Poteza Adriatic Fund

ANNUAL REPORT 2006

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Dear Investor,

The year 2006 was a momentous one for the Poteza Adriatic Fund as it marks the first year of its profitability. The assets were for the first time revalued to reflect fair value. We are pleased to present the results of the Fund which combine three important aspects: solid overall return to the Investors, well positioned portfolio companies for future growth, and continued strong deal pipeline.

In 2006, the Fund posted profits of EUR 15,9 million, representing a net IRR of 33,9%. The Fund called all 40% of total committed capital, the maximum yearly amount according to the Fund's governing rules. The Fund made six investments: four into new companies and two capital increases into existing portfolio companies. Only approximately 20% of total committed capital remains for investments and it appears that it will be invested about one year ahead of the planned conclusion of the investment period. The valuation methods reflect guidelines of the European Venture Capital Association (EVCA) and were approved by the Advisory Board meeting held in March 2007. At the end of 2006, the Fund's portfolio companies employed a total of 2.109 employees.

The performance of the portfolio companies proved strong overall in the year 2006. Building on the success of Nova Banka, whose assets grew 70% in 2006, the Fund added two new investments in the financial services industry. To complement its presence in Bosnia and Herzegovina, the Fund made an investment into Postbank BH. As part of the entry into new markets, the Fund made a minority investment into Moldova Agroindbank, the largest and often recognized as the best bank in Moldova.

In 2006, the Fund realized its strategy to become the number one player in the animal feed industry in Serbia. After a successful acquisition of Superprotein a year earlier, the Fund acquired the company Proteinka and, through it, concluded further acquisitions of the assets of Ekomix and the brands of Narcis. The company MagnaVita Holding has been established, among other things, to consolidate all the Fund's animal feed assets, improve transparency, and take advantage of synergies in various areas.

The Fund's activities in the area of telecommunications are driven by its investment into Akton (Atel Europe). The company has during the year refocused its objectives for future growth, completed the construction of infrastructure needed for a new business segment, and strengthened the team of key personnel. The company's overall performance is hindered by the slow pace of effective deregulation in the markets of South East Europe and reflects the need for further aggressive growth in revenue and gross margin.

In 2006, the Fund continued its expansion. It successfully conducted an investment into a new company Karniola Communications B.V., the Netherlands. Additionally, the Fund entered a new prospective industry sector of office supplies distribution by becoming the majority shareholder in the Croatian company Gornji Grad. The company is one of the market leaders in the business to business market segment. The Fund is taking steps to ensure that the company is well prepared for future challenges.

Dear Investor, allow us metaphorically to continue the thread in our previous letters. Sailing along the Adriatic for several seasons, we are now in a position to confirm that the blue sky has emerged and our boat has remained ahead of the competition. The year 2007 brings us confidence in continuing successful overall performance of the Fund.

Sincerely,

Poteza Capital Management B.V. Cielo Azul N.V.

Executive Summary

1	First Closing Date	28.5.2003		
2	Final Closing Date	28.6.2004		
3	Vintage Year	2003		
4	Fund Life (Number of Years)	8		
5	End Date of Fund Life	28.5.2011		
6	Investment Period (Number of Years)	5		
7	Investment Period End Date	28.5.2008		
8	Management Fee Details	2,5% per year		
9	Hurdle Rate	6%		
10	Total Commitment	EUR 66.500.000		
11	Total Drawn Down To Date	EUR 44.954.207		
12	Percentage of Total Commitment Drawn Down to Date	67,60%		
13	Legal Domicile	Netherlands		
14	Legal Form / Structure	Corporation (B.V.)		
15	Amendments to Legal Agreements (if any)	See Fund's Corporate Action		
16	Litigation, incl. Lawsuits Against the Fund, Fund Manager, or Affiliates (if any)	None		
17	Investment Focus by Stage	Late		
18	Investment Focus by Geography	South-Eastern Europe		
19	New and Potential Upcoming Investments	See Deal Flow Analysis		
20	Current Investments	See Individual Investee Summary and Aggregate Summary		
21	Realizations and Total Distributions to Date	See Aggregate Summary; The first distribution of share premium was made		
22	Key Manager Contacts	**Name**	**Contact Details**	
		Mr. Ed Rijkenberg	Phone	+31 20 522 6200
			Fax	+31 20 522 6969
			Email	ed.rijkenberg@fat.nl
23	Key Man Events and Personnel Changes at the Partner Level	None		
24	Office Openings or Closings	The Fund is based in Amsterdam		
25	Current Shareholders & Individual Commitments	**Name of Class A Shareholders**	**Amount Committed**	**% of total**
		Poteza Netherlands B.V.	EUR 11.250.000	16,9%
		International Finance Corporation	EUR 11.250.000	16,9%
		Triglav Netherlands B.V.	EUR 5.000.000	7,5%
		San Long B.V.	EUR 5.000.000	7,5%
		Finasper B.V.	EUR 4.000.000	6,0%
		DZU Investment B.V.	EUR 4.000.000	6,0%
		Kopinvest Netherlands B.V.	EUR 4.000.000	6,0%
		Iskra Investments B.V.	EUR 4.000.000	6,0%
		Zvon B.V.	EUR 4.000.000	6,0%
		Sloinvest Netherlands B.V.	EUR 4.000.000	6,0%
		Breukeleveensche Poort B.V.	EUR 4.000.000	6,0%
		Elm Tree Investments B.V.	EUR 4.000.000	6,0%
		Banka Domzale d.d.	EUR 1.000.000	1,5%
		Banka Celje d.d.	EUR 1.000.000	1,5%
		Total	**EUR 66.500.000**	**100,0%**
		Name of Class B Shareholders	**Amount Committed**	**% of total**
		Poteza Capital Management B.V.	EUR 3.501	100,0%
		Total	**EUR 3.501**	**100,0%**
26	Investment Committee Members	**Name**	**Title**	**Investor**
		Branko Drobnak	Chairman	Poteza
		Shahbaz Mavaddat	Member	IFC
		Giovanni Daniele	Alternate Member	IFC
		Andrej Zupancic	Member	Belinka
		Mirko Pavsic	Member	Luka Koper
27	Advisory Board Members	**Name**	**Title**	**Investor**
		Franc Bohnec	Chairman	Interra
		Shahbaz Mavaddat	Member	IFC
		Giovanni Daniele	Alternate Member	IFC
		Uros Ivanc	Member	Zavarovalnica Triglav
		Joze Godec	Member	Iskra Holding
		Joze Mermal	Member	BTC
28	Plans for Raising a Subsequent Fund in the Near Term	New fund planned in 2007		

Note:
A total of 70.001 shares (66.500 Class A, 3.501 Class B) have been issued. Each Class A share represents a committment of 1.000 EUR.

Investment Summary

	December 31, 2005 EUR	December 31, 2005 Committed capital	December 31, 2006 EUR	December 31, 2006 Committed capital	Total EUR
1. Total Capital Commitment (Total Fund Size)*	66.500.000	100 %	66.500.000	100 %	66.500.000
2. Capital Drawndown to Date	18.356.707	28 %	44.954.207	68 %	44.954.207
3. Less Capital Distributed	0	0 %	97.609	0,15 %	97.609
4. Net Capital Outstanding	48.143.293	72 %	21.448.184	32 %	21.448.184
5. Capital Reserved for Follow-On Investments (% of 4.)	0	0 %	0	0 %	0
6. Capital Available for Drawdown (1.-2.)	48.143.293	72 %	21.545.793	32 %	21.545.793
Adequacy of Remaining Uncalled Capital?	Sufficient		Sufficient		Sufficient
Forecast Capital Calls (Until End of Investment Period)	48.143.293	72 %	21.545.793	32 %	21.545.793
Forecast Fund Capital Gain	88.953.500	134 %	88.953.500	134 %	88.953.500
Forecast Fees for Remaining Life of Fund	4.958.741	7 %	3.296.241	5 %	3.296.241
Forecast Expenses for Remaining Life of Fund	1.713.308	3 %	1.155.948	2 %	1.155.948
Contingent Liabilities (Including Debt and Guarantees)	0	0 %	0	4 %	0
Assets:					**0**
Current Assets	826.974	1 %	4.389.387	7 %	4.389.387
Fair Market Value of Current Portfolio**	14.321.541	22 %	53.113.938	80 %	53.113.938
Other Assets	209.945	0 %	158.312	0 %	158.312
Liabilities:					**0**
Current Liabilities	125.449	0 %	23.087	0 %	23.087
NET ASSET VALUE OF THE FUND at end of period	15.233.011	23 %	57.638.550	87 %	57.638.550

* The table does not include nominal equity paid up for Class B shares (EUR 3.501)
** Valuation as of 31 December 2006, as per Advisory Board valuation approval on 16 March, 2007

Cash flows from Investors to the Fund
Cash flows from the Fund to the Investors

Dealflow Analysis

During the year 2006, the Fund continued to focus on its investment pipeline and reviewed eighty-seven investment proposals. Six investment proposals (two of them being follow-on investments) were presented to the Investment Committee and all of them were approved. The numbers below reflect that the year 2006 was the best year to date for yielding investments.

Investment Opportunity Pipeline Statistics

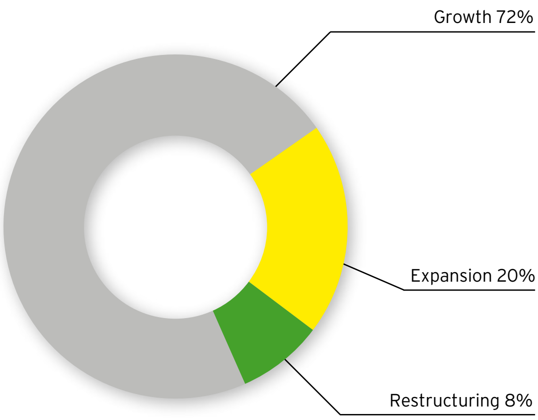
Country / Type of Investment	Bosnia & Herzegovina	Croatia	Serbia & Montenegro	Slovenia	Secondary Region	Total
Growth	11	4	26	9	13	63
Restructuring	0	1	3	1	2	7
Expansion	2	4	4	4	3	17
Other	0	0	0	0	0	0
Total	**13**	**9**	**33**	**14**	**18**	**87**

Pipeline and Deal Processing	2003	2004	2005	2006
Number of proposals reviewed	71	181	98	87
Number of proposals in due diligence	3	9	11	6
Number of proposals presented to IC	1	1	4	6*
Number of projects approved	1	0	4	6*
Number of investments completed	1	0	3	6*

*Including Akton (Atel Europe) and Proteinka follow-on investments

Range of Examined Companies´ Equity Size (Book Value in EUR Millions)	Number of Companies
N/A	13
< 5 EUR Million	41
5 - 10 EUR Million	22
10 - 15 EUR Million	5
15 - 20 EUR Million	2
20 - 25 EUR Million	1
25 < EUR Million	3
Total	**87**

Pipeline statistics by type of investment



Environmental Report

The Fund is aware that proper treatment of environmental issues is of vital importance for sustainability and economic welfare in general. As such, the Fund has in place an Environmental Management System which strives to ensure that all the Fund's portfolio companies are taking into consideration the environmental, social, health and safety aspects.

In light of the above, it is important not just to follow, but also to take the lead. For example, the portfolio company Superprotein (MagnaVita Holding) with its 100% owned subsidiary Prekon, has been the driving force for more modern legislation regarding the treatment of organic waste in Serbia. In the beginning of the year 2006, the company joined forces with other waste processing companies and established an Association of Waste Processing Companies. The association is actively working to introduce higher standards in the legislation and better enforcement.

The Association presented the Ministry of Agriculture with several proposals in the field of meat processing industry's regulatory policy and waste processing industry's subsidy policy. The actions of the Association soon showed its effects on the policy makers. On the initiative of the Association, the Agricultural Ministry is further preparing the legislation that will improve and tighten the regulatory and monitoring policy in the field of animal waste management in Serbia. Stricter legislation in Serbia has put pressure on meat processing companies to better manage their waste. Law on waste management is one of the new draft laws that are expected to be adopted, being a great opportunity for Prekon.

Operationally, portfolio companies have also undertaken significant environmental improvements. The company Prekon successfully completed an investment into an efficient industrial steam plant. The company Susfarma (100% subsidiary of Superprotein) completed an investment making it one of the most efficient and modern pig farms in Serbia. Furthermore, the company Proteinka has become the first animal feed producer in Serbia to obtain the HACCP standard, that along with ISO 9001 which lead to better usage of various resources. The Fund through its investments into banks also indirectly supports the other companies in their improvement endeavors. The banks have been informed about the Fund's Environmental Management System. Generally, they also have additional environmental standards that they apply to loans, especially to those that are financed through long-term credit facilities with international financial institutions that the Fund has helped to obtain.

"The Fund has in place an Environmental Management System which strives to ensure that all the Fund's portfolio companies are taking into consideration the environmental, social, health and safety aspects."

Other portfolio companies have not had significant environmental issues. The Fund continuously monitors the Environmental Management System and makes sure it is implemented in all portfolio companies.

Portfolio companies

Superprotein a.d.

Zrenjanin, Serbia

Significant operational improvements have supported the growth efforts of the company.

The year 2006 was the year of achievements for Superprotein. The company increased its average monthly animal feed output, completed renovation works in its production and warehouse facilities, implemented a new IT system and underwent reorganization, resulting in two fully owned subsidiaries: Susfarma and Prekon. Furthermore, the company refocused its sales strategy from a typical wholesale producer to include the retail sector. Finally, the company's management is finalizing the implementation of ISO 9001 and HACCP standards.

Throughout 2006, Superprotein continued to increase its average monthly animal feed output. At the end of the year, the company reached an overall output of approximately 44.000 tons of animal feed, showing a solid 15,7% physical growth compared to the year 2005. At the end of 2006 retail sales represented more than 38% of total sales in quantity terms and almost 49% of total sales in Euro terms.

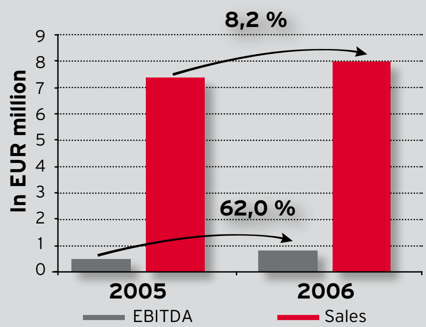
Significant operational improvements have supported the growth efforts of the company. Among other things, the company completed the implementation of the semi-automatic pallet packaging system and finished the reconstruction of the ventilation, heating and air conditioning (vacuum) systems. The latter was required for the implementation of the HACCP standard as well as to improve general working conditions. Moreover, Superprotein implemented a new IT system that enables efficient monitoring of production and finance, management of the supply chain and key accounts, as well

Fact sheet:

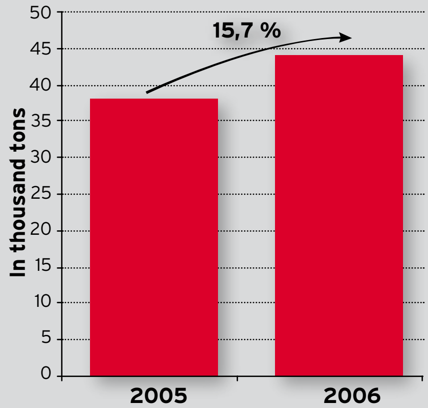
Sales growth	8,2 %
EBITDA growth:	62,0 %
Animal feed output growth:	15,7 %

www.superprotein.co.yu

Sales and EBITDA



Animal feed output



as the integration of additional facilities and animal feed brands into Superprotein's system. In 2006, the company also carried out a social program, developed its sales and distribution network, as well as outsourced transportation and security services.

Susfarma, Superprotein's piglet breeding subsidiary is among the larger ones in Serbia. It ensures stable production and can therefore work on long-term contracts with its customers. In the second half of 2006, it concluded the implementation of modern farm equipment. By the end of 2006, the farm was revitalized to be working at 40% of total breeding capacity. The overall goal is to produce approximately 28.000 pigs per year. The company is subject to price volatilities that are present in the industry. It has recently seen a negative trend in pig prices and this has temporarily affected the overall performance of the company.

Prekon, an organic waste management subsidiary of Superprotein, made a big step forward by successfully completing an investment into its own industrial steam production plant and this significantly decreased energy costs. The year's total amount of processed animal waste for Prekon amounted to 3.600 tons and the company regained significant profitability.

As part of MagnaVita Holding, a new chapter in the existence of Superprotein will develop in 2007. This new situation is expected to yield additional products, new distribution avenues, additional cost efficiencies, and new industry standards for research and development.

Individual Investee Summary Details	Details/Description (prose & numerical information)	
Fund Name:	Poteza Adriatic Fund	
Company Information		
Investee Name (legal and trading):	Superprotein a.d. Zrenjanin	
Location of Head Office:	Pancevacka 40, 23000 Zrenjanin	
Legal Domicile:	Republic of Serbia	
Structure of Holding (equity/debt):	Equity	
Sector:	Agriculture	
Country of Focus:	Serbia	
Business Description:	Animal feed production	
Shareholders by %:	Poteza Adriatic Fund	73,77 %
	Socially owned capital	21,25 %
	Other	4,98 %
Fund Investment		
Initial Investment Rationale:	Growth	
Stage of Investment:	Buyout	
Fund's role in the investment (lead, co-lead):	Lead	
Date of Initial Investment:	May 2005	
Investment:	**EUR 2.336.460**	
Percentage ownership:	73,77 %	
Board representation by Fund (if any):	Yes	
Any co-investments?	No	
Valuation of 100 % equity:		
Pre-money	EUR 3.917.000	
Post-investment (recent valuation)	EUR 4.445.001**	
Financial Audit Status: audited/non-audited	Audited annually	
Qualified opinion?	No	
Compliance with commercial covenants:	Yes	
Recent Developments:	On plan	
Exit Strategy:	Trade sale	
Key Issues:	Divestment of non-core businesses, some vertical industry consolidation	
Health rating (on plan, above plan, below plan):	On plan	
Any restrictions on liquidity?		
FINANCIAL INFORMATION		
Currency:	EUR	
Accounting Policy: (i.e. US GAAP, IAS)	Serbian Accounting Standards	
	2005	**2006**
Income Statement		
Net Sales: Actual	**7.362.889**	**7.970.000**
Forecast at acquisition*	9.633.000	11.024.000
Forecast revised as at end of period	not applicable	9.132.150
EBITDA: Actual	**503.029**	**815.000**
Forecast at acquisition*	839.000	1.506.000
Forecast revised as at December 2005	not applicable	886.740
Net Income: Actual	**379.766**	**288.000**
Forecast at acquisition*	610.000	1.089.000
Forecast revised as at December 2005	not applicable	607.380
EBITDA Margin:	7 %	10 %
Net Income Margin:	5 %	4 %
Market Capitalization:	3.190.000	3.190.000
Enterprise Value: Actual	4.335.711	4.445.000
Forecast as at December 2005		
Enterprise Value/Sales:	0,59	0,56
Enterprise Value/EBITDA:	8,62	5,45
Consolidated Balance Sheet*		
Assets		
Current Assets	2.283.520	3.464.000
Cash & Securities	63.193	319.000
Receivables	1.299.087	1.662.000
Other	921.240	1.483.000
Fixed Assets, Net	1.723.813	7.283.000
Goodwill and Intangibles	0	11.000
LT Investments and other assets	20.994	20.000
Prepaid Expenses		232.000
Total Assets	**4.028.327**	**11.010.000**
Liabilities		
Accounts Payable	1.001.449	1.807.000
Other liabilities	152.901	1.914.000
Liabilities Sub-total	1.154.350	3.721.000
Shareholders' Equity	2.873.977	7.289.000
Common Stock	2.210.702	2.300.000
Total Liabilities & Equity	**4.028.327**	**11.010.000**

* Data not comparable due to company reorganization
** Without the valuation of Superprotein's two subsidiaries that add additional value to the Fund

Nova Banka a.d.

Bijeljina, Bosnia and Herzegovina

The year 2006 was of a great success for Nova Banka. It generated envying results by focusing on the right things: meeting its customers' needs, providing superior service, developing employees, as well as efficiently investing in technology and innovation.

At the end of the year 2006, Nova Banka had total assets of EUR 221 million, representing a strong 70% growth compared to the end of 2005. For the full year 2006, net income of EUR 2,45 million was up 21,0% from the prior year, with a 31,5% increase of interest income and 25,4% increase of net fees and commission income. The nearly 90% growth of deposits was accompanied by a growth of approximately 42% in loans. The price per share was up 112% to KM 3.175 from KM 1.500 in 2005. The bank's market share in Bosnia and Herzegovina in 2006 increased from 2,16% to 2,95%.

The bank's market share in Bosnia and Herzegovina in 2006 increased from 2,16% to 2,95%.

To ensure the continued growth, the Fund supported a new share issue of EUR 2,5 million. Along with the annual profit, this capital increase resulted in the bank's equity in 2006, increasing it by about 25,2%. Following the necessary approvals, 6.620 new ordinary shares have been issued, allowing existing shareholders to increase the bank's equity. The Fund subscribed to 3.310 new shares and paid for them by converting its subordinated loan granted to the bank in December 2005. As additional long term sources, the Fund organized two long-term credit lines (IFC, EFSE) for better maturity management.

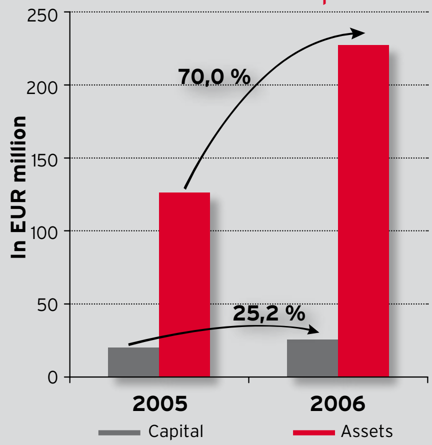
On 30 October, 2006, the Republic of Srpska Banking Agency approved the Bank's new Management Board. Two additional top managers have been recruited by the Fund to oversee corporate banking and treasury operations. They bring together a

Fact sheet:

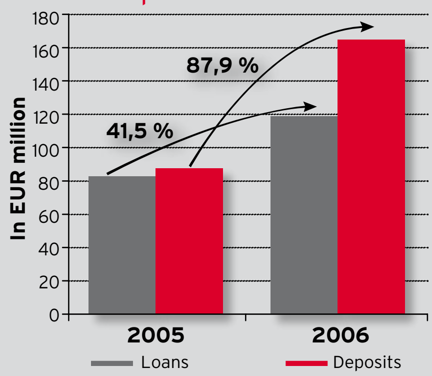
Asset growth:	70,0 %
Net income growth:	21,0 %
Market share in B&H:	2,95 %

www.novabanka.com

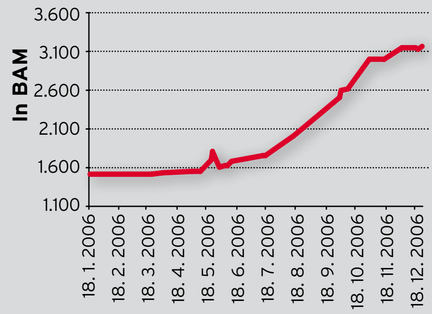
Assets and Capital



Deposits and Loans



NBB's Stock Price



Source: Banja Luka Stock Exchange

unique experience set: both are foreign citizens with knowledge of the local language and are experienced bankers who have worked for both international commercial banks as well as for international financial institutions. They add breadth to the strategic perspective of the bank.

To accomplish the Nova Banka's commitment of fulfilling its customers' needs, the bank made significant reforms. It amended its credit policy to grow prudently its long-term assets. It increased the household clients' share in its client structure which previously mainly consisted of corporate clients, thus dispersed risks.

As foreign exchange and liquidity risks are an integral part of modern bank management, Nova Banka further strengthened its own management in these areas. The bank's Management Board has been upgraded through the assistance of new consultants in the area of product development, service sales methods, Basel II Accord, and credit procedure.

In 2006, three IT projects were launched: Business Intelligence (BI), Customer Relations Management (CRM) and Balanced Scorecard (BSC). In the course of business, the bank continues to upgrade measures for prevention of money laundering and terrorism funding. Nova Banka appointed a German consulting company to provide its services in the area of portfolio and risk management. That will enable the bank to improve further the loan portfolio health and to implement new business performance indicators by markets, products and customer segments. Profitable growth and efficient risk management should be the two most beneficial outcomes of the outsourced service.

Individual Investee Summary Details		Details/Description (prose & numerical information)		
Fund Name:		Poteza Adriatic Fund		
Company Information				
Investee Name (legal and trading):		Nova Banka a.d. Bijeljina		
Location of Head Office:		Svetog Save 46, 76300 Bijeljina		
Legal Domicile:		Republic of Srpska, Bosnia & Herzegovina		
Structure of Holding (equity/debt):		Equity		
Sector:		Banking		
Country of Focus:		Bosnia & Herzegovina		
Business Description:		Bank		
		Total shares	Percent of Total	Percent of Votes
Shareholders by %:	Poteza Adriatic Fund	16.532	42,80 %	45,14 %
	Prva Pokojninska Druzba	2.340	6,06 %	4,86 %
	Others (Incl. preference shares)	19.751	51,14 %	50,00 %
	Total (Incl. preference shares)	**38.623**	**100 %**	**100 %**
Fund Investment				
Initial Investment Rationale:		Growth		
Stage of Investment:		Newly issued equity subscription		
Fund's role in the investment (lead, co-lead):		Lead		
Date of Initial / Follow-up Investment:		June 2005	December 2005	Total
Investment:		**EUR 7.436.331**	**EUR 2.538.628**	**EUR 9.974.959**
Percentage ownership:		42,80 %		
Board representation by Fund (if any):		Yes		
Any co-investments?		EUR 1.001.109	Prva Pokojninska Druzba	
Valuation of 100 % equity:				
Pre-money		EUR 11.197.292		
Post-investment (recent valuation)		EUR 55.993.002		
Financial Audit Status: audited/non-audited		Audited annually		
Qualified opinion?		No		
Compliance with commercial covenants:		Yes		
Recent Developments:		On plan		
Exit Strategy:		Trade sale		
Key Issues:		Improving internal growth, profitability and implementation of new IT system		
Health rating (on plan, above plan, below plan):		On plan		
Any restrictions on liquidity?		One year from private placement (only for the last share issue)		

FINANCIAL INFORMATION		
Currency:	EUR 000	
Accounting Policy: (i.e. US GAAP, IAS)	B&H accounting standards	
	2005	**2006**
Income Statement		
Net Interest Income: Actual	**5.770**	**7.585**
Forecast at acquisition	6.326	8.542
Forecast revised as at end of period	not applicable	
Net Profit from Financing Operations: Actual	**9.883**	**12.312**
Forecast at acquisition	11.892	14.619
Forecast revised as at December 2005	not applicable	
Net Income: Actual (post provisioning)	**2.025**	**2.450**
Forecast at acquisition (post provisioning)	1.572	2.865
Forecast revised as at December 2005	not applicable	
Net Income Margin:	35 %	32 %
Market Capitalization:	24.033	72.865
Enterprise Value: Actual	38.311	72.865
Forecast as at December 2005	not applicable	
Consolidated Balance Sheet		
Assets		
Current Assets	122.381	213.642
Cash & Securities	28.814	91.952
Receivables	82.828	117.238
Other	10.739	4.452
Fixed Assets, Net	7.027	7.598
Goodwill and Intangibles	0	0
LT Investments and other assets	860	222
Total Assets	**130.268**	**221.462**
Liabilities		
Accounts Payable	87.669	164.735
Debt securities	22.395	26.448
Other liabilities		4.985
Liabilities Sub-total	110.064	196.168
Shareholders' Equity	20.204	25.294
Common Stock and Preferred Stock	16.363	19.748
Total Liabilities & Equity	**130.268**	**221.462**
Ratios:		
Capital adequacy (not weighted)	15,51 %	11,42 %
ROE	10,02 %	9,69 %

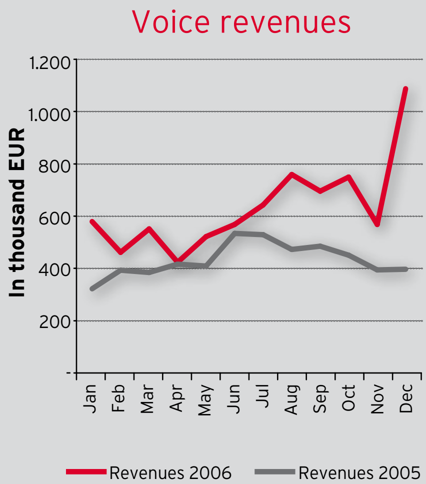
Akton d.o.o. (Atel Europe)

Ljubljana, Slovenia

Fact sheet:

Revenue growth:	47,0 %
EBITDA margin:	-16,4 %

www.akton.si



Accumulated revenues for the year 2006 amounted to EUR 8 million, representing a 47% growth compared to the previous year.

The year 2006 was a year of successes and challenges for Akton. It has undergone many changes which resulted in increased customer base, sales growth and consequently, increased revenues. In the year 2006, the company completed its biggest project and offered its own long-distance carrying services between Ljubljana – Zagreb – Banja Luka – Sarajevo.

Accumulated revenues for the year 2006 amounted to EUR 8 million, representing a 47% growth compared to the previous year. This was achieved despite all the circumstances including the fact that the sales force was not yet completely in place by the end of the year. The team worked hard to expand and diversify the customer base. Despite these efforts, the company has underperformed in terms of net income margin. Reasons include market pricing pressures and higher costs.

The beginning of the year 2006 was marked by unfavorable market conditions that delayed the acquisition of the long distance carrying licenses. When finally all required licenses were acquired in the second quarter of 2006, the company began with intensive sales activities for its wireless transmission data network. To end successfully the year 2006, the company became the first communications systems provider that built and offered its own pan-regional wireless transmission data network, connecting the Adriatic region countries. Nevertheless, the unanticipated licensing difficulties resulted in an approximately three quarter shift of revenues from this

"The first communication system provider that built and offered its own wireless transmission data network, connecting Slovenia, Croatia, Bosnia and Herzegovina"

new business segment. The completed project is expected to generate more consistent cash-flows that should help increase and stabilize Akton's revenues. The biggest backbone services customers are expected to be international companies, local ISP providers and foreign telecoms.

Continuing the objectives set at the end of 2005, the company invested substantially into human resources, resulting in a stronger, more efficient team. During this process, previous management was replaced by a more internationally experienced management team. To lead the organizational restructuring and corporate governance implementation, a special advisor for business processes has been hired. Furthermore, new sales people were hired to grow sales and expand the customer base. To provide flawless and uninterupted utilization of the telecommunication backbone, the company engages highly experienced and well trained technicians.

Towards the end of the year 2006, the company concluded the GRX connection with the second largest mobile operator in Bosnia & Herzegovina. Again, the company's backbone together with a guaranteed service level agreement was the precondition for a successful project realization.

Overall, the company is now fundamentally positioned for scalability. The year 2007 should prove to be a decisive year in the company's history. Execution of ambitious goals will be of highest importance and focus.

Individual Investee Summary Details	Details/Description (prose & numerical information)			
Fund Name:	Poteza Adriatic Fund			
Company Information				
Investee Name (legal and trading):	Akton Telekomunikacijski Inzeniring d.o.o			
Location of Head Office:	Dunajska 63, Ljubljana			
Legal Domicile:	Slovenia			
Structure of Holding (equity/debt):	30 / 70			
Sector:	Telecommunications			
Country of Focus:	Region of South East Europe			
Business Description:	Wholesale of telecommunication services			
		Planned after Debt-to-Equity*:		
Shareholders by % (in Atel Europe BV):	Poteza Adriatic Fund		77,9 %	90,7 %
	Poteza Nalozbe		22,1 %	9,3 %
Fund Investment				
Initial Investment Rationale:	Growth			
Stage of Investment:	Buyout			
Fund's role in the investment (lead, co-lead):	Co-Lead			
Date of Initial Investment:	October 2005	2Q 2006	4Q 2006	Total:
Investment:	**EUR 2.010.122**	**EUR 989.958**	**EUR 2.025.600**	**EUR 5.025.680**
Percentage ownership (after dilution*):	90,70 %			
Board representation by Fund (if any):	Yes			
Any co-investments?	Yes			
Valuation of 100 % equity:				
Pre-money	EUR 10.000.000 (including EUR 7 million leverage)			
Post-investment (recent valuation)	EUR 4.513.000			
Financial Audit Status: audited/non-audited	Audited annually			
Qualified opinion?	No			
Compliance with commercial covenants:	Yes			
Recent Developments:	6 month delay in obtaining the license for wireless data transmission			
Exit Strategy:	Trade sale, IPO			
Key Issues:	Regional expansion to increase market share, scaling up new services on existing network			
Health rating (on plan, above plan, below plan):	Below plan			
Any restrictions on liquidity?				

FINANCIAL INFORMATION		
Currency:	EUR	
Accounting Policy: (i.e. US GAAP, IAS)	Slovene Accounting Standards	
	2005	**2006**
Income Statement		
Net Sales: Actual	**5.429.944**	**7.982.746**
Forecast at acquisition	6.658.000	14.294.000
Forecast revised as at end of period	not applicable	9.338.525
EBITDA: Actual	**507.969**	**-1.305.481**
Forecast at acquisition	1.734.000	4.677.000
Forecast revised as at December 2005	not applicable	-1.000.586
Net Income: Actual	**209.715**	**-1.698.051**
Forecast at acquisition	1.059.000	3.201.000
Forecast revised as at December 2005	not applicable	-1.547.563
EBITDA Margin:	9%	-16%
Net Income Margin:	4%	-21%
Market Capitalization:	not applicable	
Enterprise Value: Actual	4.513.000	4.513.000
Forecast as at December 2005		
Enterprise Value/Sales:	0,83	0,57
Enterprise Value/EBITDA:	8,88	-3,46
Consolidated Balance Sheet**		
Assets		
Current Assets	1.349.329	2.292.149
Cash & Securities	472.556	411.102
Receivables	797.920	1.714.095
Other	78.853	166.952
Fixed Assets, Net	1.050.504	2.102.997
Goodwill and Intangibles	4.347	8.433.952
LT Investments and other assets	33.000	382.707
Prepaid expenses	15.504	42.878
Total Assets	**2.452.684**	**13.254.683**
Liabilities		
Accounts Payable	712.028	3.996.288
Other liabilities	87.522	5.636.358
Liabilities Sub-total	799.550	9.632.646
Shareholders' Equity	1.653.134	3.622.037
Common Stock	66.125	2.596.710
Total Liabilities & Equity	**2.452.684**	**13.254.683**

* After debt conversion, the expected Fund's ownership in Atel should reach 90,7%, though it may be less due to option plans with key personnel

** Data not comparable due to merger with Modra Investicija on July 1, 2006

Moldova Agroindbank S.A.

Chisinau, Moldova (MAIB)

All the bank's products and services have a tendency to become the most competitive on the market by having the ability to respond rapidly to changing customers' needs.

Moldova Agroindbank (MAIB) is a new investment for the Poteza Adriatic Fund. In March 2006, the Fund participated in a public auction at the Moldova Stock Exchange and successfully acquired shares of this largest bank in Moldova. The Bank has a widespread network, forming a very favorable geographical coverage. Its branch network includes nearly 50 branches and over 30 representative offices.

In 2006, MAIB grew its assets by 13% to EUR 285 million, representing about 21% market share of total Moldovan banking assets. The profit reached EUR 11,5 million, which is a 35% year-on-year growth compared to 2005. The Bank has been constantly outperforming the market on several fronts and thus keeping its leading position. The return on equity ratio (ROE) in 2006 reached 25,2% from 20,9% in 2005.

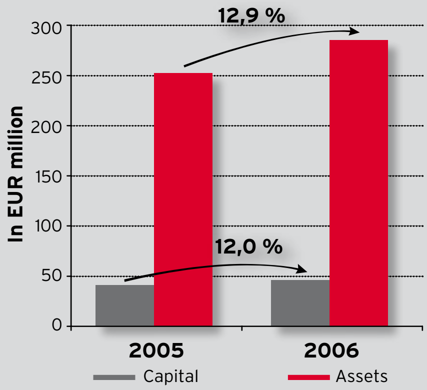
During the year, MAIB paid out a dividend payment from 2005 profits in

Fact sheet:

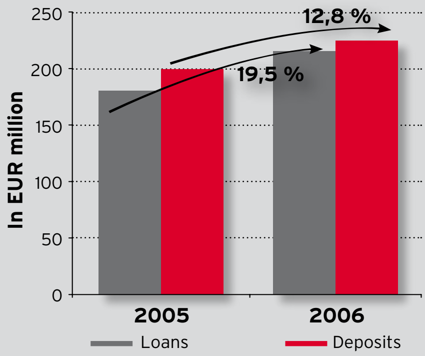
Asset growth:	12,9 %
Net income growth:	35,1 %
Market share in Moldova:	21,2 %

www.maib.md

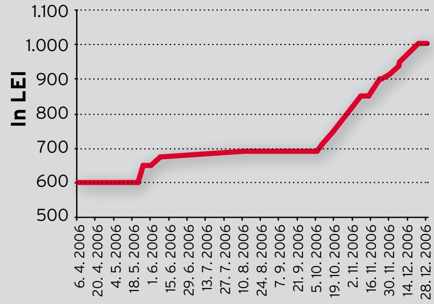
Assets and Capital



Loans and Deposits



MAIB's Stock Price



Source: Moldova Stock Ehchange

"No. 1 bank by market share in Moldova"

"The Bank has been constantly outperforming the market on several fronts and thus keeping its leading position."

"Dynamism and innovation have been set up as two major trends at Moldova Agroindbank."

the amount of 35 lei per share, which represents a dividend yield of 5,85%.

Dynamism and innovation have been set up as two major trends at Moldova Agroindbank and the bank is validating the way it is managing the banking business. The bank's products and services have a tendency to become the most competitive on the market by having the ability to respond rapidly to changing customers' needs. Due to the broad range of customer demands, Moldova Agroindbank keeps developing its business with ensuring the most prompt and easy access to all bank operations.

Individual Investee Summary Details	Details/Description (prose & numerical information)		
Fund Name:	Poteza Adriatic Fund		
Company Information			
Investee Name (legal and trading):	Banca Comerciala "Moldova - Agroindbank" S.A.		
Location of Head Office:	str. Cosmonautilor, 9, mun. Chisinau, Moldova, MD 2006		
Legal Domicile:	Moldova		
Structure of Holding (equity/debt):	Equity		
Sector:	Banking		
Country of Focus:	Moldova		
Business Description:	Bank		
Shareholders by %:	MAS Group (Management)		32,50 %
	Poteza Adriatic Fund		4,71 %
Fund Investment			
Initial Investment Rationale:	Growth		
Stage of Investment:	Buyout		
Fund's role in the investment (lead, co-lead):	Lead		
Date of Initial / Follow-up Investment:	1Q 2006	2Q 2006	Total:
Investment:	**EUR 1.855.243**	**EUR 19.871**	**EUR 1.875.114**
Percentage ownership:	4,71%		
Board representation by Fund (if any):	Yes		
Any co-investments?	No		
Valuation of 100 % equity:			
Pre-money	EUR 39.500.000 (as of 30 September 2005)		
Post-investment (recent valuation)	EUR 61.392.186		
Financial Audit Status: audited/non-audited	Audited annually		
Qualified opinion?	No		
Compliance with commercial covenants:	Yes		
Recent Developments:	Above plan		
Exit Strategy:	Trade sale		
Key Issues:	Improving internal growth		
Health rating (on plan, above plan, below plan):	Above plan		
Any restrictions on liquidity?			
FINANCIAL INFORMATION			
Currency:	EUR 000		
Accounting Policy: (i.e. US GAAP, IAS)	International accounting standards		
	2005	**2006**	
Income Statement			
Net Interest Income: Actual	**12.869**	**16.689**	
Forecast at acquisition	12.263	12.263	
Forecast revised as at end of period	not applicable		
Net Profit from Financing Operations: Actual	**21.083**	**25.964**	
Forecast at acquisition	20.813	20.813	
Forecast revised as at December 2005	not applicable		
Net Income: Actual (post provisioning)	**8.526**	**11.520**	
Forecast at acquisition (post provisioning)	9.732	9.732	
Forecast revised as at December 2005	not applicable		
Net Income Margin:	66 %	69 %	
Market Capitalization:		61.375	
Enterprise Value: Actual			
Forecast as at December 2005	not applicable		
Consolidated Balance Sheet			
Assets			
Current Assets	228.897	262.259	
Cash & Securities	48.591	46.825	
Receivables	180.306	215.434	
Other	0	0	
Fixed Assets, Net	14.066	14.474	
Goodwill and Intangibles	2.531	2.071	
LT Investments and other assets	6.809	6.062	
Total Assets	**252.303**	**284.866**	
Liabilities			
Accounts Payable	199.097	224.632	
Other liabilities	12.374	14.500	
Liabilities Sub-total	211.471	239.132	
Shareholders' Equity	40.832	45.734	
Common Stock	13.658	12.226	
Total Liabilities & Equity	**252.303**	**284.866**	
Ratios:			
Capital adequacy	16,18 %	16,05 %	
ROE	20,88 %	25,19 %	
ROA	3,38 %	4,04 %	

Proteinka a.d.

Sabac, Serbia

In 2006, the Fund continued its consolidation strategy in the animal feed industry in Serbia. The Fund successfully acquired through a public takeover bid the company Proteinka, one of the larger producers of animal feed products on the Serbian market. In turn, Proteinka then acquired assets of Ekomix, Sombor, a geographically complementary producer. Furthermore, Proteinka also acquired the brands of Narcis. During the year, the company made significant production process improvements and became the first animal feed producer in Serbia to fully implement ISO 9001 and HACCP standards.

The Fund conducted a public takeover bid and initially obtained over 99% of the shares of the company for approximately EUR 4,5 million and later on bought the remaining shares from minority shareholders. The acquisition followed the Fund's successful public takeover bid of Superprotein, and brought the brands of Proteinka, Narcis, and Superprotein and Ekomix under one roof.

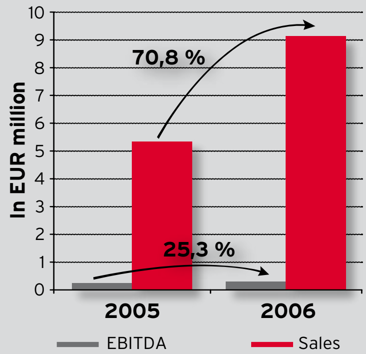
Undergoing a full scale restructuring of its production facilities, the company invested more than EUR 2 million into the renovation of facilities in 2006.

Fact sheet:

Sales growth:	70,8 %
EBITDA growth:	25,3 %
Animal feed output growth:	24,8 %

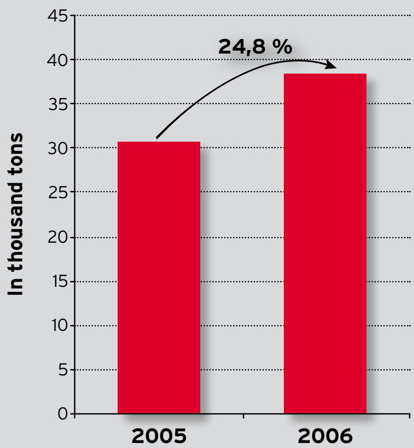
www.narcis.co.yu/proteinka

Sales and EBITDA



"First Serbian company in the animal feed industry to have HACCP standards"

Animal feed output



Proteinka's overall output in 2006 was more than 38.000 tons of animal feed, representing a nearly 25% growth compared to the year 2005. An increase in the utilization of the plant's capacities is expected to bring an increase in the efficiency and the profitability of the business.

The acquisition of Ekomix, another animal feed producer in Serbia, through an asset deal, was completed through Proteinka's recapitalization. Ekomix's production line is located near Sombor (in Northwest Serbia) and its strategic location helps the Fund to implement its strategy of covering the Serbian market with animal feed products. With the acquisition, Proteinka obtained an animal feed production line with capacities of 23.000 tons per year and the Ekomix brand name with existing customers.

In September and December 2006, the management successfully implemented HACCP and ISO 9001 standards, respectively. By doing so, the company strengthened its overall position on the Serbian market and gained a valuable marketing tool for further growth on the regional markets (e.g. Bosnia and Herzegovina, Macedonia, Montenegro, etc.).

Undergoing a full scale restructuring of its production facilities, the company invested more than EUR 2 million into the renovation of facilities in 2006. New mixing and packaging facilities were installed, new production software was introduced, a drying plant was reconstructed and renovation works were completed on the outside of silos and production facilities. It was these actions that raised the company's production capacities, output quality and cost efficiency as well as sales potential.

Individual Investee Summary Details	Details/Description (prose & numerical information)		
Fund Name:	Poteza Adriatic Fund		
Company Information			
Investee Name (legal and trading):	Proteinka a.d. Sabac		
Location of Head Office:	Agroindustrijska zona bb, 15000 Sabac		
Legal Domicile:	Republic of Serbia		
Structure of Holding (equity/debt):	Equity		
Sector:	Agriculture		
Country of Focus:	Republic of Serbia		
Business Description:	Animal feed production		
Shareholders by %:	Poteza Adriatic Fund		100,00%
Fund Investment			
Initial Investment Rationale:	Growth		
Stage of Investment:	Buyout		
Fund's role in the investment (lead, co-lead):	Lead		
Date of Initial Investment:	September 2006	December 2006	Total:
Investment:	**EUR 4.537.796**	**EUR 681.127**	**EUR 5.218.923**
Percentage ownership:	100,00%		
Board representation by Fund (if any):	Yes		
Any co-investments?	No		
Valuation of 100 % equity:			
Pre-money	EUR 5.417.000	(including Ekomix)	
Post-investment (recent valuation)	EUR 5.218.923		
Financial Audit Status: audited/non-audited	Audited annually		
Qualified opinion?	No		
Compliance with commercial covenants:	Yes		
Recent Developments:	On plan - see Portfolio companies report		
Exit Strategy:	Trade sale		
Key Issues:	Horizontal industry consolidation, increasing the market share		
Health rating (on plan, above plan, below plan):	On plan		
Any restrictions on liquidity?			
FINANCIAL INFORMATION			
Currency:	EUR		
Accounting Policy: (i.e. US GAAP, IAS)	Serbian Accounting Standards		

	2005	**2006**
Income Statement		
Net Sales: Actual	**5.343.000**	**9.124.000**
Forecast at acquisition	not applicable	9.192.000
Forecast revised as at end of period	not applicable	
EBITDA: Actual	**241.000**	**302.000**
Forecast at acquisition	not applicable	807.000
Forecast revised as at December 2005	not applicable	
Net Income: Actual	**379.000**	**311.000**
Forecast at acquisition	not applicable	632.000
Forecast revised as at December 2005	not applicable	
EBITDA Margin:	5%	3 %
Net Income Margin:	7%	3 %
Market Capitalization:		5.218.923
Enterprise Value: Actual		5.218.923
Forecast as at December 2005		
Enterprise Value/Sales:		0,57
Enterprise Value/EBITDA:		17,28
Consolidated Balance Sheet		
Assets		
Current Assets	1.986.000	2.698.000
Cash	21.000	263.000
Operating Receivables	1.478.000	1.193.000
Inventories	487.000	1.242.000
Fixed Assets, Net	1.101.000	2.951.000
Goodwill and Intangibles	13.000	1.047.000
LT Investments and other assets	0	0
Prepaid Expenses	110.000	265.000
Total Assets	**3.197.000**	**6.961.000**
Liabilities		
Accounts Payable	344.000	1.908.000
Other liabilities	1.011.000	2.061.000
Liabilities Sub-total	1.355.000	3.969.000
Shareholders' Equity	1.842.000	2.992.000
Common Stock	1.491.000	2.264.000
Total Liabilities & Equity	**3.197.000**	**6.961.000**

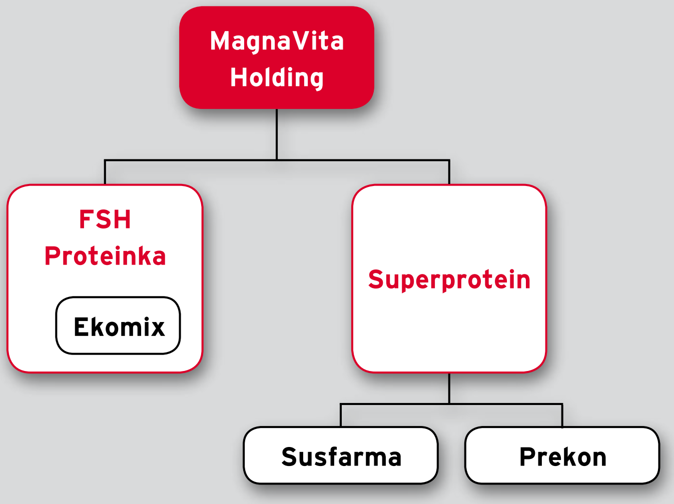
MagnaVita Holding a.d.

Novi Sad, Serbia

In December 2006, a holding company named MagnaVita was created to unite two of the Fund's portfolio companies: Superprotein and Proteinka. The objective to establish such a company is to consolidate the animal feed portfolio companies of the Fund and take advantage of various synergies. Moreover, the move should among other things bring advances to research and development, improve the companies' negotiating power towards suppliers, further focus sales efforts, and improve quality. All this along with improved corporate governance should have a positive impact on profitability.

As planned, the Fund continues to pursue its buy & build strategy in the Serbian animal feed industry with a goal of strengthening its number one position.

"Consolidating the animal feed industry in Serbia"



Karniola Communications B.V.

Amsterdam, The Netherlands

In 2006, the Fund established a new company, Karniola Communications B.V., with a capital base of about EUR 4 million. The company focuses on investments in South East Europe and is well positioned to benefit from future consolidation of industries in the region.

Fact sheet:

Established in 2006

No YOY comparable data available

Individual Investee Summary Details	Details/Description (prose & numerical information)
Fund Name:	Poteza Adriatic Fund
Company Information	
Investee Name (legal and trading):	Karniola Communications B.V.
Location of Head Office:	Claude Debussylaan 44, 1082 MD Amsterdam
Legal Domicile:	The Netherlands
Structure of Holding (equity/debt):	Equity
Sector:	Service Industry
Country of Focus:	South East Europe
Business Description:	Financal Services
Shareholders by %:	Poteza Adriatic Fund 100,00 %
Fund Investment	
Initial Investment Rationale:	Portfolio Management
Stage of Investment:	Start-up
Fund's role in the investment (lead, co-lead):	Lead
Date of Initial / Follow-up Investment:	June 2006
Investment:	**EUR 4.058.849**
Percentage ownership:	100,00 %
Board representation by Fund (if any):	Yes
Any co-investments?	No
Valuation of 100 % equity:	
Pre-money	EUR 4.058.849
Post-investment (recent valuation)	EUR 6.174.330
Financial Audit Status: audited/non-audited,	Non-audited
Qualified opinion?	No
Compliance with commercial covenants:	Yes
Recent Developments:	New incorporation
Exit Strategy:	Operational cash generation
Key Issues:	Low cost services
Health rating (on plan, above plan, below plan):	On plan
Any restrictions on liquidity?	
FINANCIAL INFORMATION	
Currency:	EUR 000
Accounting Policy: (i.e. US GAAP, IAS)	Dutch GAAP
Consolidated Balance Sheet	2006
Assets	
Current Assets	2.201.598
Cash & Securities	270.378
Receivables	1.931.220
Other	0
Fixed Assets, Net	0
Goodwill and Intangibles	0
LT Investments and other assets	2.008.279
Total Assets	**4.209.877**
Liabilities	
Accounts Payable	1.000
Other liabilities	5.500
Liabilities Sub-total	6.500
Shareholders' Equity	4.203.377
Common Stock	18.000
Total Liabilities & Equity	**4.209.877**

Gornji Grad d.o.o.

Zagreb, Croatia

"Among the top players in wholesale distribution of office supplies, school suppliers and accessories in Croatia."

In September 2006, the Fund completed its first investment in Croatia by successfully acquiring a certified partner of Office Depot, the company Gornji Grad d.o.o., Zagreb. Gornji Grad is among the top players in business to business distribution of office supplies, school supplies and accessories in Croatia.

The Fund obtained 55,36% of the shares of the company through a recapitalization in the amount of EUR 1,86 million. The Fund considers the office supplies industry attractive as per capita spending on office supplies is expected to increase to EU levels. Furthermore, the market is still a fairly fragmented one in Croatia allowing a determined player like Gornji Grad to grow. The company's objective is to become a market leader in Croatian B2B office supplies market in four years time. The Fund supports the company's plan to geographically expand within Croatia, improve customer service, and widen the product assortment.

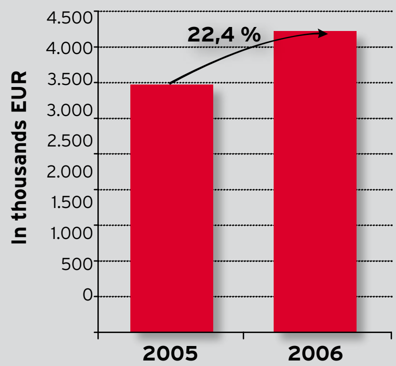
Gornji Grad's accumulated sales for the year 2006 amounted to EUR 4,2 million, showing a 24,3% increase compared to the year 2005. The company supplies more than 1.000 B2B clients, including some of the largest governmental and corporate clients in Croatia. It also serves thousands of individual customers through its own network of retail stores.

Fact sheet:

Sales growth:	22,4%

www.gornjigrad.hr

Sales



The management stayed as the co-owner of the company after the Fund's recapitalization and is extremely motivated to drive the expansion. The company is committed to achieve set goals through organic growth, however it also has an opportunity to expand regionally (outside Croatia) and buy or merge with other local/regional competitors in order to become an even larger regional player and thus an attractive target for international strategic investors.

Headquartered in Zagreb, Gornji Grad's distribution center allows the company to guarantee its deliveries to customers in 24 hours within the Zagreb area and in 48 hours elsewhere in Croatia. It distributes merchandise all over Croatia with its own transport vehicles. Gornji Grad also operates three fully owned retail stores. Due to B2B business strategy, retail stores are planned to be spun-off from the company.

In order to fulfill easy and fast delivery, Gornji Grad makes office products easy obtainable through a real time Web-based purchasing system and also serves its customers through mail-order catalog, newly printed in November 2006. The catalogues were distributed to existing and potential new customers. As a result Gornji Grad gained 200 new customers by the end of the year.

Individual Investee Summary Details	Details/Description (prose & numerical information)	
Fund Name:	Poteza Adriatic Fund	
Company Information		
Investee Name (legal and trading):	Gornji Grad d.o.o.	
Location of Head Office:	Karlovacka 203a, 10250 Lucko - Zagreb	
Legal Domicile:	Croatia	
Structure of Holding (equity/debt):	Equity	
Sector:	Office supplies	
Country of Focus:	Croatia	
Business Description:	Distribution of office supplies	
Shareholders by %:	Poteza Adriatic Fund	55,36 %
	Previous Owners/Management	44,64 %
Fund Investment		
Initial Investment Rationale:	Growth	
Stage of Investment:	Buyout	
Fund's role in the investment (lead, co-lead):	Lead	
Date of Initial Investment:	October 2006	
Investment:	**EUR 1.860.000**	
Percentage ownership:	55,36%	
Board representation by Fund (if any):	Yes	
Any co-investments?	No	
Valuation of 100 % equity:		
Pre-money	EUR 3.359.827	
Post-investment (recent valuation)	EUR 3.359.827	
Financial Audit Status: audited/non-audited	Audited annually	
Qualified opinion?	Yes	
Compliance with commercial covenants:	Yes	
Recent Developments:	On plan	
Exit Strategy:	Trade sale	
Key Issues:	Horizontal industry consolidation, increasing the market share	
Health rating (on plan, above plan, below plan):	On plan	
Any restrictions on liquidity?		
FINANCIAL INFORMATION		
Currency:	EUR	
Accounting Policy: (i.e. US GAAP, IAS)	Croatian Accounting Standards	
	2005	2006
Income Statement		
Net Sales: Actual	**3.469.000**	**4.247.000**
Forecast at acquisition	not applicable	5.177.000
Forecast revised as at end of period	not applicable	
EBITDA: Actual	**26.000**	**-93.000**
Forecast at acquisition	not applicable	178.000
Forecast revised as at December 2005	not applicable	
Net Income: Actual	**21.000**	**-115.000**
Forecast at acquisition	not applicable	12.000
Forecast revised as at December 2005	not applicable	
EBITDA Margin:	1 %	-2 %
Net Income Margin:	1 %	-3 %
Market Capitalization:		3.360.000
Enterprise Value: Actual Forecast as at December 2005		3.360.000
Enterprise Value/Sales:		0,79
Enterprise Value/EBITDA:		-36,13
Consolidated Balance Sheet		
Assets		
Current Assets	1.068.000	2.384.000
Cash	1.000	1.087.000
Operating Receivables	745.000	766.000
Inventories	322.000	531.000
Fixed Assets, Net	573.000	665.000
Goodwill and Intangibles	1.000	1.000
LT Investments and other assets	20.000	26.000
Prepaid Expenses	0	110.000
Total Assets	**1.662.000**	**3.186.000**
Liabilities		
Accounts Payable	1.093.000	1.004.000
Other liabilities	265.000	183.000
Liabilities Sub-total	1.358.000	1.187.000
Shareholders' Equity	304.000	1.999.000
Common Stock	146.000	2.036.000
Total Liabilities & Equity	**1.662.000**	**3.186.000**

Postbank BH d.o.o.

Sarajevo, Bosnia & Herzegovina

In December 2006, pursuant to an agreement with other co-investors and the provisional manager of Postbank BH, appointed by the Banking Agency of the Federation of BH, the Fund contributed approximately EUR 5,3 million to the equity of Postbank BH. The Fund shall, upon the registration of the investment with applicable regulatory bodies, acquire approximately 49% of the outstanding shares of the bank. The Fund intends to make a further recapitalization by the end of the 2007 in the amount of approximately EUR 2,5 million. By successfully acquiring a significant ownership stake in Postbank BH, the Fund completed its second banking investment in Bosnia and Herzegovina.

With a long term, exclusive contract with the post office, the bank will be able to access more than 300 post office counters offering a range of its services to the wideest number of individual and corporate clients.

The Fund's goal is to play an important part in the banking market of Bosnia & Herzegovina. The process has already begun by obtaining control of Nova Banka a.d., Bijeljina, in Republic of Srpska. In Postbank BH, the Fund plans to revive existing operations of the bank by supporting the bank in its endeavor to create the largest banking network of distribution points in the Federation of Bosnia and Herzegovina. A long term business cooperation agreement with JP BH Poste (post office) enables the bank to offer its services to the clients using the branch network of the postal operator.

Fulfilling minimum capital requirements and enabling the bank to re-join the competitive banking market in Bosnia-Herzegovina was only the first step in the series of challenges to come. The Fund has worked together with its co-investors (employees of the Bosnia and Herzegovina Telecom, of the post office and Postbank BH) to put together a seven member Supervisory Board.

Fact sheet:

Revitalization in 2006

Capital increase of over EUR 10 million

The Fund has also helped recruit the new CEO of the bank which is waiting confirmation of the banking agency. The bank is in the process of relocating and joining its corporate headquarters, acquiring a brand new banking IT system and creating a stable and tight connection with the postal operator.

With a long term, exclusive contract with the post office, the bank will be able to access more than 300 post office counters offering a range of its services to the widest number of individual and corporate clients. It is planned that its IT banking system will be fully integrated into the IT system of all post offices across the country. The highly recognizable brand name of the bank with a new corporate image will have a positive impact on obtaining a solid depositary base and placing competitive loan products. The strategy of the bank is also to utilize its extensive network to become a leader in payment transactions.

The nature of the revitalization of Postbank BH requires patience by the investors. As such, it is planned that the bank's financial performance will be a loss during the next two years. However, once fully operational, the bank should have a good chance at becoming a real success.

Individual Investee Summary Details	Details/Description (prose & numerical information)	
Fund Name:	Poteza Adriatic Fund	
Company Information		
Investee Name (legal and trading):	Postbank BH d.o.o.	
Location of Head Office:	Branilaca Sarajeva 20/X, Sarajevo	
Legal Domicile:	Federation of Bosnia & Herzegovina	
Structure of Holding (equity/debt):	Equity	
Sector:	Banking	
Country of Focus:	Bosnia & Herzegovina	
Business Description:	Bank	
Shareholders by %:	Poteza Adriatic Fund	approx. 49,00 %
	Unions	approx. 49,00 %
	State	approx. 2,00 %
Fund Investment		
Initial Investment Rationale:	Growth	
Stage of Investment:	Newly issued equity subscription	
Fund's role in the investment (lead, co-lead):	Lead	
Date of Initial / Follow-up Investment:	December 2006	
Investment:	**EUR 5.327.661**	
Percentage ownership:	48,30 %	
Board representation by Fund (if any):	Yes	
Any co-investments?	Employees of JP BH Post	
Valuation of 100 % equity:		
Pre-money	EUR 374.000	
Post-investment (recent valuation)	EUR 11.030.354 (after recapitalization)	
Financial Audit Status: audited/non-audited	Audited annually	
Qualified opinion?	No	
Compliance with commercial covenants:	Yes	
Recent Developments:	Long-term exclusive contract signed with JP BH Post	
Exit Strategy:	Trade sale	
Key Issues:	Roll-out of servces through JP BH Post, revenue enhancement	
Health rating (on plan, above plan, below plan):	n.a.	
Any restrictions on liquidity?	None	

FINANCIAL INFORMATION		
Currency:		EUR 000
Accounting Policy: (i.e. US GAAP, IAS)		B&H accounting standards
	2005	**2006**
Income Statement		
Net Interest Income: Actual	**123**	**84**
Forecast at acquisition	not applicable	477
Forecast revised as at end of period	not applicable	
Net Profit from Financing Operations: Actual	**486**	**428**
Forecast at acquisition	not applicable	1.130
Forecast revised as at December 2005	not applicable	
Net Income: Actual (post provisioning)	**-604**	**-413**
Forecast at acquisition (post provisioning)	not applicable	-2.477
Forecast revised as at December 2005	not applicable	
Net Income Margin:	n.a.	n.a.
Market Capitalization:	511	11.167
Enterprise Value: Actual		
Forecast as at December 2005	not applicable	
Consolidated Balance Sheet*		
Assets		
Current Assets	4.338	14.628
Cash & Securities	2.848	13.058
Receivables	1.490	1.570
Other	0	0
Fixed Assets, Net	604	642
Goodwill and Intangibles	0	0
LT Investments and other assets	847	715
Total Assets	**5.789**	**15.985**
Liabilities		
Accounts Payable	5.229	5.199
Debt securities	0	0
Other liabilities	186	170
Liabilities Sub-total	5.415	5.369
Shareholders' Equity	374	10.616
Common Stock	1.278	11.934
Total Liabilities & Equity	**5.789**	**15.985**
Ratios:		
Capital adequacy (not weighted)	6,46 %	66,41 %
ROE	-161,50 %	-3,89 %
ROA	-10,43 %	-2,58 %

*The Fund's capital increase is already included

Fund's Financial Report

Managing Director's Report

The director herewith submits the financial statements of Poteza Adriatic Fund B.V. (the "Company") for the year ended 31 December 2006.

General

The Company was incorporated with limited liability under Dutch law on 28 May 2003. Its principal activities are to act as a private equity investment fund. These financial statements relate to the accounting year ended 31 December 2006.

Overview of activities

The principal activity of the Company is to make private equity investments in securities issued by companies located in Slovenia, Croatia, Serbia, Bosnia & Herzegovina, Montenegro, Macedonia, Bulgaria and Romania.

During the year under report, the Company acquired (additional) shares in Akton (Atel Europe), Moldova Agroindbank, Karniola Communications, Proteinka, Gornji Grad and Postbank BH on an arms' length basis. The acquisitions were financed through additional share premium contributed by the shareholders. As at 31 December 2006, the investments in Superprotein and Akton (Atel Europe) were revalued to fair value in accordance with a valuation prepared by an independent valuer. Moldova Agroindbank and Nova Banka are valued based on stock market price at year end. The results of these revaluations are included as an income in the profit and loss account. Proteinka, Gornji Grad and Postbank BH are stated at acquisition price, which approximates market value given the investments were recently acquired from third parties on an arms' length basis.

Financial result

The shareholders' equity at year-end amounts to EUR 57.638.550 (2005: EUR 15.233.011).
During the year under report the Company recorded a profit of EUR 15.905.648 (2005: loss of EUR 1.915.106) which has not been allocated.

Future developments

It is expected that the activities of the Company will expand in the near future.

Subsequent events

No events have occurred since balance date, which would impact the financial position of the Company and which would require adjustment of or disclosure in the annual accounts now presented.

Poteza Capital Management B.V.

Amsterdam, 11 April 2007

Balance Sheet as at 31 December 2006

(Before proposed appropriation of result)

		Notes	31 Dec. 2006	31 Dec. 2005
(in Euro)				
Fixed assets				
	Investments in companies	3	53.113.938	14.321.541
	Intangible fixed assets	4	158.312	209.945
	Total fixed assets		**53.272.250**	**14.531.486**
Current assets				
	Accrued income		25.542	892
	Prepayments		-	415.625
	VAT receivable		11.872	13.120
	Other receivables	5	105.967	220.281
	Total current assets		**143.381**	**649.918**
Liquid assets				
	Cash at banks	6	4.246.006	177.056
	Total liquid assets		**4.246.006**	**177.056**
Total assets			**57.661.637**	**15.358.460**
Current liabilities				
	Accrued expenses		-	47.139
	Accounts payable		23.087	78.310
	Total current liabilities		**23.087**	**125.449**
Total liabilities			**23.087**	**125.449**
Total assets less liabilities			**57.638.550**	**15.233.011**
Represented by:				
	Shareholders'equity	7		
	Issued and paid-up capital		70.001	70.001
	Share premium		44.790.102	18.290.211
	Accumulated deficit		(3.127.201)	(1.212.095)
	Unallocated result for the year		15.905.648	(1.915.106)
Total shareholders' equity			**57.638.550**	**15.233.011**

The accompanying notes form an integral part of these accounts.

Profit and Loss Account for the year ended 31 December 2006

(in Euro)	Notes	2006	2005
Income			
Result from revaluation of investments	3	17.691.078	-
Dividends received from investments in companies		96.777	-
Service income	8	278.032	226.496
Total income		**18.065.887**	**226.496**
Operational expenses			
Capital tax		-	92.323
Withholding tax		5.191	-
Amortisation of intangible fixed assets	4	51.633	51.633
Investment expenses	9	370.662	349.549
General and administrative expenses	10	1.785.124	1.777.194
Total operational expenses		**2.212.610**	**2.270.699**
Financial income			
Interest income and similar income	11	328.025	25.939
Interest expenses		(20.868)	(90)
Result from foreign exchange fluctuations		(254.786)	-
Result on disposal of investment		-	103.248
Total financial income / (expenses)		**52.371**	**129.097**
Result for the year		**15.905.648**	**(1.915.106)**

The accompanying notes form an integral part of these accounts.

Notes to the Financial Statements

1 General

The Company was incorporated under Dutch law on 28 May 2003 in Amsterdam, The Netherlands. The Company operates as a venture fund company. Its principal activities are to make investments in securities issued by companies located in Slovenia, Croatia, Serbia, Bosnia & Herzegovina, Montenegro, Macedonia, Bulgaria and Romania. These financial statements relate to the year ended 31 December 2006.

2 Summary of principal accounting policies

a Basis of preparation

These financial statements have been prepared in accordance with accounting principles generally accepted in the Netherlands and are in compliance with the provisions of the Dutch Civil Code, Book 2, Title 9.

The Company follows the accrual method of accounting in preparing its financial statements. Under the accrual method, the effects of transactions and other events on assets, liabilities and income are recognized and reported in the period to which they relate rather than when cash is paid or received.

In accordance with the amended and restated subscription and shareholders agreement the Company makes capital calls in order to ensure sufficient funds are available for individual investments and ongoing expenses from time to time. The investors have committed, upon each capital call notice issued by the Company's director, to contribute capital in the total amount of EUR 66.500.000. The director of the Company is confident all calls will be paid upon request, and as such the going concern assumption is considered to be appropriate.

b Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into EUR at year-end rates. Foreign currency transactions are translated into EUR at exchange rates prevailing at the transaction date. Exchange results are included in the profit and loss account.

c Financial fixed assets

The investments in companies are stated at fair value as determined in accordance with guidelines as issued by the European Private Equity and Venture Capital Association ("EVCA").

Fair value is defined as the amount for which an asset could be exchanged between knowledgeable willing parties in an arms' length transaction.

With respect to the investments for which there is an active market, fair value is determined as being the price per share multiplied by the number of shares held by the Company, taking into consideration certain marketability discounts which may be applicable. In the absence of an active market for the investment, fair value is estimated by independent valuers using one of the valuation methodologies outlined in the EVCA guidelines which is deemed most appropriate given the nature, facts and circumstances of the investment itself and using reasonable assumptions and estimates. Such valuation methodologies could include using discounted cashflows, valuations based upon an earnings multiple and/or net assets.

Where recently-acquired investments have been acquired from third parties on an arms' length basis and for which there is no active market, the acquisition price is considered to approximate fair value. Subsequent revaluations on such investments will be performed in future years.

d Intangible fixed assets

Intangible fixed assets, comprising set up costs of the Company, are amortized on a straight line basis over a period of five years.

Notes to the Financial Statements *(continued)*

e Consolidation

The Company has taken advantage of article 407(1)(c) and has not consolidated its investments as they are held solely for the purposes of disposal. For this reason, the Company has also taken advantage of article 389(9) and presented its investments in companies at fair value as outlined in section 2c.

f Valuation

Unless otherwise indicated, all other assets and liabilities are stated at the amounts at which they were acquired or incurred.

3 Investments in companies

During the year under report, the Company acquired (additional) shares in Akton (Atel Europe), Moldova Agroindbank, Karniola Communications, Proteinka, Gornji Grad and Postbank BH on an arms' length basis. The acquisitions were financed through additional share premium contributed by the shareholders. As at 31 December 2006, the investments in Superprotein and Akton (Atel Europe) were revalued to fair value in accordance with a valuation prepared by an independent valuer. Moldova Agroindbank and Nova Banka are valued based on stock market price at year end. The results of these revaluations are included as an income in the profit and loss account. Proteinka, Gornji Grad and Postbank BH are stated at acquisition price, which approximates market value given the investments were recently acquired from third parties on an arms' length basis.

Name	Legal seat	% Ownership	Book value (31 Dec. 2006)	Book value (31 Dec. 2005)
(in Euro)				
Superprotein a.d.	Zrenjanin, Serbia	73,77 (2005: 73,77)	3.279.000	2.336.460
Nova Banka a.d.	Bijeljina, Bosnia and Herzegovina	42,80 (2005: 47,57)	24.269.161	9.974.959
Atel Europe B.V.	Amsterdam, The Netherlands	90,70 (2005: 55,80)	4.093.291	2.010.122
Moldova Agroindbank S.A.	Chisinau, Moldova	4,71 (2005: 0,00)	2.891.572	-
Karniola Communications B.V.	Amsterdam, The Netherlands	100 (2005: 0,00)	6.174.330	-
Proteinka a.d.	Sabac, Serbia	100 (2005: 0,00)	5.218.923	-
Gornji Grad d.o.o.	Lucko - Zagreb, Croatia	55,36 (2005:0,00)	1.860.000	-
Postbank BH d.o.o.	Sarajevo, Bosnia and Herzegovina	48,30 (2005: 0,00)	5.327.661	-
			53.113.938	**14.321.541**

Management does not believe there is any indication of permanent impairment of any of these investments.

The movements in investments in companies have been as follows:

	2006	2005
(in Euro)		
Balance at 1 January	14.321.541	-
Acquisitions	18.340.547	14.321.541
Additional investments in existing companies	3.015.558	-
Result from foreign exchange fluctuations	(254.786)	-
Result from revaluation of investments	17.691.078	-
Closing balance at 31 December	**53.113.938**	**14.321.541**

4 Intangible fixed assets

In the years 2003 and 2004 the Company capitalised the Fund's set-up fee as intangible assets for an amount of EUR 258.166 and EUR 94.856, respectively.

The movements during the years were as follows:

	31 Dec. 2006	31 Dec. 2005
(in Euro)		
Capitalised fees at 1 January	353.022	353.022
Additions during the year	-	-
Capitalised fees at 31 December	353.022	353.022
Accumulated amortisation at 1 January	(143.077)	(91.444)
Amortisation for the year	(51.633)	(51.633)
Accumulated amortisation at 31 December	(194.710)	(143.077)
Balance as at 31 December	**158.312**	**209.945**

5 Other receivables

	2006	2005
(in Euro)		
Repayment due from Atel Europe B.V. for transaction expenses	-	100.000
Reimbursements due from Nova Banka a.d	-	25.478
Reimbursements due from Superprotein a.d.	-	72.903
Management fee due from Atel Europe B.V.	-	11.900
Management fee due from Nova Banka a.d	-	10.000
Reimbursement due from Karniola Communications B.V.	1.000	-
Interest receivable from investment companies	78.952	-
Amounts due from shareholders	26.015	-
	105.967	**220.281**

6 Cash at banks

At 31 December 2006, an amount of EUR 3.671.000 was placed on deposit, of which EUR 1.671.000 was placed on a short term deposit with a maturity date of 8 January 2007. The remaining deposit of EUR 2.000.000 is not at the free disposal of the Company until 3 April 2011. As at 31 December 2005 there were no short term deposits. The remaining cash balance is available on demand.

Notes to the Financial Statements *(continued)*

7 Shareholders' equity

	31 Dec. 2006	31 Dec. 2005
(in Euro)		
Capital and reserves		
Share capital		
(1) Authorised share capital		
75.000 shares A of EUR 1 each	75.000	75.000
4.000 shares B of EUR 1 each	4.000	4.000
Total	**79.000**	**79.000**
(2) Issued and fully paid up share capital		
66.500 shares A of EUR 1 each	66.500	66.500
3.501 shares B of EUR 1 each	3.501	3.501
Total	**70.001**	**70.001**

The movements during the years 2005 and 2006 were as follows:

	Share capital	Share premium	Accumulated deficit	Unallocated result for the year	Total
(in Euro)					
Balance as at 31 Dec. 2004	70.001	1.499.400	(119.459)	(1.092.636)	357.306
Capital call	-	16.790.811	-	-	16.790.811
Appropriation of prior year result	-	-	(1.092.636)	1.092.636	-
Result for the year	-	-	-	(1.915.106)	(1.915.106)
Balance as at 31 Dec. 2005	70.001	18.290.211	(1.212.095)	(1.915.106)	15.233.011
Capital call	-	26.499.891	-	-	26.499.891
Appropriation of prior year result	-	-	(1.915.106)	1.915.106	-
Result for the year	-	-	-	15.905.648	15.905.648
Balance as at 31 Dec. 2006	**70.001**	**44.790.102**	**(3.127.201)**	**15.905.648**	**57.638.550**

In connection with the Company's acquisitions of new investments (refer to Note 3), the Company made requests for additional capital calls from its investors. These capital calls were paid during the year. The investors have committed to contribute a total of EUR 66.500.000 via such capital calls.

The Company 's net equity includes a legal reserve amounting to EUR 158.312 relating to the Company's set-up costs, which may not be distributed (see Note 4).

Article 28 of the Articles of Association stipulates:

No dividends and interim dividends will be paid until the complete share premium reserve A has been repaid to the Class A shareholders pro rata parte their share holding in the capital of the Company.

a. Of the profits earned in the past financial year, first an amount shall be added to the dividend reserve A equal six percent (6%) of the amount of the share premium reserve A, compounded annually with respect to such payment in arrears of the thirty-first of December of each year in respect to the prior period prorated on a daily basis for any partial period (the "the share premium return"), starting as of the day the contributions have been called up and paid and ending on the day the share premium reserve A has been repaid completely. Each time the amount of the share premium reserve A changes, the amount of the share premium return is calculated over the changed amount of the share premium reserve such prorated on a daily basis for any period the share premium reserve A is of the same amount.

b. If the profits do not permit an addition as contemplated in paragraph a, the missing portion of such addition will be added to dividend reserve A out of the profits in any subsequent year, prior to any additions in the relevant year pursuant to paragraph a.

Secondly, all dividends and interim dividends will be made to the holders of the Class B shares (i.e. the Incorporator I) until they have received an amount equal to twenty-five percent (25%) of the amount paid in accordance with paragraphs a and b.

Thirdly, all profits will be shared by the holders of Class A Shares and the holders of Class B Shares, pursuant to which eighty percent (80%) will be granted to the holders of the Class A Shares pro rata parte their shareholding and twenty percent (20%) to the holders of the Class B Shares pro rata parte their shareholding.

8 Service income

Service income is derived from services rendered to investment companies, on the basis of service agreements.

9 Investment expenses

These expenses relate to services from third parties in order to support or to investigate the Company's potential targets and/or acquisitions of new investments.

10 General and administration expenses

	2006	2005
(in Euro)		
Management fee	1.662.500	1.662.500
Director's fee	1.000	1.000
Administration fee	28.372	26.414
Audit fee	16.275	15.250
Tax advisory fee	24.569	21.578
Legal fee	32.763	43.382
Other expenses	19.645	7.070
	1.785.124	**1.777.194**

11 Interest income and similar income

	2006	2005
(in Euro)		
Late payment fee	13.885	16.602
Interest received on loans to related companies	174.767	-
Interest received from banks	139.373	9.337
	328.025	**25.939**

12 Personnel

During the year under report the Company did not employ any personnel, hence incurred no wages, salaries or related social security expenses (2005: nil).

Notes to the Financial Statements *(continued)*

13 Directors

The Company has one managing director who received the following remuneration in that capacity:

Name	Legal seat	2006	2005
Poteza Capital Management B.V.	Amsterdam, Netherlands	1.000	1.000

14 Taxation

The tax calculation for the Company takes into account the Dutch tax regulations and practice. The Company recorded a profit during the year under report but no corporate income tax will be due in respect to this period because the result on investments falls under the participation exemption. The taxable loss can be offset against taxable profits in future years. As at 31 December 2006 the amount of tax losses carried forward is EUR 5.291.821 (2005: EUR 3.127.201).

15 Commitments

During 2006, the Company committed itself to investing an additional EUR 640.350 to one of its investments. This payment was made in January 2007.

The Company has entered into a fund management agreement with Poteza Capital Management B.V. and Cielo Azul N.V., both of which are related parties.

The annual fund management fee amounts to 2,5% of the committed capital, which amounted to EUR 66.500.000 as at 31 December 2006 (2005: EUR 66.500.000).

Poteza Capital Management B.V.

Amsterdam, 11 April 2007

Supplementary Information

Articles of association

With respect to the appropriation of the net result, article 28 of the Articles of Association stipulates:

1. A dividend reserve shall be kept for every Class of shares, for the benefit of the holders of such shares. Each dividend reserve shall bear the same letter as the Class of shares to which it refers. If the profit so allows, a portion of it will be added to each dividend reserve with due observance of the provisions set out in this article.

2. The Company shall keep a share premium reserve A, containing the paid up share premium by the Class A shareholder.

3. No dividends and interim dividends will be paid until the complete share premium reserve A has been repaid to the Class A shareholders pro rata parte their share holding in the capital of the Company.

4. a. Of the profits earned in the past financial year, first an amount shall be added to the dividend reserve A equal six percent (6%) of the amount of the share premium reserve A, compounded annually with respect to such payment in arrears of the thirty-first of December of each year in respect to the prior period prorated on a daily basis for any partial period (the "the share premium return"), starting as of the day the contributions have been called up and paid and ending on the day the share premium reserve A has been repaid completely. Each time the amount of the share premium reserve A changes, the amount of the share premium return is calculated over the changed amount of the share premium reserve such prorated on a daily basis for any period the share premium reserve A is of the same amount.

4. b. If the profits do not permit an addition as contemplated in paragraph 4(a), the missing portion of such addition will be added to dividend reserve A out of the profits in any subsequent year, prior to any additions in the relevant year pursuant to paragraph 4(a).

5. Secondly, all dividends and interim dividends will be made to the holders of the Class B shares (i.e. the Incorporator I) until they have received an amount equal to twenty-five percent (25%) of the amount paid in accordance with paragraph 4.

6. Thirdly, all profits will be shared by the holders of Class A Shares and the holders of Class B Shares, pursuant to which eighty percent (80%) will be granted to the holders of the Class A Shares pro rata parte their shareholding and twenty percent (20%) to the holders of the Class B Shares pro rata parte their shareholding.

7. With due observance of the provisions set out above in this article, the profits shall be at the disposal of the general meeting.

8. Dividends may be paid only insofar as the Company's equity exceeds the paid-in and paid-up capital plus the reserves to be kept by law.

9. The Managing Directors may, with due observance of paragraph 8, resolve to pay interim dividends.

Appropriation of the result

It is proposed to transfer the result for the year to the accumulated result.

Subsequent events

No events have occurred since balance date, which would impact the financial position of the Company and which would require adjustment of or disclosure in the annual accounts now presented.

Auditors' report

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

Auditor's Report

To the shareholders of Poteza Adriatic Fund B.V.

Report on the financial statements

We have audited pages 27 to 34 of financial statements of Poteza Adriatic Fund B.V., which comprise the balance sheet as at 31 December 2006, the profit and loss account for the year then ended and the notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements and for the preparation of the managing directors' report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Poteza Adriatic Fund B.V. as at 31 December 2006, and of its result for the year then ended in accordance 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 managing directors' report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amsterdam, 10 April 2007

KPMG ACCOUNTANTS N.V.

H. Arendse RA

KPMG Audit
the Appendix pertaining to the letter of
10 APR 2007
Initials for identification purposes
KPMG Accountants N.V.

Fund's Corporate Action

Capital Calls

The Fund made five capital calls throughout the year 2006, reaching the limit of 40% of total committed capital that is intended to be called during any one year. This reflects a strong investment year for the Fund. To date, 67,46% of total capital commitments were called from investors.

Capital Distributions

During the third quarter of 2006, the Fund for the first time made a distribution. The Fund distributed the proceeds (dividends received from its portfolio company) as the return of the Share Premium.

Advisory Board Meeting

The Fund's Advisory Board consists of distinguished representatives of the largest five Investors in the Fund. A total of three meetings were held over the year 2006. At every meeting, the members of the Advisory Board were presented with the Fund's performance and compliance.

Most importantly, the members of the April's Advisory Board meeting discussed the treatment of the Fund's portfolio according to European Venture Capital Association (EVCA) guidelines. The members reviewed and confirmed the proposed valuation methods for the Fund's portfolio companies.

At the February and the October meetings, the representatives of the Fund's Managers presented the budget for 2006 and 2007, respectively. The members unanimously approved both budgets and selected KPMG Accountants N.V. as the Fund's auditors for the year 2006.

Investment Committee Meetings

A total of five Investment Committee Meetings were held in the year 2006, making decisions on 6 proposed investments, two of them being follow-on investments.

At the beginning of March 2006, the members of the Committee approved the investment into Postbank BH, following one condition precedent – reaching an acceptable agreement between Postbank BH and the post office of the Federation of Bosnia and Herzegovina.

Later in March 2006, the second yearly Investment Committee meeting was held to discuss the investment into Moldova Agroindbank S.A.. The Investment Committee unanimously approved the investment.

The Investment Committee members met again in June 2006, when they unanimously approved another investment in the consolidation of animal feed production industry in Serbia.

At the September 2006 Investment Committee Meeting, the members of the Committee approved the capital increase of a Croatian office supplies distributor, Gornji Grad, Zagreb, as well as a follow-on investment proposal in the existing portfolio company Akton d.o.o. (Atel Europe).

This years' final Investment Committee was held in December in Ljubljana. The Investment Committee approved a follow-on investment in the existing portfolio company Proteinka, to finance its acquisition of the assets of Ekomix, an animal feed producer located in the northwest part of Serbia.

Shareholders' Assembly

In June 2006, the Fund Manager convened the Annual General Meeting of Shareholders in Amsterdam. The Shareholders adopted the annual

accounts for 2005 and confirmed the proposed auditor, KPMG accountants, as the auditor of the Fund for the 2006 financial year.

Additionally, extension of membership to the members of the Advisory Board appointed by five largest investors for a two year term starting in November 2006 in accordance with Article 6.3 of the Amended and Restated Subscription and Shareholders Agreement has been made.

Since the term for the Advisory Board and Investment Committee members expired in the fall of 2006, the Shareholders also confirmed the a new set of members The decision has been made for Mr. Andrej Zupancic to replace Mr. Branko Pas as an Investment Committee Member, and Mr. Uros Ivanc to replace Ms. Mateja Treven as an Advisory Board member. Mr. Shahbaz Mavaddat of the IFC became a member of the Investment Committee and of the Advisory Board as a replacement for Mr. Roberto Albisetti.

In August 2006, a resolution of the Shareholders has been obtained in a form of written votes, for the purpose of approving the distribution of the Share Premium to the Fund's Shareholders.

Janez Klobcar, Founding Partner and CEO

Mr. Klobcar (38) is a founder of Poteza Adriatic Fund and Chief Executive Officer of Poteza Partners. As key-man, he has been crucial in fundraising Poteza's first private equity fund. He is intimately involved in advising the Fund in all stages of its investment process. Mr. Klobcar's major responsibilities include investments sourcing, deal negotiating, improvement of portfolio companies and overall management of Poteza Partners' team. He serves as a member of the Supervisory Boards of Nova Banka, Moldova Agroindbank and Postbanka.

Mr. Klobcar has over 13 years of experience in management (private equity fund management, M&A advisory, brokerage and commercial banking). Prior to founding Poteza Adriatic Fund, he managed a leading regional financial company, Publikum, where he was in charge of research and analysis, international operations, corporate finance advisory, and investor relations. Before this, Mr. Klobcar worked in banking as a member of Société Générale's team in Slovenia. He holds two Bachelor's degrees obtained in the United States, a BA in Physics and a BSc in Finance.

Rok Petric, Founding Partner and COO

Mr. Petric (33) is founder of Poteza Adriatic Fund and Chief Operating Officer of Poteza Partners. He has been essential in structuring and fundraising Poteza's first private equity fund. He is closely involved in advising the Fund in all stages of its investment process. Mr. Petric's major areas of responsibility include the origination of investment opportunities, investor relations and heading value adding efforts in portfolio companies. He serves or has served on the Supervisory Boards of portfolio companies Nova Banka, MagnaVita, Atel Europe and Moldova Agroindbank.

Mr. Petric has over 8 years of experience in advising the private equity industry, consulting and banking. Previously, Mr. Petric gained international experience as a consultant with McKinsey & Company and as a cost accountant team leader for SunTrust Banks. Mr. Petric received an MBA from Yale University in New Haven, Connecticut. He also graduated with honors from Oglethorpe University in Atlanta, and holds two Bachelor degrees (a BBA in Economics and a BA in International Studies).

Leon Batagelj, Partner and CLO

Mr. Batagelj (34) joined the team of Poteza Partners in 2003 as Chief Legal Counsel. He has been actively involved in advising the Fund on its final closing and on all transaction and regulatory matters affecting portfolio companies. Mr. Batagelj's main areas of responsibilities include deal sourcing, negotiation and execution of transactions and all legal affairs. Mr. Batagelj serves on the Supervisory Board of portfolio company Nova Banka and the Management Board of Farmalogist Holding.

Mr. Batagelj has over 7 years of cross – border experience in advising private equity industry, acquisition transactions, and capital market transactions. Prior to joining Poteza Partners, Mr. Batagelj worked in Belgrade (Serbia), for regional law firm Wolf Theiss and for KPMG Consulting. Mr. Batagelj holds LL.M. degrees from McGill University (Montreal, Canada) and the Central European University (Budapest, Hungary).

Gregor Dolenec, Investment Manager

Mr. Dolenec (33) joined Poteza Partners in 2003 as part of the investment advisory team for Poteza Adriatic Fund. His role in the Fund is managing deal pipeline, analysis, valuation, acquisitions and management of portfolio companies. He sits on the internal investment filter committee along with the Fund's partners. He is also head of Partners' analyst team and is involved on the Boards of the Fund's portfolio companies. Prior to joining Poteza, Mr. Dolenec was employed by Iskraemeco, one of the world's largest manufacturers of electric meters, where he worked in the international financial operations and was in charge of international M&A and controlling.

Mr. Dolenec completed the CFA charter holder program in 2004. He received a Master's degree in Bank Management at the University of Ljubljana MScBA programme (Slovenia). Earlier, he obtained his Bachelor's degree in Banking and Finance from the University of Ljubljana and spent a final graduate year studying at the University of Glasgow (UK). He is a member of the CFA Institute and the UKSIP. He is also a licensed portfolio manager in Serbia.

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