

**PROFILE SYSTEMS & SOFTWARE SRL**  
**REPORT AND FINANCIAL STATEMENTS**  
for the period from 24 August 2006 to 31  
December 2006

# PROFILE SYSTEMS & SOFTWARE SRL

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## REPORT AND FINANCIAL STATEMENTS for the period from 24 August 2006 to 31 December 2006

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# PROFILE SYSTEMS & SOFTWARE SRL

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## BOARD OF ADMINISTRATORS AND OTHER OFFICERS

**Board of Administrators :**

Stasinopoulos Charalampos  
Krintas Theodoros

**Legal Advisers**

Tudor Toma Law Office  
52 Independentei Splai ,Office 2  
5th District  
Bucharest  
Romania

**Auditors:**

Baker Tilly Klitou and Partners S.R.L  
52 Independentei Splai,Office 1  
5th District  
Bucharest  
Romania

**Registered Office:**

52 Independentei Splai ,Office 21  
5th District  
Bucharest  
Romania

**Bankers:**

Alpha Bank Romania S.A  
20 Libertatii Bvd.Sector 5  
Bucharest,Romania

# PROFILE SYSTEMS & SOFTWARE SRL

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## REPORT OF THE BOARD OF ADMINISTRATORS

The Board of Administrators presents its report together with the first audited financial statements of the Company for the period from 24 August 2006 to 31 December 2006.

### **Principal activities**

The principal activities of the Company are the consultancy and the supply of software development. The company remained dormant during the period under examination.

### **Results**

The Company's results for the period are set out on page 4. The net loss for the period is carried forward.

### **Share capital**

#### **Issued and fully paid share capital**

Under its Memorandum the Company fixed its share capital at 36 ordinary shares of nominal value of RON 10 each.

Upon incorporation on 24 August 2006 the Company issued to the subscribers of its Memorandum of Association 36 ordinary shares of RON 10 each at par.

Upon incorporation the ultimate shareholder was PROFILE SYSTEMS & SOFTWARE S.A.

### **Board of Administrators**

The members of the Board of Administrators of the Company as at 31 December 2006 and at the date of this report are shown on page 1. Mr Krintas Theodoros appointed as administrator on 2 February 2007.

In accordance with the Company's Articles of Association all administrators presently members of the Board continue in office.

By order of the Board of Administrators ,

Stasinopoulos Charalampos  
Administator

Krintas Theodoros  
Administator

Bucharest , 5 February 2007

# **AUDITORS' REPORT TO THE MEMBERS OF PROFILE SYSTEMS & SOFTWARE SRL**

## **Report on the financial statements**

1. We have audited the financial statements of PROFILE SYSTEMS & SOFTWARE SRL on pages 4 to 12, which comprise the balance sheet as at 31 December 2006 the Income statement, statement of changes in equity and cash flow statement for the period from 24 August 2006 to 31 December 2006, and a summary of significant accounting policies and other explanatory notes. These financial statements are the responsibility of the company's Board of Administrators.

2. The Company's Board of Administrators is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (EU) and International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

3. Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to the Company's members, as a body, in accordance with International Financial Reporting Standards. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Administrators, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion, the financial statements give a true and fair view of the financial position of PROFILE SYSTEMS & SOFTWARE SRL as of 31 December 2006, and of its financial performance and its cash flows for the period from 24 August 2006 to 31 December 2006 in accordance with International Financial Reporting Standards as adopted by the EU and International Financial Reporting Standards as issued by the IASB.

5. Without qualifying our opinion we draw attention to the following:

a) According to article 158 from the Romanian Commercial Law no 31/1990, in case the company has accumulated losses that amount to more than half of its share capital, the administrators of the company should convene an Extraordinary Assembly of Shareholders in order to decide whether to capitalize the company, or to decrease the share capital up to the value of the net assets.

Baker Tilly Klitou and Partners S.R.L  
Bucharest, 6 February 2007

# PROFILE SYSTEMS & SOFTWARE SRL

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## INCOME STATEMENT

Period from 24 August 2006 to 31 December 2006

	Note	2006 EUR
<b>Revenue</b>		-
Other income	4	11
Administration expenses		<u>(17,864)</u>
Finance costs	7	<u>(54)</u>
<b>Loss before tax</b>		<u>(17,907)</u>
Tax	8	<u>(30)</u>
<b>Net loss for the period</b>		<u><u>(17,937)</u></u>

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The notes on pages 8 to 12 form an integral part of these financial statements.

# PROFILE SYSTEMS & SOFTWARE SRL

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## BALANCE SHEET

As at 31 December 2006

	Note	2006 EUR
<b>ASSETS</b>		
<b>Current assets</b>		
Other receivables	9	601
Cash at bank and in hand	10	<u>23,856</u>
<b>Total assets</b>		<u><u>24,457</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	11	100
Retranslation reserve		(603)
Accumulated losses		<u>(17,937)</u>
		<u>(18,440)</u>
<b>Current liabilities</b>		
Trade and other payables	12	42,867
Current tax liabilities		<u>30</u>
		<u>42,897</u>
<b>Total equity and liabilities</b>		<u><u>24,457</u></u>

On 5 February 2007 , the Board of Administrators of PROFILE SYSTEMS & SOFTWARE SRL authorised these financial statements for issue.

Stasinopoulos Charalampos  
Administator

Krintas Theodoros  
Administator

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The notes on pages 8 to 12 form an integral part of these financial statements.

## PROFILE SYSTEMS & SOFTWARE SRL

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### STATEMENT OF CHANGES IN EQUITY

Period from 24 August 2006 to 31 December 2006

	Note	Share capital EUR	Retranslation reserve EUR	Accumulated losses EUR	Total EUR
Exchange difference arising on the retranslation of the financial statements to presentation currency		-	(603)	-	(603)
Net gains and losses recognised directly in equity		-	(603)	-	(603)
Net loss for the period		-	-	(17,937)	(17,937)
Issue of share capital	11	100	-	-	100
<b>At 31 December 2006</b>		<b>100</b>	<b>(603)</b>	<b>(17,937)</b>	<b>(18,440)</b>

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The notes on pages 8 to 12 form an integral part of these financial statements.



# PROFILE SYSTEMS & SOFTWARE SRL

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## CASH FLOW STATEMENT

Period from 24 August 2006 to 31 December 2006

	Note	2006 EUR
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Loss before tax</b>		(17,907)
Exchange difference arising on the retranslation of the financial statements to presentation currency		<u>(603)</u>
<b>Operating loss before working capital changes</b>		(18,510)
<b>Changes in working capital:</b>		
Other receivables		(601)
Trade and other payables		<u>42,867</u>
<b>Net cash used in operating activities</b>		<u>23,756</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital		<u>100</u>
<b>Net cash from financing activities</b>		<u>100</u>
<b>Net increase in cash and cash equivalents</b>		23,856
Cash and cash equivalents:		
At beginning of the period		-
At end of the period	10	<u><u>23,856</u></u>

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The notes on pages 8 to 12 form an integral part of these financial statements.

# PROFILE SYSTEMS & SOFTWARE SRL

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## NOTES TO THE FINANCIAL STATEMENTS

Period from 24 August 2006 to 31 December 2006

### 1. Incorporation and principal activities

#### Country of incorporation

The Company PROFILE SYSTEMS & SOFTWARE SRL (the "Company") was incorporated in Romania on 24 August 2006 as a private company with limited liability under the Romanian Companies Law. Its registered office is at 52 Independentei Splai, Office 21, 5th District, Bucharest, Romania.

#### Principal activities

The principal activities of the Company are the consultancy and the supply of software development. The company remained dormant during the period under examination.

### 2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied throughout the whole of the period presented in these financial statements unless otherwise stated.

#### Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the provisions of the Romanian Companies Law. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

#### Employee benefits

The Company and the employees contribute to the Government Social Insurance Fund based on employees' salaries. The Company's contributions are expensed as incurred and are included in staff costs. The Company has no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

#### Finance costs

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

# PROFILE SYSTEMS & SOFTWARE SRL

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## NOTES TO THE FINANCIAL STATEMENTS

Period from 24 August 2006 to 31 December 2006

### 2. Accounting policies (continued)

#### Foreign currency translation

**(1) Presentation currency**

In accordance with IAS 21, the method used to translate the financial statements into presentation currency is as follows:

Assets and liabilities are translated using the closing exchange rate as at 31 December 2006. Consequently they have been translated into Euro with a rate of RON 3,3817 per EUR 1,00. Income and expenses are translated using the periods's average exchange rate. Consequently they have been translated into Euro with a rate of RON 3,4967 per EUR 1,00. Exchange differences arising on the translation are classified as equity and recorded as retranslation

**(2) Foreign currency translation**

Foreign currency transactions, during the period have been translated at the exchange rates prevailing at the dates of the transaction. Foreign currency monetary items have been translated at the exchange rates prevailing at the balance sheet date. Non monetary items in a foreign currency have been translated using the exchange rate of the date of the transaction. Exchange gains or losses arising on settlement and translation of foreign currency items have been included in the income statement.

#### Share capital

Ordinary shares are classified as equity.

#### Cash and cash equivalents

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

### 3. Financial risk management

**(1) Financial risk factors**

The Company is exposed to interest rate risk, liquidity risk and currency risk arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

**(1.1) Interest rate risk**

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets. The Company is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

**(1.2) Liquidity risk**

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

**(1.3) Currency risk**

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the Euro. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

**(2) Fair value estimation**

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

# PROFILE SYSTEMS & SOFTWARE SRL

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## NOTES TO THE FINANCIAL STATEMENTS

Period from 24 August 2006 to 31 December 2006

### 4. Other income

	<b>2006</b>
	<b>EUR</b>
Interest income	<u><u>11</u></u>

### 5. Operating loss

	<b>2006</b>
	<b>EUR</b>
Operating loss is stated after charging the following items:	
Staff costs (Note 6)	<b>8,530</b>
Auditors' remuneration	<u><u>1,453</u></u>

### 6. Staff costs

	<b>2006</b>
	<b>EUR</b>
Staff salaries	<b>6,949</b>
Social insurance and related costs	<u><u>1,581</u></u>
	<u><u>8,530</u></u>

### 7. Finance costs

	<b>2006</b>
	<b>EUR</b>
Other finance expenses	<u><u>54</u></u>

### 8. Tax

	<b>2006</b>
	<b>EUR</b>
Corporation tax - current period	<u><u>30</u></u>
Total charge for the period	<u><u>30</u></u>

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

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

# PROFILE SYSTEMS & SOFTWARE SRL

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## NOTES TO THE FINANCIAL STATEMENTS

Period from 24 August 2006 to 31 December 2006

### 8. Tax (continued)

Due to tax losses sustained in the period, no tax liability arises on the Company. Under current legislation, tax losses may be carried forward and be set off against taxable income of the following 5 years. As at 31 December 2006, the balance of tax losses which is available for offset against future taxable profits amounts to EUR 17,936.

### 9. Other receivables

	<b>2006</b>
	<b>EUR</b>
VAT receivable	<u><u>601</u></u>

### 10. Cash and cash equivalents

	<b>2006</b>
	<b>EUR</b>
Cash in hand	45
Cash at bank	23,322
Other cash equivalents	<u><u>489</u></u>

### 11. Share capital

	<b>2006</b>	<b>2006</b>
	<b>Number of</b>	<b>EUR</b>
	<b>shares</b>	
<b>Issued and fully paid</b>		
Issue of shares	<u>36</u>	<u>100</u>
At 31 December	<u><u>36</u></u>	<u><u>100</u></u>

#### **Issued and fully paid share capital**

Under its Memorandum the Company fixed its share capital at 36 ordinary shares of nominal value of RON 10 each. Upon incorporation on 24 August 2006 the Company issued to the subscribers of its Memorandum of Association 36 ordinary shares of RON 10 each at par.

Upon incorporation the ultimate shareholder was PROFILE SYSTEMS & SOFTWARE S.A.

# PROFILE SYSTEMS & SOFTWARE SRL

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## NOTES TO THE FINANCIAL STATEMENTS

Period from 24 August 2006 to 31 December 2006

### 12. Trade and other payables

	2006 EUR
Trade payables	986
Social insurance and other taxes	2,958
Shareholders' Loan (Note 13)	36,222
Accruals	<u>2,701</u>
	<u><u>42,867</u></u>

### 13. Related party transactions

The Company is controlled by PROFILE SYSTEMS & SOFTWARE S.A., incorporated in Greece, which owns 100% of the Company's shares.

The following transactions were carried out with related parties:

#### 13.1 Shareholders' Loan (Note 12)

	2006 EUR
PROFILE SYSTEMS & SOFTWARE S.A	<u>36,222</u>
	<u><u>36,222</u></u>

The shareholder's loan is interest free, and its payable within 12 months.

### 14. Going concern

The company incurred a net loss after tax of EURO 17,936 and has net current liabilities in amount of EUR 18,440. The company is fully dependent on the ability and willingness of the ultimate shareholder PROFILE SYSTEM & SOFTWARE S.A to continue supporting the company financially, which has consented to do so.

### 15. Share Capital Increase

According to article 158 from the Romanian Commercial Law no 31/1990, in case the company has accumulated losses that amount to more than half of its share capital, the administrators of the company should convene an Extraordinary Assembly of Shareholders in order to decide whether to capitalize the company, or to decrease the share capital up to the value of the net assets. The shareholders of the company did not take any decision relating to the above issue until the moment of the issuance of the financial statements. This will be due after nine months from the preparation and submission of the statutory financial statements for the year ended 31 December 2006 which are due on 30 April 2007.

### 16. Commitments

The Company had no capital or other commitments as at 31 December 2006.

### 17. Post balance sheet events

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

**Auditors' report page 3**

## PROFILE SYSTEMS & SOFTWARE SRL

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### ADMINISTRATION EXPENSES

Period from 24 August 2006 to 31 December 2006

	2006 EUR
<b>Administration expenses</b>	
Staff salaries	6,949
Social insurance and related costs	1,581
Nottary fees	30
Other third party services	3,367
Translation expenses	114
Travelling expenses	392
Telephone and postage	77
Advertising	932
Auditors' remuneration	1,453
Accounting fees	972
Legal fees	1,020
Incorporation expenses	103
Consumables	822
Other taxes	52
	<u>17,864</u>

## PROFILE SYSTEMS & SOFTWARE SRL

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### FINANCE COSTS (NET)

Period from 24 August 2006 to 31 December 2006

	<b>2006</b> <b>EUR</b>
<b>Finance income</b>	
Bank interest	11
<b>Other finance expenses</b>	
Bank charges	<u>(54)</u>
	<u><u>(43)</u></u>



# PROFILE SYSTEMS & SOFTWARE SRL

52 Independentei Splai ,Office 21  
5th District  
Bucharest  
Romania

Bucharest , 30 January 2007

Messrs,  
Baker Tilly Klitou and Partners S.R.L  
52 Independentei Splai,Office 1  
5th District  
Bucharest  
Romania

Dear Sirs,

## Financial Statements - for the period from 24 August 2006 to 31 December 2006

This representation letter is provided in connection with your audit of the financial statements of PROFILE SYSTEMS & SOFTWARE SRL for the period from 24 August 2006 to 31 December 2006.

We confirm, to the best of our knowledge and belief, the following representations:

- 1) We acknowledge our responsibility for the fair presentation of the financial statements in accordance with the provisions of the Companies Law Cap. 113 and the International Financial Reporting Standards including the appropriate disclosure of all information required by statute.
- 1) There have been no irregularities involving management or employees who have a significant role in the system of internal control, or that could have a material effect on the financial statements.
- 2) The financial statements are free of material errors and omissions.
- 3) We have made available to you all books of account and supporting documentation and all minutes of meetings of shareholders and board of directors.
- 4) The Company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There have been no communications concerning non-compliance with requirements of regulatory authorities with respect to financial matters.
- 5) The following have been properly recorded and when appropriate, adequately disclosed in the financial statements:
  - (a) Balances and transactions with related parties.
  - (b) Assets pledged as collateral.
- 6) We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
- 7) The Company has satisfactory title to all assets and there are no liens, or encumbrances on the company's assets except as noted in the financial statements.
- 8) We have recorded or disclosed all liabilities, both actual and contingent.
- 9) There have been no events subsequent to the balance sheet date that require adjustment of, or disclosure in the financial statements and related notes.
- 10) No claims in connection with litigation have been or are expected to be received.

(11) We confirm that all amounts owed to the company are fully recoverable.

Yours faithfully,  
For PROFILE SYSTEMS & SOFTWARE SRL

.....  
Administrator

.....  
Administrator