

# Company Report

## Plexaco Seeks Strategic Investor

Valuation & Research Specialists (VRS)  
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### Shareholders' Structure

Hiotis Family	90.00%
Other Shareholders	10.00%

Source: The Company.

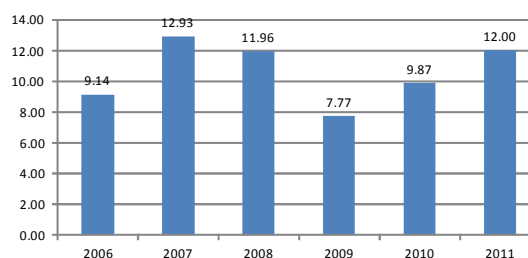
## Plexaco S.A. [Private and Non-listed Company]

### Business Sector: Flexible PVC Hoses Manufacturing

#### Current Status and Former Business Profile

- Plexaco, a well known flexible PVC hoses manufacturer in Greece and internationally, suffered a short-term lack of liquidity at the end of 2011, which subsequently led the Company to postpone wages and salaries to its employees. In March 2012, Plexaco was forced to cease operations of its production plant, after 30 years, following a petition for employment interruption made by its workforce in accordance with Greek law. Since that date, Plexaco's production plant remains idle, whereas the management contemplates a plan of entering the Greek bankruptcy code and arranging settlements with regard to its creditors.
- Plexaco S.A. is an Industrial and Commercial Societe Anonyme, which was formed in September 1998, via the merger of Intergroup S.A. and Plexaco Industrial Co. (established in 1981). Plexaco S.A. is not publicly traded company.
- The Company's historical activities are described as follows:
  - (i) Production and trading of flexible reinforced PVC hoses, (ii) Production and trading of PVC compounds, (iii) Trading of related items (imports) with exclusive representation agreements for the Greek market, and (iv) Sale of know-how for the production of PVC reinforced hoses.
- Up to year 2012, Plexaco utilized a well established family of products, namely Plexaflex, Plexafiat, Plexasteel and Plexavyl, which had offered solutions to a variety of business sectors, such as agricultural, industrial, construction, mining, marine and home utility. All four brand names referred to specialized flexible PVC reinforced hoses and had been developed by Plexaco, enjoying strong demand in the domestic and the international markets. With its R&D department, Plexaco had managed to develop its own know how in the production of specialized flexible hoses.

Evolution of Historic Sales, Period 2006 – 2011 (EUR million)



#### Production Plant and Distribution Network – Historic Reference

- Plexaco's production plant is located in Voiotia County, Greece. Prior to the closure of the production plant, Plexaco's distribution network had been well organized in both Greece and international markets. In the domestic market, Plexaco co-operated with major distributors and retail stores across the country or representatives. In the international markets, the Company traded with large wholesale centers.
- Up to the year 2011, Plexaco was considered one of the leading European manufacturers of flexible PVC hoses, due to its product range and market presence. Export sales accounted for 75% of turnover. Plexaco's extensive product range included potable water certified flexible PVC hoses, non PVC flexible hoses for food and alcohol industries, low temperature resistance hoses, etc.

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**Business Sector: Flexible PVC Hoses Manufacturing**

### Geographic Markets – Historic Reference

Plexaco had been generating sales to the following geographic markets:

<b>EUROPE</b> AUSTRIA BELGIUM BULGARIA CROATIA CYPRUS CZECH REPUBLIC DENMARK ESTONIA FINLAND FRANCE FYROM GERMANY HOLLAND IRELAND ITALY LATVIA LITHUANIA MALTA MOLDAVIA NORWAY POLAND PORTUGAL ROMANIA RUSSIA SERBIA SPAIN SWEDEN SWITZERLAND TURKEY U.K. UKRAINE	<b>AMERICAS</b> MEXICO U.S.A. COSTA RICA TRINIDAD  <b>AUSTRALIA – NEW ZEALAND</b> AUSTRALIA NEW ZEALAND  <b>MIDDLE EAST &amp; ASIA</b> CHINA ISRAEL JORDAN KUWAIT LEBANON MALAYSIA PHILIPPINES QATAR S. ARABIA SINGAPORE SYRIA THAILAND U.A.E.  <b>AFRICA</b> EGYPT MOROCCO NIGERIA SOUTH AFRICA SUDAN TUNIS
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Source: The Company's Management.

### Management's Proposal

- The management seeks strategic investor which would consider acquiring a majority stake and in partnership with the existing shareholders turning around the Company's fortunes. Strategic investor should be an industry related player with knowledge of the Company's market and ability to generate synergies and added value. Capital needed to commence operations of the production plant and sale of final products is estimated at EUR 2 million. The Company had built an especially strong brand name up to 2012, which according to the management it would be feasible to revive it and achieve domestic and most importantly international sales in key geographic markets. According to the management, there is continuous interest from former clients for Plexaco's flexible hoses products once the plant resumes operations.

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Covered Company	Bloomberg	Reuters	Stock Price	Date	Disclosure
PLEXACO S.A.	Non-listed	Non-listed	--	May – June 2013	2, 3, 4

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2. VRS has sent the research report to the covered company, prior to publication or dissemination, for factual verification.
3. VRS has changed the contents of the initially sent report, with respect to: factual changes have been made.
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