REPORT OF THE BOARD OF DIRECTORS

of the joint-stock company under the name "VACAR S.A." to the General Meeting of Shareholders on the Draft Contract for Merger by acquisition of the joint-stock company under the name "VACAR S.A." by the company "AUTOHELLAS S.A." dated July 31, 2014.

31/07/2014

Gentlemen Shareholders,

The Boards of Directors of the companies "AUTOHELLAS S.A."(hereinafter called, the ***"Acquiring Company"****) and "VACAR S.A." (hereinafter called, the* ***"Company, being acquired"****, and together with the Acquiring Company, called the* ***"Merging Companies"****) during their meetings on 06.30.2014 decided to start the process of merger by acquisition of the Company, being acquired by the Acquiring Company in accordance with the provisions of articles 69 et seq., Codified Law 2190/1920 and the provisions of Law 4172/2013, as applicable (hereinafter called, the* ***"Merger"****). The final decision on the Merger shall be made by the General Meetings of the Shareholders of the Merging Companies. This decision requires qualified quorum and majority in accordance with the provisions of articles 29 par. 3 and 31, Codified Law 2190/1920.*

This report of the Board of Directors was compiled and represented before the General Meeting under article 69, par. 4, Codified Law 2190/1920 to explain and justify to shareholders, from a legal and economic perspective, the Draft Merger Contract of 07/31/2014 (hereinafter called, the ***"DMC"****). Specifically, the Board of Directors informs the General Meeting of the following:*

I. Financial Aspect of the Merger

The reasons for the Board of Directors of the Company, being acquired to consider this merger beneficial are the following:

a) The company resulting from the Merger shall create synergies and economies of scale at both management and operational levels.

b) The Merger shall lead to a reduction in the average cost of financing investment properties of the Acquiring Company.

The merger shall be conducted by transferring all assets, owner's equity and liabilities of the Company, being acquired to the Acquiring Company in exchange for the issuance and delivery of new common registered shares of the Acquiring Company, by increasing its share capital, to existing shareholders of the Company, being acquired.

Upon and by the lawful completion of the Merger, the Company, being acquired shall be dissolved without liquidation, and its shares shall be canceled, and its total assets, owner's equity and liabilities shall be transferred to the Acquiring Company.
The share capital of the Acquiring Company currently amounts to € 3,878,400.00, divided into 12,120,000 common registered shares of € 0.32 nominal value each. The share capital of the Company, being acquired currently amounts to € 3,360,681.00, divided into 1,120,227 common registered shares of € 3.00 nominal value each.
To determine the exchange ratio of new shares to be issued of the Acquiring Company, 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 Company, being acquired, and other assets and liabilities, propose the exchange ratio of new shares to be issued of the Acquiring Company to be configured as follows:
Each one (1) new share of the Acquiring Company for 29.87272 existing shares of the Company, being acquired, i.e. the shareholders of the Company, being acquired shall exchange one (1) existing share, held in the Company, being acquired for 0.033475358 new shares of the Acquiring Company.

For the Merger to be conducted, the Acquiring Company shall increase its share capital. Specifically, it is proposed that the share capital of the Acquiring Company, which currently amounts to € 3,878,400.00 (three million eight hundred seventy eight thousand four hundred Euros), upon the completion of the Merger to be increased by € 12,000 (twelve thousand Euros) by issuing 37,500 (thirty-seven thousand five hundred) new common registered shares, amounting further to € 3,890,400 (three million eight hundred ninety thousand four hundred Euros), divided into 12,157,500 (twelve million one hundred fifty seven five hundred) shares of € 0.32 nominal value each. The difference of € 907,800.10 in relation to the value of the net contributed property of the Company, being acquired, which amounts to € 919,800.10, shall be accounted in a special Reserve Account of the net position (equity) of the Acquiring Company, further broken down into sub-accounts as follows: (a) Share capital of the Company, being acquired € 3,348,681; (b) Reserves of the Company, being acquired € 433,417.69; (c) Goodwill arising on revaluation of the balance sheet items of the Company, being acquired € 5,549,397.18; and (d) Loss carried forward of the Company, being acquired € (8,423,695.77).

II. Legal Aspect of the Merger

The method selected for the merger of the two companies is merger by acquisition under the provisions of articles 69 et seq. Codified Law 2190/1920 and the provisions of Law 4172/2013, as applicable.

The completion of the merger in accordance with the aforementioned provisions is appropriate since it allows making use of incentives provided by national laws, in particular:

a) accounting, such as the valuation of the assets of the Company, being acquired by a certified public accountant – auditor;

b) legal, because as of the completion of the Merger, the Acquiring Company shall become universal successor in all legal relationships, rights, obligations and responsibilities of the Company, being acquired, as defined by law.

As of the completion of the Merger, the Acquiring Company shall be automatically substituted, fully and without further formalities throughout all the rights, obligations and legal relationships of Absorbed in general, as defined by applicable law, and all responsibilities by law of the Company, being acquired shall be transferred to the Acquiring Company, in accordance with the provisions of articles 69 et seq. Codified Law 2190/1920 and the provisions of Law. 4172/2013, as applicable.

In the above context, the Board of Directors of the Company, being acquired, declares that there were no difficulties in the valuation of the contributed property.

III. Recommendation

For these financial and legal reasons, and taking into account that the Decisions of the competent bodies of the Merging Companies required for the completion of the Merger and compiling the Draft Merger Contract, have been conducted in accordance with, where appropriate, the applicable provisions of Codified Law 2190/1920 and Law 4172/2013, as applicable, we believe that the Merger is fully justified and necessary and recommend to Gentlemen Shareholders to approve the Draft Contract for Merger by acquisition of the company under the name "VACAR S.A. " by the company under the name "AUTOHELLAS S.A." by acquisition, including any other action, statement or transaction required for this purpose.

Furthermore, it proposes to authorize Messrs. ***Theodoros Eft. Vassilakis*** *(President of the Board of Directors),* ***Georgios Th. Vassilakis*** *(Vice President of the Board of Directors and CEO),* ***Eleni Nik. Inglezou*** *(Chief Financial Officer and Member of the Board of Directors), as separately represent the Company legally in the finalization*

and signing of the DMC as well as any other document, including the definitive merger contract, which shall be required to implement this merger, in accordance with the provisions of Articles 69 et seq., Codified Law 2190/1920.

The Board of Directors of "VACAR S.A."

ON BEHALF OF THE BOARD OF DIRECTORS OF THE COMPANY, BEING ACQUIRED

"VACAR S.A."

ELENI INGLEZOU

CHIEF FINANCIAL OFFICER AND

MEMBER OF THE BOARD OF DIRECTORS