

VELMAR HELLENIC AUTOMOBILES AND AGENCIES SA, TRADING AND INDUSTRIAL ENTERPRISES												
BALANCE SHEET OF 31 DECEMBER 2012 - 34th FISCAL YEAR (1 JANUARY - 31 DECEMBER 2012) SA Reg. No. 3076/01 AT/B/86/424(2008)												
ASSETS			Closing year amounts 2012			Previous year amounts 2011			LIABILITIES			
B. SET-UP EXPENSES			Acquisition value	Depreciation	Undepreciated value	Acquisition Value	Depreciation	Undepreciated value	A. EQUITY	Previous year amounts 2012	Previous year amounts 2011	
1. Formation and set-up expenses			400,065.18	391,292.56	8,772.62	1,533,088.35	1,345,050.26	188,038.09	1. Share Capital			
4. Other set-up expenses			3,091,350.45	3,049,005.15	42,345.30	3,094,586.15	2,933,640.33	160,945.82	7,188.135 Registered shares of 3 €)			
			3,491,415.63	3,440,297.71	51,117.92	4,627,674.50	4,278,690.59	348,983.91	1. Paid-up capital	21,564,405.00	21,564,405.00	
C. FIXED ASSETS									II. Revaluation differences - Investment subsidies			
1. Intangible assets									1. Differences from value adjustment of participations and securities	398,771.73	398,771.73	
3. Goodwill			6,032,030.62	2,146,719.05	3,885,311.57	6,032,030.62	2,146,719.05	3,885,311.57				
II. Tangible assets									IV. Reserve Funds			
1. Plots & lots			7,398,817.68	0.00	7,398,817.68	6,261,182.28	0.00	6,261,182.28	1. Statutory reserve	588,119.56	588,119.56	
3. Buildings- Technical works			20,388,228.08	11,710,088.60	8,678,139.48	19,152,206.94	9,396,328.84	9,755,878.10	3. Special reserve	15,202.57	15,202.57	
4. Machinery - technical installations and other mechanical equipment			2,900,342.45	2,267,055.16	633,287.29	2,993,647.84	2,264,203.44	729,444.40	4. Extraordinary reserve	134,438.22	134,438.22	
5. Transportation equipment			763,858.08	246,573.27	517,284.81	1,483,411.31	404,839.37	1,078,571.94	5. Special law untaxed reserves	627,187.83	627,187.83	
6. Furniture and other equipment			4,110,227.78	3,689,725.07	420,502.71	4,006,773.37	3,555,658.91	451,114.46				
7. Fixed assets under construction & advance payments			0.00	0.00	0.00	27,840.87	0.00	27,840.87				
			35,561,474.07	17,913,442.10	17,648,031.97	33,925,062.61	15,621,030.56	18,304,032.05		1,364,948.18	1,364,948.18	
Total Fixed Assets (CI + CII)			41,593,504.69	20,060,161.15	21,533,343.54	39,957,093.23	17,767,749.61	22,189,343.62	V. Results carried forward			
II. Participations and other long term financial receivables									Loss carried forward	-33,688,129.14	-28,430,311.97	
5. Bills receivable									Total equity (AI +AIII+ AIV +AV)	-10,360,004.23	-5,102,187.06	
On hand				18,728.59	25,615.77		29,616.44	48,074.86	C. LIABILITIES			
In banks as collateral				6,887.18	357,368.40		18,458.42	361,577.95	1. Long-term liabilities			
7. Other long-term receivables					382,984.17			409,652.81	1. Debenture loans	27,000,000.00	25,125,000.00	
Total fixed assets (CI+CII + CIII)					21,916,327.71			22,598,996.43				
D. CURRENT ASSETS									II Short-term liabilities			
I. Stocks									1. Payables to suppliers	4,397,538.06	4,352,128.93	
1. Merchandise					4,979,534.63			7,581,146.11	2a. Cheques payable (postdated)	1,640,765.03	1,593,307.12	
II. Receivables					5,206,269.43			6,122,619.36	3. Bank accounts short term liabilities	9,462,840.67	12,119,811.05	
1. Customers									4. Customer advances	2,003,747.99	1,764,138.79	
2. Notes receivable									5. Liabilities from taxes, duties	395,804.15	402,694.05	
On hand				29,871.44	53,608.76		36,278.36	61,988.02	6. Insurance and Pension Funds	253,414.73	268,200.80	
In banks as collateral				23,737.32	591,466.74		25,709.66	659,084.03	11. Various creditors	192,969.20	261,797.54	
3. Notes overdue										18,347,079.83	20,762,078.28	
3a Cheques receivable					38,845.70			154,986.44	Total liabilities (CI+CII)	45,347,079.83	45,887,078.28	
3b Cheques overdue					685,013.54			706,813.54				
10. Doubtful - bad debts & debtors					49,307.28			49,307.28				
11. Sundry debtors					712,199.72			858,710.19				
12. Advances and credits suspense account					835,472.60			866,618.16				
					8,172,183.77			9,480,127.02				
III. Securities												
1. Shares				117,128.65			117,128.65					
Less: Devaluation provisions				55,443.27	61,685.38		55,443.27	61,685.38				
IV. Cash assets												
1. Cash					18,264.04			43,983.29				
3. Sight and time deposits					297,997.11			1,164,291.45				
					316,261.15			1,208,274.74				
Total current assets (DI + DII + DIII+DIV)					13,529,664.93			18,331,233.25				
E. DEBIT TRANSIT ACCOUNTS									D. CREDIT TRANSIT ACCOUNTS			
1. Prepaid expenses					1,873.49			62,870.65	2. Accrued expenses	986,239.79	1,176,355.02	
2. Income earned					402,442.83			547,273.49				
3. Other transit debit accounts					71,888.51			71,888.51				
					476,204.83			682,032.65				
GRAND TOTAL ASSETS (B+C+D+E)					35,973,315.39			41,961,246.24	GRAND TOTAL LIABILITIES (A+C+D)	35,973,315.39	41,961,246.24	
DEBIT MEMO ACCOUNTS									CREDIT MEMO ACCOUNTS			
1. Non-owned assets					232.00			174.00	1. Beneficiaries of non-owned assets	232.00	174.00	
2. Debit accounts of guarantees and collateral security					3,918,128.04			4,551,359.07	2. Credit accounts of guarantees and collateral security	3,918,128.04	4,551,359.07	
					3,918,360.04			4,551,533.07		3,918,360.04	4,551,533.07	
<b>Note:</b> During this fiscal year, according to the provisions of Law 2065/92, the acquisition value of the lots was adjusted, due to which the acquisition value of the lots was increased by EUR 1,137,635.40 and an adjustment difference of EUR 1,137,635.40 emerged, which was offset against previous year losses.												
PROFIT AND LOSS STATEMENT OF 31st DECEMBER 2012 (1 JANUARY - 31 DECEMBER 2012)							APPROPRIATION TABLE					
			Closing year amounts 2012		Previous year amounts 2011							
I. OPERATING RESULTS							Net results (losses) for the year					
Turnover (sales)				43,448,307.71		61,556,521.10	-6,250,188.73					
Less: Cost of Sales				38,912,670.23		55,590,750.48	-28,430,311.97					
Gross operating results (profit)				4,535,637.48		5,965,770.62	0.00					
Plus: Other operating income				2,106,493.41		3,484,577.42	-176,782.09					
Total				6,642,130.89		9,450,348.04	-1,137,635.40					
Less:							0.00					
1. Administrative expenses				3,253,183.93		3,431,119.27	1,137,635.40					
3. Selling expenses				7,500,628.08		8,911,299.54	0.00					
Operating results before financial transactions					-4,111,681.12		-2,892,070.77	0.00				
Plus: 4. Interest income & related expenses				860.68		17,673.12	-33,542,865.30					
Less: 3. Interest charges and related expenses				1,883,624.57	-1,882,763.89	2,197,610.90	-2,179,937.78	-28,272,887.28				
Total operating results (losses)					-5,994,445.01		-5,072,008.55	145,263.84				
II. Less: EXTRAORDINARY RESULTS								-33,688,129.14				
1. Extraordinary and non-operating income				14,214.86	94,596.49			157,424.69				
2. Extraordinary profit				26,006.33	3,994,080.46	4,088,676.95		-28,430,311.97				
Less 1. Extraordinary and non-operating expenses				288,264.63	1,070,388.97							
2. Extraordinary losses				7,699.28	295,963.91	-255,743.72	112,085.62	1,182,474.59	2,906,202.36			
Operating and extraordinary results (losses)					-6,250,188.73		-2,165,806.19					
Less: Total depreciation of fixed assets				1,866,900.17	0.00	1,704,037.87	0.00					
Less: Those included in operating cost				1,866,900.17		1,704,037.87						
Net results (losses) for the year					-6,250,188.73		-2,165,806.19					
STATEMENT OF CHANGES IN EQUITY												
Start equity (01.01.2012 & 01.01.2011 respectively)				31,12,2012		31,12,2011						
Profits (losses) net of tax for the period				-5,102,187.06		-2,579,708.67						
Other changes in equity				-5,257,817.17		-2,500,012.88						
Equity at end of year (31.12.2012 & 31.12.2011 respectively)				-10,360,004.23		-5,102,187.06						
KIFISSIA, 30 APRIL 2013												
THE CHAIRMAN OF THE BOARD OF DIRECTORS			THE VICE-CHAIRMAN OF THE BOARD OF DIRECTORS AND MANAGING DIRECTOR			THE FINANCIAL MANAGER			THE CHIEF ACCOUNTANT			
[SIGNATURE]			[SIGNATURE]			[SIGNATURE]			[SIGNATURE]			
THEODOROS EFT. VASSILAKIS			GEORGIOS THEOD. VASSILAKIS			IGGLEZOU NIK. ELENI			STYLIANIS S. BOUTSI			
ID No.: AK 051549			ID No.: X 678102			ID No.: AI 511166			LIC. NO. 1ST CLASS 0030395			
AUDIT REPORT BY INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT												
To the shareholders of "VELMAR HELLENIC AUTOMOBILES AND AGENCIES SA, TRADING AND INDUSTRIAL ENTERPRISES"												
<b>Report on the Financial Statements</b> We have audited the financial statements of "VELMAR HELLENIC AUTOMOBILES AND AGENCIES SA, TRADING AND INDUSTRIAL ENTERPRISES", which comprise the balance sheet of 31 December 2012, the income statement and the appropriation table for the year then ended, and the related annex.												
<b>Management Responsibility for the Financial Statements</b> Management is responsible for preparing and fairly presenting these financial statements in accordance with Accounting Standards specified by the Greek General Accounting Plan and the provisions of Articles 42a to 43c of Codified Law 2190/1920, as well as those internal safeguards that management considers necessary to allow the preparation of financial statements free from material misstatement, whether due to fraud or error. Auditor's Responsibility: Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. In the context of these standards we are required to comply with all ethical rules and to design and carry out our audit with a view to providing fair assurance as to whether the financial statements are free of material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The audit procedures were selected at the auditor's free discretion, including an assessment of the likelihood of the financial statements containing material misstatements whether due to fraud or error. In assessing that risk, the auditor considers the internal safeguards relevant to the preparation and fair presentation of the company's financial statements, in order to design audit procedures that are appropriate in view of the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal safeguards. An audit also includes evaluating the appropriateness of accounting policies and methods used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the company and consolidated financial statements. We have obtained reasonable assurance that all important evidence has been brought to our attention and is sufficient and appropriate to provide a basis for our audit opinion. Basis for Qualified Opinion Our audit came up with the following issues: 1) The receivables accounts include overdue amounts from the previous year amounting in total to approximately 5.4 million euro. By derogation from the accounting principles set forth in Greek laws, no relevant provision has been formed. In our assessment, a provision amounting to approximately 4.7 million euro should have been formed to cover losses from the non-liquidation of said receivables. Because this provision was not formed, the value of receivables and Equity appear increased by the 4.7 million euro. 2) By derogation of the accounting principles set forth by Greek Law, no provision has been formed for staff compensation due to retirement. On 31.12.2012 the total level of the provision which was not formed amounted to approximately 653,000, and as a result provisions shown are decreased by € 653,000 and equity is increased by € 653,000. 3) By derogation of the accounting principles set forth by Greek Law, on the merger goodwill of 4,856,639.45 acquired in 2007, depreciations of 971,327.89 were carried out, and as a result the value of the merger goodwill and Equity appear increased by 3,885,311.56. 4) The company's tax liabilities have not been examined by the tax authorities for fiscal year 2010. Therefore, the tax results of this fiscal year have not been rendered definitive. The company has not assessed the additional taxes and surcharges likely to be attributed by any future tax audit and has not made a provision for this contingent liability. It has not been possible to obtain reasonable assurance through our audit regarding the estimated amount of this provision that may be required. Qualified Opinion: In our opinion, apart from the impact of the issues referred in the "Basis for Qualified Opinion" paragraph, the above financial statements fairly present from every material viewpoint the financial position of "VELMAR HELLENIC AUTOMOBILES AND AGENCIES SA, TRADING AND INDUSTRIAL ENTERPRISES" on 31 December 2012, and its financial performance and cash flows for the fiscal year then ended, in accordance with the Accounting Standards laid down by the Greek General Accounting Plan and the provisions of Articles 42a through 43c of Codified Law 2190/1920.												
<b>Emphasis on Matters:</b> Without further qualifying our opinion, we draw your attention to the fact that the company's total Equity, after considering the audit's comments, has become negative, and therefore the conditions for application of the provisions of Article 48 of Cod. Law 2190/1920 apply. This matter is a significant indication for the potential inability of the company to continue its operation. The company's Management has prepared a suitable program for lifting the obligation of implementation of the provisions of this Article and the continuation of the company's operations without problems.												
<b>Report on Other Legal and Regulatory Requirements</b> We have verified that the content of the Management Report corresponds to and matches that of the above financial statements in the context of the provisions of Articles 43a and 37 of Codified Law 2190/1920.												
[Logo]							Athens, 22 April 2013 The Chartered Auditor Accountant [signature] TSABASIS K. NIKOLAOS SOEL Reg. No. 17111					