

Algarve International B.V.
Amsterdam
Annual Report and Accounts
December 31, 2007

Algarve International B.V.
Amsterdam
December 31, 2007

INDEX	<u>Page</u>
Annual report	2
Annual Accounts	
Balance Sheet as at December 31, 2007	4
Profit and Loss Account for the year ended December 31, 2007	5
Cash Flow Statement for the year ended December 31, 2007	6
Notes to the Annual Accounts	7
Supplementary Information	
Proposed Appropriation of Results	15
Post Balance Sheet Events	15
Auditor's Report	16

Algarve International B.V.
Amsterdam
Annual Report
December 31, 2007

The Board of Directors are pleased to present the Annual Report and Accounts of the Company for the financial year which ended on December 31, 2007.

The principal activity of the Company is the holding and financing of affiliated companies. Euroscut Sociedad Concessionária da Scut do Algarve, S.A., Lisbon, an affiliated company of Algarve International B.V., has been granted the Concession with respect to a shadow road in Southern Portugal, together with other facilities and works constituting a part of the Concession from time to time.

The Company (Algarve International B.V.) has raised funds through the issuance of loans and bonds. Citibank N.A. Lisbon has been appointed as "Security Trustee", the European Investment Bank, Luxembourg as credit party and XL Capital Assurance Inc., New York as "Guarantor" for respectively the issued loans and bonds.

The Company directly lends on for the same amount as the amounts raised as is stated in the Loan agreement to Euroscut Sociedad Concessionária da Scut do Algarve, S.A., Lisbon.

Overview of Activities

On December 17, 2007 Bonds were partly repaid for an amount of EUR 4,022,700.

During the period under review, the Company recorded a net profit of EUR 543,646, details of which are set out in the attached Profit and Loss Account.

Future Developments

The Management does anticipate that the outstanding Bonds will be repaid in 17 installments of which the third one will take place on December 15, 2008. Further there will be no other major changes during the current financial year.

Post Balance Sheet Events

No matters or circumstances of importance have arisen since the end of the financial year which have significantly affected or may significantly affect the operations, the results of those operations or the affairs of the Company.

The current credit and financial crisis has no effects on the financial statements as at December 31, 2007.

Financial instruments

The Company's financial instruments (other than the securities in the current assets) comprise the bank loan Tranch A, the guaranteed bonds Tranch B and the funding of these amounts to Euroscut Sociedad Concessionária da Scut do Algarve, S.A., Lisbon, directly for the group's operations.

The fair value of the Bonds with amortised cost of EUR 122,021,900 has been determined on the basis of its listing at the Luxembourg Stock Exchange. The rate as at December 31, 2007 quotes the Bonds at approximately 118%. On the basis that both loans were obtained at the same date, it is assumed that the development in the fair value of the bank loan is of a similar nature.


The fair value of the loans granted to an affiliated party are based on the discounted cash flows of future loan repayments and interest payments. The discount rate applied is based on the calculated market rates for the loans obtained and approximates 4.5% for Tranch A and 3.9% for Tranch B as at December 31, 2007. As a result the net fair value at December 31, 2007 of the loans obtained and granted represents the discounted value of the 0.25% margin between the interest rates on the loans obtained and the interest rates on the loans granted and amounted to approximately EUR 5.7 million.

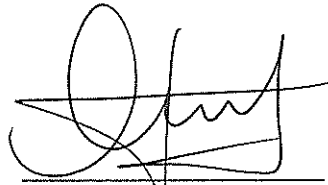
Risk Management

The Board of Directors considers that the internal risk management and control system which is to provide reasonable assurance of achieving business objectives, is adequate and appropriate. Therefore no significant risk has been identified.

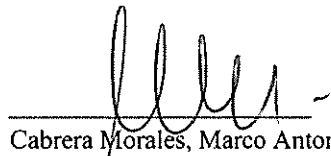
November 18, 2008


The Board of Directors,

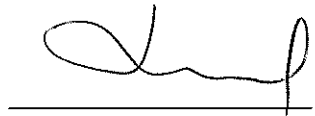

Trust International Management (T.I.M.) B.V.


Clemente Sanchez, Francisco Jose


Management Company Strawinsky B.V.


Cabrera Morales, Marco Antonio


Europe Management Company B.V.


Domingues dos Santos, Vitor

Algarve International B.V.
Amsterdam
Balance Sheet as at December 31, 2007
(before appropriation of results)

	<i>Notes</i>	<i>2007</i>	<i>2006</i>
<i>ASSETS</i>		EUR	EUR
Financial Fixed Assets			
Loan tranches from affiliated companies	(4)	246,822,750	252,021,900
		<u>246,822,750</u>	<u>252,021,900</u>
Current Assets			
Loan tranches from affiliated companies	(4)	5,199,150	4,022,700
Interest receivable loan tranches A and B	(5)	717,291	729,018
Prepaid expenses and other receivables		2,264	1,040
Intercompany receivable	(6)	66,019	39,591
Total Receivables		<u>5,984,724</u>	<u>4,792,349</u>
Securities	(7)	1,534,270	1,475,166
Cash at banks	(8)	1,213,525	695,225
Total Current Assets		<u>8,732,519</u>	<u>6,962,740</u>
TOTAL ASSETS		<u><u>255,555,269</u></u>	<u><u>258,984,640</u></u>
 SHAREHOLDER'S EQUITY AND LIABILITIES			
Shareholder's Equity			
Issued and fully paid up share capital	(9)	18,000	18,000
Retained earnings		2,150,353	1,660,450
Net result for the year		543,646	489,903
		<u>2,711,999</u>	<u>2,168,353</u>
 Provisions			
Deferred tax on securities		30,850	15,779
 Long-term Liabilities			
Loan tranches A and B payable	(10)	246,822,750	252,021,900
 Current Liabilities			
Loan tranches A and B payable	(10)	5,199,150	4,022,700
Interest payable loan tranches A and B	(11)	689,511	700,796
Corporate income tax		23,081	12,526
Accounts payable and accrued expenses	(12)	77,928	42,586
		<u>5,989,670</u>	<u>4,778,608</u>
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES		<u><u>255,555,269</u></u>	<u><u>258,984,640</u></u>

The accompanying notes form part of these Annual Accounts.

Algarve International B.V.
Amsterdam
Profit and Loss Account for the year ended December 31, 2007

	<i>Notes</i>	<i>2007</i>	<i>2006</i>
		<i>EUR</i>	<i>EUR</i>
<u>Operating Income</u>			
Interest income loans receivable	(14)	16,495,239	16,535,923
Interest expense loans payable	(15)	<u>(15,855,569)</u>	<u>(15,894,722)</u>
		639,670	641,201
<u>Other Operating Expenses</u>			
General and administrative expenses	(16)	(478,357)	(451,635)
Oncharge expenses to Euroscut	(17)	<u>478,357</u>	<u>451,635</u>
		(0)	0
<u>Financial Income/(Expenses)</u>			
Interest income banks		28,166	2,351
Interest expenses others		0	(1,608)
Unrealized result on securities	(7)	<u>59,104</u>	<u>41,162</u>
		87,270	41,905
Result before corporate income tax		<u>726,940</u>	<u>683,106</u>
Corporate Income Tax	(18)	<u>(183,294)</u>	<u>(193,203)</u>
NET RESULT FOR YEAR		<u>543,646</u>	<u>489,903</u>

The accompanying notes form part of these Annual Accounts.

Algarve International B.V.
Amsterdam
Cash Flow Statement for the year ended December 31, 2007

	2007	2006
	EUR	EUR
Cash flow from operating activities		
Repayment of loans payable	4,022,700	455,400
Repayment of loans receivable	(4,022,700)	(455,400)
Interest received loans receivable	16,506,966	16,537,250
Interest paid loans payable	(15,866,854)	(15,896,000)
Interest expenses others	0	(1,608)
Corporate income tax paid	(157,669)	(177,988)
General and administrative expenses	(443,015)	(449,165)
Oncharge expenses to Euroscut	451,929	449,115
	<hr/>	<hr/>
Subtotal	491,357	461,604
Cash flow from financing activities		
Interest income banks	26,943	2,351
	<hr/>	<hr/>
Subtotal	26,943	2,351
Cash flow from investment activities		
Securities	0	200,000
	<hr/>	<hr/>
Subtotal	0	200,000
Increase/(decrease) cash and cash equivalents	<hr/> <u>518,300</u>	<hr/> <u>663,955</u>
Movements in cash and cash equivalents		
Cash and cash equivalents at the beginning of the period	695,225	31,270
Increase/(decrease) cash and cash equivalents	518,300	663,955
Cash and cash equivalents at the end of the period	<hr/> <u>1,213,525</u>	<hr/> <u>695,225</u>

The accompanying notes form part of these Annual Accounts.

Algarve International B.V.
Amsterdam
Notes to the Annual Accounts
December 31, 2007

1 Group Affiliation and Principal Activities

The Company, incorporated on April 23, 2001 is a limited liability company with its statutory seat at Naritaweg 165, Amsterdam, The Netherlands.

The principal activity of the Company is the holding and financing of affiliated companies. Euroscut Sociedad Concessionária da Scut do Algarve, S.A., Lisbon, an affiliated company of Algarve International B.V., has been granted the Concession with respect to a shadow road in Southern Portugal, together with other facilities and works constituting a part of the Concession from time to time.

The Company (Algarve International B.V.) has raised funds through the issuance of loans and bonds. Citibank N.A. Lisbon has been appointed as "Security Trustee". The European Investment Bank, Luxembourg together with XL Capital Assurance Inc., New York are acting as "Guarantor" for respectively the issued loans and bonds.

The Company directly lends on for the same amount as the amounts raised as is stated in the Loan agreement to Euroscut Sociedad Concessionária da Scut do Algarve, S.A., Lisbon.

The Annual Accounts of the Company are included in the consolidated financial statements of Cintra, Concesiones de Infraestructura de Transportes, S.A.(CCIT S.A.), which are filed with the Chamber of Commerce in Madrid.

2 a Basis of Presentation

The Annual Accounts were prepared in accordance with the statutory provisions of Part 9, Book 2, of the Netherlands Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board. The Annual Accounts are denominated in Euro.

The Balance Sheet, Profit and Loss Account and Cash Flow Statement include references to the notes.

b Notes to the Cash Flow Statement

The Cash Flow Statement has been prepared applying the direct method. The cash and cash equivalents in the Cash Flow Statement comprise the Balance Sheet item cash at banks.

3 Significant Accounting Policies

a General

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or fair value. If not specifically stated otherwise, they are recognized at the amounts at which they were acquired or incurred.

b Comparison with prior year

The principles of valuation and determination of result remained unchanged compared to the prior year.

c Financial Fixed Assets

Receivables included in financial fixed assets are valued at the amounts at which they were acquired or incurred, or fair value. If not specifically stated otherwise, they are recognized at the amounts at which they were acquired or incurred.

Algarve International B.V.
Amsterdam
Notes to the Annual Accounts
December 31, 2007

d Securities

The securities held with Citigroup Inc., Western Asset's Euro Liquidity Funds are stated at market value. Movement in the value of these securities are directly taken to the profit and loss account.

e Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated into Euro at rates of exchange applicable at the balance sheet date. Any resulting exchange differences are taken to the profit and loss account.

Transactions in foreign currencies are translated at the rates in effect at the dates of transactions.

f Recognition of Income and Expense

Income and expenses are recognized in the period they are realized, unless stated otherwise.

g Corporate Income Tax

Corporate income tax is calculated by application of the relevant rate times the amount of taxable profit.

h Financial Instruments

The Company's financial instruments (other than the securities in the current assets) comprise the guaranteed bonds Tranch A, the bank loan Tranch B and the funding of these amounts to Eurosut Sociedad Concessionária da Scut do Algarve, S.A., Lisbon, directly for the group's operations. Expenses related to the financial instruments are charged on directly to Euroscut.

i Deferred Taxes

Deferred tax assets and liabilities are recognized to provide for timing differences between the value of the assets and liabilities for financial reporting purposes on the one hand and for tax purposes on the other. Deferred tax liabilities are calculated based on the tax rate prevailing on the balance sheet date or the rates that will apply in the future, insofar as these have been set down by law.

Algarve International B.V.
Amsterdam
Notes to the Annual Accounts
December 31, 2007

(expressed in Euro)

4 Loan Tranches A and B receivable	2007	2006
Tranch A - Loan @ 6.65% to Euroscut		
Facility: EUR 126,500,000 from July 2, 2001 until June 15, 2027 at a rate of 6.65%		
Opening balance	122,021,900	126,044,600
Reclassification current assets	(5,199,150)	(4,022,700)
	<u>116,822,750</u>	<u>122,021,900</u>
Tranch B - Loan @ 6.25% to Euroscut		
Facility: EUR 130,000,000 from July 2, 2001 until December 15, 2025 at a rate of 6.25%		
	<u>130,000,000</u>	<u>130,000,000</u>
	<u>246,822,750</u>	<u>252,021,900</u>

The Company directly lends on for the same amount as the amounts raised as is stated in the Loan agreement to Euroscut Sociedade Concessionária da Scut do Algarve, S.A., Lisbon. The loan is divided into two tranches:

Tranch A

The issuer lent Euroscut Euro 126,500,000, following the issue of bonds for the same amount. The loan was obtained to finance the construction of motorway stretches. Interest is calculated on the same basis as the bonds 6.40% p.a.(being 365 days) plus a spread of 0.25% (6.65%). Euroscut shall repay the Tranch A loan in accordance with the Tranch A Amortization Schedule (see note 10). The final repayment has been scheduled accordingly on June 15, 2027.

Tranch B

The agreement foresees that the funds which were received from a loan due to the European Investment Bank of Euro 130,000,000 may be ceded to Euroscut. This loan is incurred to finance the construction of road stretches and bears interest at 6.00% p.a.(being 360 days) plus a spread of 0.25% (6.25%) payable in December each year. Euroscut shall repay the Tranch B loan in accordance with the Tranch B Amortization Schedule (see note 10). The final repayment has been scheduled accordingly on December 15, 2025.

5 Interest Receivable Loan Tranches A and B	2007	2006
Tranch A - Loan 6.65% to Euroscut	378,749	390,476
Tranch B - Loan 6.25% to Euroscut	338,542	338,542
	<u>717,291</u>	<u>729,018</u>

Algarve International B.V.
Amsterdam
Notes to the Annual Accounts
December 31, 2007

(expressed in Euro)

6 Intercompany receivable	2007	2006	
Euroscut Sociedad Concessionária da Scut do Algarve, S.A., Madrid	66,019	39,591	
	<u>66,019</u>	<u>39,591</u>	

7 Securities	2007	2006	
Shares Class C held in Citigroup Inc., Western Asset's Euro Liquidity Funds, Ireland			
Opening balance shares	1,475,166		
Revaluation of 12,928 shares	59,104		
	<u>1,534,270</u>	<u>1,475,166</u>	

The acquisition price of the listed securities (frequent market notation) amounts to EUR 1,413,286 as per December 31, 2007 (2006, EUR 1,413,286.)

8 Cash at banks	2007	2006	
Citibank Amsterdam	1,213,525	695,225	
	<u>1,213,525</u>	<u>695,225</u>	

9 Shareholder's Equity

The authorized share capital of the Company is EUR 90,000 divided into 90,000 shares of EUR 1 each. At balance sheet date a total of 18,000 shares were issued and fully paid

Movements in the shareholder's equity accounts are as follows:

	2006	Changes for the year	2007
Issued and fully paid up share capital	18,000	0	18,000
Retained earnings	1,660,450	489,903	2,150,353
Net result for the previous year	489,903	(489,903)	0
Net result for the year	0	543,646	543,646
	<u>2,168,353</u>	<u>543,646</u>	<u>2,711,999</u>

Algarve International B.V.
Amsterdam
Notes to the Annual Accounts
December 31, 2007

(expressed in Euro)

10 Loan Tranches A and B payable	2007	2006
Tranch A - Guaranteed 6.40% Bonds		
EUR 126,500,000 from July 2, 2001 until June 15, 2027 at a rate of 6.40%		
Opening balance	122,021,900	126,044,600
Reclassification current liabilities	(5,199,150)	(4,022,700)
	116,822,750	122,021,900
Tranch B - European Investment Bank		
Facility: EUR 130,000,000 from July 2, 2001 until December 15, 2025 at a rate of 6.00%		
	130,000,000	130,000,000
	246,822,750	252,021,900

The Company has raised funds through loans and bonds. In relation to these raised funds Citibank N.A. Lisbon has been appointed as "Security Trustee" for the bonds listed on the Luxembourg Stock Exchange. The European Investment Bank, Luxembourg acts as credit party and XL Capital Assurance Inc., a New York stock insurance company as "Guarantor" of these loans and bonds. The loan is divided into two tranches as follows:

Tranch A

The Euro 126,500,000 Guaranteed Bonds of Algarve International B.V. were issued on July 2, 2001. The bonds mature June 15, 2027 and bear annual interest of 6.40% payable in December of each year and capital is repaid over 18 variable installments, of which the first one took place on December 15, 2006 and the last one will take place on June 15, 2027. The loan was obtained to finance the construction of motorway stretches. The Bonds are unconditionally and irrevocably guaranteed as to scheduled payments of principal and interest in respect of the Bonds and as to certain additional amounts in respect of withholding taxes in The Netherlands in respect of the Bonds pursuant to a financial guarantee issued by XL Capital Assurance Inc.

Tranch B

The agreement foresees that the funds which were received from a loan due to the European Investment Bank of Euro 130,000,000 bearing interest at 6.00% p.a. payable in December of each year, may be ceded to Euroscut. This loan is incurred to finance the construction of road stretches.

The EIB loan is unconditionally and irrevocably guaranteed as to scheduled payments of principal interest and certain amounts in respect of the EIB loan pursuant to a financial guarantee issued by XL Capital Assurance Inc. Repayment of capital is expected to take place in 15 annual variable amount installments, of which the first one is due on December 15, 2011 and the last on December 15, 2025.

Loan tranches repayment schedule	Term 1 year	Term 1-5 year	Term > 5 years
Tranch A - Guaranteed 6.40% Bonds	5,199,150	15,369,750	101,453,000
Tranch B - European Investment Bank	0	11,560,000	118,440,000

Algarve International B.V.
Amsterdam
Notes to the Annual Accounts
December 31, 2007

(expressed in Euro)

11 Interest payable Loan Tranches A and B	2007	2006
Tranch A - Bonds 6.40%	364,511	375,796
Tranch B - European Investment Bank 6.00%	325,000	325,000
	<u>689,511</u>	<u>700,796</u>

12 Accounts payable and accrued expenses	2007	2006
Accounts payable	43,503	25,586
Accrued audit fees	31,425	12,500
Accrued tax advisory fees	3,000	3,000
Accrued accounting and management fees	0	1,500
	<u>77,928</u>	<u>42,586</u>

13 Fair value financial instruments

The fair value of the Bonds with amortised cost of EUR 122,021,900 has been determined on the basis of its listing at the Luxembourg Stock Exchange. The rate as at December 31, 2007 quotes the Bonds at approximately 118% (2006: 118%). On the basis that both loans were obtained at the same date, it is assumed that the development in the fair value of the bank loan is of a similar nature. The fair value of the loans granted to an affiliated party are based on the discounted cash flows of future loan repayments and interest payments. The discount rate applied is based on the calculated market rates for the loans obtained and approximates 4.5% for Tranch A and 3.9% for Tranch B as at December 31, 2007. As a result the net fair value at December 31, 2007 of the loans obtained and granted represents the discounted value of the 0.25% margin between the interest rates on the loans obtained and the interest rates on the loans granted, amounted to approximately EUR 5.7 million. (2006: 6.0 million).

Instruments receivable	<u>Bookvalue</u>	<u>Fair value</u>
Tranch A Loan balance	122,021,900	146,977,671
Tranch B Loan balance	130,000,000	<u>156,174,064</u>
		303,151,735
Instruments payable		
Tranch A Loan balance @ 118%	(122,021,900)	(143,985,842)
Tranch B Loan balance @ 118%	(130,000,000)	<u>(153,400,000)</u>
		(297,385,842)
 Net Fair Value		<u><u>5,765,893</u></u>

14 Interest income loans tranches A and B	2007	2006
Tranch A - Loan 6.65% to Euroscut		
EUR 126,500,000 from July 2, 2001 until June 15, 2027 at a rate of 6.65%	8,370,239	8,410,923
Tranch B - Loan 6.25% to Euroscut	8,125,000	8,125,000
Facility: EUR 130,000,000 from July 2, 2001 until December 15, 2025 at a rate of 6.25%		
	<u>16,495,239</u>	<u>16,535,923</u>

Algarve International B.V.
Amsterdam
Notes to the Annual Accounts
December 31, 2007

(expressed in Euro)

15 Interest expense loans tranches A and B	2007	2006
Tranch A - Guaranteed 6.40% Bonds		
EUR 126,500,000 from July 2, 2001 until June 15, 2027 at a rate of 6.40%	8,055,569	8,094,722
Tranch B - European Investment Bank		
Facility: EUR 130,000,000 from July 2, 2001 until December 15, 2025 at a rate of 6.00%	7,800,000	7,800,000
	<u>15,855,569</u>	<u>15,894,722</u>

16 General and Administrative Expenses	2007	2006
Guarantee expenses (XL Capital Assurance Inc.)	(390,000)	(390,000)
Audit fees	(18,925)	(21,305)
Management fees	(22,399)	(17,648)
Accounting fees	(32,342)	(10,295)
Tax advisory fees	(7,874)	(7,410)
Bank charges	(2,137)	(2,962)
General expenses	(4,013)	(2,015)
Legal & Professional fees	(667)	0
	<u>(478,357)</u>	<u>(451,635)</u>

17 Oncharge expenses to Euroscut	2007	2006
Guarantee expenses (XL Capital Assurance Inc.)	390,000	390,000
Audit fees	18,925	21,305
Management fees	22,399	17,648
Accounting fees	32,342	10,295
Tax advisory fees	7,874	7,410
Bank charges	2,137	2,962
General expenses	4,013	2,015
Legal & Professional fees	667	0
	<u>478,357</u>	<u>451,635</u>

Based upon paragraph 7.4 of the July 2, ,2001 Loan Agreement between Algarve International B.V. and Euroscut Sociedade Consessionaria da scut do Algarve, S.A. all fees, expenses and other amounts in reference to the financing will be oncharged to the borrower of the loan.

18 Corporate Income Tax

The corporate income tax is based on the fiscal result.

The applicable tax rates for 2007 are 20% over the first euro 25,000 , 23.5% over euro 25,001 to 60,000 and 25.5% over the surplus.

	2007	2006
Corporate income tax previous years	0	(10,587)
Deferred tax on security result	15,071	15,779
Corporate income tax	168,223	188,011
	<u>183,294</u>	<u>193,203</u>

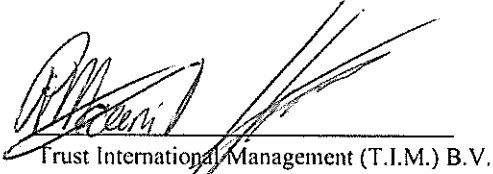
Algarve International B.V.
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Notes to the Annual Accounts
December 31, 2007

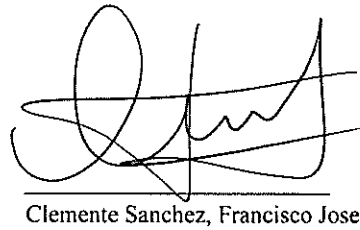
19 Directors and Employees

The Company has no employees.

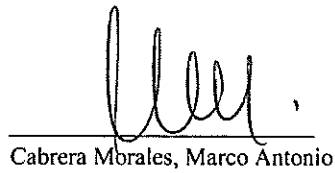
The Company had six directors during the period and no supervisory directors. No loans, advances or remuneration have been given to or received from the directors.

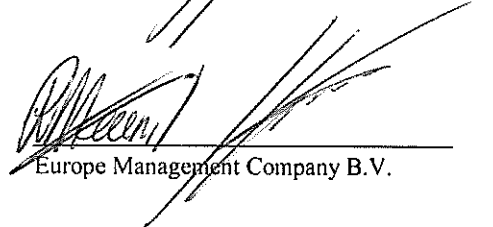
November 18, 2008

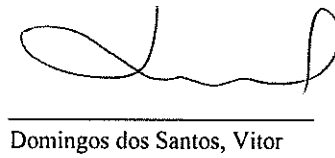

Trust International Management (T.I.M.) B.V.


Clemente Sanchez, Francisco Jose


Management Company Strawinsky B.V.


Cabrera Morales, Marco Antonio


Europe Management Company B.V.


Domingos dos Santos, Vitor

Algarve International B.V.
Naritaweg 165
1043 BW Amsterdam

Algarve International B.V.
Amsterdam
Supplementary Information
December 31, 2007

1 Proposed Appropriation of Results

Subject to the provision under Dutch law that no dividends can be declared until all losses have been recovered, profits are at the disposal of the Annual General Meeting of Shareholders in accordance with the Company's Articles of Incorporation.

Following the proposed profit appropriation of the Board of Directors and pursuant to the Company's Articles of incorporation, the net result for the period will be added to the retained earnings.

2 Post Balance Sheet Events

No matters or circumstances of importance have arisen since the end of the financial year which have significantly affected or may significantly affect the operations, the results of those operations or the affairs of the Company.

The current credit and financial crisis has no affects on the financial statements as at December 31, 2007.

3 Auditor's Report

The Auditor's Report is included on the next page.

To the General Meeting of Shareholders of Algarve International B.V.

Auditor's report

Report on the annual accounts

We have audited the accompanying annual accounts 2007 of Algarve International B.V., Amsterdam, as set out on pages 4 to 14 which comprise the balance sheet as at December 31, 2007, the profit and loss account and the cash flow statement for the year then ended and the notes.

The directors' responsibility

The directors of the company are responsible for the preparation and fair presentation of the annual accounts and for the preparation of the 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 annual accounts 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 annual accounts 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 annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the annual accounts.

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 annual accounts give a true and fair view of the financial position of Algarve International B.V. as at December 31, 2007, 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 directors' report is consistent with the annual accounts as required by 2:391 sub 4 of the Netherlands Civil Code.

Amsterdam, November 18, 2008
PricewaterhouseCoopers Accountants N.V.

P.J. Veerman RA

i.a. P.J. Veerman

