Helikos SE
Société Européenne
115 avenue Gaston Diderich
L-1420 Luxembourg

RCS Luxembourg B 148.525

Consolidated financial statements
and
Independent auditor's report

for the year ended 31 December 2010

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for the year ended 31 December 2010

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Management report by the board of directors

Dear Sirs,

We herewith submit to you the consolidated financial statements of the Company for the year ended 31 December 2010.

In February 2010 the Company raised € 200,000,000 through an IPO of 20,000,000 units, each consisting of one class A share (a "Public Share") and one class A warrant (a "Public Warrant") for the subscription of one Public Share. In the accounts, the Public Warrants are initially measured at a fair value of € 1.00 and the Public Shares are recorded at € 9.00 consequently.

Public Warrants are treated as non-current financial liability under International Financial Reporting Standards, even though they will be settled net in shares only (not in cash). Accordingly, fair value changes subsequent to the initial measurement of € 1.00 will be recognised in the profit and loss account. For the year ended 31 December 2010 there is a positive impact of € 7,000,000 on consolidated results.

The Public Shares and Public Warrants are listed on the Frankfurt Stock Exchange under the symbols HIT and HIT1, respectively. On 31 December 2010, trading closed at a per unit price of € 10.30 (3.0% above offering price): € 9.65 per share and € 0.65 per warrant.

Immediately prior to the IPO, the Company raised € 10,000,000 in a private placement of 10,000,000 class B warrants ("Founding Warrants") with the founding shareholders. The Company's founding shareholders, Wendel Group, Prof. Dr. Dr. h.c. Hermann Simon and Mr. Roland Lienau maintained the size of their "at risk" investment as originally contemplated. The Founding Warrants will expire worthless in the event Helikos is unable to make an acquisition.

The number of class B shares ("Founding Shares") has been adjusted to 6,315,790 (33% of the 9,473,684 Founding Shares were redeemed and cancelled), so that the number of Public Shares into which the Founding Shares may be converted at the time of each conversion installment will represent 8% of the Company's total share capital: the first installment upon completion of a business combination, the second and third if the volume-weighted average price of Helikos' Public Shares increases to respectively € 11 and € 12.

Mainly because of the fair value gain on financial liabilities, the Company reports a consolidated net profit for 2010 of € 6,096,763. 10% of IPO related expenses, allocated to the offering of Public Warrants in proportion to the allocation of proceeds, is charged to the profit and loss account. Being a Special Purpose Acquisition Company, the Company has recorded no revenues from operations to date. The results are therefore fully attributable to fair value changes of financial liabilities and financial income on the funds in the escrow account and the working capital account less expenses.

At balance sheet date, shareholders' equity was € 189,365,819, divided into 20,000,000 Public Shares and 6,315,790 Founding Shares fully paid-up and 10,000,000 Founding Warrants. 90% of IPO related expenses, allocated to the offering of Public Shares in proportion to the allocation of proceeds, is recognised directly in shareholders' equity (€ 6,531,026). The total balance sheet of the Company amounted to € 205,168,185.

Promptly upon the IPO, € 201,125,000 (€ 10.056 per unit or 100.6% of the gross proceeds of the IPO) was transferred to the escrow account of the Company's 100% subsidiary Helikos Acquisition GmbH & Co. KG ("Helikos KG") and a € 4,803,400 initial working capital allowance was transferred to Helikos KG's bank account.

Funds in the escrow account (except for a further working capital allowance payable from interest/fair value gains earned) may only be used in connection with a business combination. Remaining funds, in the escrow account will be returned to public shareholders if no acquisition is completed by February 2012, with a possible extension of six months if a letter of intent for a business combination is signed.

We decided to adopt a cautious investment mode within the criteria described in the prospectus:

- Treasury bonds from France, Germany, Netherlands (AAA) only
- Bank term deposits in major banks headquartered in France, Germany, UK, Netherlands only
- Securities of money market funds in the above-mentioned banks

Investments of cash held in escrow are disclosed in note 7 on page 19 of the interim accounts. The value of the funds in the escrow account, including accrued interest on bank deposits, amounts to € 202,076,590 (€ 10.104 per unit) on 31 December 2010.

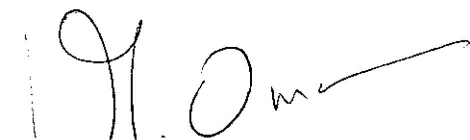
To the best of our knowledge, we are not aware of any events which would have a material bearing on the accounts since 31 December 2010. The Company is actively searching to invest in a promising company, with the ambition to become a long-term partner and to contribute meaningfully to the partner company's future development and value creation. A business combination with Helikos will offer a partner company the opportunity to access new financing and become publicly traded without undertaking a traditional IPO, an attractive and innovative financing alternative in an IPO market that has become increasingly difficult for many mid-sized companies.

Responsibility statement
In accordance with Article 3(2) c) of the Luxembourg law of 11 January 2008 *relative aux obligations de transparence concernant l'information sur les émetteurs dont les valeurs mobilières sont admises à la négociation sur un marché réglementé* (the "Transparency Law") the undersigned confirm that to the best of their knowledge, the annual report for the year ended 31 December 2010, which has been prepared in accordance with the applicable set of accounting standards, gives a true and fair view of the assets, liabilities, financial position and profit and loss of the Company and the undertakings included in the consolidation taken as a whole.

Furthermore, the undersigned confirm that to the best of their knowledge, the management report covering the period ended 31 December 2010 includes a fair review of the development and performance of the business and position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that it faces.

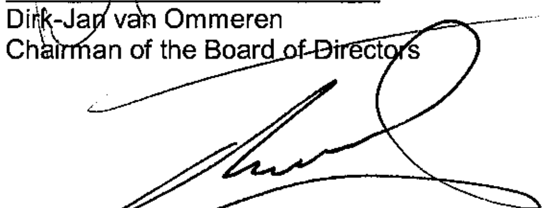
Luxembourg, 20 April 2011

For the Board of Directors



Dirk-Jan van Ommeren
Chairman of the Board of Directors

Roland Lienau
Chief Executive Officer and Director



Jean-Michel Ropert
Director

ERNST & YOUNG

Ernst & Young
Société anonyme
7, rue Gabriel Lippmann
Parc d'Activité Syrdall 2
L-5365 Munsbach
B.P. 780
L-2017 Luxembourg
Tel: +352 42 124 1
Fax: +352 42 124 5555
www.ey.com/luxembourg

R.C.S. Luxembourg B 47 771
TVA LU 16063074

Independent auditor's report

To the Shareholders of
Helikos SE
Société Européenne
115 avenue Gaston Diderich
L-1420 Luxembourg

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Helikos SE, which comprise the consolidated statement of financial position as at 31 December 2010, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as the Board of Directors determines is necessary to enable the preparation and presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the "réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the judgement of the "réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the "réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

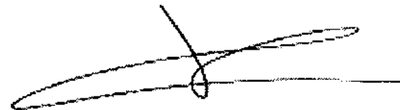
Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Helikos SE as of 31 December 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

The management report, which is the responsibility of the Board of Directors, is consistent with the consolidated financial statements.

ERNST & YOUNG
Société Anonyme
Cabinet de révision agréé



Bruno Di Bartoloméo

Luxembourg, 20 April 2011

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Consolidated statement of comprehensive income of Helikos SE, Luxembourg, for the year ended 31 December 2010

EUR	Notes	For the period 1 Jan 2010 to 31 Dec 2010	For the period 9 Oct 2009 to 31 Dec 2009
Other income		-	-
Other expenses	(1)	- 1,816,231.14	- 295,918.25
Results from operating activities		**- 1,816,231.14**	**- 295,918.25**
Finance income	(2)	7,959,219.63	-
Finance costs		- 920.27	-
Net finance costs		**7,958,299.36**	**-**
Income tax expense	(3)	- 45,305.00	
Profit or loss		**6,096,763.22**	**- 295,918.25**
Other comprehensive income for the period net of tax		-	-
Total comprehensive income for the period		**6,096,763.22**	**- 295,918.25**
Profit or Loss attributable to:			
Owners of the Company		6,096,763.22	- 295,918.25
Profit or loss		**6,096,763.22**	**- 295,918.25**
Total comprehensive income attributable to:			
Owners of the Company		6,096,763.22	- 295,918.25
Total comprehensive income for the period		**6,096,763.22**	**- 295,918.25**
Earnings per share			
Basic	(8)	0.25	- 0.03
Diluted		- 0.03	- 0.03

The notes on pages 9 to 26 are an integral part of these consolidated financial statements.

Consolidated statement of financial position of Helikos SE, Luxembourg, as at 31 December 2010

EUR	Notes	31 December 2010	31 December 2009
ASSETS			
Non-Current Assets			
Property, plant and equipment	(4)	466.00	-
		466.00	**-**
Current Assets			
Other financial assets	(5)	96,417.00	-
Prepayments	(6)	-	607,652.12
Other assets	(5)	12,452.22	-
Cash and cash equivalents	(7)	205,058,849.46	136,107.70
		205,167,718.68	**743,759.82**
TOTAL ASSETS		**205,168,184.68**	**743,759.82**
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to equity holders of Helikos SE			
Share capital		400,000.00	144,000.00
Other reserves		183,164,974.38	-
Retained earnings		5,800,844.96	- 295,918.25
	(8)	**189,365,819.34**	**- 151,918.25**
LIABILITIES			
Current liabilities			
Financial liabilities	(9)	15,500,002.50	-
Current tax liabilities	(3)	45,305.00	-
Trade and other payables	(10)	257,057.84	895,678.07
		15,802,365.34	**895,678.07**
TOTAL LIABILITIES		**15,802,365.34**	**895,678.07**
TOTAL EQUITY AND LIABILITIES		**205,168,184.68**	**743,759.82**

The notes on pages 9 to 26 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows
of Helikos SE, Luxembourg, for the year ended 31 December 2010

EUR	**For the period 1 Jan 2010 to 31 Dec 2010**	**For the period 9 Oct 2009 to 31 Dec 2009**
Net profit/ loss	6,096,763.22	- 295,918.25
Adjustments for:		
Depreciation	75.60	
Net interest income	- 669,009.32	-
Change in fair value of financial liabilities	- 7,000,000.00	-
Change in provisions	-	-
Changes in current assets	582,299.90	- 607,652.12
Changes in trade and other payables	- 391,312.74	895,678.07
Interest received	585,492.32	-
Income tax paid	-	-
Cash flows from operating activities	**- 795,691.02**	**- 7,892.30**
Acquisition of property, plant and equipment	- 541.60	-
Cash flows from investing activities	**- 541.60**	**-**
Share and warrants issue	200,000,000.00	144,000.00
Founding investment	10,000,000.00	-
Issue cost paid	- 4,281,025.62	-
Cash flow from financing activities	**205,718,974.38**	**144,000.00**
Changes in cash and cash equivalents	**204,922,741.76**	**136,107.70**
Cash and cash equivalents at the beginning of the period	136,107.70	-
Cash and cash equivalents at the end of the period	**205,058,849.46**	**136,107.70**

The notes on pages 9 to 26 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity of Helikos SE, Luxembourg, as at 31 December 2010

	Attributable to equity holders of Helikos SE			
EUR	**Share capital**	**Other reserves**	**Retained earnings**	**Total**
Balance at 9 October 2009				
Comprehensive income				
Loss for the period	-		- 295,918.25	- 295,918.25
Total comprehensive income net of tax	-	-	- 295,918.25	- 295,918.25
Contributions by and distributions to owners				
Issuing new shares	144,000.00	-		144,000.00
Total contributions by and distributions to owners	144,000.00	-	-	144,000.00
Balance at 31 December 2009	**144,000.00**	**-**	**- 295,918.25**	**- 151,918.25**
Balance at 1 January 2010	**144,000.00**	**-**	**- 295,918.25**	**- 151,918.25**
Comprehensive income				
Profit or loss, net of tax	-	-	6,096,763.22	6,096,763.22
Total comprehensive income net of tax	**-**	**-**	**6,096,763.22**	**6,096,763.22**
Contributions by and distributions to owners				
Founder Investment		10,000,000.00		10,000,000.00
Capital increase from IPO (Public Shares)	304,000.00	179,696,000.00		180,000,000.00
Costs directly attributable to IPO		- 6,531,025.62		- 6,531,025.62
Share capital restructuring	- 48,000.00			- 48,000.00
Total contributions by and distributions to owners	**256,000.00**	**183,164,974.38**	**-**	**183,420,974.38**
Balance at 31 December 2010	**400,000.00**	**183,164,974.38**	**5,800,844.97**	**189,365,819.34**

The notes on pages 9 to 26 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements of Helikos SE, Luxembourg, for the year ended 31 December 2010

Corporate information

Helikos SE (the "Company") is a Company incorporated as a Société Européenne under the law of Luxembourg on 9 October 2009. Helikos SE has its registered offices at 115 avenue Gaston Diderich, L-1420 Luxembourg. The consolidated financial statements of the Company as at and for the year ended 31 December 2010 comprise the Company and its subsidiaries (together referred to as "Helikos group" or the "Group").

Helikos group is established for the purpose of acquiring one or more operating businesses with principal business operations in Germany through a merger, capital stock exchange, share purchase, asset acquisition, reorganisation or similar transaction (a "Business Combination"). It is intended that the Company will act as an investment holding Company. Helikos SE carried out its initial public offering on the regulated market (Regulierter Markt) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) on 4 February 2010.

The present consolidated financial statements cover the twelve months ending 31 December 2010 and include comparatives covering the period from 9 October 2009 to 31 December 2009, because the company has been incorporated on 9 October 2009.

The Helikos Group includes all relevant companies in which Helikos SE, directly or indirectly, has a majority of the voting rights and is able to determine the financial and business policies based on the so-called control concept. As at 31 December 2010, in addition to Helikos SE, two subsidiary companies, Helikos Management GmbH, Frankfurt am Main, Germany ("Helikos GmbH") and the Helikos Acquisition GmbH & Co KG, Frankfurt am Main, Germany ("Helikos KG"), were consolidated in full.

Basis of preparation

Statement of compliance

The present consolidated financial statements as at 31 December 2010 were prepared in accordance with the requirements of the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as they are to be applied in the EU.

These consolidated financial statements were authorised for issue by the Board of Directors on 20 April 2011.

Basis of measurement

The consolidated financial statements have been prepared on a going concern basis under historical cost basis except for the following items:

- financial assets at fair value through profit or loss are measured at fair value
- financial liabilities at fair value through profit or loss are measured at fair value

Functional and presentation currency

These consolidated financial statements are presented in euro (€), which is also the Company's functional currency.

Consolidated statement of comprehensive income

The consolidated statement of comprehensive income was prepared based on an accruals basis. Consolidated statement of comprehensive income has been prepared by using "function of expenses" method. As Helikos group has no operating activities so far, all expenses qualify as "other expenses".

Use of estimates and judgements
The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

- Going concern
  Management of Helikos has up to 24 months from 4 February 2010 to consummate a Business Combination. If a Business Combination is not executed after 24 month (extended by six months if a letter of intent is signed before the expiration of this period), the Company will be liquidated. As a result of liquidation, the assets of the Company will be liquidated, including amounts held in Escrow account, and substantially all of the liquidation surplus after satisfaction of creditors' claims will be distributed to holders of Public Shares. The Board of Directors' underlying assumption to prepare the financial statement is based on a successful completion of a business combination within the given timeframe.

- Deferred underwriting fees
  The Company has deferred underwriting commissions in relation to the IPO, payable on completion of a Business Combination (please refer to note (9)). These liabilities are conditional, but management is of the opinion that this amount should be accounted for in the balance sheet as services have effectively been provided and the Business Combination is assessed as a highly probable event.

- Residual term of financial liabilities
  Financial liabilities include deferred underwriting commissions and Public Warrants liability (see note (9)). Deferred underwriting commissions will become payable upon consummation of a Business Combination. Public Warrants will become exercisable upon the consummation of a Business Combination at the latest. Management has good faith to close a Business Combination before 31 December, 2011. Therefore, those financial liabilities have been classified as current liabilities as of 31 December, 2010.

- Share-based payment
  Founders have subscribed Founding Warrants and Founding Shares that are exercisable / convertible into Public Shares depending on various conditions, including occurrence of a Business Combination. The founding warrants and founding shares have been analysed as consideration received in exchange of services rendered by founders to the Company. While Founders have a "research" activity before identification of a partner and completion of a Business Combination, no significant services have been actually received by the Company before a partner has been identified and accepted by the public shareholders. As a consequence, the Company concluded that the relevant measurement date of these instruments in accordance with IFRS 2 will occur once an acquisition has been identified and accepted by the public shareholders. The measurement of services received will be made in reference to the fair value of instruments granted because fair value of services received cannot be measured reliably.

- Cash and cash equivalents
  Cash and cash equivalents include amounts held in an escrow account, comprising investments in government bonds and bank deposits (please refer to note (7)). Management has decided to adopt a cautious investment mode within the criteria described in the prospectus: short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

- Deferred tax
  Deferred tax assets have not been recognised, because it is not probable that future taxable profit will be available against which the group can utilise the benefits therefrom (please refer to note (3)).

Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by all group entities.

Basis of consolidation
Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date when control commences until the date when control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements as of 31 December 2010.

Business combinations and recognition of goodwill
Business combinations are accounted for by using the acquisition method. The acquisition costs correspond to the fair value of the assets given, the issued equity instrument and the incurred debt at the time of the transaction. Identifiable assets, liabilities and contingent liabilities are recognised for the initial consolidation at their fair value at the date of acquisition. The excess of the acquisition costs over the Group´s interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree is disclosed as goodwill (no application of "full goodwill" method is intended). When the excess is negative (negative goodwill), the amount is recognised immediately in profit or loss.

Goodwill will not be amortised but will be tested for impairment annually.

Financial liabilities and equity instruments issued by the Company

Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the terms of the contractual arrangement.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Shares and Warrants
The company raised up € 200,000,000.00 through an IPO of 20,000,000.00 units on 4 February 2010. Each unit consists of one class A share (a "Public Share") and one class A warrant (a "Public Warrant"). Each Public Warrant gives the right to receive one Public Share upon surrender of a number of warrants with a value equal to the stated exercise price of € 9.00. Public Warrants are exercisable on the later of: consummation of a Business Combination or one year after admission date.

Public Shares are equity instruments as their redemption can only be requested upon consummation of a Business Combination (which involves approval of such Business Combination by general shareholder meeting) or will result from liquidation of the company decided by the shareholders in a general shareholder meeting (if no Business Combination occurs prior the end of a 2 year-period). The Public Warrants are treated as derivatives under IAS 32 as they will be settled net in shares (not in cash). Therefore they are treated as liabilities under IAS 32.

Immediately prior to the IPO, the Company raised € 10,000,000.00 in a private placement of 10,000,000 class B warrants ("Founding Warrants") with the Founding Shareholders. The Founding Warrants are identical to the Public Warrants except that, as long as the Founding Warrants are held by the Founding Shareholders or their affiliates: they will not be redeemable and they may be exer-

cised on a cashless basis at the holder's option, but cashless exercise will not be required. According to these conditions Founding Warrants are treated as equity under IFRS 2. The Founding Warrants have not been offered for purchase in the Offering and are not listed on a stock exchange.

Share based payments
The goods or services that are received or acquired in a transaction with a share based payment are disclosed or recognised as an expense at the time the goods are acquired or the service received. An appropriate increase in equity is recorded when the goods or services in a transaction with share based payment are acquired for cash compensation. In the event of a transaction with share based payment that is settled in cash, the acquired goods or services and the incurred debt are recognised at the fair value of the debt. Until the debt has been settled, the fair value of the debt is determined at every balance sheet date and all changes ot the fair values are recognised as profit or losses.

Cash and cash equivalents
The cash and cash equivalents comprise investments in government bonds. These investments are short-term, highly liquid (readily convertible to known amounts of cash) and are subject to an insignificant risk of changes in value.

The investments in government bonds were designated as financial assets at fair value through profit or loss (fair value option) upon initial recognition. Determination of fair value is based on quoted market prices. Those investments are managed and its performance is evaluated on a fair value basis, in accordance with the risk management and investment strategy of the Group. Separate interest income is not accounted for as it is included within fair value changes of the bonds.

Bank term deposits are classified as cash equivalents when the Group has an early redemption option.

Purchases and sales of government bonds are accounted for at the settlement date.

Property, plant and equipment
Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Depreciation is based on the cost of an asset less its residual value by using straight-line depreciation.

Other current assets and current liabilities
Other current assets and current liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

Provisions
A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Realisation of income
Interest is recognised as income in the appropriate period under application of the effective interest method.

Finance income and finance costs
Finance income comprises interest income on funds invested, gains on the disposal of financial assets/liabilities and fair value gains on financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, fair value losses on financial assets/liabilities at fair value through profit or loss and impairment losses recognised on financial assets.

Income tax
Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the temporary concept, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Earnings per share
The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

Standards issued but not yet effective
At the date of authorisation of the financial information, the following Interpretations and Amendments were issued but are not yet effective:

	Effective for periods beginning on or after
Interpretations	
IFRIC 14 Prepayments of a minimum funding requirements	1 January 2011
IFRIC 19 Extinguishing Financial liabilities with Equity instruments	1 July 2010
Amendments	
IAS 32 Financial Instrument: Presentation	1 February 2011*
IAS 24 Related Party Disclosures (rev. 2009)	1 January 2011

* Retrospective adoption is required

Furthermore, the IASB published the following Standards, Interpretations and Amendments to existing Standards, which have not yet been adopted by the European Union and have, thus, not been applied in the present consolidated financial statements.

	IASB Effective Date	**Endorsement expected**
Standards		
IFRS 7: Financial Instrument disclosures	1 July 2011	Q2 2011
IFRS 9: Financial Instruments	1 January 2013	open
Amendments		
IAS 12 Deferred Tax on Investment Property	1 January 2010*	Q3 2011
Annual improvement project		
Including 6 standards and 1 Interpretation	1 January 2011	Q1 2011

The initial application of these standards, interpretations and amendments to existing standards is planned for the period of time from when its application becomes compulsory.

Currently, the Board of Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial information of Helikos group except for IFRS 9 *Financial Instruments*, which becomes mandatory for the Group's 2013 consolidated financial statements and could change the classification and measurement of financial assets.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Cash and cash equivalents
The investments in government bonds were designated as financial assets at fair value through profit or loss (fair value option) upon initial recognition. Determination of fair value is based on quoted market prices.

Public Warrants
Public Warrants are treated as derivatives under IAS 32 as they will be settled net in shares (not in cash). Therefore they are classified as financial liabilities at fair value through profit or loss. The fair value is determined by the rating of the warrants on the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) at the reporting date.

Segment reporting

The Company has no activities, except for seeking to accomplish a Business Combination. Information used by Chief Operating Decision Maker ("CODM") is based on the format of the consolidated financial statements included within this annual report. No further segment information is used by CODM.

Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Helikos group has conducted no operations so far and currently does not generate revenue. Additionally, the Group does not have major foreign currency transactions. Hence, Helikos does not face foreign currency or major default risks.

CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The credit risk arises principally from Helikos' investment of the cash as Helikos does not have major other financial assets.

The maximal exposure to credit risk for the government bonds from Germany, France and the Netherlands is considered to be the carrying amount/ fair value of the bonds. Therefore the maximum credit risk exposure at the reporting date was € 79,947,631.07.

The maximum credit risk of the remaining other financial assets equals to their book value.

LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The funds available outside of the escrow account amounted to € 3,065,776.07 as of 31 December 2010. This is sufficient to settle the group's current financial liabilities as well as trade and other payables as at 31 December 2010. Public Warrants are not included in the liquidity risk management as they will be settled net in shares (not in cash).

The contractual maturities of the current financial liabilities and the trade and other payables are as follows:

31 December 2010

EUR	**Carrying amount**	Contractual cash flows	6 month or less	6 – 12 month	More than 1 year
Financial liability resulting from Public Warrants	13,000,000	0*	n/a	n/a	n/a
Financial liability resulting from deferred underwriting commissions	2,500,000	2,5000,000	0.00	2,500,000	0.00
Trade and other payables	257,057.84	257,057.84	257,057.84	0.00	0.00
Bank overdraft	2,50	2,50	2,50	0.00	0.00

* The Public Warrants will be settled net in shares (not in cash).

31 December 2009

EUR	**Carrying amount**	Contractual cash flows	6 month or less	6 – 12 month	More than 1 year
Financial liability resulting from Public Warrants	0.00	0.00	0.00	0.00	0.00
Financial liability resulting from deferred underwriting commissions	0.00	0.00	0.00	0.00	0.00
Trade and other payables	895,678.07	895,678.07	895,678.07	0.00	0.00
Bank overdraft	0.00	0.00	0.00	0.00	0.00

MARKET RISK

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Fair value risk Public Warrants

Helikos' Public Warrants are accounted for as financial liability recognised at fair value through profit or loss. The fair value is based on the quoted marked price of the Public Warrants. A change in the market price of the Public Warrants will impact the profit or loss and the equity as well as the amount of the liability. An increasing market price for the Public Warrants would result in a higher liability and a loss in the comprehensive income of Helikos.

Sensitivity analysis

The closing price for the Public Warrants for the year ended 31 December 2010 was quoted at € 0.65. An increase of the market price of 10% would result in a loss and a negative equity impact of € 1,300,000. A decrease of 10% of the market price would result in a gain and a positive equity impact of € 1,300,000.

Interest rate risk and fair value risk of government bonds

The Group does not have any interest bearing liabilities and hence is not exposed to risk of increasing future interest expenses from such liabilities.

The main financial assets held by the company are the amounts held in the Escrow Account. The main characteristics of those assets are as following:

EUR	Amount invested	Maturity	Fair Value Changes / interest 2010		Interest Rate
			realized	unrealized	
Government bonds					
France (FR0117836595)	29,944,640	12-08-2010	55,360		0.383%
Germany (DE0001115491)	29,919,939	27-10-2010	80,061		0.390%
Netherlands (NL0009040112)	19,952,447	30-09-2010	47,553		0.390%
Bank deposits	121,307,974	29-07-2010 - 06-12-2010	585,327		0.280 - 0.720%
Initial (matured) investments	201,125,000		768,301		
Government bonds					
France (FR0117836629)	30,004,742	13-1-2011		46,474	0.410%
Netherlands (NL0009313022)	19,940,870	31-3-2011		28,720	0.610%
Germany (DE0001115731)	29,902,247	11-5-2011		24,578	0.673%
Bank deposits	122,045,442	1-1-2011 - 23-6-2011		83,517	0.557 - 1.070%
Investments at 31-12-2010	201,893,301			183,289	

The government bonds are affected by interest changes as their fair value will change as interest rates change. The Group adopts a cautious investment mode rather than indents to operate an active position management on the government bonds. Based on the issuer and interest risk significant fair value changes are negligible.

Sensitivity analysis

The maturity dates of investments are carefully chosen and spread to mitigate interest rate risk due to market developments. If the average return on the amount invested in escrow account would be 0.2% point lower or 0.2% point higher, the impact on annual financial income (profit or loss account) would be approximately € 400,000 negative or positive respectively (based on amount invested of approximately € 202 million).

CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence. In particular, the ability to complete a Business Combination by February 2012 must be insured.

The Group's equity increased by € 189,517,737.59 to € 189,365,819.34 compared to the previous year; where the main increase is based on the capital increase from the IPO.

Explanations to the consolidated financial statements

(1) Other Expenses

Other expenses include expenses for the initial public offering of the company, as 10% of these expenses are allocated to the offering of Public Warrants. Please refer for further details on IPO costs to note (8) and for deferred underwriting fees to note (9).

EUR	**1 Jan 2010 to 31 Dec 2010**	**9 Oct 2009 to 31 Dec 2009**
Bank commission IPO	422,234.98	-
Deferred underwriting fees	250,000.00	-
Legal fees	359,423.14	263,142.75
Travel expenses	132,374.83	-
Service Agreement Winvest	110,725.00	-
Independent director fees	88,250.00	-
Audit fees	80,500.00	30,175.50
Others	372,723.20	2,600.00
Other expenses income	**1,816,231.14**	**295,918.25**

The audit fees include € 70,725 for the audit of the Group's consolidated financial statements and Helikos SE's annual accounts under Luxembourg GAAP for 2010 and € 9,775 for the audit of the annual accounts for 2009.

Other expenses include € 75.60 depreciation charges.

(2) Finance Income

EUR	**1 Jan 2010 to 31 Dec 2010**	**9 Oct 2009 to 31 Dec 2009**
Interest income on cash/cash equivalents	669,008.74	-
Gain on disposal of financial assets	190,438.50	-
Net change in fair value of financial assets at fair value through profit or loss	99,772.39	-
Net change in fair value of financial liabilities at fair value through profit or loss	7,000,000.00	-
Finance income	**7,959,219.63**	**0.00**

Please refer to note (9) regarding fair value change of financial liabilities.

(3) Income Taxes

The current income tax amount to € 45,305 (prior year: € 0). No deferred tax was recognised.

The difference between the current and the expected income tax expenditure is due to the following:

EUR	**1 Jan 2010 to 31 Dec 2010**	**9 Oct 2009 to 31 Dec 2009**
Profit / loss before taxes for the period	6,142,068.22	-295,918.25
Company's domestic income tax rate	30.38%	30.38%
Expected income tax	-1,865,960.32	75,681.30
Effect of non-taxable income	2,126,600.00	-
Effect of unused tax losses	-305,945.00	-75,681.30
Total income tax	-45,305.00	-
Effective tax rate	0.74%	0.00%

Non-taxable income relate to the change in fair value of Public Warrants. No deferred tax asset has been recognised for this temporary difference, nor in respect of the Company's tax losses incurred in 2009 and 2010, because it is not probable that future taxable profit will be available against which the group can utilise the benefits therefrom. The income tax expense recorded in 2010 is related to the taxable profit of subsidiary Helikos KG.

Unused tax losses for which no deferred tax asset is recognised in the statement of financial position amount to € 5,614,869.53 (prior year € 934,708.46). In principle, the tax losses can be carried forward for an unlimited period. Against the Company's domestic income tax rate, unrecognised deferred tax assets amount to € 1,705,797 (prior year € 283,964).

(4) Property, Plant and Equipment

Property, plant and equipment consist of office equipment. The cost of such office equipment acquired during the year amounts to € 541.60. Cumulative depreciation has been recorded in 2010 amounting to € 75.60. As a result, net book value as of 31 December, 2010 amounts to € 466.00.

(5) Other Assets

EUR	**31 Dec 2010**	**31 Dec 2009**
Other current financial assets	***96,417.00***	-
Accrued interests	83,517.00	
Receivable due to credit note from Service provider	12,900.00	
Other current assets	***12,452.22***	-
VAT	7,456.05	
Prepaid expenses	4,996.17	

(6) Prepayments

According to the Board of Directors' underlying assumption of a successful IPO, the amounts incurred in 2009 as transaction costs relating to the IPO were reported as deferred assets as at 31 December 2009. The prepayments were classified as IPO-issue costs and were offset against the corresponding equity in 2010 and hence, are zero as at 31 December 2010 (note (8)).

(7) Cash and cash equivalents

Cash and cash equivalents *EUR*	Invested as per 31 Dec. 2010	Nominal Value 31 Dec. 2010	Fair Value 31 Dec. 2010	IAS 39 Category	Interest	Fair value (+)gain/ (-)loss
Government Bonds France	30,004,741.90	30,056,000.00	30,051,215.91	(B) / Level 1	-	46,474.01
Government Bonds Germany	29,902,247.00	30,000,000.00	29,926,824.99	(B) / Level 1	-	24,577.99
Government Bonds Netherlands	19,940,869.78	20,000,000.00	19,969,590.17	(B) / Level 1	-	28,720.39
Gain on disposal of financial assets	-	-	-		-	182,974.25
Bank deposits	122,045,442.32	122,045,442.32	122,045,442.32	(A)	668,843.71	-
Subtotal "Amounts held in Escrow account"	**201,893,301.00**	**202,101,442.32**	**201,993,073.39**		**668,843.71**	**282,746.64**
Current bank accounts	3,065,776.07	3,065,776.07	3,065,776.07	(A)	165.03	-
Gain on disposal of financial assets	-	-	-		-	7,464.25
Total	**204,959,077.07**	**205,167,218.39**	**205,058,849.46**		**669,008.74**	**290,210.89**

(A) Loans and receivables
(B) Financial asset at fair value through profit or loss/ Fair value hierarchy level 1(quoted market prices)

The amounts held in the Escrow Account (except for a further working capital allowance payable from interest/fair value gains earned) may only be used in connection with a Business Combination. According to the Escrow Agreement the Escrow Agent (Deutsche Bank AG) invests and reinvests the account property in specified high-credit rated and secured investments determinated in the Escrow Agreement.

Management of Helikos has up to 24 months from 4 February 2010 to consummate a Business Combination. If a Business Combination is not executed after 24 month, management need to put a proposal to the shareholders to wind up the Company and return the remaining Escrow Account funds as part of the liquidation. Any Business Combination will require approval by a majority of the Public Shareholders. Public Shareholders who vote against the Business Combination may request the redemption of their Public Shares for a redemption price, in cash, equal to a pro rata portion of the Escrow Account (after reserves for taxes).

In accordance with the Articles of Association, if no Business Combination occurs within 24 months from the admission date (extended by six months if a letter of intent is signed before the expiration of this period), the Company will be liquidated. As a result of liquidation, the assets of the Company will be liquidated, including amounts held in Escrow account, and substantially all of the liquidation surplus after satisfaction of creditors' claims will be distributed to holders of Public Shares.

€ 83,517.00 accrued interest on bank deposits as per 31 December 2010 (prior year: € 0) is presented under other financial assets and therefore not yet included in the presented value of the amounts held in escrow.

(8) Equity

IPO proceeds

Helikos SE carried out its initial public offering on the regulated market (Regulierter Markt) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) on 4 February 2010. The size of the offering was 20,000,000 units at a price of € 10.00 each and resulted in a placement volume of € 200,000,000.00. The 20,000,000 units comprise 20,000,000 class A shares ("Public Shares") and 20,000,000 Public Warrants issued at € 10.00 per unit to Public Shareholders.
The gross proceeds from the emission of the units for the Group amounted to € 200,000,000.00 (before deduction of fees). The allocation ratio at the time of initial evaluation was based at the fair values of Public Shares and Public Warrants and was determined at € 1.00 for one Public Warrant (total € 20,000,000.00) and € 9.00 for one Public Share (total € 180,000,000.00). Public Warrants are classified as financial liabilities (note (9)), Public Shares are classified as equity instruments (€ 304,000.00 Share Capital, based on € 0.0152 nominal subscription price per Public Share, and € 179,696,000.00 Other reserves).

IPO costs

Total costs directly attributable to the initial public offering (IPO costs) amounted to € 7,256,695.14. The IPO costs are incurred for the following services as part of the IPO:

EUR

	Total	**Allocated to Public Shares (90%)**	**Allocated to Public Warrants (10%)**
IPO Bank commission	4,222,349.76	3,800,114.78	422,234.98
Deferred underwriting commission	2,500,000.00	2,250,000.00	250,000.00
Legal fees	437,545.71	393,791.14	43,754.57
Audit services	38,755.00	34,879.50	3,875.50
IPO consulting fees	28,984.99	26,086.49	2,898.50
Management, printing and distribution of IPO-documentation	20,909.68	18,818.71	2,090.97
Registration charges	8,150.00	7,335.00	815.00
IPO costs	**7,256,695.14**	**6,531,025.62**	**725,669.52**

In accordance with the accounting policies of IAS 32, the IPO costs were allocated to the Public Shares (equity instruments) and Public Warrants (financial liabilities) in proportion to the allocation of proceeds. IPO costs allocated to Public Shares were recorded against the share premium. There are no current or deferred income taxes related to the transaction and thus none have been recognised in equity. IPO costs allocated to Public Warrants were recorded in profit or loss account.

An amount of € 2,500,000.00 of the underwriting commission remains unpaid until the consummation of the Business Combination (deferred underwriting commission), please refer for further details to note (9).

Share Capital

Share Capital has developed as follows since 1 January 2010:

EUR	
Balance at 1 January 2010	**144,000.00**
Capital increase from IPO (Public Shares)	304,000.00
Share capital restructuring	- 48,000.00
Balance at 31 December 2010	**400,000.00**

Share capital restructuring
At 11 January 2010, the extraordinary general meeting resolved a restructuring of the shares by converting all existing Class B shares into 3,157,894 Class B1 shares, 3,157,895 Class B2 shares and 3,157,895 Class B3 shares. Additionally the shares were converted from registered to bearer shares and the authorized capital was decreased to € 7,600,000.00 – consisting of 500,000,000 shares.

On 1 February 2010, the extraordinary general meeting resolved a decrease of subscribed capital by an amount € 24,000.00 by cancelling 526,315 Class B1 shares, 526,316 Class B2 shares and 526,316 Class B3 shares.

On 2 February 2010, the extraordinary general meeting resolved to increase the share capital by an amount of € 304,000.00 by issuing 20,000,000 Class A shares for purpose of initial public offering. Additionally, the extraordinary general meeting resolved to decrease the share capital by an amount of € 24,000.00 by cancelling 526,315 Class B1 shares, 526,316 Class B2 shares and 526,316 Class B3 shares.

As a result, share capital consists of 6,315,790 Class B shares ("Founding Shares") and 20,000,000 Class A shares ("Public Shares").

The Founding Shares are redeemable shares in the sense of the Luxembourg Company Law and are split into three separate classes of Shares, with rights identical to those of the Public Shares, except as described below.

Conversion into Public Shares
The Founding Shares will be automatically converted into Public Shares, at a ratio of one Public Share for each Founding Share as follows (each conversion instalment will represent 8% of Share Capital):

- Class B1 Shares, being 1/3 of the Founding Shares will be converted into Public Shares upon consummation of a Business Combination.
- Class B2 Shares, being 1/3 of the Founding Shares will be converted into Public Shares if the Daily VWAP (as defined hereafter) on any 20 out of any 30 consecutive Trading Days following consummation of a Business Combination is at least equal to € 11.00.
- Class B3 Shares, being 1/3 of the Founding Shares will be converted into Public Shares if the Daily VWAP (as defined hereafter) on any 20 out of any 30 consecutive Trading Days following consummation of a Business Combination is at least equal to € 12.00.

For this purpose, the "Daily VWAP" means, for any trading day, the per Public Share volume-weighted average price on Xetra as reported by Bloomberg for such trading day (or if such volume-weighted average price is unavailable from Bloomberg, the volume weighted average share price of the Public Shares on such trading day determined by an internationally recognized investment bank selected by the Company).

In connection with the aforementioned conversion, the Board of Directors shall be given all powers to implement the conversion of the Founding Shares into Public Shares and to make any statement, cast votes, sign all minutes of meetings and other documents, appear in front of a Luxembourg notary to state the occurrence of the conversion and make relevant amendments to the Articles of Association, do everything which is lawful, necessary or simply useful in view of the accomplishment and fulfilment of such conversion.

Dividend Rights
Prior to the consummation of a Business Combination, the Founding Shares and the Public Shares will have the same rights to dividends and distributions. In the event that distributions are made after the date of consummation of the Business Combination, (i) each Founding Share and Public Share shall be entitled to receive the same amount to the extent such amount does not exceed one eurocent (€ 0.01) per Share, and (ii) each Public Share shall be entitled to the same fraction of (and the Founding Shares shall be entitled to none of) any distribution in excess of one eurocent (€ 0.01).

Voting Rights
Each Founding Share is entitled to one vote at any ordinary or extraordinary general meeting of shareholders, except in cases, including approval of initial Business Combination, where the Articles of Association provide for a separate class vote of the Public Shareholders. Any Founding Shares that are not converted to Public Shares on or prior to the fifth anniversary of the consummation of a Business Combination will no longer be convertible into Public Shares and will be redeemed within six months of such date at a price equal to € 0.0152 per Founding Share (subject to availability of sufficient funds). The Founding Shareholders have agreed not to vote their Founding Shares after such fifth anniversary on any matter other than those requiring a class vote of the Founding Shares under the Articles of Association.

Liquidation Rights
If the Company is liquidated before the Founding Shares are converted, holders of the Founding Shares will receive liquidation proceeds equal to € 0.0152 per Founding Share.

Transfer Restrictions
The Founding Shares may not be transferred prior to their conversion into Public Shares (subject to limited exceptions for transfers among the Founding Shareholders and their affiliates). In addition, each of our Founding Shareholders has agreed not to sell or otherwise transfer its or his portion of the Public Shares that may be issued upon conversion of the Founding Shares for at least 18 months following the consummation of the Business Combination, subject to certain limited exceptions described in the IPO-Prospectus).

Listing
The Founding Shares are not listed on a stock exchange.

<u>Other reserves</u>

Other reserves have developed as follows since 1 January 2010:

EUR	
Balance at 1 January 2010	-
Share premium from IPO (Public Shares)	179,696,000.00
Founding warrants	10,000,000.00
IPO costs	- 6,531,025.62
Balance at 31 December 2010	**183,164,974.38**

Regarding restrictions of usage of other reserves under the escrow agreement please refer to note 7. Under Luxembourg law, 5% of the net profit of the year (based on Helikos SE's annual accounts under local GAAP), net of any losses brought forward, must be allocated to a legal reserve (unavailable for dividend distribution) until such reserve equals 10% of the issued share capital. This reserve amounts to € 0 at 31 December 2010.

Founding Warrants
Immediately prior to the IPO closing date, the Founding Shareholders purchased 10,000,000 Founding Warrants at a purchase price of € 1.00 per Founding Warrant (aggregate price of € 10,000,000.00). Wendel Group subscribed for € 8,800,000.00 and each of Prof. Dr. Dr. h.c. Hermann Simon and Mr. Roland Lienau subscribed for € 600,000.00.

The Founding Warrants are identical to the Public Warrants (see note (9)) except that, so long as they are held by the Founding Shareholders or their affiliates: (i) they will not be redeemable and (ii) they may be exercised on a cashless basis at the holder's option, but cashless exercise will not be required.

If no Business Combination occurs, the proceeds from the sale of the Founding Warrants will become part of the distribution of the Escrow Account funds to the Public Shareholders, and the Founding Warrants will expire worthless.

<u>Earnings per share</u>

The calculation of basic earnings per share (EPS) at 31 December 2010 was based on the profit attributable to ordinary equity holders of the parent entity of € 6,096,763.22 (2009: € -295,918.25) and the weighted average number of ordinary shares outstanding of 24,788,753 (2009: 9,473,684), which have been calculated as follows:

Weighted average number of ordinary shares (basic)	**31 December 2010**	**31 December 2009**
Issued ordinary shares at 1 January	9,473,684	-
Effect of share restructuring in February 2010	-2,876,712	-
Effect of shares issued in February (2009: in October)	18,191,781	9,473,684
Weighted average number of ordinary shares	24,788,753	9,473,684

The calculation of dilutive earnings per share at 31 December 2010 was based on the profit attributable to ordinary equity holders of the parent entity adjusted for the fair value effect of the Public Warrants.

Profit attributable to ordinary shareholders (diluted)	31 December 2010	31 December 2009
Profit attributable to ordinary shareholders (basic)	6,096,763.22	-295,918.25
Less fair value change (gain) of financial liability for Public Warrants	-7,000,000.00	-
Profit attributable to ordinary shareholders (diluted)	-903,236.78	-295,918.25

The weighted average number of ordinary shares (dilutive) was calculated as follows:

Weighted average number of ordinary shares (dilutive)	31 December 2010	31 December 2009
Weighted average number of ordinary shares (basic)	24,788,753	9,473,684
Effect of Public Warrants	1,443,299	
Effect of Founding Warrants	652,450	-
Weighted average number of ordinary shares (diluted)	26,884,502	9,473,684

The average market value of the Company's shares for purpose of calculating the dilutive effect of warrants was based on quoted market prices of Helikos SE for the period that the warrants were outstanding (average market price according to IAS 33.45).

(9) Current Financial Liabilities

EUR	IAS 39 Category	31 December 2010	31 December 2009
Financial liability resulting from Public Warrants	FVTPL	13,000,000.00	-
Financial liability resulting from deferred underwriting commissions	Amortised cost	2,500,000.00	-
Financial Liability resulting from bank overdraft	Amortised cost	2.50	-
Current Financial Liabilities		**15,500,002.50**	-

Public Warrants

Helikos completed its initial public offering of 20,000,000 units consisting each of one share and one warrant, both traded on the Frankfurt Stock Exchange, at an initial price of € 10.00 raising hence a total € 200,000,000. The allocation ratio at the time of initial evaluation was based on the fair values of Public Shares and Public Warrants and was determined at € 1.00 for one Public Warrant (total € 20,000,000.00) and € 9.00 for one Public Share (total € 180,000,000.00).

Each Public Warrant gives the holder the right to receive one Public Share upon surrender of a number of Warrants with a value equal to the stated exercise price of € 9.00 (cashless exercise only). The Public Warrants will become exercisable on the later of (i) the consummation of a Business Combination and (ii) one year from the admission date. Management has good faith to close a Business Combination before 31 December, 2011; therefore the financial liability resulting from Public Warrants has been classified as current liability as of 31 December, 2010. Once the Public Warrants become exercisable, the Company may redeem the outstanding Public Warrants:

- in whole but not in part;
- at a price of € 0.01 per Public Warrant;
- upon a minimum of 30 days' prior written notice of redemption; and
- if, and only if, the share price equals or exceeds € 14.00 per Public Share on any 20 out of 30 consecutive trading days.

Public Warrants are treated as derivatives under IAS 32 as they will be settled net in shares (not in cash). Therefore they are classified as financial liabilities at fair value through profit or loss. Corresponding to the rating of € 0.65 for one warrant on the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) at 31 December 2010, a net fair value adjustment of € 7,000,000.00 was made at the reporting date.

Deferred underwriting commissions
The IPO Managers have agreed to defer parts of their underwriting commissions until consummation of a Business Combination. Management has good faith to close a Business Combination before 31 December, 2011, therefore the financial liability resulting from deferred underwriting commissions has been classified as current liability as of 31 December, 2010. Upon consummation of a Business Combination, € 2,500,000.00, or 1.25% of the gross proceeds of the initial public offering (€ 200,000,000.00) will be paid to the underwriters from the funds held in the Escrow Account and were therefore already reflected as a financial liability in the consolidated financial statements.

The deferred underwriting commissions of € 2,500,000.00 that have already been taken into account as financial liability were charged within equity (€ 2,250,000.00) and profit and loss (€ 250,000.00), according to the ratio of the shares and warrants at the IPO (please refer to note (8)).

An additional underwriting commission might be paid after consummation of a Business Combination at Helikos' discretion based on Helikos' assessment of the quality of the services rendered by the underwriters in connection with the initial public offering and the Business Combination. Management considers that this commission is mainly related to services that will be provided for the purposes of the Business Combination and that no obligation exists at 31 December 2010.

(10) Trade and other payables

Trade and other payables include charges relating to services rendered to Helikos Group.

(11) Additional information on financial instruments

Net gain and losses

The following table, which is classified according to the measurement categories of IAS 39, presents the net gains and losses (before taxes) from financial instruments reported in the consolidated statement of comprehensive income:

EUR	**1 Jan 2010 to 31 Dec 2010**	**9 Oct 2009 to 31 Dec 2009**
Financial assets and liabilities recognised at fair value through profit or loss		
designated at FV	282,746.64	-
held for trading	7,000,000.00	-
Financial assets available for sale	-	-
Loans and receivables	676,472.99	-
Financial liabilities measured at amortised cost	-	-
Finance income	**7,959,219.63**	-

Accounting classifications and fair value

Fair value vs carrying amount
The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

EUR	Fair value through profit and loss		Loans and receivables	Other financial liabilities	**Total carrying amount**	**Fair value**
	Designated at fair value	Held for trading				
31 December 2010						
Cash and cash equivalents						
Government bonds	79,947,631.07				79,947,631.07	79,947,631.07
Bank deposits and cash			125,111,218.39		125,111,218.39	125,111,218.39
Other financial assets			96,417.00		96,417.00	96,417.00
Financial liabilities						
Public Warrants liability		13,000,000.00			13,000,000.00	13,000,000.00
Deferred underwriting commission liability				2,500,000.00	2,500,000.00	2,500,000.00
Bank overdraft				2.50	2.50	2.50
Trade and other payables				257,057.84	257,057.84	257,057.84
31 December 2009						
Cash and cash equivalents			136,107.70		136,107.70	136,107.70
Trade and other payables				895,678.07	895,678.07	895,678.07

Fair value hierarchy
The fair values for all financial instruments carried at fair value through profit and loss (government bonds, Public Warrants) are based on their quoted market prices (level 1).

(12) Ultimate controlling parties and related disclosures

The Company has no ultimate controlling party.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

In October 2009, the Founding Shareholders (Wendel Group, Prof. Dr. Dr. h.c. Hermann Simon and Mr. Roland Lienau) acquired an aggregate of 9,473,684 Founding Shares at a price of € 0.0152 per Founding Share or an aggregate purchase price of € 144,000. Subsequently and after successful completion of the IPO, the amount of founding shares has been reduced in order to cap the maximum ownership of founding shareholders to 24% via Share Capital decrease by the means of a reimbursement in cash at the nominal acquisition value (refer to note (8)). Immediately prior to the IPO closing date, the Founding Shareholders purchased 10,000,000 Founding Warrants at a purchase price of € 1.00 per Founding Warrant (aggregate price of € 10,000,000). Wendel Group subscribed for € 8,800,000.00 and each of Prof. Dr. Dr. h.c. Hermann Simon and Mr. Roland Lienau subscribed for € 600,000.00. The terms and conditions of the Founding Shares and Warrants are described in note (8).

Wendel Group also subscribed for 1,600,000 Public Shares and Public Warrants at a price of € 10.00 per unit, of which 250,000 Public Shares and Public Warrants were transferred to a third party at a price of € 10.00 per unit.

The Group has entered into a services agreement with Winvest Conseil, a Luxembourg société à responsabilité limitée wholly-owned by Wendel ("Winvest"). Pursuant to the service agreement Winvest has agreed (itself or via its affiliates) to (i) provide administrative and secretarial services; (ii) provide office space; (iii) perform accounting and bookkeeping services; (iv) make available employees of Winvest to act as "deal teams" for the Business Combination; (v) provide other services including corporate planning and corporate development advice, investor relations and press relations advice and services and other ordinary course advice and services the Service Recipients may reasonably request from time to time. In exchange therefore, the service recipients pay Winvest € 10,000.00 per month (plus VAT, if applicable) for these services until the earlier of our consummation of a Business Combination and our liquidation and to reimburse Winvest for out-of-pocket expenses incurred by Winvest in performing the services. This arrangement is being agreed to by Winvest for the benefit of Helikos and is not intended to provide Winvest compensation in lieu of a management fee.

The company will pay an aggregate of € 25,000.00 per annum to each of its three independent Directors, Dr. Christoph Kirsch, Dr. Jürgen Heraeus and Mr. Alain Georges.

(13) Events after the reporting period

No significant events after the reporting period occur between the end of the reporting period and the date when the condensed consolidated interim financial statements are authorised for issue.