

Explanatory Report

This report of the Board of Directors of Elmec Sport S.A. to the Annual General Shareholders Meeting includes information according to the provisions of L 3371/2005, par 1, article 11a.

a. The share capital of the company is 33.240.000 Euro divided into 55.400.000 common ordinary shares, of nominal value 60 cents (0,60 Euro) each one. All the shares of the Company are publicly traded in the Athens Stock Exchange.

b. The shares are traded and transferred without any restrictions.

c. The significant direct or indirect investments, according to the provisions of PD 51/1992 are the following: Sam Fais: 27.51%, Lucy Fais: 24.32%.

d. No shareholder has special rights according to the articles of association of the Company.

e. In the articles of association of the Company no limitations in the voting rights of the shareholders exist. All shareholders are entitled to participate in General Meetings of shareholders of Elmec Sport either in person or via proxy. In order for shareholders to participate in a General Meeting, they must bind all or part of the shares they own through their broker, if their shares are not held in the Special Account or through the Central Securities Depository, if they are in the Special Account, and they should deposit such attestation binding their shares and any representation documents at the offices of Elmec Sport, at 96, Vouliagmenis Avenue, Glyfada, at least five days before the date set for the holding of the General Meeting concerned.

f. There are no shareholder agreements known to the Company that result in limitations to the transfer of shares or to the voting rights.

g. The assignment and replacement of the members of the Board of Directors and the amendment of the articles of association take place according to the relevant legislation (L 2190/1920).

h. The board of directors is allowed to acquire treasury shares and may proceed to issue new shares only after a relevant decision of the Annual General Meeting has been taken. This decision is governed by the relevant legislation (L 2190/1920). Currently, no such decision is valid, therefore, the Board of Directors has no authority neither to acquire treasury stock nor to issue new shares.

i. Elmec Sport SA has not signed any agreements that come to effect, are amended or cease to exist in case a public offering changes the control of the Company.

j. Elmec Sport SA has not signed any agreements with the members of the Board of Directors or with the personnel, that result in compensation in case of drop out submission or firing without justifiable reasons or cease their service due to a public offering.