



TERNA S.A
SHARJAH BRANCH
UNITED ARAB EMIRATES

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AUDITOR'S REPORT



THE SHAREHOLDERS
TERNA S.A
SHARJAH BRANCH
UNITED ARAB EMIRATES.

We have audited the accompanying financial statements of Terna S.A. – Sharjah Branch U.A.E for the period ended December 31, 2007 which comprises the Balance Sheet, Income Statements and Notes to the Financial Statements. These financial statements are the responsibility of the Company's Management. 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 and such other Auditing procedure as we considered necessary. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the Financial Position of Terna S.A. - Sharjah Branch U.A.E as at December 31, 2007, and the results of its operations and cash flows for the period then ended in accordance with International Financial Reporting Standards.

For ATLAS ACCOUNTING & AUDITING EST.

February 25, 2008.

مؤسسة أطلس للمحاسبة والتدقيق
ATLAS Accounting & Auditing Est.

	December 31, 2007		December 31, 2006	
	Amounts in AED		Amounts in AED	
	Amounts in EUR		Amounts in EUR	
ASSETS				
Fixed Assets				
Property and Equipment	340,350.00	63,014.94	15,350.00	3,176.94
Furniture	129,030.00	23,889.58	43,982.00	9,102.80
Office Equipment	140,500.00	26,013.22	59,332.00	12,279.74
Vehicles				
Total Fixed Assets	609,880.00	112,917.74	59,332.00	12,279.74
Financial Assets				
Receivables owned by affiliated undertakings				
Terna SA Abu Dhabi Branch	146,326.81	27,092.04	209,137.18	43,284.39
Terna Qatar LLC	55,914.11	10,352.36	145,326.81	30,077.78
Terna Bahrain Holding WLL	46,600.00	8,627.87		
Rak Branch	11,364.30	2,104.07	354,463.99	73,362.17
Hanriya Cement Company	1,913.00	354.19		
PCC-Terna	690.00	127.75		
QBC - TERNA JV		48,658.28		
Guarantees				
Refundable Rent Deposits	50,080.00	9,272.19	5,000.00	1,034.83
Local Guarantee	3,000.00	555.44		
Total Financial Assets	315,888.22	58,485.90	359,463.99	74,397.00
Debtors, Cash at Banks, Prepayments & Accrued Income				
Advances to Account for				
Payroll - Advance payments to Personnel	1,150.00	212.92	8,500.00	1,759.22
Sundry Debtors - Money on Account	78,316.43	14,500.09		
Cash at Bank				
Cash at Hand	10,279.60	1,903.24	68,510.46	14,179.37
Sight Deposits	361,152.54	66,866.479		
Prepayments & Accrued Income				
Prepaid Expenses	247,059.57	45,742.47	53,125.00	10,995.09
Total Debtors, Cash at Banks, Prepayments & Accrued Income	697,958.24	129,225.20	130,135.46	26,933.68
TOTAL ASSETS	1,623,726.46	300,628.85	548,931.45	113,610.42
EQUITY & LIABILITIES				
Equity				
Capital & Accumulated Results				
Accumulated Results	(993,707.64)	(210,609.23)	(993,707.64)	(210,609.23)
Loss for the Period	(2,147,677.23)	(402,865.73)		
FX Differences: Conversion of Financial Statements in Euro		31,855.50	(993,707.64)	(205,664.18)
Total Equity	(3,141,384.87)	(581,619.46)	(993,707.64)	(205,664.18)
Liabilities				
Capital & Reserves, Provision for Liabilities & Long-Term Debt				
Liaison Accounts				
Head Office in Greece	3,917,734.11	725,358.56	600,000.00	124,179.90
Terna SA Abu Dhabi Branch	326,804.45	60,507.02		
Total Capital & Reserves, Provision for Liabilities & Long-Term Debt	4,244,538.56	785,865.58	600,000.00	124,179.90
Current Liabilities, Accruals and Deferred Income				
Sundry Creditors	76,774.37	14,214.58		
Suppliers				
Payroll Payables	263,370	48,762.36	248,705.43	51,473.69
Personnel - Money on Account	507,394.74	93,942.85	112,350.00	23,252.69
Cheques Payable	167,250.00	30,965.91		
Accruals-Deferred Income and Suspense Credit				
Accrued Expenses	13,178.03	2,439.88	581,583.66	120,368.33
Total Current Liabilities, Accruals and Deferred Income	520,572.77	96,382.73	942,639.09	195,094.71
TOTAL EQUITY & LIABILITIES	1,623,726.46	300,628.85	548,931.45	113,610.42

The Accompanying Notes Constitute An Integral Part of These Statements

EXHIBIT "B"TERNA S.ASHARJAH BRANCHUNITED ARAB EMIRATESPROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDEDDECEMBER 31, 2007

EURO/AED 5,331 - 2007	DECEMBER 31, 2007		DECEMBER 31, 2006	
EURO/AED 4,7183- 2006	AED	EURO	AED	EURO
CONTRACT REVENUE	-	-	-	-
OTHER INCOME				
TOTAL REVENUE	-	-	-	-
DIRECT EXPENSES				
GROSS PROFIT	-	-	-	-
INDIRECT, G&A EXPENSES	2.147.677,23	402.865,73	993.707,94	210.609,23
NET LOSS - Exhibit "A"	(2.147.677,23)	(402.865,73)	(993.707,64)	(210.609,23)

The Accompanying Notes Constitute an Integral Part of These Statements

TERNA S.A
SHARJAH BRANCH
UNITED ARAB EMIRATES
NOTES TO FINANCIAL STATEMENTS

1. STATUS

Terna S.A. Sharjah Branch (United Arab Emirates) is
Incorporated under the trade License Issued in Sharjah as a Foreign
Company, Branch of a Greek Company.
The Company is engaged in Constructions – Excellent Grade.

2. FIXED ASSETS

No Depreciation has been taken as per management instructions.

3. GENERAL AND ADMINISTRATIVE EXPENSES

EURO/AED 5,331 - 2007	DECEMBER 31, 2007		DECEMBER 31, 2006	
EURO/AED 4,7183- 2006	AED	EURO	AED	EURO
Salaries	1.044.179,51	195.869,35	645.711,96	136.852,67
Legal & Professional fees	47.000,00	8.816,36	5.000,00	1.059,70
Office Rent Expense	232.816,65	43.672,23	36.975,00	7.836,51
Office Running Expenses	87.505,92	16.414,54	113.813,12	24.122,73
Other Personnel Expenses	137.453,25	25.783,76	48.387,11	10.256,20
Entertainment Expense	64.008,11	12.006,77	53.455,15	11.329,32
Vehicle expense	32.538,98	6.103,73	10.706,00	2.269,04
Tendering Expenses	64.075,68	12.019,45	63.300,00	13.415,85
Marketing Expenses	61.921,64	11.615,39	8.913,00	1.889,03
Government Expense	53.082,50	9.957,33	3.112,00	659,56
Miscellaneous Expenses	62.522,85	11.728,17	4.164,30	882,58
Bank Charges	1.003,00	188,14	170,00	36,03
Exchange Rate Differences	259.569,14	48.690,52	-	-
Grand Total - G&A – Exhibit "B"	2.147.677,23	402.865,73	993.707,64	210.609,23

The Accompanying Notes Constitute an Integral Part of These Statements