Slovenske Elektrarne Finance B.V.

2006 Financial Statements

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14-01-2008

Management report

The management of Slovenske Elektrarne Finance B.V. (the "Company") herewith submits its annual report for the financial year ended December 31, 2006 in accordance with International Financial Reporting Standards ("IFRS").

Summary of activities

On March 14, 2006 Mr. I. Lovisek resigned as Managing Director A and Mr. R. Okenka was appointed as Managing Director A.

On December 7, 2006 Mr. J.A. van Zuijlen and Mr. J.L. de Zwart resigned as managing Directors B and Mr. F. Mauritz and Mr. A.J.M. Nieuwenhuizen were appointed as Managing Directors B.

Furthermore, during the financial year under review the Company acted as a finance Company.

Future outlook

No material changes in activities are contemplated during the financial year 2007.

Financial review

The financial statements as at December 31, 2006 report a net equity position of EUR 2.088 thousand (2005: EUR 2.043 thousand) and a profit for the year 2006 of EUR 45 thousand (2005: EUR 40 thousand). This will be submitted to the General Meeting of Shareholders for approval.

Amsterdam, 19 December 2007

The management,

R. Okenka (Managing Director A)

F. Mauritz (Managing Director B)

A.J.M. Nieuwenhuizen (Managing Director B)

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Slovenske Elektrarne Finance B.V.

Balance sheet as at December 31, 2006

(all amounts in thousands of Euro)

(before profit appropriation)

		December 31, 2006		December 31, 2005	
		EUR	EUR	EUR	EUR
Non-current assets					
Non-current financial assets	*4*	195.297		195.297	
			195.297		195.297
Current assets					
Current financial assets	*4*	5.938		5.938	
Other receivables	*5*	40		43	
Cash and cash equivalents	*6*	417		105	
			6.395		6.086
Total assets			201.692		201.383
Shareholders' equity	*7*				
Paid-up share capital		18		18	
Share premium		2.000		2.000	
Retained earnings		25		(15)	
Result for the year		45		40	
			2.088		2.043
Non-current liabilities					
Loans and borrowings	*8*	193.842		193.620	
			193.842		193.620
Current liabilities					
Loans and borrowings	*8*	5.740		5.710	
Other payables	*9*	22		10	
			5.762		5.720
Total shareholder's equity and liabilities			201.692		201.383

Profit and loss account for the year January 1, 2006 up to and including December 31, 2006

(all amounts in thousands of Euro)

		2006		2005	
		EUR	EUR	EUR	EUR
Operating income		-		-	
Operating expenses					
General and administrative expenses	*10*	64		93	
Total operating expenses			(64)		(93)
Net operating loss			(64)		(93)
Interest and similar income	*11*	11.348		11.459	
Interest and similar charges	*12*	(11.221)		(11.316)	
			127		143
Result on ordinary activities before tax			63		50
Corporate tax on ordinary activities	*13*		(18)		(10)
Profit after tax			45		40

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Statement of changes in Shareholder's equity for the year ended December 31, 2006

(all amounts in thousands of Euro)

(before profit appropriation)

	Share Capital EUR	Share Premium EUR	Retained earnings EUR	Profit for the year EUR	Total EUR
Balance at: January 1, 2005	**18**	**2.000**	**25**	**(40)**	**2.003**
• Profit appropriation	-	-	(40)	40	-
• Result for the year	-	-	-	40	40
Balance at: December 31, 2005	**18**	**2.000**	**(15)**	**40**	**2.043**
• Profit appropriation	-	-	40	(40)	-
• Result for the year	-	-	-	45	45
Balance at: December 31, 2006	**18**	**2.000**	**25**	**45**	**2.088**

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Statement of cash flow for the year ended December 31, 2006

(all amounts in thousands of Euro)

	2006		2005	
	EUR	**EUR**	EUR	EUR
Profit for the period	**45**		40	
Adjustments for:				
• Net finance cost	**(127)**		(143)	
• Income tax expenses	**18**		10	
	(64)		(93)	
Changes in working capital:				
• Accounts receivable	**-**		(98)	
• Short term liabilities	**9**		(28)	
	(55)		(219)	
Interest paid bonds	**(10.969)**		(11.244)	
Interest paid other	**-**		(3)	
Income tax paid	**(12)**		(20)	
Net cash from operating activities		**(11.036)**		(11.486)
Interest received loan shareholder	**11.347**		11.579	
Interest received other	**1**		1	
Repayment loan receivable	**-**		5.000	
Net cash from investing activities		**11.348**		16.580
Repayment of borrowings	**-**		(5.000)	
Net cash from financing activities		**-**		(5.000)
Net cash flow for the period		**312**		94
Cash and cash equivalents at the beginning of the period		**105**		11
Cash and cash equivalents at the end of the period		**417**		105

Notes to the financial statements as per December 31, 2006

(all amounts in thousands of Euro)

1 Relationship with parent Company and principal activities

Slovenske Elektrarne Finance B.V. (hereafter the "Company"), having its statutory seat in Rotterdam, was incorporated on September 5, 1997 under Dutch Law. The address of the Company is Weteringschans 28, 1017 SG Amsterdam, The Netherlands.

The Company is a private limited liability Company, where 100% of the shares are held by Slovenské elektrárne, a.s. having its statutory seat in Bratislava Slovakia, and forms part of the Enel Group.

The principal objectives of the Company are:

- To finance companies and business enterprises forming part of a group of companies and enterprises directly or indirectly controlled by Slovenské elektrárne, a.s.;

- To borrow and lend money, to raise funds by issuing bonds and notes, including commercial paper;

- To do anything that is, in the widest sense of the word, connected with the aforementioned objectives or which can be conducive to the attainment thereof.

2 Basis of presentation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Commission and with the statutory provisions of the Dutch Civil Code, Book 2, Title 9.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the financial assets and financial liabilities (including derivative instruments), which are valued at amortized cost.

2.3 Functional and presentation currency

These financial statements are presented in euro, which is the Company's functional currency. All financial information presented in euro has been rounded to the nearest thousand.

2.4 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Certain comparative amounts have been reclassified to conform to the current year's presentation. The effect of the changes of the accounting principles from Dutch GAAP to IFRS to the figures as per December 31, 2005 are retained earnings EUR 12 thousand increase, result for the year 2005 EUR 34 thousand increase and Non-current loans and borrowings EUR 46 thousand decrease.

3.1 Foreign currency

The costs and income arising from transactions in foreign currencies and non-monetary balance sheet items or monetary receivables and debts are translated at the exchange rate applicable on the transaction date or balance sheet date respectively (except where indicated otherwise in the notes to the financial statements).

Exchange rate differences are added or charged to the profit and loss account as financial income or expenditure respectively.

3.2 Financial instruments

Non-derivative financial instruments comprise investments in debt securities and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognized initially at fair value plus any directly attributable transaction costs (except where indicated otherwise in the notes to the financial statements). Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognized if the Company up becomes a party to the contractual provisions of the instrument. Financial assets are derecognized if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Company commits itself to purchase or sell the asset. Financial liabilities are derecognized if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

If the Company has the positive intent and ability to hold debt securities to maturity, then they are classified as held-to-maturity. Held-to-maturity investments are measured at amortized cost using the effective interest method, less any impairment losses.

The non-derivative financial instruments are measured at amortized cost using the effective interest method, less any impairment losses.

3.3 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3.4 Impairment

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost the reversal is recognized in profit or loss.

3.5 Revenues and costs

Revenues are measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Costs are recognized when the related goods and services are bought, consumed or allocated or when their future useful lives cannot be determined.

Finance income comprises interest income on funds invested, dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, foreign currency gains, and gains on hedging instruments that are recognized in profit or loss. Interest income is recognized as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, foreign currency losses, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognized on financial assets, and losses on hedging instruments that are recognized in profit or loss. All borrowing costs are recognized in profit or loss using the effective interest method.

3.6 Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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4 Financial assets

The non-current financial assets relates to a loan granted to the shareholder and can be specified as follows:

(all amounts in thousands of euro)	year Maturing	Balance 31-12-2006 EUR	Nominal value 31-12-2006 EUR	Balance 31-12-2005 EUR
Loan shareholder, fixed rate	**2011**	**201.235**	**195.297**	201.235

(all amounts in thousands of euro)	Current portion < 12 months 31-12-2006 EUR	Portion maturing > 12 months 31-12-2006 EUR	Current portion < 12 months 31-12-2005 EUR	Portion maturing > 12 months 31-12-2005 EUR
Loan shareholder, fixed rate	**5.938**	**195.297**	5.938	195.297

As per June 24, 2004, and following the listed guaranteed notes issued by the Company, the Company issued a loan to its shareholder, Slovenské elektrárne, a.s. The loan is interest bearing at an effective interest rate of 5,810169%. The Interest is payable annually in arrears 2 days before the interest payment date of the listed guaranteed notes. The loan has to be repaid in the manner required to discharge the obligation of the Company in respect of the listed guaranteed notes issued. The listed guaranteed notes issued by the Company are due on June 24, 2011 (see note 8).

The market value of the loan shareholder and the effective interest percentage on the loan were calculated based on the Discount Cash Flow method.

5 Other receivables

The other receivables can be specified as follows:

(all amounts in thousands of euro)	31-12-2006 EUR	31-12-2005 EUR
Current Account shareholder	**40**	40
Corporate income tax	**-**	3
	40	43

6 Cash and cash equivalents

The cash and cash equivalents can be specified as follows:

(all amounts in thousands of euro)	31-12-2006 EUR	31-12-2005 EUR
ING Bank – EUR current account	417	105
	417	105

7 Shareholders' equity

Due to an amendment of the Articles of Association, executed on June 16, 2004, the authorized share capital of the Company amounts to EUR 91 thousand, divided into 200 ordinary shares with a nominal value of EUR 455 (of which 40 shares have been paid up in full). The issued and paid-up capital amounts to EUR 18 thousand.

A specification of the movement of equity is set out on page 6.

8 Loans and borrowings

The loans and borrowings relate to issued listed guaranteed notes and can be specified as follows:

(all amounts in thousands of euro)	Current portion < 12 months 31-12-2006 EUR	Portion maturing > 12 months 31-12-2006 EUR	Current portion < 12 months 31-12-2005 EUR	Portion maturing > 12 months 31-12-2005 EUR
Listed guaranteed notes, fixed rate	5.740	193.842	5.710	193.620

(all amounts in thousands of euro)	year Maturing	Balance 31-12-2006 EUR	Nominal value 31-12-2006 EUR	Balance 31-12-2005 EUR
Listed guaranteed notes, fixed rate	2011	199.582	195.000	199.330

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On June 24, 2004 EUR 200 million Guaranteed Notes, due 2011, were issued at the stock exchange in Luxemburg at a price of 99,853. These notes bear an interest of 5,625% per annum, payable annually in arrears on June 24 each year. In 2005 an amount of EUR 5 million was repaid. The bond discount amounting to EUR 0,3 million and the costs directly related to the issuance of the notes amounting to EUR 1,4 million have been deducted from the principal amount of the Guaranteed Notes. The bond discount and the costs related to the notes have been accounted for in the effective interest rate, which is 5,7796%.

The market value of the Guaranteed Notes and the effective interest percentage on the notes were calculated based on the Discount Cash Flow method. The Notes are valued at "amortized cost".

9 Other payables

The other payables can be specified as follows:

(all amounts in thousands of euro)	**31-12-2006 EUR**	31-12-2005 EUR
Corporate income tax	**2**	-
Accrued expenses	**20**	10
	22	10

10 General and administrative expenses

(all amounts in thousands of euro)	**2006 EUR**	2005 EUR
Management & domiciliation	**9**	9
Administrative- accounting- and secretarial services	**38**	41
Advisory fees	**16**	41
Other expenses	**1**	2
	64	93

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11 Interest and similar income

(all amounts in thousands of euro)	**2006 EUR**	2005 EUR
Interest income on loan shareholder	**11.347**	11.459
Interest other	**1**	-
	11.348	11.459

12 Interest and similar charges

(all amounts in thousands of euro)		**2006 EUR**	2005 EUR
Interest Guaranteed Notes – coupon interest (5,6250%)	**10.999**		
Interest Guaranteed Notes – allowance for Discount	**37**		
Interest Guaranteed Notes – allowance for Costs	**185**		
Effective interest Guaranteed Notes		**11.221**	11.314
Interest other		**-**	2
		11.221	11.316

13 Corporation tax on ordinary activities

(all amounts in thousands of euro)	**2006 EUR**	2005 EUR
Corporate income current year	**11**	10
Corporate income previous years	**7**	-
	18	10

The tax burden for the financial year 2005 and 2006 is based on an estimated taxable profit.

14 Transactions with related parties

The transactions with related parties can be specified as follows:

(all amounts in thousands of euro)	Receivables 31-12-2006 EUR	Interest Received In 2006 EUR	Receivables 31-12-2005 EUR	Interest Received In 2005 EUR
Slovenské elektrárne, a.s.	**195.337**	**11.347**	195.337	11.579

15 Contingent Liabilities

On April 8, 2004, the board of directors of the Company resolved to provide a guarantee for all obligations of its sole shareholder, Slovenské elektrárne, a.s., in connection with the Westlb AG, London branch, as facility agent in respect of a EUR 350 million Revolving Credit and Term Loan Facility to be provided to the sole shareholder.

On December 22, 2004 the Company entered into a EUR 500 million Revolving Credit Facility, acting as "Guarantor". This Revolving Credit Facility was made available to the Company's shareholder, Slovenské elektrárne, a.s.

Both credit facilities were repaid by Slovenské elektrárne, a.s. in 2006.

16 Staff

As per December 31, 2006 the Company had, other than the three directors, no staff employed.

No material changes in activities are contemplated during the financial year 2007.

Amsterdam, 19 December 2007

The management,

R. Okenka (Managing Director A)

F. Mauritz (Managing Director B)

A.J.M. Nieuwenhuizen (Managing Director B)

14-01-2008

Other information

Provisions in the articles of association governing the appropriation of profit

Under article 16 of the Company's articles of association, the profit is at the disposal of the General Meeting of Shareholders, which can allocate said profit either wholly or partly to the formation of – or addition to – one or more general or special reserve funds.

The Company can only make payments to the shareholders and other parties entitled to the distributable profit insofar as the shareholders' equity is greater than the paid-up and called-up part of the capital plus the legally required reserves.

Proposal for profit appropriation

The Executive Board proposes to add the profit for 2006 to the retained earnings results.

Post balance sheet events

No major post-balance sheet events have occurred, affecting the financial statements, herewith presented.

Auditor's report

The auditor's report is set forth on the following page.

14-01-2008

KPMG

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Slovenske Elektrarne Finance B.V. as at 31 December 2006, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amstelveen, 19 December 2007

KPMG ACCOUNTANTS N.V.

E. Michels RA

14-01-2008