



Krivá 21, 040 01 Košice

**Company registered in the Commercial Register of the District Court Košice I,
Section Sro, file number 2737/V**

Company Identification Number (IČO): 31667830

**ANNUAL REPORT
ISSUED AS OF 31st December 2008**

May 2009

**Ing. Mikuláš S I L L
Registered Agent of the Company**

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1. INTRODUCTION

The duty of the company to issue this Annual report for the year 2008 is imposed by § 20 and § 21 of the Act no. 431/2002 Coll. on Accounting.

BUSINESS NAME: **sudop TRADE spol. s r. o. Košice**

REGISTERED OFFICE OF THE COMPANY: **Krivá 21, 040 01 Košice**

EXECUTIVE BODY: **Ing. Mikuláš Sill, registered agent**
Ing. Vojtech Pajtáš, registered agent (until 23/1/2008)
Ing. Anton Lukáč, registered agent (until 23/1/2008)

The company was established in the year 1992.

As of 31st December 2008, the company was employing 56 employees, of which 3 employees held management positions. Since 1st February 2007, the company has been based in its own offices.

Registered capital of the company: SKK 200,000.

2. COMPANY HISTORY AND EXPECTED FUTURE DEVELOPMENT OF THE COMPANY'S ACTIVITY

2. 1. Business activity

The company was established in the year 1992 and commenced its business activity on 1st June 1993. Its objective was to engage in project activity, technical support and engineering activity in railway transport and construction.

The sudop TRADE spol. s r. o. Košice company has pursued this particular business activity throughout its entire existence.

The previous year was a year of significant internal changes for sudop TRADE spol. s.r.o. Košice, characterised by the entry of a new strategic partner in the company. The abovementioned changes specifically related to the ownership structure of the company, as CEDC Investment, a.s, with its registered office at Nám. Baníkov 17/33 v Rožňave, became the sole partner. Ing. Mikuláš SILL was appointed the sole registered agent of the company. These changes were recorded in the Commercial Register of the County Court Košice on 23/01/2008. Upon assessing various activities of CEDC Investment, a.s., the decision was made that due to the narrow specialisation of the sudop TRADE s.r.o. Košice company's activity, its business share shall be transferred to the REAL & FAKTORING, s.r.o., Nitra company, which specialises solely in financial activities. Despite these turbulent changes, we can earnestly declare that our company has not only maintained its market position, but even managed to strengthen it.

Revenues generated in the year 2008 came from project activity and other services. Income from non-residential premises lease formed a significant proportion of total revenues, as since February 2007, the company has been based in its own offices, parts of which have been leased out to external subjects.

The company had two subsidiaries in the year 2007:

1. sudop TRADE MONTÁŽE spol. s r.o. – share in registered capital – 70 %
sale of the share in this company was agreed in the Extraordinary General Meeting on 3rd March 2008
2. BPC TRADE. s.r.o. – share in registered capital – 100 %
sale of the share in this company was agreed in the Extraordinary General Meeting on 26th March 2008

2. 2. Evaluation of the previous period

In the context of our 15-year history, the year 2008 can be labelled as a difficult one, but at the same time a successful one. The company managed not only to maintain its position of project work supplier in the area of transportation structures and engineering services provider in the Slovak market, but even to strengthen it.

Similarly to the previous years, Železnice Slovenskej republiky (Slovak Railways) was our most prominent business partner and customer in the year 2008.

Listed below are the most important projects, in which the sudop TRADE spol. s r.o. Košice company participated as the head contractor or subcontractor supplying individual parts of documentation:

1. ŽSR, Modernisation of the Žilina – Košice railway, Kysak – Košice railway stretch, DSP phase
2. Modernisation of the ŠR a NR Čierna nad Tisou railway station – TV
3. TEN-T - ŽSR, Bratislava predmestie – Bratislava filiálka – Bratislava Petržalka (corridors junction)
4. TEN-T – ŽSR, Bratislava – incorporation of the Airport of M.R. Štefánik into the railway network
5. Kysak railway station – modernisation of the safety mechanism
6. Modification of safety mechanisms and traction lines due to disassembling of unused tracks and switches

In the course of the year 2008, the company underwent a change of its organisational structure, as a result of which production centres were closed and two new divisions were created:

1. Finance division
2. Production division (consisting of production departments segmented on the basis of individual professions focus)

In this way, increased efficiency of the company's management and greater involvement of the lower management in its directing was achieved, which led to strengthening of the corporate culture and transformation of the company into a modern private enterprise.

The employees of individual production departments, together with other employees, responsibly fulfilled the company's obligations towards its customers. As of 31st December 2008, the sudop TRADE s.r.o. Košice company was employing a total of 56 employees, of which 15 were authorised engineers, 21 technical personnel, 9 administrative personnel and 11 administrative-technical personnel.

Our employees are the guarantee of sustainable excellent reputation of the company in fulfilling its obligations, not only by means of meeting deadlines, but also by their high degree of qualification. In order to accomplish these objectives, the company constantly provides its employees with professional training.

2. 3. The company's market position

Železnice Slovenskej republiky (Slovak Railways) has been the strategic partner of the company and projects undertaken for this customer constituted a crucial part of our overall activity.

The results achieved by the company demonstrate that we belong to the elite among the project and engineering services providers for transportation structure projects in the Slovak market.

Similarly to the previous years, a great emphasis was placed on the improvement in quality of the provided services, and hence on a complex technical and professional development of the company.

In February 2008 a successful supervisory audit was conducted in the company, which confirmed the effectiveness of the implemented quality management system. The implemented quality management system, in compliance with the ISO 9001:2000 standard, was designed, implemented and maintained in order to continuously improve the efficiency and effectiveness of the company's activity.

In the human resources sphere, the company management's priority is to offer all employees optimum working conditions and a friendly environment. The company supports them in their professional growth and expert knowledge development. We appreciate quality contribution of every single individual and offer a complex compensation and social benefits package in return.

2. 4. Development of the company in the following years

In the year 2009, the company wishes to continue strengthening and improving its current market position, to succeed in the increasingly competitive environment, to maintain all its principles and values of good business relations and last but not least to create excellent working conditions for its current, as well as future employees.

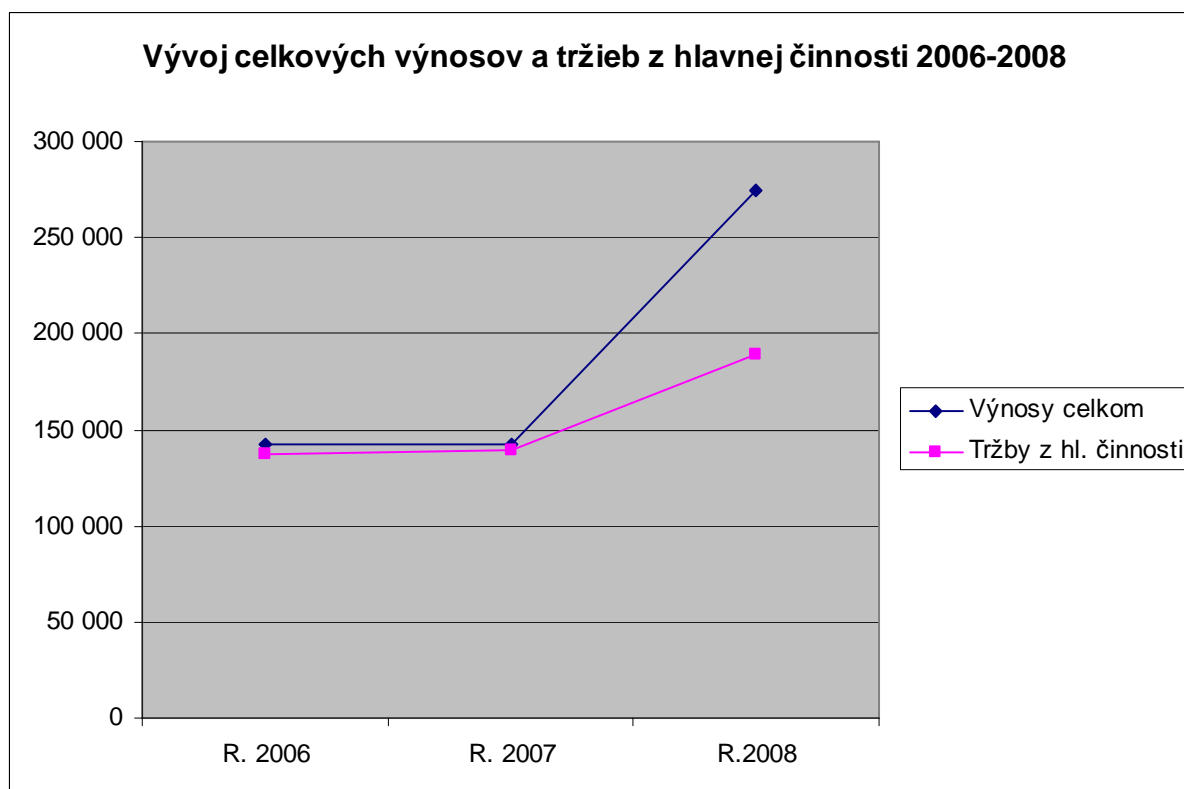
The primary focus of the company shall remain unchanged, i.e. provision of project and engineering services in complex transportation structure projects.

In the context of railway and railway corridors modernisation projects, we aim to draw on our experience and improve the project efficiency in order to contribute to the successful use of the European funds money.

2. 5. Overview of financial results for the year 2008 and comparison with 2006-2007 figures

| REVENUES AND EXPENSES | | | |
|--|-----------------|-----------------|-----------------|
| | 31/12/06 | 31/12/07 | 31/12/08 |
| | Audited | Audited | Audited |
| I. Revenues from sales of goods | 171 | 630 | 1 665 |
| A. Costs of goods sold | 167 | 1 516 | 1 362 |
| Trade margin | 4 | -886 | 303 |
| II. Production | 137 038 | 138 822 | 189 062 |
| II.1. Revenues from sales of own goods and services | 132 438 | 157 971 | 192 254 |
| II.2. Changes in inventory | 4 600 | -19 149 | -3 192 |
| II.3. Capitalisation of own production | | | |
| B. Production expenses | 91 843 | 81 147 | 141 730 |
| B.1. Expenses for materials, power, and other utilities | 2 306 | 8 334 | 4 326 |
| B.2. Services | 89 537 | 72 813 | 137 404 |
| C. Personnel expenses | 23 451 | 27 147 | 33 656 |
| D. Taxes and levies | 107 | 124 | 298 |
| E. Amortisation and impairment of non-current intangible assets and depreciation and impairment of non-current tangible assets | 2 321 | 8 218 | 10 484 |
| III. Receipts from sales of non-current assets and materials | | 305 | 2 505 |
| F. Residual value of sold non-current assets materials | | 119 | 2 210 |
| IV. Other operating revenues | 1 665 | 371 | 61 003 |
| G. Other operating expenses | 1 251 | 128 | 60 951 |
| V. Transfer of operating revenues | | | |
| H. Transfer of operating expenses | | | |
| Operating profit/loss | 19 734 | 21 729 | 3 544 |
| VI. Receipts from sales of securities and shares | | | |
| I. Securities and shares sold | | | |
| VII. Gains from long-term financial assets | 1 674 | | 2 557 |
| VII.1. Gains from securities and shares in subsidiary accounting unit and companies under substantial influence | 1 674 | | 2 557 |
| VII.2. Gains from other long-term securities and shares | | | |
| VII.3. Gains from other long-term financial assets | | | |
| VIII. Gains from short-term financial assets | | | |
| J. Expenses for short-term financial assets | | | |
| IX. Gains from revaluation of securities and from derivative transactions | | | |
| K. Losses incurred on revaluation of securities and derivative transactions | | | |
| L. Impairment of financial assets | | | |
| X. Interests received | 905 | 2 110 | 6 798 |
| M. Interests paid | 1 233 | 2 321 | 2 593 |
| XI. Exchange rate gains | | 14 | |

| | | | | |
|--|---|---------------|---------------|---------------|
| N. | Exchange rate losses | | | 40 |
| XII. | Other gains from financial operations | 21 | 1 | |
| O. | Other expenses for financial operations | 636 | 593 | 876 |
| XIII. | Transfer of financial gains | | | |
| P. | Transfer of financial expenses | | | |
| Profit/Loss from financial operations | | 731 | -789 | 15 907 |
| R. | Income tax on recurring operations | 3 571 | 4 716 | 4 087 |
| R.1. | - due | 3 541 | 4 091 | 3 658 |
| R.2. | - deferred | 30 | 625 | 429 |
| Profit/loss from recurring operations | | 16 894 | 16 224 | 15 364 |
| XIV. | Extraordinary revenues | | | |
| S. | Extraordinary expenses | | | |
| T. | Income tax on extraordinary income | | | |
| T.1. | - due | | | |
| T.2. | - deferred | | | |
| Profit/loss from extraordinary operations | | | | |
| U. | Transfer of profit/loss share to partners | | | |
| Profit/loss for the accounting period | | 16 894 | 16 224 | 15 364 |



POPIS ku grafu:

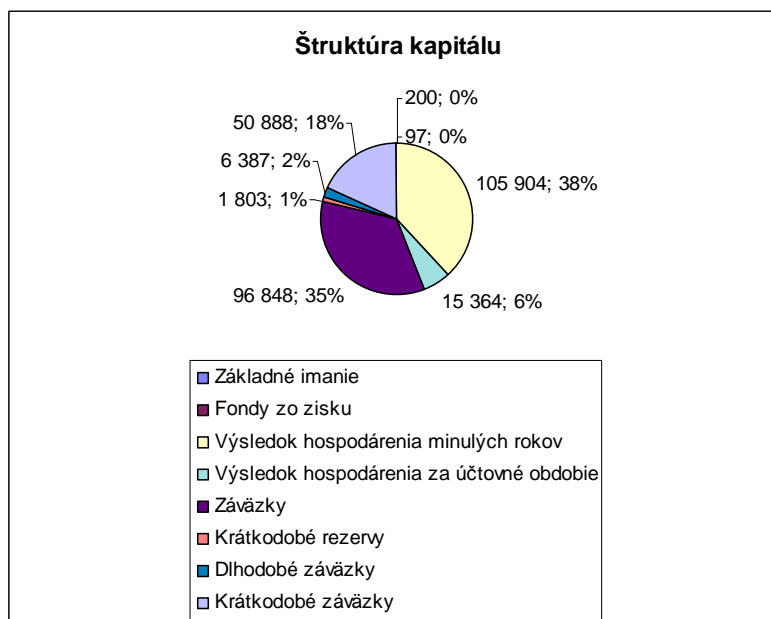
Názov: **Trend in total revenues and operating revenues, years 2006-2008**

Os x: **Year 2006, Year 2007, Year 2008**

Výnosy celkom: **Total revenues**

Tržby z hl. činnosti: **Operating revenues**

| ASSETS, LIABILITIES AND EQUITY | | | | |
|---------------------------------------|--|-----------------|-----------------|-----------------|
| | | 31/12/06 | 31/12/07 | 31/12/08 |
| | | Audited | Audited | Audited |
| | TOTAL ASSETS | 254 917 | 223 732 | 218 413 |
| A. | Accounts receivable for subscribed capital | | | |
| B. | Non-current assets | 113 695 | 122 694 | 121 902 |
| | Intangible non-current assets | | | |
| B.I. | | 479 | 645 | 779 |
| B.II. | Tangible non-current assets total | 112 777 | 121 610 | 121 123 |
| B.III. | Non-current financial assets | 439 | 439 | |
| B.III.1 | Shares of subsidiary accounting entities | 439 | 439 | |
| C. | Current assets | 140 959 | 100 700 | 96 217 |
| C.I. | Inventories | 25 760 | 5 713 | 2 542 |
| C.II. | Long-term receivables | 882 | 410 | |
| C.III. | Short-term receivables | 113 434 | 83 614 | 90 225 |
| C.IV. | Financial accounts total | 883 | 10 963 | 3 450 |
| D. | Accruals/deferrals | 263 | 338 | 294 |
| | Total equity and liabilities | 254 917 | 223 732 | 218 413 |
| A. | Equity | 99 977 | 106 201 | 121 565 |
| A.I. | Registered capital | 200 | 200 | 200 |
| A.II. | Capital reserves | | | |
| A.III. | Revenue reserves | 97 | 97 | 97 |
| A.IV. | Accumulated profit/loss of previous accounting | | | |
| +/- | periods | 82 786 | 89 680 | 105 904 |
| A.V. +/- | Profit/loss for the accounting period | 16 894 | 16 224 | 15 364 |
| B. | Liabilities | 154 936 | 117 531 | 96 848 |
| B.I.1. | Statutory reserves | | | |
| B.I.2. | Other long-term reserves | | | |
| B.I.3. | Short-term reserves | 1 423 | 1 576 | 1 803 |
| B.II. | Non-current liabilities | 339 | 1 451 | 6 387 |
| B.III. | Current liabilities | 96 026 | 78 394 | 50 888 |
| B.IV. | Bank loans and emergency loans | 57 148 | 36 110 | 37 770 |
| C. | Accruals/deferrals | 4 | | |



POPIS ku grafu:

Názov: **Capital structure**

Legenda: základné imanie – **registered capital**

Fondy zo zisku – **revenue reserves**

Výsledok hospodárenia minulých rokov - **Accumulated profit/loss of previous accounting periods**

Výsledok hospodárenia za účtovné obdobie - **Profit/loss for the accounting period**

Záväzky - **Liabilities**

Krátkodobé rezervy - **Short-term reserves**

Dlhodobé záväzky - **Non-current liabilities**

Krátkodobé záväzky - **Current liabilities**

2. 6. No significant events have occurred since the statement of finances was drawn up, which would cause changes in the figures presented herein.

3. ORGANISATIONAL STRUCTURE OF THE COMPANY AND PERSONNEL

Top management of the company is represented by:

- the Annual General Meeting
- the Registered Agents

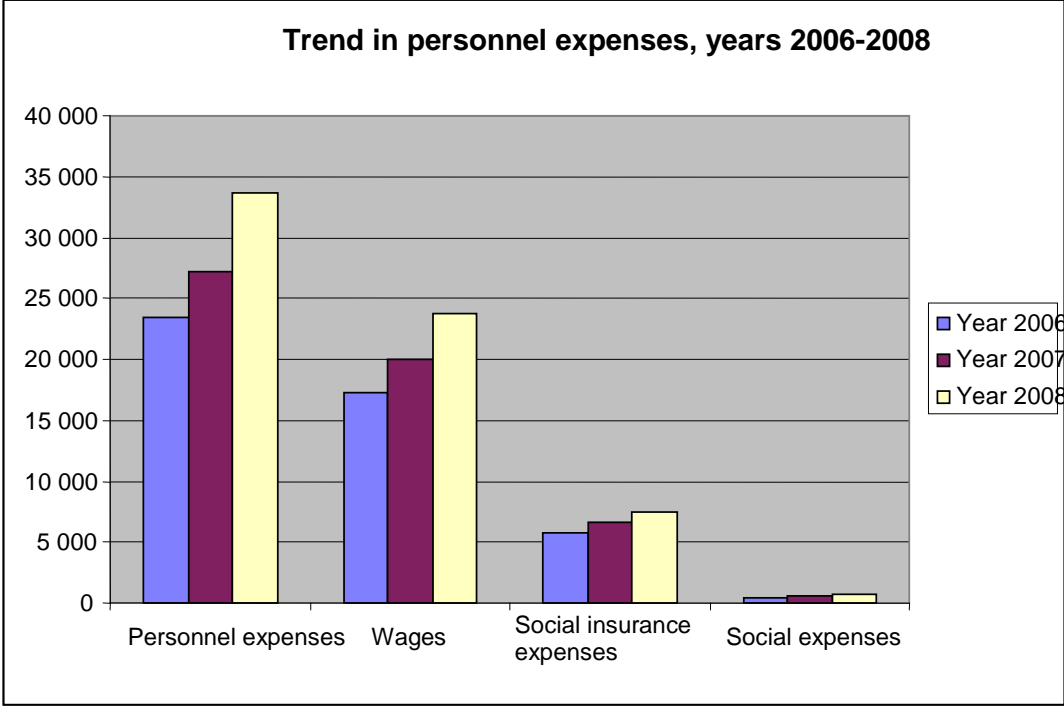
Executive management of the company is represented by:

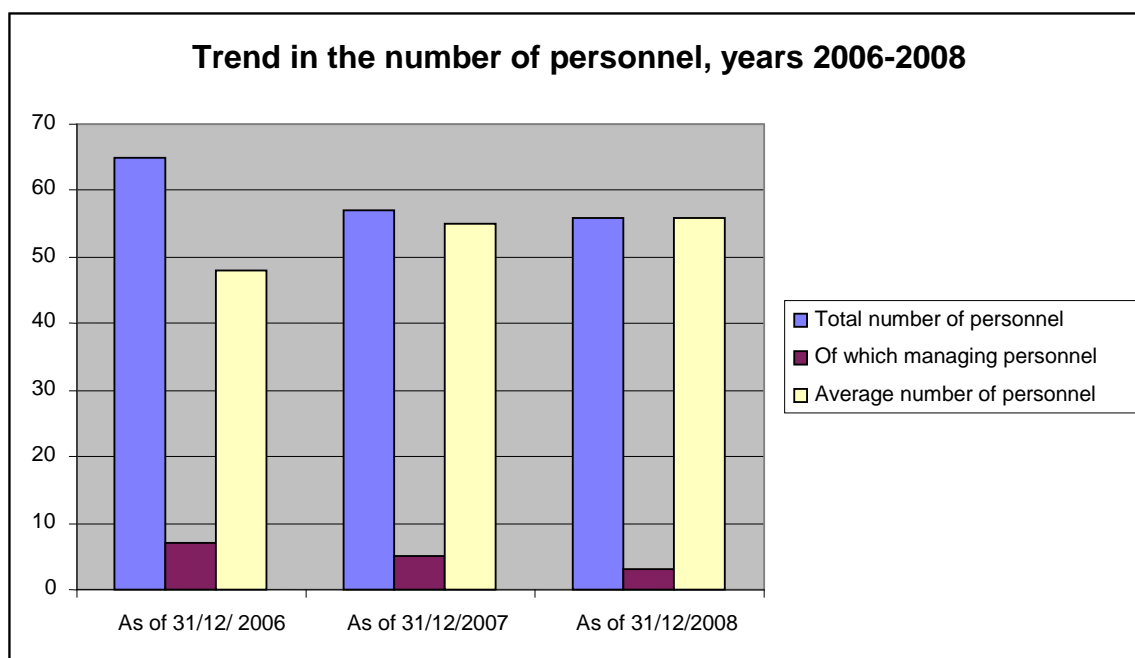
- the Company Director
- the Union Leader

The company does not have any branch office abroad.

The following table presents the personnel numbers over the previous 3 years:

| Category | As of 31/12/2006 | As of 31/12/2007 | As of 31/12/2008 |
|---|------------------|------------------|------------------|
| Total personnel | 65 | 57 | 56 |
| of which: managing personnel | 7 | 5 | 3 |
| Average number of personnel | 48 | 55 | 56 |
| Personnel expenses in SKK thousand | 23 451 | 27 147 | 31 856 |
| From which: wages and salaries | 17 210 | 20 026 | 23 670 |
| Social insurance expenses | 5 746 | 6 615 | 7 415 |
| Social expenses | 495 | 506 | 771 |





Železnice Slovenskej republiky (Slovak Railways) was the leading customer of the company. The most important business partners of our company are:

- ŽSR a.s.
- Železničná spoločnosť a.s.
- DOPRAVOPROJEKT a.s
- REMING Consult a.s.
- PRODEX s.r.o.
- WATERM s.r.o.
- DELTA WORK a.s.

5. OTHER IMPORTANT INFORMATION

5. 1. The sudop TRADE spol. s r. o. Košice company is not a subsidiary of any other company, i.e. there is no company issuing a consolidated statement of finances.

5. 2. The company does not act as a partner providing unlimited guarantee to any other company.

5. 3. Research and development expenses were not accounted for in the company's accounting.

5. 4. Acquisitions of own shares, securities, shares, interim shares and shares in the parent entity were not accounted for in the company's accounting.

5. 5. The company does not engage in any manufacturing activity with a negative impact on the environment.

6. PROPOSED PROFIT DISTRIBUTION

Total profit after tax amounted to SKK 15,364,695.53 and this sum in total shall be transferred to the account 428-Accumulated profit of previous periods.

8 OTHER INFORMATION

In the year 2008, the sudop TRADE spol. s r. o. Košice company invested in modernisation of the used infrastructure, i.e. into purchases of new information technology, both software and hardware, as well as in modernisation of the car fleet.

The entry of the strategic investor in the company brought about not only changes in the ownership structure, but also in the organisational structure and management, which shall result in improved efficiency and performance.

The objective of the management is not only to maintain the company's performance of the previous 5 years, but to direct it towards achieving excellent quality and a wide range of services provided with sharp focus on customer requirements. This should be accompanied by creation of adequate working conditions for the employees in terms of both social benefits and training which would comply with the latest statutory requirements, as well as the quality focused policy of the sudop TRADE spol. s r. o. Košice company.

Prepared by: Daniela Polláková, Head of Finance Department