



INTRACOM
Holdings S.A.

Interim condensed financial statements
in accordance with International Accounting Standard 34
for the period 1 January to 31 March 2010

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31 March 2010
(All amounts in €000)

Balance Sheet

	Note	Group		Company	
		31/3/2010	31/12/2009	31/3/2010	31/12/2009
ASSETS					
Non-current assets					
Property, plant and equipment	5	371.472	375.496	28.795	29.190
Goodwill		65.788	65.788	-	-
Intangible assets	5	62.749	64.832	8	8
Investment property	5	65.207	57.618	63.891	64.009
Investments in subsidiaries	6	-	-	239.317	237.088
Investments in associates		112.311	113.316	115.900	115.900
Available - for - sale financial assets	7	12.295	12.562	9.519	9.520
Deferred income tax assets		6.935	7.310	-	-
Long-term loans		8.475	8.385	8.475	8.385
Trade and other receivables	8	14.801	15.824	4.036	36
		720.034	721.130	469.940	464.136
Current assets					
Inventories		44.919	47.140	-	-
Trade and other receivables		354.864	332.554	19.872	22.058
Construction contracts		17.993	21.618	-	-
Financial assets at fair value through profit or loss		272	298	-	-
Current income tax assets		9.116	11.142	-	-
Cash and cash equivalents		42.273	64.641	12.336	10.146
		469.438	477.393	32.208	32.204
Assets classified as held for sale		-	10.291	-	-
		469.438	487.684	32.208	32.204
Total assets		1.189.471	1.208.813	502.148	496.340
EQUITY					
Capital and reserves attributable to the owners of the Company					
Share capital	10	378.260	377.148	378.260	377.148
Reserves		53.453	66.047	89.040	91.113
		431.713	443.195	467.300	468.261
Non-controlling interests		52.229	57.300	-	-
Total equity		483.942	500.495	467.300	468.261
LIABILITIES					
Non-current liabilities					
Borrowings	11	165.145	168.848	6.196	6.196
Deferred income tax liabilities		2.841	2.853	1.102	1.071
Retirement benefit obligations		4.925	4.881	298	298
Grants		20.457	21.382	-	-
Derivative financial instruments		1.200	436	-	-
Provisions for other liabilities and charges		3.187	3.631	-	-
Trade and other payables		13.924	16.744	-	-
		211.678	218.776	7.595	7.565
Current liabilities					
Trade and other payables		284.696	284.286	7.087	9.248
Current income tax liabilities		2.694	2.723	-	-
Construction contracts		15.044	18.057	-	-
Borrowings	11	180.099	171.792	18.598	9.698
Grants		3.293	3.168	-	-
Provisions for other liabilities and charges		8.025	6.921	1.568	1.568
		493.851	486.946	27.252	20.514
Liabilities directly associated with non-current assets classified as held for sale		-	2.596	-	-
		493.851	489.542	27.252	20.514
Total liabilities		705.529	708.318	34.848	28.078
Total equity and liabilities		1.189.471	1.208.813	502.148	496.340

The notes on pages 7 to 22 are an integral part of these interim condensed financial statements.

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31 March 2010
(All amounts in €000)

Statement of comprehensive income

	Note	Group		Company	
		1/1 - 31/3/2010	1/1/ - 31/3/2009	1/1 - 31/3/2010	1/1/ - 31/3/2009
Sales	4	139.417	121.459	819	954
Cost of goods sold		(122.753)	(105.694)	(696)	(830)
Gross profit		16.663	15.765	123	124
Other operating income		1.664	1.534	751	827
Gain from change in interest held in subsidiary	6	-	34.394	-	764
Other gains/ (losses) - net		(94)	(395)	54	-
Selling and research costs		(11.797)	(10.164)	(33)	(67)
Administrative expenses		(15.964)	(13.639)	(2.070)	(2.481)
Operating profit / (loss)		(9.529)	27.494	(1.175)	(833)
Finance expenses	12	(3.850)	(5.653)	(187)	(325)
Finance income	12	298	659	204	186
Finance income /(expenses) - net		(3.552)	(4.994)	17	(140)
Share of losses of associates		(857)	(1.991)	-	-
(Loss)/Profit before income tax		(13.937)	20.510	(1.158)	(973)
Income tax expense	13	(2.022)	(576)	(30)	(156)
(Loss)/Profit for the period		(15.960)	19.934	(1.189)	(1.128)
Other comprehensive income :					
Fair value losses on available for sale financial assets , net of tax	7	(267)	(451)	(1)	-
Currency translation differences, net of tax		218	(671)	-	-
Cash flow hedges		(764)	-	-	-
Effect of change in non-controlling interest	6	-	(33.630)	-	-
Other comprehensive income for the period, net of tax		(813)	(34.753)	(1)	-
Total comprehensive income for the period		(16.772)	(14.819)	(1.190)	(1.128)
(Loss)/Profit attributable to:					
Owners of the Company		(11.167)	21.835	(1.189)	(1.128)
Non-controlling interests		(4.793)	(1.901)	-	-
		(15.960)	19.934	(1.189)	(1.128)
Total comprehensive income attributable to:					
Owners of the Company		(11.649)	20.976	(1.190)	(1.128)
Non-controlling interests		(5.123)	(35.795)	-	-
		(16.772)	(14.819)	(1.190)	(1.128)
Earnings per share for profit / (loss) attributable to the owners of the Company during the period (expressed in € per share)					
Basic	14	(0,08)	0,17	(0,01)	(0,01)
Diluted	14	(0,08)	0,17	(0,01)	(0,01)

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(All amounts in €000)

Statement of changes in equity – Group

	<u>Attributable to the owners of the Company</u>			Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings		
Balance at 1 January 2009	374.046	187.099	(128.481)	35.822	468.487
Profit/(Loss) for the period	-	-	21.835	(1.901)	19.934
Fair value losses on available for sale financial assets	-	(281)	-	(171)	(451)
Currency translation differences	-	(578)	-	(93)	(671)
Effect of change in non-controlling interest	-	-	-	(33.630)	(33.630)
Total comprehensive income for the period	-	(859)	21.835	(35.795)	(14.819)
Employees stock options scheme					
- value of employee services	-	44	-	2	46
Share capital increase by subsidiary to non-controlling interest	-	-	-	49.823	49.823
Transfer	-	617	(617)	-	-
	-	662	(617)	49.825	49.869
Balance at 31 March 2009	374.046	186.902	(107.263)	49.852	503.537
Balance at 1 January 2010	377.148	186.224	(120.177)	57.300	500.495
Loss for the period	-	-	(11.167)	(4.793)	(15.960)
Fair value losses on available for sale financial assets	-	(166)	-	(101)	(267)
Currency translation differences	-	92	-	127	218
Cash flow hedges	-	(408)	-	(356)	(764)
Total comprehensive income for the period	-	(482)	(11.167)	(5.123)	(16.772)
Distribution of treasury shares	1.112	-	(989)	107	229
Employees stock options scheme					
- value of employee services	-	45	-	-	45
Share capital decrease by subsidiary	-	-	-	(55)	(55)
Transfer	-	278	(278)	-	-
	1.112	323	(1.267)	52	219
Balance at 31 March 2010	378.260	186.065	(132.611)	52.229	483.942

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Statement of changes in equity – Company

	Share capital	Other reserves	Retained earnings	Total equity
Balance at 1 January 2009	374.046	147.118	(40.913)	480.251
Loss for the period	-	-	(1.128)	(1.128)
Total comprehensive income for the period	-	-	(1.128)	(1.128)
Transfer	-	614	(614)	-
Balance at 31 March 2009	374.046	147.732	(42.656)	479.123
Balance at 1 January 2010	377.148	147.730	(56.617)	468.261
Loss for the period	-	-	(1.189)	(1.189)
Fair value losses on available for sale financial assets	-	(1)	-	(1)
Total comprehensive income for the period	-	(1)	(1.189)	(1.190)
Distribution of treasury shares	1.112	-	(883)	229
Balance at 31 March 2010	378.260	147.729	(58.689)	467.300

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Cash flow statement

	Note	Group		Company	
		1/1 - 31/3/2010	1/1 - 31/3/2009	1/1 - 31/3/2010	1/1 - 31/3/2009
Cash flows from operating activities					
Cash generated from operations	15	(8.093)	7.910	(6.945)	150
Interest paid		(3.432)	(5.150)	(187)	(325)
Income tax received/(paid)		481	(755)	(1)	(4)
Net cash generated from operating activities		(11.045)	2.005	(7.133)	(179)
Cash flows from investing activities					
Purchase of property, plant and equipment (PPE)		(13.160)	(24.326)	(1)	(34)
Purchase of investment property		(2)	-	(2)	-
Purchase of intangible assets		(7.480)	(8.739)	-	-
Proceeds from sale of PPE		2.560	125	1.344	9
Proceeds from sale of investment property		969	-	969	-
Proceeds from sale of intangible assets		941	-	-	-
Acquisition of financial assets at fair value through profit or loss		-	(26)	-	-
Share capital increase by subsidiary	6	-	49.823	(2.000)	-
Proceeds from sale of financial assets at fair value through profit or loss		-	274	-	-
Disposal of subsidiaries		29	-	-	-
Interest received		208	504	114	31
Net cash from investing activities		(15.935)	17.634	423	6
Cash flows from financing activities					
Dividends paid to Company's shareholders		(0)	(19)	(0)	(19)
Proceeds from borrowings		14.261	11.098	8.900	-
Repayments of borrowings		(8.517)	(22.604)	-	-
Repayments of finance leases		(1.132)	(226)	-	-
Net cash from financing activities		4.612	(11.751)	8.900	(19)
Net increase / (decrease) in cash and cash equivalents		(22.368)	7.888	2.190	(193)
Cash and cash equivalents at beginning of period		64.641	58.682	10.146	11.064
Cash and cash equivalents at end of the period		42.273	66.570	12.336	10.872

The notes on pages 7 to 22 are an integral part of these interim condensed financial statements.

Notes to the interim condensed financial statements

1. General

INTRACOM Holdings S.A., with the distinctive title “INTRACOM HOLDINGS” (“INTRACOM”), was incorporated in Greece and its shares are traded in the Athens Stock Exchange.

Intracom Group operates, through its subsidiaries and associates, in developing products, providing services and undertaking complex, integrated and advanced technology projects in the telecommunications, defence, public administration, and banking & finance industries and has also activities in the construction sector and the telecommunications sector. The parent company operates as a holding company. The Group operates in Greece, U.S.A, Bulgaria, Romania, as well as in other foreign countries (see note 20).

The Company’s registered office is at 19 km Markopoulou Ave., Peania Attikis, Greece. Its website address is www.intracom.com.

These interim condensed financial statements of the Group and the Company have been approved for issue by the Board of Directors on 28 May 2010.

2. Summary of significant accounting policies

These interim condensed financial statements consist of the stand alone financial statements of Intracom Holdings S.A. (the “Company”) and the consolidated financial statements of the Company and its subsidiaries (the “Group”) for the period 1/1 – 31/3/2010. They have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

These interim condensed financial statements must be examined together with the annual financial statements for the year 2009, as published on the Group’s website www.intracom.com.

The accounting policies used for the preparation and the presentation of the interim condensed financial statements are consistent with those applied for the preparation and presentation of the annual financial statements of the Company and the Group for the financial year ended 31 December 2009. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets at fair value through profit or loss and derivative financial instruments.

Standards / interpretations effective in 2010

IFRS 3 (Revised) “Business Combinations” and IAS 27 (Amended) “Consolidated and Separate Financial Statements” (effective for annual periods beginning on or after 1 July 2009)

The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss (rather than by adjusting goodwill). The amended IAS 27 requires that a change in ownership interest of a subsidiary is accounted for as an equity transaction. Therefore such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes introduced by these standards will be applied prospectively and will affect future acquisitions and transactions with non-controlling interests. The Group has applied these changes from 1st January 2010.

IFRS 2 (Amendment) “Share-based Payment” (effective for annual periods beginning on or after 1 January 2010)

The purpose of the amendment is to clarify the scope of IFRS 2 and the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services, when that entity has no obligation to settle the share-based payment transaction. This amendment has no impact on the Group’s financial statements.

IAS 39 (Amendment) “Financial Instruments: Recognition and Measurement” (effective for annual periods beginning on or after 1 July 2009)

This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations. This amendment has no impact on the Group’s financial statements.

Amendments to standards that form part of the IASB’s annual improvements project

The amendments set out below describe the key changes to IFRSs following the publication in July 2009 of the results of the IASB’s annual improvements project. Unless otherwise stated the following amendments are effective for annual periods beginning on or after 1 January 2010. In addition, unless otherwise stated, the following amendments do not have a material impact on the Group’s financial statements.

IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”

The amendment clarifies disclosures required in respect of non-current assets classified as held for sale or discontinued operations.

IFRS 8 “Operating Segments”

The amendment provides clarifications on the disclosure of information about segment assets.

IAS 1 “Presentation of Financial Statements”

The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current.

IAS 7 “Statement of Cash Flows”

The amendment requires that only expenditures that result in a recognized asset in the statement of financial position can be classified as investing activities.

IAS 17 “Leases”

The amendment provides clarification as to the classification of leases of land and buildings as either finance or operating.

IAS 18 “Revenue”

The amendment provides additional guidance regarding the determination as to whether an entity is acting as a principal or an agent.

IAS 36 “Impairment of Assets”

The amendment clarifies that the largest cash-generating unit to which goodwill should be allocated for the purposes of impairment testing is an operating segment as defined by paragraph 5 of IFRS 8 (that is before the aggregation of segments).

IAS 38 “Intangible Assets”

The amendments clarify (a) the requirements under IFRS 3 (revised) regarding accounting for intangible assets acquired in a business combination and (b) the description of valuation techniques commonly used by entities when measuring the fair value of intangible assets acquired in a business combination that are not traded in active markets.

IAS 39 “Financial Instruments: Recognition and Measurement”

The amendments relate to (a) clarification on treating loan pre-payment penalties as closely related derivatives, (b) the scope exemption for business combination contracts and (c) clarification that gains or losses on cash flow hedge of a forecast transaction should be reclassified from equity to profit or loss in the period in which the hedged forecast cash flow affects profit or loss.

Standards/ interpretations that are not yet effective and have not been early adopted by the Group

IFRS 9 “Financial Instruments” (effective for annual periods beginning on or after 1 January 2013)

IFRS 9 is the first part of Phase 1 of the Board’s project to replace IAS 39. The IASB intends to expand IFRS 9 during 2010 to add new requirements for classifying and measuring financial liabilities, derecognition of financial instruments, impairment, and hedge accounting. IFRS 9 states that financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, particular transaction costs. Subsequently financial assets are measured at amortized cost or fair value and depend on the basis of the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. IFRS 9 prohibits reclassifications except in rare circumstances when the entity’s business model changes; in this case, the entity is required to reclassify affected financial assets prospectively. IFRS 9 classification principles indicate that all equity investments should be measured at fair value. However, management has an option to present in other comprehensive income unrealized and realized fair value gains and losses on equity investments that are not held for trading. Such designation is available on initial recognition on an instrument-by-instrument basis and is irrevocable. There is no subsequent recycling of fair value gains and losses to profit or loss; however, dividends from such investments will continue to be recognized in profit or loss. IFRS 9 removes the cost exemption for unquoted equities and derivatives on unquoted equities but provides guidance on when cost may be an appropriate estimate of fair value. The Group is currently investigating the impact of IFRS 9 on its financial statements. The Group cannot currently early adopt IFRS 9 as it has not been approved by the EU. Only once approved will the Group decide if IFRS 9 will be adopted prior to 1 January 2013.

IAS 24 (Amendment) “Related Party Disclosures” (effective for annual periods beginning on or after 1 January 2011)

This amendment attempts to relax disclosures of transactions between government-related entities and clarify related-party definition. More specifically, it removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities, clarifies and simplifies the definition of a related party and requires the disclosure not only of the relationships, transactions and outstanding balances between related parties, but of commitments as well in both the consolidated and the individual financial statements. The Group will apply these changes from their effective date. This amendment has not yet been endorsed by the EU.

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IAS 32 (Amendment) “Financial Instruments: Presentation” (effective for annual periods beginning on or after 1 February 2010)

This amendment clarifies how certain rights issues should be classified. In particular, based on this amendment, rights, options or warrants to acquire a fixed number of the entity’s own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. This amendment is not expected to impact the Group’s financial statements.

3. Reclassification of amounts and roundings

Reclassification of amounts

In the consolidated balance sheet as at 31 December 2009, the amount of €447 has been reclassified from current income tax assets (‘current assets’) to deferred income tax assets (‘non-current assets’).

Roundings

Differences between amounts presented in the financial statements and corresponding amounts in the notes result from roundings.

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4. Segment information

The segment information for the period 1/1-31/3/2010 is as follows:

	Telecommunications systems	Technology solutions for government and banking sector	Defence systems	Construction	Telecom operations	Other	Total
Total sales per segment	1.322	30.857	10.135	51.196	47.732	837	142.080
Inter-segment sales	-	(720)	(1)	(1.717)	(59)	(166)	(2.663)
Sales from external customers	1.322	30.138	10.134	49.478	47.674	671	139.417
Earnings before interest, tax, depreciation and amortisation (EBITDA)	59	(548)	305	2.425	11.185	(2.629)	10.799

The segment information for the period 1/1-31/3/2009 is as follows:

	Telecommunications systems	Technology solutions for government and banking sector	Defence systems	Construction	Telecom operations	Other	Total
Total sales per segment	3.935	32.270	11.042	45.349	31.980	1.548	126.123
Inter-segment sales	-	(104)	-	(4.116)	(51)	(393)	(4.664)
Sales from external customers	3.935	32.166	11.042	41.233	31.929	1.154	121.459
Earnings before interest, tax, depreciation and amortisation (EBITDA)	(46)	1.946	986	3.155	34.994	(433)	40.602

The column “telecom operations” for the period 1/1 – 31/3/2009 includes the gain that arose from the changes in the interest held in the subsidiary company Hellas online amounting to €33.630 (see note 6).

The reconciliation of earnings before interest, tax, depreciation and amortization (EBITDA) to loss/profit before tax is as follows:

	1/1 - 31/3/2010	1/1-31/3/2009
Earnings before interest, tax, depreciation and amortisation (EBITDA)	10.799	40.602
Depreciation	(20.328)	(13.108)
Finance cost - net	(3.552)	(4.994)
Loss from associates	(857)	(1.991)
(Loss)/Profit before income tax	(13.937)	20.510

5. Capital expenditure

Group

	Property ,plant and equipment	Intangible assets	Investment property	Total
Net book amount at 1 January 2009	333.853	48.028	63.125	445.006
Additions	10.430	9.200	-	19.630
Disposals	(170)	(0)	-	(170)
Transfer to assets classified as held for sale (note 9)	-	-	(7.369)	(7.369)
Depreciation charge	(7.639)	(5.302)	(167)	(13.108)
Transfer	1.856	29	(1.885)	-
Other movement	(136)	(32)	74	(95)
Net book amount at 31 March 2009	338.194	51.923	53.777	443.895
Net book amount at 1 January 2010	375.496	64.832	57.618	497.945
Additions	9.327	7.396	-	16.723
Disposals	(1.587)	(941)	-	(2.528)
Transfer from assets classified as held for sale (note 9)	-	-	7.369	7.369
Depreciation charge	(11.624)	(8.540)	(164)	(20.328)
Transfer	(203)	-	203	-
Other movement	63	2	181	247
Net book amount at 31 March 2010	371.472	62.749	65.207	499.429

Company

	Property ,plant and equipment	Intangible assets	Investment property	Total
Net book amount at 1 January 2009	39.869	220	60.450	100.539
Additions	34	-	-	34
Disposals	(3)	-	-	(3)
Depreciation charge	(328)	(53)	(224)	(605)
Net book amount at 31 March 2009	39.572	167	60.226	99.965
Net book amount at 1 January 2010	29.190	8	64.009	93.207
Additions	1	-	2	3
Depreciation charge	(299)	(1)	(217)	(517)
Transfer	(97)	-	97	-
Net book amount at 31 March 2010	28.795	8	63.891	92.693

6. Investments in subsidiaries

Period 1/1-31/3/2010

In February 2010 the subsidiary company Intracom Technologies Ltd disposed of its entire holding (67%) in the subsidiary company Fornax RT for €360. Furthermore, in March 2010 the subsidiary company Hellas online SA disposed of its entire holding (100%) in the subsidiary company Unibrain Inc for €845. The activities of these companies, as well as the result from the sale were not material for the Group.

The share capital increase of €2.000 by the subsidiary company Intracom Holdings International Ltd was completed through a cash contribution by Intracom Holdings SA.

Period 1/1-31/3/2009

On 10 March 2009 the share capital increase of the subsidiary company Hellas online was completed through the issuance of 31.692.308 new common shares at € 1,60 each. Intracom Holdings SA and Intracom IT Services SA did not participate in the share capital increase of the subsidiary company. The Company sold its pre-emption rights to third parties with net proceeds of €764.

Net proceeds from the share capital increase of the subsidiary to third parties amounted to €49.823 (total proceeds €50.708 and expenses on issue of share capital €885) and have resulted in an increase to the non-controlling interests in the statement of changes in equity.

Due to the change in the interest holdings, the Group recorded a gain of €33.630 which is included in the profit of the period 1/1-31/3/2009 with a corresponding change in the non-controlling interests. Total gain for the Group amounted to €34.394, which includes the gain of €764 from the sale of the pre-emption rights.

7. Available for sale financial assets

	Group		Company	
	31/3/2010	31/12/2009	31/3/2010	31/12/2009
Balance at the beginning of the period	12.562	13.287	9.520	9.514
Additions	-	8	-	8
Disposals	-	(615)	-	-
Fair value losses	(267)	(119)	(1)	(2)
Balance at the end of the period	12.295	12.562	9.519	9.520

8. Trade and other receivables

The caption 'Trade and other receivables' in the balance sheet of the Company as at 31/3/2010 includes the amount of €4.000 which has been paid to the subsidiary company Hellas online SA for future share capital increase.

9. Assets classified as held for sale

The amount of €7.369 which was transferred to assets classified as held for sale in the period 1/1-31/3/2009 relates to the cost of land of the subsidiary company Intrakat SA for which a preliminary sales agreement with IASO SA had been drafted for the construction of a private maternity clinic. Due to the cancellation of the agreement on 21 May 2010, the land was transferred to investment property at cost, which is lower than its fair value.

10. Share capital

	Number of shares	Share capital	Share premium	Treasury shares	Total
Balance at 1 January 2009	131.345.181	187.567	194.204	(7.724)	374.046
Treasury shares	600.000	-	-	3.102	3.102
Balance at 31 December 2009	131.945.181	187.567	194.204	(4.622)	377.148
Balance at 1 January 2010	131.945.181	187.567	194.204	(4.622)	377.148
Treasury shares	215.000	-	-	1.112	1.112
Balance at 31 March 2010	132.160.181	187.567	194.204	(3.511)	378.260

On 31 December 2009 and 31 March 2010 the Company's share capital amounted to €187.567 comprising 133.026.017 shares with a nominal value of €1,41 each.

Treasury shares

During the year 2009, the Company granted 600.000 treasury shares with total acquisition cost of €3.102. During the period 1/1-31/3/2010, the Company granted 215.000 treasury shares with total acquisition cost of €1.112.

On 31 March 2010 the Company held 865.836 treasury shares with total acquisition cost of €3.511, which has been deducted from shareholders' equity.

The charge to the income statement from the free distribution of treasury shares for the Group and the Company for the period 1/1-31/3/2010 was €229 and €0 respectively.

11. Borrowings

	Group		Company	
	31/3/2010	31/12/2009	31/3/2010	31/12/2009
Bank loans	177.964	172.367	24.794	15.894
Finance lease liabilities	8.584	9.723	-	-
Bond loans	158.695	158.551	-	-
Total borrowings	345.244	340.640	24.794	15.894
Non-current borrowings	165.145	168.848	6.196	6.196
Current borrowings	180.099	171.792	18.598	9.698
	345.244	340.640	24.794	15.894

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12. Finance income / (expenses) – net

	Group		Company	
	1/1 - 31/3/2010	1/1 - 31/3/2009	1/1 - 31/3/2010	1/1 - 31/3/2009
Finance expenses				
- Bank borrowings	(1.832)	(2.042)	(187)	(325)
- Bond loans	(1.671)	(2.404)	-	-
- Finance leases	(102)	(121)	-	-
- Letters of credit and related costs	(463)	(412)	(0)	(1)
- Other	(615)	(794)	-	-
- Net foreign exchange gains / (losses)	832	2	-	-
Total	(3.850)	(5.771)	(187)	(325)
Less: Capitalisations to assets under construction	-	118	-	-
Total of finance expenses	(3.850)	(5.653)	(187)	(325)
Finance income				
Interest income	200	231	114	31
Interest income from loans	98	155	90	155
Other	-	273	-	-
Total of finance income	298	659	204	186
Finance (expenses) / income - net	(3.552)	(4.994)	17	(140)

13. Income tax

	Group		Company	
	1/1 - 31/3/2010	1/1 - 31/3/2009	1/1 - 31/3/2010	1/1 - 31/3/2009
Current tax	1.608	1.388	-	-
Deffered tax	414	(812)	30	156
Total	2.022	576	30	156

14. Earnings per share

Basic / Diluted earnings per share

	Group		Company	
	1/1 - 31/3/2010	1/1 - 31/3/2009	1/1 - 31/3/2010	1/1 - 31/3/2009
Profit / (loss) attributable to the owners of the Company	(11.167)	21.835	(1.189)	(1.128)
Weighted average number of ordinary shares in issue (thousands)	131.945	131.345	131.945	131.345
Basic/diluted earnings/(losses) per share (€per share)	(0,08)	0,17	(0,01)	(0,01)

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15. Cash generated from operations

	Group		Company	
	1/1 - 31/3/2010	1/1 - 31/3/2009	1/1 - 31/3/2010	1/1 - 31/3/2009
Profit / (Loss) for the period	(15.960)	19.934	(1.189)	(1.128)
Adjustments for:				
Tax	2.022	576	30	156
Depreciation of PPE	11.624	7.639	299	328
Amortisation of intangible assets	8.540	5.302	1	53
Depreciation of investment property	164	167	217	224
Loss / (Profit) on sale of PPE	120	4	(0)	(6)
Fair value losses of financial assets at fair value through profit or loss	26	119	-	-
Gains from sale of financial assets at fair value through profit or loss	-	(84)	-	-
Gain from change in interest held in subsidiary	-	(33.630)	-	-
Employees share option scheme	45	45	-	-
Loss from disposal of subsidiary	59	-	-	-
Interest income	(298)	(659)	(204)	(186)
Interest expense	3.850	5.653	187	325
Distribution of treasury shares	229	-	-	-
Depreciation of grants received	(800)	(149)	-	-
Share of profit from associates	807	1.991	-	-
Exchange loss	38	34	-	-
	10.466	6.942	(659)	(234)
Changes in working capital				
(Increase)/decrease in inventories	1.992	(2.635)	-	-
(Increase)/decrease in trade and other receivables	(19.645)	15.991	(4.125)	5.131
Decrease in trade and other payables	(1.472)	(13.165)	(2.161)	(4.525)
Increase in provisions	521	812	-	-
Increase/ (decrease) in retirement benefit obligations	44	(35)	-	(221)
	(18.559)	968	(6.286)	384
Cash generated from operations	(8.093)	7.910	(6.945)	150

16. Contingencies/ Outstanding legal cases

The Group and the Company have contingent liabilities in respect of banks, other guarantees and other matters arising in the ordinary course of business as follows:

	Group		Company	
	31/3/2010	31/12/2009	31/3/2010	31/12/2009
Guarantees for advance payments	75.109	78.088	68.790	71.330
Guarantees for good performance	146.539	155.370	121.216	113.468
Guarantees for participation in contests	15.571	15.495	7.345	6.236
Other	8.589	11.732	5.645	5.645
	245.807	260.685	202.997	196.680

The Company has given guarantees to banks for subsidiaries' loans amounting to €369.413. In addition, the Company has guaranteed the contractual liabilities of an associate company.

Outstanding legal cases

Specific major shareholders of Teledome S.A. took legal action against Intracom Holdings, a subsidiary company and key management personnel, requesting among others, to abolish the annulment of the earlier decision for the merger of Hellas online, Unibrain and Teledome. Through this lawsuit, an amount of approximately €141 mil. is claimed from the parent company and the subsidiary, for the loss and the moral damage that the plaintiffs allege to have suffered. The Group's management and its lawyers assess that the possibility of any material liabilities arising for the Group in relation to these cases is very low.

The subsidiary company Hellas online is in dispute, which is under examination by EETT (Hellenic Telecommunications and Post Commission), with OTE SA regarding certain charges of the latter which are claimed to be unlawful. In relation with these cases, at 31 March 2010 the company disputed charges of €2.825 and has recorded a provision of €1.392.

It is not anticipated that any material liabilities will arise from the contingent liabilities.

Unaudited tax years

The Company has not been audited by the tax authorities for the years 2008 and 2009 and consequently its tax liabilities for these years have not been rendered final. Due to the existence of tax losses the Company does not expect that additional taxes will arise.

Accordingly, there are unaudited tax years for subsidiary companies of the Group and consequently their tax liabilities have not been rendered final. The unaudited tax years for the group companies are presented in note 20. A provision for unaudited tax years amounting to €1.946 has been set up by the Group, which is considered to be sufficient.

It is not anticipated that any material liabilities will arise from the contingent liabilities.

17. Capital commitments

As at the balance sheet date there were capital commitments for PPE of €11.539 for the Group (31/12/2009: €7.859).

18. Related party transactions

The following transactions are carried out with related parties:

	Group		Company	
	1/1 - 31/3/2010	1/1 - 31/3/2009	1/1 - 31/3/2010	1/1 - 31/3/2009
Sales of goods / services:				
To subsidiaries	-	-	183	768
To associates	609	1.014	90	97
To other related parties	499	968	3	1
	1.108	1.982	277	865
Purchases of goods / services:				
From subsidiaries	-	-	74	74
From associates	2.003	2.476	-	1
From other related parties	201	3	-	-
	2.204	2.480	74	75
Rental income:				
From subsidiaries	-	-	409	404
From associates	250	235	143	143
From other related parties	37	131	3	123
	287	367	554	671
Purchases of fixed assets:				
From subsidiaries	-	-	-	33
From associates	5.179	1.845	-	-
	5.179	1.845	-	33

Purchases of goods and services from associates for the Group include rental expenses of €242 (1/1 - 31/3/2009: €217), as well as finance expenses of €252 (1/1 - 31/3/2009: €169).

Services from and to related parties, as well as sales and purchases of goods take place on the basis of the price lists in force with non-related parties. Other related parties are mainly associates and companies in which the major shareholder of the Company holds an interest share.

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Period/Year-end balances arising from transactions with related parties are as follows:

	Group		Company	
	31/3/2010	31/12/2009	31/3/2010	31/12/2009
Receivables from related parties				
From subsidiaries	-	-	10.287	10.160
From associates	9.414	8.451	2.662	2.443
From other related parties	11.901	15.510	2.421	4.423
	21.314	23.961	15.370	17.027
Payables to related parties				
To subsidiaries	-	-	2.144	2.198
To associates	57.055	56.058	2.341	3.372
To other related parties	726	803	52	52
	57.781	56.861	4.537	5.623

Key management compensation

For the three months ended 31 March 2010, a total of €478 was paid by the Company as key management compensation (1/1-31/3/2009: €437). On 31 March 2010, the amount payable to key management is €0 (31 December 2009: €0).

19. Post balance sheet events

No significant events occurred after the balance sheet date.

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20. List of subsidiaries / associates

Information about the subsidiaries and associates, as well as the joint ventures of the Group as at 31 March 2010 is presented below.

Name	Country of incorporation	Direct % interest held	Consolidation Method	Unaudited Tax Years
* Intracom S.A Defence Electronic Systems	Greece	100,00%	Full	2007 - 2009
		49,25%		
* HELLAS ON LINE	Greece	(see note 1)	Full	2007- 2009
- Attica Telecommunications SA	Greece	100,00%	Full	2008-2009
* Intracom Holdings International Ltd	Cyprus	100,00%	Full	From establishment - 2009
- Intracom Technologies Ltd	Cyprus	100,00%	Full	From establishment - 2009
- Intracom Operations Ltd	Cyprus	100,00%	Full	From establishment - 2009
- Intracom Group USA	USA	100,00%	Full	From establishment - 2009
- Duckelco Holdings Ltd**	Cyprus	100,00%	Full	From establishment - 2009
- Ingrelenco Trading Co. Ltd**	Cyprus	100,00%	Full	From establishment - 2009
* Intracom IT Services	Greece	100,00%	Full	2005- 2009
- Global Net Solutions Ltd	Bulgaria	100,00%	Full	From establishment - 2009
- Dialogos SA	Greece	39,50%	Full	2007-2009
- Data Bank SA	Greece	90,00%	Full	2009
- Intracom IT Services Middle East & Africa	Jordan	80,00%	Full	2009
- Intracom IT Services Denmark AS	Denmark	100,00%	Full	2008 - 2009
- Intracom Exports Ltd	Cyprus	100,00%	Full	From establishment - 2009
- Intracom Cyprus Ltd	Cyprus	100,00%	Full	From establishment - 2009
- Intrasoft International SA	Luxemburg	99,76%	Full	2008-2009
- Intrasoft SA	Greece	99,00%	Full	2008-2009
- Intrasoft International Belgium	Belgium	100,00%	Full	2004-2009

Note 1: The total shareholding in Hellas on Line is 53,40% through the participation of other subsidiaries.

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Name	Country of incorporation	Direct % interest held	Consolidation Method	Unaudited Tax Years
* Intrakat SA	Greece	61,76%	Full	2008 - 2009
- Inmaint SA	Greece	62,00%	Full	2009
- KEPA Attica SA	Greece	51,00%	Full	2005-2009
- Intracom Construct SA	Romania	96,54%	Full	2009
-Oikos Properties SRL.	Romania	96,54%	Full	2007-2009
- Eurokat SA	Greece	94,38%	Full	2007-2009
-J/V. AKTOR ATE - LOBBE TZILALIS - EUROKAT ATE (Ily Administration K.E.L.)	Greece	31,46%	Proportional	2007-2009
- Intrakat International Ltd	Cyprus	100,00%	Full	2008-2009
-SC Plurin Telecommunications SRL	Romania	50,00%	Equity	2008-2009
-Alpha Mogilany Development SP Z.O.O	Poland	25,00%	Equity	2008-2009
- Intradevelopment SA	Greece	100,00%	Full	2004-2009
- Fracasso Hellas AE Design & construction of road safety systems**	Greece	55,00%	Full	-
-Prisma - Domi ATE**	Greece	50,00%	Full	2009
-J/V Athinaiki Techniki s.a.- "J/V Archirodon Hellas ATE - Prisma Domi ATE" (General Department East Macedonia & Thraki)**	Greece	10,00%	Equity	2007-2009
-J/V VIOTER s.a. - Prisma Domi ATE constructor (Sewages process facilities & subpipe of Ag.Theodoros municipality)**	Greece	10,00%	Equity	2008-2009
-J/V/ NOEL s.a. - Prisma Domi ATE - (Wind park in "Driopi")**	Greece	17,50%	Equity	2009
J/V. Mohlos - Intrakat (Tennis)	Greece	50,00%	Equity	2006-2009
J/V. Mohlos - Intrakat (Swimm.)	Greece	50,00%	Equity	2003-2009
J/V. Panthessalikon Stadium	Greece	15,00%	Equity	2008-2009
J/V. Elter-Intrakat (EPA Gas)	Greece	45,00%	Equity	2008-2009
J/V. Intrakat - Gatzoulas	Greece	50,00%	Equity	2004-2009
J/V. Elter-Intrakat-Energy	Greece	40,00%	Equity	2005-2009
J/V. "Ath.Techniki-Prisma Domi"-Intrakat	Greece	57,50%	Equity	2005-2009
J/V. Intrakat-Ergaz-ALGAS	Greece	33,33%	Equity	2007-2009
J/V. Intrakat - Elter (Maintenance N.Section)	Greece	50,00%	Proportional	2006-2009
J/V. Intrakat - ATTIKAT (Egnatia Odos)	Greece	50,00%	Proportional	2009
J/V. Intrakat - Elter (Alex/polis pipeline)	Greece	50,00%	Proportional	2007-2009
J/V. Intrakat - Elter (Xiria)	Greece	50,00%	Proportional	2007-2009
J/V. Intrakat - Elter (Road diversion- Arta)	Greece	30,00%	Proportional	2007-2009
J/V. Intrakat - Elter (Natural gas installation project- Schools)	Greece	30,00%	Proportional	2007-2009
J/V. Intrakat - Elter (Natural Gas Installation Project Attica Northeast & South)	Greece	49,00%	Proportional	2007-2009
J/V. Intrakat - Intracom Telecom (DEPA Network)	Greece	70,00%	Proportional	2007-2009
J/V. Intrakat - Elter (Broadband networks)	Greece	50,00%	Proportional	2007-2009
J/V. Intrakat - Elter (Natural Gas installation project - Schools EPA 3)	Greece	50,00%	Proportional	2007-2009
J/V. Intrakat - Elter (Natural Gas pipelines 2007 Northeastern Attica Region-EPA 4)	Greece	50,00%	Proportional	2007-2009
J/V.Intrakat- Elter(Gas Distrib.Network Expansion)	Greece	50,00%	Proportional	2007-2009
J/V. AKTOR ATE - Pantechniki SA - Intrakat (J/V. Moreas)	Greece	13,33%	Proportional	2008-2009
J/V. Intrakat - Elter (EPA 5) - Natural Gas Installation Central Region	Greece	50,00%	Proportional	2007-2009
J/V. Intrakat - Elter (EPA 6) - Natural Gas Installation South Region	Greece	50,00%	Proportional	2008-2009
J/V. Intrakat - Elter (Hospital of Katerini)	Greece	50,00%	Proportional	2008-2009
J/V. Intrakat - Elter (Hospital of Corfu)	Greece	50,00%	Proportional	2008-2009
J/V. Intrakat Elter (EPA 7) - Natural Gas Distribut.Network Attica	Greece	49,00%	Proportional	2007-2009
J/V. Intrakat Elter -Natural Gas Suppl.Network Lamia-Thiva-Chalkida	Greece	50,00%	Proportional	2008-2009
J/V. Intrakat - Elter (Completion of Ionio Building, General Clinic)	Greece	50,00%	Proportional	2008-2009
J/V. Eurokat-ETVO- Construction of Central Library Building of School of Fine Arts	Greece	70,00%	Proportional	2008-2009
J/V Anastilotiki - Getem - Intrakat (Museum of Patras)	Greece	25,00%	Proportional	2007-2009
J/V Anastilotiki - Getem - Intrakat (Piros-Parapiros Dams)	Greece	33,30%	Proportional	2006-2009
J/V Intrakat - Elter - (dam construction in Filiatra) **	Greece	50,00%	Proportional	2009
J/V Intrakat - K.Panagiotidis & Co (line transfer construction 1) **	Greece	60,00%	Proportional	-
J/V Altec - Intrakat - Anastilotiki (Thessaloniki Airport)	Greece	46,90%	Proportional	2009
J/V Elter ATE - Intrakat - Nea Messimvria project**	Greece	50,00%	Proportional	-

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* Intracom Telecom Solutions SA	Greece	49,00%	Equity	2009
-Intracom Bulgaria S.A.	Bulgaria	100,00%	Full	1998-2009
-Intracom Syvaz Ltd.	Russia	100,00%	Full	From establishment - 2009
-Intracom Doo Skopje	FYROM	100,00%	Full	2006-2009
-Intralban Sha	Albania	95,00%	Full	2005-2009
-Intracom S.A.	Romania	66,70%	Full	2004-2009
-Sitronics Intracom India PL	India	100,00%	Full	From establishment - 2009
-Intracom Telecom Holdings International Ltd	Cyprus	100,00%	Full	From establishment - 2009
- Intracom Middle East L.L.C.	United Arab Emirates	100,00%	Full	Not applicable
- Connklin Corporation	U.S.A.	100,00%	Full	2001-2009
- Intracom Telecom solutions S.R.L.	Moldova	100,00%	Full	From establishment - 2009
- Intracom doo Belgrade	Serbia	100,00%	Full	From establishment - 2009
- E-Teleserv doo Belgrade**	Serbia	100,00%	Full	-
- Intracom doo Armenia	Armenia	100,00%	Full	2008 -2009
- Intracom Telecom Technologies Ltd.	Cyprus	100,00%	Full	From establishment - 2009
- Intracom Telecom Operations Ltd.	Cyprus	100,00%	Full	From establishment - 2009
- Intracom Telecom Solutions Saudi Arabia	Saudi Arabia	100,00%	Full	From establishment - 2009

* Direct holding

(**) These companies have been included in the Group for the first time in the current period ending 31 March 2010 but were not included in the corresponding period of 2009.

The companies Unibrain Inc, Fornax RT, Fornax Integrator, Fornax Informatica Doo Croatia, Fornax Slovakia, Switchlink NV, Pebe s.a., and Moldovan Lottery were included in the consolidated financial statements for the period 1/1-31/3/2009, but not in the current period's financial statements (1/1 – 31/3/2010). Moldovan Lottery was included in the consolidated financial statements up to 7 April 2009, at which date it was disposed. Furthermore, Intracom Jordan has been renamed to Intracom IT Services Middle East & Africa.

Except for the above, there are no further changes in the consolidation method for the companies included in the consolidated financial statements.

Peania, 28 May 2010

**THE CHAIRMAN OF THE
BOARD OF DIRECTORS
& MANAGING DIRECTOR**

**THE VICE CHAIRMAN OF THE
BOARD OF DIRECTORS
& DEPUTY MANAGING DIRECTOR**

S.P. KOKKALIS
ID No AI 091040/05.10.2009

C.G. DIMITRIADIS
ID No I 208019/07.08.1974

**THE BOARD MEMBER
& GROUP CORPORATE FINANCE EXECUTIVE
DIRECTOR**

THE CHIEF ACCOUNTANT

D.C. KLONIS
ID No P 539675/06.11.1995

J.K. TSOUMAS
ID No AZ 505361/ 10.12.2007
Licence No 637