New Economy Development Fund S.A.
("TANEO")

Financial Statements for the year ended 2012
(01/01/2012 – 31/12/2012)

It is hereby certified that the attached herein Financial Statements for 01/01/2012 – 31/12/2012 period have been approved by the Board of Directors in their meeting dated April 29, 2013 and are subject to the approval by the Ordinary General Meeting of Shareholders.

TANEO hereby declares that to the best of its knowledge the attached financial statements, which have been prepared in accordance with IAS/IFRS, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company as required by Regulation 7(2) of Transparency Directive 2004/109/EC. Moreover TANEO declares that to the best of his knowledge the management report includes a fair review of the information required by Regulation 8(2) of the same Directive.

Athens, April 29, 2013

The President of the Board	The Vice-President & Managing Director	The Finance Manager
Andreas Zombanakis	Nikolaos Haritakis	George Saperas
I.D. AB 973717	I.D. P093479	I.D. AI 100140
		License. 28154 A΄Class

Table of Contents……………………………………………………………………….Page

BOARD OF DIRECTORS MANAGEMENT REPORT

Dear Shareholders,

It is our pleasure to submit to the General Meeting the company's financial statements for the 11th financial year from 1/1/2012 to 31/12/2012 in accordance with the provisions of Article 136 of Codified Law 2190/1920. This Report includes an analysis of those statements and further explanations which are necessary or useful in order for you to form an opinion and for the General Meeting to take a decision on whether or not to approve them in line with the proposal of the Board of Directors.

1. Significant Events Review 2012

During 2012 the Greek economy contracted a further 6.6% of GDP despite a further increase in exports resulting in a total reduction of 20,1% since the beginning of the financial crisis in 2008. Furthermore, recession has pushed unemployment rates to a historical high level of 24. 5% with a further increase in view. Despite these negative figures the foundations for a more competitive and dynamic economy have been established and recovery is expected to occur in 2014. As a whole we should note that the successful reduction of the government's debt expenses as set out by the PSI program in March 2012, the significant reduction in the yield spread between the German and Greek bond to about 3000 points, the normalization of the liquidity conditions in the Greek economy in combination with the political stability that was restored following the political elections that took place in June 2012 resulting in the clear intention from the E.U. to keep Greece in the Euro zone, contribute to the policy of converting the obsolete production model implemented in Greece over the previous decades into an outward looking economy, free of the counterproductive interference by the State and friendly to growth and employment creation. These are indicators of the beginning of the reversal of the negative economic developments and mark the entrance of the economy into a cycle that can lead to the end of the crisis in the last quarter of 2013 and certainly in 2014.

The fact that the Greek economy has entered its sixth year of recession has certainly affected TANEO. TANEO's co – investors have been characterized by risk aversity, hence the pipeline of new investment opportunities was not as strong as in previous years. However, the funds continue to explore investment opportunities. New investment proposals have been issued and three new companies have been invested in, operating in the areas of IT, aviation and the renewable energy sector, raising the total number of invested companies to 43, while 11 "follow – ons" on current investments took place for a total cost of €10,4m. Total invested amounts in portfolio companies exceeds €77m. During 2012 a number of portfolio companies opted to enhance their profitability by shifting their attention towards foreign markets. Furthermore, two of the invested companies (Advent Technology Inc.. and Upstream S.A.) attracted and received foreign investment from large institutional investors.

As at 31st of December 2012, TANEO participated in 11 Venture Capital Funds with total commitments amounting to € 140 m. The Fund had cumulatively drawn down €56 m. or 40% of committed capital, an increase of €7.2 m. (15%) over the previous year. The cumulative distributions from underlying funds amount to €12,8 mil. The Fund had cumulatively returned € 25,4 m. since inception to its note holders in the form of guaranteed interest (€25 mil.) and additional return (€0.43m.) in accordance with its Loan Notes documentation.

Over the course of 2012, a number of very important developments took place regarding the future of TANEO. First of all, as a founding member of the European Venture Fund Investors Network (EVFIN), TANEO's management has worked intensively so that the platform could begin its operations during 2013. Furthermore, TANEO agreed with the ministries of education and economic development for the incorporation of a new fund of funds for the development of new and innovative business specializing in the IT sector. Further developments are expected to take place during the upcoming months.

2. Investment Review

A summary of TANEO's Venture Capital Funds performance is provided on the following tables:

Capital Connect

	TANEO's % participation: **49,99%**	*in thou. €*	**2012**	**Until 31/12/2012**
Summary	Capital commited			10,698
	Capital contributed		71	8,619
	Capital distributed			3,807
	Total invested to portfolio companies			5,564
	Total Additional committed to portfolio companies			0

	Company Name	Industry	Business Description	Date	Realization
Portfolio Investments	Advice	IT	ERP Systems	Dec-03	Total
	Micrel	Health	Medical Devices	Jan-04	Total
	Tyres Herco	Recycling	Tyres Recycling	Feb-06	Partial
	Mavin	Recycling	Rendering facilities	Mar-06	No
	Krokos Kozanis	Agri Business	Producing food products based on Krokos (Saffron)	Mar-07	Total

Zaitech Fund

	TANEO's % participation: **49,99%**	*in thou. €*	**2012**	**Until 31/12/2012**
Summary	Capital commited			40,000
	Capital contributed		3,256	37,718
	Capital distributed			4,990
	Total invested to portfolio companies		281	28,136
	Total Additional committed to portfolio companies			2,750

	Company Name	Industry	Business Description	Date	Realization
Porfolio Investments	E- Global	IT	Internet stations focusing on on-line gaming services	Jan-05	No
	Mediterra	Agri Business	Mastiha shops & products	Jun-05	Partial
	Doppler	Industrial Products	Lift manufacturing	Jun-05	Partial
	Performance Technologies	IT	Data Storage, Business Continuity and Disaster Recovery	Jun-05	No
	Advanced Network Technologies	IT	Wireless Communication Services	Jun-06	No
	Craft	Food & Beverages	Handcrafted Beer	Feb-08	No
	Foodlink	Logistics	3rd party logistics	Jul-08	No
	ISV + B Development	Special Property Development	Upscale innovative studios	Sep-08	No
	Erasineio Hospital	Health	Hospital	Aug-09	No
	Tsemperou Wind Park	Energy	14 MW	Feb-10	No
	Solar Datum S.A.	Energy	3 MW	Sep-10	Partial
	Solar Concept	Energy	3,73 MW	Aug-11	Partial

IBG Hellenic Fund II

	TANEO's % participation : **39,99%**	*in thou. €*	**2012**	**Until 31/12/2012**
Summary	Capital commited			17,060
	Capital contributed			10,113
	Capital distributed			16,938
	Total invested to portfolio companies			8,030
	Total Additional committed to portfolio companies			

	Company Name	Industry	Business Description	Date	Realization
Porfolio Investments	Ionia Energiaki	Energy	96 MW	Dec-06	Total
	Mobile Technology	IT	Data Collection Systems and Mobile Computer Systems	May-06	Total
	Aigaias Anaptyksiaki	Energy	87 MW	May-06	Total
	Solar Cells Hellas	Energy	Solar Wafers & Solar Cells Manufacturing	Sep-06	Total
	Ensol Anaptyksiaki	Energy	56,5 MW	Aug-07	Total
	Autostop	Industrial Prod.	Leather Interior Manufacturing	Apr-08	Partial

AIMS - TANEO Fund

	TANEO's % participation : **49,99%**	*in thou. €*	**2012**	**Until 31/12/2012**
Summary	Capital commited			40,000
	Capital contributed			6,000
	Capital distributed			0
	Total invested to portfolio companies		350	1,308
	Total Additional committed to portfolio companies			0

	Company Name	Industry	Business Description	Date	Realization
Porfolio Investments	Panagopoulos	Agri - Business	Agri-farm	Dec-10	No
	AIMS Solar	Energy	3,5 MW	Dec-10	No

Thermi - TANEO VCF

	TANEO's % participation : **49,90%**	*in thou. €*	**2012**	**Until 31/12/2012**
Summary	Capital commited			24,000
	Capital contributed		4,650	11,286
	Capital distributed			0
	Total invested to portfolio companies		5,009	7,732
	Total Additional committed to portfolio companies			1,617

	Company Name	Industry	Business Description	Date	Realization
Porfolio Investments	Thermi Energy	Energy	Renewable Energy Projects	Sep-09	No
	2F Energy S.A.	Energy	Renewable Energy Projects	Jun- 12	No
	Thermi Renewable	Energy	Renewable Energy Projects	Apr-10	No

Alpha - TANEO Fund

	TANEO's % participation : **49,00%**	*in thou. €*	**2012**	**Until 31/12/2012**
Summary	Capital commited			30,000
	Capital contributed		1,326	11,557
	Capital distributed			0
	Total invested to portfolio companies		853	7,362
	Total Additional committed to portfolio companies			497

	Company Name	Industry	Business Description	Date	Realization
Porfolio Investments	Upstream	IT	Mobile Marketing Solutions	Dec-08	No
	Piraiki Microbrewery	Food & Beverages	Biological Fresh Beer	Apr-09	No
	Kritis Gi	Food & Beverages	Production of traditional Cretan Bread Products	Jun-09	No
	Dipyrites Handakos	Food & Beverages	Trade of tradional Cretan Bread Products	Apr-10	No
	Persado Holdings Ltd	IT	Software	Dec -12	No
	BioKid	Food & Beverages	Organic Baby food	Jun-10	No

Oxygen - TANEO Neoventures

	TANEO's % participation : **49,99%**	*in thou. €*	**2012**	**Until 31/12/2012**
Summary	Capital commited			30,000
	Capital contributed		2,585	5,028
	Capital distributed			0
	Total invested to portfolio companies		2,250	3,000
	Total Additional committed to portfolio companies			

	Company Name	**Industry**	**Business Description**	**Date**	**Realization**
Porfolio Investments	Minoan Airlines S.A.	Transportation	Aviation	Mar- 12	No
	Lead Generation S.A.	IT	Real Estate Classifieds Website	Jul-09	No

GIVE - TANEO Fund

	TANEO's % participation : **49,99%**	*in thou. €*	**2012**	**Until 31/12/2012**
Summary	Capital commited			20,000
	Capital contributed			1,000
	Capital distributed			0
	Total invested to portfolio companies			0
	Total Additional committed to portfolio companies			0

	Company Name	**Industry**	**Business Description**	**Date**	**Realization**
Portf. Inv.	The fund has not completed any investments				

Piraeus - TANEO Fund

	TANEO's % participation : **49,99%**	*in thou. €*	**2012**	**Until 31/12/2012**
Summary	Capital commited			30,000
	Capital contributed		2,235	16,681
	Capital distributed			0
	Total invested to portfolio companies		1,885	13,306
	Total Additional committed to portfolio companies			

	Company Name	**Industry**	**Business Description**	**Date**	**Realization**
Porfolio Investments	ADVENT	Energy	Developing High Proton Exchange Membranes	Jun-09	No
	ESS	IT	Software Shipping Solution	Jun-09	No
	Voiceweb	IT	Developing Speech Applications	Dec-09	No
	Unismack	Food/Beverages	Gluten Free Products	Aug-11	No
	ASA	Recycling	Recycling and Waste	Aug-11	No

New Mellon - TANEO Fund

	TANEO's % participation : **49,99%**	*in thou. €*	**2012**	**Until 31/12/2012**
Summary	Capital commited			15,000
	Capital contributed		318	3,819
	Capital distributed			0
	Total invested to portfolio companies		29	2,639
	Total Additional committed to portfolio companies			0

	Company Name	**Industry**	**Business Description**	**Date**	**Realization**
Porfolio Investments	Faros Energy	Energy	0,75 MW	Dec-09	No
	Ecoterra S.A.	Recycling	Waste Management	Sep-10	No

TANEO - FG RES Fund

	TANEO's % participation : **49,99%**	*in thou. €*	**2012**	**Until 31/12/2012**
Summary	Capital commited			24,000
	Capital contributed			720
	Capital distributed			0
	Total invested to portfolio companies			0
	Total Additional committed to portfolio companies			0

	Company Name	**Industry**	**Business Description**	**Date**	**Realization**
Portf. Inv.	The fund has not completed any investments				

3. Financial Review

The financial year 1/1/2012-31/12/2012 was the 8th during which International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) were applied, the company being obliged to do so as its bonds are listed on the Irish Stock Exchange in Dublin, which is a regulated financial market in accordance with the meaning given in Article 134 of Codified Law 2190/1920. The financial statements submitted for approval to the General Meeting are, as such, prepared in accordance with these standards.

In 2012 the pre-tax loss reached € 5.1 mil. versus pre-tax loss of € 4.7m.in 2011 mainly due to the decrease of TANEO's operating income.

More specifically, interest income decreased by 72% in 2012 to € 0.3 m. versus € 0.9 mil. in 2011, as the fall in interest rates in the Eurozone during 2012 had a negative effect on the credit interest derived from monies invested in Money Market Funds. The average return from these investments during 2012 was 0.25% versus 0.9% during 2011.

Gains from Investments in Venture Capital Funds reached € 0.22 l. in 2012 versus € 0.74 m. in 2011. These gains arose from Zaitech's partial realization of an investment in the renewable energy.

With respect to Expenses, debit interest on the bond loan decreased due to the abovementioned fall in interest rates. More specifically debit interest went down to € 1.3 m. in 2012 versus €1.6 mil. in 2011 (a decrease of 20%). The average interest rate (6m Euribor) was about 1.3% in 2012 versus 1.5% in 2011.

The cost of issuing and restructuring the bond loan are amortized over a 10-year period which was the duration of the bond. The amortization charge for 2012 was € 0.6 mil. the same as 2011.

Payroll costs were approximately the same as previous year.

The "decrease in FVTPL Investments" refers to the decrease of the Net Asset Value of TANEO's Venture Capital Funds mainly due to management fees and to the fall in the valuation of portfolio investments.

There was a decrease in operating expenses mainly due to 2011 legal and Trustee expenses relating to the granting of the pledges over the underlying investments and to the issuance of solvency and non-default certificates amounting to € 0.3 m.

Finally, income for deferred taxation in the amount of € 0.12 m. was charged in the Statement of Comprehensive Income as well as the related accumulated liability of € 0.12 m. which is included in the Statement of Financial Position, are in accordance with the correct application of IAS-IFRS. The company believes that there will be no further obligation to pay income tax resulting from its activities thus far.

Within the current year, and taking into account the preference shares which, pursuant to IAS - IFRS are classified as liabilities and not as the Company's capital, the Equity is lower than half of the share capital. Accordingly, pursuant to article 47 of Codified Law 2190/1920, the Company is required to take measures, aimed at balancing its capital at minimum levels as required by law. Given that: (a) preference shares, issued by the Company, are of nominal value € 45m, while the common shares are of nominal value of € 1m., (b) preference shares (based on prudency and under the opinion of prof. Evangelos Perakis), for the purposes of application of articles 47 and 48 § 1 case c of Codified Law 2190/1920, shall be included in the Company's Equity (irrespective of their accounting representation), The Company's management estimates that the aforementioned decrease in Equity is coincidental and is due to valuation of investments of the Company which, in turn, is carried out under adverse economic conditions.

Although the Company's Equity is expected to improve substantially due to perceived improvement of key ratios of the Greek economy during the years 2013 - 2016 and consequently improved valuations of Company investment, nevertheless, (a) the Company's management examines action plans in respect of measures to be taken in order to address the issue, while (b) it will refer the matter to the Annual General Meeting of its Shareholders, which shall decide on timely adoption of all the measures necessary or appropriate for the Company capitalization purposes.

In line with the terms of the information memorandum and the documentation signed as part of the bond issue of €105m, any cash in the accounts maintained by the company with Deutsche Bank AG London may be invested in Eligible Obligations. Eligible Obligations means money market funds and similar investment schemes expressed in euro with a credit rating equal to AAA. Consequently, the securities held by the company on 31/12/2012 amounted to €87.5m and related to cash invested in the Deutsche Global Liquidity Series – Deutsche Euro Managed Fund.

4. Risks & Uncertainties

The Company is exposed to various financial risks, the most important being market risk, in other words the risk of changes in interest rates and market prices, liquidity risk and credit risk. The general risk management policy of the Company focuses on credit risk and market risk management. Risk management is performed through the various business operations of the Company. The approval of the executives that bind the company is required prior to carrying out transactions.

Market risk

Market Risk

Market risk defined as the risk of loss in the fair value of TANEO's funds arising from the valuation of its portfolio investments (unrealized losses) and management fees paid and accrued which decreases the Net Asset Value of the Fund. TANEO monitors the portfolio investments of its funds by applying a hands-on management approach and by participating in the Funds investment committees.

The determination of the fair value of portfolio investments of TANEO Funds, took into account the current conditions of the Greek economy prevailing after the passage of Financial Support Program II (FSPII) through Parliament.

This means that the assumptions underlying the recovery of the Greek economy –as described in FSPII and current country evaluations by the IMF, have a significant impact on the future performance and financial results of Greek businesses, as well as on the discount rates of their future cash flows and hence on their valuations.

It should be noted that compliance with the key assumptions of FSPII constitutes a major source of risk for TANEO investments, since any change in the current economic data for the country would have a significant impact on the discount rates and the valuation of the company investments and could lead to a significant impairment of these assets.

Foreign Currency Risk

Exchange rate risk means the investment risk assumed, which arises from unfavourable changes in currency prices, when there is exposure to a specific currency.

It does not affect Company's operations significantly as foreign currency transactions do not exist.

Interest Rate Risk
Interest rate risk means the investment risk assumed, which arises from changes in the market in money interest rates. Such interest rate changes can affect the Company's financial position since the following can also change:

- The net interest rate result
- The value of income and expenses sensitive to interest rate changes
- The value of assets and liabilities since the present value of future cash flows (and frequently the cash flows themselves) change as interest rates change.

Liquidity risk
Liquidity risk means the possible inability of the Company to fully repay in due time its current or future financial obligations –when they become due- due to a lack of necessary liquidity. This risk includes the possibility of a need to refinance amounts at a higher interest rate and the need to sell off assets. It is also related with the bond that the Company issued. More specifically it is related to the 6-month payment of the guaranteed interest and the repayment of the principal balance of the notes at June 2013. Liquidity is also related to the timing and the amount of returns from the investments in venture capital funds (AKES).

As previously mentioned, the Bond Loan having a duration of ten years and issued by the Company for a nominal amount of €105 m., matures on the 3rd June 2013. The due and timely repayment of the loan was guaranteed by the Hellenic Republic. Although the Company has funds which would be sufficient to repay a major portion of the loan, it has contractually committed to mutually invest these funds, along with its co-investors ,under the terms of the notes for the furtherance of its corporate objectives. Accordingly, it is likely that the Noteholders will make a call under the Guarantee granted by the Hellenic Republic. The management of the Company is taking all the actions that are necessary or advisable in informing the Hellenic Republic and has already provided all relevant information as well as transmitted all the legal documentation governing the issuance of the above loan.

As a result of the issuance of Residual Certificates (which issuance constituted a contractual obligation of the Company pursuant to the original loan), the legal documentation of the loan is expected to be amended so that it will, inter alia, set the terms pursuant to which the Hellenic Republic is going to be repaid (to the extent that, in the meantime, the Greek State will have paid the capital of the loan pursuant to the terms of the Guarantee) and provide for the constitution or survival of security in its favour in the context set by Law 2322/1995, as in force.

The management does not expect that a possible call under the Guarantee, will have a material adverse effect on the Company's ability to continue its activity as a going concern.

Credit Risk
Credit risk derives from breach of obligations by debtors to repay all or part of their debt within contractual deadlines. The main financial assets of the company refer to bank balances and receivables from non-Greek mutual funds (money market funds). The credit risk on liquid funds is limited because the counterparties are Banks with high credit-ratings assigned by international credit-rating agencies of mutual funds traded in stock exchange markets. Consequently, the company has no significant concentration of credit risk.

5. Perspectives for the year 2013

As mentioned earlier in our report, despite the significant problems that Greek economy is still facing, it has entered into a transitional period and the long waited recovery is expected to begin towards the end of 2013. The successful recapitalization of the Greek banking system will be a huge push towards this end, but on theirown this will not be sufficient to lift the Greek economy. A large number of Greek companies are in dire need of restructuring their balance sheets and entities operating in the alternative financing sector can play a major role towards that end.

TANEO, through its underlying funds, has maintained its approach of targeting lower risk projects such as those in the promising renewable energy sector, while continuing to show interest in other sectors as well. TANEO's management continues to actively seek solutions for those funds that have not been operating to their full potential.

There are no other significant events after the year-end.

Dear shareholders, these were the results of the 11th financial year and we hereby submit this brief Report on the company's financial position for your approval. Please find attached the company's financial statements for the financial year 1/1/2012 – 31/12/2012, and we would ask for your approval of these and release the members of the Board of Directors and auditors from all liability to pay compensation for the 11th financial year.

Athens, 29 April 2013
On behalf of the Board of Directors
The Chairman

Andreas Zombanakis

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of THE NEW ECONOMY DEVELOPMENT FUND S.A - "TANEO S.A"

Report on the Financial Statements

We have audited the accompanying financial statements of THE NEW ECONOMY DEVELOPMENT FUND S.A - "TA.NE.O S.A" (the "Company"), which comprise the Statement of Financial Position as at December 31, 2012, and the Statement of Comprehensive Income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by European Union, and for such internal control as management 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 and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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 present fairly, in all material respects, the financial position of the Company as at December 31, 2012, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards Standards that have been adopted by the European Union.

Emphasis on Matter

Without qualifying our opinion, we would like to draw your attention to Notes 4.16 and 4.17 to the abovementioned Financial Statements, referring to matters of the fair value and the maturity of liabilities.

Report on Other Legal and Regulatory Matters

We verified the agreement and correspondence of the content of the Board of Directors' Report with the abovementioned Financial Statements, in the scope of the requirements of Articles 43a and 37 of Law 2190/1920.

Athens, 29 April 2013

The Charted Accountant

George Deligiannis

SOEL Reg. No 15791

Chartered Accountants Management Consultants

56, Zefirou str., 175 64, Palaio Faliro, Greece

Registry Number SOEL 127

A. Statement of Comprehensive Income

	Notes	1/1 - 31/12/2012	1/1 - 31/12/2011
		Amounts in thousand Euros	
Credit interests & other finance income	4.1	264	946
Gains from FVTPL Investments	4.2	224	742
Other operating income		1	0
Income from operating activities		**488**	**1,689**
Debit interests & other finance expenses	4.4	(1,913)	(2,244)
Payroll expenses		(349)	(339)
Depreciation		(6)	(6)
Decrease in fair value investments carried at fair value through Profit & Loss	4.3	(2,700)	(2,925)
Other operating expenses	4.6	(609)	(885)
Total Operating expenses		**(5,577)**	**(6,400)**
Profit / (Loss) before tax		**(5,089)**	**(4,711)**
Income tax (Deferred tax)	4.7	125	125
(A) Profit / (Loss) after tax		**(4,963)**	**(4,586)**
(B) Other Comprehensive Income		0	0
(A+B) Total Comprehensive Income		**(4,963)**	**(4,586)**

Note: The Notes to the Financial Statements on pages 19 to 50 are an integral part of these Financial Statements.

B. Statement of Financial Position

	Notes	31.12.2012	31.12.2011
		Amounts in thousands Euro	
Assets			
Non-Current Assets			
Tangible Assets	4.8	17	19
Intangible Assets		0	0
Investments carried at Fair Value through Profit & Loss	4.9	35,394	31,049
Other Non-Current Assets	4.10	6	6
		35,417	31,074
Current Assets			
Investments available for sale	4.11	87,503	96,986
Other receivables	4.12	455	96
Cash and cash equivalents	4.13	1,373	1,393
		89,331	98,474
Total Assets		124,748	129,548
Equity and liabilities			
Equity			
Share capital	4.14	1,000	1,000
Retained Earnings / (Accumulated losses)	4.15	(26,649)	(21,686)
Total Equity		(25,649)	(20,686)
Long term liabilities			
Preferred stock	4.16	45,000	45,000
Bond loan	4.17	0	103,761
Liabilities for emloyees' retirement benefits		0	0
Deferred taxes	4.18	123	248
Provisions	4.19	751	751
		45,874	149,760
Short term liabilities			
Bond loan	4.17	104,387	0
Other liabilities	4.20	136	473
		104,523	473
Total liabilities		150,397	150,234
Total Equity and Liabilities		124,748	129,548

Note: The Notes to the Financial Statements on pages 19 to 50 are an integral part of these Financial Statements.

C. Statement of Changes in Equity

	Share Capital	Retained Earnings / (Acc. losses)	Total Equity
	Amounts in thousand Euros		
2011			
Balance at 1.1.2011	1,000	-17,099	-16,099
Profit / (loss) for the year	0	-4,586	-4,586
Other Comprehensive Income after Tax	0	0	0
Total Comprehensive income	0	-4,586	-4,586
Balance at 31.12.2011	1,000	-21,686	-20,686
2012			
Balance at 1.1.2012	1,000	-21,686	-20,686
Profit / (loss) for the year	0	-4,963	-4,963
Other Comprehensive Income after Tax	0	0	0
Total Comprehensive income	0	-4,963	-4,963
Balance at 31.12.2012	1,000	-26,649	-25,649

Note: The Notes to the Financial Statements on pages 19 to 50 are an integral part of these Financial Statements.

D. Statement of Cash Flows

	1/1 - 31/12/2012	1/1 - 31/12/2011
	Amounts in thousand Euros	
Operating Activities		
Profit / (loss) for the year	(4,963)	(4,586)
Adjustments:		
Credit interests & other finance income	(264)	(946)
Debit interests & other finace expenses	1,913	2,244
Depreciation of tangible assets	6	6
Increase / (decrease) in the fair value of investments carried at fair value through the income statement	2,700	2,925
Gains from finacial transactions	(224)	(742)
Decrease / (increase) in receivables	(4)	7
Increase / (decrease) in liabilities	(369)	145
Interests paid	(1,386)	(1,571)
Net Cash Flows from operating activities	**(2,592)**	**(2,518)**
Investing activities		
Interests received	329	931
Proceeds from the disposal of invetsments available for sale	9,483	10,784
Increase of investments available for sale	-	(5,800)
Proceeds from the sale of investments carried at fair value through the income statement	-	909
Increase of investments at fair value through the income statement	(7,236)	(10,544)
Purchases of property, plant and equipment	(4)	(1)
Net Cash Flows from invetsing activities	**2,572**	**(3,721)**
Financing activities		
Payments of Bond Loan restructuring expenses	-	-
Proceeds from issue of loan notes	0	(0)
Proceeds from issue of preferred stock	-	-
Net Cash Flows from finacing activities	**0**	**(0)**
Net increase / (decrease) in cash and cash equivalents	**(20)**	**(6,239)**
Cash and cash equivalents at the beginning of the year	1,393	7,632
Cash and cash equivalents at the end of the year	**1,373**	**1,393**

Note: The Notes to the Financial Statements on pages 19 to 50 are an integral part of these Financial Statements.

1 General Information

Incorporation and Name

The Company was incorporated on the 18th of May 2001 under the name "New Economy Development Fund SA" (Tameio Anaptyxis Neas Economias S.A.) and the registered title "TANEO S.A." For the Company's transactions abroad, the name of the company is used in a literal translation or in latin characters.

Official head office

The official head office of the company has been determined to be the Municipality of Athens.

The entrepreneurial objectives

The Articles of Incorporation of the company foresee that:

The purpose of the company is the minority participation in closed-end venture capital funds (AKES), venture capital companies (EKES) and similar venture capital organizations (hereafter referred to as "investment organizations"), which will be established specifically for this purpose and will operate in accordance with the laws of any Member State of the European Union. These investment organizations must be managed by private entities in conformity with private sector financial criteria and must invest exclusively in innovative small and medium-size enterprises in Greece.

The specific terms and conditions for effecting such participations and the technical details that are required to be determined thereon are determined by a Joint Decision of the Ministers of National Economy and Finance.

The purpose of the Company entails also the management of enterprises and funds that participate in closed-end venture capital funds (AKES) referred to in article 7 of law 2992/2002 (Govt. Gaz. A 54), in venture capital companies (EKES) referred to in article 5 of law 2364/1995 (Govt. Gaz. A 261) and in similar venture capital organizations governed by the laws of a foreign State and investing in Greece or abroad, the management of investment organizations and the provision of advisory services associated with the management of such investment organizations.

The company may exercise any activity relating to the above purposes and the promotion of the venture capital activity in Greece and abroad, including the organization of events and activities for that purpose.

The company may form or participate in legal entities having similar objects. With the purpose to achieve its entrepreneurial objectives, the company may be financed by the Public Investments' Program.

Any amendment in the company's entrepreneurial objectives may be made only by law.

Duration of the company

The duration of the company has been determined to be fifty (50) years commencing the date of its registration, by the competent authorities, with the Registry of Societe Anonymes, and ends on the corresponding date in the year 2051. The duration of the company may be extended or lessened by a decision of the General Meeting of Shareholders and by the amendment in the Articles of Incorporation.

Share capital

According to the Articles of incorporation, the share capital of the company amounts to forty six million Euro (Euro 46,000,000) represented by nine hundred and twenty thousand (920,000) registered shares of par value Euro 50 each. The above share capital comprises of twenty thousand (20,000) shares of common stock and nine hundred thousand (900,000) shares of preferred stock without voting rights. Information on the rights of the preferred stock and its accounting treatment are provided in Note 4.16.

2 Significant accounting policies

2.1 Basis of Preparation of Financial Statements

The financial statements are prepared in accordance with the International Financial Reporting Standards (I.F.R.S).

The amounts in the Notes to the Financial Statements are expressed in thousand Euros unless otherwise indicated.

The financial statements have been prepared on a historical cost basis with the exception of the "Investments carried at fair value through Profit & Loss" and the "Investments available for sale". The key accounting policies which have been used are described below:

2.2 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and taxes related to sales.

Sales of goods are recognised when goods are delivered and title has passed.

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

2.3 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.4 The Company as lessee

Assets held under finance leases are recognized as assets of the company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to Statement of Comprehensive Income.

Rentals payable under operating leases are charged to Statement of Comprehensive Income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

2.5 Borrowing costs

Borrowing costs expensed in the period in which it takes place. The company capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

2.6 Employee benefits

Short-term benefits: Short-term benefits to employees (except for indemnities for termination of the employment relation) in money or in kind are recognized as an expense when they are accrued. Any outstanding amounts are classified as a liability, while in case the amount already paid exceeds the amount of the benefits, the company recognizes the excessive amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a reduction of future or in return payments.

Benefits on retirement: The benefits on retirement include a lump sum pension indemnity or other benefits (social security or medical coverage) that the company provides upon retirement to its employees in exchange for their service. Therefore, they include both defined contribution plans and defined benefit plans. The accrued cost of the defined contribution plans is recorded as an expense in the period to which it refers.

- **Defined contribution plan**
  According to the defined contribution plan, the company's obligation (legal or inferred) is limited to the amount agreed to be contributed to the entity (e.g. social security entity), which manages the contributions and grants the benefits. Therefore, the amount of benefits received by the employee is defined by the amount contributed by the company (or the employee as well) and the paid investments of these contributions. The contribution paid by the company in a defined contribution plan is recognized either as a liability after deducting the contribution paid or as an expense.
- **Defined benefit plan**
  The liability recorded in the Statement of Financial Position for the defined benefit plans constitutes the present value of the liability for the defined benefit less the fair value of the assets of the plan (if any) and the changes that result from any other actuarial profit or loss and the cost of the work experience. The commitment of the defined benefit is calculated on a yearly basis from an independent actuary with the projected Fiscal Year-end Financial Statements for the year-end from January 1st to December 31st 2012 using the unit credit method. For the discounting, the exchange rate of the long-term Greek Government bonds is used. The actuarial profits and losses are items of the company's rendering obligation and the cost which will be recognized in the Statement of Comprehensive Income. Those arising from adjustments based on historical data that are higher or lower than the 10% margin of the accumulated obligation are recorded in the Statement of Comprehensive Income within the anticipated average insurance time of the participants to the plan. The cost of previous service is recognized directly in the Statement of Comprehensive Income, except for the case where the changes in the plan are dependent upon the remaining time of service of the employees. In this case, the cost of previous service is recorded in the Statement of Comprehensive Income using the straight-line method within the maturity period.

Employee termination benefits: Benefits due to termination of the employment relationship are paid when employees leave before their normal retirement date. The Group records such benefits when it is committed, either when it actually terminates the employment of current employees based upon a detailed formal plan for which there is no possibility of withdrawal, or when it provides these benefits as an incentive for voluntary (early) redundancy. When these benefits are due for payment in periods exceeding twelve months from the Statement of Financial Position date, then they should be discounted according to the returns of high quality company bonds or government bonds. In case of an offer made to encourage voluntary redundancy, the valuation of employment termination benefits should be based upon the number of employees expected to accept the offer. In case of an employment termination where the number of employees that will be using those benefits cannot be determined, no recording takes place but a notification as a contingent liability instead.

Finally, some of the employees as well as the Investment advisor are entitled to a bonus payment based on the company's performance as it is described in the "priority of payments" as described in the documentation for the private placement of the employer through the issue of € 105 mil of Bonds and € 45 mil of Preferred shares. This contingent liability will be recognized when the returns from the investments in the venture capital funds derive.

2.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the year-end date.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each year-end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized. Deferred tax is charged or credited to Profit & Loss, except when it relates to items charged or credited directly to either in other comprehensive income or directly in equity, in which case the deferred tax is also dealt with either in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

As provided by article 28 paragraph 9b of the law 2843/2000 which is in line with the new Law 3843/ 2010 article 12, the company is relieved from taxation from any kind of income which derives from its investment in venture capital funds as these are defined in paragraph 2a of the same article (closed-end venture capital funds (AKES), venture capital companies (EKES) and similar venture capital organizations which will be established specifically for this purpose and will operate in accordance with the laws of any Member State of the European Union.

2.8 Tangible assets

Building installations on third parties' immovable property, held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their historic cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Furniture and fittings are stated in the Statement of Financial Position at their historic cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation on the aforementioned tangible assets is charged to the Statement of Comprehensive Income so as to write off their cost, over their estimated useful lives, using the straight-line method.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an item of tangible assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Financial Position.

2.9 Intangible assets

Intangible assets are stated in the Statement of Financial Position at their historic cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

2.10 Impairment of tangible and intangible assets

At each year-end date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Profit & Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.11 Financial instruments

Financial assets and financial liabilities are recognized on the company's Statement of Financial Position when the company becomes a party to the contractual provisions of the instrument.

Trade Receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortized cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognized in profit or loss when there is objective evidence that the asset is impaired. The allowance recognized is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Investments

Investments are recognized and derecognized on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs.

Investments are classified as either investments carried at fair value through Profit & Loss or investments available-for-sale, and are measured at subsequent reporting dates at fair value. For available-for-sale investments, gains and losses arising from changes in fair value are recognized in other comprehensive income, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the profit & loss for the period. For investments carried at fair value through Profit & Loss, originating from changes in the fair value are included in the profit or loss for the period.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Preferred stock

A derivative is embedded in preferred stock, since the payment of the additional return depends on the return of investments in venture capital mutual funds in which part of the issue has been invested to. It is not possible for the company to measure the embedded derivative since the value of the financial instrument does not depend on the market price of economic units quoted in an organised market, in which case there would have been a distinct measurement for the derivative and the preferred stock.

In view of the fact that the embedded derivative does not depend on the market price of economic units quoted in an organised market and it is not possible to proceed with a reliable estimate for the whole financial instrument (i.e. preferred stock and the embedded derivative), the whole financial instrument is reflected in the financial statements at historic cost.

Bond issue

A derivative is embedded in the bond issue, since the payment of the additional return depends on the return of investments in venture capital mutual funds in which part of the issue has been invested. It is not possible for the company to measure the embedded derivative since the value of the financial instrument does not depend on the market price of economic units quoted in an organised market, in which case there would have been a distinct measurement for the derivative and the bond issue.

In view of the fact that the embedded derivative does not depend on the market price of economic units quoted in an organised market and it is not possible to proceed with a reliable estimate for the whole financial instrument (i.e. the bond issue and the embedded derivative), the whole financial instrument is reflected in the financial statements at historic cost.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

2.12 Provisions

Provisions are recognized when the company has a present obligation as a result of a past event, and it is probable that the company will be required to settle that obligation. Provisions are measured at the Board’s best estimate of the expenditure required to settle the obligation at the Statement of Financial Position date, and are discounted to present value where the effect is material

2.13 New and amended accounting standards and interpretations of IFRIC

Changes in accounting principles within the year 2012

The accounting policies based on which the Financial Statements were drafted are in accordance with those used in the preparation of the Annual Financial Statements for the financial year ended 31/12/2011, adjusted to the new Standards and revisions imposed by IFRS.

2.13.1 New Standards, Interpretations, Revisions and Amendments to existing Standards that are effective and have been adopted by the European Union

The following amendments and interpretations of the IFRS have been issued by IASB and their application is mandatory from or after 01/01/2012. The most significant Standards and Interpretations are as follows:

- **Amendments to IFRS 7 "Financial Instruments: Disclosures - Transfer of Financial Assets" (effective for annual periods beginning on or after 01/07/2011)**

The amendment will allow users of Financial Statements to improve their understanding of transfer transactions of financial assets (for example, securitizations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendment also requires additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The Company does not expect that this amendment will affect its Financial Statements. This amendment was approved by the European Union in November 2011.

- **Amendment to IAS 12 "Deferred tax – Recovery of Underlying Assets" (effective for annual periods beginning on or after 01/01/2012)**

The current amendment to IAS 12 "Income Tax" was issued in December 2010. The amendment introduces a practical guidance on the recovery of the carrying amount of assets held at fair value or adjusted in accordance with the requirements of IAS 40 "Investment Property" recovered or acquired within the year. The amendment is effective for annual periods beginning on or after 01/01/2012. Earlier application is permitted. The Company does not expect that this amendment will affect its Financial Statements. The above amendment has been adopted by the European Union in December 2012.

- **Amendment to IFRS 1 "First-time Adoption of International Financial Reporting Standards" - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (effective for annual periods beginning on or after 01/07/2011)**

The relevant amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards" were issued in December 2010. The amendments replace references to fixed dates for first time adopters of IFRS by defining "IFRS transition date". The amendment removes the use of fixed transition date (01 January 2004) and replaces it with the actual date of transition to IFRS. At the same time, it removes the requirements for derecognition of transactions that had taken place before the scheduled transition date. The amendment proposes guidance on how an entity should resume presenting financial statements in accordance with International Financial Reporting Standards (IFRSs) after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation. The amendments are effective from 01/07/2011. Earlier application is permitted. The implementation of the amendment will not affect the Company's Financial Statements. This amendment has been approved by the European Union in December 2012.

2.13.2 New Standards, Interpretations and amendments to existing Standards which have not taken effect yet or have not been adopted by the European Union

The following new Standards, Revised Standards as well as the following Interpretations to the existing Standards have been publicized but have not taken effect yet or have not been adopted by the European Union. In particular:

- **Amendments to IAS 1 "Presentation of Financial Statements" – Presentation of Items of Other Comprehensive Income (effective for annual periods starting on or after 01/07/2012)**

In June 2011, the IASB issued the amendment to IAS 1 "Presentation of Financial Statements". The amendments pertain to the way of other comprehensive income items presentation. The implementation of the amendments will not affect the Company's Financial Statements. The aforementioned amendments are effective for annual periods starting on or after 01/07/2012. The above amendment has been adopted by the European Union in June 2012.

- **IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 01/01/2015)**

On 12/11/2009 IASB issued the new Standard, the revised IFRS 9 "Financial Instruments: Recognition and Measurement" which is the first step in IASB project to replace IAS 39. In October 2010, IASB expanded IFRS 9 to add new requirements for classifying and measuring financial liabilities, derecognition of financial instruments, impairment, and hedge accounting. IFRS 9 defines that all financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Subsequent measurement of financial assets is made either at amortized cost or at fair value, depending on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. IFRS 9 generally prohibits reclassification between categories, however, when an entity changes its business model in a way that is significant to its operations, a re-assessment is required of whether the initial determination remains appropriate. The standard requires all investments in equity instruments to be measured at fair value. However, if an equity investment is not held for trading, an entity can make an irrevocable election at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognized in profit or loss. Fair value profit and loss is not subsequently carried forward to income statement while dividend income shall still be recognized in the income statement. IFRS 9 abolishes "cost exception" for unquoted equities and derivatives in unquoted shares, while providing guidance on when cost represents fair value estimation. The Company Management is going to adopt the requirements of IFRS 9 earlier following the relevant approval of the Standard by the European Union. The current Standard has not been adopted by the European Union yet.

- **IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities", IAS 27 "Separate Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" (effective for annual periods starting on or after 01/01/2013)**

In May 2011, IASB issued three new Standards, namely IFRS 10, IFRS 11 and IFRS 12. IFRS 10 "Consolidated Financial Statements" sets out a new consolidation method, defining control as the basis under consolidation of all types of entities. IFRS 10 supersedes IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation — Special Purpose Entities". IFRS 11 "Joint Arrangements" sets out the principles regarding financial reporting of joint arrangements participants. IFRS 11 supersedes IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". IFRS 12 "Disclosure of Interests in Other Entities" unites, improves and supersedes disclosure requirements for all forms of interests in subsidiaries, under common audit, associates and non-consolidated entities. As a result of these new standards, IASB has also issued the revised IAS 27 entitled IAS 27 "Separate Financial Statements" and revised IAS 28 entitled IAS 28 "Investments in Associates and Joint Ventures". The new standards are effective for annual periods beginning on or after 01/01/2013, while earlier application is permitted. The Company will examine the effect of the aforementioned Standards on its Financial Statements. The Standards have been adopted by the European Union in December 2012.

- **IFRS 13 "Fair Value Measurement" (effective for annual periods starting on or after 01/01/2013)**

In May 2011, IASB issued IFRS 13 "Fair Value Measurement". IFRS 13 defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. The measurement and disclosure requirements of IFRS 13 apply when another IFRS requires or permits the item to be measured at fair value. IFRS 13 does not determine when an asset, a liability or an entity's own equity instrument is measured at fair value. Neither does it change the requirements of other IFRSs regarding the items measured at fair value and makes no reference to the way the changes in fair value are presented in the Financial Statements. The new Standard is effective for annual periods starting on or after 01/01/2013, while earlier application is permitted. The Company will examine the effect of the aforementioned Standard on its Financial Statements. The above Standard has been adopted by the European Union in December 2012.

- **Amendments to IAS 19 "Employee Benefits" (effective for annual periods starting on or after 01/01/2013)**

In June 2011, the IASB issued the amendment to IAS 19 "Employee Benefits". The amendments aim to improve the issues related to defined benefit plans. The new amendments are effective for annual periods starting on or after 01/01/2013 while earlier application is permitted. The Company will examine the effect of the aforementioned amendments on its

Financial Statements. The above amendment has been adopted by the European Union in June 2012.

- **IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine" (effective for annual periods starting on or after 01/01/2013)**

In October 2011, IASB issued IFRIC 20. The Interpretation clarifies the requirements for accounting for stripping costs associated with waste removal in surface mining, including when production stripping costs should be recognized as an asset, how the asset is initially recognized, and subsequent measurement. The interpretation is effective for annual periods beginning on or after 1 January 2013 and earlier application is permitted. The interpretation is not applicable to the Company operations. This interpretation has been adopted by the European Union in December 2012.

- **Amendments to IAS 32 "Financial Instruments: Presentation" – Offsetting financial assets and financial liabilities (effective for annual periods starting on or after 01/01/2014)**

In December 2011, IASB issued amendments to IAS 32 "Financial Instruments: Presentation", which provides clarification on some requirements for offsetting financial assets and liabilities in the statement of financial position. The amendment is effective for annual periods beginning on or after 01/01/2014 and earlier application is permitted. The Company will examine whether the application of this amendment will have an impact on its Financial Statements. This amendment has been adopted by the European Union in December 2012.

- **Amendments to IFRS 7 "Financial Instruments: Disclosures" - Offsetting Financial Asserts and Financial Liabilities (effective for annual periods starting on or after 01/01/2013)**

In December 2011, IASB published new requirements for disclosures that enable users of Financial Statements to make better comparison between IFRS and US GAAP based financial statements. The amendment is effective for annual periods beginning on or after 01/01/2013. The Company will examine whether the application of this amendment will have an impact on its Financial Statements. This amendment has been adopted by the European Union in December 2012.

- **Amendment to IFRS 1 "First-time Adoption of International Financial Reporting Standards" - Government loans (effective for annual periods starting on or after 01/01/2013)**

In March 2012, IASB issued amendment to IFRS 1, which gives IFRS first-time adopters the option, on a loan by loan basis, of applying the IFRS requirements retrospectively provided that the necessary information to apply the requirements to a particular government loan was obtained at the time of initially accounting for that loan. The Company will examine whether the application of this amendment will have an impact on its Financial Statements. This amendment has not been adopted by the European Union yet.

- **Annual Improvements 2009–2011 Cycle (issued in May 2012 – the amendments are effective for annual periods starting on or after 01/01/2013)**

In May 2012, IASB issued Annual Improvements 2009–2011 Cycle, a collection of amendments to 5 International Financial Reporting Standards (IFRSs), as its latest set of annual improvements. The amendments are not expected to affect significantly Company's financial statements. These amendments have not been adopted by the European Union yet.

- **Transition Guidance: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities (Amendments to IFRS 10, IFRS 11 and IFRS 12) (effective for annual periods starting on or after 01/01/2013)**

In June 2012 IASB issued Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12) to clarify the transition guidance in IFRS 10 Consolidated Financial Statements. The amendments also provide additional transition relief in IFRS 10, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Furthermore, for disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied. The Company will assess the impact of the amendment on its financial statements. This amendment has not been adopted by the European Union yet.

- **Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) (effective for annual periods starting on or after 01/01/2014)**

In October 2012 IASB issued Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27). The amendments apply to a particular class of business that qualify as investment entities. The IASB uses the term 'investment entity' to refer to an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must also evaluate the performance of its investments on a fair value basis. Such entities could include private equity organisations, venture capital organisations, pension funds, sovereign wealth funds and other investment funds. The Investment Entities amendments provide an exception to the consolidation requirements in IFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendments also set out disclosure requirements for investment entities. The amendments are effective from 1 January 2014 with early adoption permitted. The Company will assess the impact of the amendment on its financial statements. This amendment has not been adopted by the European Union yet.

3 Risk Management

The Company is exposed to various financial risks, the most important being market risk, in other words the risk of changes in interest rates and market prices, liquidity risk and credit risk.

The general risk management policy of the Company focuses on credit risk and market risk management.

Risk management is performed through the various business operations of the Company.

The approval of the executives that bind the company is required prior to carrying out transactions

3.1 Market risk

Market Risk

Market risk defined as the risk of loss in the fair value of TANEO's funds arising from the valuation of its portfolio investments (unrealized losses) and management fees paid and accrued which decreases the Net Asset Value of the Fund. TANEO monitors the portfolio investments of its funds by applying a hands-on management approach and by participating in the Funds investment committees.

Foreign Currency Risk

Exchange rate risk means the investment risk assumed, which arises from unfavourable changes in currency prices, when there is exposure to a specific currency.

It does not affect Company's operations significantly as foreign currency transactions do not exist.

Interest Rate Risk

Interest rate risk means the investment risk assumed, which arises from changes in the market in money interest rates.

Such interest rate changes can affect the Company's financial position since the following can also change:

- The net interest rate result
- The value of income and expenses sensitive to interest rate changes
- The value of assets and liabilities since the present value of future cash flows (and frequently the cash flows themselves) change as interest rates change.

This kind of risk is related with the bond that the Company issued and is analyzed in paragraph 4.17. The bond issue is guaranteed by the Greek State and may be traded on the Dublin Stock Exchange. The guaranteed interest rate is floating and, thus, the company is exposed to cash flow interest rate risk.

The table below presents the Statement of Comprehensive Income and equity sensitivity at a normal rate volatility by +0,5% or -0,5%. Changes in interest rates are set to be on a rational footing in relation to recent market conditions.

	2012		2011	
	Amounts in thousands Euro		Amounts in thousands Euro	
	0,5%	-0,5%	0,5%	-0,5%
Income Statement	-57	57	-5	5
Equity	-57	57	-5	5

Fair Value Hierarchy

IFRS 7 requires that the classification of financial instruments at fair value be determined by reference to the source of inputs used to derive the fair value. The observable data is based on active markets and derives from independent sources, while non observable information refers to the Management estimates. Both information deriving methods create the following hierarchy :

- **Level 1** – Unadjusted quoted prices in active markets for identical assets or liabilities. The level includes listed shares and borrowing funds on stock exchanges (such as those in London, Frankfurt and New York) and derivatives such as Futures (Nasdaq, S & P 500).

- **Level 2** – Inputs other than quoted prices included in level 1 that are observable for the asset or liability directly or indirectly. The level includes the majority of OTC derivatives and various issued debts. The sources of such data is the curve of LIBOR, Bloomberg and Reuters.
- **Level 3** – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). The level includes capital investments and borrowed funds that e not traded in an active market, as there are no similar traded products. The above hierarchy method requires the use of observable sources when available. The Company uses observable sources under valuation when possible.

31.12.2012
Amounts in thousands Euro

	Level 1	Level 2	Level 3	Total
Investments carried at FVTPL				0
Investments in Venture Capital Funds (AKES)	2,795		32,599	35,394
Investments available for sale				0
Investments in mutual funds (Money market funds)	87,503			87,503
	90,298	0	32,599	122,897

3.2 Liquidity risk

Liquidity risk means the possible inability of the Company to fully repay in due time its current or future financial obligations –when they become due- due to a lack of necessary liquidity. This risk includes the possibility of a need to refinance amounts at a higher interest rate and the need to sell off assets.

This kind of risk is also related with the bond that the Company issued and is analyzed in paragraph 4.17. More specifically it is related to the 6-month payment of the guaranteed interest and the repayment of the principal balance of the note at June 2013. Liquidity is also related to the timing and the amount of returns from the investments in venture capital funds (AKES).

The Company monitors its long term financial liabilities and liquidity needs. It must be noticed that the extension of TANEO's investment period without the relevant extension of the bond maturity, includes a risk of partial call of the principal balance of the notes due to the mismatch of relevant cash flows.

The financial liabilities maturity of TANEO on December 31st 2012 was the following:

31.12.2012
Amounts in thousands Euro

	Short term		Long term	
	Within 6 mothns	6-12 months	1-5 years	Later than 5 years
Preferred shares			45,000	
Bond loan	105,000			
Other liabilities	136			
	105,136	0	45,000	0

3.3 Credit Risk

Credit risk derives from breach of obligations by debtors to repay all or part of their debt within contractual deadlines. The main financial assets of the company refer to bank balances and receivables from non-Greek mutual funds (money market funds).
The credit risk on liquid funds is limited because the counterparties are Banks with high credit-ratings assigned by international credit-rating agencies of mutual funds traded in stock exchange markets.
Consequently, the company has no significant concentration of credit risk.

4 Notes and analysis of the financial statements

(*amounts in thousand euros unless otherwise stated)*

4.1 Credit Interests and related expenses

	31.12.2012	31.12.2011
	Amounts in thousands Euro	
Interest from securities (Money market funds)	224	918
Interest from securities (Repos)	40	28
	264	946

The aforementioned interest revenue amounts to Euro 224 thous. originates from investments in non-Greek mutual funds. More information is provided in note 4.11.

4.2 Gains from FVTPL Investments

	31.12.2012	31.12.2011
	Amounts in thousands Euro	
Capital Connect	0	0
Zaitech Fund	224	742
IBG Hellenic Fund II	0	0
	224	742

The Gain from Zaitech Fund is analyzed as follows:

Distribution of Euros 415 due to a partial realization of one of its portfolio companies named "Solar Concept" operating in the energy sector. The gain of this distribution amounted to Euros 224 and the remaining capital part is deducted from the book value of the fund. The distribution was cashed in the 10^{th} of January 2013.

4.3 Increase / (Decrease) in Fair Value Investments

	31.12.2012	31.12.2011
	Amounts in thousands Euro	
Capital Connect	45	(45)
Zaitech Fund	(909)	(1,623)
IBG Hellenic Fund II	27	16
AIMS - TANEO	(57)	(293)
Thermi - TANEO	(267)	(300)
Alpha - TANEO	(132)	(379)
Oxygen - TANEO	(169)	(320)
Give - TANEO	(0)	(2)
Piraeus - TANEO	(858)	1,657
New Mellon - TANEO	(383)	308
FG RES - TANEO	4	243
Decrease in Fair Value	(2,700)	(736)
Decrease in FV of Overall portfolio	0	(2,189)
Net Result from Valuation of Investments	(2,700)	(2,925)

Following a thorough consideration of Funds investments combined with the negative economic environment in Greece, TANEO's management decided to decrease the Fair Value of its overall portfolio by the amount of € 2,189 as of 2011, over and above the valuations provided by the individual Fund Managers.

The increase/(decrease) in Fair Value Investments for 2012 is analyzed as follows:

	Operating Expenses / Income		**Carried Interest**		**(Portfolio losses) / Gains**		
	Paid	Accrued	Paid	Accrued	Unrealized	Realized	**Total**
Capital Connect		45					**45**
Zaitech Fund	(319)				(590)		**(909)**
IBG Hellenic Fund II		27					**27**
AIMS- TANEO		(57)					**(57)**
Thermi - TANEO	(267)						**(267)**
Alpha - TANEO	(392)				260		**(132)**
Oxygen - TANEO	(169)						**(169)**
Give - TANEO		(0)					**(0)**
Piraeus - TANEO	(360)				(498)		**(858)**
New Mellon - TANEO	(189)				(194)		**(383)**
FGRES-TANEO		4					**4**
Decrease in fair Value of Overall portfolio							**-**
Decrease in Fair Value	**(1,696)**	**18**	**-**	**-**	**(1,022)**	**-**	**(2,700)**

4.4 Debit Interest and related expenses

The "Debit Interest and related expenses" amount is analyzed as follows:

	31.12.2012	31.12.2011
	Amounts in thousands Euro	
Interest expenses on the bond issue	1,276	1,608
Amortization on the issue and restructuring expenses of the bond	626	626
Other expenses	11	11
	1,913	2,244

4.5 Provisions

From the total amount of € 751, amount of € 742 refers to additional return charges for the period 2003-2006 according the bond contract. See also paragraph 4.17.

4.6 Other Operating expenses

The "Other operating expenses" amount is analyzed as follows:

	31.12.2012	31.12.2011
	Amounts in thousands Euro	
Investment advisor fees	74	76
Trustee fees	24	111
Cash management fees	22	22
BOD fees	102	105
Lawyers fees	96	314
Auditors fees	63	32
Accountants fees	25	23
Communication expenses	14	16
Leasing expenses	41	59
Travel expenses	19	24
Advertising and promotion expenses	70	37
Insurance fees	10	11
Other Overheads	50	56
	609	885

4.7 Income tax (Deferred tax)

	31.12.2012	31.12.2011
	Amounts in thousands Euro	
Current tax	0	0
Deferred tax (Release) / Burden	(125)	(125)
Income tax for the year	(125)	(125)

The income tax for the fiscal year reconciles to the year's profit/loss as follows:

	31.12.2012	31.12.2011
	Amounts in thousands Euro	
Profit / (Loss) before tax	(5,089)	(4,711)
Income tax rate	20%	20%
Income Tax according to the applied tax rate	(1,018)	(942)
Tax Effect on tax-exempt income	(98)	(338)
Tax effect on non-deductible expenses	990	1,155
Income tax expense / (gain) for the year	(125)	(125)

4.8 Tangible assets

	Leasehold Improvements	Furniture and office equipment	Total
	Amounts in thousand Euros		
Book Value			
1st January 2011	79	162	240
Additions	0	1	1
1st January 2012	79	163	241
Additions	0	4	4
31st December 2012	79	167	245
Accumulated Depreciation			
1st January 2011	66	150	216
Additions	1	5	6
1st January 2012	67	155	223
Additions	0	6	6
31st December 2012	67	161	229
Net Book Value			
31st December 2011	11	7	19
31st December 2012	11	6	17

The following rates are used for the depreciation of tangible assets:

Building installations on third parties' immovable property: 33.33%.
Furniture and fittings: 20-30%.

4.9 Investments carried at fair value through Profit or Loss

	31.12.2012	31.12.2011
	Amounts in thousands Euro	
Investments in venture capital funds (AKES)	35,394	31,049

An analysis of the participations in venture capital funds (AKES) is provided below:

Fund Name	Contributions to Funds 2012	Contributions to Funds Until 31.12.2012	Distributions from realized investments (Capital part) 2012	Distributions from realized investments (Capital part) Until 31.12.2012	Increase / (decrease) in Fair Value 2012	Increase / (decrease) in Fair Value Until 31.12.2012	Investments Carried at Fair Value at 31.12.2012
		(1)		(2)		(3)	4=(1)-(2)+(3)
Capital Connect	35	4,309	0	1,250	45	-2,033	1,026
Zaitech Fund	1,763	18,859	191	987	-909	-3,399	14,474
IBG Hellenic Fund II	0	5,056	0	4,432	27	149	774
AIMS- TANEO	0	3,000	0	0	-57	-663	2,337
Thermi - TANEO	2,320	5,632	0	0	-267	-1,435	4,196
Alpha - TANEO	650	5,663	0	0	-132	-2,007	3,656
Oxygen - TANEO	1,288	2,510	0	0	-169	-1,003	1,507
Give - TANEO	0	500	0	0	0	-500	0
Piraeus - TANEO	1,024	8,152	0	0	-858	-30	8,122
New Mellon - TANEO	155	1,905	0	0	-383	-492	1,414
TANEO FG RES	0	360	0	0	4	-282	78
Decrease in FV of Overall portfolio					0	-2,189	-2,189
	7,236	55,946	191	6,668	-2,700	-13,883	35,394

Fund Name	% Particip.	Closing Date	Commitments as 31.12.2012	Total Contributions until 31.12.2012	Total Distributions until 31.12.2012	Remain to be invested as 31.12.2012
			(1)	(2)		3=(1)-(2)
Capital Connect	49.99%	May-03	5,349	4,309	1,904	1,040
Zaitech Fund	49.99%	Sep-08 (2nd Closing)	20,000	18,859	2,910	1,141
IBG Hellenic Fund II	39.99%	Nov-04	8,530	5,056	8,451	3,474
AIMS - TANEO	49.99%	Jun-08 (2nd Closing)	20,000	3,000	0	17,000
Thermi - TANEO	49.90%	Mar-08	11,976	5,632	0	6,344
Alpha - TANEO	49.00%	Jun-08	14,700	5,663	0	9,037
Oxygen - TANEO	49.99%	Nov-08 (2nd Closing)	14,998	2,510	0	12,488
Give - TANEO	49.99%	Sep-08	10,000	500	0	9,500
Piraeus - TANEO	49.99%	Dec-08	14,997	8,152	0	6,845
New Mellon - TANEO	49.99%	Dec-08	7,499	1,905	0	5,594
TANEO FG RES	49.99%	Dec-08	11,998	360	0	11,638
			140,046	55,946	13,264	84,100

The aforementioned participations amounting to € 35,394 refer to participations in AKES of limited duration as provided by article 7 of L.2992/2002.

The purpose of the A.K.E.S. is to invest in innovative companies, which are registered and based in Greece and which are, preferably, active in sectors of the new economy, and in companies whose competitive advantage arises from technology applications of the new economy.

Investments will be made exclusively in small or medium sized enterprises and preferably, but not exclusively in their start up or early stage of operations.

No investment is allowed in enterprises that have issued securities traded in an organized market as dictated by article 1 of the Directive 93/22/EEC. The investment in enterprises whose securities are traded in an organized market, as above, is allowed only if the participation has preceded the approval of the listing by the relevant authorities and the A.K.E.S. transfers its investment within five (5) years, at the most, from the commencement of the trading of the securities of the enterprise.

The investment policy of the A.K.E.S. aims to achieve profits for the unit holders, in particular by enjoying a stable income on the invested capital, in the form of interest income, by appropriating part of the profits of the investees for the benefit of the unit holders and by realizing capital gains from the liquidation of the investments.

The net assets of A.K.E.S are allocated to equal shares.

The payment for the participation in an A.K.E.S is made in cash installments deposited with the Custodian of the mutual fund.

The unit holders undertake the commitment to effect the payment in cash of any outstanding installments of their participation within ten (10) working days from the date the Manager requests so in writing.

TANEO will deposit the amount corresponding to its contribution only after the rest of the unit holders have deposited the amount corresponding to their contribution, as requested by the Manager, and a written confirmation is obtained from the Custodian thereon, that will be handed over to TANEO by the Manager.

TANEO has undertaken the commitment to participate in every capital increase of the A.K.E.S. that takes place by existing or new unit holders. The amount of its participation will be equal to the amount raised through the participation increase of the existing or new unit holders minus one euro (€1).

The shares of the A.K.E.S. are transferable under certain conditions.

In the form of a penal clause, it is provided that in the case of delinquency of a unit holder to effect the contribution of the whole or part of his outstanding commitment towards the A.K.E.S. for a period longer than thirty (30) days after receiving notification by the Custodian his units are passed on, with no remuneration, to the other unit holders proportionally to their participation in the A.K.E.S.

The aforementioned investments are classified as investments at fair value through the profit or loss at their initial recognition and subsequently are also measured at fair value. The investments in venture capital funds are not quoted in an organized market and therefore TANEO relies on the audited annual reports of the funds for determining their fair value. The responsibility for the preparation of funds' annual reports relies on the funds' management.

4.10 Other Non-Current Assets

The "Other Non-Current Assets" amount is analyzed as follows:

	31.12.2012	31.12.2011
	Amounts in thousands Euro	
Guarantee on Leashold property	9	9
Other Non-Current Assets	-3	-3
	6	6

4.11 Investments available for sale

Investments available for sale refer to:

	31.12.2012	31.12.2011
	Amounts in thousands Euro	
Investments in mutual funds (Money market funds)	87,503	96,986

The Money Market Funds are investments which are listed but not traded in a non-Greek stock market. The mutual fund invests in fixed return securities and, consequently, the return for the company is not subject to significant fluctuations.

The participation is effected by using cash funds deposited with the company's bank account. The remainder of such cash funds is restricted with the purpose to cover the payments of the company associated to the bond issue of Euro 105 mil issued on the 3rd of June 2003.

The aforementioned investments provide the company with the opportunity to derive interest income. Such investments have fixed maturity and eligibility to interest collection. The fair value of these mutual funds is based on market prices in an organised market.

The valuation of the aforementioned mutual funds is made at cost that approximates their fair value. The accrued interests of these investments are included in the "Other Receivables" account.

4.12 Other receivables

	31.12.2012	31.12.2011
	Amounts in thousands Euro	
Accrued interest (income)	3	64
Prepaid expenses	37	21
Other debtors	415	12
	455	96

The Board is of the opinion that the carrying value of the aforementioned items approximates their fair value of such items. A distribution of € 415 from Zaitech Fund attributed to 2012, has been accrued, since it has been cashed in at the 10th of January 2013.

4.13 Cash and cash equivalents

	31.12.2012	31.12.2011
	Amounts in thousands Euro	
Short-term Bank deposits (Demand Deposits)	72	118
Short-term Bank deposits (1-month repos)	1,300	1,200
Portfolio Income Account	1	74
	1,373	1,393

The Portfolio Income Account consists of a Bank deposit maintained by Deutsche Bank. This account receives all the amounts payable to TANEO in respect of its participation in Venture Capital Funds plus the interest income for Money Market Funds Accounts (see par 4.11). Its balance is available to TANEO to meet payments in accordance with condition 3 of the Bond Loan. The decrease in this amount is due to cash management reasons (i.e purchase of shares of Money Market Funds).
The carrying value of these assets approximates their fair value.

4.14 Share Capital

	31.12.2012	31.12.2011
	Amounts in thousand Euros	
Authorised:		
20,000 common shares of par value Euro 50 each	1,000	1,000
Issued and fully paid:		
At the beginning of the year	1,000	1,000
At the end of the year	1,000	1,000

An analysis of the Share Capital as reflected in the Articles of Incorporation of the company is as follows:

1. The share capital on the establishment of the company was determined to be one hundred million (100,000,000) drachmas represented by ten thousand (10,000 shares of par value ten thousand (10,000) drachmas each which was issued and paid by the Greek State.

2. On the 22nd of January 2002 the Extraordinary General Meeting of Shareholders decided:

(a) the denomination of the par value and the share capital of the company in Euro, pursuant to the provisions of article 12 of L.2842/2000 and the increase in the par value of shares by Euro 20.652972 by cash contributions.

(b) the increase in the share capital of the company by cash contributions and for an amount of five hundred thousand (500,000) Euro represented by ten thousand (10,000) new registered shares of par value fifty (50) Euro each.

Thus the share capital of the company amounted to one million (1,000,000) Euro represented by twenty thousand (20,000) shares of par value 50 each.

3. On the 3rd of June 2003, the Extraordinary General Meeting of Shareholders decided the share capital increase by forty five million (45,000,000) Euro by cash contributions and the issuance of nine hundred thousand (900,000) new preferred shares without voting rights of par value fifty (50) Euro each. Information on the accounting treatment of preferred stock is provided in Note 4.16.

4. Thus the share capital of the company currently amounts to forty six million (46,000,000) Euro represented by nine hundred and twenty thousand (920,000) shares of par value 50 Euro each, of which twenty thousand (20,000) shares represent common stock with voting rights. The rights associated to the preferred stock are determined in article 5a of the Articles of Incorporation.

4.15 Retained Earnings / (Accumulated loss)

	Retained Earnings / (Acc. losses)
	Amounts in thousand Euros
2011	
Balance at 1.1.2011	-17,099
Profit / (loss) for the year	-4,586
Other Comprehensive Income after Tax	0
Total Comprehensive income	-4,586
Balance at 31.12.2011	-21,686
2012	
Balance at 1.1.2012	-21,686
Profit / (loss) for the year	-4,963
Other Comprehensive Income after Tax	0
Total Comprehensive income	-4,963
Balance at 31.12.2012	-26,649

Within the current year, and taking into account the preference shares which, pursuant to IAS - IFRS are classified as liabilities and not as the Company's capital, the Equity is lower than half of the share capital. Accordingly, pursuant to article 47 of Codified Law 2190/1920, the Company is required to take measures, aimed at balancing its capital at minimum levels as required by law. Given that: (a) preference shares, issued by the Company, are of nominal value € 45m, while the common shares are of nominal value of € 1m., (b) preference shares (based on prudency and under the opinion of prof. Evangelos Perakis), for the purposes of application of articles 47 and 48 § 1 case c of Codified Law 2190/1920, shall be included in the Company’s Equity (irrespective of their accounting representation), the Company's management estimates that the aforementioned decrease in Equity is coincidental and is due to valuation of investments of the Company which, in turn, is carried out under adverse economic conditions.

Although the Company's Equity is expected to improve substantially due to perceived improvement of key ratios of the Greek economy during the years 2013 - 2016 and consequently improved valuations of Company investment, nevertheless, (a) the Company's management examines action plans in respect of measures to be taken in order to address the issue, while (b) it will refer the matter to the Annual General Meeting of its Shareholders, which shall decide on timely adoption of all the measures necessary or appropriate for the Company capitalization purposes.

4.16 Preferred Shares

1. The nine hundred thousand (900,000) preferred shares without voting rights which were issued with the decision of the Extraordinary General Meeting of Shareholders dated 3 June 2003 (hereafter referred to as "Preferred Shares") was determined to be issued at par and be paid in installments, pursuant to the provisions of article 12 of L.2190/1920 as follows:

(a)An amount of Euro two million six hundred thousand (2,600,000) on the date of the issuance.

(b)The remaining amount of forty two million and four hundred thousand (42,400,000) Euro was determined to be paid as follows:

(i) an amount of nineteen million and four hundred thousand (19,400,000) Euro until the 30th of June 2003,

(ii) an amount of eight million (8,000,000) Euro until the 30th of June 2004 and

(iii) an amount of fifteen million (15,000,000) Euro until the 30th of June 2005.

The total amount of the par value of the Preferred Shares has been paid by the Greek State.

2. The preference rights of the Preferred Shares are as follows:

(a) The Preferred Shares are entitled to receive interest calculated per annum at a percentage of the paid up par value of each preferred share (i.e. of the sum which is, from time to time, paid up in accordance with the terms of payment of the value of each Preferred Share in installments pursuant to paragraph 1 hereof). The above percentage shall consist of the aggregate of:

(i) a rate of interest equal to the Guaranteed Interest Rate
(ii) a rate of interest equal to the Additional Return Rate

The said amount of interest shall be payable cumulatively on the Final Maturity Date or Early Redemption Date, subject to sufficient funds being available under Condition 3 of the Bond Issue.

(b)In addition, the Preferred Shares shall be entitled to receive part of the net income, as described in Condition 3 of the Bond Issue, of any nature whatsoever, resulting from the Company's participation in investment organizations (as defined in article 3 of the Articles of Association and article 28 paragraph 2 of Law 2843/2000), which includes the income from the liquidation of the relevant investments. The said income shall be payable on each Payment Date.

3. During such time as the Preferred Shares will be entitled to receive the income set out in the preceding sub-paragraph 2(b), the Preferred Shares will not be entitled to participate in the Company's profits other than the income set out in the preceding sub-paragraph 2(b).

4. On the Final Maturity Date or Early Redemption Date, the Company shall proceed to a reduction of its capital by the sum of euro forty five million (45,000,000) by way of acquisition of the entire nine hundred thousand (900,000) Preferred Shares and payment of

their par value subject to available funds being sufficient under Condition 3 of the Bond Issue.

5. The following definitions apply for the application of the above

(a)“Bond Loan”: The bond loan in the sum of euro one hundred and five million (105,000,000) issued by the Company pursuant to a resolution of a general meeting of its shareholders made on the 3rd June 2003, and executed in London by virtue of aTrust Deed dated the 3rd June 2003 between the Company, Deutsche Trustee Company Limited, a company registered in London (as trustee), and the Hellenic Republic (as guarantor).

(b)“Guaranteed Interest Rate”: The rate referred to under that term (in English: “Guaranteed Interest Rate”) in Condition 5 of the Bond Issue, and which today equals to the aggregate of (i) EURIBOR for six month deposits minus (ii) 0,02% per annum, as will be defined in particular by the bank designated as Agent Bank (in English: “Agent Bank”) under Condition 5 of the Bond Issue.

(c)“Additional Return Rate”: The rate referred to under that term (in English: “Additional Return Rate”) in Condition 3 of the Bond Issue, and which today equals to 0,2%.

(d)“Payment Date”: Each date referred to under that term (in English: “Payment Date”) in the conditions of the Bond Issue and which are defined as the 3rd June and the 3rd December in each year up to and until the Final Maturity Date or, if Residual Certificates are issued, up to and until the Residual Certificates Final Maturity Date.

(e)“Final Maturity Date”: The 3rd June 2013 or, if such day is not a Business Day, on the next Business Day after such date.

(f)“Early Redemption Date”: The date which under the conditions of the Bond Issue, wherein it is referred to as the “Early Redemption Date”, precedes the Final Maturity Date subject to the occurrence of certain extraordinary events.

(g)“Residual Certificates”: The securities referred to by the English term “Residual Certificates” in Condition 8 of the Bond Issue and which may be issued by the Company in accordance with the said Condition 8 of the Bond Issue.

(h)“Residual Certificates Final Maturity Date”: The date referred to under that term (in English: “Residual Certificates Final Maturity Date”) in Condition 8 of the Bond Issue and is today defined at the 3rd June, 2020.

A derivative is embedded in preferred shares, since the payment of the additional return depends on the return of investments in venture capital mutual funds in which part of the issue has been invested to. Consequently this financial instrument (i.e. the nominal value of the preferred stock including the derivative) cannot be reliably valuated because a) the embedded derivative is related with returns of financial organizations not listed in an organized financial market, b) the investments (draw downs) in venture capital funds (AKES) as 31/12/2012 comprise only 40% of the total commitments, c) the biggest part of these draw downs has been realized the last three years. The whole financial instrument is reflected in the financial statements at historic cost as this method is considered to be the most reliable one.

4.17 Bond loan

On the 30th of June 2003, the company issued a Bond loan of par value Euro 105 million, of ten years duration that is represented by 10,500 bonds of par value Euro 10,000 each.

The bond issue is guaranteed by the Greek State and may be traded in the Dublin Stock Exchange. The guaranteed interest rate is floating and, thus, the company is exposed to cash flow interest rate risk.

The return which the bond holders are eligible to is determined by (i) the guaranteed by the Greek State interest rate equal to the six-month EURIBOR reduced by 0,02% (ii) the additional return that is based on the 0,2% of the par value, providing that there are adequate funds, according to Term 3 of the contract for the bond issue and (iii) the payment to be effected by the company on the maturity date or the early redemption date, providing that there are adequate funds, according to Term 3 of the contract for the bond issue. Term 3 of the contract for the bond issue refers to the priority in the company's payments.

A derivative is embedded in the bond, since the payment of the additional return depends on the return of investments in venture capital mutual funds in which part of the issue has been invested to. Consequently this financial instrument (i.e. the nominal value of the bond including the derivative) can not be reliably valuated because a) the embedded derivative is related with returns of financial organizations not listed in an organized financial market, b) the investments (draw downs) in venture capital funds (AKES) as 31/12/2012 comprise only 40% of the total commitments, c) the biggest part of these draw downs has been realized the last three years. The whole financial instrument is reflected in the financial statements at historic cost net of accumulated amortization of issue and restructuring expenses as this method is considered to be the most reliable one.

As previously mentioned, the Bond Loan having a duration of ten years and issued by the Company for a nominal amount of 105 mil €, comes to term on the 3rd June 2013. The due and timely repayment of the loan was guaranteed by the Hellenic Republic. Although the Company has funds which would be sufficient to repay a major portion of the loan, it has long ago contractually committed to mutually invest them, along with its co-investors, for the furtherance of its corporate objectives. Accordingly, it is likely that the Noteholders will make a call under the Guarantee granted by the Hellenic Republic. The management of the Company is making all the actions that are necessary or advisable to the ends of informing the Greek State and has already provided all relevant information as well as transmitted all the legal documentation governing the issuance of the above loan.

As a result of the issuance of Residual Certificates (which issuance constituted a contractual obligation of the Company pursuant to the original loan), the legal documentation of the loan is expected to be amended so that it will, inter alia, set the terms pursuant to which the Hellenic Republic is going to be repaid (to the extent that, in the meantime, the Greek State will have paid the capital of the loan pursuant to the terms of the Guarantee) and provide for the constitution or survival of security in its favour in the context set by Law 2322/1995, as in force.

The management of the Company does not expect that a possible call under the Guarantee, will have a material adverse effect on the Company's ability to continue its activity as a going concern.

The amount of interest expense on the bond issue, excluding the amount charged to the Statement of Comprehensive Income, is Euro 1.207 and Euro 1.608 for the periods 2012 and 2011 respectively.

The nominal value of the bond issue and the expenses associated to the issue and restructuring reduced by the charges to the Statement of Comprehensive Income, on the basis of the duration of the loan, as at 31 December 2012 and 2011 are as follows:

	31.12.2012	31.12.2011
	Amounts in thousands Euro	
Nominal value	105,000	105,000
Issue and restructuring costs	-613	-1,239
Carrying amount	104,387	103,761

4.18 Deferred Tax Liabilities

	31.12.2012		31.12.2011	
	Amounts in thousands Euro			
	Asset	Liability	Asset	Liability
Long term liabilities				
Bond Loan	1,583	1,705	1,458	1,705
Offsetting	1,583	1,583	1,458	1,458
Total	0	123	0	248

The aforementioned deferred tax assets and liabilities have been offset in accordance with the company's policy. A percentage of 20% tax rate is effective for the periods commencing from 1.1.2012 onwards.
At the 31/12/2012, the company has reported tax losses carried forward amounting to Euro 7,760 (2011: Euro 4,790 thous), which can be offset against future profits.

4.19 Provisions

There was no charge or use of provision during the period
A provision of Euro 9 thous. refers to the amount of indemnity payable to the employees for providing their services during the period of their vacations.
A provision of Euro 742 thous. refers to additional return charges for the period 2003-2006 according the bond contract (See also paragraph 4.17).

4.20 Other Liabilities

	31.12.2012	31.12.2011
	Amounts in thousands Euro	
Accrued interest (expense)	24	135
Other Accrued expenses	22	278
Other liabilities	89	61
	136	473

Other liabilities comprise of liabilities to social security funds and withholding taxes payable to the Greek State and liabilities from corporate activities.

According to the Board, the carrying amount of liabilities from corporate activities and other liabilities approximate their fair value.

4.21 Contingent Liabilities

As more fully described in the relevant Notes to the financial statements, liabilities may arise in connection with the embedded derivatives in the preferred stock and the bond issue.

Furthermore, some of the employees and the Investment Advisor are entitled to incentive fee which is related to the performance of the company, in accordance with the "priority of payments", as described in the documentation for the private placement of the employer through the issue of € 105m of Bonds and € 45m of Preferred shares. The contingent liability will be recognized when the benefits from the company's participations in venture capital funds (AKES) will be realized.

4.22 Commitments

	31.12.2012	31.12.2011
	Amounts in thousands Euro	
Remain to be invested in venture capital funds (AKES)	84,100	91,337

The analysis of the company's commitments is provided in Note 4.9 to the financial statements.

4.23 Operating lease agreements

	31.12.2012	31.12.2011
	Amounts in thousands Euro	
Lease payments under operating leases recognised as expenses during the year	41	59

At the Statement of Financial Position date, the company has undertaken commitments in connection with operating lease contracts, which may not be cancelled without any penalty, that are payable as follows:

	31.12.2012	31.12.2011
	Amounts in thousands Euro	
	Leasehold property	Leasehold property
Within 1 year	36	48
From 2 to 5 years	180	240
After 5 years	120	160
	336	449

The leasehold property operating lease arrangements refers to the building used for the premises of the company. Such lease contracts have a duration of 12 years and the remaining period as at 31.12.2012 is seven years and nine months. The increase in the annual lease payments is calculated to be 0% from 2 to 5 years period. Thereafter it equals the annual increase in the Consumer's Price Index (CPI) plus 2 percentage points. For the above computations, the annual increase in the CPI has been estimated to be 3%.

4.24 Liabilities for employee's retirement benefit plans

Defined contribution plan

The company operates a defined contribution plan with IKA. The contributions to the plan are expensed when accrued. The total amount expensed in the year 2012 is € 52 (2011: € 33) and represents contributions due to IKA in accordance with the latter's assessments. At 31 December 2012 contributions amounting to € 7.5 (2011: € 7.6) accrued in the year 2013 were payable. Amounts payable have been settled after the 31/12/2012.

Defined benefit plan

The company has the obligation to operate a defined benefit plan. According to the plan, the employees are entitled to a retirement remuneration at the time they are eligible to pension. The amount of the company's liability is € 1 thous. This amount has been expensed in prior years. In view of the fact that the relevant expense amount is not significant, no actuarial study has been made.

4.25 Related party transactions

Compensation of key management personnel

The remuneration of directors during the year was as follows:

	31.12.2012	**31.12.2011**
	Amounts in thousands Euro	
Remunerations	200	210

5 Events occurring after the 31/12/2012

Pursuant to Conditions 8.1, holders of at least 25% in aggregate of the Principal Balance of the Notes have validly requested the issuer to issue Residual Certificates, in accordance with Condition 8.2, on or prior to the RC Request Date (see par.4.16 & 4.17).

Pursuant to Clause 13.2.1 of the agency Agreement dated 3rd June 2003, the Principal Balance of Notes held by or on behalf of the Requesting Noteholders or in respect of which such RC Request is being exercised is € 90m.

Pursuant to Condition 8.3 of the Conditions of the Notes, the Principal Paying Agent confirmed that the RC Condition has been satisfied.