

THE ANNUAL FINANCIAL REPORT

FOR THE YEAR 2007

Obligation of the Issuer in accordance with § 34 and following of the Act No. 429/2002 on stock exchange.

I. Identification of the Issuer

Business name	ISTROKAPITAL SE
Legal form	European company
Registered seat	41-43 Klimentos Street, Klimentos Tower, 1st Floor, Flat 12, P.C. 1061 Nicosia, Cyprus
Registration number	SE2
Subject of business	holding and investment company
Date of foundation	01.02.2007
Share capital	45.766.576,80 EUR, split into 24.087.672 shares in nominal value of 1,90 EUR per share
Email	office@istrokapital.eu
Web site	www.istrokapital.eu
Phone/Fax	+35722759555/+35722758877

II. Financial statements of the Issuer

Consolidated financial statements of ISTROKAPITAL SE for the year 2007 with the auditor's report is the part of the Annual report of ISTROKAPITAL SE for the year 2007 – in attachment No. 1

Individual financial statements of ISTROKAPITAL SE for the year 2007 with the auditor's report – in attachment No. 2

III. Issued bonds

ISIN: SK4120004847 series 01

Type and form: bearer bond

Appearance: registered

Number: 1200 pieces

Nominal value of 500.000,- SKK per one bond

Description of rights: without transmissibility restriction

Date of issue: 06.12.2005

The maturity date of the nominal value: 06.12.2010

The way of determination of the gain: 12M BRIBOR + 3,00% fixed 2 working days before the commencement of every interest period

The payment date: every year to 06th December of common year

The possibility of untimely repayment: the issuer reserves the right for untimely repayment of the nominal value of the bonds including repayment of the aliquot interest gain to date of untimely repayment

The guaranty: no other person, only the issuer

Registration Number: SE2

Business name: ISTROKAPITAL SE (former ISTROKAPITÁL, a.s.)

Registered seat: 41-43 Klimentos Street, Klimentos Tower, 1st Floor, Flat 12, 1061 Nicosia, Cyprus

IV. Information about the aims and methods of the governance of the risks in the accounting unit together with the policy for security of main types of planned trades with using of security derivatives

The Issuer did not use security derivatives.

V. Information about acquiring of own securities, temporary securities, shares and securities, temporary securities and shares of the mother accounting unit in accord with § 22 of the Act on accounting.

Information about acquiring of own securities, temporary securities, shares:

- increase the share of the Issuer on the share capital of the company Poštová banka, a.s. on 93,81%
- there was realized no significant acquiring of own securities, temporary securities and shares, by the Issuer

Information about acquiring of own securities, temporary securities, shares of the mother accounting unit:

- there was realized no acquiring of temporary securities and shares of the mother accounting unit
- acquiring of own securities was realized only among existing shareholders

VI. Information about the activity of the General Meeting of the Issuer, its powers, description of shareholders' rights and the method of their keeping – activity of the General Meeting of the Issuer for the year 2007

In the year 2007 there were not held any General Meetings of the Issuer in accordance with the Law of the Republic of Cyprus and the Memorandum and Articles of Association of the Issuer

VII. Information about the structure and activity of the Board of Directors and its committees – activity of the Board of Directors for the year 2007

The meetings of the Board of Directors have been holding periodically pursuant the Memorandum and Articles of Association of the Issuer with the agenda consisting of dealing with the matters, business activities and development, and solving the matters concerning the Issuer and its activities in accordance the Memorandum and Articles of Association of the Issuer and the Cyprus Law of Companies, Cap. 113

VIII. All important information about the methods of governance and the data where the information about the methods of governance are to be released:

The Issuer holds the principles and the methods of governance according to the Corporate Governance Code which is the part of the Stock Exchange' rules for bonds admission to main listed market and parallel market and is accessible on web site of Burza cenných papierov v Bratislave, a.s. on www.bcpb.sk and according to Law of Companies, Cap. 113 and the Memorandum and Articles of Association of the Issuer which is to be found and released in the registered seat of the Issuer on 41-43 Klimentos Street, Klimentos Tower, 1st Floor, Flat 12, P.C. 1061 Nicosia, Cyprus. The methods and the aims of the Issuer's governance are followed from the policy of the Issuer and are directed to increase the quality of the relations with business partners and increase of effectiveness of its activities.

IX. Declaration of responsible persons of the Issuer in accordance § 34 article 2 letter c) of the Act No. 429/2002 on stock exchange

We, the members of the Board of Directors: Mario Hoffmann, the Chairman, Jozef Salaj, the Member, Boris Krehel', the Member, Ľuboš Āč, the Member, Marek Tarda, the Member, Alena Madáčová, the Member, Daniel Legěň, the Member, as the responsible persons of the Issuer, declare that according to our best knowledge the financial statements provide true and accurate description of the asset, debit and financial situation and management result of the Issuer, and that the Annual report consists of true and accurate summary of the course of events and results of the business activity and position of the Issuer together with the description of main risks and doubts which faces.

X. The Financial Annual Report will be released on web site www.istrokapital.eu and at the company's registered office on 20th June 2008

The Board of Directors of ISTROKAPITAL SE

Mario Hoffmann – Chairman
Ľuboš Āč – Member
Alena Madáčová – Member

Boris Krehel' – Member
Marek Tarda – Member

Josef Salaj – Member
Daniel Legěň – Member