

CORREA HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS
Period from 27 February 2007 to 31 December
2007

CORREA HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS

31 December 2007

CONTENTS	PAGE
Board of Directors and other officers	1
Report of the Board of Directors	2
Independent auditors' report	3 - 4
Income statement	5
Balance sheet	6
Statement of changes in equity	7
Cash flow statement	8
Notes to the financial statements	9 - 14
Additional information to the income statement	15 - 18

CORREA HOLDINGS LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors: Androula Zavalli Teves

Company Secretary: Brena Services Limited
8 Zinonos Kitieos street
Kato Lakatamia
2322 Nicosia, Cyprus

Independent Auditors: Horwath DSP Limited
Chartered Certified Accountants
Photiades Business Centre
1st floor, 8 Stassinou Avenue
P.O. Box 22545
1522 Nicosia

Registered Office: 9A Falirou street
Pallouriotissa
1046 Nicosia
Cyprus

CORREA HOLDINGS LIMITED

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its first report and audited financial statements of the Company for the period from 27 February 2007 to 31 December 2007.

Incorporation

The Company Correa Holdings Limited was incorporated in Cyprus on 27 February 2007 as a private company with limited liability under the Companies Law, Cap. 113.

Principal activities

The principal activities of the Company are the holding of investments and provision of finance.

Review of current position, future developments and significant risks

The Company has incurred losses during the period. However the board of directors expects that the appreciation of the value of the investment in the forthcoming years will outweigh these losses.

The most significant risks faced by the Company and the steps taken to manage these risks, are described in note 3 of the financial statements.

Results

The Company's results for the period are set out on page 5. The net loss for the period is carried forward.

Share capital

Authorised capital

Under its Memorandum the Company fixed its share capital at 5.000 ordinary shares of nominal value of €1 each.

Issued capital

Upon incorporation on 27 February 2007 the Company issued to the subscribers of its Memorandum of Association 1.000 ordinary shares of €1 each at par.

Board of Directors

The members of the Board of Directors of the Company as at the date of this report are shown on page 1. The sole director was a member of the board throughout the period from 27 February 2007 to 31 December 2007.

In accordance with the Company's Articles of Association all directors presently members of the Board continue in office.

Post balance sheet events

Any significant events that occurred after the end of the period are described in note 16 to the financial statements.

Independent Auditors

The independent auditors, Horwath DSP Limited, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

Androula Zavalli Teves
Director

Nicosia, 18 February 2008

Independent Auditors' Report

Correa Holdings Limited

Report on the Financial Statements

We have audited the financial statements of the parent company Correa Holdings Limited (the "Company") on pages 5 to 14, which comprise the balance sheet as at 31 December 2007 and the income statement, statement of changes in equity and cash flow statement for the period then ended, and a summary of significant accounting policies and other explanatory notes.

Board of Directors' Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap 113. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require 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 the Board of Directors 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.

Independent Auditors' Report (continued)

Correa Holdings Limited

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the parent company Correa Holdings Limited as of 31 December 2007 and of its financial performance and its cash flows for the period from 27 February 2007 to 31 December 2007 in accordance with International Financial Reporting Standards as adopted by the EU and the requirements of the Cyprus Companies Law, Cap. 113.

Report on Other Legal Requirements

Pursuant to the requirements of the Companies Law, Cap. 113, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company.
- The Company's financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors on page 2 is consistent with the financial statements.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 156 of the Companies Law, Cap.113 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Horwath DSP Limited
Chartered Certified Accountants

Nicosia, 18 February 2008

CORREA HOLDINGS LIMITED

INCOME STATEMENT

Period from 27 February 2007 to 31 December 2007

	Note	2007 €
Revenue	4	1.225
Administration expenses		(12.530)
Other expenses	5	<u>(1.000)</u>
Operating loss	6	(12.305)
Net finance costs	7	<u>(244.955)</u>
Loss before tax		(257.260)
Tax	8	<u>-</u>
Net (loss) for the period		<u>(257.260)</u>

The notes on pages 9 to 14 form an integral part of these financial statements.

CORREA HOLDINGS LIMITED

BALANCE SHEET

31 December 2007

	Note	2007 €
ASSETS		
Non-current assets		
Investments in subsidiaries	9	<u>4.544.888</u> <u>4.544.888</u>
Current assets		
Trade and other receivables	10	1.000
Cash at bank and in hand	11	<u>253.482</u> <u>254.482</u>
Total assets		<u>4.799.370</u>
EQUITY AND LIABILITIES		
Equity and reserves		
Share capital	12	1.000
Accumulated (losses)		<u>(257.260)</u> <u>(256.260)</u>
Non-current liabilities		
Borrowings	13	<u>5.000.000</u> <u>5.000.000</u>
Current liabilities		
Trade and other payables	14	3.600
Borrowings	13	<u>52.030</u> <u>55.630</u>
Total liabilities		<u>5.055.630</u>
Total equity and liabilities		<u>4.799.370</u>

On 18 February 2008 the Board of Directors of Correa Holdings Limited authorised these financial statements for issue.

Androula Zavalli Teves
Director

The notes on pages 9 to 14 form an integral part of these financial statements.

CORREA HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

Period from 27 February 2007 to 31 December 2007

	Share capital €	Accumulated (losses) €	Total €
Issue of share capital	1.000	-	1.000
Net loss for the period	-	<u>(257.260)</u>	<u>(257.260)</u>
At 31 December 2007	<u>1.000</u>	<u>(257.260)</u>	<u>(256.260)</u>

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 15% will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable for the account of the shareholders.

The notes on pages 9 to 14 form an integral part of these financial statements.

CORREA HOLDINGS LIMITED

CASH FLOW STATEMENT

Period from 27 February 2007 to 31 December 2007

	Note	2007 €
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax		(257.260)
Adjustments for:		
Unrealised exchange loss		3.026
Interest income	4	(1.225)
Interest expense	7	228.419
Cash flows used in operations before working capital changes		(27.040)
(Increase) in trade and other receivables		(1.000)
Increase in trade and other payables		3.600
Cash flows used in operations		(24.440)
Interest received		1.225
Net cash used in operating activities		(23.215)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of investments in subsidiaries	9	(4.544.888)
Net cash used in investing activities		(4.544.888)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital		1.000
Proceeds from borrowings		5.051.971
Unrealised exchange (loss)		(3.026)
Interest paid		(228.419)
Net cash from financing activities		4.821.526
Net increase in cash and cash equivalents		253.423
Cash and cash equivalents:		
At beginning of the period		-
At end of the period	11	253.423

The notes on pages 9 to 14 form an integral part of these financial statements.

CORREA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 27 February 2007 to 31 December 2007

1. Incorporation and principal activities

Country of incorporation

The Company Correa Holdings Limited (the "Company") was incorporated in Cyprus on 27 February 2007 as a private company with limited liability under the Companies Law, Cap. 113. Its registered office is at 9A Falirou street, Pallouriotissa, 1046 Nicosia, Cyprus.

Principal activities

The principal activities of the Company are the holding of investments and provision of finance.

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113.

The Company is not required by the Companies Law, Cap.113, to prepare consolidated financial statements because the ultimate parent company publishes consolidated financial statements in accordance with Generally Accepted Accounting Principles in Greece and the Company does not intend to issue consolidated financial statements for the period from 27 February 2007 to 31 December 2007.

Since the EU 7th Directive permits the preparation of such consolidated financial statements in accordance with the Directive or in a manner equivalent to that Directive and since the Companies Law, Cap.113, provides for the aforementioned exemption, the provisions in IAS 27 "Consolidated and Separate Financial Statements" requiring the preparation of such consolidated financial statements in accordance with IFRS do not apply.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Adoption of new and revised IFRSs

During the current period the Company adopted all the new and revised IFRSs and International Accounting Standards (IAS), which are relevant to its operations and are effective for accounting periods commencing on 27 February 2007.

The adoption of these Standards did not have a material effect on the financial statements.

At the date of authorisation of these financial statements some Standards were in issue but not yet effective. The Board of Directors expects that the adoption of these Standards in future periods will not have a material effect on the financial statements of the Company.

Subsidiary companies

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as

CORREA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 27 February 2007 to 31 December 2007

2. Accounting policies (continued)

an expense in the period in which the impairment is identified.

Revenue recognition

Revenues earned by the Company are recognised on the following bases:

- **Interest income**

Interest income is recognised on a time-proportion basis using the effective interest method.

Finance costs

Interest expense and other borrowing costs are charged to the income statement as incurred.

Foreign currency translation

(1) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks and bank overdrafts. In the balance sheet, bank overdrafts are included in borrowings in current liabilities.

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Share capital

Ordinary shares are classified as equity.

Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the balance sheet date.

3. Financial risk management

Financial risk factors

The Company is exposed to interest rate risk and currency risk arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

CORREA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 27 February 2007 to 31 December 2007

3. Financial risk management (continued)

(1.1) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets. The Company is exposed to interest rate risk in relation to its non-current borrowings. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

(1.2) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

(2) Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the balance sheet date.

4. Revenue

	2007
	€
Interest income	<u>1.225</u>
	<u>1.225</u>

5. Other expenses

	2007
	€
Incorporation expenses	<u>1.000</u>
	<u>1.000</u>

6. Operating (loss)

	2007
	€
Operating (loss) is stated after charging the following items:	
Auditors' remuneration	<u>2.300</u>

7. Finance costs

	2007
	€
Net foreign exchange transaction losses	3.026
Interest expense	228.419
Other finance expenses	<u>13.510</u>
	<u>244.955</u>

CORREA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 27 February 2007 to 31 December 2007

8. Tax

The tax on the Company's results before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	2007
	€
Loss before tax	<u>(257.260)</u>
Tax calculated at the applicable tax rates	(25.726)
Tax effect of expenses not deductible for tax purposes	236
Tax effect of tax loss for the period	<u>25.490</u>
Tax charge	<u>-</u>

Under certain conditions interest may be subject to defence contribution at the rate of 10%. In such cases 50% of the same interest will be exempt from corporation tax, thus having an effective tax rate burden of approximately 15%. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 15%.

9. Investments in subsidiaries

	2007
	€
On 27 February	-
Additions	<u>4.544.888</u>
At 31 December	<u>4.544.888</u>

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	Holding %
Profit Construct S.A	Romania	Investment property	99,9

10. Trade and other receivables

	2007
	€
Shareholders' current accounts - debit balances (Note 15)	<u>1.000</u>
	<u>1.000</u>

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

11. Cash and cash equivalents

For the purposes of the cash flow statement, the cash and cash equivalents include the following:

	2007
	€
Cash at bank and in hand	253.482
Bank overdrafts (Note 13)	(59)
	<u>253.423</u>

CORREA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 27 February 2007 to 31 December 2007

12. Share capital

	2007 Number of shares	2007 €
Authorised		
Ordinary shares of €1 each	<u>5.000</u>	<u>5.000</u>
Issued and fully paid		
Issue of shares	<u>1.000</u>	<u>1.000</u>
At 31 December	<u>1.000</u>	<u>1.000</u>

Authorised capital

Under its Memorandum the Company fixed its share capital at 5.000 ordinary shares of nominal value of €1 each.

Issued capital

Upon incorporation on 27 February 2007 the Company issued to the subscribers of its Memorandum of Association 1.000 ordinary shares of €1 each at par.

13. Borrowings

	2007 €
Current borrowings	
Bank overdrafts (Note 11)	59
Bank loans	51.971
Non current borrowings	
Bank loans	<u>5.000.000</u>
Total	<u>5.052.030</u>
Maturity of non-current borrowings	
Between one to two years	<u>5.000.000</u>

The bank loans and overdrafts are secured by personal guarantees from the shareholders of the Company.

14. Trade and other payables

	2007 €
Accruals	2.300
Payables to related companies (Note 15)	<u>1.300</u>
	<u>3.600</u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

CORREA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 27 February 2007 to 31 December 2007

15. Related party transactions

The following transactions were carried out with related parties:

15.1 Payables to related parties (Note 14)

<u>Name</u>	<u>Nature of transactions</u>	2007 €
Kartereda Holdings Limited	Finance	<u>1.300</u>
		<u>1.300</u>

15.2 Shareholders' current accounts - debit balances (Note 10)

	2007 €
Shareholders' current account	<u>1.000</u>
	<u>1.000</u>

The shareholders' current accounts are interest free, and have no specified repayment date.

16. Post balance sheet events

There were no material post balance sheet events, which have a bearing on the understanding of the financial statements.

Independent Auditors' Report pages 3 and 4

CORREA HOLDINGS LIMITED

DETAILED INCOME STATEMENT

Period from 27 February 2007 to 31 December 2007

	Page	2007 €
Revenue		
Interest income		1.225
Operating expenses		
Administration expenses	16	<u>(12.530)</u> (11.305)
Other operating expenses		
Incorporation expenses		<u>(1.000)</u>
Operating loss		(12.305)
Finance costs	17	<u>(244.955)</u>
Net loss for the period before tax		<u>(257.260)</u>

CORREA HOLDINGS LIMITED

OPERATING EXPENSES

Period from 27 February 2007 to 31 December 2007

	2007
	€
Administration expenses	
Auditors' remuneration	2.300
Accounting fees	2.300
Legal fees	1.673
Other professional fees	4.107
Administration expenses	<u>2.150</u>
	<u>12.530</u>

CORREA HOLDINGS LIMITED

FINANCE COSTS

Period from 27 February 2007 to 31 December 2007

	2007
	€
Finance costs	
Interest expense	
Loan interest	228.416
Bank overdraft interest	3
Other finance expenses	
Bank charges	13.510
Net foreign exchange transaction losses	
Unrealised exchange loss	3.026
	<u>244.955</u>

CORREA HOLDINGS LIMITED

COMPUTATION OF CORPORATION TAX

Year ended 31 December 2007

Net loss per detailed income statement	Page 15	€	€ (257.260)
<u>Less:</u>			
Expenses not allowable for taxation purposes:			
Unrealised exchange loss		3.026	
Incorporation expenses		<u>1.000</u>	
			<u>4.026</u>
Net (loss) for the year			<u><u>(253.234)</u></u>
			CY£
Converted into CY£ at € 1,7086 = CY£1			<u><u>(148.211)</u></u>

CORREA HOLDINGS LIMITED

**9A Falirou street
Pallouriotissa
1046 Nicosia
Cyprus**

Nicosia, 18 February 2008

Messrs,
Horwath DSP Limited
Chartered Certified Accountants
Photiades Business Centre
1st floor, 8 Stassinou Avenue
P.O. Box 22545
1522 Nicosia

Dear Sirs,

Financial Statements - 31 December 2007

This representation letter is provided in connection with your audit of the financial statements of Correa Holdings Limited for the period from 27 February 2007 to 31 December 2007.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit:

- 1) We acknowledge our responsibility for the fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU and the requirements of the Cyprus Companies Law, Cap. 113.
- 2) There have been no irregularities involving management or employees who have a significant role in the system of internal control, or that could have a material effect on the financial statements.
- 3) The financial statements are free of material errors and omissions.
- 4) We have made available to you all books of account and supporting documentation and all minutes of meetings of shareholders and board of directors.
- 5) The Company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There have been no communications concerning non-compliance with requirements of regulatory authorities with respect to financial matters.
- 6) The following have been properly recorded and when appropriate, adequately disclosed in the financial statements:
 - (a) Balances and transactions with related parties.
 - (b) Assets pledged as collateral.
- 7) We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
- 8) The Company has satisfactory title to all assets and there are no liens, or encumbrances on the Company's assets except as noted in the financial statements.
- 9) We have recorded or disclosed all liabilities, both actual and contingent.
- 10) We confirm that all amounts owed to the Company are fully recoverable.
- 11) There have been no events subsequent to the balance sheet date that require adjustment of, or disclosure in the financial statements and related notes.
- 12) No claims in connection with litigation have been or are expected to be received.
- 13) To the best of our knowledge and belief, the information disclosed in the financial statements in respect of parties which control the entity is complete and accurate.

- 14) To the best of our knowledge and belief, there were no material related party transactions at any time during the period which fall to be disclosed other than as indicated in the financial statements.
- 15) Except as disclosed in the financial statements, the results for the period were not materially affected by transactions of a type not usually undertaken by the entity, circumstances of a non recurrent or exceptional nature or any change in accounting policies.
- 16) We confirm that we have reviewed going concern considerations and are satisfied that it is appropriate for the financial statements to have been drawn up on the going concern basis. In reaching this opinion, we have taken into account all relevant matters of which we are aware and have considered a future period of at least one year from the date the financial statements are to be approved.
- 17) We have also considered the adequacy of the disclosures in the financial statements relating to going concern and are satisfied that sufficient disclosure has been made in order to give a fair presentation.
- 18) We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

Yours faithfully,
For Correa Holdings Limited

.....
Director