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**30 March 2009**

**AGUA TERRA LIMITED  
(the "Company")**

**UNAUDITED FINANCIAL STATEMENTS**

Agua Terra Limited (LSE: ATE), the first development company dedicated exclusively to high quality mixed-use leisure real estate projects in Southeast Europe to be quoted on AIM, is pleased to announce its results for the period ended 31 December 2008 and provide an update on operational progress.

**Operational highlights**

- successfully completed its first project acquisition, Mykonos Azure in Mykonos for a total consideration of €8.3m.
- progressed the architectural design and planning process for the project.
- successfully received its first planning permit relating to the Agrari Site of Mykonos Azure on 24 March 2008, within six months of acquiring the site. The timely progression of the Agrari Site through the various planning approval stages signifies the Company's local capabilities and provides a good indication that the remaining planning permits for Mykonos Azure should follow through.

**Commenting on the Annual Results, Lord Balfour, Chairman said:**

*"Following the progress made in 2008, our acquisition strategy will continue to concentrate on fully zoned, luxury branded development projects in areas that have a concise planning regime, limited supply of developable land and a steady demand outlook. This will ensure the Company remains resilient through the current downturn. We look forward to the successful launch of the Mykonos Azure Project and the continued growth of the Company through the acquisition of further carefully selected sites."*

**Markos Kashiouris, Chief Executive, said:**

*"We are pleased to report a strong start to our operations. Since admission to AIM in October 2008 Agua Terra has successfully delivered on its plans with the Mykonos Azure acquisition, followed by rapid progression of the project through the various planning stages. The Company aims to continue to provide real value creation for our shareholders as demonstrated by our proven execution capability coupled with our strong project pipeline in Mykonos and elsewhere in Greece."*

Copies of the Accounts will be sent to shareholders shortly via electronic mail. An electronic copy of the Accounts is available on the Company's website at [www.agua-terra.com](http://www.agua-terra.com). Printed copies of the Accounts are also available, free of charge, for one month from the date hereof from the Company's registered office, 197 Main Street, Road Town, Tortola, British Virgin Islands.

**- end -**

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**Notes to Editors****Agua Terra Limited**

Agua Terra Limited (LSE: ATE) is the first development company dedicated exclusively to high quality mixed-use leisure real estate projects in Southeast Europe to be quoted on AIM. The Company, whose shares were admitted to trading on AIM in October 2008, aims to establish itself as a leading developer and operator of high quality mixed-use leisure real estate projects in Greece and Cyprus. The Company's initial focus is on development opportunities within Greece and intends to expand into Cyprus within the next two years, when circumstances allow.

Agua Terra was founded by Markos Kashiouris, Peter Economides and Yiannis Panayi, the principal shareholders of the company, who control Aqua Sol Hotels Public Company Limited, Sol Terra Developers Limited and Totalserve Management Limited, some of the leading hotel, real estate development and financial services and advisory companies in the eastern Mediterranean. The principal shareholders have collectively over 50 years' experience in real estate and have completed or advised on over \$3 billion of real estate projects. They possess extensive local knowledge and contacts, as well as relationships with an international network of operators, architects and designers, marketing and branding companies and financial institutions. The principal shareholders also control Terra Sotheby's International Realty, the licensee of Sotheby's International Realty in the eastern Mediterranean.

Agua Terra Limited is incorporated in the BVI and has local offices in the United Kingdom, Greece and Cyprus.

[www.aqua-terra.com](http://www.aqua-terra.com)

**AGUA TERRA LIMITED**  
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS  
Period from 3 July 2008 to 31 December 2008

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# AGUA TERRA LIMITED

## Chairman's Statement

I am delighted to report a successful start to the operations of the Company.

Since its admission to AIM in October 2008, Agua Terra Limited:

- successfully completed its first project acquisition, Mykonos Azure in Mykonos for a total consideration of €8.3m;
- progressed the architectural design and planning process for the project; and
- successfully received its first planning permit relating to the Agrari Site of Mykonos Azure on 24 March 2008, within six months of acquiring the site. The timely progression of the Agrari Site through the various planning approval stages signifies the Company's local capabilities.

The Company's focus remains on acquisition opportunities in Greece and in particular those Greek Islands which have an international airport. Agua Terra does not intend to acquire any 'green field' or unzoned sites but will concentrate on areas that have a concise planning regime, limited supply of developable land and a steady demand outlook. To that end, we expect Mykonos to remain the focus of Agua Terra's operations in 2009. The Company is in advanced negotiations for acquiring a significant pipeline of assets which, if completed, will make the Company one of the largest owners of developable land on the island.

The planning permits currently being received in Mykonos are value accretive to our sites. Marketing of selected show villas has already commenced through Terra Sotheby's International Realty, our marketing, branding and distribution partner. Given the current environment, marketing is being conducted on an opportunistic basis. The Company's near-term efforts will concentrate on the acquisition of further sites in Mykonos and on expanding our portfolio of assets on the island and elsewhere. Opportunities in other popular and accessible Greek islands are also being investigated. The Company intends to progress these further should we have the financial resources available.

In terms of market developments, the enactment of the long-awaited Regulation for Tourism Development legislation due in 2008, has been delayed and is expected to take place in 2009. While the legislative changes do not directly affect the Company's near term development and site acquisition plans, they should help to clarify and improve the current planning framework for second homes and tourism development in the target region, thereby positively affecting the Company's future development plans.

Agua Terra's development strategy aims to continue to provide real value creation for our shareholders. Our strong project pipeline and near term concentration on Mykonos, coupled with our proven planning capability and acquisition strategy which concentrates on fully zoned, luxury branded development projects, should ensure the Company remains resilient through the current downturn. We look forward to the successful launch of the Mykonos Azure Project and the continued growth of the Company through the acquisition of further carefully selected sites.

**Lord Balfour**  
**Chairman**  
**Agua Terra Limited**  
**30 March 2009**

# AGUA TERRA LIMITED

## UNAUDITED CONSOLIDATED INCOME STATEMENT

Period from 3 July 2008 to 31 December 2008

|                                   | Note | 2008<br>€               |
|-----------------------------------|------|-------------------------|
| <b>Revenue</b>                    |      | -                       |
| Administration expenses           |      | (632.646)               |
| Selling and distribution expenses |      | (9.923)                 |
| Other expenses                    | 1    | <u>(5.395)</u>          |
| <b>Operating loss</b>             | 2    | <u>(647.964)</u>        |
| Net finance costs                 | 3    | <u>(3.696)</u>          |
| <b>Net (loss) for the period</b>  |      | <u><u>(651.660)</u></u> |

The notes on pages 5 to 7 form an integral part of these consolidated financial statements.

**AGUA TERRA LIMITED**  
 UNAUDITED CONSOLIDATED BALANCE SHEET  
 31 December 2008

|                                     | Note | 2008<br>€               |
|-------------------------------------|------|-------------------------|
| <b>ASSETS</b>                       |      |                         |
| <b>Non-current assets</b>           |      | <u>---</u>              |
| <b>Current assets</b>               |      |                         |
| Inventories                         | 4    | 8.264.536               |
| Trade and other receivables         | 5    | 29.633                  |
| Cash at bank and in hand            |      | <u>78.567</u>           |
|                                     |      | <u>8.372.736</u>        |
| <b>Total assets</b>                 |      | <u><u>8.372.736</u></u> |
| <b>EQUITY AND LIABILITIES</b>       |      |                         |
| <b>Equity and reserves</b>          |      |                         |
| Share capital                       | 6    | 9.012.500               |
| Accumulated (losses)                |      | <u>(651.660)</u>        |
|                                     |      | <u>8.360.840</u>        |
| <b>Current liabilities</b>          |      |                         |
| Trade and other payables            | 7    | <u>11.896</u>           |
|                                     |      | <u>11.896</u>           |
| <b>Total equity and liabilities</b> |      | <u><u>8.372.736</u></u> |

The notes on pages 5 to 7 form an integral part of these consolidated financial statements.

# AGUA TERRA LIMITED

## UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

Period from 3 July 2008 to 31 December 2008

|   | 2008                 |
|---|----------------------|
|   | €                    |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                         |                      |
| <b>Loss before tax</b>  | (651.660)            |
| Adjustments for:  |                      |
| Unrealised exchange loss  | <u>2.925</u>         |
| <b>Cash flows used in operations before working capital changes</b> | (648.735)            |
| Increase in inventory   | (8.264.536)          |
| Increase in trade and other receivables                             | (29.633)             |
| Increase in trade and other payables                                | <u>11.896</u>        |
| <b>Net cash used in operating activities</b>                        | <u>(8.931.008)</u>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                         |                      |
| <b>Net cash from investing activities</b>                           | <u>---</u>           |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                         |                      |
| Proceeds from issue of share capital                                | 9.012.500            |
| Unrealised exchange (loss)  | <u>(2.925)</u>       |
| <b>Net cash from financing activities</b>                           | <u>9.009.575</u>     |
| <b>Net increase in cash and cash equivalents</b>                    | 78.567               |
| Cash and cash equivalents:  |                      |
| At beginning of the period  | <u>---</u>           |
| <b>At end of the period</b>   | <u><u>78.567</u></u> |

The notes on pages 5 to 7 form an integral part of these consolidated financial statements.

# AGUA TERRA LIMITED

## NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Period from 3 July 2008 to 31 December 2008

### 1. Other expenses

|                        | 2008         |
|------------------------|--------------|
|                        | €            |
| Incorporation expenses | <u>5.395</u> |
|                        | <u>5.395</u> |

### 2. Operating (loss)

|  | 2008           |
|--|----------------|
|  | €              |
| Operating (loss) is stated after charging the following items: |                |
| Non-executive directors remuneration                           | 25.000         |
| Executive directors remuneration                               | <u>150.000</u> |
|  | <u>175.000</u> |

### 3. Finance costs

|   | 2008         |
|---|--------------|
|   | €            |
| Net foreign exchange transaction losses | 2.925        |
| Other finance expenses                  | <u>771</u>   |
|   | <u>3.696</u> |

### 4. Inventories

|                        | 2008             |
|------------------------|------------------|
|                        | €                |
| Land under development | <u>8.264.536</u> |
|                        | <u>8.264.536</u> |

The land for development is carried at cost.

### 5. Trade and other receivables

|                   | 2008          |
|-------------------|---------------|
|                   | €             |
| Prepayments       | 27.833        |
| Other receivables | <u>1.800</u>  |
|                   | <u>29.633</u> |

# AGUA TERRA LIMITED

## NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Period from 3 July 2008 to 31 December 2008

### 6. Share capital

|                               | 2008                | 2008             |
|-------------------------------|---------------------|------------------|
|                               | Number of<br>shares | €                |
| <b>Issued and fully paid</b>  |                     |                  |
| Common shares of no par value | 4.531.250           | 9.012.500        |
| <b>At 31 December 2008</b>    | <u>4.531.250</u>    | <u>9.012.500</u> |

#### Authorised capital

The Company has an unlimited authorised share capital comprising common shares of no par value.

#### Founder Warrants

The Board of Directors approved and issued the amount of 4.531.250 warrants to the Founding Shareholders of the company entitling them to subscribe at the price of €2 per share.

#### Performance Warrants

The Board of Directors approved the issue of performance warrants as follows:

| Company name                  | Class | Number of shares | Price |
|-------------------------------|-------|------------------|-------|
| Aqua Sol Capital Holdings Ltd | A     | 125.831          | €2.59 |
| Terra Holdings Group Ltd      | B     | 176.829          | €2.59 |
| Totalserve Investments Ltd    | C     | 106.258          | €2.59 |

### 7. Trade and other payables

|                 |               |
|-----------------|---------------|
|                 | 2008          |
|                 | €             |
| Accruals        | 8.297         |
| Other creditors | 3.599         |
|                 | <u>11.896</u> |

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

### 8. Significant agreements with management

At the end of the year, no significant agreements existed between the Company and its management.

### 9. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2008.

### 10. Commitments

The Company had no capital or other commitments as at 31 December 2008.

## **AGUA TERRA LIMITED**

### **NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

Period from 3 July 2008 to 31 December 2008

#### **11. Post balance sheet events**

On the 24 March 2009, the Group received planning permission for the development of its Agrari site (the "Agrari Site"), located in Mykonos, Greece.

The Agrari Site is one of three sites acquired by the Group which collectively comprise the Mykonos Azure project (the "Project"). The Company acquired the Project shortly following its admission to AIM, for a total consideration of €8.3 million. Depending on the final design, the Project will allow for the development of up to 20 luxury serviced residences over approximately 35,000 sqm.

The planning license grants the Group the permission to develop up to 930 sqm of ultra-luxury serviced residences over the Agrari Site's 15,800 sqm.

**AGUA TERRA LIMITED**  
DETAILED CONSOLIDATED INCOME STATEMENT  
Period from 3 July 2008 to 31 December 2008

|   | Page | 2008<br>€               |
|---|------|-------------------------|
| <b>Operating expenses</b>                   |      |                         |
| Administration expenses                     | 9    | 632.646                 |
| Selling and distribution expenses           | 9    | <u>9.923</u>            |
|   |      | <b>642.569</b>          |
| <b>Other operating expenses</b>             |      |                         |
| Incorporation expenses                      |      | <u>5.395</u>            |
| <b>Operating loss</b>                       |      | <b>647.964</b>          |
| Finance costs                               | 10   | <u>3.696</u>            |
| <b>Net (loss) for the period before tax</b> |      | <b><u>(651.660)</u></b> |

# AGUA TERRA LIMITED

## DETAILED CONSOLIDATED OPERATING EXPENSES

Period from 3 July 2008 to 31 December 2008

|                                       | 2008           |
|---------------------------------------|----------------|
|                                       | €              |
| <b>Administration expenses</b>        |                |
| Non executive directors' remuneration | 25.000         |
| Executive director's remuneration     | 150.000        |
| Accounting fees                       | 8.298          |
| Legal fees                            | 11.500         |
| Representation expenses               | 2.063          |
| Professional fees                     | 350.222        |
| Overseas travelling                   | 35.063         |
| Registration fees                     | 12.350         |
| Consultancy fees                      | 13.363         |
| Disbursements                         | 21.322         |
| Sundry expenses                       | 3.465          |
|                                       | <u>632.646</u> |

|  | 2008         |
|--|--------------|
|  | €            |
| <b>Selling and distribution expenses</b> |              |
| Advertising                              | 9.923        |
|  | <u>9.923</u> |

**AGUA TERRA LIMITED**  
CONSOLIDATED FINANCE INCOME  
Period from 3 July 2008 to 31 December 2008

|  | <b>2008</b>         |
|--|---------------------|
|  | €                   |
| <b>Finance costs</b>                           |                     |
| <b>Other finance expenses</b>                  |                     |
| Bank charges                                   | 771                 |
| <b>Net foreign exchange transaction losses</b> |                     |
| Unrealised exchange loss                       | <u>2.925</u>        |
|  | <u><u>3.696</u></u> |