

Audit Opinion

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of Société Générale Effekten GmbH, Frankfurt am Main, Germany, for the fiscal year from January 1, 2007 to December 31, 2007. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report, based on our audit.

We conducted our audit of the annual financial statements in accordance with Sec. 317 HGB ["Handelsgesetzbuch": German Commercial Code] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [in Deutschland] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with [German] principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with [German] principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents opportunities and risks relating to future development.

Eschborn/Frankfurt am Main, Germany, April 2, 2008

Ernst & Young AG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Heist
Wirtschaftsprüfer
[German Public Auditor]

Then
Wirtschaftsprüfer
[German Public Auditor]

SOCIÉTÉ GÉNÉRALE EFFEKTEN GMBH, FRANKFURT AM MAIN, GERMANY

BALANCE SHEET as of December 31, 2007

Exhibit I

	Dec 31, 2007 EUR	Dec 31, 2006 EUR
ASSETS		
A. CURRENT ASSETS		
i. Receivables and other assets		
1. Receivables from affiliated companies		
a) from the investment of issue proceeds		
- thereof due in more than one year: EUR 15,084,543,141.00 (prior year: EUR 4,487,440,820.00)	39,834,688,798.00	7,299,130,198.00
- thereof due in more than one year: EUR 0.00 (prior year: EUR 0.00)	1,054,704.14	281,447.17
b) Other receivables		
- thereof due in more than one year: EUR 0.00 (prior year: EUR 0.00)	13,329,618,971.29	9,798,648,467.50
2. Other assets		
- thereof due in more than one year: EUR 9,583,004,420.19 (prior year: EUR 8,157,925,985.50)	53,165,362,473.43	17,098,070,112.67
ii. Cash on hand, Bundesbank balances, bank balances and checks	0.00	90,955.37
B. TRUST ASSETS		
Receivables		
- thereof due in more than one year: EUR 2,459,742,140.00 (prior year: EUR 402,302,500.00)	2,572,883,225.00	589,231,000.00
EQUITY AND LIABILITIES		
A. EQUITY		
i. Capital stock	25,564.59	25,564.59
ii. Profit carryforward	162,705.21	116,242.74
iii. Net income for the year	93,180.07	46,462.47
	281,449.87	188,269.80
B. ACCRUALS		
i. Accruals for pensions and similar obligations	53,033.00	36,833.92
ii. Tax accruals	41,158.00	17,768.89
iii. Other accruals	212,003.00	53,100.00
	306,194.00	107,802.81
C. LIABILITIES		
i. Liabilities from certificates issued		
- thereof due in less than one year: EUR 24,750,145,658.00 (prior year: EUR 2,811,689,378.00)	39,834,688,798.00	7,299,130,198.00
ii. Trade payables	48,568.51	83,846.01
- thereof due in less than one year: EUR 48,568.51 (prior year: EUR 37,029.93)		
iii. Amounts owed to affiliated companies		
- thereof due in less than one year: EUR 414,598.77 (prior year: EUR 0.00)	414,598.77	0.00
iv. Other liabilities		
- thereof due in less than one year: EUR 3,746,618,444.12 (prior year: EUR 186,928,500.00)	13,329,622,864.28	9,798,650,851.42
- thereof taxes: EUR 2,988,68 (prior year: EUR 2,483,92)		
	53,164,774,829.56	17,097,864,995.43
D. TRUST LIABILITIES		
Certificates issued		
- thereof due in less than one year: EUR 113,141,085.00 (prior year: EUR 193,934,500.00)	2,572,883,225.00	589,231,000.00
	55,738,245,696.43	17,687,392,068.04

SOCIÉTÉ GÉNÉRALE EFFEKTEN GMBHFRANKFURT AM MAIN, GERMANYINCOME STATEMENTFOR THE PERIOD FROM JANUARY 1, 2007 TO DECEMBER 31, 2007

	<u>Dec 31, 2007</u> EUR	<u>Dec 31, 2006</u> EUR
1. Income from options	10,521,945,573.55	7,037,221,814.49
2. Expenses from options	10,521,945,573.55	7,037,221,814.49
3. Income from certificates	746,827,572.77	850,650.00
4. Expenses from certificates	746,827,572.77	850,650.00
5. Other operating income	2,398,824.13	1,298,294.84
6. Personnel expenses		
a) Wages and salaries	171,546.99	60,718.74
b) Social security contributions and related costs	37,221.38	10,296.62
- thereof for old age pensions EUR 1.821,08 (prior year: EUR 2.958,00)		
7. Other operating expenses	2,031,664.98	1,165,455.92
8. Other interest and related income	13,861.86	18,269.32
- thereof from affiliated companies: EUR 13.861,86 (prior year: EUR 18.269,32)		
9. Other interest and related expenses	13,967.83	1,529.36
- thereof to affiliated companies: EUR 10.073,83 (prior year: EUR 1.529,36)		
10. Result from ordinary activities	<u>158,284.81</u>	<u>78,563.52</u>
11. Income taxes	65,104.74	32,101.05
12. Net income for the year	<u><u>93,180.07</u></u>	<u><u>46,462.47</u></u>

**Société Générale Effekten GmbH
Frankfurt am Main, Germany**

**Notes to the Financial Statements
For Fiscal Year 2007**

Comments on the Financial Statements as of December 31, 2007 and Other Disclosures

The financial statements of Société Générale Effekten GmbH as of December 31, 2007 were prepared in accordance with the provisions of German commercial law governing the financial reporting of limited liability companies.

1. Accounting and Valuation Principles

Receivables are stated at their nominal value plus accrued interest. Non-hedged liabilities are stated at their amounts repayable.

Accruals are recognized in an appropriate amount for liabilities of uncertain timing or amount.

Accruals for pensions are disclosed at the maximum amounts permitted for tax purposes. The carrying value was determined on the basis of actuarial principles in accordance with Sec. 6a EStG ["Einkommensteuergesetz": German Income Tax Act]. It is based on an interest rate of 6% and the 2005 G mortality tables.

Option premiums are recognized as other assets or other liabilities until they are exercised or expire. Upon exercise or expiry, the premiums are recognized in the income statement.

Certificates issued are disclosed as liabilities from certificates issued until their maturity. Certificates issued are secured by offsetting hedging transactions which are disclosed as receivables from affiliated companies in the balance sheet.

Liabilities from certificates issued and warrants as well as the hedging transactions disclosed under receivables and other assets were grouped into valuation units and recognized at acquisition cost or at the amount of the issue proceeds. As a result of the qualification as a valuation unit, measurement in accordance with Sec. 252 (2) HGB ["Handelsgesetzbuch": German Commercial Code] has not been performed.

As of the balance sheet date, the warrants and certificates issued were fully hedged against changes in market prices by contracts concluded with the shareholder.

2. Notes to the Balance Sheet

Receivables from affiliated companies of EUR 39,835,744k are from the shareholder.

Other assets include the OTC options acquired from the shareholder to hedge the warrants issued.

Amounts owed to affiliated companies result from overdraft facilities granted by the shareholder.

Trust receivables relate to funds passed on to the shareholder from several certificates issued on behalf of the shareholder.

Trust liabilities relate to the issue of certificates in the Company's own name and on the account of a third-party.

Liabilities for certificates issued of EUR 616,361k (thereof trust liabilities: EUR 616,361k) are due in more than 5 years.

3. Notes to the Income Statement

Other operating income mainly relates to costs beared by the shareholder.

Other operating expenses mainly comprise issue costs as well as legal and consulting fees.

Income taxes relate to the result from ordinary activities.

4. Cash Flow Statement

	31.12.2007 EUR	31.12.2006 EUR
1. Cash flow from operating activities		
Net income before extraordinary items	93.180,07	46.462,47
Increase/decrease in accruals	198.391,19	29.757,17
Increase/decrease in inventories, trade receivables and other assets that cannot be allocated to investing or financing activities	(38.050.944.585,76)	(10.751.525.745,40)
Increase/decrease in inventories, trade payables and other liabilities that cannot be allocated to investing or financing activities	<u>38.050.562.059,13</u>	<u>10.751.471.018,70</u>
Cash flow from operating activities	(90.955,37)	21.492,94
2. Cash and cash equivalents at the end of the period		
Change in cash and cash equivalents	(90.955,37)	21.492,94
Cash and cash equivalents at the beginning of the period	<u>90.955,37</u>	<u>69.462,43</u>
Cash and cash equivalents at the end of the period	<u><u>0,00</u></u>	<u><u>90.955,37</u></u>
3. Composition of cash and cash equivalents		
Cash and cash equivalents	<u><u>0,00</u></u>	<u><u>90.955,37</u></u>

Additional Information Pursuant to No. 52 DRS 2:

- a) The demand deposit balances held with the shareholder are disclosed under cash and equivalents.
- b) No change was made to the definition of cash and cash equivalents compared with the prior period.
- c) Cash and cash equivalents is equivalent to the balance sheet items "Cash on hand, Bundesbank balances, bank balances and checks".
- d) In the period under review, no significant non-cash investing or financing activities or business transactions were undertaken.
- e) The Company did not acquire or sell any enterprises during the period under review.

Additional Information Pursuant to No. 53 DRS 2:

The disclosed cash and cash equivalents are not derived from proportionately consolidated companies and are not subject to restraints on disposal.

5. Information on the Issuing Business

The issue volume for the fiscal year is as follows. All issues are hedged in full by identical OTC options concluded with or investment of issue proceeds at Société Générale S.A., Paris, France.

WARRANT CLASS	TYPE	FISCAL YEAR 2007			FISCAL YEAR 2006		
		NO.	VOLUME (IN UNITS)	LONGEST MATURITY	NO.	VOLUME (IN UNITS)	LONGEST MATURITY
WARRANTS							
Equity warrants	CALL	2.775	8.564.250.000	Dec 28, 2012	830	799.150.000	Dec 18, 2009
	PUT	647	1.862.050.000	Dec 28, 2009	175	211.500.000	Dec 19, 2008
	Open End Turbo Short	389	169.480.000	open end	142	155.190.000	open end
	Open End Turbo Long	3.633	1.697.380.000	open end	827	775.510.000	open end
		7.444	12.293.160.000		1.974	1.941.350.000	
Index warrants	Am. CALL	0	0		0	0	
	CALL	761	858.250.000	Jan 4, 2013	118	124.050.000	Dec 17, 2010
	PUT	318	309.665.000	Dec 27, 2010	53	50.900.000	Dec 19, 2008
	Am. PUT	0	0		0	0	
	Open End Turbo Short	299	122.100.000	open end	140	78.550.000	open end
	Open End Turbo Long	612	281.740.000	open end	228	140.860.000	open end
	CORRIDOR	0	0	open end	0	0	
	1.990	1.571.755.000		539	394.360.000		
Currency warrants	CALL	90	427.000.000	Dec 15, 2010	36	184.000.000	Dec 8, 2008
	PUT	94	300.000.000	Dec 15, 2010	25	103.000.000	Dec 8, 2008
	Open End Turbo Short	36	12.230.000	open end	11	5.650.000	open end
	Open End Turbo Long	41	18.100.000	open end	17	8.500.000	open end
	CORRIDOR	18	9.000.000	April 1, 2008		0	
	279	766.330.000		89	301.150.000		
Commodity warrants	CALL	294	276.622.000	Dec 28, 2012	106	75.500.000	Dec 10, 2008
	PUT	129	135.200.000	Dec 22, 2011	74	57.000.000	Nov 10, 2008
	Open End Turbo Short	54	34.530.000	open end	90	73.500.000	open end
	Open End Turbo Long	114	87.800.000	open end	103	84.500.000	open end
		591	534.152.000		373	290.500.000	
Futures	Bund Future	0	0	open end	0	0	
	Future	1.126	543.075.000	open end	432	295.370.000	open end
	Note Future	0	0	open end	0	0	
	T-note Future	0	0	open end	0	0	
	1.126	543.075.000		432	295.370.000		
TOTAL Warrants		11.430	15.708.472.000		3.407	3.222.730.000	

CERTIFICATE CLASS	CLASS	NO.	VOLUME (IN UNITS)	LONGEST MA-TURITY	NO.	VOLUME (IN UNITS)	LONGEST MA-TURITY
CERTIFICATES							
Equity certificates	Index	8	5,445,000	Mar 28, 2008	1	100,000	Jul 31, 2009
	Bonus	3,151	656,101,275	Dec 27, 2010	334	81,643,275	Sep 24, 2010
	Discount	940	135,559,650	Jun 26, 2009	420	71,952,400	Jun 27, 2008
	Airbag	1	100,000	Jan 10, 2011	0	0	
	Express	57	4,650,000	Aug 24, 2012	5	285,000	Oct 21, 2010
	Outperfor-mance	54	4,649,000	Dec 28, 2010	19	2,717,000	Jun 26, 2009
	Other	88	11,411,400	Open end	5	620,000	Oct 04, 2018
			4,299	817,916,325		784	157,317,675
Index certificates	Index	43	17,867,000	Open end	29	11,851,000	Open end
	Guarantee	17	1,191,600	Sep 23, 2011	1	100,000	Dec 22, 2010
	Bonus	772	90,079,320	Jan 11, 2013	107	17,361,600	Open end
	Discount	139	15,036,000	Mar27, 2009	100	17,149,900	Dec 28, 2009
	Airbag	1	100,000	Dec 27, 2010	3	120,000	Jun 26, 2009
	Express	26	1,431,900	Mar 29, 2013	10	870,000	Aug 08, 2012
	Outperfor-mance	16	991,000	Mar 7, 2011	2	200,000	Jun 26, 2009
	Other	177	32,780,530	Open end	36	2,112,000	Open end
		1,191	159,477,350		288	49,765,500	
Equity and Index certi-ficates	Other	1	50,000	Nov 30, 2012	0	0	
		1	50,000		0	0	
Commodity certificates	Index	8	1,426,000	Dec 18, 2009	2	200,000	Open end
	Guarantee	15	1,346,200	Mar 18, 2013	1	200,000	Jun 01, 2012
	Bonus	24	5,184,000	Dec 27, 2010	15	4,512,000	Aug 10, 2009
	Discount	39	10,256,000	Jul 15, 2009	26	10,288,000	Jun 27, 2008
	Airbag	0	0		2	300,000	Jun 30, 2011
	Express	0	0		1	100,000	Sep 23, 2011
	Other	27	5,054,000	Open end	0	0	
			113	23,266,200		47	15,600,000
Fund certificates	Other	6	177,300	Open end	2	150,000	Jul 31, 2012
		6	177,300		2	150,000	
Future certificates	Index	32	9,066,000	Open end	14	2,320,000	Open end
	Guarantee	10	705,400	Dec 23, 2009	0	0	
	Bonus	24	1,842,000	Jun 22, 2012	1	50,000	Dec 28, 2007
	Discount	90	10,535,000	Jun 10, 2009	18	1,989,000	Dec 18, 2007
	Outperfor-mance	9	1,574,100	Dec 10, 2008	0	0	
	Other	22	3,636,000	Open end	2	750,000	Open end
		187	27,358,500		35	5,109,000	
TOTAL Certificates		5,797	1,028,245,675		1,155	252,641,175	
Total Certificates and Warrants		17,227	16,736,592,675		4,562	3,475,371,175	

The valuation of the financial instruments is performed with internal models. These in-house valuation models are frequently reviewed by specialists from risk controlling of Société Générale S.A., Paris. Derivatives with an option component are valued with the help of generally accepted option pricing models by Société Générale S.A., Paris.

The type, scope and fair value of the derivative hedging contracts as of the balance sheet date are as follows: the company held 5,967 OTC options with a market value of EUR 28,893m to hedge equity and index warrants, 284 OTC options with a market value of EUR 499m to hedge currency warrants, 1,449 OTC options with a market value of EUR 1,863m to hedge commodity warrants, and 847 futures with a market value of EUR 3,070m.

In addition, the Company held 14,605 certificates on the price of equities with a market value of EUR 29,089m, 511 certificates on the price of commodities with a market value of EUR 921m, 5,276 certificates on the price of indices with a market value of EUR 10,983m, 712 certificates on the price of futures with a market value of EUR 1,382m and 20 certificates on the price of funds with a market value of EUR 271m.

The book value of the warrants mentioned above is EUR 13,330m as of December 31, 2007 and is contained in other liabilities on the balance sheet. The book value of the certificates issued amounted to EUR 42,408m as of December 31, 2007 and is contained in liabilities from certificates issued and under trust liabilities on the balance sheet.

6, Information on the Fee Recognized as an Expense in the Fiscal Year

The fee recognized as an expense in fiscal year 2007 for the audit of the financial statements amounts to EUR 38k.

7, Information on the Company's Executive Officers and Employees

The following persons were general managers in fiscal year 2007:

Mr. Marc Braun, trained banker, Frankfurt am Main, Germany
Dr. Joachim Totzke, general counsel, Frankfurt am Main, Germany
Mr. Günter Happ, trained banker, Fliesen, Germany

The executive officers are employees of the Société Générale S.A., Frankfurt am Main Branch. For the fiscal year 2007 Société Générale Effekten GmbH was charged an amount of EUR 12k as a compensation for the services carried out for the entity.

The Company employed on average 2.5 employees in the fiscal year.

8, Group Affiliation

The parent company of Société Générale Effekten GmbH which prepares consolidated financial statements is Société Générale S.A., Paris, France. The consolidated financial statements of Société Générale S.A., Paris, France are published in the "Bulletin des Annonces Légales Obligatoires (B,A,L,O,)" in France.

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the financial statements give a true and fair view of the assets, liabilities, financial position and profitability, and the management report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company.

Frankfurt am Main, Germany, March 28, 2008

Société Générale Effekten GmbH

Marc Braun

Dr. Joachim Totzke

Günter Happ

**Société Générale Effekten GmbH
Frankfurt am Main, Germany**

**Management Report
For Fiscal Year 2007**

Société Générale Effekten GmbH mainly issues warrants and certificates which are sold in full to the parent company, Société Générale S.A., Paris, France and the Société Générale Option Europe S.A., Paris, France.

All issues are placed by Société Générale S.A., Paris, France.

In fiscal year 2007, a total of 11,430 warrant issues took place. In addition to 7,444 options on equities, 1,990 options were issued on various indices, 591 on commodities, 279 on foreign exchange, and 1,126 on futures.

Also, 5,797 certificates were issued, mostly bonus, discount, guarantee and express certificates.

The Company generated net income of EUR 93k in fiscal year 2007.

The Company's risk situation is shaped by its simple business structure and close affiliation with the Société Générale Group.

All market price risks from warrants, certificates and other issues are hedged in full by contracts concluded with Société Générale S.A., Paris, France. As a result, there are no price risks. There are no settlement risks either as payments from the sale of the securities issued and from hedges purchased and from their exercise are always netted. All receivables are due from the parent company Société Générale S.A., Paris, France, and its subsidiaries. Therefore, the Company is not subject to any independent business risk. The credit rating of Société Générale S.A., Paris, France, and its subsidiaries is the determining factor in risk assessment.

The Company is expecting even more vigorous market activity in fiscal year 2008, driven by intensified business in Germany and the listing of certificates on other European stock exchanges (including Milan and Paris). In particular, the Company aims to extend its certificate issuing activities.

As the international equity markets display a positive trend, the issue volume in 2008 should rise significantly.

In view of the Company's strict risk management policy, it also expects to generate a positive result in fiscal years 2008 and 2009.

Frankfurt am Main, Germany, March 28, 2008