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# ***NEU III Property Holdings Limited***

Office copy (signed)

*Report and  
financial  
statements*

*31 December 2011*





# NEU III Property Holdings Limited

## Report and financial statements for the period from 8 February 2011 (date of incorporation) to 31 December 2011

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# **NEU III Property Holdings Limited**

## **Board of Directors and other officers**

### **Board of Directors**

Elli Anastasia Giannopoulou (appointed on 8/2/2011)

Michalis Louis (appointed on 8/2/2011)

Demetris Shacallis (appointed on 8/2/2011)

Charalambos Hambakis (appointed on 8/2/2011)

### **Company Secretary**

Demetris Shacallis

### **Registered office**

41 Arch. Makariou III Avenue

1065, Nicosia

Cyprus

# **NEU III Property Holdings Limited**

## **Report of the Board of Directors**

The Board of Directors presents its first report together with the audited financial statements of the Company for the period from 8 February 2011 (date of incorporation) to 31 December 2011.

### **Incorporation and principal activities**

The Company was incorporated on 8 February 2011 as a private limited liability company in accordance with the provisions of the Cyprus Companies law Cap.113. The principal activity of the Company is the holding of investments.

### **Review of developments, position and performance of the Company's business**

The Company recorded a loss for the period ended 31 December 2011 amounting to €22.576. On 31 December 2011 the total assets of the Company were €282.024 and the net assets were €277.424. The financial position and performance of the Company as presented in these financial statements are considered satisfactory provided this is the first year of operations.

### **Principal risks and uncertainties**

The principal risks and uncertainties faced by the Company are disclosed in Note 3 of the financial statements.

### **Future developments of the Company**

The Board of Directors does not expect any significant changes or developments in the operations, financial position and performance of the Company in the foreseeable future.

### **Results**

The Company's results for the period are set out on page 6. The loss for the period is carried forward in the retained earnings.

### **Share capital**

On incorporation the Company issued 300 000 shares of €1 each. There were no other changes in the share capital of the Company.

# NEU III Property Holdings Limited

## Report of the Board of Directors (continued)

### Board of Directors

The members of the Board of Directors at 31 December 2011 and at the date of this report are shown on page 1. All of them were appointed on incorporation and were members of the Board throughout the period ended 31 December 2011.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

### Events after the balance sheet date

Information concerning significant events after the balance sheet date is presented in note 11 "Related party transactions" and relates to the parent company.

There were no other material post balance sheet events, which have a bearing on the understanding of the financial statements.

### Branches

The Company did not operate through any branches during the period.

### Independent Auditors

The Independent Auditors, PricewaterhouseCoopers Limited, as the first auditors of the Company, have expressed their willingness to continue in office. 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



Michalis Louis  
Director

Nicosia,  
3 October 2012







## Independent auditor's report

To the Members of NEU III Property Holdings Limited

### Report on the financial statements

We have audited the accompanying financial statements of NEU III Property Holdings Limited (the "Company"), which comprise the balance sheet as at 31 December 2011, and the statements of comprehensive income, changes in equity and cash flows for the period from 8 February 2011 to 31 December 2011, and a summary of significant accounting policies and other explanatory notes.

#### *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 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.

#### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of NEU III Property Holdings Limited as at 31 December 2011, and of its financial performance and its cash flows for the period from 8 February 2011 to 31 December 2011 in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

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## Report on other legal and regulatory requirements

Pursuant to the requirements of the Law of 2009 on Statutory Audits of Annual and Consolidated Accounts, 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 Law of 2009 on Statutory Audits of Annual and Consolidated Accounts 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.

A handwritten signature in blue ink, appearing to read 'Androulla S Pittas'.

Androulla S Pittas  
Certified Public Accountant and Registered Auditor  
for and on behalf of

PricewaterhouseCoopers Limited  
Certified Public Accountants and Registered Auditors

Nicosia, 3 October 2012

# NEU III Property Holdings Limited

## Statement of comprehensive income for the period from 8 February 2011 (date of incorporation) to 31 December 2011

	Note	€
Administrative expenses	5	(22.576)
<b>Operating loss and loss before tax</b>		<b>(22.576)</b>
Tax	6	-
<b>Loss for the period</b>		<b>(22.576)</b>
Other comprehensive income / loss		-
<b>Total comprehensive loss for the period</b>		<b>(22.576)</b>

The notes on pages 10 to 17 are an integral part of these financial statements.

# NEU III Property Holdings Limited

## Balance sheet at 31 December 2011

	Note	€
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	7	282.024
<b>Total assets</b>		<u>282.024</u>
<b>Equity and liabilities</b>		
<b>Capital and reserves</b>		
Share capital	8	300.000
Accumulated losses		<u>(22.576)</u>
<b>Total equity</b>		<u>277.424</u>
<b>Current liabilities</b>		
Payables	9	<u>4.600</u>
<b>Total liabilities</b>		<u>4.600</u>
<b>Total equity and liabilities</b>		<u>282.024</u>

On 3 October 2012 the Board of Directors of NEU III Property Holdings Limited authorised these financial statements for issue.

Michalis Louis, Director



Demetris Shacallis, Director



The notes on pages 10 to 17 are an integral part of these financial statements.

# NEU III Property Holdings Limited

## Statement of changes in equity for the period from 8 February 2011 (date of incorporation) to 31 December 2011

	Note	Share capital €	Accumulated losses €	Total €
<b>Comprehensive loss</b>				
Loss for the period		-	(22.576)	(22.576)
Total comprehensive loss		-	(22.576)	(22.576)
<b>Transactions with owners</b>				
Issue of shares	8	300.000	-	300.000
<b>Balance at 31 December 2011</b>		<b>300.000</b>	<b>(22.576)</b>	<b>277.424</b>

The notes on pages 10 to 17 are an integral part of these financial statements.

# NEU III Property Holdings Limited

## Statement of cash flows for the period from 8 February 2011 (date of incorporation) to 31 December 2011

	Note	€
<b>Cash flows from operating activities</b>		
Loss before tax		(22.576)
Changes in working capital:		
Increase in payables		<u>4.600</u>
<b>Net cash used in operating activities</b>		<u>(17.976)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of ordinary share capital		<u>300.000</u>
<b>Net cash from financing activities</b>		<u>300.000</u>
<b>Net increase in cash and cash equivalents</b>		<u>282.024</u>
Cash and cash equivalents at beginning of period		-
Cash and cash equivalents at end of period	7	<u>282.024</u>

The notes on pages 10 to 17 are an integral part of these financial statements.

# NEU III Property Holdings Limited

## Notes to the financial statements

### 1 General information

#### Country of incorporation

The Company was incorporated in Cyprus on 8 February 2011 as a private limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 41 Arch. Makariou III Avenue, P.O. Box 1643, Nicosia, Cyprus.

#### Principal activities

The principal activity of the Company is the holding of investments.

### 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied throughout the period from 8 February 2011 (date of incorporation) to 31 December 2011 unless otherwise stated.

#### 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 financial statements have been prepared under the historical cost convention.

As of the date of the authorisation of the financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 8 February 2011 have been adopted by the EU through the endorsement procedure established by the European Commission.

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. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

#### 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 the current accounting period. This adoption did not have a material effect on the accounting policies of the Company.

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 financial reporting standards in future periods will not have a material effect on the financial statements of the Company.

# NEU III Property Holdings Limited

## 2 Summary of significant accounting policies (continued)

### Revenue recognition

Revenues earned by the Company are recognised on the following bases:

**(i) Interest income**

Interest income is recognised on a time proportion basis using the effective interest method.

**(ii) Dividend income**

Dividend income is recognised when the right to receive payment is established.

### Foreign currency translation

**(i) Functional and presentation currency**

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

### Current income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax is calculated in the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country in which the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.



# NEU III Property Holdings Limited

## 2 Summary of significant accounting policies (continued)

### Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the year in which the dividends are appropriately authorised and are no longer at the discretion of the Company. More specifically, interim dividends are recognised as a liability in the period in which these are authorised by the Board of Directors and in the case of final dividends, these are recognised in the period in which these are approved by the Company's shareholders.

### Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

### Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### Payables

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

# NEU III Property Holdings Limited

## 2 Summary of significant accounting policies (continued)

### Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held with banks and bank overdrafts. In the balance sheet bank overdrafts are shown within borrowings in current liabilities.

## 3 Financial risk management

### (i) Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, market risk (including foreign exchange risk and interest rate risk) and liquidity risk.

The Company does not have a formal risk management policy programme. Instead the susceptibility of the Company's to financial risks such as foreign exchange risk, interest rate risk, credit risk and liquidity risk is monitored as part of its daily management of the business.

- **Credit risk**

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions.

During the period ended 31 December 2011, the Company maintained balances with EFG Group which are related banks.

- **Market risk**

- **Foreign exchange risk**

Foreign exchange risk arises when future transactions on recognised assets and liabilities are denominated in a currency that is not the Company's functional currency.

Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

- **Interest rate risk**

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected adverse movements arise.

The Company is not exposed to any material interest rate risk.

# NEU III Property Holdings Limited

## 3 Financial risk management (continued)

### (i) Financial risk factors (continued)

- **Liquidity risk**

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year €	Gross nominal outflow €
Payables	4.600	4.600
At 31 December 2011	4.600	4.600

### (ii) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital as defined by management at 31 December 2011 consists of equity as shown on the face of the balance sheet.

### (iii) Fair value estimation

The carrying value of payables are assumed to approximate their fair value.

## 4 Critical accounting estimates and judgements

Estimates and judgements 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.

- **Critical accounting estimates and assumptions**

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.

# NEU III Property Holdings Limited

## 4 Critical accounting estimates and judgements (continued)

### • Income taxes

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

## 5 Administrative expenses

	Period from 8 February 2011 (date of incorporation) to 31 December 2011 €
Registration fees	219
Legal fees	17.757
Auditors' remuneration	4.600
<b>Total administrative expenses</b>	<b>22.576</b>

## 6 Income tax

	Period from 8 February 2011 (date of incorporation) to 31 December 2011 €
Income tax expense	-

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

	Period from 8 February 2011 (date of incorporation) to 31 December 2011 €
Loss before tax	22.576
Tax calculated at the applicable corporation tax rate of 10%	(2.258)
Tax effect of expenses not deductible for tax purposes	22
Tax effect of tax losses	2.236
<b>Income tax charge</b>	<b>-</b>

# NEU III Property Holdings Limited

## 6 Income tax (continued)

The Company is subject to corporation tax on taxable profits at the rate of 10%. During the period from 8 February 2011 to 31 December 2011, the Company was not subject to corporation tax as it incurred taxable losses.

Under certain conditions, interest may be exempt from income tax and only subject to defence contribution at the rate of 10%, increased to 15% as from 31 August 2011.

In certain cases dividends received from abroad may be subject to defence contribution at the rate of 15%, increased to 17% as from 31 August 2011, increase to 20% from 1 January 2012 to 31 December 2013.

## 7 Cash and cash equivalents

	2011 €
Cash at bank (Note 11)	282.024
	<u>282.024</u>

For the purpose of the cash flow statement, the cash and cash equivalents comprise the above amount.

Cash and cash equivalents are denominated in Euro.

The cash at bank is held with a Group company and carries no interest.

The credit rating of the financial institution where the Company maintains cash balances is Ca (Moody's). The rating used is as of 31 December 2011 and is given for the top level entity of the group in which the financial institution belongs. Cash at bank is categorised as "loans and receivables".

## 8 Share capital

	Number of shares	Share capital €	Total €
At 31 December 2011	300.000	300.000	300.000

On incorporation and as at 31 December 2011 the Company's authorised and issued share capital was €300.000 divided into 300 000 shares of €1 each. All issued shares were fully paid.

## 9 Payables

	2011 €
Other creditors	4.600
	<u>4.600</u>

The fair value of payables which are due within one year approximates their carrying amount at the balance sheet date. Payables are categorised as "other financial liabilities at amortised cost".

# NEU III Property Holdings Limited

## 10 Contingencies and commitments

There are no contingencies or capital commitments as at 31 December 2011.

## 11 Related party transactions

Until 23 July 2012, Eurobank Ergasias S.A. ("Eurobank") was a member of the EFG Group, the operating parent company of which is "European Financial Group EFG (Luxembourg) S.A.". On 23 July 2012, 43.55% out of the 44.7% held by the EFG Group was transferred to ten independent legal entities, each of which acquired 4.4%. As a result, from 23 July 2012 onwards, Eurobank has ceased to belong to the EFG Group, is not included in its consolidated financial statements and operates as an independent company, not controlled by any (one or more) individuals or legal entities. In accordance with the above and following the resolution of the Annual Shareholders Meeting held on 29 June 2012, the corporate name and trade name of Eurobank was amended on 2 August 2012, so as to no longer include the EFG suffix.

Related party transactions carried out during the period from 8 February 2011 to 31 December 2011 and outstanding balances with related parties as at 31 December 2011 are as follows:

	With EFG Eurobank Ergasias S.A. Group €	Total €
Cash at bank (Note 7)	<u>282.024</u>	<u>282.024</u>

## 12 Events after the balance sheet date

Information concerning significant events after the balance sheet date is presented in note 11 "Related party transactions" and relates to the parent company. There were no other material post balance sheet events, which have a bearing on the understanding of the financial statements.

## 13 Comparative figures

The Company was incorporated on 8 February 2011. As these are the first audited financial statements, no comparative figures appear herein.

Independent Auditor's Report on pages 4 to 5.



