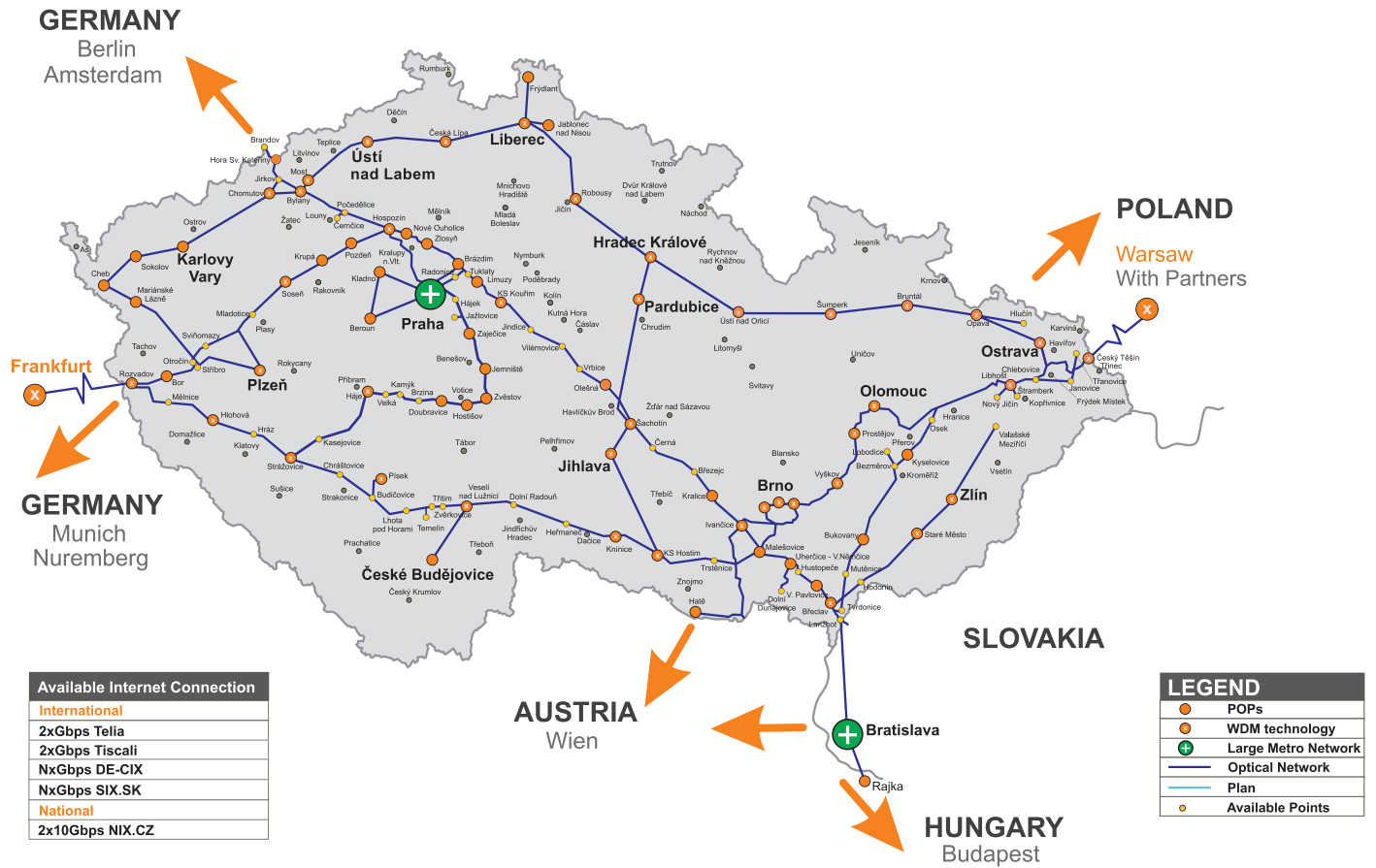


Dial Telecom manages a fiber-optic network with an extended length of 4,500 km, including a metropolitan network in Prague. The metropolitan network is approximately 350 km long, 200 km of which consists of the Company's own fiber-optic cable routes containing 15,000 km of fibers.

Backbone Network Map



The Dial Telecom network control center is located in Prague. Network monitoring and customer helpdesk personnel operate around the clock: 24 hours a day, 7 days a week.

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Key Figures 2006–2007 (CZK '000)

	2006	2007
Sales revenue	212,636	379,116
EBITDA	48,624	79,272
Investment ratio (CAPEX/sales revenue)	8.5%	6.8%
Profit before tax	23,287	17,837
Cash at 31 December 2007		30,069
Number of employees	65	86

Dear shareholders and business friends:

Allow me to present you with the 2007 business results of Dial Telecom, a.s. and a summary of the most significant developments at the Company in 2007.

Like in previous years, the main thrust of Company management's and employees' efforts in key areas was turnover growth, maintaining profitability, increasing efficiency of work processes, and further improving the support we provide to our customers.

A no less important priority for the Company was further expansion and improvement of our fiber-optic and IP backbone networks – in accordance with our long-term strategy based on trends of rapid growth in the number of Internet users, sustained growth in data transfer volumes, and a general convergence toward IP services.

Thanks to the Company's accumulated earnings and active participation in ongoing telecommunications market consolidation, the past year brought the Company's second successfully completed acquisition.

The merger with the nationwide operator net4net, a.s. brought the Company a year-on-year doubling of turnover, increased the stability of our market position by bringing together retail and wholesale service portfolios, increased the coverage of our fiber-optic network, and improved the availability of our services throughout the Czech Republic.

In addition, the acquisition brought the Company more qualified employees and we successfully managed both the reorganization and the creation of a new organizational structure integrating a new middle management level, as well as a major move of both merged companies to new office space. The transaction also further reinforced the role of marketing and rejuvenated the Dial Telecom brand.

In the customer service area, our accomplishments included an expanded service portfolio, further improvements in technical support, an expansion of the customer services center, and improvements in its work.

I am aware that the accomplishments of the Dial Telecom brand listed above are due to the effort and dedication of all Company employees, and therefore in conclusion I would like, on behalf of the entire Board of Directors, to extend them our heartfelt thanks. It is thanks to our employees that, today, Dial Telecom has everything it needs to meet its ambitious goals and further improve service quality.



Aleš Zeman

CEO and Chairman of the Board of Directors



Aleš Zeman, CEO and Chairman of the Board of Directors

Board of Directors



From left: Aleš Zeman, Tomáš Strašák, Zdeněk Sivek

Aleš Zeman
Chairman

A graduate of the University of New York in Prague, major in enterprise management. In 1995–98, he worked as manager of the payment cards departments of eBanka and GE Money Bank. In 1999–2000 he worked as a wholesale manager at ČESKÝ TELECOM, a.s. Currently he is Chairman of the Company's Board of Directors.

Zdeněk Sivek
Vice Chairman

After graduating from the J. E. Purkyně University, he worked in capital markets, playing a role in the establishment of GLOBIX, s.r.o. (later ETEL, s.r.o.), where he served as sales director. He is the founder of Dial Telecom, s.r.o. in the Czech Republic.

Tomáš Strašák
Member

A graduate of the University of Economics, Prague, and Staffordshire University in the UK, majors in international trade and European integration. In 2000–04 he headed the international data sales team at ČESKÝ TELECOM, a.s. and in 2004 he became the member of the Board of Directors responsible for business development of TransgasNet, a.s. (later net4net, a.s.), which was acquired by Dial Telecom, a.s. in 2006.

Senior Management



Ingrid Ledererová, Ivo Stach

Ingrid Ledererová
Technical Director

A graduate of the Prague Institute of Chemical Technology, Ms. Ledererová worked at ČVUT at OVC VŠ as head of the system programmers department and head of the network services department, which in 1996 was spun off to form the CESNET association. In 1997 she became a member of the Supervisory Board of InWay, a.s., where she worked as head of the network services department and, later, technical director. She has been Technical Director since that company was acquired by Dial Telecom in 2005.

Ivo Stach
Financial Director

A graduate of the Czech Technical University, Prague, Faculty of Mechanical Engineering, major in automated control systems, in 1995–96 Mr. Stach was an investment officer at Czech American Enterprise Fund, the first venture capital firm in the Czech Republic. Starting in 2007 he served as financial director in several companies mostly focused on services, and has been in the telecommunications sector since 2000 (InWay, a.s., later acquired by Dial Telecom, a.s.)

Tomáš Strašák
Sales Director

For personal data, see his entry under the Board of Directors, above.



From left: Marek Štastrný, David Bečvář, Radek Brňák

Radek Brňák
Chairman

Mr. Brňák began his professional career at Deloitte, and subsequently worked at Raiffeisenbank in capital markets. In 1997 he founded Globix, a telecommunications company, which he sold in 2000. Currently he is a private investor.

Marek Štastrný
Member

Mr. Štastrný is a graduate of the Czech Technical University (ČVUT), Faculty of Electrical Engineering, where he majored in electronic computers. After a stint as a technician at the ČVUT computer center, in 1996 – after the center was reorganized – he transferred to the CESNET Association, where he headed the network planning and management department. In 1998 he joined InWay, a.s. as head of the network build-out and planning department. Following the acquisition of InWay, a.s. by Dial Telecom in 2005, he continues in the same position. He has been a member of the Dial Telecom, a.s. Supervisory Board since 2008.

David Bečvář
Member

An economics graduate of the Western Illinois University and Anglo-American College, from 1998 Mr. Bečvář worked in the sales department of Globix, s.r.o., a telecommunications company. Since 2000 he has been CEO of the Slovak branch of Dial Telecom, a.s., which he founded in the same year. One year later he co-founded the Czech branch of Dial Telecom, a.s., where he currently serves as a member of the Supervisory Board.

MARKET SITUATION

2007 saw a continuation of the downward trend in prices for data and voice services. Nonetheless, late in the year price levels stabilized for the first time in the history of this sector. This is a result of overall higher prices of inputs – primarily energy and rents in the real estate market. In the market for lease of unlit fiber and related components – a market of which Dial Telecom is the leader – the situation has been stable for several years already. In year-on-year terms, the prices of data services (mostly at speeds of 10 Mbps, 34 Mbps, 100 Mbps, 1 Gbps, 2.5 Gbps and 10 Gbps) were down by approximately 10–20%, confirming the market’s stability given that prices dropped at much higher paces in past years. In the years to come, the rate of price decline will probably remain steady due to heavy competitive pressure, roll-out of technologies enabling high-speed transfers (2.5 Gbps and 10 Gbps) and development of new technologies. In particular, as 1 Gbps, 2.5 Gbps and 10 Gbps speeds gain market share, they will determine the market prices of lower speeds.

Due to the huge expense involved in building new fiber-optic backbone networks, the number of these trunk networks in the Czech Republic did not increase. Instead, we witnessed an ongoing consolidation of the market through acquisitions and business alliances. In the wholesale market, the market potential (number of potential clients and contracts) shrunk considerably due to this market consolidation phenomenon.

Unlike past years when acquisitions were mainly limited to big telecoms, in 2007 it became more common to see moves to consolidate mid-sized companies and regional Internet and television providers.

DIAL TELECOM’S CLIENTELE

The Company’s clients can be divided into two groups: those who buy our services to meet their own communication needs (retail clients – primarily corporates and, newly, apartment buildings) and those who need Dial Telecom services in order to sell their own telecommunications services to end users (primarily Internet and content providers and multinational telecoms). As far as the number of clients is concerned, as at 31 December 2007 Dial Telecom had a total of 2,458 clients, 2,210 of which were retail and 248 were wholesale clients. However, this ratio does not reflect the distribution of revenue, which in December 2007 was 46.4% for retail and 51.5% for wholesale. The remaining 2.1% of revenue was attributable to the Company’s other sales. The difference is due to the much higher average value per contract on the wholesale market compared to retail contracts.

Distribution of Sales, December 2007

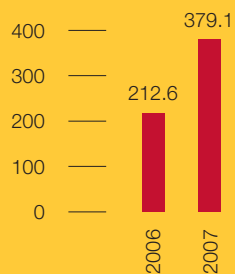


Thanks to the acquisition of net4net, today Dial Telecom is able to offer a complete service portfolio both for corporate customers and for wholesale customers. The unique combination of net4net’s data solutions with Dial Telecom’s voice solutions made us more competitive and reduced our dependence on the market.

SERVICE REVENUE IN 2007

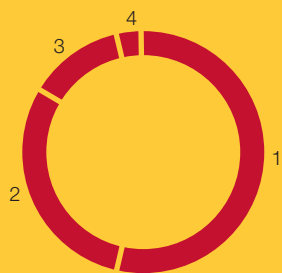
Overall, Dial Telecom service revenue (post-net4net acquisition) reached CZK 462.4 million in 2007. This amount can be divided into two categories: revenue from sales of services and revenue from one-off transactions related to sales of assets and rights to these assets, on one hand, and, on the other hand, regular payments received from the Company's customers. In 2007, revenue growth was also realized on the acquisition of net4net, a.s. and in 2006 from the acquisition of InWay, a.s.

Revenue from sales of services, 2006 and 2007
CZK millions



Revenue from sale of data and voice services totaled CZK 379.1 million. Of this amount, Internet accounted for CZK 203.1 million, data services for CZK 112.9 million, voice services CZK 49.1 million, and other revenue totaled CZK 14 million. Compared to 2006, when Dial Telecom posted service revenue of CZK 212.6 million, this represents an increase of 78.3%.

Distribution of service revenue, 2007



1 Internet	53.6%
2 Data services	29.8%
3 Voice services	12.9%
4 Other	3.7%

VOICE SERVICES

Revenue from voice services reached CZK 49.1 million in 2007, up 6.6% from 2006. In recent years we have seen lower growth in voice services revenue in general due to the shift of a portion of revenue from fixed lines to mobile. Despite this trend, Dial Telecom outperformed the market in this segment, which according to various sources grew by approximately 5%.

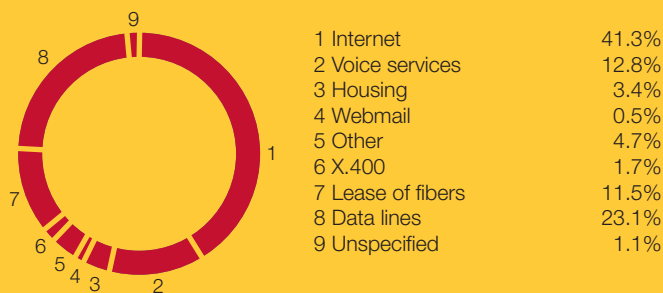
DATA SERVICES AND INTERNET

The situation in the data market in 2007 was very favorable for Dial Telecom. Thanks to heavy investment in transfer technologies both in the Prague metropolitan network and the Czech Republic national network, Dial Telecom was able to contract for fiber-optic network services in new locations – primarily the Prague fiber-optic network but throughout the Czech Republic as well. Also, in late 2007 we began building a DWDM network with connections to Frankfurt and Bratislava, empowering the Company with flawless interconnection of our most highly frequented telecommunication routes over in-house infrastructure. In the sales strategy, this allows us to offer entirely new services and bring the quality of certain existing services up to the absolute top level available in the Czech Republic. For example, the IP network latency between Prague and Frankfurt, the site of one of Europe's biggest telecommunications nodes, the D-CIX, is just 10 ms, something previously unheard of in the Czech Republic.

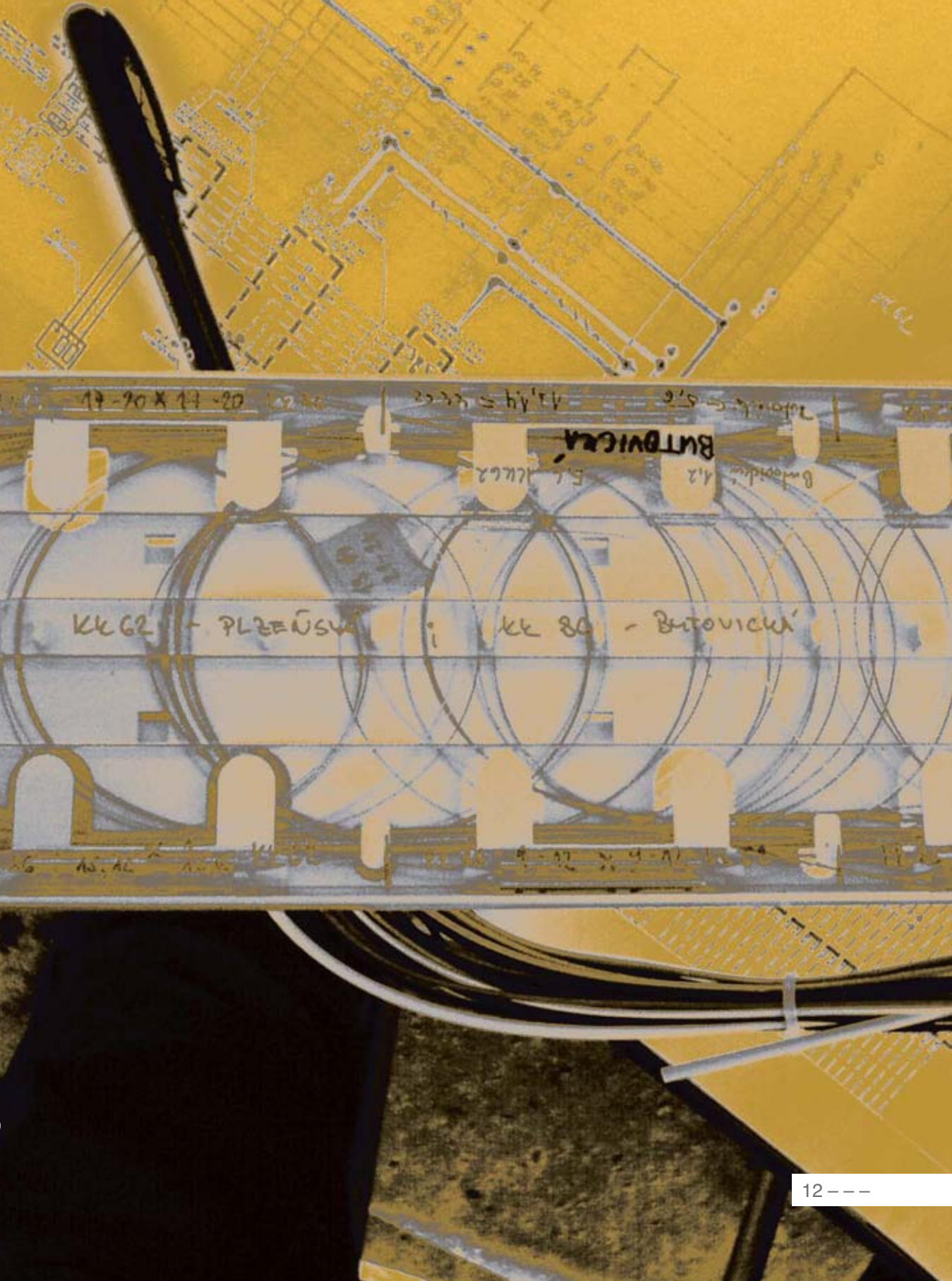
Revenue from Internet services reached CZK 203.1 million, up 577.2% from 2006. Revenue from data services totaled CZK 112.9 million for growth of 141.9%. Of course, the growth was substantially driven by the acquisition of net4net, a.s., which specialized in Internet and data services.

The distribution of data services revenue is shown by the following graph, which illustrates the shares of various services in overall data services revenue in December 2007.

Overall distribution of revenue by service group, December 2007



The services we provide to AXA Assistance are helping people involved in traffic accidents both in the Czech Republic and abroad. A data connection from Dial Telecom reduces the time necessary to meet all client needs when dealing with difficult situations encountered on the road.



Dial Telecom has been active in the retail telecommunications market since 1997. Currently we have over 2,000 customers and are one of the country's leading Internet and voice service providers.

INTERNET

In the Internet services area, Dial Telecom offers solutions for small and medium sized companies as well as for large multinational corporations. Thanks to our in-house fiber-optic backbone network, our Internet services meet the highest standards for speed, quality, and availability. Our services are comprehensive, including installation, access line, terminal equipment, and Internet access, and are distinguished particularly by bandwidth or link capacity. In addition, quality guarantees can be defined in a Service Level Agreement (SLA). Among specialists and industry insiders, Dial Telecom is considered the absolute top Internet provider in the market for high-bandwidth connections at the level of tens of megabits per second.

VOICE

Dial Telecom is a traditional provider of voice telecommunications services. Our offering of legacy standard digital services on the euroISDN PRI platform has been expanded to include a wide range of Voice over IP (VoIP) services with varying capabilities. The Dial Telecom VoIP-based virtual PBX is one of the best selling voice solutions in the Czech Republic.

Value-added voice services such as Teleconferencing, Carrier Preselection, and toll-free lines are a standard part of the offering.

DATA

Dedicated leased lines are gaining in popularity among customers with two or more branches in the Czech Republic and/or at the international level. High reliability and transmission speed are assured thanks to the use of cutting-edge technologies (DWDM, SDH, GigabitEthernet) in the transport network. Data are also secured by back-up mechanisms for flawless transmissions. Network topology allows services to be provided with either Ethernet or serial interface.

HOUSING

A service appropriate for all companies that operate their own web server, including e-shops and other Internet-driven businesses. Fast, high-quality access thanks to connection via the Dial Telecom backbone network and perfect server security make this a service of the highest quality. Customers, for their part, can deliver excellent server availability to their partners without any additional load on their own Internet connection.

The services of www.uschovna.cz are steadily increasing in popularity. In 2007, this technically unique application was visited by 1,328,690 unique users! Dial Telecom provides this service free of charge.



Dial Telecom's wholesale offering encompasses a complete portfolio of Internet, data, voice, and multimedia (IPTV) services with high reliability and guaranteed quality (SLA). We also offer leases of fiber-optic cables and HDPE conduits in the Czech and Slovak Republics as well as other European countries. These services are designed, in particular, for telecommunications carriers, local Internet providers, metropolitan fiber network operators, cable television companies, and civic associations ("freenets").

INTERNET SERVICES

As a rule, Internet services for wholesale customers are operated over the Company's own, unique fiber-optic backbone network and metropolitan networks in Prague and Bratislava. Individual services differ in terms of bandwidth (i.e. transmission speed, ranging from megabits to hundreds of megabits per second), the option to stipulate a ratio between domestic and international IP connectivity, as well as guaranteed service parameters agreed in a SLA pursuant to the customer's wishes.

Our most important service is the provision of IP connectivity to Dial Telecom's transit partners and, most importantly, our own connectivity to the largest European and global peering centers in Frankfurt am Main (DE-CIX, KleyReX), Amsterdam (AMSIX), and London (LINX).

Provision of IP connectivity is primarily designed for the customer segment consisting of ISPs and housing centers that are members of the Czech peering center (NIX) and are seeking an optimal source, in terms of price and especially quality, for international IP connectivity.

DATA

This service consists of the lease of digital telecommunications lines to carry data streams between two and more points of a customer's network. The service is provided over Ethernet and SDH protocols at speeds ranging from 64 kbps to 10 Gbps.

A data services chapter of its own is high-bandwidth data transmission using DWDM technology. In terms of geographic coverage, this technological platform allowing data transfers at up to 10 Gbps is unique in the Czech Republic and represents a guarantee of the highest reliability and quality. In leases of wavelengths (lambdas), Dial Telecom is one of the absolute top telecommunications carriers in the Czech Republic and, indeed, in all of Central Europe. In addition to covering Czech cities, Dial Telecom specializes in international destinations, especially Frankfurt, Bratislava, Warsaw, and Vienna.

LEASE OF FIBERS AND CONDUITS

Dial Telecom is one of the largest providers of backbone fibers in Central Europe. This service includes the lease of unlit fibers in Dial Telecom's backbone and metropolitan networks in Prague and Bratislava as well as the lease of HDPE conduits.

VOICE SERVICES

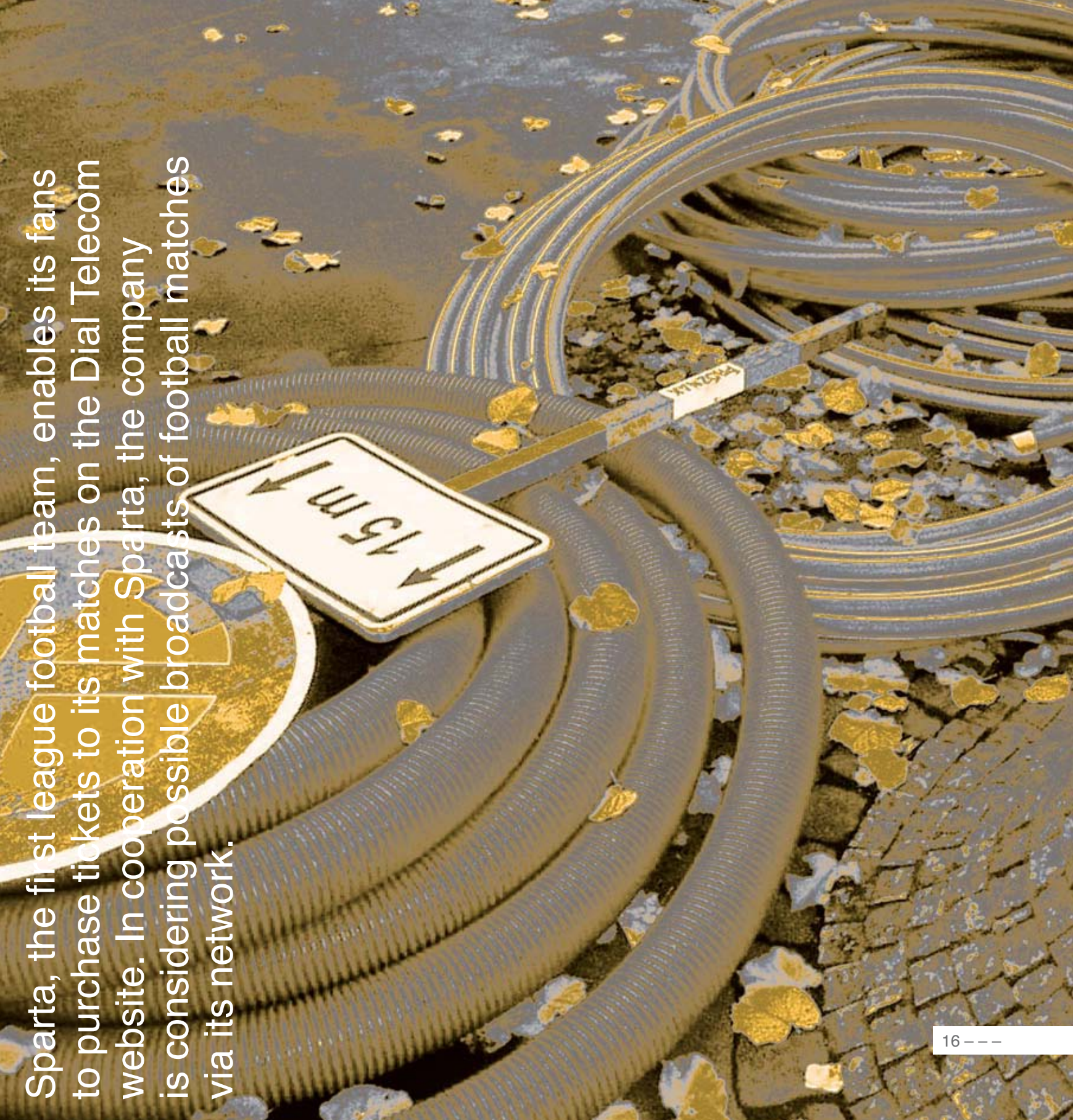
Dial Telecom operates voice services on two technological platforms, which differ essentially according to customer type. The first platform is based on inter-carrier agreements on interconnection of telecommunications networks and access to the public telecommunications network via aggregated n x E1 lines. The second voice services platform is based on transmission of voice calls using the SIP protocol (Voice Over IP) and is primarily designed for local telecommunications and Internet service providers who want to offer their customers voice services but lack the time and financial resources necessary to implement these services in their own over their own network infrastructure.

Voice services are operated on SIP servers owned by Dial Telecom. A major advantage for our partners is that they administer the service independently for their customers and process billing information using a web interface. Virtual PBX functionality such as call transferring, teleconferencing, etc., is a standard part of the service.

IPTV

A comprehensive solution for IPTV and Video on Demand services, focusing in particular on simplicity of roll-out and integration of multimedia services for end customers. The service is designated for local carriers and ISPs for distribution of television content via the IP protocol to end users over their own local infrastructure.

Sparta, the first league football team, enables its fans to purchase tickets to its matches on the Dial Telecom website. In cooperation with Sparta, the company is considering possible broadcasts of football matches via its network.



Dial Telecom provides a comprehensive portfolio of voice, data, and Internet services with guaranteed quality via the Company's own fiber-optic network, which spans the length and breadth of the Czech Republic. With the merger of two fiber-optic networks (Dial Telecom's and net4net's) in 2007, the quality of our services further increased, as did the availability of our fiber network.

LONG HAUL NETWORK

The fiber network, which is currently approximately 4,500 km in length, also includes the Prague metropolitan network. The latter is approximately 350 km long, about 200 km of which is on the Company's own fiber routes with approximately 15,000 km of fibers. During the course of the year tens of kilometers of new fibers were added to the network.

The Prague fiber network currently interconnects most major technological locations in Prague, including those which house all four nodes of NIX CZ.

Dial Telecom's fiber networks are being constantly expanded to meet customer requests and are gradually being fitted with DWDM and CWDM technologies. In 2007, the main DWDM route extending from the Polish border through Horní Žukov to Prague was extended from Prague to Frankfurt am Main via Pilsen. In addition to building the DWDM from Prague to Frankfurt, 2007 saw DWDM added to the fiber line between Ostrava and Hradec Králové. Growth of our DWDM network will not slow in 2008, either, as that year will see DWDM added to a second major route leading from Prague, via Ústí nad Labem, Liberec and Hradec Králové, to Ostrava.

Other parts of various fiber routes are also being gradually fitted with DWDM and CWDM technologies.

DWDM and CWDM are utilized not only for the backbone itself, but also to implement customer services that require a dedicated lambda (e.g. for 10 Gbps capacity).

NATIONAL NETWORK

The Dial Telecom national network is designed for maximum redundancy and resistance to failures, with multiple backbones. The national network is built so that route changes occur transparently to end users, with no restriction of service. This minimizing of the impact of any routing changes in the network is possible thanks to the speed with which data streams in the national network can be re-routed. The connections between active elements are fiber-optic, and CWDM and DWDM technologies are used to increase the capacity of the fiber-optic cables. The speed of individual connections ranges from 1 to 10 Gbps and capacity is being increased as needed to meet the growing demand for bandwidth. Most often, the national network is used as a means for distributing Internet connectivity to the Company's retail and wholesale customers. In addition, it allows us to provide leased line service and Virtual Private Network (VPN) service as well. The national network is fully transparent for the services provided over it, and no aggregation is used. In other words, the bandwidth the client contracts for is fully guaranteed.

METROPOLITAN NETWORK

Adjacent to the national network, which consists of DWDM and CWDM connections, is the Prague metropolitan backbone L2/L3 IP/MPLS network where individual connections have a capacity of 10 Gbps with the option to upgrade to several times this capacity. The main features demanded of the backbone network are resistance to outages of individual routes and nodes, versatility, and the ability to transport a range of services. In particular, this technology gives customers higher-bandwidth IP connectivity and digital lines for LAN-LAN services.

The Dial Telecom backbone network fully supports the latest trends in networking, such as the new version of the IP protocol known as IPv6, multicasting, QoS, and MPLS (Multiprotocol Label Switching) technology as the transport layer for transporting virtual private networks to the second and third layer of the ISO/OSI reference model. The network's main advantage is that in the event a connection goes down, it can automatically detect the outage and replace the malfunctioning route with a different one within a short time, measured in seconds. Gradually we are connecting to this backbone network new-generation nodes, all with IP/MPLS support, which bring the network's new possibilities within reach of the Company's retail and wholesale customers.

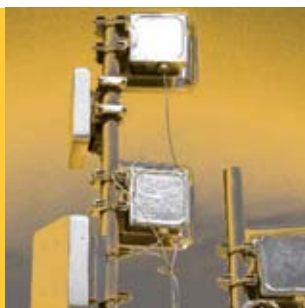
Linked to the extensive fiber-optic network are high-quality access networks in individual cities, built on microwave radio and/or fiber-optic connections. These connections are built in both licensed bands and license-free bands. In the licensed band, Dial Telecom has long been taking advantage of wireless radio transmissions at 3.5 GHz.

ENSURING FULL REDUNDANCY OF SOURCES

Full redundancy of all sources is ensured for all major services. The Dial Telecom network is connected to the NIX at two locations via two independent 10 Gbps links. International connectivity is obtained from two independent providers of long-haul IP connectivity with an aggregate total capacity of 4 Gbps. Growth in international capacity more than doubled in the course of 2007.

For a long time now, the Dial Telecom network has enjoyed the advantage of direct interconnection with the Slovak peering center, SIX SK, in Bratislava. In 2007, Dial Telecom became a member of DE-CIX and direct interconnection with the DE-CIX peering node in Frankfurt am Main was established in the fall of 2007. The capacity of this connection is 2 Gbps and can easily be increased when and if needed. The direct connections with DE-CIX and SIX streamline access to third-party networks and allow Dial Telecom customers to access information much faster than would otherwise be possible.

As of mid-July 2008, Dial Telecom's network is connected to three of the world's largest peering centers: AMS-IX in Amsterdam, LINX in London, and DE-CIX in Frankfurt am Main. AMS-IX and LINX are considered the largest peering centers in the world both in terms of traffic volume and number of connected networks. In addition to those named above, Dial Telecom, a.s. is also connected to other important peering centers: SIX in Slovakia and another German center, KleyReX.

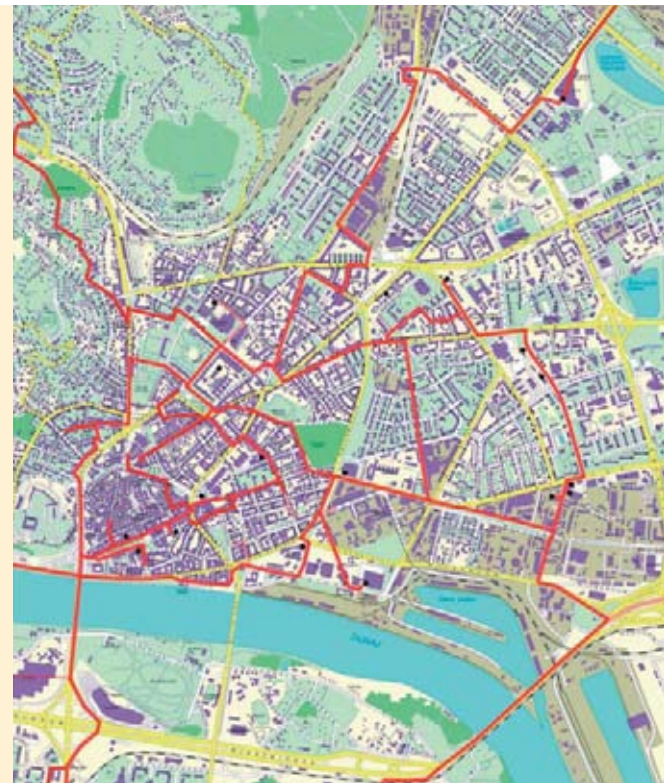


Since 2000, Dial Telecom a.s. is also active in the Slovak telecommunications market.

Currently we are one of the largest alternative carriers in Slovakia, providing comprehensive telecommunications services to over 4,000 corporate customers.

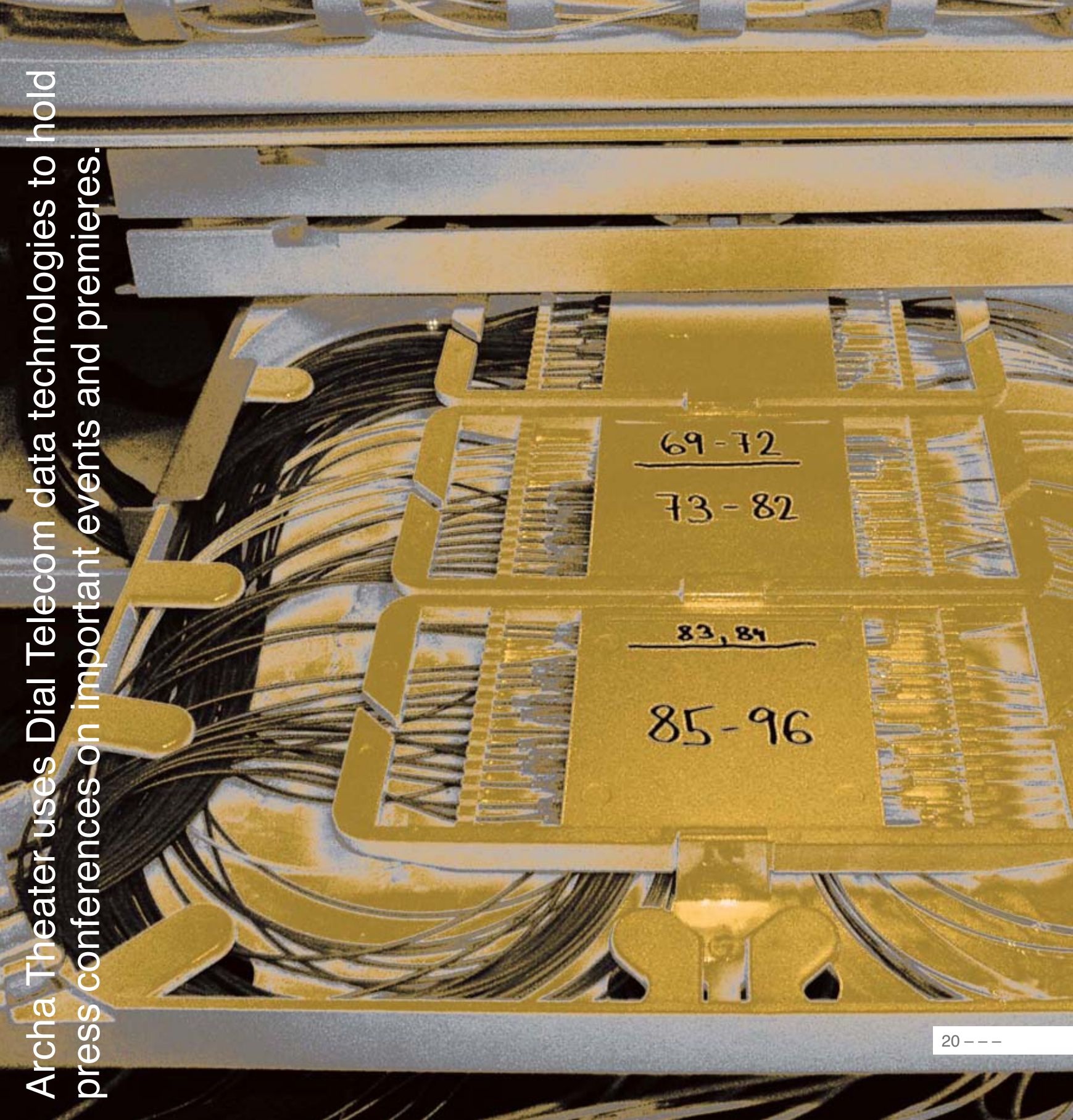
Dial Telecom is systematically building its own fiber-optic metropolitan network in Bratislava, with a total length of 150 km and covering all important locations such as business centers, telehouses, peering centers, etc. In addition to the fiber-optic network, we are also building out a radio network based on professional, licensed connections to provide services in areas beyond the reach of the fiber-optic network.

Dial Telecom is a major wholesale partner to global carriers and one of the largest providers of housing services in the Slovak Republic. Currently we are building our third server housing center there: in terms of both size and quality, this new facility is currently second to none in the Slovak Republic.



Map of metropolitan fiber-optic network – Bratislava

Archa Theater uses Dial Telecom data technologies to hold press conferences on important events and premieres.



In financial terms, 2007 was a standout year thanks to the merger with net4net, a.s. and raising of capital to fund the Company's further long-term growth. Technical advantages aside, the primary benefit realized by the Company from the merger was an increase in turnover (see table, below).

Structure of revenue

	2006 CZK '000	2006 %	2007 CZK '000	2007 %
Voice services	46,048	22	49,069	13
Data services	19,567	9	112,938	30
Internet	143,914	68	203,123	53
Other	3,107	1	13,986	4
Total	212,636	100	379,116	100

Revenue from data services nearly sextupled thanks to the addition of services provided over the long-haul infrastructure brought to the Company by net4net, a.s., while Internet services grew 41%.

The merger also made it possible to sell off certain net4net, a.s. office buildings and associated land parcels in central Prague, for one-off revenue of CZK 80 million (the appraised value of the property was CZK 61.8 million).

The growth in turnover generated by the merger of Dial Telecom, a.s. and net4net, a.s. was also accompanied by growth in costs. However, at the same time the new Company realized a number of synergies and savings. These cost synergies, primarily in infrastructure operating costs and other overheads, were partially evident in 2007 but their full effect will be felt subsequent years. Some cost items, such as staff costs, rose temporarily in 2007 due to one-off restructuring expenses. Interest expenses also rose as loans were taken out to finance this growth.

One of the challenges every telecommunications carrier must face is that of long-term development and regular upgrading of its basic backbone infrastructure, and 2007 was no different in this respect. Dial Telecom, a.s. directly invested CZK 23.3 million in building networks, with the greater part of this amount going toward extending fiber-optic infrastructure and the lesser toward developing wireless networks. Another major item of similar size was backbone equipment and customer connection technology acquired under finance leases or operating leases.

The current liabilities figure as at 31 December 2007 includes CZK 36 million owed to MAX Telecom that was transferred to extraordinary revenues in the following year based on an arbitration decision.

		31 December 2006	31 December 2007
		Net	Net
	TOTAL ASSETS	330,829	992,876
B	Non-current assets	241,583	667,266
B.I.	Non-current intangible assets	559	4,964
B.II.	Property, plant and equipment	240,529	662,302
B.III.	Non-current investments	495	0
C	Current assets	86,242	316,985
C.I.	Inventory	103	74,573
C.II.	Long-term accounts receivable	10	62,738
C.III.	Short-term accounts receivable	47,654	149,606
C.IV.	Current investments	38,475	30,069
D.I.	Prepayments and accruals	3,004	8,624

		31 December 2006	31 December 2007
		Net	Net
	TOTAL EQUITY AND LIABILITIES	330,829	992,876
A	Equity	202,042	-33,128
A.I.	Basic capital	9,995	2,000
A.III.	Capital reserves and other funds created from profit	262,339	-37,730
A.IV.	Retained earnings	-95,629	0
A.V.	Current period earnings	25,337	2,602
B	Liabilities	123,459	940,634
B.I.	Provisions	0	15,150
B.II.	Long-term liabilities	28,646	612,782
B.III.	Short-term liabilities	46,813	119,011
B.IV.	Bank loans	48,000	193,691
C.I.	Accruals and deferred income	5,328	85,369

Profit and Loss Account (CZK '000)

		31 December 2006	31 December 2007
I.	Revenue from sales of goods	1,895	3,842
A	Cost of goods sold	1,559	3,452
+	Gross margin	336	390
II.	Revenue from sales of services	210,741	375,274
B	Cost of materials, energy and services	114,423	217,977
+	Value added	96,654	157,687
C	Staff costs	31,378	65,230
D	Taxes and fees	2,056	4,722
E	Depreciation and amortization	22,886	45,356
III.	Revenue from sales of fixed assets and materials	73	85,503
F	Cost of fixed assets and materials sold	39	63,549
G	Change in provisions, allowances and prepayments	9,959	27,804
IV.	Other operating revenue	690	302
H	Other operating costs	5,361	2,915
*	Operating result	25,738	33,916
X.	Interest revenue	649	990
N	Interest expense	3,088	16,435
XI.	Other financial revenue	910	2,640
O	Other financial expense	922	3,274
*	Financial result	-2,451	-16,079
Q	Income tax on current period income	-2,050	15,235
**	Profit from ordinary activity	25,337	2,602
***	Profit for the period (+/-)	25,337	2,602
	Profit before tax (+/-)	23,287	17,837

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