INTRAKAT INTERNATIONAL LIMITED

Report and Financial Statements

for the year ended 31 December 2008

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BOARD OF DIRECTORS AND OTHER OFFICERS

BOARD OF DIRECTORS

Petros Souretis
Dimitrios Klonis
Polakis Sarris
Christina Sarri
Dimitrios Pappas
Kyriacos Kyriacou

SECRETARY

Christina Sarri

AUDITORS

M. Michaelides & Co.
Corner Dighenis Akritas & Kypranoros 36
6th Floor, Office 602
1061 Nicosia
Cyprus

REGISTERED OFFICE

36 Byron Avenue
Nicosia Tower Center
8th Floor, Office 801
1096 Nicosia
Cyprus

REPORT OF THE BOARD OF DIRECTORS
IN RESPECT OF THE YEAR ENDED 31 DECEMBER 2008

1. Financial Statements

The Directors present their report and audited financial statements for the year ended 31 December 2008.

2. Activities

The principal activity of the company is that of contractors, subcontractors, contractors of any immovable, buildings and generally any construction.

3. Results

The results for the year are set out in the income statement, page 5

4. Dividend

The Board of Directors does not recommend the payment of a dividend and the profit of the year is retained.

5. Directors

The members of the Board of Directors at the date of this report are shown on page 1. All directors served throughout the year and will continue in office.

6. Share capital

On 15 September 2008 the nominal capital of the company was increased from 1.000.000 shares of Euro 1 each to 3.000.000 shares of Euro 1 each. The same day the issued share capital of the company was increased from 200.000 shares of Euro 1 each to 2.280.000 shares of Euro 1 each.

7. Auditors

The auditors, Messrs M. Michaelides & Co. have expressed their willingness to continue in office.

By order of the Board

Christina Sarris
Secretary

Nicosia, 26 February 2009

M.M & Co

M. Michaelides & Co.
Chartered Certified Accountants

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Our reference: Your reference:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTRAKAT INTERNATIONAL LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Intrakat International Limited on pages 5 to 20, which comprise the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the year 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 International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) 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.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to the Company's members, as a body, in accordance with Section 156 of the Companies Law, Cap. 113. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed. 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.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Intrakat International Limited as of 31 December 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and International Financial Reporting Standards as issued by the IASB 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.

M. MICHAELIDES & CO.
Chartered Certified Accountants

Nicosia, 26 February 2009

INCOME STATEMENT

	Page	2008 (EURO)	2007 (EURO)
Turnover		--	--
Less			
Cost of Turnover		--	--
Gross profit		**--**	**--**
Administrative and promotional expenses	21	(1.802.809)	--
Finance income / (costs) net	21	(1.580)	--
Net profit / (loss) before taxation		**(1.804.389)**	**--**
Taxation			
Cyprus Corporation Tax		--	--
Defence fund on interest	21	(11)	--
Net profit / (loss) for the year		**(1.804.400)**	**--**

The notes on pages 9 – 20 form part of these financial statements
Auditor's report pages 3 - 4

BALANCE SHEET

	Note	2008 (EURO)	2007 (EURO)
ASSETS			
NON-CURRENT ASSETS			
Financial assets	7	917.689	--
CURRENT ASSETS			
Deferred expenditure		--	12.535
Other receivables	8	--	200.000
Cash and cash equivalents	9	129.233	--
		129.233	212.535
TOTAL ASSETS		**1.046.922**	**212.535**
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	10	2.820.000	200.000
Fair value reserves – page 7		--	--
Reserves – page 7		(1.804.400)	--
		1.015.600	200.000
NON-CURRENT LIABILITIES			
Borrowings	11	--	--
CURRENT LIABILITIES			
Other payables	12	31.322	12.535
Taxation		--	--
		31.322	12.535
TOTAL LIABILITIES		31.322	12.535
TOTAL EQUITY AND LIABILITIES		**1.046.922**	**212.535**

On 26th February 2009 the Board of Directors of Intrakat International Limited authorized these financial statements for issue.

Petros Souretis

Dimitrios Klonis — Directors

Polakis Sarris

The notes on pages 9 – 20 form part of these financial statements
Auditor's report pages 3 - 4

STATEMENT OF CHANGES IN EQUITY

	Share capital (EURO)	Retained earnings (EURO)	Fair value reserves (EURO)	TOTAL (EURO)
At 31 December 2007	**200.000**	**--**	**--**	**200.000**
Increase of share capital	2.620.000	--	--	**2.620.000**
Loss for the year	--	(1.804.400)	--	**(1.804.400)**
Fair value reserves	--	--	--	**--**
At 31 December 2008	**2.820.000**	**(1.804.400)**	**--**	**1.015.600**

The notes on pages 9 – 20 form part of these financial statements
Auditor's report pages 3 - 4

CASH FLOW STATEMENT

	Note	2008 (EURO)	2007 (EURO)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit / (loss) before taxation		(1.804.389)	--
Adjusted for:			
Fair value gain on financial assets		--	--
Operating profit before working capital changes		(1.804.389	--
WORKING CAPITAL CHANGES			
Net change in other receivables		200.000	(200.000)
Net change in other payables		18.787	12.535
Net change in deferred expenditure		12.535	(12.535)
Cash generated / (applied to) operations		(1.573.067)	(20.000)
Taxation paid		(11)	--
Net cash from operating activities		**(1.573.078)**	**(200.000)**
INVESTING AND FINANCIAL ACTIVITIES			
Investment in shares		(917.689)	--
Proceeds from issue of share capital		2.620.000	200.000
Fair value reserves		--	--
Net cash from / (used) in investing/financial activities		**1.702.311**	**200.000**
Net increase / (decrease in cash and cash equivalents		**129.233**	**--**
Net cash and cash equivalents at beginning of year		--	--
Net cash and cash equivalents at end of year	9	**129.233**	**--**

The notes on pages 9 – 20 form part of these financial statements
Auditor's report pages 3 - 4

NOTES TO THE FINANCIAL STATEMENTS

1. Incorporation and principal activities

Country of incorporation

The Company Intrakat International Limited was incorporated in Cyprus on 24 August 2007 as a private company with limited liability under the Companies Law, Cap. 113. Its registered office is at 36 Byron Avenue, Nicosia Tower Center, 8th Floor, Office 801, 1096 Nicosia, Cyprus.

Principal activities

The principal activity of the company is that of contractors, sub-contractors, contractors of any immovable, buildings and generally any construction.

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 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings, investment property, available-for-sale financial assets, and financial assets and financial liabilities held for trading.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain critical accounting estimates and requires management to exercise its judgment 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 year 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 1 January 2008.

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.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

Revenue recognition

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

- Rendering of services

  Sales of services are recognised in the accounting period in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

- Commission income

  Commission income is recognised when the right to receive payment is established.

- Interest income

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

- Dividend income

  Dividend income is recognised when the right to receive payment is established.

Finance costs

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

Foreign currencies

The financial statements are presented in the currency of the primary economic environment in which the entity operates. The books and records of the company are maintained in Euro (its functional currency).

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

Other assets and liabilities of the Company's foreign operations (including comparatives) are expressed in Currency Units using exchange rates prevailing on the balance sheet date. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Company's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Tax

Income tax expense represents the sum of the tax currently payable.

Current tax liabilities and assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the balance sheet date.

Dividends

Interim dividends are recognised in equity in the year in which they are paid. Proposed dividends are recorded in the Company's financial statements in the year in which they are approved by the Company's shareholders.

Deferred income

Deferred income represents income receipts which relate to future periods.

Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Loans granted

Loans originated by the Company by providing money directly to the borrower are categorized as loans and are carried at amortised cost. This is defined as the fair value of cash consideration given to originate those loans as is determined by reference to market prices at origination date. All loans are recognised when cash is advanced to the borrower.

An allowance for loan impairment is established if there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms of loans. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of loans.

Investments

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs and are classified as follows:

- Financial assets at fair value through profit or loss

  Financial assets at fair value through profit or loss are those that either have been classified as held for trading, or those that are designated by the Company as at fair value through profit or loss at initial recognition. A financial asset is classified as held for trading if it was acquired for the purpose of selling or repurchasing it in the near future, or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit making. Gains and losses arising from changes in their fair value are included in profit or loss for the period.

- Held-to-maturity investments

  Debt securities that the Company has the expressed intention and ability to hold to maturity are classified as held-to-maturity investments. At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

- Available-for-sale financial assets

  Available for sale financial assets are those acquired and held for an unspecified period of time and may be sold to cover cash flow deficiencies, fluctuations in interest rates, exchange rates or other security prices. For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the profit or loss for the period. Impairment losses recognised in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

Regular way purchases and sales of investments are recognised on trade-date which is the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in equity. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are included in the income statement.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity specific inputs.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets the cumulative loss which is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand.

Bank borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs (see above).

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derivatives

Derivative financial instruments are initially accounted for at cost and subsequently measured at fair value. Fair value is calculated using the current values, discounted cash flow analysis or option valuation methods. Derivatives are recorded as assets when their fair value is positive and as liabilities when their fair value is negative. The adjustments on the fair value of derivatives held for trading are transferred to the income statement.

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Share capital

Ordinary shares are classified as equity.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Non-current liabilities

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

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

3. Financial risk management

(1) Financial risk factors
The Company is exposed to market price risk, interest rate risk, credit risk, liquidity risk, currency risk, operational risk, compliance risk, litigation risk, reputation risk, share ownership risk and other risks arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

(3.1) Market price risk
Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Company's available-for-sale financial assets and investments at fair value through profit or loss are susceptible to market price risk arising from uncertainties about future prices of the investments. The Company's market price risk is managed through diversification of its investment portfolio.

(3.2) 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. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

(3.3) Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the balance sheet date. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. Cash balances are held with high credit quality financial institutions and the Company has policies to limit the amount of credit exposure to any financial institution.

(3.4) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

(3.5) 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 transactions US Dollar and the Euro. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

(3.6) Operational risk

Operational risk is the risk that derives from the deficiencies relating to The Company's information technology and control systems as well as the risk of human error and natural disasters. The Company's systems are evaluated, maintained and upgraded continuously.

(3.7) Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arises from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by the Compliance Officer, as well as by the monitoring controls applied by the Company.

(3.8) Litigation risk

Litigation risk is the risk of financial loss, interruption of the Company's operations or any other undesirable situation that arises from the possibility of non-execution or violation of legal contracts and consequentially of lawsuits. The risk is restricted through the contracts used by the Company to execute its operations.

(3.9) Reputation risk

The risk of loss of reputation arising from the negative publicity relating to The Company's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against The Company. The Company applies procedures to minimize this risk.

(3.10) Share ownership risk
The risk of share ownership arises from the investment in shares/participation of The Company and is a combination of credit, price and operational risk as well as the risk of compliance and loss of reputation. The Company applies procedures of analysis, measurement and evaluation of this risk in order to minimize it.

(3.11) Other risks
The general economic environment prevailing in Cyprus and internationally may affect the Company's operations to a great extent. Concepts such as inflation, unemployment, and development of the gross domestic product are directly linked to the economic course of every country and any variation in these and the economic environment in general may create chain reactions in all areas hence affecting the Company.

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

The fair value of financial instruments traded in active markets, such as publicly traded trading and available-for-sale financial assets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Company is the current bid price. The appropriate quoted market price for financial liabilities is the current ask price.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- Revenue recognition
  The Company applies the provisions of IAS18 for accounting for revenue from sale of developed property, under which income and cost of sales are recognized upon delivery and when substantially all risks have been transferred to the buyer.

- Income taxes
  Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- Fair value of financial assets
  The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each balance sheet date. The fair value of the financial assets available for sale has been estimated based on the fair value of their individual assets.

- Impairment of available-for-sale financial assets
  The Company follows the guidance of IAS 39 on determining when an investment is other-than-temporarily impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

- Impairment of intangible asset
  Intangible assets are initially recorded at acquisition cost and are amortized on a straight line basis over their useful economic life. Intangible assets that are acquired through a business combination are initially recorded at fair value at the date of acquisition. Intangible assets with indefinite useful life are reviewed for impairment at least once per year. The impairment test is performed using the discounted cash flows expected to be generated through the use of the intangible assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

- Valuation of non-listed investments
  The Company uses various valuation methods to value non-listed investments. These methods are based on assumptions made by the Board of Directors which are based on market information at the balance sheet date.

		2008 EURO	2007 EURO
5	Operating loss Operating loss is arising after the deduction of		
	Auditors' remuneration	1.725	-
		==========	==========

		2008 EURO	2007 EURO
6	Tax		
	Charge for the year	-	-
	Foreign tax withheld on dividends	-	-
		-	-

Taxation comprises of corporation tax at 10% on the taxable profit for the year.

7 Available for sale financial assets

	2008 EURO	2007 EURO
Non-Listed companies at cost		
50% share of SC Plurin Telecommunications SRL-Romania	500	-
6.025 ordinary shares representing 25% Of Alpha Mogilani Development Z.O.O-Poland	917.189	-
Revaluation Surplus	-	-
	917.689	-

Available for sale financial assets, comprising of shares in non listed companies are fair valued annually at the close of business on 31 December. For investments traded in active markets, fair value is determined by reference to Stock Exchange quoted bid prices. For other investments, fair value is estimated by reference to the current market value of similar instruments or by reference to the discounted cash flows of the underlying assets.

Available for sale financial assets are classified as non-current assets, unless they are expected to be realised within twelve months of the balance sheet date or unless they will need to be sold to raise operating capital.

		2008 EURO	2007 EURO
8	Other receivables		
	Shareholders account	-	200.000
		-	200.000

		2008 EURO	2007 EURO
9	Cash and cash equivalents For the purpose of cash flow statement the cash and cash equivalents comprise the following:		
	Cash at bank	129.233	-
10	Share capital Authorised		
	3.000.000 shares of Euro1 each	3.000.000	1.000.000
	Issued and fully paid		
	2.820.000 shares of Euro1 each	2.820.000	200.000
11	Borrowings		
		-	-
		-	-
12	Other payables		
	Sundry creditors	31.322	12.535
		31.322	12.535

13 Post balance sheet events

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

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DETAILED INCOME STATEMENT

	2008 (EURO)	2007 (EURO)
REVENUE	**--**	**--**
COST OF REVENUE	--	--
GROSS PROFIT	**--**	**--**
FINANCE INCOME		
Interest income	109	--
Defence fund on interest	(11)	--
Realized exchange difference	--	--
Unrealized exchange difference	--	--
	98	--
ADMINISTRATION EXPENSES		
Company formation costs	28.332	--
Promotional marketing and introductory fees	1.750.000	--
Legal and secretarial fees	16.897	--
Office use and administration	5.280	--
Audit fees-current year	1.725	--
Audit fees-prior year	575	--
TOTAL ADMINISTRATIVE EXPENSES	1.802.809	--
FINANCE COSTS		
Bank charges	1.689	--
TOTAL EXPENSES AND FINANCE COSTS	**1.804.498**	**--**
Net profit / (loss) for the year	**(1.804.400)**	**--**