Revenue from sale of non-current tangible assets | 94 | |
| Net cashflow from investment activities | | |
| Cashflow from financial activities | | |
| Revenue and expenses related to credits | 0 | |
| Net cashflow total: | 13 327 | |
| Net increase or net decrease of cashflow and monetary equivalents (+/-) | 13 327 | 7 978 |
| State of funds and monetary equivalents at the beginning of accounting period | 46 009 | 38 031 |
| Balance of funds and monetary equivalents at the end of accounting period | 59 336 | 46 009 |

E. Annotations to the balance sheet items and financial statement items

1) Acquisition of non-current tangible and intangible assets

| Item | 31.12.2008 | 31.12.2007 |
|--|------------|------------|
| Acquisition of non-current intangible assets | 0 | 23 |

Company does not record any balance on the account of acquisition of non-current intangible assets as at 31.12. 2008.

Method of evaluation of individual items of assets and liabilities as split into:

- non-current intangible asset acquired through purchase – acquisition prices
- non-current intangible asset acquired through own activities – not created
- non-current intangible asset acquired through different method – no further case of acquisition occurred
- non-current tangible asset acquired through purchase – purchase prices
- non-current tangible asset acquired through own activities – not created
- non-current tangible assets acquired through different method – no further case of acquisition occurred
- provisions acquired through purchase – acquisition prices inclusive acquisition costs
- provisions created through own activities – no provisions created through own activities
- provisions acquired through other method – no such case occurred
- receivables – nominal values
- current financial assets – monetary funds in cash and on bank accounts their nominal values, postal stationery in nominal values.
- accruals/deferrals on asset side of balance sheet – nominal value
- liabilities, including reserves – nominal value
- accruals/deferrals on liability side – nominal value
- assets acquired in privatization – not listed

Depreciation plan for non-current assets

| Type of assets | Depreciation period | Depreciation rate | Depreciation method of book depreciation |
|---|---------------------|-------------------|--|
| Non-current tangible assets over 30 000 | diverse | diverse | linear |
| Non-current tangible assets over 30 000 | 2 years | | time |
| Non-curr. Intang from 10 000 to 50 000 | 2 years | | time |
| Non-current intangible over 50 000 | 5 years | diverse | linear |

2) Non-current tangible and intangible assets for current period of accounting

- review of the non-current intangible assets movement according to items of the assets in classification under individual items of balance sheet, records include valuation of those assets at the opening of current accounting period, increases, decreases and movements of assets and condition on the end of accounting period.

3a) Noncurrent intangible and non-current tangible assets for ordinary period of accounting

| Assets (Gross) | L.n. | 31.12.2007 | Additions | Decrease | Transfer | 31.12.2008 |
|--|------|------------|-----------|----------|----------|------------|
| B.I Non-current intangible assets total (l. 02 to 08) | 1 | 4 829 | 235 | 2 622 | | 2 442 |
| B.I 1 Incorporation expenses | 2 | 0 | | | | 0 |
| 2. Software | 3 | 4 209 | | 2 206 | | 2 003 |
| 5. Other intangible assets | 6 | 531 | | 393 | | 138 |
| 6. Acquisition of non-current ITA | 7 | 23 | | 23 | | 0 |
| 7. Other ITA (10 - 50K) | 8 | 66 | 235 | | | 301 |
| B.II Non-current tangible assets total (l. 010 to 016) | 9 | 36 501 | 2 095 | (1 768) | | 36 828 |
| Acquisition of tangible assets | 10 | 0 | | | | 0 |
| B.II 1 Structures | 11 | 11 774 | | | | 11 774 |
| Individual TA - machinery, equipment | 12 | 11 982 | 235 | 910 | | 11 307 |
| Individual TA - vehicles | 13 | 5 677 | 1 027 | 315 | | 6 389 |
| Individual TA - inventory | 14 | 2 511 | | 57 | | 2 454 |
| Individual TA (5 - 30K) | 15 | 1 307 | 834 | 124 | | 2 017 |
| Other non-current tangible assets | 16 | 3 250 | | 363 | | 2 887 |

Increase of non-current assets within the year 2008 represented an amount of SKK 1 416K. This increase have been mostly caused by a purchase of 3 units of vehicles for sales representatives (1 unit for the Banská Bystrica branch and 2 units for the Nitra branch) in total amount of SKK 1 028K. .

Review of valuation reserves according to individual items of non-current assets within classification under individual items of general ledger, records include state of valuation reserves and adjusting entries at the beginning of current period of accounting, their increases, decreases and transfers during current period of accounting and balance on the end of the current period of accounting, is shown below.

3b) Valuation reserves to non-current intangible and non-current tangible assets for current period

| Assets (adjustment) | L.No. | 31.12.2007 | Additions | Decrease | Transfer | 31.12.2008 |
|--|-------|------------|-----------|----------|----------|------------|
| B.I non-current intangible assets total (l.02 - 06) | 1 | 4 453 | 148 | (2 599) | | 2 002 |
| B.I 1 Incorporation expenses | 2 | 0 | 0 | | | 0 |
| 2. Software | 3 | 3 897 | 105 | (2 206) | | 1 796 |
| 4. Other non-current intangible assets | 5 | 531 | | (393) | | 138 |
| 5. Other ITA (10 - 50K) | 6 | 25 | 43 | | | 68 |
| B.II Non-current tangible assets total (l. 08 - 013) | 7 | 29 646 | 2 790 | (1 769) | | 30 667 |
| 1. Structures | 8 | 11 774 | | | | 11 774 |
| 2. Individual TA - machinery, equipment | 9 | 9 625 | 1 190 | (910) | | 9 905 |
| 3. Individual TA - vehicles | 10 | 1 486 | 1 200 | (315) | | 2 371 |
| Individual TA - inventory | 11 | 2 478 | 15 | (57) | | 2 436 |
| Individual TA (5 - 30K) | 12 | 1 033 | 385 | (124) | | 1 294 |
| Other non-current tangible assets | 13 | 3 250 | | (363) | | 2 887 |

Initial opening evaluation of non-current intangible assets have used evaluation model through acquisition prices with correction in following evaluation by valuation reserves of those assets.

Method and amount of insurance of non-current intangible assets and non-current tangible assets

1. Motor vehicles in company ownership as at 31. 12. 2008 are insured in Slovenská poisťovňa Allianz fthrough fleet contract for mandatory insurance policy No. 8080074463. Vehicle damage or destruction of vehicle and vehicle theft is covered by motor hull insurance policy by the mentioned insurance company.
2. In relation to motor vehicles have been concluded insurance policies covering persons transported by the said motor vehicles in amount of SKK one million.
3. Based on the insurance contract with QBE, a.s. No. 2-866-002749 are the non-current tangible assets covered against theft, acts of God and flooding within individual branches and head office in Košice.

4) Investments into affiliated companies

| Item | 31.12.2008 | 31.12.2007 |
|---------------------------------------|------------|------------|
| investments into affiliated companies | 30 831 | 30 831 |

STABILITA, d.d.s., a.s., company is a controlling entity in the STABILITA Servis, s.r.o. company, whose main area of activities is to provide for attendant services for STABILITA d.d.s., a.s. Based on the decision of general meeting and compiled expertise review has non-tangible assets been contributed as non-monetary deposit into the STABILITA Servis, s.r.o. company. DDS (CPIC) also have dealt with a problem of adequacy of capital and reserves in accordance with legal act No. 650/2004 § 33 related to complementary pension saving after previous approval of National Bank of Slovakia.

5) Current assets

Money and monetary equivalents

Balance represents a balance of petty cash in domestic and foreign currency, state of funds on current accounts at depository which consist of payroll account and management account as at 31.12.2008 and balance of valuables and frankotype. Comparison available in the table below:

| Item | as at 31.12.2008 | as at 31.12.2007 |
|--------------------------------------|------------------|------------------|
| Cash register - foreign | 93 | 115 |
| Cash register - domestic | 232 | 137 |
| Permit mail | 112 | 108 |
| Postal stationery- purchase vouchers | 407 | 93 |
| Management account | 137 | 1742 |
| Wage account | 2 | 9 |
| Total | 983 | 2 204 |

6) Bank receivables:

Bank account balances as at 31.12.2008

| Item | as at 31.12.2008 | as at 31.12.2007 |
|---------------|------------------|------------------|
| KTVA | 41 756 | 33 795 |
| KTVB | 14 547 | 10 010 |
| O/N overnight | 2 050 | |
| Spolu | 58 353 | 43 805 |

As at 12.2008 the company had 2 two-week time deposits with total amount of SKK 56 303K and O/N (overnight) in amount of SKK 2 050K..

7) Client and other non-current receivables

| Item | as at 31.12.2008 | as at 31.12.2007 |
|--|------------------|------------------|
| Receivables for contribution fund administration | 9 598 | 11 686 |
| Receivables for benefit fund administration | 499 | 226 |
| Other receivables | 55 | 107 |
| Total: | 10 152 | 12 019 |

Receivables are related to the fund administration, charged by the company in accordance with Statute of complementary pension funds Article VII. clause 1. Recompense is charged on monthly basis for concluded calendar month of administration in amount of one twelfth of percentual rate of 3 % in contribution fund, but from 1.7.2008 it amounts to 2,25 %, and 2,50 % in benefit fund from average annual net value of property, but only 2,00 % of benefit fund from 1. 7. 2008. These receivables do not include depository charges, not even valuables administration charges, charged by a depository directly to the funds accounts. Other receivables account includes credit advices against suppliers and returned vouchers of our clients whose participation within the insurance system not exceeded 3 months period.

8) Structure of other assets as at 31.12.2008

| Item | stav k 31.12.2008 | stav k 31.12.2007 |
|---------------------------|-------------------|-------------------|
| Prepaid expenses domestic | 124 | 98 |
| Accrued expenses | 415 | 488 |
| Deferred income | 26 | 57 |
| Material inventory | 130 | 97 |
| Other receivables | 27 | |
| Tax office receivable | 0 | 32 |
| Total | 722 | 772 |

Prepaid expenses relate to advance invoicing invoices for services, remittance of tuition fee, professional publications in amount of SKK 114K and also provided advance payments for business trip allowances and minor purchases in amount of SKK 10K.

Prepaid expenses in total amount of SKK 415K represent recording of that part of expenses with time and factua connection to future period. It applies to expenses related to settlement of mandatory insurance policy, one-million insurance policy, motor hull insurance in amount of SKK 167K, computer up-grade and anti-virus programme in amount of SKK 91K, parking cards in amount of SKK 6K, newspaper and journal subscription fees in amount of SKK 46K, telephone bills within period of 1/2009 in amount of SKK 104 K.

Advance payments for income tax

Based on the tax declared for the year 2007 the company was obliged in accordance with legal act No. 595/2003 Legal Code related to income tax § 42 clause 1 to pay monthly advance payments of tax. This item represented in the period of the year 2008 an amount of SKK 6 049 k.

9) Trade liabilities

| item | 31.12.2008 | 31.12.2007 |
|--------------------|--------------|--------------|
| Domestic suppliers | 3 836 | 8 515 |
| total | 3 836 | 8 515 |

The most important supplier is the STABILITA Servis, s.r.o., which provides servicing and liability as at 31.12.2008 represents an amount of SK 1 880 K. Balance represents liabilities for auditing services, advertising services, rental of premises and telecommunication charges.

Creation and drawings from social fund as at 31.12.2008

| Item | 31.12.2008 | Allocation | 31.12.2007 | Allocation |
|----------------------------|------------|------------|------------|------------|
| Initial position | 35 | | 109 | |
| Creation of social fund | 238 | | 193 | |
| Allocation - meal vouchers | | 178 | | 145 |
| Allocation - MDD | | 3 | | 29 |
| Allocation - others | | 73 | | 93 |
| Closing balance | 19 | | 35 | |

10) Reserves and other liabilities

| Item | 31.12.2008 | 31.12.2007 |
|---|---------------|--------------|
| Reseves | 7 270 | 2 990 |
| Other liabilities | | 1 280 |
| Liabilities to personnel | 1 536 | 3 767 |
| Clearing with social and health insurance comp. | 1 116 | 1 150 |
| Accrued expenses | 3 | 3 |
| Unbilled supplies | 42 | 0 |
| Commission contracts | 882 | 694 |
| Social fund | 19 | 35 |
| Total | 10 868 | 9 919 |

Reserve item represents reserves for unclaimed leaves, reserves for unbilled supplies and also reserves for directors fees. Clearing with health and social insurance organizations represents amount of SKK 1 116K, liabilities to personnel SKK 1 536K, balance of social fund amounts to SKK 19K.

Commission contracts in amount of SKK 882K as at 31.12.2008, utilized by company in settlement of expenses costs related to selected external personnel, who provides contact data related to potential participants of complementary pension saving scheme.

11) Income tax

Income tax is calculated in accordance with legal act No. 595/2003 Legal Code related to income tax based on the results declared within the income statement prepared in accordance with IFRS. Corporate tax is recorded into company expenses in the period of tax liability origination and within the financial statement is calculated from tax base value ensuing from economic results prior taxation, which represented an amount of SKK 24 440K as at 31.12.2008. Subsequently adjusted for deductible and nondeductible items.

Income tax deferred is declared by the company through balance sheet method at the occurrence of temporary differences between book value of assets and tax value of assets, which are declared for purposes if international financial reporting. Income tax deferred has a current tax rate that is 19 %.

| Item | 31.12.2008 | 31.12.2007 |
|---|------------|------------|
| Income tax of LE due | 5 812 | 4 234 |
| Other direct taxes - tax on trade | 353 | 120 |
| Total: | 6 165 | |
| Advance payments for tax paid | (6 049) | 4 354 |
| Final amount of current income tax | 116 | |
| Income tax of legal entities deferred | 154 | |
| Liabilities ensuing from income tax (I.11 of bal.sh.) | 270 | |

12) Income tax due and its calculation

| Item | 31.12.2008 | 31.12.2007 |
|---|--------------|--------------|
| Economic results before taxation | 24 440 | 22 398 |
| representation fund | 425 | 315 |
| promotional materials valued over SKK 500 | 110 | 113 |
| travel expenses exceeding limit | 42 | 35 |
| finances and penalties, tax non-deductible services | 296 | 16 |
| other tax non-deductible reserves | 5 775 | |
| fuel | 86 | 48 |
| purchase vouchers | | 935 |
| reserve for agents | (425) | 425 |
| traders | (93) | |
| other tax non-deductible reserves | 106 | 176 |
| difference in accounting and tax depreciations | (175) | 1 152 |
| tax base | 30 587 | 23 309 |
| tax base according §15 of income tax law in % | 19% | 19% |
| Income tax of legal entity | 5 812 | 4 429 |
| other direct taxes- related activity tax | 353 | |
| total | 6 165 | |
| Advance payments for tax paid | 6 049 | 195 |
| Income tax due | 116 | 4 234 |

13) Income tax deferred and its calculation

| Item | 31.12.2008 |
|--|------------|
| differences between depreciations - tax liability | 1 327 |
| deductible reserve for 2007- middlemen | (425) |
| deductible reserve for 2007-traders | (93) |
| deferred tax calculation base | 809 |
| tax rate according to § 15 of income tax act | 0 |
| tax due to deferred liability | 154 |
| tax due to deferred liability from previous period | 121 |
| final calculation of tax | 33 |

14) Share capital

Share capital of the company as at 31.12.2008 consists of 50 000 units of shares in nominal value of SKK 1 000,- per one share. Company shares represent the shareholders partnership rights of participation in accordance with relevant legal acts

and company memorandum in its management, profits and liquidation value following the company dissolution by liquidation.

Information about the complementary pension company shareholders

| Partners | Share value in SC | Share value in IF |
|---------------------------|-------------------|-------------------|
| Železnice SR, Bratislava | 27 630 000 | 2 763 000 |
| Lorea Investments Limited | 10 862 000 | 1 086 200 |
| U.S.Steel Košice, s.r.o. | 4 648 000 | 464 800 |
| ZSNP, a.s. | 4 250 000 | 425 000 |
| Železiarne Podbrezová | 2 585 000 | 258 500 |
| Szabo Marek | 25 000 | 2 500 |
| Total | 50 000 000 | 5 000 000 |

15) Capital funds and funds created from profit

Shareholders have put into company together with share capital also the reserve fund in amount of SKK 5 million, which was transferred as a mandatory reserve fund as at 1.4.2007.. Following the approval of annual financial statements for the year 2007 General meeting declared an approval of allocation of economic results and supplement of reserve fund by 10% of share capital in amount of SKK 1 785K in accordance with § 217 of Commercial Code 513/1991.

16) Other capital funds

Other capital funds item in amount of SKK 1 100K is a share within the subsidiary company Stabilita Servis, s.r.o.

17) Differences in valuation from deposits into capital of subsidiary company

Difference in valuation item in amount of SKK 125K represents a difference ensued from property evaluation within the STABILITA Servis s.r.o., which had its non-current intangible assets brought over as non-monetary contribution into the company as at 1.4.2007, valued by expert reviews of individual evaluated equity units and actual acquisition value of the said asset. (see description No. 4).

Average personnel volume

| Personnel structure | 31.12.2008 | 31.12.2007 |
|--|------------|------------|
| Director general, managing director, inves.direct. | 3 | 3 |
| Medium management | 13 | 7 |
| Other personnel | 34 | 37 |
| Number of personnel | 50 | 47 |

Description of the Income statement items

3) Net interest yields

| Item | 31.12.2008 | 31.12.2007 |
|--|------------|------------|
| Interest yields and analogous yields | 2 138 | 975 |
| Interest expenses and analogous expenses | (87) | (50) |
| Net interest yields | 2 051 | 925 |

Net interest yields item represents the difference between interest on bank account funds conducted at depository and bank account charges.

6) Net profit or loss from recompenses and commissions

| Item | 31.12.2008 | 31.12.2007 |
|---|------------|------------|
| Revenues from recompenses and commissions | 132 727 | 99 751 |
| Recompenses and commission costs | (2 260) | (3 408) |
| Net profit from recompenses and commissions | 130 467 | 96 343 |

Revenues from recompenses and commission item represents revenues for administration of funds, recompense for severance pay and recompense for saving policy holders for a change of complementary pension companies for a period from January to

December 2008. Recompense and commission item relates to fees for administration of securities. This account also includes fees paid to the National Bank as a subject acting in supervision over the Stabilita, d.d.s., a.s.

7) Other yields

Other operation yields item represents amount of SKK 346 K, including revenues from vehicle sales in

amount of SKK 94 K and dissolved reserves related to unclaimed leaves.

| Položka | 31.12.2008 | 31.12.2007 |
|--------------|------------|------------|
| Other yields | 346 | 1 775 |

8) General administration costs in total amount of SKK 108 424 K:

9) Personnel costs

Personnel costs in amount of SKK 46 355K represents cost of wages and commissions, recompenses of statutory body members, social security contributions, contributions to the complementary pension saving fund of the personnel, routine medical check

costs and creation of mandatory social fund. This also includes an amount of contribution to staff meal vouchers within twelve months of the year 2008 and personnel training costs.

| Item | 31.12.2008 | 31.12.2007 |
|--------------------------------------|------------|------------|
| Wage costs | 36 084 | 25 000 |
| Contracts | 152 | 246 |
| Social security costs | 7 924 | 7 177 |
| Routine check-ups costs | 55 | 40 |
| Severance and redundancy bonus costs | | 1 078 |
| Personnel training | 238 | |
| Meal voucher costs | 608 | |
| Contribution to CPS | 1 044 | |
| Sick pay recompenses | 12 | |
| Mandatory social fund creation | 238 | 659 |
| Total: | 46 355 | 34 200 |

10) Depreciations of tangible and intangible assets

It amounts to the total sum of SKK 2 937K, while depreciation for tangible assets represents an amount of SKK 2 789 K and depreciation for intangible assets SKK 148 tK.

| Item | 31.12.2008 | 31.12.2007 |
|--|------------|------------|
| Depreciation of non-current tangible assets | 2 789 | 1 090 |
| Depreciations of non-current intangible assets | 148 | 156 |
| Total | 2 937 | 1 246 |

11) Other costs

Total amount of SKK 59 132K consists of following costs listed according to individual activities:

| Item | 31.12.2008 | 31.12.2007 |
|---|---------------|---------------|
| consumption of inf.mat.stationery and promotion. | 1 711 | 1 947 |
| consumption of office stat., publications etc. | 843 | |
| fuel consumption | 563 | 400 |
| consumption of power, gas, water and hot water | 1 062 | 590 |
| fuel over limit | 87 | |
| repair and maintenance of TIA | 482 | 739 |
| software leasing | 17 152 | 11 248 |
| travel expenses | 870 | 619 |
| representat., promot. Items over SKK 500 | 2 970 | 317 |
| rent | 4 661 | 3 595 |
| services mater., immater. Charact., consultations | 1 504 | 1 189 |
| services for STABILITA Servis , s.r.o. | 3 902 | |
| advert., promot., VAT through ID | 3 244 | 1 959 |
| postal services | 3 036 | 1 966 |
| telephone charges | 1 326 | 709 |
| internet services | 959 | 590 |
| represent., broker., trader services | 10 906 | 5 022 |
| auditor services | 873 | 589 |
| personnel training | | 200 |
| services- software, cleaning, cater., fr. Bloom | 1 929 | |
| vehicle and property insurance costs | 279 | 203 |
| other running costs | 327 | 8 802 |
| exchange rate losses | 37 | |
| other taxes, charges, fines, penalties, insurance | 409 | |
| Total: | 59 132 | 40 684 |

13) Income tax

Income tax structure applicable as at 31. 12. 2008

| Item | 31.12.2008 |
|-------------------------------------|--------------|
| Corporate income tax - due | 5 812 |
| Corporate income tax - deferred tax | 33 |
| Total | 5 845 |

Tax liability of the company is calculated on the basis of accounting economic results, taking into account the imputable and deductible costs, multiplied by relevant tax rate.

| Item | 31.12.2008 |
|--|--------------|
| Economic results prior taxation | 24 440 |
| theoretical tax calculated on income tax basis | 4 644 |
| Costs imputable to tax base | 6 841 |
| Costs deductible from tax basis | (694) |
| Tax basis for income tax calculation | 30 587 |
| Income tax | 5 812 |

15) Profit pre share

Indicator provides information related to relative performance of the company, takes into proportion

the data related to economic results after taxation and number of related shares.

| Item | 31.12.2008 | 31.12.2007 |
|---------------------------------|------------|------------|
| Economic results after taxation | 18 595 | 17 849 |
| Number of shares | 50 000 | 50 000 |
| Basic profit per share | 0,370 | 0,360 |

F. Review of other assets and other liabilities

Receivables from future credits, loans and guarantees - company have not provided any loan, guarantee as at 31. 12. 2008 and have no receivables from future credits.

Provision of security

- company has not secured any estate, securities or any assets

Receivables from spot operations, fixed time operations and operations with options

- company has no receivables ensuing from derivative

operations as at 31. 12. 2008

Depreciated receivables, values handed over for safe-keeping, administration or storage

- company has not any such assets or depreciated receivables as at 31. 12. 2008

Liabilities from future credits, loans and securities

- company has not been provided any loan, sdecurity or credit

Liabilities from spot operations, fixed time operations and operations with options

- company has no liabilities as at 31.12.2008 ensuing from derivate trade

G. Other annotations

Company is entitled to recompense for admionistration of complementary pension funds. Recompense for fund administration is paid on monthly basis, calculation of monthly recompense is based on the average net value of assets in contribution and benefit pension fund within elapsed calendar month of administration. Company recompense is stated within the item of charges and income from commissions in attached income statement. Company is entitled to recompense also for Company is also entitled to recompense for a change of complementary pension company by a participant of complementary pension saving and recompense for severance bonos in contribution complementary fund. Amount of fees is specified in the part A General information.

Recompense for beneficiary's change of complementary pension company and recompense for severance bonus in benefit complementary pension fund is not stipulated and company is not entitled to those types of recompenses from funds in the benefit fund because change of complementary pension company by beneficiary is not permitted according to legal act related to CPC and recompense from the funds of benefit pension fund is not paid.

- subsidiary company

- other companies within a group

Company is a parent company of the subsidiary company Stabilita Servis, s.r.o., with direct control of this company according to the IFRS specifications and with 100%share.

Company share within the capital and reserves of the STABILITA Servis s.r.o. as at 31.12.2008 amounts to SKK 30 831K. Stabilita Servis, s.r.o. company, is its 100% subsidiary company which provides a software leasing to its parent company and the latter covers all expenses related to leased software to STABILITA Servis s.r.o. on monthly basis. Based on the facts lmentioned above there has been concluded a contract for a business lease of movable asset, related to the programme application Softip Profit, information system SofiSTAR and subsequently system Asset Management Suite PXP riešeného dodatkom č. 1 k predmetnej zmluve.

Board of directors of the STABILITA, d.d.s., a.s., at its meeting on 25.6.2007 following the negotiations with the STABILITA Servis company, s.r.o., has decided about the diversion if activities related to intercession of business an economic administration, which provides for material-technical and attendant services on the STABILITA Servis, s.r.o. company. It applies to sevicees which in accordance with legal act No. 650/2004 Legal Code do not require a permission for consignment of activities. That is why have been conclude a contract with subsidiary company related

G1) Information about related parties

In accordance with the standard IAS 24 the related parties include subjects as follows:

- board of directors

- supervisory board

to transfer of activities and contract related to intercession applicable to activities which are to be aimed at selection and contacting and other services including arrangement of opportunities aimed at conclusion of participation contract in accordance with provisions of § 57 zákona č. 650/2004 Legal code, related to complementary pension saving.

Structure of assets in relation to related parties:

| Item | 31.12.2008 | 31.12.2007 |
|---|------------|------------|
| Shares in share capital in subsidiary company (1) | 30 831 | 30 831 |

1) Subsidiary company STABILITA Servis, s.r.o.

Adequacy of capital and reserves

| Item | 31.12.2008 | 31.12.2007 |
|--|---------------|---------------|
| Capital and reserves of complementary pension company | | |
| Items creating value of capital and reserves | 74 074 | 56 100 |
| paid-up share capital (§2 clause 2 letter a) | 50 000 | 50 000 |
| share premium | | |
| reserve fund and other funds created from after tax profit | 6 785 | 5 000 |
| other capital funds except differences from calculation of CP | 1 225 | 1 100 |
| Retained earnings from previous years (§2, clause 2, letter e) | 16 064 | |
| Items reducing value of capital and reserves | 441 | 499 |
| Book value of own shares CPSC (§2 clause 3 letter a) | | |
| non-current intangible assets (§2, clause 3, letter b) | 441 | 499 |
| loss of current accounting period (§2 clause 3 letter c) | | |
| book value of CPSC contribution (§2 clause 3 letter d) | | |
| goodwill, if positive balance (§2, cl. 3e) | | |
| Basic capital and reserves | 73 633 | 55 601 |
| Additional capital and reserves | | |
| Capital and reserves (total lines BCR and ACR) | 73 633 | 55 601 |
| Assets value for calculation of adequacy of capital | 5 401 021 | 4 368 304 |
| Value of assets in contribution c.p.f. | 5 105 916 | 4 296 744 |
| Value of assets in benefit c.p.f. | 295 105 | 71 560 |
| Operation costs CPSC for previous year | 131 237 | 92 613 |
| guarantee amount (§33 clause 5 of legal act) | | |
| Adequacy of capital and reserves | | |
| Percent share of capital and reserves in a total of value of SKK 50 mil. and 0.05% of value in c.p.f. exceeding value of SKK 5 bill., the sum is not increased after reaching an amount of SKK 500 million | 146,68 | 111,20 |
| Percent share of capital in 25% of line value | 224,43 | 240,14 |
| Capital and reserves are adequate | A | A |

Company is obliged in accordance with legal act No. 650/2004 Legal Code § 33 to observe a capital adequacy, while capital is considered to be adequate providing not lower than:

- total of value SKK 50 000 000 and 0,05 % of the value of the complementary pension funds assets exceeding an amount of SKK 5 000 000 000, this amount is not further increased after reaching an amount of SKK 500 000 000,
- 25 % of general operation costs of the complementary pension company for previous calendar year, providing that the complementary pension company performs complementary pension saving. for less than 1 year, 25 % of value of general operation expenditures as listed within its business financial plan.

Structure of liabilities in relation to related parties:

| Item | 31.12.2008 | 31.12.2007 |
|---------------------|------------|------------|
| Other capital funds | 1 100 | 1 100 |

Summary of transactions of complementary pension company towards related party as at 31.12. 2008:

| Item | 31.12.2008 | 31.12.2007 |
|---|---------------|---------------|
| software leasing from subsidiary company STABILITA Servis | 17 152 | 11 248 |
| intercession services | 2 062 | 1 858 |
| leasing of other services | 1 840 | 1 572 |
| Total: | 21 054 | 14 678 |

G2) Data related to credit risk, market risk and other types of risk

Company has invested a substantial part of its financial instruments into short-term time deposits which are due within 1 year. Purchase of securities, securing instruments is realized within individual pension funds. Due to the fact mentioned above and also because the company keeps all its funds on current accounts kept at depository, the mentioned risks are of minor importance.

Transactions with financial tools, entered by the company during its existence, may lead to execution of one or more of financial risks, while those are the major risks:

Currency risk – that is a risk of fluctuation of financial instrument value with respect to change exchange rates of foreign currencies. Company has placed its financial funds in Slovak currency on current accounts and also deposit accounts. Risk exposure and related possible losses has only minor importance to the company as ensued from only small liabilities in form of invoices from trade relations.

Interest risk – that is a risk of fluctuation of future cashflow of financial instrument in relation to changes in the market interest rates. Changes in interest rates on current accounts and time accounts would be capa-

ble of affecting the economic results as at 31.12.2008 from the company funds volume point of view only in small extent.

Liquidity risk characterizes a possibility that a company would be short of liquid funds at the time when required to fulfil certain financial liabilities. This is connected with a repayment ration and cashability of assets and liabilities. There is in the company interest to maintain its liquidity on permanent basis and at the same time carry out its obligations properly and on time with ensuing duty on managing its assets in the way to keep its liquid position. In further review we provide an analysis of maturity of individual active items of the balance sheet.

Company assets and their liquid position as at 31.12.2008

| Assets | 0-1 mth | 1-3 mths | 3m-1year | 1-5 years | over 5yrs | Not defin. |
|-----------------------------|---------------|---------------|--------------|-----------|-----------|---------------|
| Acquisition of NTA and NIA | | | | | | |
| Non-current intang. Assets | | | | | | 441 |
| Non.current tangible assets | | | | | | 6 161 |
| Invest. In affiliated comp. | | | | | | 30 831 |
| Money and monetary equiv. | 232 | | | | | |
| Bank receivables | 58 353 | | | | | |
| Client receivables | | 10 152 | | | | |
| Other current assets | | 1 473 | 6 049 | | | |
| Total | 58 585 | 11 625 | 6 049 | | | 37 433 |

Company liabilities and their liquid position as at 31.12.2008

| Liabilities | 0-1 mth | 1-3 mths | m- 1year | 1-5years | over 5 years | Not defin. |
|-------------------------------|---------|--------------|---------------|----------|--------------|---------------|
| Trade liabilities | | 4 760 | | | | |
| Reserves and other liabilit. | | | 10 297 | | | |
| Income tax | | | 5 966 | | | |
| Subscribed equity | | | | | | 50 000 |
| Other capital funds | | | | | | 1 100 |
| Reserve fund | | | | | | 6 785 |
| Differences to subs.com. | | | | | | 125 |
| Retained earnings | | | | | | 16 064 |
| Earnings on ordin. Activities | | | | | | 18 595 |
| Total | | 4 760 | 16 263 | | | 92 669 |

G3) Information related to subsequent events

Commencing from the date of preparation of this individual financial statement as at 31.12.2008 up to the date of preparation of these annotations, no major events affecting the data as listed within this financial statement did occur within the company.

Company is to introduce commencing from 1.6.2009 in accordance with legal act No. 650/2004 Code of

Law related to complementary pension saving policies § 47 and subsequently § 87 letter i) a complementary pension unit, whose implementation is to cause alterations in information requirements in relation to supervision as well as saving policy participants and beneficiaries..

In Košice on 27.02.2009



Ing. Miloš Krššák
chairman of the board



JUDr. Marián Melichárek
vice-chairman of the board



Agáta Bachledová
responsible for preparation
of financial statement

