shaping a sustainable future
C. Norm England
March 12, 1948 - June 25, 2012

This 2012 annual report is dedicated in memory of C. Norm England, former CEO & President of the Rechargeable Battery Recycling Corporation (RBRC), who passed away on June 25, 2012.

As RBRC’s CEO & President from 1999 to 2008, Norm served as a relentless advocate for the success of this company and for augmenting battery recycling awareness. Under Norm’s leadership, the program developed from a nickel cadmium (Ni-Cd) only program to an expanded chemistry program, accepting nickel metal hydride (Ni-MH), lithium-ion (Li-ion) and small sealed lead (SSLA/Pb). He oversaw the establishment and rapid growth of the manufacturers, retailers and communities that encompass the Call2Recycle program network. He was pivotal in creating and launching the Call2Recycle brand nationwide in 2004, which we now use as our official program and company name, Call2Recycle, Inc.

Having played an instrumental role in developing a voluntary, manufacturer-driven program for rechargeable battery collection in the early 1990s, Norm also served as executive director of PRBA – The Portable Rechargeable Battery Association from 1991 to 2006.

Norm left behind a legacy of responsible recycling and his commitment and contribution will be felt by Call2Recycle, its staff and constituents for many years to come.

Setting the Stage for an Exciting Future

As revelers celebrated the arrival of 2013, we turned the page to a new chapter of our organization. For the first 18 years of our existence, we operated as the Rechargeable Battery Recycling Corporation (RBRC). As of January 1, we are now legally and officially “Call2Recycle, Inc.”

While the name change symbolizes the evolution of our brand, it also signifies a major change in our direction to shaping a sustainable future. This was best illustrated by our 2012 accomplishments. For instance, we collected more single-use than rechargeable batteries in Canada in 2012, certainly belying the former name of the organization and signaling a demand for other types of recycling.

Our legislative stance also took a significant turn. Due to the changing dynamics in the global marketplace, we changed course from advocating for voluntary regulation of rechargeable battery recycling to supporting state legislation that would mandate requirements. These bills would ensure that all battery and product manufacturers financially support recycling efforts.

In 2012 Call2Recycle® also showed that we are more than just battery recycling. We can state without hesitation that we have become a major voice on product stewardship and end-of-life product disposal. Product stewardship refers to efforts to minimize the health, safety, environmental and social impact of products while maximizing their economic benefits throughout their lifecycle. Public policymakers, non-governmental organizations (NGOs) and other industries turn to us to understand how successful product stewardship works. I’m very proud of our achievements in this area and what it means for the future of the organization.

Other favorable trends continue. We collected more than 10 million pounds (4.7 million kilograms) of batteries in both the U.S. and Canada on recycling and product stewardship. There is no limit to our commitment to product stewardship and shaping recycling policies and practices for the next generation. We fully expect to apply our expertise to areas beyond rechargeable battery collections. At the same time, we also decreased our cost per pound collected. We continued to launch new educational programs to educate the public about rechargeable battery and cellphone recycling. We have ambitious goals to continue these trends in 2013 so our stakeholders can clearly see we are the most efficient, cost-effective program in any industry.

Not all developments in 2012 were positive. We lost our former CEO & President Norm England. Norm headed the organization from 1999-2008, a time of incredible growth. Under his leadership, the foundation of Call2Recycle was established as it exists today. In recognition of his contributions to the organization and its success, we dedicate this year’s annual report to his memory.

Our progress in 2012 sets the stage for an exciting future. We intend to play a major role in educating consumers and shaping recycling policies and practices for the next generation. We fully expect to apply our expertise to areas beyond rechargeable battery collections. We will continue to actively participate in public policy debates in both the U.S. and Canada on recycling and product stewardship. There is no limit to our commitment to product stewardship through battery recycling.
Shaping a Sustainable Future

In 2012, Call2Recycle found change on its doorstep, swept in by a strong demand for battery recycling. The signs are all positive: collections are up for the year, public awareness is growing, outreach programs are generating results and legislative advocacy is gaining traction. To reflect this change, the organization took the step of formally changing our name from “Rechargeable Battery Recycling Corporation (RBRC)” and “Rechargeable Battery Recycling Corporation of Canada (RBRCO)” to “Call2Recycle, Inc.” and “Call2Recycle Canada, Inc.” respectively.

The name reflects the emergence of Call2Recycle as a leader in issues such as product stewardship and product recycling management. Call2Recycle is now recognized as the facilitator of a comprehensive recycling process that involves consumers, retailers, government agencies and industry. It also positions us for further growth as we examine opportunities to expand beyond our rechargeable battery roots. We are resolved to help shape a sustainable future for the United States and Canada.

### 2012 Call2Recycle North American Battery Collections

<table>
<thead>
<tr>
<th>Category</th>
<th>U.S.</th>
<th>Canada</th>
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<tbody>
<tr>
<td>Primary</td>
<td>2,000,000 lbs.</td>
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<tr>
<td>Ni-MH</td>
<td>0</td>
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<tr>
<td>Li-Ion</td>
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<td>Ni-Cd</td>
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<td>0</td>
</tr>
<tr>
<td>SSLA/Pb</td>
<td>0</td>
<td>3,000,000 lbs.</td>
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</table>

RBRC officially became Call2Recycle, Inc.
Three Record-Breaking Years in a Row

Call2Recycle ended 2012 with a bang—our third record-breaking year and third consecutive year of double-digit growth. We collected 10 million pounds (4.7 million kilograms) of batteries in 2012, a 16% increase over 8.9 million pounds (4 million kilograms) in 2011. In the rechargeable battery arena, we collected 7.9 million pounds (3.5 million kilograms) in 2012, a 3% increase over 2011’s collection of 7.6 million pounds (3.4 million kilograms) and 2010 collections of 6.7 million pounds (3 million kilograms). Both years had year-on-year growth. Since its founding, Call2Recycle has kept more than 75 million pounds (34 million kilograms) of rechargeable batteries and their mineral-rich components out of the waste stream.

The record year can be attributed to success in two key places: California and Canada. Both collected more than one million pounds (454,000 kilograms) of batteries. California’s 11% growth came from strong results in both its municipal and manufacturing sectors. It became the first state in program history to achieve this milestone.

In Canada, collections grew by a strong 55%. This jump was in large part due to Call2Recycle’s selection as the official battery recycling program for the province of Quebec. As in other Canadian provinces, we recycle both primary and rechargeable batteries. Quebec’s 11% growth came from strong results in both its municipal and manufacturing sectors. It became the first state in program history to achieve this milestone.

Battery collections were up 16% for 2012.

R2 Certification: A First

A great achievement this year was earning the Responsible Recycling Practices (R2) certification. Recognized by the United States Environmental Protection Agency (U.S. EPA), the R2 standard is a set of voluntary principles and guidelines designed to promote and assess responsible recycling practices. Call2Recycle meets stringent R2 standard requirements relating to environmental and public health, worker health and safety, security aspects of electronics recycling and the management of the collection and distribution of batteries and cellphones to downstream processors for recycling.

As North America’s most comprehensive consumer battery recycling program, Call2Recycle is proud to be the first recycling program of its kind to receive this honor. Third-party certification means that consumers, businesses, communities and retailers can be confident that Call2Recycle meets and exceeds the highest environmental standards in North America.

Collaboration with The Home Depot Aims at Public Television Viewers

Some of Call2Recycle’s participating companies are undertaking innovative communication strategies to get the message out not only about rechargeable battery recycling, but also about their commitment to product stewardship and sustainability. One such company is The Home Depot, the world’s largest home improvement specialty retailer.

Call2Recycle and The Home Depot teamed up to produce a short video focused on the importance of rechargeable battery recycling. The message was simple: going mobile (as in cordless power tools) means going green. In addition to describing how batteries are recycled and removed from the waste stream, the video emphasized how anyone can recycle their rechargeable batteries and cellphones at Call2Recycle collection kiosks at The Home Depot’s 2,000 participating locations. To see the video, visit www.call2recycle.org/landing/AmericanMilestones.html.

Ron Jarvis, VP, Environmental Innovation at The Home Depot talks battery recycling.
Municipalities Score Exceptional Growth

While retailers continue to be the backbone of consumer collection efforts, municipalities are playing a bigger role through their curb-side collection and recycling centers. Together, retailers and municipalities form a publicly accessible network that makes battery recycling accessible to most consumers. But most cities and towns face very different collection challenges than retailers. Budgets are tighter and many feel increasing consumer pressure to expand their recycling programs.

Despite these challenges, collection growth from municipalities in 2012 was exceptional. Rechargeable battery shipments from the municipality sector grew 12% in both the U.S. and Canada. Municipal collections of primary batteries grew 38% across both countries. In the United States, 20% of the growth came from the West with one-third of the increase coming from increased collections of rechargeable batteries in Oregon and California. The Mid-Atlantic and East also saw an increase in battery collections. The U.S. military also saw significant growth as recycling programs launched in 2011 began to bear fruit.

In 2012, many municipalities welcomed Call2Recycle’s assistance to increase battery collections while controlling program costs. Our programs provided bulk shipment options and detailed reporting to help cities and towns cost-effectively manage their programs while also meeting government transportation requirements. Call2Recycle will continue to foster the relationships with key municipalities to increase collections.

The Latest Trend: ‘Drop and Shop’

Call2Recycle views itself as a facilitator of recycling. By combining resources with others, Call2Recycle can reach a greater number of people using a wider variety of communication platforms.

During 2012, Call2Recycle undertook a three-phase research study to give us a better understanding of consumer behavior and motivations behind battery and cellphone recycling. The survey found that most consumers view large retailers as the true ‘face’ of recycling—the businesses they turn to first to learn about and participate in recycling programs. Approximately 54% of Americans and 45% of Canadians consider retailers to be a key resource for learning about battery and cellphone recycling programs.

The research also confirmed the latest trend of ‘drop and shop.’ More than 50% of those who drop-off batteries or cellphones for recycling at a store stay and shop. This ‘drop and shop’ phenomenon can result in a substantial increase in shopping occasions for retailers who participate in recycling programs. In-store ‘take-back’ programs are effective because they are a win for the environment, stores and their employees and customers.

The study also showed that Call2Recycle has a lot of work left to do. Less than one-quarter of consumers in the U.S. (18%) and in Canada (24%) participate in retail ‘take-back’ programs for the collection and recycling of batteries and cellphones. In the U.S. just over 90% of the population has access to one of Call2Recycle’s 30,000 battery collection locations within 10 miles of their residence. The discrepancy between the number of participants and the accessibility of the drop-off locations presents Call2Recycle an opportunity to work more closely with its collection network to identify ways to increase collections and improve our programs.
British Columbia Expands Processing Power

On the west coast, Call2Recycle expanded its agreement with battery consolidator and sorter Toxco-Canada. Toxco now handles all Lithium and Lithium Ion battery recycling for Call2Recycle in British Columbia. Its location within the province enables Call2Recycle to better serve its British Columbia-based residents and businesses. Using local processors helps lower transportation costs, minimize the associated pollution and stimulate the local economy.

One Step Closer to Sustainability in Quebec

In July 2012, Call2Recycle celebrated its selection as the official all-battery collection program operator for Quebec by RECYC-QUÉBEC, the Quebec agency charged with recycling. Quebec residents are no stranger to Call2Recycle, which has collected more than 100,000 pounds (44,000 kilograms) of rechargeable batteries in the province under a voluntary program launched in 1997, before being chosen as the all-battery program in mid-2012. Since then, collections have totaled over 450,000 kilograms of batteries and cellphones in the province, the most collected for Call2Recycle in one year by any Canadian province.

Call2Recycle Canada now manages the provincial all-battery—primary and rechargeable—regulatory programs of three Canadian provinces—British Columbia, Manitoba and Quebec. As of October 2012, Call2Recycle supports all-battery collections in all Canadian provinces.

To support Quebec’s exceptional recycling efforts, Call2Recycle added Laurentide Re-Sources as its third battery sorting facility in Canada, based in Victoriaville, Quebec. Laurentide sorts and recycles both single-use and rechargeable batteries from collection sites in Quebec and Eastern Canada.

Call2Recycle Recognized as a Leader in Product Stewardship

It is icing on the cake when the industry publicly acknowledges our hard work. In August California Product Stewardship Council (CPSC) recognized Call2Recycle for its voluntary product stewardship model. The Bow and Arrow Award for Coalition Building is a prestigious honor that recognizes organizations that take a leadership role in waste reduction. This award was not just for the Call2Recycle team but recognized our many stakeholders—consumers, retailers, processors and governmental and non-governmental agencies—who take action to ensure product stewardship is a key element in environmental preservation.

Rising Pressure to Act ‘Green’

‘Being green’ has, over the past few years, slowly worked its way into today’s vocabulary. The phrase implies a lifestyle that minimizes environmental impact and reduces the carbon footprint. Following along with this concept is another new phrase—‘green guilt.’

Green guilt is the newest label for people who have the feeling they aren’t doing enough to save the environment. According to a Call2Recycle 2012 survey, just under a third of Americans (29%)—double the 12% from 2009—admit to knowing they could and should be doing more to preserve the environment. More than half of Americans say they have old electronics that they need to dispose of, including cellphones, computers, TVs, cordless phones and batteries.

What’s stopping them from taking action? Just under half of the respondents said they don’t know how or where to recycle old technology. One in five said a local store doesn’t offer a program while others stated they couldn’t find a collection event or they lacked municipal recycling options. The survey also found that consumers believe that manufacturers share the responsibility of reducing the environmental impact of many products, but were split on who should pay for proper disposal. This survey confirms that consumers are increasingly aware of the need to properly dispose of old electronics and the impact on the environment if they don’t recycle.
Pumping Up the Volume

As Call2Recycle’s brand awareness grows, battery and cellphone collections follow. Our team searches for the most effective methods to communicate with consumers, whether young or old, urban or suburban, male or female and everyone in between. Call2Recycle’s battery recycling message is featured in a wide variety of media, from social media to service announcements, conferences, events, websites and videos. Outreach programs are constantly analyzed and only those that deliver results are continued. In 2012, social media and the Internet played an important role in reaching the biggest electronics users—those under 30.

Recharge Your Eco-Intellect

As the 2012 ‘Green Guilt’ survey indicates, education is a vital key in recycling success. Our partnership with Earth911 (www.earth911.com) is a boon for the Call2Recycle brand. Earth911’s website attracts a captive, well-qualified audience—visitors interested in obtaining recycling information. Call2Recycle is an active contributor to the rechargeable battery recycling section, which features articles, FAQs, ads, events and other information. Readers spent more than 500 hours browsing Call2Recycle’s web pages.

To jumpstart interest in this important audience, Call2Recycle teamed with Earth911 to launch a one-week trivia contest on Facebook. Called ‘Recharge your Eco-Intellect,’ visitors were invited to answer daily questions about recycling. It was the most successful Facebook contest Earth911 had with a partner in 2012. It generated more than 2,000 visitors, 630 entries and 163 million page views. It also helped Call2Recycle spread the word about battery recycling to consumers already interested in recycling.

Teamwork paid off with the Recharge your Eco-Intellect Facebook trivia challenge.

Readers spent MORE THAN 500 hrs reading Call2Recycle’s web pages thanks to Earth 911.com

2000+ visitors 163 million page views
630 entries
Combining Voices with Earth Day Canada

Nationally recognized non-profit Earth Day Canada (www.earthday.ca) is the biggest voice for environmental awareness and change in Canada. It’s a central online resource for both children and adults to learn about and take action to save the environment all year long. That’s why it followed naturally for Call2Recycle to collaborate with Earth Day Canada to promote the importance of proper battery management year round.

The three-year collaboration agreement kicked off with development of an online, interactive EcoKids program (www.ecokids.ca) that teaches children how to reduce harmful waste by careful disposal of batteries. Teachers can download free curriculums. Future joint promotional activities will give both children and their parents the knowledge to take positive action on battery recycling.

Earth Day Is Now Everyday

Earth Day awareness is growing across North America and Call2Recycle uses this event every year to promote battery recycling. Call2Recycle went online during Earth Day week 2012 to Facebook to talk with consumers about rechargeable recycling. A “Caption It” contest attracted Facebook users worldwide. Followers were asked to write captions for Earth Day-themed photos posted daily; those with the most “likes” were named the winners. Within the three weeks, the contest page had logged more than 15,000 unique views. The online interaction resulted in more people learning about Call2Recycle and Lowe’s, who co-sponsored the contest.

The construction market remains a huge consumer of rechargeable batteries. Call2Recycle promoted power tool manufacturer DeWalt’s annual Earth Day ‘take back’ event. This year, DeWalt offered customers a 10% discount on purchases of new power tool batteries in exchange for their old one, which Call2Recycle collects for recycling. This program raised awareness of Call2Recycle with power tool users throughout North America, a critical target for our recycling message.

Going Mobile = Going Green

Public service announcements (PSAs) are an effective media for reaching consumers via the radio and TV. The “Answer the Call” PSA message is simple and to-the-point: Going mobile means going green. If you have a mobile device, you are responsible for recycling its rechargeable batteries. The TV PSA aired on CNN, Food Network, HGTV, NBC Sports and others. Call2Recycle was awarded a Bronze Telly and Media Communications Association International’s Silver Reel Award during 2012 for the PSA’s creativity and effectiveness.
A Changing Industry Landscape

Exponential Growth in the Past 20 Years

The rechargeable battery industry, and as a result Call2Recycle, has grown exponentially. The organization was started by five manufacturers in 1994 and has grown to 200 participating companies. Many government representatives and waste management agencies consider us to be the expert voice in battery programs and product stewardship. Open communications with these groups helps foster support for our voluntary compliance program.

But in recent years, Call2Recycle has seen the dynamics of the battery and electronics market fundamentally change. Households are now overflowing with rechargeable battery-operated products—cellphones, laptops, tablets, toys, power tools, uninterrupted power supplies, personal care products and computer accessories. Thanks to the global economy, these products arrive from Asia, Europe and all over the world.

A recent audit showed that as much as 40% of the Call2Recycle battery waste stream comes from companies not participating in the Call2Recycle program. As more products entering the U.S. are from non-participating companies, Call2Recycle member companies are carrying the financial burden of recycling for them.

Call2Recycle is now advocating that any manufacturer that puts rechargeable batteries into the market be held accountable for financing the recycling of the waste. Several bills that would require all manufacturers to participate in a qualified program, such as Call2Recycle, and submit their recycling plans to the state are under consideration in Washington, Oregon, California and Minnesota.

While no state took action on bills in 2012, Call2Recycle is hopeful that bills will pass in 2013. Our goal is to support legislation that will empower the industry to self-regulate participation and compliance.

Seattle Promotes New Legislation in First-Ever Citywide Battery Recycling Day

The Pacific Northwest is known for its eco-friendly lifestyle that focuses on recycling all types of materials. So Seattle was the perfect location for Call2Recycle to host the city’s first-ever, citywide Battery Recycling Day. Residents were invited to scour their homes for used rechargeable batteries and cellphones and bring them to the Seattle Center. King 5’s New Day Northwest, Northwest Cable News, KJR Radio and the Seattle Daily Journal of Commerce were among the media covering the event.

Why all the hoopla? To shine a spotlight on pending state legislation that would require rechargeable battery recycling. The all-day collection drive featured special appearances by local legislators Sen. Sharon Nelson (34th District) and Rep. Steve Tharinger (24th District), who accepted plaques on behalf of the city. Seattle Mariners outfielder Michael Saunders signed autographs while Call2Recycle handed out giveaways and prizes to participants. In addition, Tim Croll, Solid Waste Director, Seattle Public Utilities, presented Call2Recycle with the Mayor’s official recognition of Battery Recycling Day. More than 1,000 pounds (453.6 kilograms) of batteries were collected on that one day. As a bonus, city residents learned more about Call2Recycle and its programs.

MORE THAN 1,000 lbs

of batteries were collected at Seattle’s 1st annual Battery Recycling Day
Giving Back to the Community

Giving back to the community is an integral part of Call2Recycle’s mission. Contributing to those around us is as important as working to protect the environment. Our involvement features a wide array of programs—from building houses, collecting and wrapping gifts for the holidays to sponsoring teen science programs in both the U.S. and Canada.

Habitat for Humanity

In August, the Call2Recycle’s Atlanta team spent two days landscaping, painting and performing other construction tasks for the Habitat for Humanity’s NW Metro Atlanta chapter. The team helped construct Ivey House, the chapter’s first house for a disabled veteran. The Ivey House is named for the WWII veteran who donated the land.

Families First Adopt-a-Family

For the fourth consecutive year, Call2Recycle’s staff participated in the Families First Adopt-a-Family program, which assists local families in need with staples and living essentials. Call2Recycle provided $1,000 worth of clothing, household items and toys to a local family of seven. We are proud to have helped improve the quality of life for a family in need.

Team Spyder 1622

For many years, Call2Recycle has sponsored Team Spyder 1622, Poway High School’s robotics team in Poway, Calif. The team of enterprising engineers and scientists first design and build a robot that runs on rechargeable batteries, then compete at national robotics competitions. Sponsored by FIRST (For Inspiration and Recognition of Science and Technology), the program gives teens practical engineering experience. Participating teens are more likely to attend college than those with similar skills—a trend we want to support.

All Science Challenge

Where can you find kids crazy for science? At the All Science Challenge, an annual Let’s Talk Science event for Canadian students in Grades 6-8. Middle-school teams study various science concepts during the school year, and then meet in the spring for a one-day, intensive competition at university campuses across the country. Call2Recycle is honored to sponsor this program that inspires kids to study science at the advanced level.
RECHARGEABLE BATTERY RECYCLING CORPORATION AND AFFILIATE
Condensed 2012 and 2011 Combined Financial Statements

Condensed Combined Statements of Financial Position
Reported in U.S. Dollars

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<th>2012 ($'000)</th>
<th>2011 ($'000)</th>
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<td>Canada</td>
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INDEPENDENT AUDITORS’ REPORT

Board of Directors
Rechargeable Battery Recycling Corporation and Rechargeable Battery Recycling Corporation of Canada

We have audited, in accordance with auditing standards generally accepted in the United States of America, the combined statement of financial position of the Rechargeable Battery Recycling Corporation and Rechargeable Battery Recycling Corporation of Canada (non-profit organizations collectively referred to as “RBRC”) as of December 31, 2012 and 2011, and the related statements of activities, changes in net assets, and cash flows for the years then ended (not presented herein); and in our report dated April 22, 2013, we expressed an unqualified opinion on those combined statements.

In our opinion, the information set forth in the accompanying condensed combined financial statements is fairly stated, in all material respects, in relation to the combined financial statements from which it has been derived.

April 22, 2013

Smith & Howard
Certified Public Accountants and Advisors