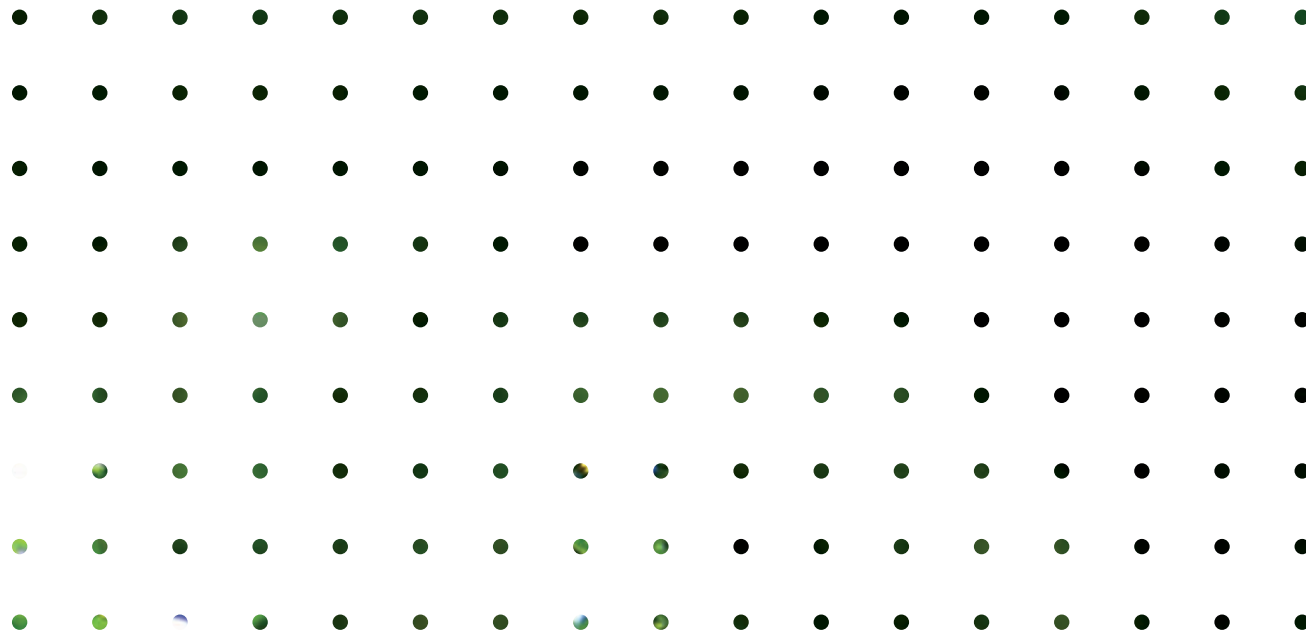




ANNUAL REPORT 2007





“ Last but not least, special focus in 2008 and the following years will be on environmental protection, and more specifically on investing in **clean technology** at our compressor stations in an economically viable way.

Seeing the **expertise, perseverance and dedication** of our employees, I am convinced that we will be able to cope with the challenges ahead.

Andreas Rau

Chairman of the Board of Directors

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Statement by the Chairman of the Board of Directors

Ladies and Gentlemen, Dear Colleagues and Friends,

2007 has been the first full business year for our company as an independent transmission system operator. Most importantly, it was another year of safe and reliable gas transmission services rendered to our customers without any disruptions. With a total of 72.8 billion cubic meters of transported gas volumes we again contributed to a significant extent to the security of natural gas supplies in Europe. And through the investment projects we are currently implementing, we will continue to maintain our high safety and reliability standards in the future.

As far as the financial results are concerned, with a net profit of some SKK 3.1 billion, we closed the business year slightly below expectations. This development is mainly due to external factors. Firstly, the Slovak crown strengthened against the US dollar by more than 16 % on average compared to 2006. This had an adverse impact on our revenues which, to a large extent, are denominated in US dollars. As currency hedging was very successful, we were able though to partly compensate for the weakening dollar. Secondly, 2007 was another year of mild winter temperatures. This is also reflected in transmission volumes which decreased by 1.4 % compared to 2006.

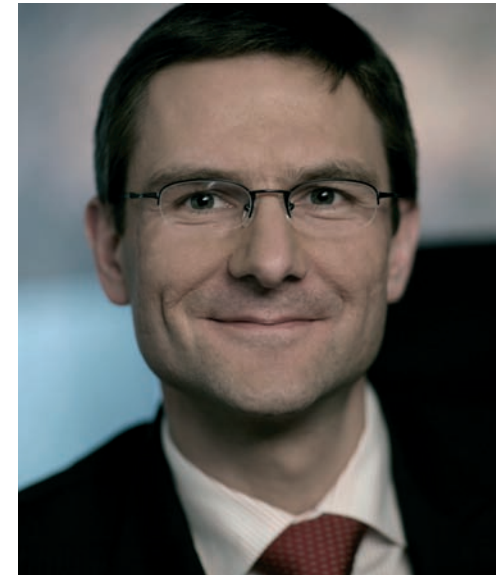
One of the main projects in 2007 was to develop a mid-term priority plan for the company. The cornerstone of this priority plan is our vision „to be a key player in European gas transmission and to be recognized as such“. In line with this vision we also reviewed our branding strategy and decided to launch a re-branding process in order to sharpen our profile in international communication. This process started in the second half of 2007 and, as a result, on 1st January 2008 we changed the business name of our company from „SPP - preprava a. s.“ to „eustream a. s.“ In light of the important role Eustream is playing in the security of gas supplies in Europe, we consider this a necessary and logical step. At the same time, by separating our branding strategy from the branding strategy of the affiliated gas trading company SPP a. s., we are complying with one of the essential recommendations of European Regulators on the implementation of effective legal unbundling.

Regulation of the energy business will of course stay on the agenda in 2008. The third legislative energy package proposed by the European Commission is currently being discussed intensively in Brussels and in most of the member states of the

European Union. The outcome of this process will have a significant impact on the future organization of our business. As a key player in European gas transmission, we are considering the effective and efficient legal unbundling as an appropriate tool for ensuring a competitive gas market.

In an environment of increasing international pipeline-to-pipeline competition one of the main challenges for our company is to keep the portfolio of long-term gas transmission contracts. In this respect, 2008 will definitely be a crucial year for Eustream. In addition, optimizing existing business activities and finding new business opportunities is also becoming more and more important. Naturally, this must go hand in hand with adequate organizational measures. Last but not least, special focus in 2008 and the following years will be on environmental protection, and more specifically on investing in clean technology at our compressor stations in an economically viable way.

Seeing the expertise, perseverance and dedication of our employees, I am convinced that we will be able to cope with the challenges ahead.



A handwritten signature in blue ink that reads "A. Rau".

Andreas Rau
Chairman of the Board of Directors

Statement by the General Director

Ladies and gentlemen,

In 2007 we celebrated the 35th anniversary of gas transmission through Slovakia. It all started in 1972 when we established an important and successful business that later grew and developed to the scope comparable to other strong and influential transmission companies in Europe. With due respect to tradition we celebrated the 35th anniversary of safe and reliable transmission of Russian natural gas through the Slovak transit system. Throughout our long history we have always had ambitious goals and people to achieve them. As a result we have gradually become the biggest transporter of Russian natural gas within the European Union. We will go on working hard to preserve our position and reputation as an important transmission system operator with regard to the security of gas supply to the EU. People are the heart of our company. Our success, growth and strong position in this industry depend largely on the energy and efforts of all our employees. The key mission of our company is to provide customers and partners in Europe with high quality services in the area of gas transmission in the short, middle and long term perspectives.

As I look back on the last year, I am really proud of what our employees were able to achieve. 2007 was one of the most demanding and challenging years in our business. To fulfill our vision we defined a priority plan and corresponding action plans for next few years. Results of these projects and goal achievements will influence the future activities of our company, its organizational structure, technological base, success and efficiency to a significant degree. One typical example is the commercial dispatching unit we have established in 2007 in order to meet needs, expectations and requirements of our customers and adjacent transmission system operators.

Respect of people and resources, integrity and initiative are our core values. The commitment and creativity of coworkers are added values that enable us to reach our targets. These values function as guiding principals for daily performance and consequently for the sustainability of our work. The term sustainability involves such areas as labour conditions and environmental issues. These areas were an important and integral part of negotiations on the new collective agreement. By the

end of the year we agreed on the final version of it.

In 2007 we saw Europe waking-up to climate change as never before, creating a sense of urgency to act. And we have a part to play. As part of our drive to be energy-lean we are investing into the protection of the environment as well.

If we still want to play a key role in the transmission of Russian natural gas we have to handle global challenges and changes. These changes have significantly affected every day life and that's why it is inevitable to choose the right way of internal and external communication. How employees communicate within the company, with business partners, customers, Slovak and international institutions can contribute greatly to the position of our company in the European market. The right and efficient way of communication has become an important factor of an organization's success. And we want to succeed!



A handwritten signature in blue ink, consisting of stylized initials 'PJ' followed by a surname.

Pavol Janočko
General Director

Board of Directors as at 31st December 2007



Mgr. Ing. Andreas Rau
Chairman of the Board of Directors



Ing. Miroslav Gažo
Vice-Chairman of the Board of Directors
(Replacing Ing. Peter Danovič as of 9th February 2007)



Ing. Christophe Poillion
Member of the Board of Directors

Top Executive Management as at 31st December 2007



Ing. Pavol Janočko
General Director



Ing. Miloš Pavlík
Head of Sale
of Transmission Capacities



Ing. Ján Janus
Head of Gas Dispatching



Ing. Vladimír Potočný
Head of Technical
Competence Centre



Ing. Rastislav Ňukovič
Head of Central
Maintenance



Ing. Ján Stuhl
Head of Economic Services
and Asset Development



Ing. Peter Olišanský
Head of Area
Veľké Kapušany



Ing. Štefan Keresteš
Head of Area
Jablonov nad Turňou

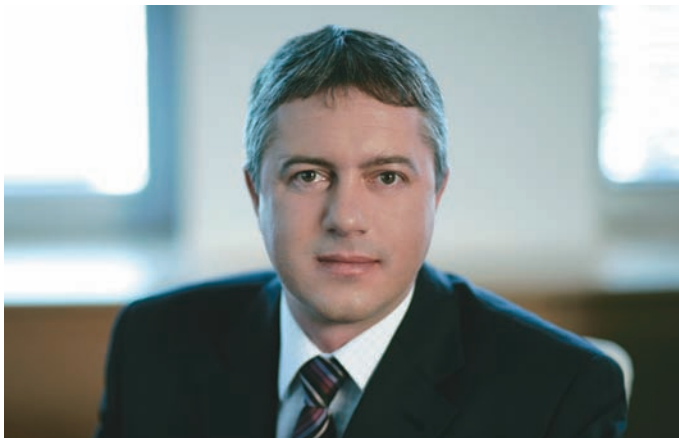


Ing. Jozef Titka
Head of Area
Veľké Zlievce



Ing. Anton Zelenaj
Head of Area
Ivanka pri Nitre

Supervisory Board as at 31st December 2007



Ing. Jaroslav Krč-Šebera

Chairman of the Supervisory Board

(Replacing RNDr. Pavol Lazar as of 9th February 2007)

Ing. Veit Obremski

Vice-Chairman of the Supervisory Board

(Replacing Mgr. Louis de Fouchecour as of 1st July 2007)

Members:

Andrej Lendvay
Ing. Rudolf Rigáň

Mgr. Martin Ryba
Mgr. Ivan Švec

*(Replacing doc.Ing. Nikolaj Ponevský, PhD.
and prof. Ing. Michal Varchola as of 9th February 2007)*

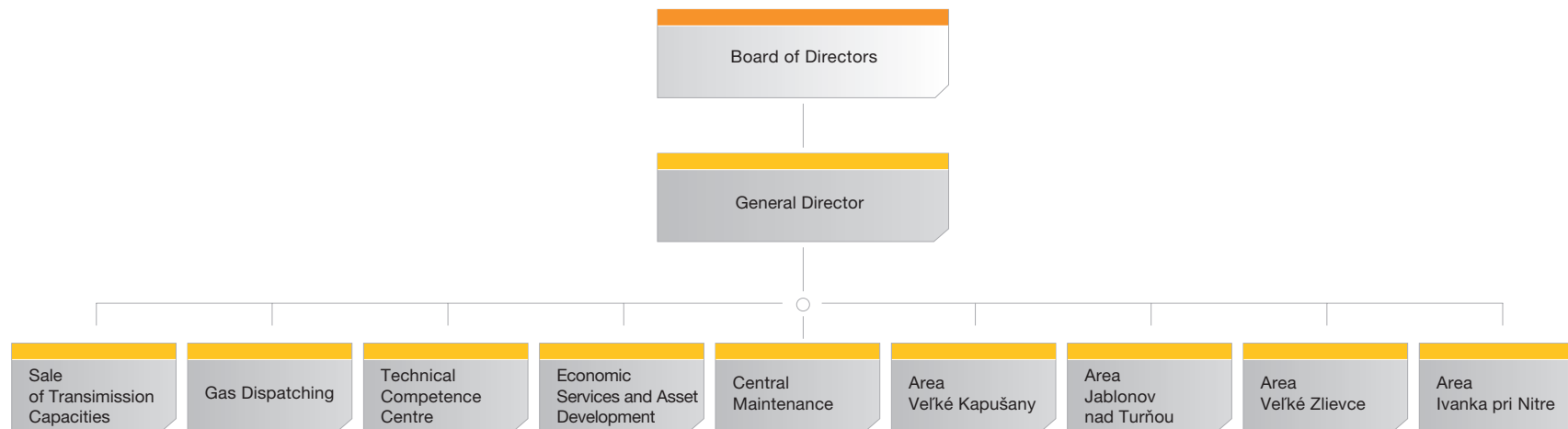
Company Profile

The experience and expertise of one of the most important European transmission system operators has been handed down through several generations. The tradition goes back to 1970 when the construction of the first line of the system began. After the first volumes of gas for foreign customers had been transported in 1972, the system was continuously upgraded in line with the growing demand of the European gas market. In its current shape, it represents 2 270 km of pipelines with four compressor stations located along the route: Veľké Kapušany, Jablonov nad Turňou, Veľké Zlievce and Ivanka pri Nitre. Another important site is the west-Slovak city of Nitra, from where the daily operation of the transmission system is controlled and where the technical and maintenance know-how of the company is centralized. Our transmission system is incorporated into the Trans-European pipeline system via its three major interconnection points: Veľké Kapušany, the very eastern outskirts of the

European Union at the Ukrainian border, and two intra-EU points: Lanžhot at the border with the Czech Republic and Baumgarten at the border with Austria. Through the domestic entry-exit point, our transmission system also enables access to the Slovak distribution system and storage facilities located in Slovakia.

Until 1st July 2006, gas transmission services and access to the transmission system had been provided by the integrated undertaking Slovenský plynárenský priemysel, a. s. (SPP). The establishment of the company SPP - preprava was a result of the requirements of the European and Slovak legislation, under which the activities of gas transmission, as a gas industry core business, had to be transferred to independent system operators. In compliance with this obligation, our company offers its services to all market participants in a transparent and non-discriminating manner.

Organisational Chart as at 31st December 2007





Economic and Financial Performance

Economic and Financial Performance

2007 was the first full year in which Eustream operated as a legally unbundled business entity.

Comparison of our financial results with the previous period naturally reflects the 2006 legal unbundling. The table shows the year-on-year comparisons of the financial results achieved by the company in 2007 along with results from the six month period of 2006. Financial results of 2006 were simultaneously influenced by specific accounting operations, which were of an extraordinary nature and were applied only in relation to the legal unbundling for 2006.

The Development of the Business Environment

The development of the currency rate, prices of oil and oil products on world markets in 2007 also had an impact on the business environment.

The **FX market** was sizably influenced by the strengthening trend of the Slovak Crown in the previous year and in 2007 the currency further strengthened.

Commodity market developments, representing the market factors for oil and oil products, during 2007 brought about changes in the growth of prices with the oil price breaking through its historic maximum value.

Individual Results

In 2007 the company achieved **revenues from the sale of products and services** of SKK 27.6 billion. Revenues comprised mainly of revenues from the transmission of natural gas, revenues from the sale of long-term assets and materials and revenues from other economic activities.

Operating expenses (not including income tax) were incurred in the amount of SKK 24 billion. The major components of these expenses were the purchase of services, consumption of material and energy, personnel costs and depreciation of sold long-term assets and materials.

Profit from financial activities before taxation, which in 2007 amounted to SKK 0.3 billion, was made up primarily of profit from derivative operations.

Eustream achieved for the 2007 financial year a **profit before taxation** in the amount of SKK 3.9 billion. The total income tax obligation amounted to SKK 0.8 billion. **Profit after tax** reached the amount of SKK 3.1 billion.

Comparison of the structure of profit after tax (in SKK billion):

	1 st January – 31 st Dec. 2007	1 st July – 31 st Dec. 2006
Operating revenues	27.6	14.5
Operating expenses	-24.0	-10.0
Profit from financial activities before tax	0.3	-0.5
Income tax	-0.8	-0.2
Profit after tax	3.1	3.8



Capital Structure

Capital Structure

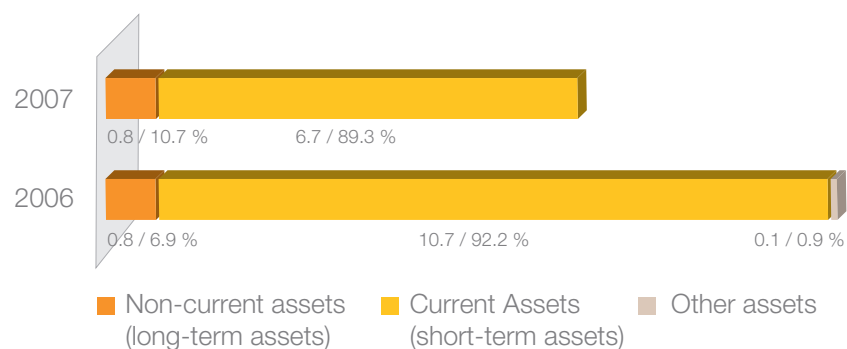
Total assets of the company, as at the date of the balance sheet, amounted to SKK 7.5 billion and in comparison to the previous period decreased by SKK 4.1 due to a decrease in short-term assets.

Long-term assets (long-term intangible and tangible assets) were reported in the amount of SKK 0.8 billion and represented 10.7 % of the total assets. The share of long-term assets, as at date of the 2007 balance sheet, was at a similar level to that in 2006.

Capital expenditures reached the amount of SKK 0.1 billion and were spent mainly for the development of gas facilities, and for the purchase of technology and equipment.

Short-term assets as at the date of the balance sheet comprised of stocks, receivables, and cash equivalents signifying a share of 89.3 % of the total assets. The decrease of SKK 4.0 billion in comparison to the previous period was mainly due to a decrease in short-term receivables.

Comparison of the structure of assets (in SKK billion):



Shareholders' equity amounted to SKK 6.2 billion, representing 82.7 % of the liabilities of the company. In addition to the registered capital it also includes mandatory reserve funds, retained earnings reserves and other funds.

Registered capital of the company, representing the share capital registered in the corporate register, amounted to SKK 2.5 billion. This comprises of 11 common shares (10 shares at a nominal value of SKK 100 000 and 1 share at a nominal value of SKK 2 497 310 833).

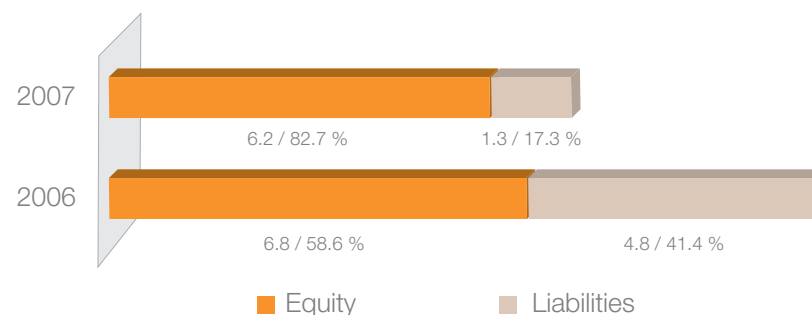
The shareholders structure as at 31st December 2007 was as follows:

Slovenský plynárenský priemysel, a. s.	11 shares	100 %
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The **mandatory reserve fund** of the company, comprised of the capital contribution, was as at 31st December 2007 SKK 0.5 billion.

Total **liabilities** amounted to SKK 1.3 billion. Liabilities were formed by long-term liabilities in the amount of SKK 0.1 billion and by reserves amounting to SKK 0.2 billion. Compared to the balance carried forward they decreased by SKK 3.5 billion.

Comparison of the equity and liabilities structure (in SKK billion):



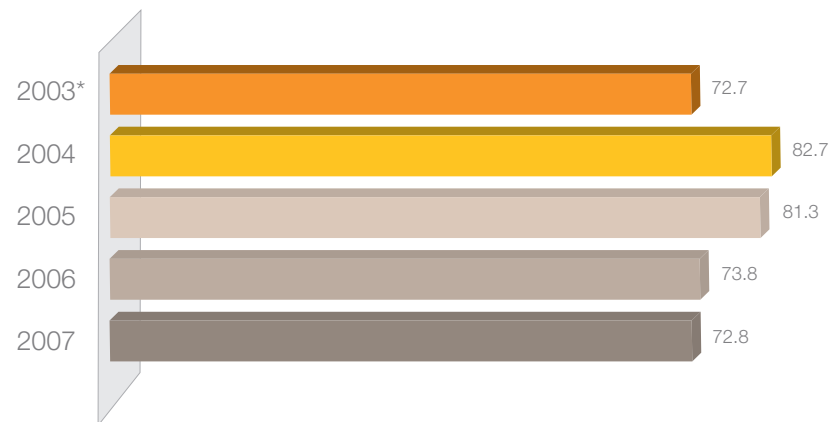


Natural Gas Transmission

Natural Gas Transmission

In 2007, we kept the tradition of reliable service, without exposing our clients to any outages or unplanned reductions of transmission. The total volume of physically transported gas amounted to 72.8 billion m³, influenced foremost by the extraordinary high temperatures in the first quarter of the year.

Historical track record of gas transmission (in billion m³)



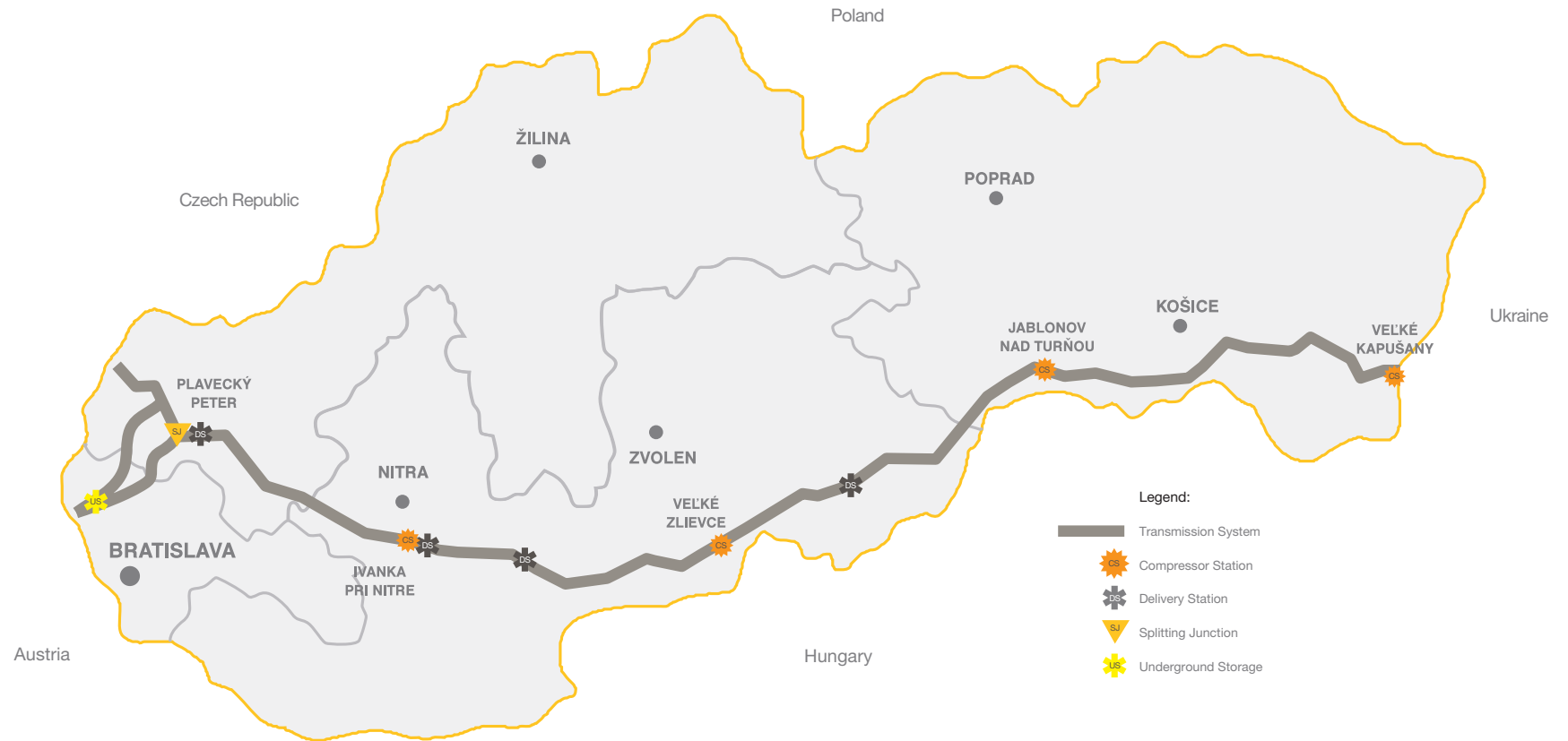
*volumes transported via the transit system

The year also saw a significant increase of the number of shippers and transmission contracts, among which short-term entry-exit contracts became a standard part of our contract portfolio. In this way, our company made its contribution towards the enhancement of the cross-border gas trade in the region.

Nonetheless, the backbone of our contract portfolio, as well as the most important guarantee for the security of gas supplies to the continent will always consist in the long-term contracts, predominantly for transmission of gas from Russia and Middle Asia to Europe. In this area, the industry is currently experiencing strong and effective growth of competition between individual transmission systems and their operators. This fact, along with the rapid development of the regulatory framework for energy industries in the European Union, will form the most determining factors for our future.

In response to the evolving competition, we are fully aware that we cannot rely on our traditional values only. In this view, we focus on implementation of important projects for improving our performance. In the very near future, we will complete the project of automation in the steering of the transmission system. The project of increasing the compression ratio at Velké Kapušany will be followed by a systematic re-engineering of all compressor stations. Naturally, we do not see our chances limited to only technological measures. The newly developed priority plan of the company includes also steps to be taken in order to meet the criteria and obligations imposed on TSOs in terms of the new legislative and regulatory rules. Although the third energy package has not reached its final contours yet and all stakeholders have been analyzing its anticipated impact, our company hopes it will in the end bring about a stable and sustainable business environment. Thus we take into account that we will have to engage additional capacities for fulfilling the expanded requirements. Some of these measures have already been introduced – as an example, in 2007 we launched the operation of our commercial dispatching, which brought the customer service and communication with our shippers up to a new standard.

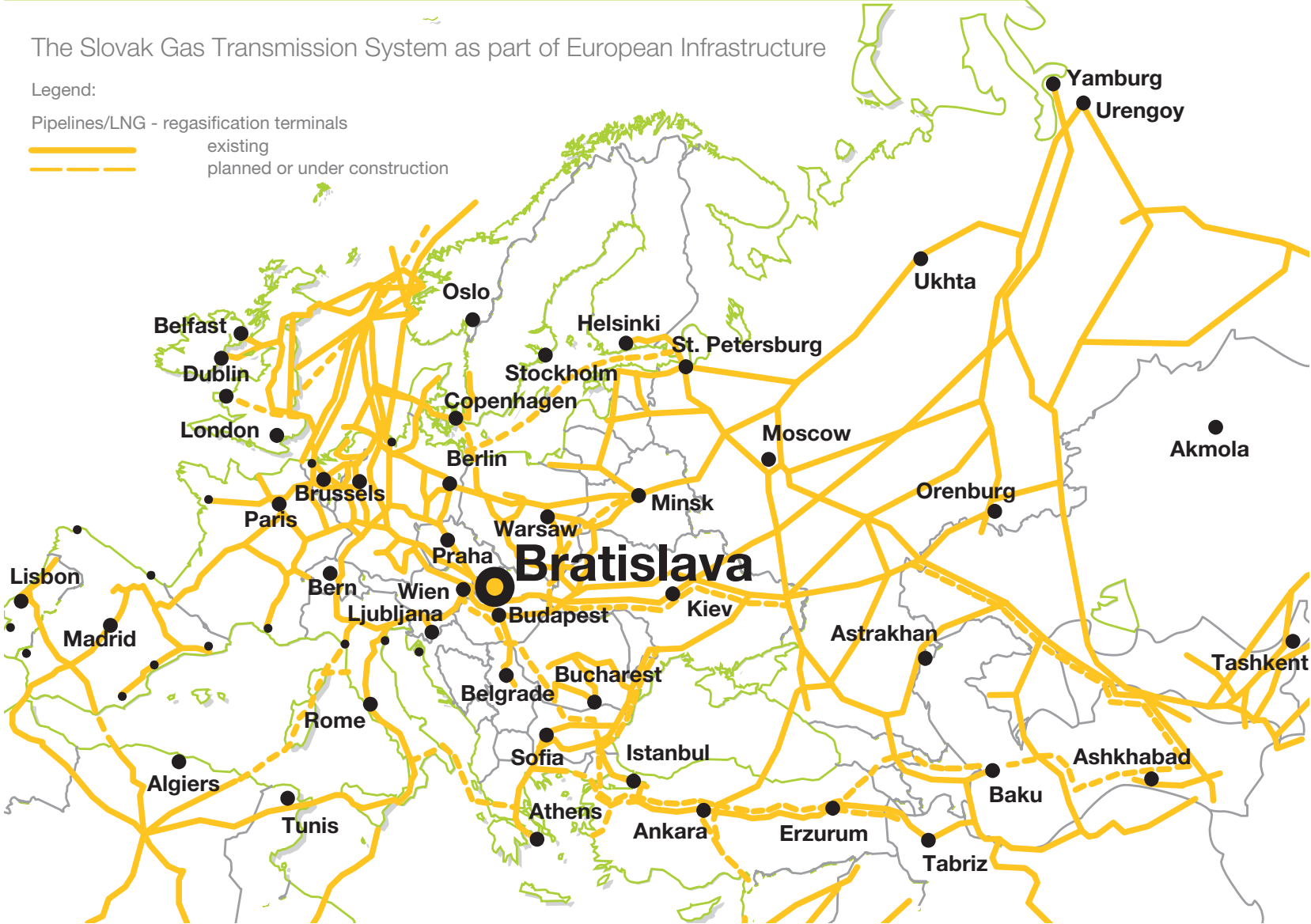
The Transmission System operated by Eustream



The Slovak Gas Transmission System as part of European Infrastructure

Legend:

- Pipelines/LNG - regasification terminals
- existing
- planned or under construction



A close-up photograph of green leaves with several water droplets on their surfaces. The background is a dark, blurred green. The image is framed by a dark blue border on the left and bottom, and a dark green border on the right.

Human Resources

Human Resources

People are a very important asset for our company and therefore individual areas of human resources management in 2007 had one common objective – to increase employee satisfaction at all levels. This was also the direction of social policy, manner of development and employees' education as well as remuneration and motivation. Key to us is the consistent projection of corporate values in everyday life.

Employment relations

In 2007, in the area of employment relations, we continued in fulfilling the social program focused on supporting the health and working strength of our employees. As a benefit in the improvement of the working conditions of our employees we consider also the implementation of flexible working hours from March 2007. We tried to secure better comfort for employees also through implementing an electronic work attendance system or through improving the application for the realisation of interviews. A new approach in monitoring the working environment and the organisation of medical check-ups was brought in through the use of an occupational medical service, the aim of which is to add to the elimination of health risks and to optimize the health care system. In 2007 we also worked on the new collective agreement for SPP Core Group companies. Our main objective during this preparation was to bring a new modern social program to employees.

Education

In the area of mandatory education we, in 2007, reacted primarily to legislative requirements. In connection to changes in legislation we provided a great number of mandatory upgraded re-training of employees for the repair and operation of selected technical gas, pressure, electric and lifting facilities.

We completed the „integrated development of managers program“ (chief managers, foremen), which focused on the development of managerial skills and competencies in line with the company's needs. Development of managers is still being continued based on the specific needs of individuals.

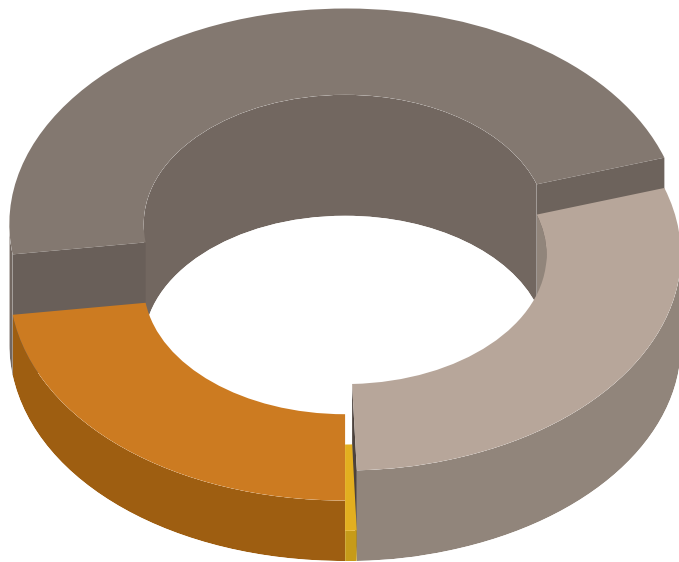
Also in 2007 we continued in the management and development of talents project for identified employees with high potential, whom we prepare for management positions in the future. This program not only represents development and educational activities, but it also involves regular meetings and discussions with the management of the SPP Core Group companies. Development programs of talent are focused on the development of managerial skills, professional knowledge and language skills. The Evaluation Centre provides the space and opportunity to monitor the obtained skills, upon which individual feedback is provided.

Internal communication

In our company we use different forms and tools of mainly interactive communication in order to ensure that the process of mutual communication is as effective as possible and also to provide feedback. We support qualitative and effective internal communication.

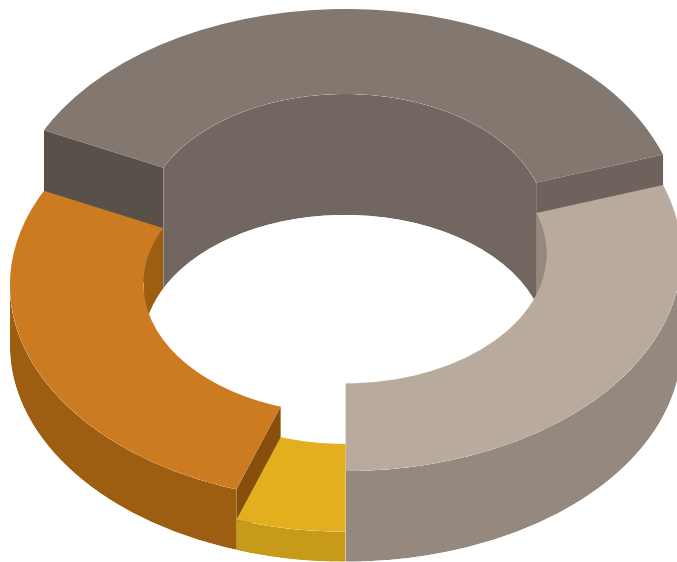
Also in 2007 the company bulletin „Human Resources Inform“, the Intranet and the „Blue Flame“ magazine served as regular communication tools to all of our employees. We paid special attention to direct communication with employees. For this we used personal meetings, workshops and various forms of gatherings. Information meetings – regular sessions of the top management with the directorate and the Board of Directors of SPP Core Group companies has become an effective form of exchange of information on issues of general interest for employees.

Qualification structure of employees as at 31st December 2007



- University (251 / 20.0 %)
- Complete secondary (516 / 44.3 %)
- Secondary (323 / 26.6 %)
- Basic (4 / 9.1 %)

Age structure of employees as at 31st December 2007



- up to 30 years (58 / 5.3 %)
- 31 - 40 years (295 / 27.0 %)
- od 41 - 50 years (412 / 37.6 %)
- over 50 years (329 / 30.1 %)

Average age of employees as at 31st December 2007 was 45.

Share of women

As at 31st December 2007 Eustream had 1 094 employees, out of this 84 women, which represented 8 % of the total number of employees.



Safety and Environmental Protection

Safety and Environmental Protection

Eustream is a modern company transmitting gas to Western Europe, which sees safety, health and environment protection as one of the pillars of its operation. In protecting the natural environment we seek a balance between industrial demand for natural resources and the care to preserve them.

All tasks that we solve have a great impact on the quality and stability of the natural environment. We therefore strive to minimize our impact on the natural environment, which could threaten or endanger conditions and forms of life, natural heritage, the country's beauty or lower its ecological stability.

Waste

Eustream handles a large variety of types of waste that are generated through routine operations, repairs, maintenance and cleaning in our technological facilities. We consider waste as everything that cannot be used from the original source in the production process or for any other human activity. Such waste comprises of used oils from the operation of compressor units, condensate from gas transmission, but also paper waste from administrative activities. Each year the waste generated from our operations is reduced. This aim is being achieved through concrete activities and projects in the field of waste management. If possible, we prevent the generation of waste, limit its existence and always prefer waste utilization before disposal.

Water protection

We are one of the major consumers of ground water and producers of waste water. Therefore one of the biggest priorities in the field of environmental protection is water management. Water is the most important and the most widely used liquid in nature. Life is born in water. No animals or plants can survive without water. Simply there is life where there is water. For this reason our company does not see water as a source only, but as a form of energy. It is a scarce energy and needs to be conserved and preserved. Statistically we have recorded a continuous drop not only in the off-take of drinking water but also in the discharge of waste water. We have achieved this trend by making our needs in the field of water management more efficient and by decreasing our demand for drinking water.

Waste generation (in tons)

Year	Other waste	Hazardous waste	Environmental burdens
2003	670	5 480	6 150
2004	898	1 594	2 492
2005	682	4 947	5 629
2006	1 426	466	1 892
2007	624	2 898	3 522

Water consumption and waste water discharge (in thousand m³)

Year	Water off-take in total	Discharge of waste water
2003	75.4	160.5
2004	72.1	156.5
2005	70.3	157.8
2006	56.5	179.7
2007	57.7	86.6



Air Protection

Eustream operates a large number of energy facilities, which produce the emission of greenhouse gases and polluting substances. These pollution sources are mainly emissions such as nitrogen oxide, carbon monoxide, alkenes except methane and unburned fuel residues such as total carbon, sulphur dioxide and solid air pollutants. Polluted air is a mixture of gases and chemical substances that, through the influence of strong sunlight create chemical reactions and change to different forms of poisonous substances. Eustream therefore spends a great amount of funds in continuously monitoring and checking air quality. Due to continuous care at operations and the quality of our combustion facilities we, in line with increasingly strict legislation, continue in the trend in lowering the volumes of emitted pollutants.

Protection of the External Environment against Noise Pollution and Vibrations

Noise and vibrations are produced during the operation of activities of our company primarily

through combustion facilities at compressor stations and through natural gas regulation and transfer stations. Therefore it is our prime interest to reduce the noise and vibrations under the level required by legislation. In 2007 we updated our Central Inventory of Noise Pollution Sources in relation to individual local centres.

Environmental Information System – EIS

Environmental protection brings about the processing of a great amount of information. For this activity we efficiently use the support of information systems. These include mainly systems for administration and reporting of obligations to the public and state administration and information for internal use. All this information serves for the improvement of our activities in environmental protection. One of the basic functions of the system is the monitoring of the amount of carbon oxide at compressor stations, which is an obligatory component of the monitoring and trading of greenhouse gases.

Emissions of basic pollutants and greenhouse gases (in tons)

Year	CO	NOx	ΣC	SO ₂	CH ₄
2003	348.0	3 336.0	356.0	0.80	11 958
2004	361.0	4 738.9	227.3	1.20	7 313
2005	367.0	3 979.0	249.2	1.04	7 657
2006	238.5	2 846.8	177.6	0.62	14 738
2007	260.0	2 913.0	202.0	0.60	5 154

Safety and Health Protection at Work

Safety and health protection at work means to provide and to create a work environment in which health, safety, and compliance with legal regulations concerning prevention of accidents is guaranteed. We fulfil this employee right through organised systems in the area of safety and health protection at work. This area is characterised by its complexity and heterogeneousness. This area comprises primarily of subjects such as general work safety, technical facilities safety, established working conditions, work hygiene as well as fire protection. In the system of safety and health protection at work we pay attention mainly to:

- prevention of accidents
- foreseeing negative situations
- quality and safety of technical facilities

A precondition for the fulfilment of these objectives is to adhere to legislation and other norms, the counselling and complex provision of controlling activities, and the verification of outputs and the realisation of corrective measures. In the field of safety we achieve our objectives by optimizing work processes, through a strategic and programme-based approach, order and discipline at the workplace, by involving employees in solving safety and health protection at work issues and by increasing their motivation and responsibility for their own health. For this purpose

we, during 2007, developed a safety and health protection at work strategy, which we presented to all employees. The first positive result has come in the form of a decreased total number of work accidents. We see safety and health protection at work as a key priority in the management of our business activities.

Indicator	2007
Number of employees (average, calculated)	1 094
Number of work accidents	4
Of this: serious	0
Number of calendar days lost due to work accidents	113
Number of accidents per 100 employees	0.37
Average sick leave in %	0.02





Summary Results

Summary Results

Balance Sheet (Selected Data in SKK million)

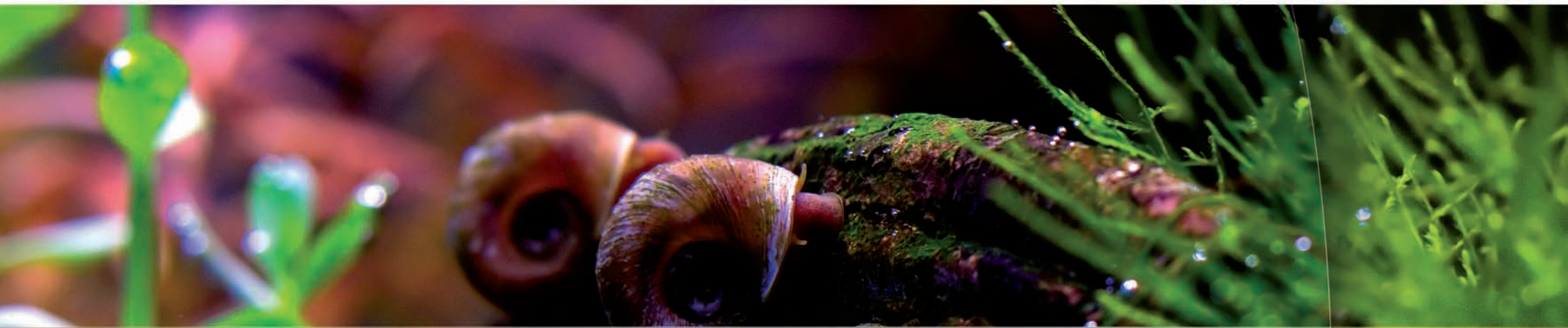
	31 st December 2007	31 st December 2006
ASSETS		
ASSETS IN TOTAL		
NON-CURRENT ASSETS (LONG-TERM ASSETS)		
Long-term intangible assets	67	62
Long-term tangible assets	720	713
Long-term financial assets	-	-
Total non-current (long-term) assets	787	775
CURRENT (SHORT-TERM) ASSETS	6 712	10 676
ACCRUALS	5	98
TOTAL ASSETS	7 504	11 549
LIABILITIES		
EQUITY AND LIABILITIES		
CAPITAL		
Registered capital	2 498	2 498
Capital funds	604	526
Funds from profit	-	-
Financial results from previous year	-	-
Financial results for accounting period	3 075	3 778
Total Equity	6 177	6 802
RESERVES	245	660
NON-CURRENT (LONG-TERM) LIABILITIES	107	79
CURRENT (SHORT-TERM) LIABILITIES	975	4 002
BANK LOANS AND FINANCIAL ASSISTANCE	-	-
Total liabilities	1 327	4 741
ACCRUALS	-	6
TOTAL EQUITY AND LIABILITIES	7 504	11 549

Profit and Loss Statement (Selected Data in SKK million)

	Year ended 31 st December 2007	Year ended 31 st December 2006
Revenues from sale of products and services	25 327	13 263
Changes in balance of intra-organisational stock	(1)	1
Capitalization	25	3
Production	25 351	13 267
Consumption of material, energy and other non-stockable supplies	(5 711)	(2 517)
Services	(15 473)	(8 098)
Production consumption	(21 184)	(10 615)
Added value	4 167	2 652
Depreciations and rectifying items to long-term intangible assets	(132)	2 601
Other operating costs	(2 724)	(1 983)
Other operating revenues	2 269	1 210
Financial result from operating activity	3 580	4 480
Financial result from financial activity	270	(458)
Tax from income from current activity	(775)	(244)
Financial result from current activity	3 075	3 778
Financial result for accounting period	3 075	3 778

Cash Flow Statement (Selected Data in SKK million)

	Year ended 31 st December 2007	Year ended 31 st December 2006
Cash flow from operating activities		
Cash flow from operating activities	6 243	427
Interest paid	243	58
Interest received	(28)	(101)
Income tax paid	(136)	(432)
Net cash inflow from operating activities	6 322	(48)
Cash Flow from investment activities		
Expenses for procuring long-term intangible and tangible assets	(72)	(62)
Expenses for procuring long-term securities and shares	(1)	-
Revenues from sale of long-term intangible and tangible assets	7	-
Revenues from sale/liquidation of long-term securities and shares	76	110
Net cash inflow/(outflow) from investment activities	10	48
Cash flow from financial activity		
Expenses for paid out dividends and other shares from profit	(3 772)	-
Other income and expenses for financial activities, net	(2)	-
Net cash flow from financial activities	(3 774)	0
Net increase/(decrease) in cash and cash equivalents	2 558	-
Cash and cash equivalents at the beginning of the period	1	1
Exchange rate differences to cash and cash equivalents	-	-
Cash and cash equivalents at the end of the period	2 559	1



Independent Auditor's Report



Independent Auditor's Report



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Independent Auditor's Report

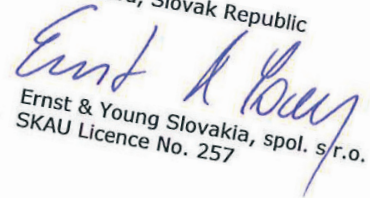
To the Shareholders and Board of Directors of eustream, a.s.:

We have audited the financial statements of eustream, a.s. ("the Company") for the year ended 31 December 2007 prepared in accordance with the Slovak Act on Accounting ("financial statements") and issued unqualified opinion thereon dated 15 February 2008.

The selected data from financial statements included in this Annual Report were derived from the audited financial statements of the Company. In our opinion, the selected data from the Company's financial statements included in this Annual Report are consistent, in all material respects, with the audited financial statements referred to above, from which they were derived.

For a better understanding of the Company's financial position as of 31 December 2007, the results of its operations for the year then ended and the scope of our audit, the selected data from financial statements included in this Annual Report should be read in conjunction with the financial statements from which they were derived and our audit report thereon.

7 April 2008
Bratislava, Slovak Republic


Ernst & Young Slovakia, spol. s r.o.
SKAU Licence No. 257


Ing. Dagmar Válková
SKAU Licence No. 916



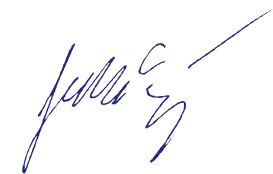
Report on Compliance Programme

Report on Compliance Programme

1. SPP – preprava a. s., the Transmission System Operator, has implemented a Compliance Programme as referenced to in Energy Law No. 656/2004 Coll., as amended by further regulations.
2. The Compliance Programme sets forth the following measures:
 - (a) specific obligations of employees for the purpose of ensuring non-discrimination
 - (b) obligations ensuring non-discriminatory conditions for access and connection to the transmission system of the Transmission System Operator
 - (c) measures ensuring the fulfilment of the Compliance Programme
 - (d) effective monitoring and regular reporting
3. The Compliance Officer of the Transmission System Operator found no breach of obligations imposed by the Compliance Programme.
4. SPP – preprava a. s., the Transmission System Operator, implemented to practice the Compliance Programme in 2007 ensuring that:
 - (a) respective internal processes aimed at ensuring non-discriminatory access in accordance with the Law were in place
 - (b) the Compliance Programme for the Transmission System Operator was regularly updated in order to ensure fulfilment of the requirements set by the Law.

5. This Statement applies to the period from 1st January 2007 to 31st December 2007.

SPP–preprava a. s., striving to strengthen the perception of the company as an independent Transmission System Operator providing its services on a non-discriminatory basis, as well as with the view to build its own corporate identity and contribute thereby to even more effective unbundling, decided to change its business name to „**eustream a. s.**“ with effect as of 1st January 2008.



Ing. Milan Sedláček, PhD.

Compliance Officer
of the Transmission System Operator

In Bratislava, on 1st February 2008

Contacts

Registered office:

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