INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ATLAS SH.A.

We have audited the accompanying Balance Sheet as of 31 December 2007 and the related Income Statement for the year then ended of "ATLAS SH.A" (the Company) which comprise the balance sheet as at 31 December 2007 and the income statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The financial statements for the year ended 31 December 2006 have been audited by other auditors whose report dated March 2007 issued unqualified opinion on those statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Albanian Statutory Accounting Regulations (Law on Accounting No.9228 dated April 29, 2004 and General Accounting Principles). This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or errors; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable to the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Except as discussed in paragraphs a to e below, 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 of material misstatement.

An audit involves performing procedures to obtaining 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 risk of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for 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 of the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, 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 of our audit opinion.

Reason for qualifying the opinion

(a) The Company has not maintained a detailed register of its property, plant and equipment showing by individual item historical cost and related accumulated depreciation. A register, following a detail physical count of the assets is currently being prepared and is ongoing. According to the Albanian Statutory Accounting Regulations such register of assets must be maintained. Due to the incomplete records we have not been able to verify the physical existence and completeness of the Company's property, plant and equipment as at 31 December 2007 and 2006.

(b) The Company has applied a flat depreciation rate of 5% to all categories of property, plant and equipment. According to the Albanian Statutory Accounting Regulations such depreciation rate can be applied only if a technical study confirming the useful life of the assets is available. Since no such study has been carried out we have been unable to satisfy ourselves as to the appropriate valuation of property, plant and equipment at 31 December 2007 and 2006.

(c) We did not observe the counting of the physical inventories as at 31 December 2007 since that date was prior to our appointment as auditors. Owing to the nature of

Company's records, we were unable to satisfy ourselves as to the inventory quantities and corresponding values as at 31 December 2007 by other audit procedures.

(d) The Company has not provided for debts for which collection is doubtful. Included under trade and other receivables are LEK 53.022 thousand of trade and other debts older than one year, of which LEK 18.680 thousand are debts older than 3 years. Without assessment of the recoverable amount of such trade and other receivables we have been unable to determine the amount of the provision for bad debts that should be recorded as of 31 December 2007.

(e) As further discussed in note 14 to the accompanying financial statements, the Company's books and records have not been audited by the tax authorities for income tax purposes for the fiscal year 2007, and therefore, the Company's tax liabilities may not be considered finalized. A provision for additional taxes and penalties, if any, that may be levied in the event of a tax audit cannot, at this stage, be determined with any reasonable accuracy.

Furthermore, the Company has been audited by the tax authorities for value added taxes for January and February 2008. The scope of these audits was the investigation of the selling price that the Company charges on its invoices to customers. The result of the tax investigation was that the selling price was increased for tax purposes as it was deemed not to be representative of the true market price. As a result tax authorities have recalculated the value tax declared by the Company and penalties have been applied. The Company has discputed such assessment, however, due to the nature of the Company records we are unable to determine if the selling price charged reflects the market price according to the methodology used by tax authorities.

Qualified Opinion

In our opinion, except for the effect of such adjustment, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the matters referred to in the paragraphs a to e, the Company's financial statements give a true and fair view of the financial position of the Company as at 31 December 2007 and the results of its operations for the year then ended in accordance with Albanian Statutory Accounting Regulations.

Without further qualifying our opinion, as discussed in note 2b, to the accompanying financial statements, we draw attention that the Company has losses carried forward of LEK 130.662 thousand and LEK 50.469 thousand for the year ended 31 December 2007 and 2006, respectively. As a consequence, the Company's financial position has been deteriorated, its total current liabilities exceeding its current assets by LEK 133.507 thousands and LEK 439.905 thousand for the year ended 31 December 2007 and 2006, respectively. These factors indicate the existence of a material uncertainty which may cast doubts about the Company's ability to continue as a going concern.

Ernst & Young Certified Auditors Shpk, Skopje - Tirana Branch

_____May 2008
Tirana, Albania