

**ANNUAL REPORT
OFZ, A. S., ISTEBNÉ
FOR THE YEAR 2006**

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1. SELECTED INDICATORS

SELECTED INDICATORS (in Tnd SKK)		
	2005	2006
Yields	3 840 599	3 706 117
Profit before taxation	23 919	44 824
Profit after taxation	18 867	35 602
Total assets	2 718 619	2 846 097
Equity	1 911 095	1 362 907
Basic capital	996 000	996 000
Total debt	807 142	1 482 817

2. ADMINISTRATIVE BODIES OF THE COMPANY

BOARD OF DIRECTORS

Chairman
Members

Ing. Vladimír KLOCOK
Ing. Jozef BEDNÁRIK
Ing. Lubomír CIMRÁK
Ing. Anton SKLÁRČIK

SUPERVISORY BOARD

Chairman
Members

Ing. Marián PLANČÁK
Luc Leon Suzane CLAEYS
Vladimír FLOREK
Ing. Branislav GÁBRIŠ
Ing. Jozef GREŇČÍK
Ing. Michal SUROVIK

TOP MANAGEMENT

General Director
Production Director
Commercial Director
Financial and Marketing Director

Ing. Vladimír KLOCOK
Ing. Jozef BEDNÁRIK
Ing. Lubomír CIMRÁK
Ing. Branislav KLOCOK
(until 30.9.2006)

Human Resources and General Services Director
Maintenance and Technical Development Director

Ing. Anton SKLÁRČIK
Ing. Eduard MANCO

3. CAPITAL PARTICIPATIONS

CAPITAL PARTICIPATIONS OF OFZ A.S., ISTEBNÉ IN OTHER COMPANIES (STATUS TO 31. 12. 2006)

Company	Share in basic capital	
	Tnd. SKK	%
Hutník- Malá Lučivná, a.s. Istebné	29 000	100,0
Slovakia Ferroalloys a.s. Istebné	12 000	100,0
Transbet, s.r.o.	2 900	50,0
Hutnictví železa , a.s. Praha	1 139	2,7
I.Urbár , s.r.o. Dolný Kubín	500	100,0
SKI Kubínska Hoľa, s.r.o.	500	50,0
SKI Malá Lučivná, s.r.o.	200	100,0
SES SK, a.s.	200	20,0

4. PRODUCTION

The total volume of manufactured ferroalloys was 140 781 tons in 2006. In comparison to previous year the production increased in the whole range of products by 26 004 tons.

Refer to the manufactured range of products, the production of manganese alloys in total volume of 118 519 tons was prevailing. It was manufactured 16 155 tons of silicon alloys.

The production of cored wires reached 6 107 tons, constituted mainly by FeSiCa cored wires.

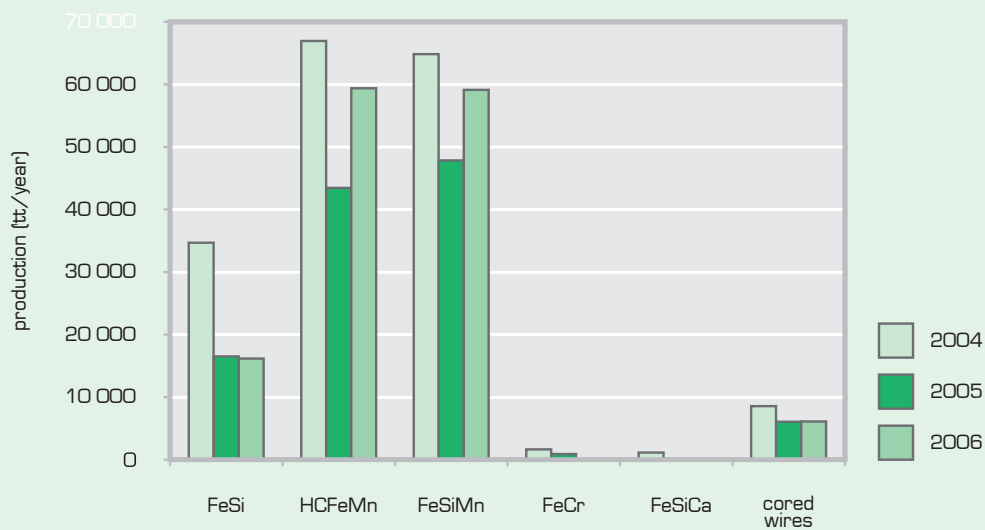
As regards other products, the company manufactured 2 995 tons of Microsilica-Sioxid, 17 033 tons of Grasimat, 32 599 tons of Simat and 15 830 tons of Mn briquets. In the course of the whole year 2006, the company was processing the whole occurrence of waste from metallurgical production to merchantable products or they were used in own production.

In the course of the year, the company's manufacturing capacities were utilized to 88,7%.

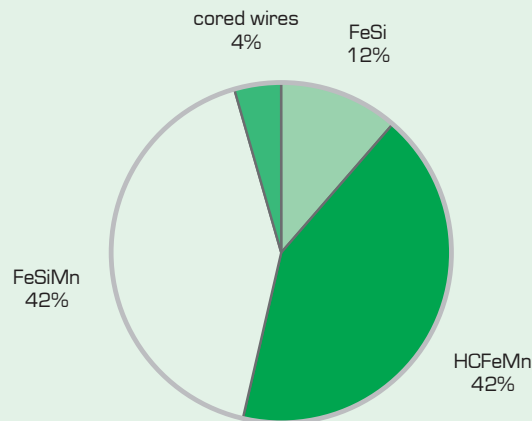
PRODUCTION OF FERROALLOYS (IN T) IN OFZ A.S. IN YEAR 2006 (ACCORDING TO PRODUCTS)

Product	Mass production (t)	%
HCFeMn	59 391	42,19
FeSiMn	59 128	42,00
FeSi	16 155	11,47
Cored Wires	6 107	4,34
Total	140 781	100,00

Comparison of ferroalloys production in OFZ a.s. from 2004 to 2006 (in t)



Proportion of particular kinds of ferroalloys in total production of OFZ a.s. in year 2006 (in %)



5. SALES

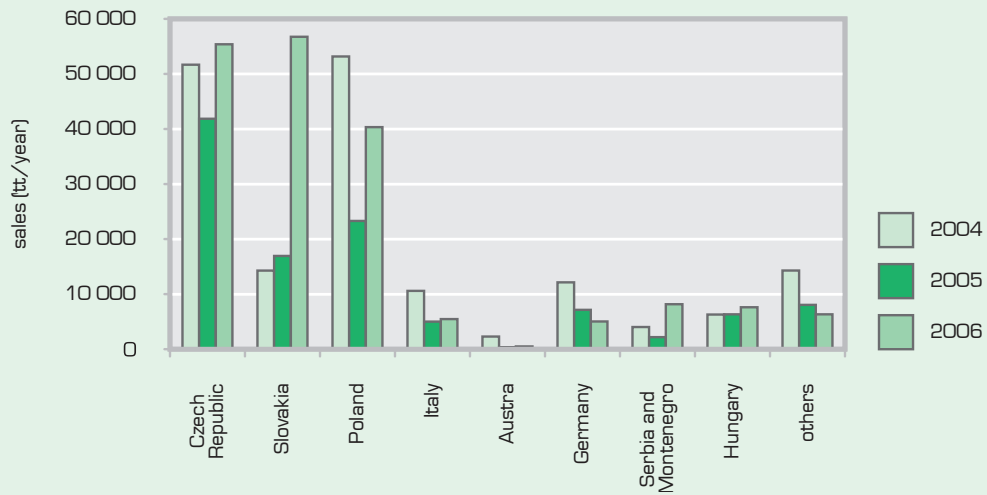
The company realized the sale of ferroalloys in particular to the stable customers on its traditional markets of Slovak Republic, Czech Republic, Poland, Hungary, Austria, Germany, Italy and Balkan countries.

In comparison with the previous year, the ferroalloys demand increased in 2006. The company aimed more to production and sales of manganese alloys, while the production and sales of ferrosilicon remained at the level of previous year. To prevent negative effects of high transport costs, the sales were realized on the territorial near markets.

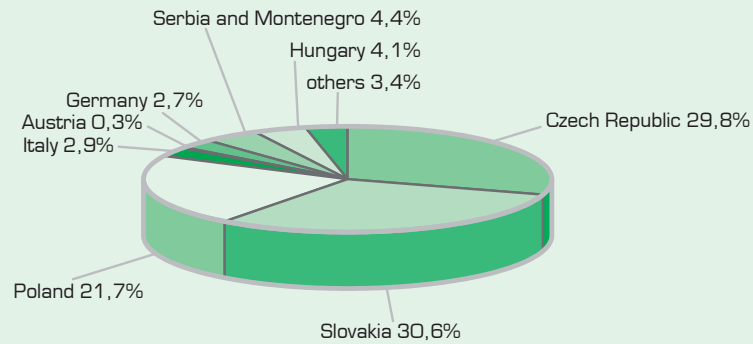
Total sales in 2006 were SKK 3 360 millions in financial formulation. Therefrom, sales of ferroalloys and cored wires were 145 715 tons, which means in financial formulation SKK 3 344 millions and sales of by-products were 46 951 tons, which means SKK 16 millions in financial formulation. Revenues from the sale of services amounted another SKK 186 millions.

The company realized almost the whole sales directly to the ferroalloys end users.

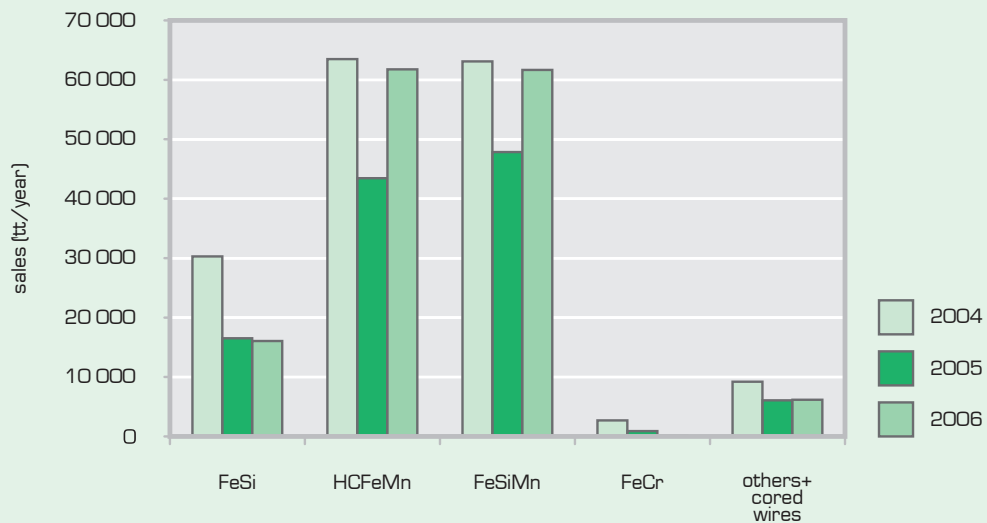
Comparison of OFZ, a. s. sales from 2004 to 2006 according to countries (in tons)



OFZ, a. s. 2006 sales according to countries (in %)



Comparison of OFZ, a. s. sales according to products from 2004 to 2006 (in tons)



6. FINANCIAL SITUATION

In 2006 revenues from the sales of own products, goods and services amounted to SKK 3 549 645 thousand. The joint-stock company generated a profit after taxation in the amount of SKK 35 602 thousand in the accounting period being assessed. Total shareholders equity amounted to SKK 1 362 907 thousand as per 31.12.2006 and the basic capital amounted to SKK 996 000 thousand.

The financial situation of the company was on a good level throughout the year.

7. INVESTMENT ACTIVITY

In 2006, OFZ, a. s., Istebné spent SKK 80,5 millions for investments. Investments were aimed to modernisation and reconstruction of production equipment, purchase of fixed assets, building operations and ski centre Kubínska Hoľa.

The most important realized investment actions were as follows

- carousel for the ferroalloys casting,
- soluble glass (Na_2SiO_3) store for the Mn dust briquetting ,
- reconstruction of administration building and the company canteen,
- ski centre Kubínska Hoľa (ski transportation equipment, parking areas, monitoring system).

8. EMPLOYMENT

The average number of employees in the joint-stock company was 662 in 2006; out of these 45 were managing officers. In comparison to the previous year, the number of employees in the company decreased by 16,5 %.

The average earning in the period being assessed equalled to SKK 24 000,- higher by 9,69% in comparison to the previous year.

The joint-stock company continued with ensuring and supporting the social activities in the fields of catering, recondition stays, recreations, providing of interest-free loans and other benefits to employees based on the Union Contract.

9. PROFIT AND LOSS ACCOUNT

PROFIT AND LOSS STATEMENT in Tnd SKK - OFZ a.s. Date: 31.12.2006

Note : The structure of assets is in accordance with official Slovak financial statements.

Num.	Class	TEXT	Current per.	Prev. per.
01	I.	Revenues from goods sold (604)	10 785	24 354
02	A	Cost of goods sold (504)	10 143	25 505
03	+	Gross margin I.01-02	642	-1 151
04	II.	Production I.05+06+07	3 345 852	3 112 363
05	II. 1.	Revenues fm fin prod/srvcs (601,602)	3 538 860	3 050 106
06	2.	Changes in inventory (+/- acct.grp 61)	-213 519	25 506
07	3.	Capitalization (acct.grp 62)	20 511	36 751
08	B.	Production consumption I.09+10	2 962 762	2 678 367
09	B. 1.	Cnsmptn of mat.and ener. (501 to 503)	2 795 430	2 541 412
10	B. 2.	Services (acct.grp 51)	167 332	136 955
11	+	Value added I.03+04-08	383 732	432 845
12	C.	Personnel expenses (sum I.13 to 16)	269 822	324 586
13	C. 1.	Wages and salaries (521,522)	197 255	244 726
14	C. 2.	Bonuses to members (523)	570	300
15	C. 3.	Social insurance (524,525,526)	64 984	70 328
16	C. 4.	Statutory social expenses (527,528)	7 013	9 232
17	D.	Taxes and fees (acct.grp 53)	5 473	6 501
18	E.	Amorization and depreciation (551)	115 375	70 386
19	III.	Rev.fm assets/mat.sold (641,642)	126 858	40 612
20	F.	NBV of assets/mat.sold (541,542)	39 096	20 690
21	IV.	Sting of rsrvs/prepd.ex (652,654,655)	14 997	31 862
22	G.	Creation of reserves..... (552,554,555)	16 722	29 233
23	V.	Sting of adjmts to op.revs (657,659)	3 313	825
24	H.	Sting of adjmts to op.exps (557,559)	10 679	206 654
25	VI.	Other oper.revenues (644,645,646,648)	88 593	469 664
26	I.	Other oper.expenses (543 to 546,548)	78 366	341 312
27	VII.	Transfer of oper.revenues (-(-)697)		
28	J.	Transfer of oper.expenses (-(-)597)		
29	*	Net operating results	81 960	-23 554
30	VIII.	Revs fm sale of secs and depts (661)		
31	K.	Sold securities and deposits (561)		
32	IX.	Revs fm fin.investments I.33+34+35		
33	IX. 1.	Revs fmgroup companies (665A)		
34	2.	Revs fm other inv.secs/depts... (665A)		
35	3.	Revs fm other fin.investments (665A)		
36	X.	Revs fm short-term fin.assets (666)		
37	L.	Expenses for short term fin.assets		
38	XI.	Settling of financial reserves (674)	45 118	87 410
39	M.	Expenses for Revaluation	11 204	51 303
40	XII.	Interest revenues (662)	27 411	25 468
41	N.	Interest expenses (562)	12 788	13 353
42	XIV.	Exchange profit (663)	43 185	47 999
43	O.	Loss on exchange (563)	126 054	46 755
44	XIV.	Other financial revenues (668)	6	43
45	P.	Other financial expenses (568,569)	2 810	2 037
46	XV.	Usage & canc.of reserves to revenues FA (674)		
47	Q.	Creation of financial reserves (574)		
48	XVI.	Sttling of adjmnts to fin.assets (679)		
49	R.	Crtion of adjmnts to fin.assets (579)		
50	XVII.	Transfer of fin.revenues (-(-)698)		
51	S.	Transfer of fin.expenses (-(-)598)		
52	*	Net results - fin.activ.	-37 136	47 472
53	T.	C Income Tax on normal activity I.54+55	9 222	5 051
54	T. 1.	- due (591,595)	23 109	6 157
55	2.	- deferred (592)	-13 887	-1 106
56	**	Net result fm norm.activ. I.29+52-53	35 602	18 867
57	XVIII.	Extraordinary revenues (acct.grp 68)		
58	U.	Extraordinary expenses (acct.grp 58)		
59	V.	CIT on extraordinary activs I.60+61		
60	V. 1.	- due (593)		
61	2.	- deferred (594)		
62	*	Net result fm exord.actv I.57-58-59		
63	Z.	Income distribution to partners (596)		
64	***	Net result - acctg.period I.56+62-63	35 602	18 867

PROFIT AND LOSS STATEMENT in Tnd EUR - OFZ a.s. Date: 31.12.2006

Exchange rate SKK/EUR : 37,248

Num.	Class	TEXT	Current per.	Prev. per.
01	I.	Revenues from goods sold (604)	289,5	653,8
02	A	Cost of goods sold (504)	272,3	684,7
03	+	Gross margin I.01-02	17,2	-30,9
04	II.	Production I.05+06+07	89 826,4	83 557,9
05	II. 1.	Revenues fm fin prod./srvcs (601,602)	95 008,1	81 886,4
06	2.	Changes in inventory (+/- acct.grp 61)	-5 732,4	684,8
07	3.	Capitalization (acct.grp 62)	550,7	986,7
08	B.	Production consumption I.09+10	79 541,5	71 906,3
09	B. 1.	Cnsmptn of mat.and ener. (501 to 503)	75 049,1	68 229,5
10	B. 2.	Services (acct.grp 51)	4 492,4	3 676,8
11	+	Value added I.03+04-08	10 302,1	11 620,6
12	C.	Personnel expenses (sum I.13 to 16)	7 243,9	8 714,2
13	C. 1.	Wages and salaries (521,522)	5 295,7	6 570,2
14	C. 2.	Bonuses to members (523)	15,3	8,1
15	C. 3.	Social insurance (524,525,526)	1 744,6	1 888,1
16	C. 4.	Statutory social expenses (527,528)	188,3	247,9
17	D.	Taxes and fees (acct.grp 53)	146,9	174,5
18	E.	Amoratization and depreciation (551)	3 097,5	1 889,7
19	III.	Rev.fm assets/mat.sold (641,642)	3 405,8	1 090,3
20	F.	NBV of assets/mat.sold (541,542)	1 049,6	555,5
21	IV.	Sting of rsrvs/prepd.ex (652,654,655)	402,6	855,4
22	G.	Creation of reserves..... (552,554,555)	448,9	784,8
23	V.	Sting of adjmtns to op.revsn (657,659)	88,9	22,1
24	H.	Sting of adjmtns to op.exps (557,559)	286,7	5 548,1
25	VI.	Other oper.revenues (644,645,646,648)	2 378,5	12 609,1
26	I.	Other oper.expenses (543 to 546,548)	2 103,9	9 163,2
27	VII.	Transfer of oper.revenues ([-]697)		
28	J.	Transfer of oper.expenses ([-]597)		
29	*	Net operating results	2 200,4	-632,4
30	VIII.	Revs fm sale of secs and depts (661)		
31	K.	Sold securities and deposits (561)		
32	IX.	Revs fm fin.investments I,33+34+35		
33	IX. 1.	Revs fmgroup companies (665A)		
34	2.	Revs fm other inv.secs/depts... (665A)		
35	3.	Revs fm other fin.investments (665A)		
36	X.	Revs fm short-term fin.assets (666)		
37	L.	Expenses for short term fin.assets		
38	XI.	Settling of financial reserves (674)	1 211,3	2 346,7
39	M.	Expenses for Revaluation	300,8	1 377,3
40	XII.	Interest revenues (662)	735,9	683,7
41	N.	Interest expenses (562)	343,3	358,5
42	XIV.	Exchange profit (663)	1 159,4	1 288,6
43	O.	Loss on exchange (563)	3 384,2	1 255,2
44	XIV.	Other financial revenues (668)	0,2	1,2
45	P.	Other financial expenses (568,569)	75,4	54,7
46	XV.	Usage & canc.of reserves to revenues FA (674)		
47	Q.	Creation of financial reserves (574)		
48	XVI.	Sttng of adjmtns to fin.assets (679)		
49	R.	Crtn of adjmtns to fin.assets (579)		
50	XVII.	Transfer of fin.revenues ([-]698)		
51	S.	Transfer of fin.expenses ([-]598)		
52	*	Net results - fin.activ.	-997,0	1 274,5
53	T.	C Income Tax on normal activity I.54+55	247,6	135,6
54	T. 1.	- due (591,595)	620,4	165,3
55	2.	- deferred (592)	-372,8	-29,7
56	**	Net result fm norm.activ. I.29+52-53	955,8	506,5
57	XVIII.	Extraordinary revenues (acct.grp 68)		
58	U.	Extraordinary expenses (acct.grp 58)		
59	V.	CIT on extraordinary actvns I.60+61		
60	V. 1.	- due (593)		
61	2.	- deferred (594)		
62	*	Net result fm exord.actv I.57-58-59		
63	Z.	Income distribution to partners (596)		
64	***	Net result - acctg.period I.56+62-63	955,8	506,5

10. BALANCE SHEET - BALANCE OF RESOURCES AND PROPERTY

ASSETS in Tnd SKK - OFZ a.s. Date : 31.12.2006

Note : The structure of Assets is in accordance with official Slovak financial statements.

Num.	Class	Assets	Gross	Adjustment	Net	Prev. per.
1		TOTAL ASSETS I.002+003+032+062	3 594 902	748 805	2 846 097	2 718 619
2	A	Receivables for subscriptions (353)				
3	B.	Fixed assets I.004+013+023	1 096 901	224 565	872 336	853 783
4	B. I.	Intangible assets (I.005 to 012)	4 992	4 275	717	9 274
5	B. I. 1.	Foundation expenses (011) - (071,091A)				
6	2.	Research and development (012) - (072,091A)	24	24		
7	3.	Software (013) - (073,091A)	3 721	3 004	717	1 461
8	4.	Patents, rights, royalties (014) - (074,091A)				7 813
9	5.	Goodwill (015) - (075,091A)				
10	6.	Other intangibles (018,019) - (078,079,091A)	1 247	1 247		
11	7.	Intangibles in progress (041) - 093				
12	8.	Advances for intangibles (051) - 095A				
13	B. II.	Tangible assets sum (I.014 to 022)	1 000 464	220 070	780 394	815 441
14	B. II. 1	Land (031) - 092A	14 907		14 907	14 885
15	2.	Buildings, halls and constructions (021) - (081)	464 311	57 108	407 203	370 653
16	3.	Machinery, ... (022,023,024) - (082,083,084,092A)	460 028	158 546	301 482	269 622
17	4.	Permanent growth (025) - (085,092A)				
18	5.	Livestock not for sale (026) - (086,092A)				
19	6.	Other tangbl asst (028,029,032) - (088,089,092A)	7 323	4 416	2 907	2 980
20	7.	Tangibles in progress (042) - 094	50 078		50 078	152 207
21	8.	Advances for tangibles (052) - 095A	3 817		3 817	5 094
22	9.	Adjustment to gained property (+/-097, +/-098)				
23	B. III.	Financial investments sum (I.024 to 031)	91 445	220	91 225	29 068
24	B. III. 1.	Maj.s/hldg and part. interests (061) - 096A	84 450		84 450	23 588
25	2.	Subs.s/hldg and part. interests (062) - 096	4 807	200	4 607	5 165
26	3.	Other secs. and depts. (063) - 096A	1 703	20	1 683	
27	4.	Intergroup loans (066) - 096A				
28	5.	Other loans and fin. invmnts (067,069) - 096				
29	6.	Loans with expiration date of max. 1 year				
30	7.	Financial assets in progress	170		170	
31	8.	Advances for financial assets	315		315	315
32	C.	Current assets I.033+041+048+059	2 485 874	524 240	1 961 634	1 852 580
33	C. I.	Inventory (I.034 to 040)	559 282		559 282	727 769
34	C. I. 1.	Materials (112,119) - 191	388 800		388 800	323 435
35	2.	WIP and semi-fin. prod. (121,122){192,193}	34 690		34 690	27 954
36	3.	Produktion ending of more than 1 year				
37	4.	Finished products (123) - 194	118 983		118 983	339 238
38	5.	Livestock (124) - 195				
39	6.	Goods (132,139) - 196	1 117		1 117	1 870
40	7.	Advances granted (314A) - 391A	15 692		15 692	35 272
41	C. II.	Long-term receivables sum (I.042 to 047)	8 000		8 000	8 000
42	C. II. 1.	Rcbls..... (311A,312A,313A,314A,315) - 391A	8 000		8 000	8 000
43	2.	Rcbls fm cos s/hldg > 50% (351A) - 391A				
44	3.	Rcbls fm cos s/hldg 20% - 50% (351A) - 391A				
45	4.	Rcbls fm prttnrs/assoc. (354A,355A,358A) - 391				
46	5.	Other receivables (335A,378A) - 391A				
47	6.	Deferred tax claim				
48	C. III.	Short-term receivables sum (I.049 to 055)	1 426 872	524 240	902 632	585 142
49	C. III. 1.	Rcbls..... (311A,312A,313A,314A,315A) - 391A	1 124 237	524 240	599 997	361 872
50	2.	Rcbls fm cos s/hldg > 50% (351A) - 391A				
51	3.	Rcbls fm cos s/hldg 20% - 50% (351A) - 391A				
52	4.	Rcbls fm cos.... (354A,355A,358A,398A) - 391A				
53	5.	Social security receivables (336A) - 391A				
54	6.	Tax/Subs receivables (341,342,343,345) - 391A	90 285		90 285	45 462
55	7.	Other receivables (335A,375A,378A) - 391A	212 350		212 350	177 808
56	C. IV.	Financial accounts sum (I.057 to 061)	491 720		491 720	531 669
57	C. IV. 1.	Cash (211,213,+/-261)	3 803		3 803	5 165
58	2.	Bank accounts (221)	487 917		487 917	526 504
59	3.	Limited Bank accounts of more than 1 year				
60	4.	Short - term fin. assets (251,253) - (291,293)				
61	5.	Short - term fin. assets in progress				
62	D.	Accruals and deferrals (I.063 to 064)	12 127		12 127	12 256
63	D. I. 1.	Deferred charges (381,382)	11 856		11 856	11 113
64	2.	Accrued receipts (385)	271		271	1 143

ASSETS in Tnd EUR - OFZ a.s. Date : 31.12.2006

Exchange rate SKK/EUR : 37,248

Num.	Class	Assets	Gross	Adjustment	Net	Prev. per.
1		TOTAL ASSETS I.002+003+032+062	96 512,6	20 103,2	76 409,4	72 987,0
2	A	Receivables for subscriptions (353)				
3	B.	Fixed assets I.004+013+023	29 448,6	6 028,9	23 419,7	22 921,6
4	B. I.	Intangible assets (I.005 to 012)	134,0	114,8	19,3	249,0
5	B. I. 1.	Foundation expenses (011) - (071,091A)	0,6	0,6	0,0	0,0
6	2.	Research and development (012) - (072,091A)				
7	3.	Software (013) - (073,091A)	99,9	80,6	19,3	39,2
8	4.	Patents, rights, royalties (014) - (074,091A)				209,8
9	5.	Goodwill (015) - (075,091A)				
10	6.	Other intangibles (018,019) - (078,079,091A)	33,5	33,5		
11	7.	Intangibles in progress (041) - 093				
12	8.	Advances for intangibles (051) - 095A				
13	B. II.	Tangible assets sum (I.014 to 022)	26 859,5	5 908,2	20 951,3	21 892,2
14	B. II. 1	Land (031) - 092A	400,2		400,2	399,6
15	2.	Buildings, halls and constructions (021) - (081)	12 465,4	1 533,2	10 932,2	9 951,0
16	3.	Mchnry,... (022,023,024) - (082,083,084,092A)	12 350,4	4 256,5	8 093,9	7 238,6
17	4.	Permanent growth (025) - (085,092A)				
18	5.	Livestock not for sale (026) - (086,092A)				
19	6.	Other trngbl asst (028,029,032) - (088,089,092A)	196,6	118,6	78,0	80,0
20	7.	Tangibles in progress (042) - 094	1 344,4		1 344,4	4 086,3
21	8.	Advances for tangibles (052) - 095A	102,5		102,5	136,8
22	9.	Adjustment to gained property (+/-097,+/-098)				
23	B. III.	Financial investments sum (I.024 to 031)	2 455,0	5,9	2 449,1	780,4
24	B. III. 1.	Maj.s/hldg and part.interests (061) - 096A	2 267,2		2 267,2	633,3
25	2.	Subs.s/hldg and part.interests (062) - 096	129,1	5,4	123,7	138,7
26	3.	Other secs.and depts. (063) - 096A	45,7	0,5	45,2	0,0
27	4.	Intergroup loans (066) - 096A				
28	5.	Other loans and fin.invmnts (067,069) - 096				
29	6.	Loans with expiration date of max. 1 year				
30	7.	Financial assets in progress	4,6		4,6	
31	8.	Advances for financial assets	8,5		8,5	8,5
32	C.	Current assets I.033+041+048+059	66 738,5	14 074,3	52 664,1	49 736,4
33	C. I.	Inventory (I.034 to 040)	15 015,1		15 015,1	19 538,5
34	C. I. 1.	Materials (112,119) - 191	10 438,1		10 438,1	8 683,3
35	2.	WIP and semi-fin.prod. (121,122){192,193}	931,3		931,3	750,5
36	3.	Produktion ending of more than 1 year				
37	4.	Finished products (123) - 194	3 194,3		3 194,3	9 107,6
38	5.	Livestock (124) - 195				
39	6.	Goods (132,139) - 196	30,0		30,0	50,2
40	7.	Advances granted (314A) - 391A	421,3		421,3	947,0
41	C. II.	Long-term receivables sum (I.042 to 047)	214,8		214,8	214,8
42	C. II. 1.	Rcbls..... (311A,312A,313A,314A,315) - 391A	214,8		214,8	214,8
43	2.	Rcbls fm cos s/hldg > 50% (351A) - 391A				
44	3.	Rcbls fm cos s/hldg 20% - 50% (351A) - 391A				
45	4.	Rcbls fm prttrs/assoc. (354A,355A,358A) - 391				
46	5.	Other receivables (335A,378A) - 391A				
47	6.	Deferred taxes claim				
48	C. III.	Short-term receivables sum (I.049 to 055)	38 307,3	14 074,3	24 233,0	15 709,4
49	C. III. 1.	Rcbls..... (311A,312A,313A,314A,315A) - 391A	30 182,5	14 074,3	16 108,2	9 715,2
50	2.	Rcbls fm cos s/hldg > 50% (351A) - 391A				
51	3.	Rcbls fm cos s/hldg 20% - 50% (351A) - 391A				
52	4.	Rcbls fm cos.... (354A,355A,358A,398A) - 391A				
53	5.	Social security receivables (336A) - 391A				
54	6.	Tax/Subs receivables (341,342,343,345) - 391A	2 423,9		2 423,9	1 220,5
55	7.	Other receivables (335A,375A,378A) - 391A	5 701,0		5 701,0	4 773,6
56	C. IV.	Financial accounts sum (I.057 to 061)	13 201,2		13 201,2	14 273,8
57	C. IV. 1.	Cash (211,213,+/-261)	102,1		102,1	138,7
58	2.	Bank accounts (221)	13 099,1		13 099,1	14 135,1
59	3.	Limited Bank accounts of more than 1 year				
60	4.	Short - term fin.assets (251,253) - (291,293)				
61	5.	Short - term fin.assets in progress				
62	D.	Accruals and deferrals (I.063 to 064)	325,6		325,6	329,0
63	D. I. 1.	Deferred charges (381,382)	318,3		318,3	298,4
64	2.	Accrued receipts (385)	7,3		7,3	30,7

9. PROFIT AND LOSS ACCOUNT

LIABILITIES in Tnd SKK - OFZ a.s. Date: 31.12.2006

Note :The structure of Liabilities is in accordance with official Slovak financial statements.

Num.	Class	LIABILITIES	Current per.	Prev. per.
65		TOTAL LIABILITIES I.066+086+116	2 846 097	2 718 619
66	A.	Capital I.067+071+078+082+085	1 362 907	1 911 095
67	A. I.	Basic capital (I.068 to 070)	996 000	996 000
68	A. I. 1.	Basic capital (411 or 491)	996 000	996 000
69	2.	Own shares ([-]252)		
70	3.	Change of basic capital +/- 419		
71	A. II.	Capital funds sum (I.072 to 077)	39 483	19 324
72	A. II. 1.	Share premium/agio (412)		
73	2.	Other capital funds (413)		
74	3.	Legal true reserve from capital deposits (417,418)		
75	4.	Revaluation of assets [+/- 414]		19 324
76	5.	Reval.of capital participation [+/- 4115]	39 483	
77	6.	Difference in valuation of revaluation fusion&allo.		
78	A. III.	Funds created from profit (I.079 to 081)	159 198	157 311
79	A. III. 1.	Legal reserve fund (421)	159 198	157 311
80	2.	Indivisible fund (422)		
81	3.	Statutory and other funds (423,427)		
82	A. IV.	Trading income of previous years I.083 + 084	132 624	719 593
83	A. IV. 1.	Retained earning of previous years (428)	132 624	719 593
84	2.	Uncompensated loss of prev.years ([-]429)		
85	A. V.	Trading income for current period (+)	35 602	18 867
86	B.	Liabilities I.087+091+102+112	1 482 817	807 142
87	B. I.	Reserves (I.088 to 090)	27 769	26 044
88	B. I. 1.	Legal reserves (451)	13 385	10 944
89	2.	Other reserves (459)		
90	3.	Short - term reserves (323,32X,451A,459A,41XA)	14 384	15 100
91	B. II.	Long - term liabilities sum (I.092 to 101)	55 246	70 081
92	B. II. 1.	Long term liabilities of business dealings (479A)		
93	2.	Long term uninvoiced supplies (476A)		
94	3.	Payables to rel cos s/hldg > 50% (471A)		
95	4.	Payables to rel cos s /hldg 20% - 50% (471A)		
96	5.	Long - term deposits received (475A)		
97	6.	Long - term notes payable (478A)		
98	7.	Bonds payable (473A,[-]255A)		
99	8.	Liabilities from social found (472)	2	950
100	9.	Other long - term payables (474A,479A)		
101	10.	Deferred tax liability (481A)	55 244	69 131
102	B. III.	Short-term liabilities sum (I.103 to 111)	738 721	261 017
103	B. III. 1.	Trade pybls (321,322,324,325,475A,478A)	527 648	241 227
104	2.	Not uninvoiced supplies (326,476A)	895	1 275
105	3.	Payables to rel cos s/hldg > 50%	160 000	0
106	4.	Payables to rel cos s/hldg 20% - 50%		
107	5.	Pybls (364 až 368,398A,478A,479A)	302	140
108	6.	Payables to employees (331,333,479A)	13 945	10 452
109	7.	Payables to social security (336,479A)	7 822	6 567
110	8.	Taxes payable (341,342,343,345,346)	18 758	1 106
111	9.	Other payables (379,474A,479A)	9 351	250
112	B. IV.	Bank loans/short - term notes (I.113 to 115)	661 081	450 000
113	B. IV. 1.	Long - term bank loans (461A)	56 000	
114	2.	Short - term bank loans (231,232,461A)	455 000	450 000
115	3.	Short - term notes (241,249,[-]255A)	150 081	0
116	C.	Accruals sum (I.117 to 118)	373	382
117	C. 1.	Accrued expenses (383)	373	382
118	2.	Deferred revenue (384)		

LIABILITIES in Tnd EUR - OFZ a.s. Date: 31.12.2006

Exchange rate SKK/EUR : 37,248

Num.	Class	LIABILITIES	Current per.	Prev. per.
65		TOTAL LIABILITIES 1.066+086+116	76 409,4	72 987,0
66	A.	Capital 1.067+071+078+082+085	36 590,1	51 307,3
67	A. I.	Basic capital (1.068 to 070)	26 739,7	26 739,7
68	A. I. 1.	Basic capital (411 or 491)	26 739,7	26 739,7
69	2.	Own shares (1)252)		
70	3.	Change of basic capital +/- 419		
71	A. II.	Capital funds sum (1.072 to 077)	1 060,0	518,8
72	A. II. 1.	Share premium/agio (412)		
73	2.	Other capital funds (413)		
74	3.	Legal true reserve from capital deposits (417,418)		
75	4.	Revaluation of assets (+/- 414)		518,8
76	5.	Reval.of capital participation (+/- 4115)	1 060,0	
77	6.	Difference in valuation of revaluation fusion&allo.		
78	A. III.	Funds created from profit (1.079 to 081)	4 274,0	4 223,3
79	A. III. 1.	Legal reserve fund (421)	4 274,0	4 223,3
80	2.	Indivisible fund (422)		
81	3.	Statutory and other funds (423,427)		
82	A. IV.	Trading income of previous years 1.083 + 084	3 560,6	19 319,0
83	A. IV. 1.	Retained earning of previous years (428)	3 560,6	19 319,0
84	2.	Uncompensated loss of prev.years (1)429)		
85	A. V.	Trading income for current period (+)	955,8	506,5
86	B.	Liabilities 1.087+091+102+112	39 809,3	21 669,4
87	B. I.	Reserves (1.088 to 090)	745,5	699,2
88	B. I. 1.	Legal reserves (451)	359,3	293,8
89	2.	Other reserves (459)		
90	3.	Short - term reserves (323,32X,451A,459A,41XA)	386,2	405,4
91	B. II.	Long - term liabilities sum (1.092 to 101)	1 483,2	1 881,5
92	B. II. 1.	Long term liabilities of business dealings (479A)		
93	2.	Long term uninvoiced supplies (476A)		
94	3.	Payables to rel cos s/hldg > 50% (471A)		
95	4.	Payables to rel cos s /hldg 20% - 50% (471A)		
96	5.	Long - term deposits received (475A)		
97	6.	Long - term notes payable (478A)		
98	7.	Bonds payable (473A,1)255A)		
99	8.	Liabilities from social found (472)	0,1	25,5
100	9.	Other long - term payables (474A,479A)		
101	10.	Deferred tax liability (481A)	1 483,1	1 856,0
102	B. III.	Short-term liabilities sum (1.103 to 111)	19 832,5	7 007,5
103	B. III. 1.	Trade pybls (321,322,324,325,475A,478A)	14 165,8	6 476,2
104	2.	Not uninvoiced supplies (326,476A)	24,0	34,2
105	3.	Payables to rel cos s/hldg > 50%	4 295,5	
106	4.	Payables to rel cos s/hldg 20% - 50%		
107	5.	Pybls (364 až 368,398A,478A,479A)	8,1	3,8
108	6.	Payables to employees (331,333,479A)	374,4	280,6
109	7.	Payables to social security (336,479A)	210,0	176,3
110	8.	Taxes payable (341,342,343,345,346)	503,6	29,7
111	9.	Other payables (379,474A,479A)	251,0	6,7
112	B. IV.	Bank loans/short - term notes (1.113 to 115)	17 748,1	12 081,2
113	B. IV. 1.	Long - term bank loans (461A)	1 503,4	
114	2.	Short - term bank loans (231,232,461A)	12 215,4	12 081,2
115	3.	Short - term notes (241,249,1)255A)	4 029,2	
116	C.	Accruals sum (1.117 to 118)	10,0	10,3
117	C. 1.	Accrued expenses (383)	10,0	10,3
118	2.	Deferred revenue (384)		

11. REPORT OF INDEPENDENT AUDITOR

ALFA - AUDIT

ALFA - AUDIT, spol. s r.o., auditor's company, licence No. 93

Companies register : Section S.r.o., Insert No.: 1250/T

Sv. Cyrila a Metoda 2, P. O. Box 8/D, 92101 Piešťany, Slovak Republic, tel./fax: 00421 33/ 77 233 11, 76 233 12

e-mail: pn@alfa-audit.sk

Independent Auditor's Report

of auditing financial statements for the year 2006

OFZ, a.s.

(extract from report)

We have audited the attached financial statements of

OFZ, a.s.

Company Registration No.: 36 389 030

as of December 31, 2006, the related Profit and Loss Account for the year then ended and Notes. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our audits.

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

In our opinion, the Financial Statements give a true and fair view of the financial position of the company as of December 31, 2006, and the results of its operations for the year then ended in accordance with the Slovak Accounting Act.

More information is presented in full version of the report with financial statements and notes.

Piešťany, 30th June 2007

ALFA - AUDIT, spol. s r.o.
Auditor's company
License No. 93



Jarmila Bokorová
Ing. Jarmila Bokorová
responsible auditor
License No. 175

