

**BIOSAR-PV PROJECT MANAGEMENT
LIMITED**

REPORT AND FINANCIAL STATEMENTS
Period from 5 September 2011 to 31 December
2012

BIOSAR-PV PROJECT MANAGEMENT LIMITED

REPORT AND FINANCIAL STATEMENTS

Period from 5 September 2011 to 31 December 2012

CONTENTS	PAGE
Board of Directors and other Officers	1
Report of the Board of Directors	2
Independent auditor's report	3 - 4
Statement of comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Cash flow statement	8
Notes to the financial statements	9 - 13
Additional information to the Statement of comprehensive income	14 - 17

BIOSAR-PV PROJECT MANAGEMENT LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Andreas Mavromatis
Georgios Koutsopodiotis

Company Secretary:

Brena Services Limited
Zinonos Kitieos 8
2322 Kato Lakatamia
Nicosia Cyprus

Independent Auditors:

Horwath DSP Limited
Certified Public Accountants and Registered Auditors
Photiades Business Centre
1st floor, 8 Stassinos Avenue
P.O. Box 22545
Nicosia

Registered office:

Vas. Friderikis 33, Palais D'Ivoire
1st floor, office/flat 403-404
1066 Nicosia
Cyprus

BIOSAR-PV PROJECT MANAGEMENT LIMITED

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its first report and audited financial statements of the Company for the period from 5 September 2011 to 31 December 2012.

Incorporation

The Company Biosar-Pv Project Management Limited was incorporated in Cyprus on 5 September 2011 as a private limited liability Company under the Cyprus Companies Law, Cap. 113.

Principal activities

The principal activities of the Company, are the holding of investment and provision of finance.

Review of current position, future developments and significant risks

The Company has incurred losses during the year. However the board of directors expects that the appreciation of the value of the investment in the subsidiary company in the forthcoming years will outweigh these losses.

The main risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 3 of the financial statements.

Results

The Company's results for the period are set out on page 5. The net loss for the period is carried forward.

Share capital

Authorised capital

Under its Memorandum the Company fixed its share capital at 5.000 ordinary shares of nominal value of €1 each.

Issued capital

Upon incorporation on 5 September 2011 the Company issued to the subscribers of its Memorandum of Association 1.000 ordinary shares of €1 each at par.

Board of Directors

The members of the Company's Board of Directors as at 31 December 2012 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the period from 5 September 2011 to 31 December 2012.

Events after the reporting period

Any significant events that occurred after the end of the reporting period are described in note 15 to the financial statements.

Independent Auditors

The Independent Auditors, Horwath DSP Limited, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

Andreas Mavromatis
Director

Nicosia, 6 February 2013

Independent auditor's report

To the Members of Biosar-Pv Project Management Limited

Report on the financial statements

We have audited the accompanying financial statements of parent company Biosar-Pv Project Management Limited (the "Company"), which comprise the statement of financial position as at 31 December 2012, and the statements of comprehensive income, changes in equity and cash flows for the period from 5 September 2011 to 31 December 2012, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the financial statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are 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 International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent auditor's report (continued)

To the Members of Biosar-Pv Project Management Limited

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the parent company Biosar-Pv Project Management Limited as at 31 December 2012, and of its financial performance and its cash flows for the period from 5 September 2011 to 31 December 2012 in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Report on other legal requirements

Pursuant to the requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company.
- The Company's financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors is consistent with the financial statements.

Other matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Chrysis Pegasiou ACA
Certified Public Accountant and Registered Auditor
for and on behalf of
Horwath DSP Limited
Certified Public Accountants and Registered
Auditors

Nicosia, 6 February 2013

BIOSAR-PV PROJECT MANAGEMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Period from 5 September 2011 to 31 December 2012

	Note	2012 €
Administration expenses		(27.805)
Other expenses	5	<u>(1.570)</u>
Operating loss		(29.375)
Net finance costs	7	<u>(60)</u>
Loss before tax		(29.435)
Tax	8	<u>-</u>
Net loss for the period		(29.435)
Other comprehensive income		<u>-</u>
Total comprehensive expense for the period		<u>(29.435)</u>

The notes on pages 9 to 13 form an integral part of these financial statements.

BIOSAR-PV PROJECT MANAGEMENT LIMITED

STATEMENT OF FINANCIAL POSITION

31 December 2012

	Note	2012 €
ASSETS		
Non-current assets		
Investment in subsidiary	9	<u>5.800.000</u>
		<u>5.800.000</u>
Current assets		
Trade and other receivables	10	210.000
Cash at bank	11	<u>117</u>
		<u>210.117</u>
Total assets		<u><u>6.010.117</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	12	1.000
(Accumulated losses)		<u>(29.435)</u>
Total equity		<u>(28.435)</u>
Current liabilities		
Trade and other payables	13	<u>6.038.552</u>
		<u>6.038.552</u>
Total equity and liabilities		<u><u>6.010.117</u></u>

On 6 February 2013 the Board of Directors of Biosar-Pv Project Management Limited authorised these financial statements for issue.

.....
Andreas Mavromatis
Director

.....
Georgios Koutsopodiotis
Director

The notes on pages 9 to 13 form an integral part of these financial statements.

BIOSAR-PV PROJECT MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY

Period from 5 September 2011 to 31 December 2012

	Note	Share capital €	Accumulated (losses) €	Total €
Total comprehensive expense for the period		-	(29.435)	(29.435)
Issue of share capital	12	<u>1.000</u>	<u>-</u>	<u>1.000</u>
Balance at 31 December 2012		<u>1.000</u>	<u>(29.435)</u>	<u>(28.435)</u>

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter (up to 31 August 2011 the rate was 15% and was increased to 17% for the period thereafter to 31 December 2011) will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

The notes on pages 9 to 13 form an integral part of these financial statements.

BIOSAR-PV PROJECT MANAGEMENT LIMITED

CASH FLOW STATEMENT

Period from 5 September 2011 to 31 December 2012

	2012
	€
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss before tax	<u>(29.435)</u>
Cash flows used in operations before working capital changes	(29.435)
Increase in trade and other receivables	(209.000)
Increase in trade and other payables	<u>6.038.552</u>
Cash flows from operations	<u>5.800.117</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Payment for purchase of investments in subsidiaries	9 <u>(5.800.000)</u>
Net cash flows used in investing activities	<u>(5.800.000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>
Net increase in cash and cash equivalents	117
Cash and cash equivalents:	
At beginning of the period	<u>-</u>
At end of the period	11 <u><u>117</u></u>

The notes on pages 9 to 13 form an integral part of these financial statements.

BIOSAR-PV PROJECT MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 5 September 2011 to 31 December 2012

1. Incorporation and principal activities

Country of incorporation

The Company Biosar-Pv Project Management Limited (the "Company") was incorporated in Cyprus on 5 September 2011 as a private limited liability Company under the Cyprus Companies Law, Cap. 113. Its registered office is at Vas. Friderikis 33, Palais D'Ivoire, 1st floor, office/flat 403-404, 1066 Nicosia, Cyprus.

Principal activities

The principal activities of the Company, are the holding of investment and provision of finance.

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113.

The Company is not required by the Cyprus Companies Law, Cap.113, to prepare consolidated financial statements because the ultimate parent company publishes consolidated financial statements in accordance with Generally Accepted Accounting Principles in Greece and the Company does not intend to issue consolidated financial statements for the period from 5 September 2011 to 31 December 2012.

Since the 7th Directive of the European Union permits the preparation of consolidated financial statements in accordance with the Directive or in a manner equivalent to the Directive, and since the Cyprus Companies Law, Cap. 113, provides the aforementioned exemption, the provisions of International Accounting Standard 27 "Consolidated and separate financial statements" that require the preparation of consolidated financial statements in accordance with IFRS do not apply.

The financial statements have been prepared under the historical cost convention

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Adoption of new and revised IFRSs

During the current period the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 5 September 2011.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

Subsidiary companies

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

BIOSAR-PV PROJECT MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 5 September 2011 to 31 December 2012

2. Accounting policies (continued)

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand.

Share capital

Ordinary shares are classified as equity.

3. Financial risk management

Financial risk factors

The Company is exposed to credit risk, liquidity risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

3.1 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. Cash balances are held with high credit quality financial institutions and the Company has policies to limit the amount of credit exposure to any financial institution.

3.2 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

3.3 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

4. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

BIOSAR-PV PROJECT MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 5 September 2011 to 31 December 2012

4. Critical accounting estimates and judgments (continued)

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Impairment of investments in subsidiaries**

The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future undiscounted cash flows associated with these subsidiaries/associates would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

5. Other expenses

	2012
	€
Incorporation expenses	<u>1.570</u>
	<u>1.570</u>

6. Expenses by nature

	2012
	€
Auditors' remuneration	2.360
Accounting expenses	878
Administration expenses	1.150
Professional expenses	<u>23.417</u>
Total expenses	<u>27.805</u>

7. Finance costs

	2012
	€
Sundry finance expenses	<u>60</u>
	<u>60</u>

8. Tax

The tax on the Company's results before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	2012
	€
Loss before tax	<u>(29.435)</u>
Tax calculated at the applicable tax rates	(2.944)
Tax effect of expenses not deductible for tax purposes	<u>2.944</u>
Tax charge	<u>-</u>

The corporation tax rate is 10%.

BIOSAR-PV PROJECT MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 5 September 2011 to 31 December 2012

9. Investment in subsidiary

	2012
	€
Balance at 5 September	-
Additions	<u>5.800.000</u>
Balance at 31 December	<u><u>5.800.000</u></u>

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Holding %</u>
Iliosar AE	Greece	Operating in the renewable energy sector.	100

10. Trade and other receivables

	2012
	€
Deposits and prepayments	<u>210.000</u>
	<u><u>210.000</u></u>

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

11. Cash at bank

Cash balances are analysed as follows:

	2012
	€
Cash at bank	<u>117</u>
	<u><u>117</u></u>

12. Share capital

	2012	2012
	Number of shares	€
Authorised		
Ordinary shares of €1 each	<u>5.000</u>	<u>5.000</u>
Issued and fully paid		
Issue of shares	<u>1.000</u>	<u>1.000</u>
Balance at 31 December	<u><u>1.000</u></u>	<u><u>1.000</u></u>

Authorised capital

Under its Memorandum the Company fixed its share capital at 5.000 ordinary shares of nominal value of €1 each.

Issued capital

Upon incorporation on 5 September 2011 the Company issued to the subscribers of its Memorandum of Association 1.000 ordinary shares of €1 each at par.

BIOSAR-PV PROJECT MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 5 September 2011 to 31 December 2012

13. Trade and other payables

	2012
	€
Shareholders' current accounts - credit balances (Note 14)	6.028.900
Accruals	2.360
Other creditors	5.792
Payable to related company (Note 14)	<u>1.500</u>
	<u>6.038.552</u>

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

14. Related party transactions

The following transactions were carried out with related parties:

14.1 Payable to related company (Note 13)

	2012
	€
Aktor Investment Holdings Limited	<u>1.500</u>
<u>Nature of transactions</u>	
Finance	<u>1.500</u>

14.2 Shareholders' current accounts - credit balances (Note 13)

	2012
	€
As at 31 December	<u>6.028.900</u>
	<u>6.028.900</u>

The shareholders' current accounts are interest free, and have no specified repayment date.

15. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

Independent auditor's report on pages 3 and 4

BIOSAR-PV PROJECT MANAGEMENT LIMITED

DETAILED INCOME STATEMENT

Period from 5 September 2011 to 31 December 2012

	Page	2012 €
Operating expenses		
Administration expenses	15	<u>(27.805)</u> (27.805)
Other operating expenses		
Incorporation expenses		<u>(1.570)</u>
Operating loss		(29.375)
Finance costs	16	<u>(60)</u>
Net loss for the period before tax		<u>(29.435)</u>

BIOSAR-PV PROJECT MANAGEMENT LIMITED

OPERATING EXPENSES

Period from 5 September 2011 to 31 December 2012

	2012 €
Administration expenses	
Auditors' remuneration	2.360
Accounting fees	878
Administration expenses	1.150
Professional services	<u>23.417</u>
	<u><u>27.805</u></u>

BIOSAR-PV PROJECT MANAGEMENT LIMITED

FINANCE COSTS

Period from 5 September 2011 to 31 December 2012

	2012
	€
Finance costs	
Sundry finance expenses	
Bank charges	<u>60</u>
	<u>60</u>

BIOSAR-PV PROJECT MANAGEMENT LIMITED

COMPUTATION OF CORPORATION TAX
Period from 5 September 2011 to 31 December 2012

	Page	€	€
Net loss per detailed statement of comprehensive income	14		(29.435)
<u>Add:</u>			
Expenses not allowable for tax purposes:			
Incorporation expenses		1.570	
Administration expenses disallowed		<u>27.865</u>	
Chargeable income for the year			<u><u>29.435</u></u>
			<u><u>-</u></u>

BIOSAR-PV PROJECT MANAGEMENT LIMITED

**Vas. Friderikis 33, Palais D'Ivoire
1st floor, office/flat 403-404
1066 Nicosia
Cyprus**

Nicosia, 6 February 2013

Horwath DSP Limited
Certified Public Accountants and Registered Auditors
Photiades Business Centre
1st floor, 8 Stassinou Avenue
P.O. Box 22545
Nicosia

6 February 2013

Management representation letter for the audit of the period ended 31 December 2012

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of Biosar-Pv Project Management Limited (the "Company") for the period from 5 September 2011 to 31 December 2012 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of the Company as at 31 December 2012, and of its financial performance and its cash flows for the period from 5 September 2011 to 31 December 2012 in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

By a resolution of the Board of Directors, passed today, I am directed to confirm to you, in respect of the financial statements of the Company for the period from 5 September 2011 to 31 December 2012, the following:

We confirm, to the best of our knowledge and belief and having made appropriate inquiries of other Directors and officials and staff of the Company as we considered necessary for the purpose of appropriately informing ourselves, that we can make the following representations to you.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. Each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that you are aware of that information.

I. Financial statements

- 1) We have fulfilled our responsibilities, for the preparation of the financial statements in accordance with IFRSs as adopted by the EU and the Cyprus Companies Law, Cap. 113, which give a true and fair view in accordance therewith, and for making accurate representations to you. We have approved the financial statements.
- 2) We confirm that we have reviewed the Company's accounting policies and estimation techniques and, having regard to the possible alternative policies and techniques, the accounting policies and estimation techniques selected for use in the preparation of the financial statements are the most appropriate to give a true and fair view for the Company's particular circumstances, as required by International Accounting Standard IAS1: Presentation of Financial Statements.
- 3) Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- 4) We have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.
- 5) Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of IFRSs as adopted by the EU.

6) Litigation

- i) We confirm that all known, actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in the financial statements in accordance with IFRSs as adopted by the EU.
- ii) We are not aware of any pending or threatened litigation, proceedings, hearing or claims negotiations, which may result in significant loss to the Company

7) Events after the reporting period

All events subsequent to the date of the financial statements and for which IFRSs as adopted by the EU require adjustment or disclosure have been adjusted or disclosed in the financial statements. Other than as described in the financial statements, there have been no circumstances or events subsequent to the period end, which require adjustment of or disclosure in the financial statements or in the notes thereto.

8) Uncorrected misstatements

We confirm that the financial statements are free of material misstatements, including omissions. We believe that the effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements as a whole.

9) Going concern

- i) We confirm that, having considered our expectations and intentions for the next twelve months, and the availability of working capital, the Company is a going concern. We further confirm that the disclosures in the accounting policies are an accurate reflection of the reasons for our consideration that the financial statements should be drawn up on a going concern basis.

II. Information provided

10) Accounting records

- i) All the accounting records, supporting documentation, agreements and details of all bank accounts have been made available to you for the purpose of your audit and all the transactions undertaken have been properly reflected and recorded in the accounting records. All other records and related information which might affect the truth and fairness of, or necessary disclosure in, the financial statements, including minutes of directors, shareholders and relevant management meetings, have been made available to you and no such information has been withheld. We have also provided unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- ii) All transactions undertaken by the Company have been properly reflected in the accounting records and the financial statements.

11) Related parties

We confirm that we have disclosed to you the identity of the Company's related parties and all the related party relationships and transactions of which we are aware. We also confirm that we have appropriately accounted for and disclosed in the financial statements all related party transactions relevant to the Company and that we are not aware of any other such matters required to be disclosed in the financial statements under International Accounting Standard 24 'Related Party Disclosures'.

12) Fraud

- i) We acknowledge as Directors that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud and error.

- ii) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- iii) We have disclosed to you all information relating to any fraud or suspected fraud known to us that may have affected the Company (regardless of the source or form and including, without limitation, allegations by "whistle-blowers"), and involves management, employees who have significant roles in internal control or others where fraud could have a material effect on the financial statements. We have also disclosed any allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others, that could affect the Company's financial statements.

13) Laws and regulations

- i) We confirm that we are not aware of any instances of actual or potential breaches of or non-compliance with laws and regulations that are central to the Company's ability to conduct its business or that could have a material effect on the financial statements.
- ii) We confirm that we are not aware of any irregularities, or allegations of irregularities including fraud, involving management or employees who have a significant role in the accounting and internal control systems, or that could have a material effect on the financial statements.

14) Contractual arrangements / agreements

- i) All contractual arrangements entered into by the Company with third parties have been properly reflected in the accounting records or, where material (or potentially material) to the financial statements, have been disclosed to you.
 - ii) The Company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.
 - iii) There are no other agreements not in the ordinary course of business.
- 15) The Company has satisfactory title to all assets and there are no liens or encumbrances on the Company's assets, except for those disclosed in the financial statements.

III. Other representations

Assets and liabilities

- 16) We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- 17) In our opinion on realization in the ordinary course of business, the current assets in statement of financial position are expected to produce no less than the net book amounts at which they are stated.
- 18) We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realizable value.
- 19) Details of all financial instruments, including derivatives, entered into during the year have been made available to you. Any such instruments open at the year-end have been properly valued and that valuation incorporated into the financial statements. When appropriate, open positions in off-balance sheet financial instruments have also been properly disclosed in the financial statements.

Provisions

- 20) Provisions for depreciation and diminution in value including obsolescence have been made against property, plant and equipment on the basis and at rates calculated to reduce the net book amount of each asset to its estimated residual value by the end of its probable useful life in the Company's business. In this respect, we are satisfied that the probable useful lives have been realistically estimated.

21) Full provision has been made for all liabilities at the reporting date including guarantees, commitments and contingencies where the items are expected to result in significant loss to the Company. Other such items, where in our opinion provision is unnecessary, have been appropriately disclosed in the financial statements.

Disclosures

22) We have recorded or disclosed, as appropriate, all capital stock repurchase options or agreements, and capital stock reserved for options, warrants, conversions and other requirements.

23) We have recorded or disclosed, as appropriate, all arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and lines of credit or similar arrangements.

24) We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and have disclosed in the notes to the financial statements all guarantees that we have given to third parties, including oral guarantees made by the Company on behalf of an affiliate, director, officer or any other third party.

25) Taxation

We have provided you with all information related to all significant income tax uncertainties of which we are aware. We have also provided you with access to all opinions and analyses that relate to positions we have taken in regard to significant income tax matters.

26) Transactions with Directors/officers

Except as disclosed in the financial statements, no other transactions involving Directors, officers and others requiring disclosure in the financial statements under the Companies Law, Cap. 113 have been entered into.

Yours faithfully,
For and on behalf of the Board of Directors

.....
Andreas Mavromatis
Director

.....
Georgios Koutsopodiotis
Director