KOMMUNALKREDIT CAPITAL I LIMITED

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2008

KOMMUNALKREDIT CAPITAL I LIMITED

REPORT OF THE DIRECTORS

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

INCORPORATION

The Company is incorporated in Jersey, Channel Islands.

ACTIVITIES

The principal activity of the Company is the issue of €80,000,000 Perpetual Non-Cumulative Subordinated Fixed/Floating Rate Capital Notes (the "Capital Notes"). The proceeds of the Capital Notes have been placed on deposit with Kommunalkredit International Bank Ltd., Cyprus ("KIB") which in turn has deposited the same amount with Kommunalkredit Austria AG ("KA"), the deposit at KA qualifying as supplementary capital (Erganzungskapital) for the purposes of the Austrian Banking Act.

The Capital Notes are listed on both the Euronext Amsterdam Stock Exchange and the Frankfurt Stock Exchange.

RESULTS AND DIVIDENDS

The result for the year amounted to € nil (2007: € nil).

The Directors do not propose a dividend for the year (2007: € nil).

DIRECTORS

The Directors who held office throughout the year and up to the date of approval of the financial statements were:-

J.A.J. Chapman (resigned 7th March 2008)
G.P. Essex-Cater
D.J. Le Blancq
H.C. Grant

SECRETARY

The Secretary of the Company throughout the year and up to the date of approval of the financial statements was Mourant & Co. Secretaries Limited.

INDEPENDENT AUDITORS

KPMG Channel Islands Limited have expressed their willingness to continue in office.

REGISTERED OFFICE

22 Grenville Street, St. Helier, Jersey, Channel Islands, JE4 8PX

BY ORDER OF THE BOARD

Authorised Signatory
Mourant & Co. Secretaries Limited
Secretary
Date: 9/4/09

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the financial statements in accordance with applicable Jersey law and International Financial Reporting Standards.

Jersey Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

* select suitable accounting policies and then apply them consistently;
* make judgements and estimates that are reasonable and prudent;
* state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
* prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

KPMG Channel Islands Limited

P.O. Box 453
St Helier
Jersey JE4 8WQ
Channel Islands

5 St Andrew's Place
Charing Cross, St Helier
Jersey JE4 8WQ
Channel Islands

Independent auditors' report to the members of Kommunalkredit Capital 1 Limited

We have audited the financial statements of Kommunalkredit Capital 1 Limited for the year ended 31 December 2008 which comprise the Balance Sheet, the Income Statement, the Statement of Changes in Equity, the Statement of Cash Flows, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Article 110 of the Companies (Jersey) Law 1991. 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.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for preparation of the financial statements in accordance with applicable law and International Financial Reporting Standards.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies (Jersey) Law 1991. We also report to you if, in our opinion, the company has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the Directors' Report accompanying the financial statements and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

KPMG

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Independent auditors' report to the members of Kommunalkredit Capital 1 Limited - continued

Basis of audit opinion - continued

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with International Financial Reporting Standards, of the state of the company's affairs as at 31 December 2008 and of its result for the year then ended; and
- have been properly prepared in accordance with the Companies (Jersey) Law 1991.

KPMG Channel Islands Limited

Chartered Accountants

9 April 2009

KOMMUNALKREDIT CAPITAL I LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 2008

	Notes	2008	2007
ASSETS			
Non-current assets			
Loans and receivables	2	80,000,000	80,000,000
Current assets			
Trade receivables	3	83,911	104,844
Cash and cash equivalents	4	2	2
		83,913	104,846
TOTAL ASSETS		€ 80,083,913	€ 80,104,846
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	7	2	2
Retained profit		-	-
TOTAL SHAREHOLDERS' EQUITY		2	2
Non-current liabilities			
Financial liabilities at amortised cost	6	80,000,000	80,000,000
Current liabilities			
Trade payables	5	83,911	104,844
TOTAL EQUITY AND LIABILITIES		€ 80,083,913	€ 80,104,846

The financial statements were approved and authorised for issue by the Board of Directors on the 9 day of April 2009 and were signed on its behalf by:

Director: Gauthier Lamer

(The notes on pages 9 to 17 form part of these financial statements)

INCOME STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2008

	Notes	2008	2007
INCOME:			
Deposit interest income	2	3,753,467	3,268,844
EXPENDITURE:			
Interest payable on Capital Notes	6	3,753,467	3,268,844
RESULT FOR THE YEAR		€ -	€ -

Continuing operations

All items dealt with in arriving at the result for the year ended 31st December 2008 relate to continuing operations.

(The notes on pages 9 to 17 form part of these financial statements)

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2008

		Share Capital		Retained profit		Total
Balance at 1st January 2008		2		-		2
Result for the year		-		-		-
Balance at 31st December 2008	€	2	€	-	€	2

		Share Capital		Retained profit		Total
Balance at 1st January 2007		2		-		2
Result for the year		-		-		-
Balance at 31st December 2007	€	2	€	-	€	2

(The notes on pages 9 to 17 form part of these financial statements)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER 2008

		2008		2007
Result for the year		-		-
Interest expense on Capital Notes		3,753,467		3,268,844
Interest income on deposit agreement		(3,753,467)		(3,268,844)
Net cash flow from operating activities		-		-
Cash flows from investing activities				
Interest received on deposit agreement		3,774,400		3,254,400
Net cash flows from investing activities		3,774,400		3,254,400
Cash flows from financing activities				
Interest paid on Capital Notes		(3,774,400)		(3,254,400)
Net cash flows from financing activities		(3,774,400)		(3,254,400)
Net increase in cash and cash equivalents		-		-
Cash and cash equivalents at the beginning of the year		2		2
Cash and cash equivalents at the end of year	€	2	€	2

(The notes on pages 9 to 17 form part of these financial statements)

1. ACCOUNTING POLICIES

These financial statements have been prepared on the historical cost basis and in accordance with International Financial Reporting Standards ("IFRS"), and its predecessor body as well as interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and its predecessor body. The more significant policies are set out below:

New standards and interpretations not yet adopted

In November 2006, the IASB issued IFRS 8 – "Operating Segments" which is effective for annual periods beginning on or after 1st January 2009. The standard requires segment disclosure based on the components of the entity that management monitors in making decisions about operating matters. This "management approach" differs from IAS 14, which currently requires the disclosure of two sets of segments, business and geographical segments, based on a disaggregation of information contained in the financial statements. Under IFRS 8 operating segments become reportable based on threshold tests related to revenues, results and assets. The Company will apply IFRS 8 for its accounting period commencing 1st January 2009.

In September 2007, the IASB issued IAS 1 - "Presentation of Financial Statements.". The revised standard mainly introduces the concept of "total comprehensive income". This is applicable for financial periods starting on or after 1st January 2009.

In the opinion of the directors, the adoption of these standards will not have a significant impact to the financial statements.

Use of estimates and judgements

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and 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 income and expense during the year. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There were no significant areas of uncertainty and critical judgements in applying accounting policies.

Loans and receivables

The Company has designated its deposit at KIB as a loan and receivable under International Accounting Standard 39 'Financial Instruments: Recognition and Measurement' ("IAS 39"). Loans and receivables are initially recognised at cost on the date of purchase and are stated at amortised cost using the effective interest method thereafter. Loans and receivables are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

1. ACCOUNTING POLICIES (CONTINUED)

Financial liabilities at amortised cost

The Directors have considered the characteristics of the Capital Notes, and the requirements of International Accounting Standard 32 'Financial Instruments: Disclosure and Presentation' ("IAS 32") and consider that the most appropriate classification of these securities is as other financial liabilities. The Capital Notes are therefore stated at amortised cost using the effective interest method. The Capital Notes are derecognised only when the obligations under the Capital Notes are discharged, cancelled or expired.

Fair value estimation

Fair value estimation of the financial assets and liabilities are determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Valuation techniques used include the use of comparable recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Foreign currency translation

a) Currency of domicile, functional currency and presentation currency

The currency of domicile is GBP (pounds sterling). Items included in the financial statements of the Company 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.

b) 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.

1. ACCOUNTING POLICIES (CONTINUED)

Share capital

Ordinary shares are not redeemable and are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Interest income and interest expense

Deposit interest income and interest payable on Capital Notes are recognised in the income statement using the effective interest method.

Dividend distributions

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

Segmental reporting

In the Directors' opinion there are no reportable business segments or geographical segments as the Company's activities are limited to one main business and geographic segment.

Employees

The Company had no employees during the years ended 31 December 2008 and 31 December 2007.

2. LOANS AND RECEIVABLES

	2008	2007
Deposit with Kommunalkredit International Bank Ltd., Cyprus ("KIB")	€ 80,000,000	€ 80,000,000

The net proceeds from the issue of the Capital Notes have been placed on deposit with KIB which in turn has deposited the amount with Kommunalkredit Austria AG ("KA").

The proceeds of the Note issue were placed on deposit on 20th December 2004 under the terms and conditions detailed in the Deposit Agreement between the Company and KIB. The deposit is a limited recourse obligation of KIB in that interest due to the Company under the terms of this agreement equals the amounts that KIB receives under a deposit agreement with KA. Interest is receivable on the deposit in amounts equal to the amounts payable by the Company to the holders of the Capital Notes.

The deposit has no fixed maturity date.

3. TRADE RECEIVABLES

	2008	2007
Deposit interest income receivable	€ 83,911	€ 104,844

4. CASH AND CASH EQUIVALENTS

	2008	2007
Mourant & Co. GBP client account	€ 2	€ 2

5. TRADE PAYABLES

	2008	2007
Interest payable on Capital Notes	€ 83,911	€ 104,844

6. FINANCIAL LIABILITIES AT AMORTISED COST

	2008	2007
€80,000,000 Perpetual Non-Cumulative Subordinated Fixed/Floating Rate Capital Notes (the "Capital Notes").	€ 80,000,000	€ 80,000,000

The Capital Notes (nominal amount €80,000,000) were issued by the Company at par on 20th December 2004 under the terms of the Offering Circular of the same date.

The Capital Notes bore interest at a fixed rate of 6.5% per annum to 20th December 2005, with the first amount payable in arrears on 20th December 2005. Thereafter, the Capital Notes bear interest at a floating rate equal to the prevailing Reference Rate plus a margin of 0.025% per annum, subject to a cap of 8%, payable annually in arrears each 20th December. The prevailing reference rate is the 10-year mid swap rate in euro versus 12M EURIBOR.

Interest payments under the Capital Notes are non-cumulative. The Company is not obliged to make any payment to the holders of the Capital Notes to the extent that KA would not be obliged to make a corresponding payment to the Company under the terms of the Support Agreement.

The Capital Notes have no fixed maturity date and there is no option for the Noteholders to request redemption at any time. The Capital Notes are redeemable at the option of the Company in whole but not in part, subject to the prior consent of KA, on 20th December 2011 or any interest payment date falling thereafter.

The Support Agreement was entered into on 17th December 2004 between the Company and KA as the Support Provider. Under this Agreement KA undertakes to provide the Company with financial support, but KA is not obliged to make any payment to the Company to the extent that such a payment would exceed KA's distributable funds for the prior fiscal year or to the extent that such a payment would exceed KA's annual surplus pursuant to KA's own financial statements as at the balance sheet date immediately preceding the interest payment date. KA is also not obliged to make any payment to the Company to the extent that such a payment would impair KA's ability to make payments on preference shares or preferred securities under applicable Austrian Banking regulations.

In the event of winding-up of the Company or the dissolution or winding-up of KA, holders of the Capital Notes will be entitled to receive for each Preferred Security a liquidation preference of €1,000 plus any accrued and unpaid interest. Any shortfall of the amount that will be realised from the asset will be met by Kommunalkredit Austria AG in accordance with the Support Agreement.

7. SHARE CAPITAL

		2008		2007
AUTHORISED:				
1,000 Ordinary Shares of €1 each	€	1,000	€	1,000
ISSUED AND FULLY PAID:				
2 Ordinary Shares of €1 each	€	2	€	2

Issued Capital Notes are detailed in note 6.

8. TAXATION

The Company has exempt status for Jersey taxation purposes for the year assessment 2008. Effective 1st January 2009, Jersey's tax regime will change. The new regime will impose a general corporate income tax of 0%, 10% will apply to certain regulated financial services companies and 20% rate will apply to utilities and income from Jersey land (ie rents and development profits). Jersey resident companies will be treated as resident for tax purposes and will be subject to zero or ten percent standard income tax rate.

Since the Company is not a regulated financial service entity, the effect of the new tax regime is limited to the change of status from exempt to liable to Jersey income tax at 0%.

9. FINANCIAL INSTRUMENTS

The principal activity of the Company is the issue of Perpetual Non-cumulative Subordinated Fixed/Floating Rate Capital Notes. The proceeds from the issue have been placed on deposit with KIB, which in turn has deposited the same amount with KA. Therefore, the role of financial assets and financial liabilities is central to the activities of the Company; the financial liabilities provided the funding to purchase the Company's financial assets. Financial assets and liabilities provide the majority of the assets and liabilities of the Company along with all of the income and expenses.

The strategies used by the Company in achieving its objectives regarding the use of its financial assets and liabilities were set when the Company entered into the transactions. The Company has attempted to match the properties of its financial liabilities to its assets to avoid significant elements of risk generated by mismatches of investment performance against its obligations, together with any maturity or interest rate risk.

With the exception of currency exposures, all short-term trade receivables and trade payables have been excluded from the following disclosures.

Interest rate risk

The Company finances its operations through the issue of Capital Notes upon which interest is payable. Interest payments under the Capital Notes are non-cumulative, and are limited to amounts receivable from KA under the Deposit. The interest receivable from the Deposit is equal to the interest payable on the Capital Notes, therefore the Directors believe that there is no significant interest rate risk to the Company.

Interest rate risk - sensitivity analysis

As disclosed above, in the Directors' opinion there is no significant interest rate risk to the Company. From the Company's perspective any change in the interest rate attached to the Capital Notes would be matched by an equal and opposite change in the interest rate attached to the Deposit. Consequently a change in interest rates would have no net effect on profit or loss/and or equity.

IFRS 7 requires disclosure of "a sensitivity analysis for each type of market risk to which the entity is exposed at the reporting date, showing how profit or loss and equity would have been affected by changes in the relevant risk variable that were reasonably possible at that date." As stated, whilst the financial instruments held by the Company are separately exposed to interest rate risk, the Company itself is not exposed to interest rate risk overall. Therefore, in the Directors' opinion, no sensitivity analysis in respect of interest rates is required to be disclosed.

9. FINANCIAL INSTRUMENTS (CONTINUED)

The interest rate profile of the Company's financial assets and liabilities is as follows:

	Interest charging basis	Effective interest rate		2008	Effective interest rate		2007
Financial assets							
Loans and receivables	Floating	4.6918%	€	80,000,000	4.0861%	€	80,000,000
Financial liabilities							
Financial liabilities at amortised cost	Floating	4.6918%	€	(80,000,000)	4.0861%	€	(80,000,000)

Exchange rate risk
All of the Company's assets and liabilities are denominated in Euro, consequently, the Directors believe that there is no significant currency risk to the Company.

		2008		2007
Denominated in Euro:				
Loans and receivables	€	80,000,000	€	80,000,000
Financial assets at amortised cost	€	83,911	€	104,844
Financial liabilities at amortised cost	€	80,083,911	€	80,104,844

Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's Deposit with KIB.

The Company's main financial asset consists of a Deposit with KIB corresponding interest receivable at year-end. The funds deposited with KIB have in turn been deposited with KA. The Company's revenue derives from this financial asset.

No triggers of impairment have been identified in relation to the Deposit, with interest always received as per the conditions of the Deposit Agreement between the Company and KA. KIB has a long term credit rating of A1 rating from Moody's and an A+ rating from Fitch. KA has a long term credit rating of Aa3 from Moody's and a rating of A+ from Fitch. Given these ratings, the Directors do not expect the counterparty to fail to meet its obligations.

In addition the Company receives the benefit of Support Agreement entered into with KA. Under this agreement KA undertakes to provide the Company with financial support. However, KA is not obliged to make any payment to the Company to the extent that such a payment would exceed KA's distributable funds for the prior fiscal year or to the extent that such a payment would exceed KA's annual surplus pursuant to KA's own financial statements as at the balance sheet date immediately preceding the interest payment date. KA is also not obliged to make any payment to the Company to the extent that such a payment would impair KA's ability to make payments on preference shares or preferred securities under applicable Austrian Banking regulations.

9. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk - (continued)

The Company's maximum exposure to credit risk is as follows:

		2008		2007
Deposit with Kommunalkredit International Bank Ltd., Cyprus ("KIB")		80,000,000		80,000,000
Deposit interest income receivable		83,911		104,844
Cash and cash equivalents		2		2
	€	80,083,913	€	80,104,846

Counterparty risk

The Capital Notes are rated by rating agencies and the latest ratings are A2 from Moody's and an AA from Fitch. The rating agency's procedures include a review of the investments held by the Company on a regular basis, hence providing the Directors with an effective means of monitoring counterparty risk and credit risk via this assessment.

Fair values

The fair values of the Company's assets and liabilities are as follows:

		2008 Book cost		2008 Fair Value		2007 Book cost		2007 Fair Value
Loans and receivables	€	80,000,000	€	44,000,000	€	80,000,000	€	48,000,000
Financial liabilities at amortised cost	€	(80,000,000)	€	(44,000,000)	€	(80,000,000)	€	(48,000,000)

9. FINANCIAL INSTRUMENTS (CONTINUED)

Fair values - (Continued)
As the fair values of the loans and receivables and Capital Notes fluctuate in line with market conditions and due to the long period of time to maturity, the Directors do not believe there to be any permanent impairment in their values.

In the opinion of the Directors, the fair value of the financial assets held is approximate to the fair value of the Capital Notes, as the terms and conditions of the Capital Notes are identical to those of the Deposit, and the credit risk attached to both the Capital Notes and the Deposit are similar, being in each case closely related to that of KA. In the opinion of the Directors, it is not practicable to estimate with sufficient reliability any difference in fair value between the Capital Notes and the Deposit although such difference in fair value is not expected to be significant.

The fair values of the Capital Notes as at 31st December have been disclosed above. The Capital Notes are quoted on the Euronext Amsterdam Stock Exchange and the Frankfurt Stock Exchange. For debt securities in issue and other borrowed funds carried at amortised cost, the fair values have been derived using quoted prices where available, broker valuations and where these are not available, cash flow models. No fair values have been derived using cash flow models as at 31st December 2008 and 2007.

Fair values - sensitivity analysis
In the Directors' opinion there is no material difference between the fair value of the Deposit and the fair value of the Capital Notes. From the perspective of the Company, any change in the fair value of the Capital Notes would be matched by an almost equal and opposite change in the fair value of the Deposit. Consequently the Company is not exposed to significant net market price risk.

Also as disclosed above, in the Directors' opinion, there is no significant net interest rate risk to the Company, nor is there any significant currency rate risk to the Company.

IFRS 7 requires disclosure of "a sensitivity analysis for each type of market risk to which the entity is exposed at the reporting date, showing how profit or loss and equity would have been affected by changes in the relevant risk variable that were reasonably possible at that date." As stated, whilst the financial instruments held by the Company are separately exposed to interest rate risk and market price risk, the profit or loss and equity of the Company are not exposed to significant net interest rate or market risk. Therefore, in the Directors' opinion, no sensitivity analysis is required to be disclosed.

Contractual of financial assets and liabilities
The contractual undiscounted maturity profile of the Company's financial assets and liabilities is as follows:

	2008	2007
Loans and receivables		
In more than five years	€ 80,000,000	€ 80,000,000
Financial liabilities at amortised cost		
In more than five years	€ (80,000,000)	€ (80,000,000)

9. FINANCIAL INSTRUMENTS (CONTINUED)

Maturity of financial assets and liabilities - (continued)

As the maturity dates of the assets and liabilities are approximately the same, the Directors believe that there is no significant liquidity risk to the Company.

Capital management

The Company's assets and liabilities and the relative underlying terms and conditions are exactly matched. The Company's transactions are designed to enable the Company to pay its liabilities as they fall due only, without realising a return on capital. The level of interest income and interest expense are exactly matched and were established on incorporation of the Company in order that the Company realises a net result of € nil each year and therefore there is no need for the monitoring of return on capital.

10. CONTROLLING PARTY

The Company is owned by KIB, which owns 100% of the issued ordinary shares of the Company. KIB is wholly owned by KA. KA was majority owned (50.78%) by Investkredit Bank AG which is a subsidiary of OVAG AG. During 2008 the Republic of Austria became the new majority shareholder in KA taking over 99.78% and is the new ultimate controlling party.

11. RELATED PARTIES

J.A.J. Chapman is a supervisory board member and shareholder of Mourant Limited. G.P. Essex-Cater is a shareholder of Mourant Limited. Each of J.A.J. Chapman, G.P. Essex-Cater, D.J. Le Blancq and H.C. Grant is an employee of a subsidiary of Mourant Limited. Affiliates of Mourant Limited provide ongoing administrative services to the Company at commercial rates. J.A.J. Chapman is also a partner of Mourant du Feu & Jeune and should be regarded as interested in any contract in relation to the provision of legal services by Mourant du Feu & Jeune.

12. KEY MANAGEMENT PERSONNEL

The key management personnel have been identified as being the Directors of the Company. The emoluments of the key management personnel are paid by the ultimate controlling party and other related parties who make no recharge to the Company.

It is therefore not possible to make a reasonable apportionment of their emoluments in respect of the Company. Accordingly, no emoluments in respect of the Directors applicable to the Company have been disclosed.

13. COMPANY EXPENSES

Under the terms of the Support Agreement, dated 17th December 2004, between the Company and KA, the Company's expenses are met by KA to the extent that the Company has insufficient funds to meet its own amount of company expenses.