



Report/Opinion of the Board of Directors of Interfund Investments Plc (the "Company") on the revised public offer (the "Offer") of A.R.U Cyprus Equities & Investments Limited (the "Bidder") for the acquisition of 100% of the issued share capital of the Company (the "Public Offer")

The Board of Directors of the Company examined the contents of the revised Public Offer Document of A.R.U Cyprus Equities & Investments Limited for the acquisition of 100% of the issued share capital of the Company at the price of €0.11 per share cash as well as the Fairness Opinion on the revised offer of the Independent Expert Deloitte Ltd dated November 18, 2013

Opinion of the Board of Directors

The Board of Directors, taking into account the contents of the revised Public Offer Document and the Fairness Opinion on the revised offer of the Independent Expert Deloitte Ltd dated November 18, 2013, **decided that the Offer is not to the benefit of the shareholders of the Company** and noted the following:

1. The offered consideration of €0.11 per share is lower than the net asset value of the Company by 36.08% based on the data on October 31, 2013 (net asset value: €0.1721). Similarly, the net asset value on October 31, 2013 is 56.45% higher than the offered consideration.
2. According to the opinion of the Investment Manager, the assets of the Company's portfolio on October 31, 2013 are mostly comprised of investments abroad, the majority of which has sufficient marketability and are easy to liquidate (90% of the total portfolio).
3. The basis of calculation of the proposed consideration (Part A.3) is presented to have been examined by the Bidder at the stock market value and marketability of the share during the past 12 months without taking into account the extraordinary restrictive conditions of the Cypriot market, especially after March 15, 2013. It is noted that from March 19, 2013 and until April 2, 2013, the CSE had suspended the trading of all titles of the CSE-listed companies. During 2013, the Cypriot economy and the stock market were affected negatively by the signing of the Memorandum of Understanding between the Republic of Cyprus and the European Central Bank, the European Commission and the International Monetary Fund for the provision of external financial aid.

The Board of Directors believes that the Company's assessment and its prospects must be examined from the date of its establishment.

This Opinion of the Board of Directors does not constitute nor should be construed as an urge or prevention of the shareholders or as an investment or economic or other advice to the shareholders for its acceptance or rejection or for the conduct of any transactions on the Company's movable securities.



The Board of Directors emphasizes that the shareholders must receive their own independent professional advice in relation to their decision to accept or not the Public Offer. In any case, it is underlined that the Public Offer by the Bidder is a proposal and its aim is not to preempt the shareholders to accept it and the responsibility of any decision taken is theirs.

It is noted that the Board of Directors cannot guarantee or predict the future course of the stock price of the share in case of an unsuccessful outcome or cancellation of the Public Offer or an unfavourable change of the stock market conditions.

Declarations of the Board members

The members of the Board of Directors who control 14.19% of the issued share capital of the Company declare that they will not accept the Offer.

The members of the Board of Directors declare that they do not act in agreement with the Offeror on the Public Offer and - to the extent they are aware of – there are no other agreements in relation to the exercise of voting rights. Also, they declare that there is no conflict of interest between any Board member and the Bidder and there is no irrevocable commitment or letter of intent for the transfer of titles from the Company or any other persons acting in agreement with it.

The members of the Board of Directors do not hold any bonuses; neither the Company has a Bonus Scheme. All Directors are Non-Executive.

The Company does not employ staff.

The Board of Directors did not proceed with any action relating to the Public Offer and made no contacts for competitive proposals. Also, the Board of Directors did not proceed with any action that does not fall under the ordinary activity of the Company and could lead to the cancellation of the Public Offer.

The Board of Directors, in order to form its opinion, took into account the Company's assets and information and/or opinions which are expressed in the revised Public Offer Document and the Fairness Opinion on the revised offer of the Independent Expert Deloitte Ltd.

Availability of Directors' Report and Fairness Opinion on the revised offer of the Independent Expert

(1) This document together with the Fairness Opinion on the revised offer of the Independent Expert will be available to all shareholders free of charge until the expiry of the period of acceptance at:

- In electronic form at the CSE website (www.cse.com.cy)
- Through e-mail to info@polydorides.com
- In printed form at : (The Company's registered office (24 Constantinou Paleologou, Flery Court, Office 202, 3095 Lemesos) or 2) Global Capital and Securities Financial Services Limited (50 Arch. Makarios III Avenue, Alpha House 1st Floor, Nicosia)



- (2) The Cyprus Securities and Exchange Commission released the Company from its legal obligation to post the Report/Opinion of the Board of Directors on the Offer and the Fairness Opinion on the revised offer of the Independent Expert Deloitte Limited to any shareholder who owns less than 100.000 shares.

For Interfund Investments Plc

On behalf of the Board of Directors,

Michalis Colocassides,
Chairman

Michalis Polydorides
Director