

MANAGEMENT REPORT
Of the Board of Directors of the Joint-stock Company "VACAR S.A."
Fiscal year 01/01/2012 - 12/31/2012.

To
The Shareholders' Regular Meeting.

Gentlemen Shareholders,

According to article 43^a, paragraph 3, Codified Law 2190/1920, as amended by article 35 of Presidential Decree 409/1986, we hereby present to your Meeting the attached financial statements for the fiscal year ended on 12/31/2012 with our comments on them and we kindly ask for your approval.

1. Progress of the company's business.

In 2012, VACAR conducted its operations under the new business plan. The remainder of its vehicles was divested, which significantly burdened its financial results.

The turnover amounts to EUR 2,574,867.54 from the Spare Parts business and the divestiture of its vehicles.

Other income is generated from the exploitation of its real estate property (rents). Obviously, after ceasing the operation of its stores, its operating cost was reduced to minimum, while interest on loans is its most notable expense.

For 2013, in terms of its activities, is predicted that the course shall be in the same context, the operating cost shall be reduced even more, but its financial results shall be noticeably much better.

The conversion of all its loans in syndicated loans shall help significantly in terms of both cost and improvement of its Financial Ratios and analysis of its Financial Data.

2. Financial position of the Company.

The financial position of the company was further burdened by this year's results, taking into account everything mentioned above.

The owner's equity of the company became (negative) -3,072,653.39 Euros and the company's management should take steps to cover this amount.

2^a. Statistical View of the Company.

1. Financial Structure Ratios.

Current Assets / Total Assets	25.48 %
Equity / Total Liabilities	-22.72 %
Equity / Fixed Assets	-39.02 %

TOTAL LIQUIDITY OR OPERATING CAPITAL

Current Assets / Short –term Liabilities	0.401
Operating Capital / Current Assets	-149.48%

2. Efficiency and Profitability Ratios.

NET MARGIN	
Net Profit or Loss / Sales	-33.91 %
OWNER'S EQUITY	
Net Income (before taxes) / Equity	28.44 %
GROSS MARGIN	
Gross Profit or Loss / Sales	8.13 %
RATE OF EQUITY	
Sales / Equity	-0.84
RATE OF STOCK TURNOVER	
Cost of Sales / Average Inventory	1.2890

3. Future development of the Company.

The development of the company in the following years shall be extremely difficult and shall depend on any developments to follow on the revival of the Brand or any business decision on restarting the company's operations by becoming the representative of another Brand.

4. Research and Development Activities.

There are not such.

5. Securities, held by the Company.

There are not such.

6. Foreign Currency available.

There is not such.

7. Information on the use of financial instruments.

It is not essential for the valuation of assets and liabilities, financial position and income statement.

8. Real Estate Property of the Company

The following is in full ownership of the company on 12/31/2012 - after the adjustment according to Law 2065/92 - according to the objective values of 2008:

1. Land plot of 10,455.00 m² on 3 Archaïou Theatrou str., Alimos, with portable steel constructions of 1,715.00 m², objective value of 2008: 1,899,390.00 Euros.
2. Building on 292 Kifissias Avenue, Chalandri, 1,546.00 m², objective value of 2008: 2,343,012.88 Euros.

3. Building on 100 Kifissou Avenue, Peristeri, 1,083.00 m2, objective value of 2008: 1,306,203.45 Euros.
4. Building on 61 Kifissias Avenue, Marousi, 3,801.20 m2, objective value of 2008: 4,952,394.27 Euros.

.....

Information and explanation about the remaining Balance Sheet items are given in the Appendix.

9. Significant loss at the time of presentation of the report, either existing or expected to incur.

There are loss for the current year and losses of previous fiscal years.

10. Significant events that have occurred since the end of the fiscal year until the date of presentation of this report.

The total equity of the company has become negative and therefore the conditions for the application of the provisions of article 48 Codified Law 2190/1920 are present. The financial statements have been prepared under the principle of the continuation of the company business. The company's management has prepared an appropriate program to remove the application of the provisions of this Article and for the uninterrupted continuation of the company's business.

What is worth noting is that there is an attempt to revive the Brand (SAAB), which shall determine the continuation and operation of the company in the future. Also, the company has already proceeded with actions for receiving a syndicated bond loan for an amount equal to its total loans.

11. Company branches.

Company branches on 12 /31/ 2012		
s/n	Address	Business
1	3 Archaïou Theatrou str., Alimos	Spare Parts Warehouse

Exact copy of the Minutes of the Board of Directors of 04/30/2013

THE BoD VICE PRESIDENT & CEO

GEORGIOS THEOD. VASILAKIS

It is certified, that the above Report of the Board of Directors consists of 4 pages and is the one mentioned in the Audit Report I have provided.

Athens, May 14 2013

The Certified Public Accountant - Auditor

**TSAMPAZIS K. NIKOLAOS
INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF GREECE REG. No. 17111**

