



ANNUAL REPORT 2008



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Statement by the Chairman of the Board of Directors

"The most important step was the signing of a long-term (20-year) contract with the company Gazprom export."



Statement by the Chairman of the Board of Directors

Ladies and Gentlemen, Dear Partners and Colleagues,

The year 2008 was particularly significant for our company, as we began for the first time to use our new name "eustream, a.s." The start of this new era under a new name was marked by success in several areas. One of the most important steps was the signing of a long-term (20-year) contract with Gazprom export to transit more than 1 000 billion (one trillion) cubic meters of natural gas. This has opened the way for the continuation of our activities over the next 20 years. This contract represents, in my view, a major achievement, especially at this time of financial crisis. I am proud that Eustream will continue to play a major part in securing gas supply for the European Union. Our position as a reliable gas transmission operator was confirmed in 2008, when we shipped 76.2 billion cubic meters of natural gas without any disruptions.

Our net profit was affected by several factors. Despite recording a 3 % increase in transmitted volume, our operating profit (EBITDA) declined year-on-year to SKK 2.4 billion. Internationally, 2008 was an extraordinary year, mainly because of the financial crisis, weak dollar (less than 1.6 USD/EUR) and the exceptionally high price of oil, which reached more than 145 USD/barrel. Another key occurrence was the strengthening of the Slovak crown. Since our revenue was largely denominated in USD, these factors had a strong impact on our income, notwithstanding our sound currency hedging policy. Not only that, but the high gas price affected our operating balance for gas transmission and thereby added a burden on our accounts.

All these facts show that, also in our business, it is crucial to anticipate trends and to be at the forefront of developments. In this respect, we continued in 2008 with our project of network modernization. Automation of the Veľké Zlievce and Ivanka pri Nitre compressor stations will allow us to operate more flexibly and efficiently. In Veľké Kapušany compressor station, we have launched installation work on new compressor units, which are due to be put into operation at the end of 2009 and will give us more flexibility and safety. The re-engineering project, launched in 2008, will enable us to optimize our network and facilities for the next 10 years. The 20-year contract represents a long-term guarantee that we will have a sound financial footing for the implementation of all changes and necessary optimization measures.

The year 2009, which began with the gas crisis, is set to be very interesting. We will continue with all technical and technological projects so that we are ready to face any unexpected developments and unforeseeable events. We will further strengthen collaboration with partners in neighbouring countries in order to improve natural gas supply security for Slovakia and for other EU countries.

On the commercial side, we will carry on providing our business partners with high-quality standard and ancillary services, so as to ensure the smooth progress of all transactions in Slovakia, Austria and the Czech Republic. All these improvements represent steps towards a more liquid market, which is also the aim of the European Commission.

The so-called Third Energy Package, due to be approved in 2009, must be consistently planned for in our company, and we are preparing our organisation to meet all the requirements and to be ready to face the new challenges.

I am convinced that the capabilities demonstrated by us in recent years, and during January's gas crisis, represent a solid basis for strengthening our vision to be a key player in European gas transmission and to be recognized as such.



Antoine Jourdain
Chairman of the Board of Directors

Statement by the General Director

"In today's world, it is extremely hard to strike a balance between the expectations and needs of shareholders, politicians, regulators, customers and employees."



Statement by the General Director

Dear Ladies and Gentlemen, Dear Customers,

Let me begin the evaluation of 2008 with a question: "What kind of business are we in?"

Our business may be seen as a long-term venture exposed to sudden changes and different influences. In order to sustain and develop the business, it is essential to react quickly and flexibly. Recently, our company's life and results have been strongly affected by the economic and gas crises. To help assess our performance, we must take into account at least three indicators. The first one is our history – our good name, reputation and the success we have managed to achieve. The second indicator is current results and the third one is expected future performance. All three-past, present and future-are important in measuring the company's value and especially its credibility, i.e. the degree of confidence that our employees, shareholders and customers have in our capacity to achieve our objectives.

What was the reality of 2008?

Our staff made significant efforts to ensure the secure and reliable shipment of natural gas for our customers and to operate, maintain and develop the transmission system in an environmentally-friendly and cost-effective way. But situations arise where not everything goes according to a plan and we are now going through difficult times in which results should be seen in a different way. But while it is true that our company is experiencing a tough period, the three above-mentioned indicators are clearly coming into play, too.

1. The past – more than 36 successful years that have brought benefits for everybody.

2. The present – a modern, restructured and responsible company, bearing a new name and guaranteeing the safety, reliability and efficiency of gas technologies. The company is focusing on new state-of-the-art technologies that can substantially contribute to the protection of the environment and health and safety at work. To begin meeting these objectives, we have launched huge investment projects. Some of these projects have, we believe, already borne fruit and improved the quality of life for each of us. In addition, we have supported our efforts by introducing new technical rules and guidelines for the entire spectrum of our activities. To stimulate personal initiative and support the more equal treatment of employees, we established a new remuneration system. But remuneration is only a calculation and results cannot always be measured in euros. In other words, job satisfaction, a healthy environment, helpful and friendly attitudes and openness, fairness and understanding in communication are just as important. And this is what we are striving for!

I know that our biggest and real assets are our employees and that is why, more than ever before, we are investing in their training, education and motivation. I realize that our future lies with young people of great potential and we have therefore prepared very attractive programmes for them. Building teams that include driven and ambitious young people alongside experienced, undaunted and seasoned individuals has proved very effective. People see the world in different ways and have different styles of communication and that is why ensuring clear and successful communication is a central aspect of our corporate culture.

3. The future – a long-term contract that will give us the opportunity to tap the capacity of our people, as they build on successes, learn from mistakes, change technology and adapt their approach and mindset. The future will be about what the kind of company we want to be, what image we will create and how we will treat our people and business partners.

In today's world, it is extremely hard to strike a balance between the expectations and needs of shareholders, politicians, regulators, customers and employees. Our company should therefore not be viewed solely in terms of profit, income and revenue, but also in the context of its contribution to the broader society. The gas business is undergoing substantial and rapid change. Competition, the economic and gas crises, and the Third Energy Package will affect all participants in the gas industry to a considerable extent. In this respect, Eustream's greatest advantage is its well-educated, experienced, trained and motivated staff. They are able to use their skills and knowledge to develop and operate the latest technologies for the benefit of all involved. In this fast-changing environment, flexibility and speed of response are vital, especially in regard to maintaining our key role in the shipment of Russian natural gas to Europe.

In conclusion, I would like to quote Charles Darwin: "It is not the strongest species that survive, nor the most intelligent, but the ones most responsive to change."



Pavol Janočko
General Director

Board of Directors as of 31st December 2008



Antoine Jourdain
Chairman



Miroslav Gažo
Vice-Chairman



Andreas Rau
Member

Christophe Poillion
was the Chairman of the Board of Directors from 1st July 2008 until 31st August 2008.

Andreas Rau
was the Chairman of the Board of Directors until 30th June 2008.



Management as of 31st December 2008



Pavol Janočko
General Director



Miloš Pavlík
Head of Commercial
and Regulatory Affairs



Ján Janus
Head of Gas Dispatching



Vladimír Potočný
Head of Technical
Competence Centre



Rastislav Ňukovič
Head of Central Maintenance

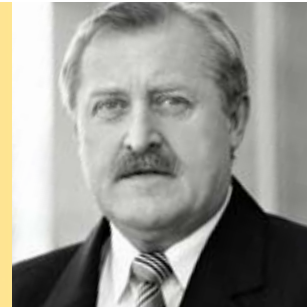
Management as of 31st December 2008



Ján Stuhl
Head of Economic Services



Peter Olišanský
Head of Area
Veľké Kapušany



Štefan Keresteš
Head of Area
Jablonov nad Turňou



Jozef Titka
Head of Area
Veľké Zlievce



Anton Zelenaj
Head of Area
Ivanka pri Nitre

Supervisory Board as of 31st December 2008



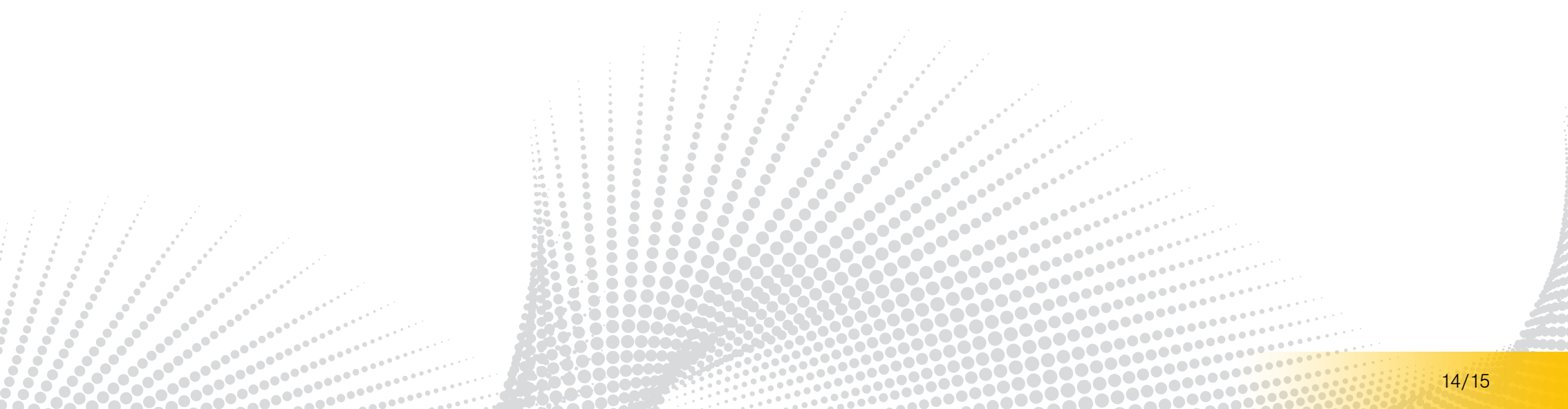
Jaroslav Krč-Šebera
Chairman

Louis de Fouchecour
Vice-Chairman

Members:

Andrej Lendvay
Rudolf Rigáň
Martin Ryba
Ivan Švec

Georg Friedrich Rosenstock
was the Vice-Chairman of the
Supervisory Board until 30th June 2008.





Company Profile

Eustream is continuing the long tradition of international natural gas transmission through the territory of the Slovak Republic. Since the early seventies, our transmission system has been operating as a reliable part of the trans-European route, transporting gas from Russia to countries of Central and Western Europe. With a capacity of more than 90 billion cubic meters per year (representing one sixth of European gas consumption), our pipeline network has a total length of almost 2 270 km and includes four compressor stations, at Veľké Kapušany, Jablonov nad Turňou, Veľké Zlievce and Ivanka pri Nitre. Another important site is the western 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.

The system is interconnected with major European transmission systems at three important interconnection points – Veľké Kapušany at the Ukrainian border, Lanžhot at the Czech border and Baumgarten at the Austrian border. Several European countries and major gas companies are supplied via Eustream's network. Through the domestic entry-exit point, our transmission system provides access to the Slovak distribution system and to storage facilities located in Slovakia.

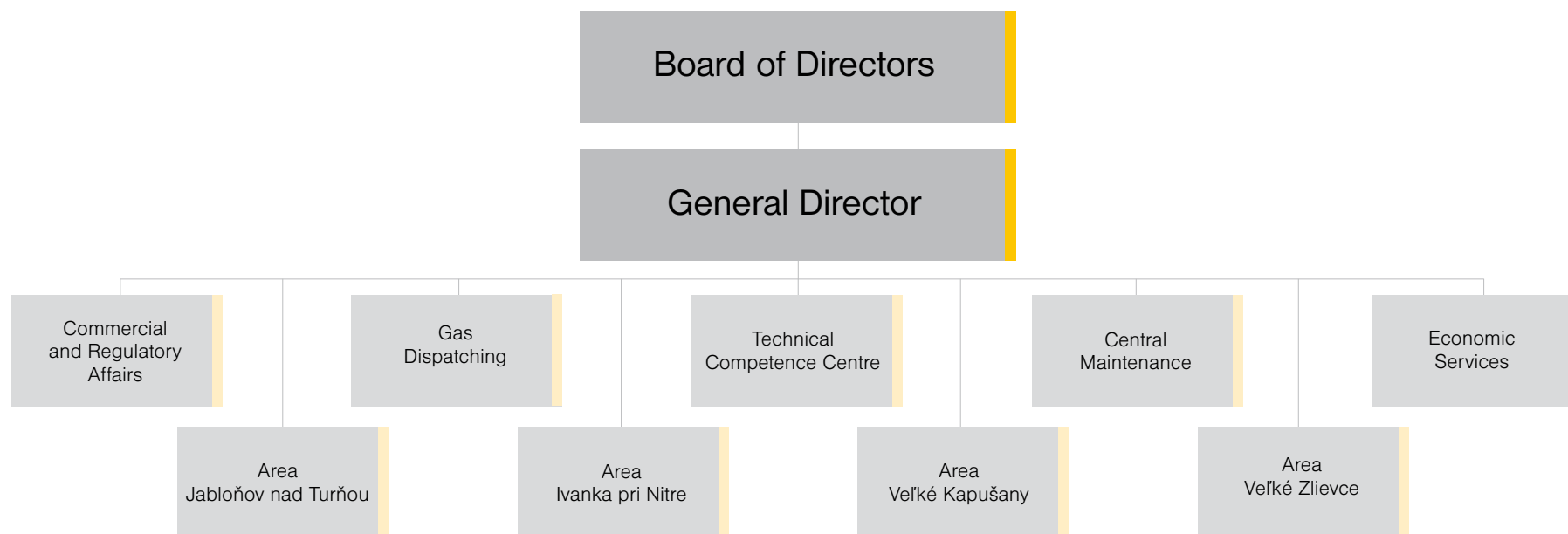
The company is also responsible for operating and maintaining the pipeline sections and compressor stations of the transmission system. Through continuous modernization of the infrastructure, Eustream is contributing to the security and reliability of gas supplies to Central and Western Europe while reducing the environmental impact of gas transmission as much as possible. The main business partners of the company are from Russia, the Czech Republic, Croatia, France, Germany, Austria, Italy and Slovenia.

Eustream grants access to the transmission network as well as a full range of services related to natural gas transmission, on a transparent and non-discriminatory basis, in full compliance with the European and Slovak legal framework for the gas industry.





Organisational Chart as of 31st December 2008



Economic and Financial Performance

Increasing destabilisation of the business environment was characteristic for the year 2008. The high level of instability and uncertainty in the developments under the global financial crisis also gradually affected the Slovak economy.

In the circumstances of growing strains of the environment, Eustream focused its efforts to eliminate negative impacts and to intensify possibilities of hedging tools and to use measures available for more efficient cost management.

Development of Business Environment

Dramatic fluctuations in energy prices and the instability of foreign exchange markets were characteristic for the business environment in 2008.

Foreign exchange markets were subject to significant turbulences in 2008. In the initial months of 2008 the growth trends of the Slovak crown, which started in 2007, continued. The remaining months of the year brought significant change. While the development of the euro exchange rate was relatively stable after the fixation of the conversion rate with the Slovak currency, the exchange rate between the US dollar and the Slovak crown was on its rise in the second half of the year with extreme volatility at the year-end.

Opposing development trends were typical for the **commodity markets** represented by crude oil and oil products in 2008. In the first half of the year, crude oil prices grew constantly, exceeding their historic maximal values. In the second half of the year, the explosion in crude oil prices was replaced by a striking fall in prices in response to the deepening financial crisis.

Results

In 2008, our company generated **revenue from the sale of services** in the amount of SKK 24.2 billion, which is an increase on prior year by SKK 0.3 billion. A major component of the revenue from the sale of services was revenue for the transmission of natural gas.

Operating expenses (net of income tax) amounted to SKK 21.8 billion. Major items were costs for services, material and energy consumption and personnel costs. Compared to 2007, costs increased by SKK 1.0 billion.

Profit from financial activities before tax, which in 2008 amounted to SKK 0.8 billion, generated mainly from revenue related to hedging.

Company profit in accordance with International Financial Reporting Standards (IFRS) for the fiscal year 2008 before tax amounted to SKK 3.2 billion, which is a decrease on prior year by SKK 0.7 billion. Total tax liability amounted to SKK 0.6 billion of which the tax due amounted to SKK 0.6 billion. **Profit after tax** amounted to SKK 2.6 billion.

Comparison of the Structure of Profit after Tax (in SKK billion)

	2008	2007
Revenue from sale of services	24.2	23.9
Operating expenses	-21.8	-20.8
Profit from financial activities before income tax	0.8	0.8
Profit before income tax	3.2	3.9
Income tax	-0.6	-0.8
Profit after tax	2.6	3.1

Capital Structure

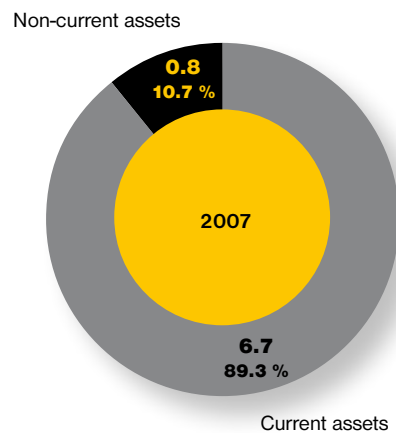
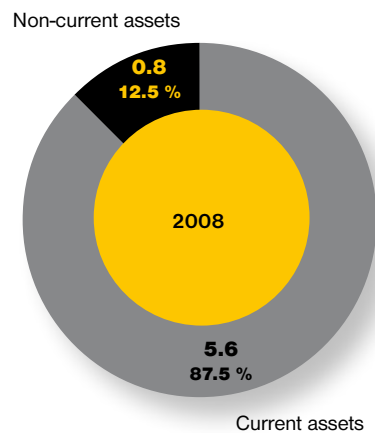
Company's **total assets** as of the balance sheet date amounted to SKK 6.4 billion year-on-year decrease by SKK 1.1 billion.

Non-current assets (non-current intangible and other assets) were reported in the amount of SKK 0.8 billion, which represented a share of 12.5 % of the total assets.

Capital expenditures were spent particularly on purchase of special machinery and equipment and amounted to SKK 0.1 billion.

Current assets as of the balance sheet date comprised inventories, receivables, cash and cash equivalents. The volume of current assets amounted to SKK 5.6 billion, representing 87.5 % of the total assets, which is year-on-year decrease by SKK 1.1 billion.

Comparison of the Structure of Assets (in SKK billion)



Capital Structure

Shareholder's equity amounted to SKK 5.7 billion, representing 89.1 % of the company's capital. In addition to the registered capital it comprised of the statutory reserve fund, other funds and retained earnings. The company's shareholder's equity on year-on-year bases decreased by SKK 0.5 billion.

Registered capital of our company was in the amount of the share capital registered with the Companies Register, i.e. SKK 2.5 billion. It comprises 11 common shares (10 shares at nominal value of SKK 100,000 and one share in nominal value of SKK 2 497 310 833).

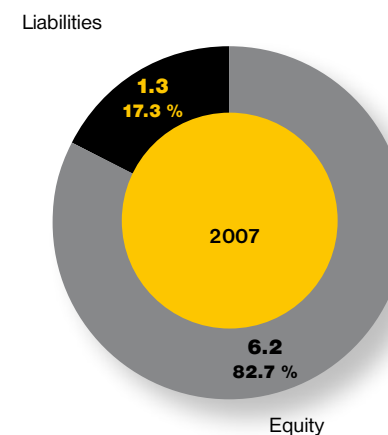
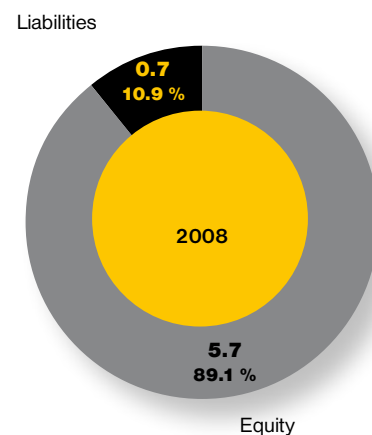
Structure of Shareholders as of 31st December 2008

Slovenský plynárenský priemysel, a.s.	11	shares	100 %
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The company's **statutory reserve fund** of the company created from capital contributions amounted to SKK 0.5 billion as of 31st December 2008.

Total **liabilities** amounted 10.9 % of the total assets as to balance sheet date liabilities amounted to SKK 0.7 billion. Total liabilities comprised from long-term liabilities amounting to SKK 0.1 billion and short-term liabilities in the amount of SKK 0.6 billion. In comparison to the opening balance there was a decrease by SKK 0.6 billion.

Comparison of the Equity and Liabilities Structure (in SKK billion)



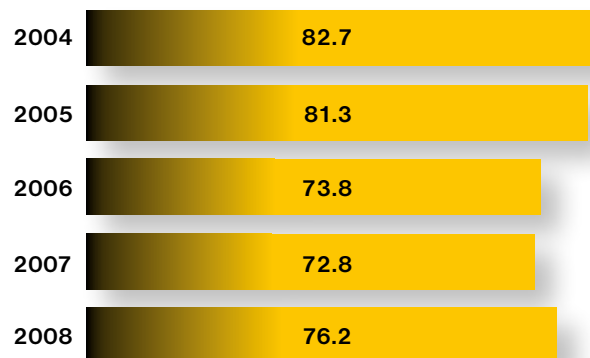


Natural Gas Transmission

Core Business Activities

In general, Eustream found itself in good condition in 2008. Our company reaffirmed its readiness to receive natural gas supplies at entry points and to deliver them reliably at the requested exit points. Our services were used to ship 76.2 billion cubic metres of gas, representing a slight increase in comparison with the previous year.

Historical Track Record (in billion m³)



The fact that Eustream continues to be in the mainstream of European gas transmission is certainly important, but we do not think only in terms of volume. Our ambition is to contribute both to the long-term strategic supply of gas to the European continent and to the evolution of a liquid gas market. At a time when the availability of uninterrupted deliveries of gas from eastern territories is no longer axiomatic, it is, in our view, extremely important that towards the end of last year we entered into a new long-term transmission contract with Gazprom export, the largest supplier of gas to the European Union.

At the same time, our contract portfolio has again expanded significantly, with both the number of network users and the number of contracts increased. The rising share of our total contracted transmission capacity was again attributable to short-term transmission contracts, now being offered with durations as short as one day. We continue to note new types of service that we would like to customize to meet market requirements. And as the shipper portfolio grows and diversifies, transparency in network access and in providing commercial information is a crucial objective. Throughout 2008, Eustream published available capacities at all entry and exit points, and it did not reject any request for gas transmission.

In light of the effective pipe-to-pipe competition in Europe, we are directing our efforts towards innovative solutions and the continuous improvement of our service. The project to establish centralized automatic steering of the network operation is set to be completed in 2009 and we are making further steps in retooling our fleet and entire system. It goes without saying that we cannot neglect technological measures which would help the market face fluctuations in deliveries and which would enable the Eustream network to engage with alternative supply paths. For the purpose of being able to further heed and meet the wishes of the market participants, we strongly support those legislative changes in the European gas industry that promote a stable, transparent and sustainable business environment. These are also our expectations for the finalization of the Third Energy Package, which underwent further development in 2008.

Our targets certainly cannot be reached without our neighbours. That is why we have placed increasing emphasis on collaboration with other transmission system operators in the region. Along with finalizing interconnection agreements at all our interconnection points, we translated our efforts into a Memorandum of Understanding signed with other network operators in the region.

The current situation in the gas transmission business is in a way more challenging than before. It will not, however, prevent us from setting ambitious plans and making them work.

Natural Gas Transmission

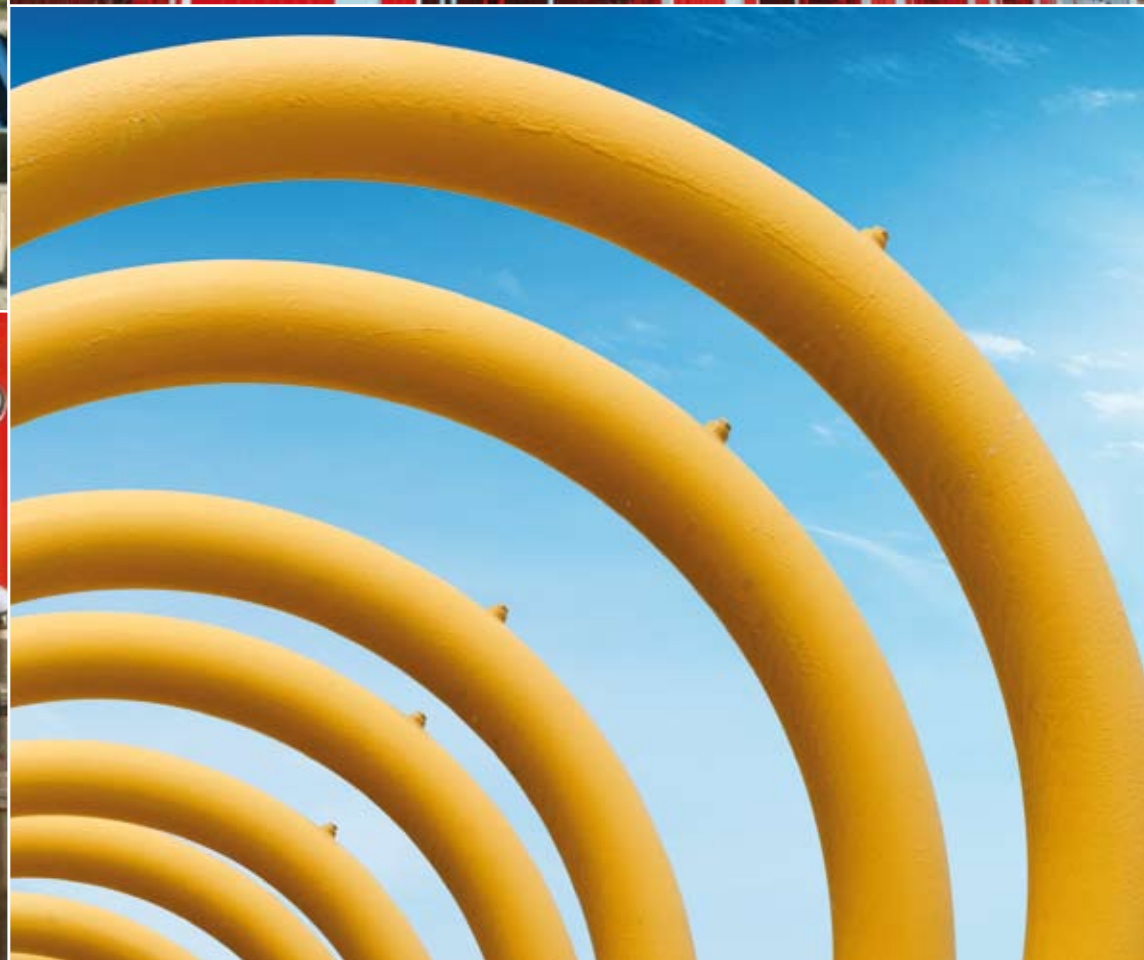
The Transmission System operated by Eustream



Natural Gas Transmission

The Slovak Gas Transmission System as part of European Infrastructure









Human Resources

Employee care, open communication, higher level of employee satisfaction and motivation assuring high performance and maintaining the best ones in the company – these were Eustream's human resource management priorities in 2008.

Employment Relations

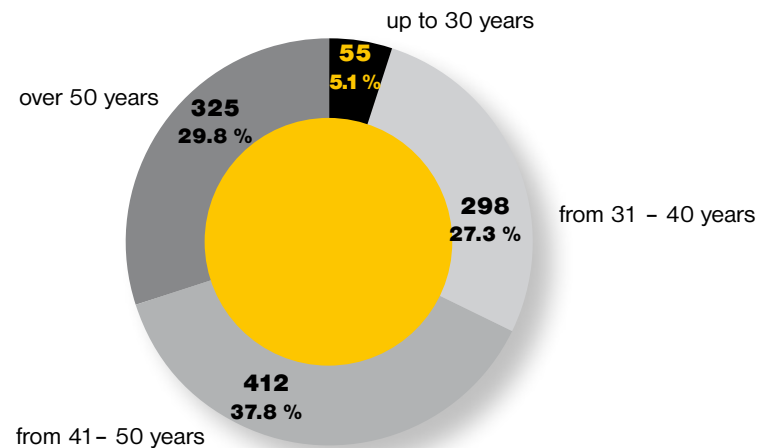
A rich social programme and health care are comprised in long-term employee care goals. In 2008, a new element in the social programme was the implementation of the option allowing the employees to choose one of the two benefit systems available – fixed or optional benefits. The fixed benefit package is particularly aimed at the recovery of the workforce and it comprises, for instance, special stays provided to employees in order to restore their health and condition, or payments supporting supplementary old-age pension savings. On the other hand, the package of optional benefits allows the employees to select, according to their interests and needs, the purpose for spending funds made available within the fixed annual limit. Employees of our company preferred fixed benefits – 820 employees have chosen them.

In 2008 we also extended the list of purposes for drawing funds from the social fund. In addition to the currently provided meal contributions and amounts paid on the occasion of working anniversaries or jubilees, employees also have the possibility to get social assistance paid to them when they and their family members suddenly experience extraordinary circumstances in their lives. Social funds may also be used to support sports activities of employees in individual units of the Sports Club.

As of 31st December 2008 the company eustream, a.s. had 1 090 employees. Out of this number there are 80 women, which is 8 % of the total number of employees.

Average age of employees as of 31st December 2008 was 46 years.

Age Structure as of 31st December 2008



Education

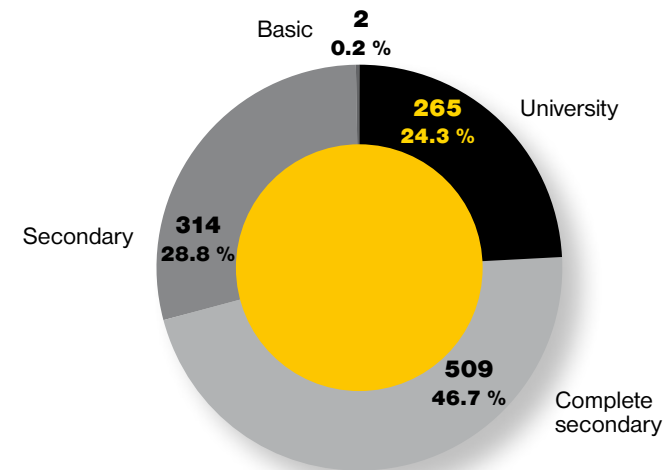
Talent multiplication has been complemented by a development programme designed for graduates from universities. Graduates who started their career here have, as part of this programme passed training in professional knowledge and skills and worked on assignments and projects under the supervision of experienced managers. In addition, we have completed a management and development project of a talent pool aimed at employees with a high potential who are being thus prepared for their future role as managers and experts.

We have continued in education programmes for employees and managerial trainings tailored to individual manager needs.

Important share in the area of education belonged to training as required by legislation. Such education mainly comprised of obligatory training of employees in the area of repairs and servicing of selected technical facilities. In 2008, the Training and Development Section managed to be certified for two new areas of specialised occupational education. A certificate has been granted in the area of technical gas machinery and cathodic protection.

We have also extended our cooperation with universities, for example, with the University of Economy in Bratislava aimed at Sustainable Development, the subject for which we have provided lecturers, experts and managers from Germany and France.

Qualification Structure as of 31st December 2008



Human Resources

Performance and Motivation Assessment

The year 2008 was also important in terms of employee remuneration. We have implemented an assessment system which does not only accentuate the performance of individuals, but also takes into consideration their competences and behaviour. Such performance and competence assessment system provides additional opportunities to motivate employees and creates space for a more effective feedback. Assessed competencies are based on our corporate values and are their personification. Since 2008, we have started to assess the performance and behaviour of our employees in line with our corporate values.

Internal Communication

We believe that mastering internal communication is an important prerequisite of successful functioning of the company. Therefore, in 2008, we promoted and extended the forms of written and personal internal communication and we also created additional interactive forms of communication in order to promote a dialogue between the management and the employees. For this purpose, we started organising meetings of the Board of Directors' members with employees in individual regions. The purpose of such meetings was not only to inform employees on the tasks and activities of the company, but also to create space for a two-way communication and feedback.





Safety and Environmental Protection

The basic mission of eustream, a.s. is to secure the reliable, safe and efficient operation of the transmission network including its maintenance and development with regard to the maximum care for health and safety at work protection and with minimal negative impact to the environment whilst maintaining and increasing the current level of provided services.

In order to reach this aim our company committed itself to develop, maintain and permanently improve an efficient integrated system of management that also includes environmental management according to STN ISO 14001:2004 and health and safety protection at work according to STN OHSAS 18001:2007.

Environmental objectives

- waste management aimed at decreasing the volume of generated waste
- water management optimization
- intensive supervision of the technical condition of gas facilities, in order to cut down emissions of greenhouse gases and waste substances
- to reduce noise level emissions in the environment around compressor stations
- to prevent the occurrence of work related accidents and occupational diseases

Waste

Eustream handles a large variety of different types of waste that are generated through routine operations, repairs, maintenance, reconstructions, investment construction and cleaning in our technological facilities. If possible, we try to prevent the generation of waste, limit its existence and always prefer waste utilization before disposal.

Waste Generation (in tons)

Year	Hazardous waste	Other waste	TOTAL
2004	898	1 594	2 492
2005	682	4 947	5 629
2006	1 426	466	1 892
2007	624	2 898	3 522
2008	396	3 614	4 010

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. Statistically, we have recorded a continuous drop in the off-take of drinking water. We have achieved this trend by making our needs in the field of water management more efficient.

Water Consumption and Waste Water Discharge (in thousand m³)

Year	Water off-take in total	Discharge of waste water
2004	72.1	156.5
2005	70.3	157.8
2006	56.5	179.7
2007	57.7	86.6
2008	49.5	123.7

Safety and Environmental Protection

Air Protection

Eustream operates a large number of energy facilities which produce greenhouse gas emissions and polluting substances. Due to the continuous care in our operations and the quality of our combustion facilities we can continue the trend in lowering the volumes of emitted pollutants in line with increasingly strict legislation.

Emissions of Basic Pollutants and Greenhouse Gases (in tons)

Year	CO	NOx	SO ₂	CH ₄
2004	361.0	4 738.9	1.20	7 313.0
2005	367.0	3 979.0	1.04	7 657.0
2006	238.5	2 846.7	0.62	14 738.0
2007	260.0	2 913.0	0.60	5 154.0
2008	304.6	3 692.4	0.006	2 893.7

Protection against Noise Pollution

Noise is an accompanying effect produced during the operation of our technological facilities at compressor stations, having a negative impact on the external environment. Therefore, it is our prime interest to reduce the noise and vibrations under the level required by legislation.

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. All this information serves for the improvement of our activities in environmental protection.

Health and Safety Protection at Work

Health and Safety protection at work means to provide and to create a work environment in which health, safety, and compliance with legal regulations concerning work accident prevention is guaranteed. In the system of health and safety protection at work we pay attention mainly to:

- prevention of work related accidents
- identification of negative factors in the work environment
- 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, as we see health and safety protection at work as a key priority in the management of our business activities.

Indicator	2007	2008
Number of employees (average, calculated)	1 094	1 090
Number of work accidents	4	3
Of this: serious	0	1
Number of calendar days lost due to work accidents	113	90
Number of accidents per 100 employees	0.37	0.27
Average sick leave in %	0.02	0.156



Summary Results

Balance sheet (Selected Data in SKK million)

	31 st December 2008	31 st December 2007
ASSETS:		
NON-CURRENT ASSETS		
Property, plant and equipment	713	739
Non-current intangible and other assets	36	48
Total non-current assets	749	787
CURRENT ASSETS	5 615	6 704
TOTAL ASSETS	6 364	7 491
EQUITY AND LIABILITIES:		
CAPITAL AND RESERVES		
Registered capital	2 498	2 498
Reserves	506	500
Retained earnings	2 672	3 179
Total equity	5 676	6 177
NON-CURRENT LIABILITIES	133	161
CURRENT LIABILITIES	555	1 153
Total liabilities	688	1 314
TOTAL EQUITY AND LIABILITIES	6 364	7 491

Summary Results

Profit and Loss Statement (Selected Data in SKK million)

	Year ended 31 st December 2008	Year ended 31 st December 2007
Revenue from sale of services	24 224	23 957
Operating expenses	(21 840)	(20 837)
Operating profit	2 384	3 120
Income from investments	793	820
Profit before income tax	3 177	3 940
Income tax	(609)	(793)
NET PROFIT FOR THE PERIOD	2 568	3 147

Summary Results

Cash Flow Statement (Selected Data in SKK million)

	Year ended 31 st December 2008	Year ended 31 st December 2007
Operating activities		
Cash generated from operations	1 062	5 656
Interest paid	(2)	(28)
Interest received	104	243
Income tax paid	(1 230)	(136)
Net cash inflow from operating activities	(66)	5 735
Investing activities		
Purchase of property, plant and equipment	(162)	(73)
Proceeds from sales of property, plant and equipment and intangibles		83
Net cash inflow/(outflow) from investing activities	(162)	10
Financing activities		
Dividends paid	(3 075)	(3 772)
Other proceeds and payments from financial activities, net	804	585
Net cash outflow from financing activities	(2 271)	(3 187)
Net increase/(decrease) in cash and cash equivalents	(2 499)	2 558
Net foreign exchange difference	(1)	
Cash and cash equivalents at the beginning of the period	2 559	1
Cash and cash equivalents at the end of the period	59	2 559





Independent Auditor's Report

To the Shareholders of eustream, a.s.:

We have audited the financial statements of eustream, a.s. ('the Company') as of 31st December 2008. We issued the following audit report dated 13rd February 2009 on the financial statements:

Independent Auditor's Report

To the Shareholders of eustream, a.s.:

We have audited the accompanying financial statements of eustream, a.s. ('the Company'), which comprise the balance sheet as of 31st December 2008 and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of 31st December 2008 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

13rd February 2009
Bratislava, Slovak Republic

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

Ing. Peter Matejička
SKAU Licence No. 909

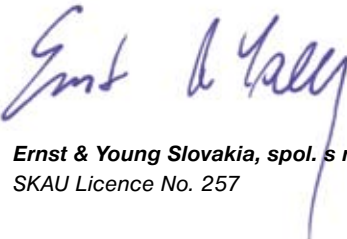
Independent Auditor's Report

We have also audited the consistency of the annual report with the above-mentioned financial statements. The management of the Company is responsible for the accuracy of the annual report. Our responsibility is to express an opinion on the consistency of the annual report with the financial statements, based on our audit.

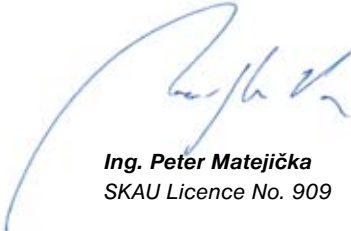
We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the accounting information presented in the annual report is consistent, in all material respect, with the financial statements. We have checked that the information presented in the annual report on pages 42 – 44 is consistent with that contained in the audited financial statements as of 31st December 2008. We have not audited information that has not been derived from audited financial statements or Company accounting records. We believe that our audit provides a reasonable basis for our opinion.

Based on our audit, the accounting information presented in the annual report is consistent, in all material respects, with the above-mentioned financial statements as of 31st December 2008.

23rd March 2009
Bratislava, Slovak Republic



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



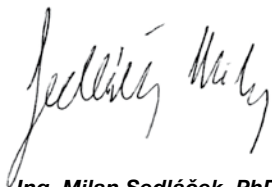
Ing. Peter Matejička
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Report on Compliance Programme

Report on Compliance Programme

1. eustream, 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 eustream, a.s. employees for the purpose of ensuring equal treatment
 - (b) specific obligations ensuring non-discriminatory conditions for access to the transmission system operated by eustream, a.s.
 - (c) measures ensuring fulfilment of 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. eustream, a.s., the Transmission System Operator, implemented to practice the Compliance Programme in 2008 ensuring that:
 - (a) respective internal processes aimed at ensuring non-discriminatory network access 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 legal regulations.
5. This Statement applies to the period from 1st January 2008 to 31st December 2008.

In Bratislava, on 10th February 2009



Ing. Milan Sedláček, PhD.

Compliance Officer of the Transmission System Operator

Registered Office:

eustream, a.s.
Mlynské nivy 42
825 11 Bratislava 26
Slovak Republic

Phone: +421 2 5869 2933

Fax: +421 2 5869 2629

E-mail: info@eustream.sk

Website: www.eustream.sk



eustream, a.s. • Mlynské nivy 42 • 825 11 Bratislava 26 • Slovak Republic • www.eustream.sk

