

**Algarve International B.V.**  
**Amsterdam**  
**Annual Report and Accounts**  
**December 31, 2006**

**Algarve International B.V.**  
**Amsterdam**  
**December 31, 2006**

**INDEX**

**Page**

**Annual report**

**2**

**Annual Accounts**

Balance Sheet as at December 31, 2006

**4**

Profit and Loss Account for the Period ended December 31, 2006

**5**

Cashflow statement

**6**

Notes to the Annual Accounts

**7**

**Supplementary Information**

**15**

Post Balance Sheet Events

Auditor's Report

**Algarve International B.V.**  
**Amsterdam**  
**Annual Report**  
**December 31, 2006**

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, 2006.

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 15, 2006 Bonds were partly repaid for an amount of EUR 455.400.

During the period under review, the Company recorded a net profit of EUR 489.903, 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 second one will take place on December 15, 2007. 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.

**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.

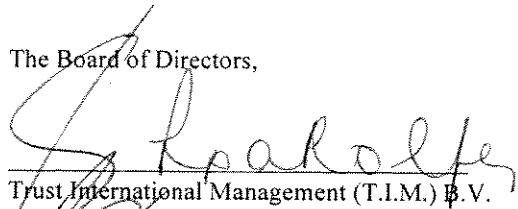
The fair value of the Bonds with amortised cost of EUR 126.044.600 has been determined on the basis of its listing at the Luxembourg Stock Exchange. The rate as at December 31, 2006 quotes the Bonds at approximately 118%. On the basis that both loans were obtained at the same date, it is assumed that 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% as at December 31, 2006. As a result the net fair value at December 31, 2006 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 6 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.

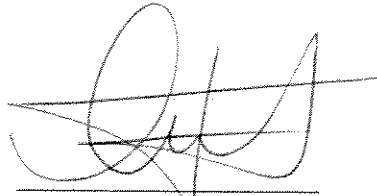
October 26, 2007

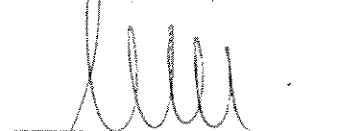
The Board of Directors,

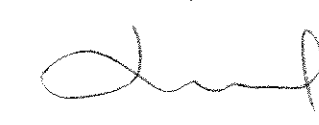
  
Trust International Management (T.I.M.) B.V.

  
Management Company Strawinsky B.V.

  
Europe Management Company B.V.

  
Clemente Sanchez, Francisco Jose

  
Cabrera Morales, Marco Antonio

  
Domingues dos Santos, Vitor

**Algarve International B.V.**  
**Amsterdam**  
**Balance Sheet as at December 31, 2006**  
**(before appropriation of results)**

	<i>Notes</i>	<i>2006</i>	<i>2005</i>
<b>ASSETS</b>		EUR	EUR
<b>Financial Fixed Assets</b>			
Loan tranches from affiliated companies	4-	252.021.900	256.044.600
		<u>252.021.900</u>	<u>256.044.600</u>
<b>Current Assets</b>			
Loan tranches from affiliated companies	4-	4.022.700	455.400
Interest receivable loan tranches A and B	5-	729.018	730.345
Prepaid expenses and other receivables		1.040	1.040
Intercompany receivable	6-	39.591	45.163
Total Receivables		<u>4.792.349</u>	<u>1.231.948</u>
Securities	7-	1.475.166	1.634.004
Cash at banks	8-	695.225	31.270
Total Current Assets		<u>6.962.740</u>	<u>2.897.222</u>
<b>TOTAL ASSETS</b>		<u><u>258.984.640</u></u>	<u><u>258.941.822</u></u>
 <b>SHAREHOLDER'S EQUITY AND LIABILITIES</b>			
<b>Shareholder's Equity</b>	9-		
Issued and fully paid up share capital		18.000	18.000
Retained earnings		1.660.450	1.211.397
Net result for the period		<u>489.903</u>	<u>449.053</u>
		2.168.353	1.678.450
 <b>Provisions</b>			
Deferred tax on securities		15.779	0
 <b>Long-term Liabilities</b>			
Loan tranches A and B payable	10-	252.021.900	256.044.600
 <b>Current Liabilities</b>			
Loan tranches A and B payable	10-	4.022.700	455.400
Interest payable loan tranches A and B	11-	700.796	702.074
Corporate income tax		12.526	38.182
Accounts payable and accrued expenses	12-	<u>42.586</u>	<u>23.116</u>
		4.778.608	1.218.772
<b>TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES</b>		<u><u>258.984.640</u></u>	<u><u>258.941.822</u></u>

The accompanying notes form part of these accounts.

**Algarve International B.V.**  
**Amsterdam**  
**Profit and Loss Account for the Period ended December 31, 2006**

	<i>Notes</i>	<i>2006</i>	<i>2005</i>
		<i>EUR</i>	<i>EUR</i>
<b><u>Operating Income/(Loss)</u></b>			
Interest income loans receivable	14-	16.535.923	16.537.250
Interest expense loans payable	15-	15.894.722-	15.896.000-
		<u>641.201</u>	<u>641.250</u>
<b><u>Other Operating Expenses</u></b>			
General and administrative expenses	16-	451.635-	437.440-
Oncharge expenses to Euroscut	17-	451.635	437.440
		<u>0</u>	<u>0</u>
<b><u>Financial Income/(Expenses)</u></b>			
Interest income banks		2.351	1.330
Interest expenses others		1.608-	0
Unrealized result on securities	7-	41.162	20.718
		<u>41.905</u>	<u>22.048</u>
Result before corporate income tax		<u>683.106</u>	<u>663.298</u>
Corporate Income tax	18-	193.203-	214.245-
<b>NET RESULT FOR PERIOD</b>		<u>489.903</u>	<u>449.053</u>

The accompanying notes form part of these accounts.

**Algarve International B.V.**  
**Amsterdam**  
**Cashflow statement**

	<b>2006</b>		<b>2005</b>	
	EUR	EUR	EUR	EUR
<b>Cash flow from operating activities</b>				
Repayment of loans payable	455.400		0	
Repayment of loans receivable	455.400-		0	
Interest received loans receivable	16.537.250		16.537.250	
Interest paid loans payable	15.896.000-		15.896.000-	
Interest expenses others	1.608-		0	
Corporate income tax paid	177.989-		285.254-	
General and administrative expenses	449.165-		441.207-	
Oncharge expenses to Euroscut	449.115		411.266	
Subtotal		461.604		326.055
<b>Cash flow from financing activities</b>				
Interest income banks	2.351		1.330	
Subtotal		2.351		1.330
<b>Cash flow from investment activities</b>				
Securities	200.000		570.000-	
Subtotal		200.000		570.000-
Increase/(decrease) cash and cash equivalents		663.955		242.615-
<b>Movements in cash and cash equivalents</b>				
Cash and cash equivalents at the beginning of the period		31.270		273.885
Increase/(decrease) cash and cash equivalents		663.955		242.615-
Cash and cash equivalents at the end of the period		695.225		31.270

**Algarve International B.V.**  
**Amsterdam**  
**Notes to the Annual Accounts**  
**December 31, 2006**

**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, 2006**

(expressed in Euro)

**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 Euroscut Sociedad Concessionária da Scut do Algarve, S.A., Lisbon, directly for the group's operations. Expenses related to the financial instruments are charged directly on 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, 2006**

(expressed in Euro)

**4 Loan Tranches A and B receivable**

**2006**

**2005**

**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

126.044.600      126.500.000

Reclassification current assets

4.022.700-      455.400-

122.021.900      126.044.600

**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%

130.000.000      130.000.000

252.021.900      256.044.600

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 loan is divided into two tranches:

**Tranch A**

The issuer lends 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%). The Company shall repay the Tranch A loan in accordance with the Tranch A Amortization Schedule. 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.

The Company shall repay the Tranch B loan in accordance with the Tranch B Amortization Schedule.

The final repayment has been scheduled accordingly on December 15, 2025.

**5 Interest Receivable Loan Tranches A and B**

**2006**

**2005**

Tranch A - Loan 6.65% to Euroscut

390.476      391.803

Tranch B - Loan 6.25% to Euroscut

338.542      338.542

729.018      730.345

**Algarve International B.V.**  
**Amsterdam**  
**Notes to the Annual Accounts**  
**December 31, 2006**

(expressed in Euro)

<b>6 Intercompany receivable</b>	<b>2006</b>	<b>2005</b>
Euroscut Sociedad Concessionária da Scut do Algarve, S.A., Madrid	39.591	45.163
	<hr/>	<hr/>
<b>7 Securities</b>	<b>2006</b>	<b>2005</b>
Shares Class C held in Citi Inst. Liquidity Fund PLC, Ireland		
Opening balance shares	1.634.004	
February 20, 2006 - Redemption of 1,797 shares at a price of EUR 200,000.	200.000-	
Revaluation of 12,928 shares	41.162	
	1.475.166	1.634.004
	<hr/>	<hr/>

The acquisition price of the listed securities (frequent market notation) amounts to EUR 1,413,286. as per December 31, 2006 (2005, EUR 1,613,286.)

<b>8 Cash at Banks</b>	<b>2006</b>	<b>2005</b>
Citibank Amsterdam	695.225	31.270
	<hr/>	<hr/>

**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:

	<b>2005</b>	<b>Changes for the Period</b>	<b>2006</b>
Issued and fully paid up share capital	18.000	0	18.000
Retained earnings	1.211.397	449.053	1.660.450
Net result for the previous period	449.053	449.053-	0
Net result for the period	0	489.903	489.903
	<hr/>	<hr/>	<hr/>
	1.678.450	489.903	2.168.353

**Algarve International B.V.**  
**Amsterdam**  
**Notes to the Annual Accounts**  
**December 31, 2006**

(expressed in Euro)

**10 Loan Tranches A and B payable**

**2006**

**2005**

**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

126,044,600 126,500,000

Reclassification current liabilities

(4,022,700) (455,400)

122,021,900 126,044,600

**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

252,021,900 256,044,600

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, with the first one taking place on December 15, 2006 and the last 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 of 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, with the first one due in December 15, 2011 and the last one due December 15, 2025.

<b>Loan tranches repayment schedule</b>	<b>Term 1 year</b>	<b>Term 1-5 year</b>	<b>Term &gt; 5 years</b>
Tranch A - Guaranteed 6.40% Bonds	4,022,700	20,573,600	101,448,300
Tranch B - European Investment Bank	0	9,891,000	120,109,000

**PRICEWATERHOUSECOOPERS**   
PricewaterhouseCoopers Accountants N.V.  
For identification purposes only

**Algarve International B.V.**  
**Amsterdam**  
**Notes to the Annual Accounts**  
**December 31, 2006**

(expressed in Euro)

<b>11 Interest payable Loan Tranches A and B</b>	<b>2006</b>	<b>2005</b>
Tranch A - Bonds 6.40%	375.796	377.074
Tranch B - European Investment Bank 6.00%	325.000	325.000
	<u>700.796</u>	<u>702.074</u>
<b>12 Accounts payable and accrued expenses</b>	<b>2006</b>	<b>2005</b>
Accounts payable	25.586	15.834
Accrued audit fees	12.500	2.500
Accrued tax advisory fees	3.000	3.432
Accrued accounting fees	1.500	1.350
	<u>42.586</u>	<u>23.116</u>

**13 Fair value financial instruments**

The fair value of the Bonds with amortised cost of EUR 126.044.600 has been determined on the basis of its listing at the Luxembourg Stock Exchange. The rate as at December 31, 2006 quotes the Bonds at approximately 118%. Prior quotes are not available, thus no comparative disclosures are included. 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% as at December 31, 2006. As a result the net fair value at December 31, 2006 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 6 million.

<b>Instruments receivable</b>	<b>Bookvalue</b>	<b>Fair value</b>
Tranch A Loan balance	126.044.600	151.879.144
Tranch B Loan balance	130.000.000	156.293.781
		<u>308.172.925</u>
<b>Instruments payable</b>		
Tranch A Loan balance @ 118%	126.044.600-	148.732.628-
Tranch B Loan balance @ 118%	130.000.000-	153.400.000-
		<u>302.132.628-</u>
<b>Net Fair Value</b>		<u><u>6.040.297</u></u>

<b>14 Interest income loans tranches A and B</b>	<b>2006</b>	<b>2006</b>
<b>Tranch A - Loan 6.65% to Euroscut</b>		
EUR 126,500,000 from July 2, 2001 until		
June 15, 2027 at a rate of 6.65%	8.410.923	8.412.250
<b>Tranch B - Loan 6.25% to Euroscut</b>	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>16.535.923</u>	<u>16.537.250</u>

**Algarve International B.V.**  
**Amsterdam**  
**Notes to the Annual Accounts**  
**December 31, 2006**

(expressed in Euro)

<b>15 Interest expense loans tranches A and B</b>	<b>2006</b>	<b>2006</b>
<b>Tranch A - Guaranteed 6.40% Bonds</b>		
EUR 126,500,000 from July 2, 2001 until		
June 15, 2027 at a rate of 6.40%	8.094.722	8.096.000
<b>Tranch B - European Investment Bank</b>	7.800.000	7.800.000
Facility: EUR 130,000,000 from July 2, 2001 until		
December 15, 2025 at a rate of 6.00%		
	<u>15.894.722</u>	<u>15.896.000</u>
<b>16 General and Administrative Expenses</b>	<b>2006</b>	<b>2005</b>
Guarantee expenses (XL Capital Assurance Inc.)	390.000-	390.000-
Audit fees	21.305-	3.875-
Management fees	17.648-	20.571-
Accounting fees	10.295-	9.198-
Tax advisory fees	7.410-	6.919-
Bank charges	2.962-	275
General expenses	2.015-	5.730-
Legal & Professional fees	0	1.422-
	<u>451.635-</u>	<u>437.440-</u>
<b>17 Oncharge expenses to Euroscut</b>	<b>2006</b>	<b>2005</b>
Guarantee expenses (XL Capital Assurance Inc.)	390.000	390.000
Audit fees	21.305	3.875
Management fees	17.648	20.571
Accounting fees	10.295	9.198
Tax advisory fees	7.410	6.919
Bank charges	2.962	275-
General expenses	2.015	5.730
Legal & Professional fees	0	1.422
	<u>451.635</u>	<u>437.440</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 are 25.5% over the first Euro 25,000 and 29.6% over the surplus.

	<b>2006</b>	<b>2005</b>
Corporate income tax previous years	10.587-	6.327
Deferred tax on security result	15.779	0
Corporate income tax	188.011	207.918
	<u>193.203</u>	<u>214.245</u>

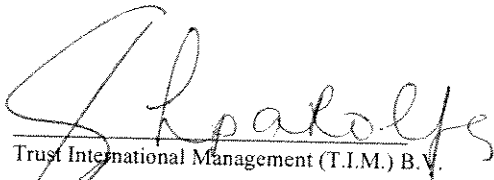
Algarve International B.V.  
Amsterdam  
Notes to the Annual Accounts  
December 31, 2006

19 Directors and Employees

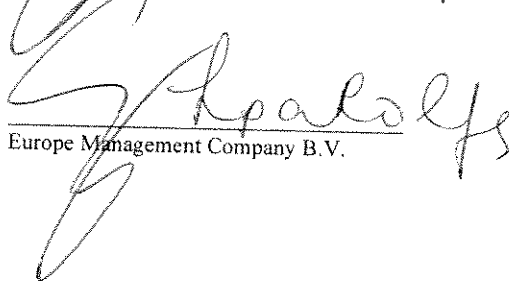
The Company has no employees.

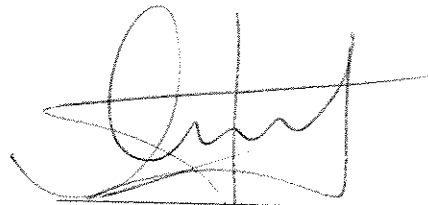
The Company had six directors during the period and no supervisory directors. No loans, advances or remuneration have been given to or received from the directors.

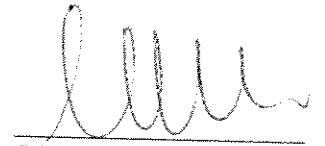
October 26, 2007

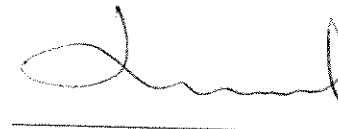
  
Trust International Management (T.I.M.) B.V.

  
Management Company Strawinsky B.V.

  
Europe Management Company B.V.

  
Clemente Sanchez, Francisco Jose

  
Cabrera Morales, Marco Antonio

  
Domingos dos Santos, Vitor

Algarve International B.V.  
Naritaweg 165  
1043 BW Amsterdam

**Algarve International B.V.**  
**Amsterdam**  
**Supplementary Information**  
**December 31, 2006**

**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 is added to the retained earnings.

**2 Post Balance Sheet Events**

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

**3 Auditor's Report**

See separate page

**PricewaterhouseCoopers  
Accountants N.V.**  
Thomas R. Malthusstraat 5  
1066 JR Amsterdam  
P.O. Box 90357  
1006 BJ Amsterdam  
The Netherlands  
Telephone +31 (20) 568 66 66  
Facsimile +31 (20) 568 68 88  
[www.pwc.com/nl](http://www.pwc.com/nl)

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 2006 of Algarve International B.V., Amsterdam, as set out on pages 4 to 14, which comprise the balance sheet as at December 31, 2006, the profit and loss account for the year then ended and the notes.

#### *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' annual 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, 2006, 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' annual report is consistent with the annual accounts as required by 2:391 sub 4 of the Netherlands Civil Code.

Amsterdam, October 26, 2007  
PricewaterhouseCoopers Accountants N.V.

*Original signed by:*

P.J. Veerman RA