REPORT OF THE BOARD OF DIRECTORS

Of the joint-stock company under the name "AUTOHELLAS TOURIST AND TRADING COMPANY S.A." to the Shareholders' General Meeting of July 31, 2014 on the Draft Merger Agreement by acquisition of the company under the "VACAR CRAFT AND TRADING COMPANY S.A." by the company "AUTOHELLAS TOURIST AND TRADING COMPANY S.A."

07/31/2014

Gentlemen Shareholders,

*The Boards of Directors of the companies "AUTOHELLAS SA TOURISM AND TRADE COMPANY" (hereinafter, the "**Acquirer**") and "VACAR CRAFT AND TRADING COMPANY S.A." (hereinafter, the "**Acquired**"), and jointly further called the "**Merging Companies**" during their meetings on 06.30.2014 decided to start the process of merger by acquisition of the Acquired by the Acquirer in accordance with the provisions of Articles 69 et seq. of the Codified Law 2190/1920 and the provisions of Law 4172/2013, as applicable (hereinafter, the "**Merger**").*

The final decision on the merger shall be taken by the Shareholders' General Meetings of the Merging Companies. This decision requires increased quorum and majority in accordance with the provisions of Articles 29 par. 3 and 31 of the Codified Law 2190/1920.

*This report of the Board of Directors is prepared and submitted to the General Meeting under Article 69 par. 4 of the Codified Law 2190/1920 in order to explain and justify before the shareholders, from a legal and economic perspective, the Draft Merger Agreement of 07/31/2014 (hereinafter, "**DMA**"). Specifically, the Board of Directors informs the General Meeting of the following:*

I. Financial aspect of the Merger

The Board of Directors of the Acquirer considers this merger beneficial for the following reasons:

a) The company which shall occur after the merger shall form synergies and economies of scale at both management and operational levels.

b) The Merger shall result to a reduction in the average cost of financing the investment properties of the Acquirer.

c) The Acquirer shall possess significant assets which have, due to the general crisis in this phase, a highly underestimated value.

d) The activity of the Acquirer shall expand by assuming, after the merger, representation and wholesale of SAAB spare parts in Greece.

The Merger shall be conducted by transferring all assets and liabilities of the Acquired to the Acquirer in exchange for the issuance and delivery of new ordinary registered shares of the Acquirer to the existing shareholders of the Acquired by increasing its share capital.
As of and by the legal completion of the Merger, the Acquired shall be dissolved without liquidation, and its shares shall be annulled, while its total assets (assets and liabilities) shall be transferred to the Acquirer.
The share capital of the Acquirer currently amounts to € 3,878,400.00, divided into 12,120,000 ordinary registered shares with nominal value of € 0.32 each.
The share capital of the Acquired currently amounts to € 3,360,681, divided into 1,120,227 ordinary registered shares with nominal value € 3.00 each.

To determine the exchange ratio of new shares to be issued by the Acquirer the Boards of Directors of the Merging Companies, after taking into account the assets and business structure of the Merging Companies, their dynamics, the real estate property contributed by the Acquired, other assets and liabilities, propose the exchange ratio of new shares to be issued by the Acquirer to be configured as follows:

One (1) new share issued by the Acquirer for 29.87272 existing shares of the Acquired, i.e. the shareholders of the Acquired shall exchange one (1) existing share held in the Acquired for 0.033475358 newly issued shares of the Acquirer.

To complete the Merger, the Acquirer shall increase its share capital. Specifically, it is proposed that the share capital of the Acquirer, which currently amounts to € 3,878,400.00 (three million eight hundred seventy eight thousand four hundred Euros) to be increased upon the completion of the Merger by € 12,000 (twelve thousand Euros) by issuing 37,500 (thirty-seven thousand five hundred) new ordinary registered shares, and shall the amount to € 3,890,400 (three million eight hundred ninety thousand four hundred Euros), divided into 12,157,500 (twelve million one hundred fifty seven thousand five hundred) shares with a nominal value of € 0.32 each. The difference of € 907,800.10, compared to the value of € 919,800.10 of the contributed net assets of the Acquired, shall be recorded in a special Reserve Account in the Acquirer's net worth, further broken down into subaccounts as follows: (a) Acquired Company's Share capital - EUR 3,348,681, (b) Acquired Company's Reserve Funds EUR - 433,417.69, (c) Goodwill (surplus) arising from the valuation of balance

sheet items of the Acquired Company - EUR 5,549,397.18, and (d) Acquired Company's Losses Carried Forward - 8,423,695.77.

II. Legal aspect of the Merger

The method of merger by acquisition has been chosen for the merger of those two companies, in accordance with the provisions of Articles 69 et seq. of the Codified Law 2190/1920 and the provisions of Law 4172/2013, as applicable.

The completion of the merger in accordance with the above mentioned provisions is appropriate as it allows the use of incentives provided by national law, in particular: a) accounting, such as the valuation of the assets of the Acquired by an auditor; b) legal, because as of the completion of the Merger, the Acquirer is involved as successor in all legal relationships, rights, obligations and responsibilities of the Acquired Company, as defined by the current Law.

As of the completion of the Merger, the Acquirer is substituted automatically, completely and without further formality generally throughout the rights, legal relationships and obligations of the Acquired, as defined by the current Law, and all statutory responsibilities of the Acquired are transferred to the Acquirer, in accordance with the provisions of Article 69 et seq. of the Codified Law 2190/1920 and the provisions of Law 4172/2013, as applicable.

In the above context, the Board of Directors of the Acquired states that there were no difficulties in the assessment of the contributed property.

III. Suggestion

Based on these financial and legal reasons, and given that the required decisions of the competent organs of the merging companies on the completion of the Merger and the preparation of the Draft Merger Agreement, were performed in accordance with, where appropriate, the applicable provisions of the Codified Law 2190/1920 and Law 4172/2013, as applicable, we believe that the Merger is totally justified and necessary and we suggest to Messrs Shareholders to approve the Draft Merger Agreement by acquisition of the company under the name "VACAR CRAFT AND TRADING COMPANY S.A." by the company under the name "AUTOHELLAS TOURISM AND TRADING COMPANY S.A.", including any other action, statement or legal act required for this purpose.

Furthermore, it proposes to authorize Mr. Theodoros Vassilakis acting alone and Emmanouela Vassilaki, Eftichios Vassilakis, Dimitrios Mangioros, Garyfallia

Pelekanou and Antonia Dimitrakopoulou, acting together in pairs, as legally represent the Company in the finalization and signing of the DMA as well as any other document, including the definitive merger agreement, which will be required to implement this merger, in accordance with the provisions of Articles 69 et seq. the Codified Law 2190/1920

The Board of Directors of AUTOHELLAS TOURISM AND TRADING COMPANY S.A.

ON BEHALF OF THE BOARD OF DIRECTORS
OF THE ACQUIRING COMPANY **AUTOHELLAS TOURISM AND TRADING COMPANY S.A. (HERTZ)**

DIMITRIOS MANGIOROS	**GARYFALLIA PELEKANOU**
DEPUTY DIRECTOR GENERAL	**BoD MEMBER**