INTRACOM HOLDINGS

INTRACOM HOLDINGS S.A.

Annual Report
for the Year 2008 (1st January – 31st December 2008)
in accordance with Law 3556/2007

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The attached annual financial statements of the Group and the Company have been approved for issue by the board of Directors on 30 March 2009.

THE CHAIRMAN OF THE BOARD OF DIRECTORS	***THE VICE CHAIRMAN OF THE BOARD OF DIRECTORS***
& MANAGING DIRECTOR	***& DEPUTY MANAGING DIRECTOR***
S.P. KOKKALIS	***K.G. DIMITRIADIS***
ID No Π 695792/31.10.1991	*ID No I 208019/07.08.1974*
THE BOARD MEMBER	***THE CHIEF ACCOUNTANT***
& GROUP CORPORATE FINANCE EXECUTIVE DIRECTOR	
D.C. KLONIS	***J.K. TSOUMAS***
ID No P 539675/06.11.1995	*ID No AZ 505361/ 10.12.2007*
	Licence No 637

A) Directors' Statements

(pursuant to article 4 par. 2 of Law 3556/2007)

The members of the Board of Directors, of INTRACOM HOLDINGS S.A.

1. Socrates P. Kokkalis, Chairman & Managing Director
2. Konstantinos G. Dimitriadis, Vice Chairman and Deputy Managing Director
3. Dimitrios C. Klonis, Member of the Board and Group Corporate Finance Executive Director

In our above mentioned capacity declare that:

As far as we know:

a. the parent company and consolidated annual financial statements for the year 01/01/2008 to 31/12/2008 which were drawn up in accordance with applicable accounting standards, reflect in a true manner the assets and liabilities, equity and results of 'INTRACOM HOLDINGS SA' and of the undertakings included in consolidation, taken as a whole, and
b. the annual report of the Board of Directors is a true representation of the progress, the performance and the financial position of the Company and of the undertakings included in the consolidation, taken as whole, including a description of the major risks and uncertainties they confront.

CHAIRMAN & MANAGING DIRECTOR	VICE CHAIRMAN & DEPUTY MANAGING DIRECTOR
S. P. KOKKALIS	**K. G. DIMITRIADIS**
ID No Π 695792/31.10.1991	ID No I 208019/07.08.1974

MEMBER OF THE BOARD & GROUP CORPORATE FINANCE EXECUTIVE DIRECTOR

D. C. KLONIS

ID No P 539675/06.11.1995

B) Board of Directors' Report

Board of Directors' Report

For the year 1/1/2008-31/12/2008

FINANCIAL RESULTS – ACTIVITY REVIEW

In spite of the adverse conditions in the global economy during 2008, INTRACOM HOLDINGS GROUP of Companies, persisted in its strategic planning and managed to raise the required funds for its implementation. The consolidated financial statements as per 31/12/2008 depict a heavy investment program, an increase in sales and the qualitative improvement of the balance sheet through the revaluation of participation and assets. However, under the pressure of the above, 2008 was a year of increasing losses.

More specifically, group sales in 2008 amounted to € 509 mn., increased by 20,3% in respect to 2007. The increase in sales is mostly due to HoL Group which overdoubled its turnover, and to INTRAKAT Group.

In terms of profits (EBT) the Group Companies were profitable with the exception of the parent company and HoL, whose heavy losses mainly affected the consolidated results (EBT : -€ 80,7 mn.)

Parent company's losses before tax summed up to € 34,5 mn. and derives from the following: a) devaluation and write off of financial assets of a total of € 12 mn. which mainly refers to the impairment of the TELEDOME 's shares cost value in full, further to the bankruptcy application that TELEDOME recorded on 15/12/2008, and in view of its operations' impendent discontinuation b) write-off of receivables from customers and debtors of € 15 mn. in total c) decrease of total turnover per € 6,7 mn.

For the fiscal year 2008, the company will not distribute dividends.

HoL Group with increasing depreciation and high financial cost as a result of its intensive investment plan, recorded losses before tax of € 39,9 mn.

Consolidated sales of IT Services Group amounted to € 160 mn. increased by 4% versus 2007, and earnings before tax € 6,3 mn.

INTRAKAT Group of Companies consolidated sales reached € 189,1 mn. increased by € 37,1 mn. (2007 sales: € 152 mn.). Profit before tax summed up to € 1,65 mn.

Consolidated earnings before tax do not comprise intercompany earnings of € 15,5 mn. that refer to profit by the merger of UNIBRAIN and HoL recorded in IT SERVICES Group, acquisitions of segments from INTRAKAT, sale of subsidiary's shares, and other transactions between related parties.

Group's total assets on 31/12/2008 summed up to € 1.144,7 mn. (2007: € 1.062,1 mn.) Total borrowing reached € 332 mn. increased by € 87,5 mn. in comparison to 31/12/2007. Due to the decrease of cash net loans increased further per € 105,4 mn.

Key financial ratios, depicting the Group's and Company's financial condition are as follows:

a. Financial Structure Ratios	GROUP	COMPANY
Current Assets/Total Assets	42%	6,6%
Total Equity/Total Liabilities	69,3%	1.363,6%
Total Equity/Fixed Assets	93,1%	477,7%
Current Assets/Short-term Liabilities:	101,9%	99,8%

b. Profitability Ratios	GROUP	COMPANY
EBITDA/Sales	-2,8%	-558,3%
Gross Profit/Sales	14,7%	8,2%
Sales/Total Equity	108,65%	1,13%

Treasury shares at 31/12/2008 were 1.680.836 shares, that is exactly the same number of shares as at 31/12/2007.

The company's international activity is based upon its subsidiaries and not to branches.

MAIN EVENTS

The merger agreement of Unibrain and Hellas on Line was signed on 5/3/2008. The merger was approved by the Extraordinary General Meetings of the two companies on 21/4/2008 and by the relevant governmental bodies on7/5/2008. The merger has been approved on 7/5/2008 and the new company's stock is traded in the ASE from 18/6/2008.

INTRACOM Holdings bought a building of 2.700 sq.m. on a total surface of 9.100 sq.m., in Peania, close to the company's premises, against the amount of € 6.000.000. The acquired building will host current and new activities of the Group companies.

On September 2008 INTRAKAT S.A proceeded to share capital increase. The share capital increase was 100% covered and total proceeds summed up to € 16 mn.. The proceeds will finance short term loans and the company's investment plans.

INTRAKAT S.A. proceeded to the acquisition via undertaking of the State and Private Construction Works sector of CYBARCO SA, and T. KARAGIANNIS SA, which resulted to the upgrading of the Company's Construction Projects classification under the upper (7th) grade of the Register of Contractors' Enterprises.

On July 2008 INTRACOM TELECOM signed a € 150 mn. bond loan agreement. The proceeds of the loan refinanced existing bank indebtedness and will finance the company's development plans which mainly include investments for undertaking of new projects and its expansion to new markets.

On October 2008 HELLAS ON LINE signed € 144,5 mn. bond loan agreement of a 6 year duration. The proceeds of the loan refinanced existing bank indebtedness.

MAIN EVENTS AFTER THE BALANCE SHEET DATE

On March 2009 the share capital of the subsidiary company Hellas on Line increased following the decision of the Extraordinary General Meeting of the company's shareholders on 12/12/2008. The increase was subscribed during the exercise period of the pre-emption right (from 23/02/2009 to 09/03/2009) The share capital increase was 100% covered in cash by third parties. The company's share capital increased by €26.938 following the issuance of 31.692.308 new shares, at nominal value of € 0,85 each, and share premium amounted to €23.769. Total proceeds were €50,7mn.

The major part of the proceeds (€43,5 mn.) will finance the company's investment plan which mainly comprises expansion of its own network infrastructure and best in class IT systems.

The subsidiary company Intrakat SA was classified in the upper 7th grade of the Register of Contractor's Enterprises of the Hellenic Ministry.

GOALS AND PERSPECTIVES

The Group's main goals are summarised in the following axes:

- Further enhancement of Group's international presence
- Emphasis in activities with higher net profit margin (telecommunications services) and realization of important capital investments leading to the achievement of the Group's goals
- Increase in the Group's sales with improvement of existing activities' profitability by both organic growth and targeted acquisitions
- Explore possibilities for strategic alliances, aiming in the promotion of the Group's products and the increase of its competitiveness
- Continuous rationalization of sources use and Group's structure
- Enhancement of Group's product portfolio, i.e. self financing projects (Corinth-Tripoli-Kalamata highway)

Indicative of the Group's enriched portfolio of activities is its participation in self financed projects, such as the free way Corinth- Tripolis- Kalamata (MOREAS), through joint ventures with large groups.

Furthermore, the Group participates, via Hellenic Energy and Development (HED) to the joint venture agreement between Hellenic Petroleum and Italy's power utility EDISON, along with HED and Halcor. The joint venture aims to become the second biggest power operator in Greece and would be also active in power trading and marketing, may invest in renewable energy in Greece and consider opportunities in power generation and trading in the Balkans.

INTRAKAT Group focuses an the development and expansion of its activities in the area of real estate. The collaboration with CYBARCO which is a construction company with extended expertise in the area of real estate and T. KARAGIANNIS SA. a company with substantial know how in special construction projects, in combination with the upper (7th) grade of the Register of Contractors' Enterprises, further enhance the Group’s activities.

Furthermore, the company’s strategic plan comprises further penetration in the energy market and more specifically in the waste management. In respect of the above INTRAKAT S.A and SUEZ ENVIRONNEMENT have entered into a Cooperation Agreement to develop jointly municipal solid waste management projects in Greece. The agreement is oriented towards the development of waste-to-energy projects, an area in which SUEZ ENVIRONNEMENT has developed a world class experience, operating more than 50 large Waste-to-Energy facilities in Europe and overseas and processing over 7 million tons every year. This collaboration is meant to provide financially sustainable, technically proven and environment friendly solutions to the challenges of waste management in Greece.

HoL Group, in its new organisational structure, aims to become the largest, profitable alternative telecommunication services provider in Greece. The Group aims to the increase of market share and gives emphasis on the full utilisation of the privately owned infrastructures and the enhancement of its brand name. Its major concern is the decrease of the operational costs with an aim to increase profitability. The negative effect on operational cost deriving by intense investment programme and advertising expenditure, is expected to get moderated by the new organisational structure and the created synergies within the group.

The company, in line with its strategic planning, continues to aggressively invest in own network infrastructure and best in class IT systems to enhance quality of service and cost efficiency. Hellas On Line in cooperation with the best partners in the field of IPTV worldwide, including Microsoft, Motorola and Alcatel launched its IPTV offering focusing on service and experience, rather than content, leveraging on unique features and functionalities to transform traditional TV to an interactive experience.

Human capital remains for INTRACOM Holdings Group a major asset. Therefore, the Group steadily, invests on the employees professional development and advanced training.

PAIANIA 30 March 2009

Board of Directors

C) Independent Auditors' Report

To the Shareholders of INTRACOM HOLDINGS S.A.

Report on the Financial Statements

We have audited the accompanying corporate and consolidated financial statements of INTRACOM HOLDINGS S.A., which comprise the corporate and consolidated balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union (EU). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 management, as well as evaluating the overall presentation of the financial statements.

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 accompanying corporate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and of the Group as of 31 December 2008, 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 (EU).

Report on Other Legal and Regulatory Requirements

We verified the consistency and the correspondence of the content of the Report of the Board of Directors with the accompanying financial statements, under the legal frame of the articles 43a, 107 and 37 of c.L. 2190/1920.

Athens, 30 March 2009

Zoe D. Sofou	Michalis E. Chatzistavrakis
Certified Public Accountant Auditor	Certified Public Accountant Auditor
Institute of CPA (SOEL) Reg. No 14701	Institute of CPA (SOEL) Reg. No 26581

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3, Fok. Negri Street - Athens, Greece

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SOL s.a.
CERTIFIED PUBLIC ACCOUNTANTS - AUDITORS
Institute of CPA Reg. No 125
A Horwath Business Alliance Associate

D) Annual Financial Statements

In accordance with International Financial Reporting Standards

As adopted by the European Union

These financial statements have been translated from the original statutory financial statements that have been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language financial statements, the Greek language financial statements will prevail over this document.

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(All amounts in €'000)

Balance Sheet

		Group		Company	
ASSETS	**Note**	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Non-current assets					
Property, plant and equipment	6	333.853	277.397	39.869	39.265
Goodwill	7	58.259	54.695	-	-
Intangible assets	8	48.029	37.876	219	3.654
Investment property	9	63.125	50.049	60.450	55.244
Investments in subsidiaries	10	-	-	247.019	223.982
Investments in associates	11	116.397	117.475	116.175	116.175
Available for sale financial assets	13	13.287	24.525	9.514	16.769
Deferred income tax assets	14	1.536	1.616	-	-
Long-term loans	27	7.885	-	7.885	-
Trade and other receivables	15	21.884	31.027	361	12.238
		664.255	**594.659**	**481.493**	**467.327**
Current assets					
Inventories	16	49.137	48.987	-	-
Trade and other receivables	15	328.762	306.071	17.537	43.683
Construction contracts	17	24.950	20.772	-	-
Financial assets at fair value through profit or loss	18	552	1.245	-	-
Current income tax assets		18.360	13.848	5.376	4.971
Cash and cash equivalents	19	58.682	76.573	11.064	32.935
		480.443	**467.497**	**33.977**	**81.589**
Total assets		**1.144.698**	**1.062.156**	**515.470**	**548.917**
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	20	374.046	374.047	374.046	374.047
Reserves		58.618	136.943	106.204	137.433
		432.665	510.990	480.251	511.480
Minority interest		35.822	29.005	-	-
Total equity		**468.487**	**539.994**	**480.251**	**511.480**
LIABILITIES					
Non-current liabilities					
Borrowings	22	156.082	63.935	-	-
Deferred income tax liabilities	14	4.861	6.185	660	355
Retirement benefit obligations	23	4.481	4.053	504	530
Grants	24	11.390	1.763	-	-
Provisions for other liabilities and charges	25	2.482	957	-	-
Trade and other payables	26	25.388	7.928	-	-
		204.684	**84.821**	**1.164**	**885**
Current liabilities					
Trade and other payables	26	272.649	241.666	13.120	22.645
Current income tax liabilities		1.800	5.948	-	988
Construction contracts	17	7.699	2.460	-	-
Borrowings	22	176.233	180.598	19.294	12.777
Grants	24	1.235	-	-	-
Provisions for other liabilities and charges	25	11.912	6.668	1.642	142
		471.528	**437.341**	**34.056**	**36.552**
Total liabilities		**676.211**	**522.162**	**35.220**	**37.436**
Total equity and liabilities		**1.144.698**	**1.062.156**	**515.470**	**548.917**

The notes on pages 16 to 85 are an integral part of these financial statements.

(All amounts in €'000)

Income Statement - Group

		1/1 - 31/12/2008	1/1 - 31/12/2007		
	Note	**Continuing operations**	**Continuing operations**	**Discontinued operations**	**Total**
Sales		509.019	423.000	-	423.000
Cost of goods sold	28	(434.100)	(363.239)	-	(363.239)
Gross profit		**74.919**	**59.761**	**-**	**59.761**
Other operating income - net	30	5.481	5.232	-	5.232
Other gains/ (losses) - net	31	(24.919)	15.239	-	15.239
Selling and research costs	28	(47.704)	(37.831)	-	(37.831)
Administrative expenses	28	(61.497)	(52.111)	-	(52.111)
Loss from the disposal of sub-group	34	-	-	(770)	(770)
Operating loss		**(53.719)**	**(9.710)**	**(770)**	**(10.480)**
Finance expenses	32	(30.009)	(14.414)	-	(14.414)
Finance income	32	3.782	4.229	-	4.229
Finance costs-net		**(26.226)**	**(10.185)**	**-**	**(10.185)**
Share of losses of associates	11	(753)	(554)	-	(554)
Loss before income tax		**(80.699)**	**(20.450)**	**(770)**	**(21.220)**
Income tax expense	33	(2.696)	(15.689)	-	(15.689)
Loss for the year		**(83.394)**	**(36.139)**	**(770)**	**(36.909)**
Attributable to:					
Equity holders of the Company		(77.192)	(34.311)	(770)	(35.081)
Minority interest		(6.203)	(1.828)	-	(1.828)
		(83.394)	**(36.139)**	**(770)**	**(36.909)**
Earnings per share for loss attributable to the equity holders of the Company during the year (expressed in € per share)					
Basic	35	(0,59)	(0,26)	(0,01)	(0,27)
Diluted	35	(0,59)	(0,26)	(0,01)	(0,27)

The notes on pages 16 to 85 are an integral part of these financial statements.

(All amounts in €'000)

Income Statement - Company

	Note	1/1 - 31/12/2008 Continuing operations	1/1 - 31/12/2007 Continuing operations	Discontinued operations	Total
Sales		5.411	12.122	-	12.122
Cost of goods sold	28	(4.968)	(11.549)	-	(11.549)
Gross profit		**443**	**574**	-	**574**
Other operating income - net	30	5.349	4.192	-	4.192
Other gains/ (losses) - net	31	(24.638)	(3)	-	(3)
Selling and research costs	28	(410)	(273)	-	(273)
Administrative expenses	28	(14.333)	(7.579)	-	(7.579)
Loss from the disposal of sub-group	34	-	-	(770)	(770)
Operating profit/ (loss)		**(33.588)**	**(3.090)**	**(770)**	**(3.860)**
Finance expenses	32	(2.487)	(780)	-	(780)
Finance income	32	1.544	3.584	-	3.584
Finance costs-net		**(943)**	**2.805**	**-**	**2.805**
Loss before income tax		**(34.530)**	**(285)**	**(770)**	**(1.055)**
Income tax expense	33	(535)	(4.827)	-	(4.827)
Loss for the year		**(35.066)**	**(5.112)**	**(770)**	**(5.882)**
Earnings per share for loss attributable to the equity holders of the Company during the year (expressed in € per share)					
Basic	35	(0,27)	(0,04)	(0,01)	(0,05)
Diluted	35	(0,27)	(0,04)	(0,01)	(0,05)

The notes on pages 16 to 85 are an integral part of these financial statements.

(All amounts in €'000)

Statement of changes in equity - Group

	Note	Share capital	Other reserves	Retained earnings	Minority interest	Total equity
		Attributable to equity holders of the Company				
Balance at 1 January 2007		377.329	191.294	(5.272)	20.197	583.549
Loss for the year		-	-	(35.081)	(1.828)	(36.909)
Valuation of available-for-sale financial assets	21	-	491	-	1.289	1.780
Currency translation differences	21	-	(643)	-	(229)	(872)
Total recognised income and expense		-	(152)	(35.081)	(768)	(36.001)
Treasury shares	20	(3.509)	-	-	-	(3.509)
Expenses on issue of share capital (net of tax)	20	(14)	-	(499)	-	(512)
Employees share option scheme:		-	-	-	-	-
- value of employee services	20	-	149	-	33	182
- proceeds from shares issued	20	241	177	-	514	932
Dividend paid	36	-	(13.126)	-	(189)	(13.314)
Effect of acquisitions and changes in the share percentage held in subsidiaries		-	-	117	4.295	4.412
Effect of changes in the group structure		-	-	-	4.257	4.257
Transfer		-	8.289	(8.954)	665	0
		(3.282)	(4.510)	(9.336)	9.575	(7.554)
Balance at 31 December 2007		**374.047**	**186.632**	**(49.689)**	**29.005**	**539.994**
Balance at 1 January 2008		374.047	186.632	(49.689)	29.005	539.994
Loss for the year		-	-	(77.192)	(6.203)	(83.394)
Valuation of available-for-sale financial assets	21	-	(3.053)	-	(1.110)	(4.164)
Write off/ disposal of available-for-sale financial assets	21	-	3.802	-	-	3.802
Currency translation differences	21	-	(957)	-	(227)	(1.184)
Total recognised income and expense		-	(208)	(77.192)	(7.540)	(84.940)
Share capital increase of subsidiary	10	-	-	-	4.243	4.243
Expenses on issue of share capital (net of tax)	20	(1)	-	(782)	(237)	(1.020)
Employees share option scheme:		-	-	-	-	-
- value of employee services	20	-	174	-	6	180
Dividend paid		-	-	-	(262)	(262)
Effect of changes in the share percentage held in subsidiaries		-	-	(316)	(1.479)	(1.795)
Effect of acquisition of segments	38	-	-	-	12.087	12.087
Transfer		-	501	(501)	-	-
		(1)	675	(1.600)	14.357	13.432
Balance at 31 December 2008		**374.046**	**187.099**	**(128.481)**	**35.822**	**468.487**

Analysis of other reserves is presented in note 21.

The notes on pages 16 to 85 are an integral part of these financial statements.

(All amounts in €'000)

Statement of changes in equity – Company

	Note	Share capital	Other reserves	Retained earnings	Total equity
Balance at 1 January 2007		377.329	159.500	35	536.864
Loss for the year		-	-	(5.882)	(5.882)
Valuation of available-for-sale financial assets	21	-	(3.093)	-	(3.093)
Total recognised income and expense		-	(3.093)	(5.882)	(8.976)
Treasury shares	20	(3.509)	-	-	(3.509)
Expenses on issue of share capital (net of tax)	20	(14)	-	-	(14)
Dividends paid	36	-	(13.126)	-	(13.126)
Employees share option scheme:		-	-	-	-
- proceeds from shares issued	20	241	-	-	241
		(3.282)	(13.126)	-	(16.408)
Balance at 31 December 2007		**374.047**	**143.281**	**(5.848)**	**511.480**
Balance at 1 January 2008		374.047	143.281	(5.848)	511.480
Loss for the year		-	-	(35.066)	(35.066)
Valuation of available-for-sale financial assets	21	-	34	-	34
Write off of available-for-sale financial assets	21	-	3.802	-	3.802
Total recognised income and expense		-	3.837	(35.066)	(31.229)
Expenses on issue of share capital (net of tax)	20	(1)	-	-	(1)
		(1)	-	-	(1)
Balance at 31 December 2008		**374.046**	**147.118**	**(40.913)**	**480.251**

Analysis of other reserves is presented in note 21.

The notes on pages 16 to 85 are an integral part of these financial statements.

(All amounts in €'000)

Cash Flow Statement

		Group		Company	
	Note	1/1 - 31/12/2008	1/1 - 31/12/2007	1/1 - 31/12/2008	1/1 - 31/12/2007
Cash flows from operating activities					
Cash generated from operations	37	8.791	15.176	(2.340)	(4.217)
Interest paid		(24.344)	(14.414)	(1.487)	(780)
Income tax paid		(11.584)	(8.430)	(1.245)	(2.187)
Net cash generated from operating activities		**(27.138)**	**(7.668)**	**(5.072)**	**(7.184)**
Cash flows from investing activities					
Purchase of property, plant and equipment (PPE) / investment property		(52.763)	(88.706)	(8.077)	(3.600)
Purchase of intangible assets	8	(22.425)	(6.197)	-	-
Proceeds from sale of PPE		1.176	11.534	-	8.053
Proceeds from sale of investment property		-	1.253	-	1.253
Proceeds from sale of intangible assets		2.281	33	1.161	-
Acquisition of financial assets at fair value through profit or loss	18	(511)	(63)	-	-
Acquisition of available - for - sale financial assets	13	(6.878)	(1.775)	(6.878)	(1.735)
Sale of financial assets at fair value through profit or loss		448	272	-	-
Sale of available - for - sale financial assets		5.533	22	5.543	-
Acquisition of subsidiaries / businesses, net of cash acquired	38	(732)	(50.620)	(17.217)	(52.300)
Proceeds from sale of subsidiaries	10	-	29.230	4.877	29.576
Proceeds from sale of associates		-	746	-	-
Share capital increase of subsidiary	10	4.242	-	-	-
Acquisition of associate	11	(918)	(9.340)	-	(9.340)
Dividends received		97	90	3.936	1.600
Loans granted	27	(7.332)	-	(7.332)	-
Interest received		3.228	2.942	990	2.297
Cash of subsidiary due to change in consolidation method		-	8.803	-	-
Net cash from investing activities		**(74.553)**	**(101.773)**	**(22.996)**	**(24.194)**
Cash flows from financing activities					
Proceeds from issuance of ordinary shares	20	-	241	-	241
Purchase of treasury shares	20	-	(3.509)	-	(3.509)
Expenses on issue of share capital		(1.258)	(512)	(1)	(14)
Proceeds from share options		-	590	-	-
Dividends paid to Company's shareholders		(319)	(13.373)	(319)	(13.373)
Dividends paid to minority shareholders		(262)	(189)	-	-
Proceeds from borrowings		285.643	256.790	11.801	9.294
Repayments of borrowings		(203.050)	(168.091)	(5.281)	(845)
Grants received	24	7.557	1.644	-	-
Repayments of finance leases		(4.509)	(3.053)	(3)	(11)
Net cash from financing activities		**83.801**	**70.537**	**6.197**	**(8.218)**
Net decrease in cash and cash equivalents		**(17.891)**	**(38.904)**	**(21.871)**	**(39.596)**
Cash and cash equivalents at beginning of year		76.573	115.477	32.935	72.531
Cash and cash equivalents at end of year	19	**58.682**	**76.573**	**11.064**	**32.935**

The notes on pages 16 to 85 are an integral part of these financial statements.

Notes to the financial statements in accordance with International Financial Reporting Standards

1. General information

Intracom Holdings was founded in Greece and the Company's shares are traded in Athens Stock Exchange.

Intracom Group operates, through the 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.

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

These financial statements have been approved for issue by the Board of Directors on 30 March 2009 and are subject to approval by the Annual General Meeting of the Shareholders.

2. Summary of significant accounting policies

Basis of preparation

These 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 year ended 31 December 2008, in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union (EU).

These financial statements have been prepared under the historical cost convention, as modified by the available-for-sale financial assets and financial assets at fair value through profit or loss, which are carried at fair value.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. Moreover, the use of estimates and assumptions is required that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of preparation of financial statements and the reported income and expense amounts during the reporting period. Although these estimates are based on the best possible knowledge of management with respect to the current conditions and activities, the actual results can eventually differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

Accounting policies used in the preparation of the financial statements of subsidiaries, associates and joint ventures are consistent with those applied by the parent company.

New standards, interpretations and amendments

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current reporting period and subsequent reporting periods. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

(α) Standards/ interpretations effective in 2008

IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement" and IFRS 7 (Amendment) "Financial instruments: Disclosures" – Reclassification of Financial Assets

This amendment permits an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss category in particular circumstances. The amendment also permits an entity to transfer from the available-for-sale category to the loans and receivables category a financial asset that would have met the definition of loans and receivables (if the financial asset had not been designated as available for sale), if the entity has the intention and ability to hold that financial asset for the foreseeable future. This amendment did not have any impact on the Group's financial statements.

IFRIC 11 – IFRS 2 "Group and Treasury share transactions"

This interpretation clarifies the treatment where employees of a subsidiary receive the shares of a parent. It also clarifies whether certain types of transactions are accounted for as equity-settled or cash-settled transactions.

Intracom Holdings has adopted IFRIC 11 in the annual financial statements of 2006.

IFRIC 12 "Service Concession Arrangements"

IFRIC 12 outlines an approach to account for contractual (service concession) arrangements arising from entities providing public services. It provides that the operator should not account for the infrastructure as property, plant and equipment, but recognise a financial asset and/or an intangible asset. This amendment did not have any impact on the Group's financial statements.

IFRIC 14 "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" (effective for annual periods beginning on or after 1 January 2008)

IFRIC 14 provides guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognised as an asset under IAS 19 Employee Benefits. It also explains how this limit, also referred to as the "asset ceiling test", may be influenced by a minimum funding requirement and aims to standardize current practice. The Group does not operate any funded plans and therefore this interpretation is not applicable to the Group's operations.

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

IAS 1 (Revised) "Presentation of Financial Statements" (effective for annual periods beginning on or after 1 January 2009)

IAS 1 has been revised to enhance the usefulness of information presented in the financial statements. The key changes are: the requirement that the statement of changes in equity include only transactions with shareholders, the introduction of a new statement of comprehensive income that combines all items of income and expense recognised in profit or loss together with "other comprehensive income", and the requirement to present restatements of financial statements or retrospective application of a new accounting policy as at the beginning of the earliest comparative period. The Group will apply these amendments and make the necessary changes to the presentation of its financial statements for the year 2009.

IAS 23 (Amendment) "Borrowing costs" (effective for annual periods beginning on or after 1 January 2009)

The benchmark treatment in the existing standard of expensing all borrowing costs to the income statement is eliminated in the case of qualifying assets. All borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset must be capitalised. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. In accordance with the transitional requirements of the Standard, the Group will adopt this as a prospective change. Accordingly, borrowing costs will be capitalised on qualifying assets with a commencement date after the effective date. No changes will be made for borrowing costs incurred to this date that have been expensed.

IAS 32 (Amendment) "Financial Instruments: Presentation" and IAS 1 (Amendment) "Presentation of Financial Statements" – Puttable Financial Instruments (effective for annual periods beginning on or after 1 January 2009)

The Group does not expect these amendments to impact its financial statements, as it does not have puttable financial instruments.

IAS 39 (Amended) "Financial Instruments: Recognition and Measurement" – Eligible Hedged Items (effective for annual periods beginning on or after 1 July 2009)

This amendment is not applicable to the Group as it does not apply hedge accounting in terms of IAS 39.

IFRS 1 (Amendment) "First time adoption of IFRS" and IAS 27 (Amendment) "Consolidated and separate financial statements" (effective for annual periods beginning on or after 1 January 2009)

As the parent company and all its subsidiaries have already transitioned to IFRS, the amendment will not have any impact on the Group's financial statements.

IFRS 2 (Amendment) "Share Based Payment" – Vesting Conditions and Cancellations (effective for annual periods beginning on or after 1 January 2009)

The Group expects that this Interpretation will have no impact on its financial statements.

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)

A revised version of IFRS 3 Business Combinations and an amended version of IAS 27 Consolidated and Separate Financial Statements were issued by IASB on January 10, 2008. IFRS 3R 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). IAS 27R 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 raise 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 IFRS 3 and IAS 27 will be applied prospectively and will affect future acquisitions and transactions with minority interests.

IFRS 8 "Operating Segments" (effective for annual periods beginning on or after 1 January 2009)

IFRS 8 replaces IAS 14 'Segment Reporting' and adopts a management-based approach to segment reporting. The information reported would be that which management uses internally for evaluating the performance of operating segments and allocating resources to those segments. This information may be different from that reported in the balance sheet and income statement and entities will need to provide explanations and reconciliations of the differences. The Group is in the process of assessing the impact of this standard on its financial statements and will adopt IFRS 8 from 1 January 2009.

IFRIC 13 "Customer Loyalty Programmes" (effective for annual periods beginning on or after 1 July 2008)

The Group expects that this Interpretation will have no impact on its financial statements as no such schemes currently exist.

IFRIC 15 "Agreements for the construction of real estate" (effective for annual periods beginning on or after 1 January 2009)

This interpretation addresses the diversity in accounting for real estate sales. Some entities recognise revenue in accordance with IAS 18 (i.e. when the risks and rewards in the real estate are transferred) and others recognise revenue as the real estate is developed in accordance with IAS 11. The interpretation clarifies which standard should be applied to particular. The Group is in the process of assessing the impact of this interpretation on its financial statements.

IFRIC 16 "Hedges of a net investment in a foreign operation" (effective for annual periods beginning on or after 1 October 2008)

This interpretation is not relevant to the Group as the Group does not apply hedge accounting for any investment in a foreign operation.

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 May 2008 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 2009.

IAS 1 (Amendment) "Presentation of financial statements"

The amendment clarifies that some rather than all financial assets and liabilities classified as held for trading in accordance with IAS 39 "Financial instruments: Recognition and measurement" are examples of current assets and liabilities respectively. The Group will apply this amendment from 1 January 2009 but it is not expected to have an impact on the Group's financial statements.

IAS 16 (Amendment) "Property, plant and equipment" (and consequential amendment to IAS 7 "Statement of cash flows")

This amendment requires that entities whose ordinary activities comprise renting and subsequently selling assets present proceeds from the sale of those assets as revenue and should transfer the carrying amount of the asset to inventories when the asset becomes held for sale. A consequential amendment to IAS 7 states that cash flows arising from purchase, rental and sale of those assets are classified as cash flows from operating activities. The amendment will not have an impact on the Group's operations because none of the companies in the Group have ordinary activities that comprise renting and subsequently selling assets.

IAS 19 (Amendment) "Employee benefits"

The changes to this standard are as follows:

- A plan amendment that results in a change in the extent to which benefit promises are affected by future salary increases is a curtailment, while an amendment that changes benefits attributable to past service gives rise to a negative past service cost if it results in a reduction in the present value of the defined benefit obligation.
- The definition of return on plan assets has been amended to state that plan administration costs are deducted in the calculation of return on plan assets only to the extent that such costs have been excluded from measurement of the defined benefit obligation.
- The distinction between short term and long term employee benefits will be based on whether benefits are due to be settled within or after 12 months of employee service being rendered.
- IAS 37, 'Provisions, contingent liabilities and contingent assets', requires contingent liabilities to be disclosed, not recognised. IAS 19 has been amended to be consistent.

The Group will apply theses amendments from 1 January 2009. It is not expected that these amendments will have an impact on the Group financial statements.

IAS 20 (Amendment) "Accounting for government grants and disclosure of government assistance"

The amendment requires that the benefit of a below-market rate government loan is measured as the difference between the carrying amount in accordance with IAS 39 "Financial instruments: Recognition and measurement" and the proceeds received with the benefit accounted for in accordance with IAS 20. The amendment will not have an impact on the Group's operations.

IAS 27 (Amendment) "Consolidated and separate financial statements"

This amendment states that where an investment in a subsidiary that is accounted for under IAS 39 "Financial instruments: Recognition and measurement" is classified as held for sale under IFRS 5 "Non-current assets held for sale and discontinued operations" that IAS 39 would continue to be applied. The amendment will not have an impact on the Group's financial statements because it is the Group's policy for an investment in a subsidiary to be recorded at cost in the standalone financial statements.

IAS 28 (Amendment) "Investments in associates" (and consequential amendments to IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial instruments: Disclosures")

In terms of this amendment, an investment in associate is treated as a single asset for the purposes of impairment testing and any impairment loss is not allocated to specific assets included within the investment. Reversals of impairment are recorded as an adjustment to the investment balance to the extent that the recoverable amount of the associate increases. The Group will apply this amendment from 1 January 2009.

IAS 28 (Amendment) "Investments in associates" (and consequential amendments to IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial instruments: Disclosures")

This amendment states that where an investment in associate is accounted for in accordance with IAS 39 "Financial instruments: Recognition and measurement" only certain, rather than all disclosure requirements in IAS 28 need to be made in addition to disclosures required by IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial Instruments: Disclosures".

The amendment will not have an impact on the Group's financial statements as it does not have investments in associates accounted for in accordance with IAS 39.

IAS 29 (Amendment) "Financial reporting in hyperinflationary economies"

The amendment will not have an impact on the Group's operations, as none of the Group's subsidiaries or associates operate in hyperinflationary economies.

IAS 31 (Amendment) "Interests in joint ventures" and consequential amendments to IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial instruments: Disclosures")

This amendment states that where an investment in joint venture is accounted for in accordance with with IAS 39 "Financial instruments: Recognition and measurement" only certain, rather than all disclosure requirements in IAS 31 need to be made in addition to disclosures required by IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial Instruments: Disclosures". The amendment will not have an impact on the Group's operations as there are no interests held in joint ventures accounted for in accordance with IAS 39.

IAS 36 (Amendment) "Impairment of assets"

This amendment requires that were fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made. The Group will apply this amendment and provide the required disclosure where applicable for impairment tests from 1 January 2009.

IAS 38 (Amendment) "Intangible assets"

This amendment states that a payment can only be recognised as a prepayment if that payment has been made in advance of obtaining right of access to goods or receipt of services. This amendment effectively means that once the Group has access to the goods or has received the services then the payment has to be expensed. The Group will apply this amendment from 1 January 2009.

IAS 38 (Amendment) "Intangible assets"

This amendment deletes the wording that states that there is "rarely, if ever" support for use of a method that results in a lower rate of amortisation than the straight line method. The amendment will not currently have an impact on the Group's operations as all intangible assets are amortised using the straight line method.

IAS 39 (Amendment) "Financial instruments: Recognition and measurement"

The changes to this standard are as follows:

- It is possible for there to be movements into and out of the fair value through profit or loss category where a derivative commences or ceases to qualify as a hedging instrument in cash flow or net investment hedge.
- The definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading is amended. This clarifies that a financial asset or liability that is part of a portfolio of financial instruments managed together with evidence of an actual recent pattern of short-term profit-taking is included in such a portfolio on initial recognition.
- The current guidance on designating and documenting hedges states that a hedging instrument needs to involve a party external to the reporting entity and cites a segment as an example of a reporting entity. This means that in order for hedge accounting to be applied at segment level, the requirements for hedge accounting are currently required to be met by the applicable segment. The amendment removes this requirement so that IAS 39 is consistent with IFRS 8, 'Operating segments' which requires disclosure for segments to be based on information reported to the chief operating decision maker.

- When re-measuring the carrying amount of a debt instrument on cessation of fair value hedge accounting, the amendment clarifies that a revised effective interest rate (calculated at the date fair value hedge accounting ceases) is used.

The Group will apply the IAS 39 (Amendment) from 1 January 2009. It is not expected to have an impact on the Group's financial statements.

IAS 40 (Amendment) "Investment property" (and consequential amendments to IAS 16 "Property, plant and equipment")

The amendment states that property that is under construction or development for future use as investment property is within the scope of IAS 40. Where the fair value model is applied, such property is, therefore, measured at fair value. However, where fair value of investment property under construction is not reliably measurable, the property is measured at cost until the earlier of the date construction is completed and the date at which fair value becomes reliably measurable. The Group is in the process of assessing the impact of this amendment on its financial statements.

IAS 41 (Amendment) "Agriculture"

The amendment will not have an impact on the Group's operations as no agricultural activities are undertaken.

IFRS 5 (Amendment) "Non-current assets held for sale and discontinued operations" (and consequential amendment to IFRS 1 "'First-time adoption") (effective for annual periods beginning on or after 1 July 2009)

The amendment clarifies that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control, and relevant disclosure should be made for this subsidiary if the definition of a discontinued operation is met. A consequential amendment to IFRS 1 states that these amendments are applied prospectively from the date of transition to IFRS. The Group will apply this amendment prospectively to all partial disposals of subsidiaries from 1 January 2010.

Consolidated financial statements

(a) Business combinations and subsidiaries

Subsidiaries, which are those entities in which the Group has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies, are consolidated. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the sum of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued by the Group, in exchange for control of the acquiree plus any costs directly attributable to the acquisition. The acquired identifiable assets, liabilities and contingent liabilities are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interests. The excess of the cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill. Where the cost of the acquisition is less than the fair value of the Group's share of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Purchases of minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of the net assets of the subsidiary. In case of sale of minority interests, any gain or loss is recorded in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless cost cannot be recovered.

The Company accounts for investments in subsidiaries in its stand alone financial statements at cost less impairment.

(b) Joint ventures

Joint ventures or jointly controlled entities are accounted for by proportional consolidation. The Group combines its share in the joint venture on a line-by-line basis in the financial statements.

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realizable value of current assets or an impairment loss, the loss is recognised immediately.

Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Company accounts for investments in joint ventures in its stand alone financial statements at cost less impairment.

(c) Associates

Associates are entities over which the Group generally has between 20% and 50% of the voting rights, or over which the Group has significant influence, but which it does not control. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any cumulative impairments losses) identified in acquisition.

Under this method the Group's share of the post-acquisition profits or losses of associates is recognised in the income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The Group's investment in associates includes goodwill (net of accumulated amortisation) on acquisition. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless the Group has incurred obligations or made payments on behalf of the associates.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Company accounts for investments in associates in its stand alone financial statements at cost less impairment.

Segmental reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

The Group prepares primary segmental reporting on a business basis and secondary segmental reporting on a geographical basis.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Euros, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

1. Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
2. Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
3. All resulting exchange differences are recognised as a separate component of equity and are transferred to income statement upon disposal of these entities. .

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Investment property

Investment property, principally comprising land and buildings, is held by the Group for long-term rental yields. Investment property is measured at cost less depreciation. When the carrying amounts of the investment property exceed their recoverable amounts, the difference (impairment) is charged directly in the income statement.

The Company classifies all land and buildings rented to subsidiaries as investment property in its stand alone financial statements.

Property, plant and equipment

All property, plant and equipment ("PPE") is shown at cost less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group higher than the initially expected according to the initial return of the financial asset and under the assumption that the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on PPE is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, in order to write down the cost in its residual value. The expected useful life of property, plant and equipment is as follows:

- Buildings	33 - 34	Years
- Machinery, installations and equipment	10	Years
- Motor vehicles	5 - 7	Years
- Telecommunications equipment	5 - 10	Years
- Other equipment	5 - 10	Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

When the carrying amount of the asset is higher than its recoverable amount, the resulting difference (impairment loss) is recognized immediately as an expense in the income statement.

In case of sale of property, plant and equipment, the difference between the sale proceeds and the carrying amount is recognized as profit or loss in the income statement.

Finance costs are recognized in the income statement in the period in which they arise.

Leases

(a) Finance leases

Leases of property, plant and equipment whereby the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property, plant and equipment and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. If there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

(b) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Goodwill

Goodwill is not amortized but is tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Goodwill acquired on a business combination is allocated to the cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. If the carrying amount of the cash-generating unit, including goodwill that has been allocated, exceeds the recoverable amount of the unit, impairment is recognized.

Gains and losses on the disposal of a cash-generating unit to which goodwill has been allocated include the carrying amount of goodwill relating to the part sold.

Goodwill on business combinations has been allocated and is monitored by the Group on the basis of the cash-generating units which have been identified according to the provisions of IAS 36 "Impairment of Assets". The Group has performed impairment tests, at a Group level, on cash-generating units to which goodwill has been allocated, and no impairment loss has resulted.

Intangible assets

The caption 'intangible assets' includes:

a) Computer software: Purchased computer software is stated at historical cost less subsequent amortisation. Amortisation is calculated using the straight-line method over the useful economic lives, not exceeding a period of 3-8 years. Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Group (internally-generated software), are recognised as part of intangible assets. Direct costs include materials, staff costs of the software development team and an appropriate portion of relevant overheads. Internally-generated software is amortised using the straight-line method over its useful live, not exceeding a period of 5-10 years.

b) Customer acquisition costs: they relate to one-off connection fees as well as commissions paid for the acquisition of new customers of the subsidiary company Hellas on Line and are amortised over 12 months, which is the contract period with the customer.

c) Customer relationships: they relate to amounts recognised on the acquisition of the subsidiary companies Hellas on Line SA, Attica Telecommunications SA and IT Services Denmark A/S and they are amortised over a period of 9, 10 and 10 years respectively.

d) Trade name: it mainly relates to asset recognised on the acquisition of the subsidiary company Hellas on Line SA. The trade name has an indefinite useful life.

Impairment of assets

(i) Non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually and whenever events indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment at each balance sheet date and are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised, as an expense immediately, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset in an arms' length transaction between knowledgeable, willing parties, less the costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(ii) Financial assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

The financial assets that are reviewed for impairment (provided that the relative indications exist) are assets stated at cost (investments in subsidiaries and associates in the balance sheet of the parent company), assets measured at amortised cost based on the effective interest rate method (non-current receivables) and available for sale investments.

The recoverable amount of investments in subsidiaries and associates is determined in the same way as for non-financial assets.

For the purposes of impairment testing of the other financial assets the recoverable amount is determined based on the present value of future cash flows, discounted using the original asset-specific rate or a rate of a similar financial asset. Any resulting impairment losses are recognised in the income statement.

Financial assets

The Group classifies its investments in the following categories. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

(a) Financial assets at fair value through profit or loss

This category refers to financial assets acquired principally for the purpose of selling in the short term or if so designated by Management. Derivatives are also categorised as held for trading unless they are designated as hedges. If these assets are either held for trading or are expected to be realised within 12 months of the balance sheet date these assets are classified as current assets.

(b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets.

Loans and receivables are carried at amortised cost using the effective interest method.

(c) Held-to-maturity investments

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets.

(d) Available-for-sale financial assets

These are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on trade date, which is the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of investments classified as available-for-sale are recognised in equity. When investments classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise.

The fair values of quoted investments are based on year-end bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances. In cases where the fair value cannot be measured reliably, investments are measured at cost.

Derivative financial instruments and hedging accounting

Derivative financial instruments include forward exchange contracts, currency and interest-rate swaps.

Derivatives are initially recognised on balance sheet at cost (including transaction costs) and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices and discounted cash flow models.

All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The gains and losses on derivative financial instruments held for trading are included in the income statement.

The Group uses derivatives to hedge foreign currency and interest rate risks. The Group designates derivatives as either fair value hedges or cash flow hedges when the required criteria are met. For derivatives that do not meet the conditions for hedge accounting, gains or losses from changes in the fair value are included in the income statement.

The Group designates derivatives, for the purposes of hedge accounting, as:

- Fair value hedges when they are used to hedge the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when they are used to hedge the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.
- Hedges of net investment in a foreign operation

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity in relation to cash flow hedges are recycled in the income statement in the periods when the hedged item will affect profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Certain derivatives, while used by the Group as effective hedges, do not satisfy the criteria for hedge accounting of IAS39 and as a result the relevant gains or losses are recognized in the income statement.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished and semi-finished goods, by-products and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses and in case of work-in-progress estimated costs to completion.

Provisions for slow-moving or obsolete inventories are formed when necessary.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

Factoring

Trade and other receivables are reduced by the amounts that have been received in advance under factoring agreements without recourse.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Non-current assets held for sale and discontinued operations

The Group classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The basic criteria to classify a non-current asset (or disposal group) as held for sale are that it must be available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets and its sale must be highly probable.

For the sale to be highly probable:

- the appropriate level of management must be committed to a plan to sell the asset (or disposal group)
- an active programme to locate a buyer and complete the plan must have been initiated
- the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value
- the sale should be expected to be completed within one year from the date of classification
- the actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Immediately prior to initial classification of a non current asset (or disposal group) as held for sale, the asset (or the assets and liabilities included in the disposal group) will be measured in accordance with the applicable IFRSs.

Non-current assets (or disposal groups) that are classified as assets held for sale are stated at the lower of carrying amount and fair value less costs to sell and any possible resulting impairment losses are recognised in the income statement. Any subsequent increase in fair value will be recognised in the income statement, but not in excess of the cumulative impairment loss which was previously recognised.

While a non-current asset (or non-current assets that are included in a disposal group) is classified as held for sale, it should not be depreciated or amortised.

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown after the reduction of the relative income tax in reduction to the product of issue. Incremental costs directly attributable to the issue of new shares for the acquisition of other entities are included in the cost of acquisition of the new company.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowing costs

All borrowing costs are recognized in the income statement as incurred.

Current income tax

Current income tax is computed based on the separate financial statements of each of the entities included in the consolidated financial statements, in accordance with the tax rules in force in Greece and other tax jurisdictions in which foreign subsidiaries operate. Current income tax expense consists of income taxes for the current year based on each entity's profits as adjusted in its tax returns and additional income taxes to cover potential tax assessments which are likely to occur from tax audits by the tax authorities, using the enacted tax rates.

Trade payables

Trade payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date.

Employee benefits

(a) Pension obligations

The Group contributes to both defined benefit and defined contribution plans.

The regular contributions for defined contribution plans constitute net periodic costs for the year in which they are due and as such are included in staff costs.

The liability in respect of defined benefit pension or retirement plans is the present value of the defined benefit obligation at the balance sheet date minus the fair value of plan assets (where funded) together with adjustments for actuarial gains/ losses and past service cost. Independent actuaries using the projected unit credit method calculate the defined benefit obligation annually.

Cumulative actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation are spread to income over the employees' expected average remaining working lives. Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

(b) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

Where there is uncertainty about the number of employees who will accept an offer of termination benefits, the Group discloses information about the contingent liability.

(c) Share-based plans

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

Provisions

Provisions are recognized when:

1. There is present legal or constructive obligation as a result of past events
2. It is probable that an outflow of resources will be required to settle the obligation
3. The amount can be reliably estimated.

(a) Warranties

The Group recognizes a provision that represents the present value of the estimated liability for the repair or replacement of guaranteed products or concerning the delivery of projects / rendering of services at the balance sheet date. This provision is calculated on the basis of historical facts over repairs and replacements.

(b) Compensated absences

The claims over compensated absences are recognized as incurred. The Group recognizes the expected cost of short-term employee benefits in the form of compensated absences based on their unused entitlement at the balance sheet date.

(c) Loss-making contracts

The Group recognizes a provision with an immediate charge to the income statement for loss-making construction contracts or long-term service contracts when the expected revenues are lower than the unavoidable expenses which are estimated to arise in order that the contract commitments are met.

Revenue recognition

Revenue comprises the fair value of the sale of goods and services, net of value-added tax, rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

(a) Sales of goods

Sales of goods are recognized when a Group entity has delivered products to the customer; the customer has accepted the products; and collectibility of the related receivables is reasonably assured.

(b) Sales of services

Sales of services are recognized in the accounting period in which the services are rendered, by reference to the stage of completion of the specific service. The stage of completion is assessed on the basis of the costs of the actual services provided until the balance sheet date as a proportion of the costs of the total estimated services to be provided under each contract. Costs of services are recognized in the period incurred. When the services to be provided under a contract cannot be reliably estimated, revenue is recognized only to the extent of costs incurred that are possibly recoverable.

(c) Construction contracts

Revenue from fixed price contracts are recognized, as long as the contract outcome can be estimated reliably, on the percentage of completion method, measured by reference to the percentage of labour hours incurred to date to estimated total labour hours for each contract.

Revenue from cost plus contracts is recognized by reference to the recoverable costs incurred during the period plus the fee earned, measured by the proportion that costs incurred to date bear to the estimated total costs of the contract.

(d) Interest

Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate. Subsequently, interest is recognized on the impaired value.

(e) Dividends

Dividends are recognized when the right to receive payment is established.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares held as treasury shares.

Diluted earnings per share is calculated by dividing the profit attributable to equity holders of the Company (after deducting interest on convertible shares, net of tax) by the weighted average number of ordinary shares outstanding during the year (adjusted for the effect of dilutive convertible shares).

Roundings

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

(All amounts in €'000)

3. Financial risk management

Financial risk factors

INTRACOM S.A., being a Greek multinational company, is exposed to a variety of financial risks, including market risk (the effects of changes in foreign currency exchange rates, interest rates and market prices), credit risk, liquidity risk and cash flow and fair value interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group as a whole.

The financial liabilities of the Group (apart from trade payables) include short-term bank loans, bond loans and finance lease agreements, through which the Group finances its working capital and capital expenditure needs. Moreover, the Group manages financial assets, mainly short-term bank deposits and long-term investments with guaranteed capital arising from operating activities.

At the end of the current period there are no open positions in derivatives. In any case, such instruments are used exclusively for the hedging of interest or exchange rate risk, since according to the approved policy, speculative use is not permitted.

In summary, the financial risks that arise from the above are market risk, credit risk, liquidity risk and interest rate risk which are analyzed below.

(a) Market risk

Foreign exchange risk

The foreign exchange risk of the Group is limited, since for most of the foreign currency receivables, there are corresponding payables in the same currency. Almost all foreign currency contracts for both assets and liabilities are denominated in USD.

In cases where natural hedge is not adequate due to large amounts of foreign currency payables, the Group may convert part of the borrowings to that currency or may use forward currency contracts.

The Group's policy is to maintain a minimum amount of cash in foreign currency, to meet short-term liabilities in that currency.

The following table presents the sensitivity of the Group's net profit in possible fluctuations of the foreign exchange rates for the years 2007 and 2008. This analysis takes into consideration borrowings and cash and cash equivalents of the Group, as well as trade receivables and payables in USD as at 31st December 2007 and 2008 respectively.

Increase in EUR/USD rate by	Effect on net profit 31/12/2008	Effect on net profit 31/12/2007
3,00%	(114)	(14)
6,00%	(228)	(27)
9,00%	(342)	(41)
12,00%	(456)	(54)

(All amounts in €'000)

The following table presents the sensitivity of the Company's net profit in possible fluctuations of the foreign exchange rates for the years 2007 and 2008. This analysis takes into consideration borrowings and cash and cash equivalents of the Company, as well as trade receivables and payables in USD as at 31st December 2007 and 2008 respectively.

Increase in EUR/USD rate by	Effect on net profit 31/12/2008	Effect on net profit 31/12/2007
3,00%	(33)	(78)
6,00%	(67)	(156)
9,00%	(100)	(234)
12,00%	(133)	(312)

Price risk

The Group has limited exposure to changes in the prices of the shares held either for trading or as available for sale financial assets.

(b) Credit risk

The sales transactions of the Group are made to private companies and public sector organisations with an appropriate credit history, with which in many cases there is a long standing relationship. In cases that vendor financing to an overseas customer is required, the Group insures its credit risk via the Export Credit Insurance Organisation (ECIO). As a result, the risk of doubtful debts is considered limited.

Regarding credit risk related to cash deposits, the Group collaborates only with financial institutions of high credit rating, while at the same time no financial institution has more than 15% of the managed assets.

(c) Liquidity risk

Each subsidiary draws up and monitors on a monthly basis a cash flow schedule that includes the operating as well as the investing cash flows. All subsidiaries submit to Intracom Holdings on a weekly basis a detailed report of their cash and credit position, in order that an effective monitoring and co-ordination on a group level is achieved.

On 31 December 2008 current and non-current borrowings of the Group amounted to 49% and 51% of total borrowings respectively. These ratios result from the achievement of the objectives set during the previous year regarding the replacement of short-term borrowings with medium-term bond loans.

(d) Cash flow and fair value interest rate risk

The interest-rate risk arises mainly from the fact that almost all of the Group's borrowings carry floating interest rates. The Group assesses that during the current period, interest rate risk is limited since it is expected that interest rates will either remain stable or drop in the medium-term.

The following tables present the sensitivity of the Group's net profit in possible fluctuations of the interest rates for the years 2007 and 2008. The analysis takes into consideration borrowings and cash and cash equivalents of the Group as at 31st December 2007 and 2008 respectively.

(All amounts in €'000)

Financial instruments in Euro

Increase in interest rates (Base units)	Effect on net profit 31/12/2008	Effect on net profit 31/12/2007
25,00%	(697)	(440)
50,00%	(1.394)	(881)
75,00%	(2.091)	(1.321)
100,00%	(2.789)	(1.762)

Financial instruments in USD

Increase in interest rates (Base units)	Effect on net profit 31/12/2008	Effect on net profit 31/12/2007
25,00%	15	14
50,00%	29	28
75,00%	44	43
100,00%	58	57

The following tables present the sensitivity of the Company's net profit in possible fluctuations of the interest rates for the years 2007 and 2008. The analysis takes into consideration borrowings and cash and cash equivalents of the Company as at 31st December 2007 and 2008 respectively.

Financial instruments in Euro

Increase in interest rates (Base units)	Effect on net profit 31/12/2008	Effect on net profit 31/12/2007
25,00%	(30)	41
50,00%	(60)	83
75,00%	(90)	124
100,00%	(120)	165

(All amounts in €'000)

Financial instruments in USD

Increase in interest rates (Base units)	Effect on net profit 31/12/2008	Effect on net profit 31/12/2007
25,00%	5	7
50,00%	9	14
75,00%	14	21
100,00%	19	28

Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital.

Group's capital is considered sufficient on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital employed is calculated as 'equity attributable to the Company's equity holders' as shown in the consolidated balance sheet plus net debt.

	Group		Company	
	1/1 - 31/12/2008	**1/1 - 31/12/2007**	**1/1 - 31/12/2008**	**1/1 - 31/12/2007**
Total borrowings (Note 22)	332.315	244.533	19.294	12.777
Less: Cash and cash equivalents (Note 19)	(58.682)	(76.573)	(11.064)	(32.935)
Net borrowings	**273.633**	**167.960**	**8.230**	**(20.158)**
Equity	468.487	539.994	480.251	511.480
Total capital employed	**742.120**	**707.955**	**488.481**	**491.322**
Gearing ratio	36,87%	23,72%	1,68%	-4,10%

Fair value estimation

The fair value of financial instruments traded in active markets (stock exchange) (i.e. derivatives, stocks, bonds) is based on quoted market rates at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

In assessing the fair value of non-traded financial instruments, the Group uses a variety of valuation methods and makes assumptions that are based on market conditions existing at each balance sheet date.

The nominal values less any estimated credit adjustments of financial assets are assumed to approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

4. Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims.

- The Group uses the percentage of completion method of IAS 11 in order to recognise revenue from construction contracts. Revenue is recognised by reference to the stage of completion of the project at the balance sheet date, based on actual amounts compared to total estimated amounts. Possible adjustments to total estimated contract costs and revenues are taken into consideration in the period in which they arise.

- The Group tests annually whether goodwill has suffered any impairment. This tests are based either on discounted cash flows (value in use), or on fair values less costs to sell.

5. Segment information

Primary reporting format – business segments

At 31 December 2008, the Group is organised into five business segments:

1. Telecommunications systems
2. Technology solutions for government and banking sector
3. Defence systems
4. Construction
5. Telecom operations

(All amounts in €'000)

The segment results from continuing operations for the year ended 31 December 2008 were as follows:

	Telecommunications systems	Technology solutions for government and banking sector	Defence systems	Construction	Telecom operations	Unallocated	Total
Sales	**27.119**	**141.715**	**65.298**	**166.654**	**102.541**	**5.691**	**509.019**
Operating profit/(loss)	(130)	4.504	3.072	3.968	(29.378)	(35.754)	**(53.719)**
Finance costs - net							**(26.226)**
Share of (loss) / profit of associates	(1.042)	-	-	296	-	(8)	**(753)**
Loss before income tax from continuing operations							**(80.699)**

Other segment items included in the income statement are as follows:

	Telecommunications systems	Technology solutions for government and banking sector	Defence systems	Construction	Telecom operations	Unallocated	Total
Depreciation of PPE (note 28)	199	1.240	2.049	3.568	15.566	1.801	**24.423**
Amortisation of intangible assets (note 28)	310	1.228	356	360	10.943	1.210	**14.408**
Depreciation of investment property (note 28)	-	-	85	16	-	526	**627**
Impairment of receivables (note 28)	-	2.100	-	1.739	4.084	56	**7.979**

The segment assets and liabilities at 31 December 2008 and the capital expenditure for the year are as follows:

	Telecommunications systems	Technology solutions for government and banking sector	Defence systems	Construction	Telecom operations	Unallocated	Total
Assets	7.694	151.138	115.988	232.885	348.430	172.165	**1.028.300**
Associates (note 11)	114.930	-	-	1.272	-	195	**116.397**
Total assets	**122.624**	**151.138**	**115.988**	**234.157**	**348.430**	**172.360**	**1.144.698**
Total liabilities	**4.646**	**114.967**	**29.076**	**158.342**	**334.650**	**34.530**	**676.211**
Capital expenditure (notes 6,8 and 9)	**55**	**4.116**	**2.695**	**8.016**	**92.366**	**8.685**	**115.934**

The column unallocated includes the assets and liabilities of the parent company.

(All amounts in €'000)

The segment results from continuing operations for the year ended 31 December 2007 were as follows:

	Telecommunications systems	Technology solutions for government and banking sector	Defence systems	Construction	Telecom operations	Unallocated	Total
Sales	**35.641**	**129.202**	**79.285**	**129.303**	**47.965**	**1.604**	**423.000**
Operating profit/(loss)	(1.730)	2.901	4.291	5.792	(28.256)	7.292	(9.710)
Finance costs - net							(10.185)
Share of (loss)/ profit of associates	(576)	-	-	244	(234)	11	(554)
Loss before income tax from continuing operations							**(20.450)**

Other segment items included in the income statement are as follows:

	Telecommunications systems	Technology solutions for government and banking sector	Defence systems	Construction	Telecom operations	Unallocated	Total
Depreciation of PPE (note 28)	446	1.340	2.017	2.954	7.294	1.702	15.752
Amortisation of intangible assets (note 28)	961	1.362	1.106	508	4.477	1.600	10.013
Depreciation of investment property (note 28)	-	-	88	-	-	419	507
Impairment of receivables (note 28)	-	1.141	-	1.803	1.435	-	4.380

The segment assets and liabilities at 31 December 2007 and the capital expenditure for the year are as follows:

	Telecommunications systems	Technology solutions for government and banking sector	Defence systems	Construction	Telecom operations	Unallocated	Total
Assets	13.235	157.221	129.778	185.726	249.986	208.735	944.680
Associates (note 11)	116.973	-	-	327	-	176	117.476
Total assets	**130.207**	**157.221**	**129.778**	**186.053**	**249.986**	**208.910**	**1.062.156**
Total liabilities	**9.647**	**110.218**	**40.518**	**124.853**	**201.772**	**35.155**	**522.162**
Capital expenditure (notes 6,8 and 9)	**731**	**2.286**	**825**	**6.574**	**89.441**	**3.610**	**103.466**

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties.

(All amounts in €'000)

Secondary reporting format – geographical segments

The main business segments of the Group operate in four geographical areas. The home-country of the Company – which is also the main operating country – is Greece.

Sales	**1/1 - 31/12/2008**	**1/1 - 31/12/2007**
Greece	344.314	242.248
European Community	130.577	157.306
Other European countries	1.394	7.275
Other countries	32.734	16.171
Total	**509.019**	**423.000**

Total assets	**31/12/2008**	**31/12/2007**
Greece	908.357	835.576
European Community	108.386	101.679
Other European countries	183	665
Other countries	11.374	6.760
	1.028.300	**944.680**
Associates (note 11)	116.397	117.475
Total	**1.144.698**	**1.062.156**

Capital expenditure	**1/1 - 31/12/2008**	**1/1 - 31/12/2007**
Greece	114.689	101.230
European Community	957	2.011
Other European countries	-	56
Other countries	288	169
Total	**115.934**	**103.466**

Sales are allocated based on the country in which the customer is located. Property, plant and equipment is allocated based on their geographical location. Capital expenditure is allocated based on where the assets are located.

Sales per category	**1/1 - 31/12/2008**	**1/1 - 31/12/2007**
Sales of products	33.449	93.557
Sales of goods	72.282	26.293
Revenue from services	264.078	206.326
Revenue from construction contracts	139.208	96.824
Total	**509.019**	**423.000**

(All amounts in €'000)

6. Property, plant and equipment

Group

	Land - buildings	Machinery	Vehicles	Telecommunications Equipment	Furniture & other equipment	Prepayments and assets under construction	Total
Cost							
Balance at 1 January 2007	128.966	33.454	3.210	-	29.318	2.309	197.257
Exchange differences	(139)	(85)	(49)	-	(44)	(10)	(327)
Additions	221	4.199	740	18.270	2.128	71.703	97.261
Acquisition of subsidiaries	-	13	15	31.579	1.014	1.750	34.371
Disposals	(8.324)	(648)	(398)	(2.148)	(1.147)	(23)	(12.689)
Transfer from / (to) investment property (Note 9)	12.494	-	-	-	-	-	12.494
Reclassifications	6.015	548	-	34.120	371	(41.054)	-
Transfer from assets held for sale	1.156	-	9	28.076	549	3.457	33.247
Disposal of subsidiaries	-	-	-	-	-	(6)	(6)
Balance at 31 December 2007	140.389	37.481	3.526	109.897	32.190	38.126	361.609
Balance at 1 January 2008	140.389	37.481	3.526	109.897	32.190	38.126	361.609
Exchange differences	(139)	(134)	(71)	-	(36)	(13)	(393)
Additions	685	5.147	702	36.240	1.208	41.108	85.089
Acquisition of subsidiaries / businesses (Note 38)	-	1.467	20	-	6	-	1.494
Disposals	(1.212)	(954)	(400)	(978)	(296)	(12)	(3.851)
Transfer from / (to) investment property (Note 9)	(272)	-	-	-	-	-	(272)
Reclassifications	203	196	61	55.877	(551)	(60.206)	(4.419)
Balance at 31 December 2008	139.654	43.203	3.838	201.036	32.521	19.003	439.255
Accumulated depreciation							
Balance at 1 January 2007	15.270	15.811	1.226	-	20.853	-	53.161
Exchange differences	(5)	(58)	(30)	-	(43)	-	(136)
Depreciation charge	2.557	3.451	455	6.773	2.516	-	15.752
Acquisition of subsidiaries	-	3	9	-	748	-	759
Disposals	(354)	(357)	(169)	(836)	(1.092)	-	(2.808)
Transfer from / (to) investment property (Note 9)	1.405	-	-	-	-	-	1.405
Transfer from assets held for sale	726	-	5	14.951	397	-	16.078
Balance at 31 December 2007	19.599	18.851	1.496	20.888	23.378	-	84.212
Balance at 1 January 2008	19.599	18.851	1.496	20.888	23.378	-	84.212
Exchange differences	(12)	(110)	(42)	4	(44)	-	(205)
Depreciation charge	2.340	3.704	472	15.463	2.444	-	24.423
Disposals	(1.211)	(727)	(223)	(733)	(256)	-	(3.150)
Reclassifications	-	9	24	321	(354)	-	-
Transfer from / (to) investment property (Note 9)	122	-	-	-	-	-	122
Balance at 31 December 2008	20.837	21.726	1.727	35.943	25.169	-	105.401
Net book amount at 31 December 2007	**120.790**	**18.630**	**2.029**	**89.010**	**8.811**	**38.126**	**277.397**
Net book amount at 31 December 2008	**118.817**	**21.477**	**2.111**	**165.093**	**7.352**	**19.003**	**333.853**

The above table includes assets held under finance lease as follows:

	Telecommunications Equipment	Machinery	Vehicles	Furniture & other equipment	Total
31/12/2007					
Cost	6.713	6.021	835	4	6.861
Accumulated depreciation	(741)	(3.476)	(142)	(2)	(3.620)
Net book amount	**5.972**	**2.545**	**693**	**2**	**3.240**
31/12/2008					
Cost	13.548	6.789	988	4	21.329
Accumulated depreciation	(1.628)	(3.895)	(199)	(2)	(5.725)
Net book amount	**11.920**	**2.894**	**789**	**2**	**15.604**

(All amounts in €'000)

Company

	Land - buildings	Machinery	Vehicles	Furniture & other equipment	Prepayments and assets under construction	Total
Cost						
Balance at 1 January 2007	56.778	892	215	8.652	85	66.623
Additions	12	30	3	34	3.532	3.610
Disposals	(7.984)	(22)	(83)	(70)	-	(8.160)
Transfer to investment property (Note 9)	(11.533)	-	-	-	-	(11.533)
Reclassifications	3.617	-	-	-	(3.617)	-
Balance at 31 December 2007	**40.890**	**899**	**135**	**8.616**	**-**	**50.539**
Balance at 1 January 2008	40.890	899	135	8.616	-	50.539
Additions	343	1		26	24	393
Disposals	-	(2)	(4)	(39)	-	(45)
Transfer from / (to) investment property (Note 9)	1.840	-	-	-	-	1.840
Reclassifications	24	-	-	-	(24)	-
Balance at 31 December 2008	**43.096**	**898**	**131**	**8.603**	**-**	**52.728**
Accumulated depreciation						
Balance at 1 January 2007	6.150	670	155	4.375	-	11.350
Depreciation charge	501	69	16	719	-	1.305
Disposals	(354)	(4)	(82)	(68)	-	(508)
Transfer to investment property (Note 9)	(873)	-	-	-	-	(873)
Balance at 31 December 2007	**5.425**	**735**	**89**	**5.026**	**-**	**11.274**
Balance at 1 January 2008	5.425	735	89	5.026	-	11.274
Depreciation charge	640	59	14	678	-	1.391
Disposals	-	(2)	(4)	(37)	-	(42)
Transfer from / (to) investment property (Note 9)	236	-	-	-	-	236
Balance at 31 December 2008	**6.301**	**792**	**100**	**5.667**	**-**	**12.859**
Net book amount at 31 December 2007	**35.465**	**165**	**45**	**3.590**	**-**	**39.265**
Net book amount at 31 December 2008	**36.796**	**107**	**31**	**2.936**	**-**	**39.869**

Leased machinery with net book value at 31 December 2008 of €0 (cost €22 and accumulated depreciation €22) (31 December 2007: net book value €3) is included in the above under finance lease.

(All amounts in €'000)

7. Goodwill

	Group
Balance at 1 January 2007	11.361
Transfer from assets held for sale	21.120
Other movements (Note 10)	1.896
Acquisition of subsidiaries / businesses (Note 38)	20.317
Balance at 31 December 2007	**54.695**
Balance at 1 January 2008	54.695
Acquisition of businesses (Note 38)	3.564
Balance at 31 December 2008	**58.259**

Goodwill as at 31 December 2008 resulted from the acquisition of the companies listed below and is allocated to cash generating units as follows:

	31/12/2008
Intrasoft International SA	11.361
Hellas on Line SA	23.016
Attica Telecommunications SA	18.107
IT Services Denmark A/S	2.210
Intrakat SA - Construction segments (note 38)	3.564
	58.259

The transfer from assets held for sale relates to the goodwill that arose from the acquisition of Hellas on Line during the year 2006.

In relation to the acquisitions of the year 2007 (Attica Telecommunications SA and IT Denmark A/S), the Group completed during the current year the purchase price allocation to the assets and liabilities of the acquired subsidiaries / businesses (see note 38) and the final amount of goodwill was determined.

As at 31 December 2007 and 2008, the Group performed impairment tests on the final amounts of goodwill. The recoverable amount of goodwill for each cash generating unit was determined based on the calculation of the fair value less costs to sell.

The recoverable amount of goodwill from Intrasoft International SA and Attica Telecommunications SA was determined using comparable company indicators. This approach takes into consideration among others, the risk profile and the growth prospects of a selected sample of comparable listed companies.

The recoverable amount of goodwill from Hellas on Line SA was calculated based on the quoted stock price.

(All amounts in €'000)

8. Intangible assets

Group

	Software	Internally-generated software	Customer acquisition costs	Trade name	Customers Relationships	Other	Total
Cost							
Balance at 1 January 2007	38.791	5.526	-	-	-	1.387	45.704
Exchange differences	(17)	(2)	-	-	-	(6)	(24)
Additions	3.706	95	2.390	-	-	6	6.197
Disposals	(97)	(1)	-	-	-	(264)	(362)
Transfer from assets held fos sale	5.343	-	2.028	7.010	2.400	-	16.781
Acquisition of subsidiaries (Note 38)	3.310	-	-	661	12.319	-	16.289
Balance at 31 December 2007	51.037	5.619	4.417	7.671	14.719	1.122	84.585
Balance at 1 January 2008	51.037	5.619	4.417	7.671	14.719	1.122	84.585
Exchange differences	(80)	1	-	-	-	(35)	(115)
Additions	9.739	977	11.709	-	-		22.425
Disposals	(5.976)	(4.065)	-	-	-	(50)	(10.091)
Reclassifications	4.419	-	-	-	-	-	4.419
Balance at 31 December 2008	59.140	2.532	16.126	7.671	14.719	1.037	101.224
Accumulated depreciation							
Balance at 1 January 2007	29.347	2.719	-	-	-	374	32.440
Exchange differences	(13)	(1)	-	-	-	(11)	(25)
Amortisation charge	4.680	922	2.748	-	832	832	10.013
Disposals	(65)	-	-	-	-	(264)	(329)
Transfer from assets held fos sale	3.390	-	-	-	222	-	3.612
Disposal of subsidiaries	998	-	-	-	-	-	998
Balance at 31 December 2007	38.337	3.640	2.748	-	1.054	931	46.709
Balance at 1 January 2008	38.337	3.640	2.748	-	1.054	931	46.709
Exchange differences	(72)	1	-	-		29	(42)
Amortisation charge	5.523	619	6.406	-	1.770	91	14.408
Disposals	(5.032)	(2.798)	-	-	-	(50)	(7.880)
Balance at 31 December 2008	38.756	1.462	9.154	-	2.823	1.000	53.196
Net book amount at 31 December 2007	**12.700**	**1.979**	**1.670**	**7.671**	**13.665**	**191**	**37.876**
Net book amount at 31 December 2008	**20.384**	**1.070**	**6.972**	**7.671**	**11.896**	**37**	**48.029**

(All amounts in €'000)

Company

	Software	Internally-generated software	Total
Cost			
Balance at 1 January 2007	8.055	4.065	12.120
Balance at 31 December 2007	8.055	4.065	12.120
Balance at 1 January 2008	8.055	4.065	12.120
Disposals	(5.921)	(4.065)	(9.986)
Balance at 31 December 2008	2.134	-	2.134
Accumulated depreciation			
Balance at 1 January 2007	5.089	1.778	6.867
Amortisation charge	988	612	1.600
Balance at 31 December 2007	6.077	2.390	8.466
Balance at 1 January 2008	6.077	2.390	8.466
Amortisation charge	705	408	1.113
Disposals	(4.867)	(2.798)	(7.665)
Balance at 31 December 2008	1.915	-	1.915
Net book amount at 31 December 2007	**1.979**	**1.675**	**3.654**
Net book amount at 31 December 2008	**219**	-	**219**

(All amounts in €'000)

9. Investment property

	Group	Company
Cost		
Balance at 1 January 2007	68.438	52.972
Exchange differences	(307)	-
Additions	8	-
Disposals	(1.407)	(1.407)
Transfer from / (to) property, plant and equipment (Note 6)	(12.494)	11.533
Balance at 31 December 2007	54.239	63.098
Balance at 1 January 2008	54.239	63.098
Exchange differences	90	-
Additions	8.420	7.683
Acquisition of subsidiaries/ businesses (Note 38)	4.815	-
Transfer from / (to) property, plant and equipment (Note 6)	272	(1.840)
Balance at 31 December 2008	67.837	68.941
Accumulated depreciation		
Balance at 1 January 2007	5.268	6.368
Exchange differences	(26)	-
Transfer from / (to) property, plant and equipment (Note 6)	(1.405)	873
Depreciation charge	507	766
Disposals	(154)	(154)
Balance at 31 December 2007	4.190	7.854
Balance at 1 January 2008	4.190	7.854
Exchange differences	17	-
Transfer from / (to) property, plant and equipment (Note 6)	(122)	(236)
Depreciation charge	627	873
Balance at 31 December 2008	4.712	8.491
Net book amount at 31 December 2007	**50.049**	**55.244**
Net book amount at 31 December 2008	**63.125**	**60.450**

The amount shown as transfer from property, plant and equipment for the year 2007 for the Company includes additions for the year of approximately €3,5 mil., transferred from assets under construction.

Rental income from investment properties from continued operations for 2008 amounted to €2.087 and €3.113 for the Group and the Company respectively (2007: €2.429 and €2.163 for the Group and the Company respectively).

(All amounts in €'000)

10. Investments in subsidiaries

The movement in investments in subsidiaries is analyzed as follows:

	Company	
	31/12/2008	**31/12/2007**
Balance at the beginning of the year	223.982	177.682
Additions / Share capital increase	25.708	46.300
Disposals/ Share capital decrease	(2.671)	-
Balance at the end of the year	**247.019**	**223.982**

Year 2008

On 21 April 2008, the General Meetings of the shareholders approved the merger of Hellas on Line and Unibrain by absorption of the former by the latter. The merger was approved by the appropriate governmental authorities on 7 May 2008.

Following the approval of the merger, the surviving entity, Unibrain SA, was renamed to "Hellas on Line". Prior to the merger the Group held a 92,22% interest in Hellas on Line and a 28,48% interest in Unibrain. The Group consolidated both companies under the full consolidation method.

Following the merger, and based on the share exchange agreement, Intracom Holdings' percentage holding in the new Hellas on Line was 84,26%. Due to the change in the minority interests, the Group recorded a gain of €1.794, which is included in the income statement of the current year under "Other gains / (losses) – net", with a corresponding decrease in the minority interests in equity.

On 25 September 2008 Intracom Holdings disposed of 2,60% holding in the subsidiary Hellas on Line for €4.877 and recorded a gain of €2.206 in the income statement. On 23 December 2008 the Company repurchased the previously disposed interest for €4.969. This transaction did not have any significant impact on the Group.

During the current year, the subsidiary company Intrakat SA increased its share capital by €16.040. Intracom Holdings participated in this share capital increase by contributing €11.798 in cash.

Moreover, during the current year, the subsidiary company IT Services SA capitalized receivables of €8.941.

Year 2007

On 18 July 2007 the Company transferred to its 100% subsidiary company Intracom Holdings International Limited, as contribution in kind, 5.500.000 shares of HoL (percentage 20%), as consideration for the subsidiary's share capital increase by €9.122. In July, the subsidiary transferred its total shareholding in HoL to third parties for €15.000. The profit for the Group from this transaction amounted to €12.252 and is included in 'Other gains / (losses) – net' (note 31), while no profit arose from this transaction in the Company's financial statements. The amount of €15 mil is interest-bearing.

On 27 July 2007, the Annual General Meeting of the shareholders of HoL decided the increase of share capital through capitalisation of reserves of €2.000 and cash of €46.300. The other shareholders did not participate in the share capital increase through cash and as a result, the shareholding of Intracom Holdings increased to 92%.

(All amounts in €'000)

The above transactions resulted in an increase in the minority interest of €4.644 and recognition of goodwill of €1.896 (note 7).

The interests held in subsidiaries and their carrying amounts at 31 December are as follows:

		31/12/2008		31/12/2007	
Name	**Country of incorporation**	**% interest held**	**Carrying value**	**% interest held**	**Carrying value**
Intracom SA Information Technology	Ελλάδα	100%	52.095	100%	43.152
Intracom SA Defence Electronic Systems	Ελλάδα	100%	70.860	100%	70.860
Intrakat SA	Ελλάδα	61,76%	21.721	74%	9.923
Intracom Holdings International Ltd	Κύπρος	100%	17.259	100%	17.259
Hellas on Line SA	Ελλάδα	80,58%	85.084	92%	82.786
			247.019	**Total**	**223.980**

The above list contains only the direct investments in subsidiaries. A list of all the direct and indirect interests in subsidiaries is presented in note 43.

11. Investments in associates

	Group		Company	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Balance at the beginning of the year	**117.475**	**120.590**	**116.175**	**116.175**
Additions	918	9.340	-	9.340
Disposals	-	(443)	(0)	-
Transfer from / (to) subsidiaries	-	(1.823)	-	-
Transfer from assets held for sale (Note 13)	-	(9.106)	-	(9.340)
Share of loss	(753)	(554)	-	-
Effect of tax, dividends and exchange differences	(1.242)	(528)	-	-
Balance at the end of the year	**116.397**	**117.475**	**116.175**	**116.175**

Information about the Group associate companies are presented below:

2008

Name	**Country of incorporation**	**Assets**	**Liabilities**	**Equity**	**Revenue**	**Profit / (Loss)**	**Interest Held**
INTRACOM SA TELECOMMUNICATIONS	GREECE	566.665	325.011	241.654	373.970	(2.024)	49,00%
MOLDOVAN LOTTERY	MOLDOVA	2.783	2.188	595	3.453	(23)	32,85%
		569.448	**327.199**	**242.249**	**377.423**	**(2.047)**	

2007

Name	**Country of incorporation**	**Assets**	**Liabilities**	**Equity**	**Revenue**	**Profit / (Loss)**	**Interest Held**
INTRACOM SA TELECOMMUNICATIONS	GREECE	509.492	264.645	244.847	314.559	543	49,00%
MOLDOVAN LOTTERY	MOLDOVA	2.611	2.076	535	3.721	(34)	32,85%
		512.103	**266.721**	**245.382**	**318.280**	**509**	

(All amounts in €'000)

12. Joint ventures

The following amounts show the Group's share of assets and liabilities in joint ventures and companies that are accounted for by proportionate consolidation and are included in the balance sheet:

	31/12/2008	31/12/2007
Assets		
Non-current assets	3.907	1.327
Current assets	29.964	10.557
	33.871	11.883
Liabilities		
Non-current liabilities	184	251
Current liabilities	34.674	12.875
	34.858	13.126
Equity	(987)	(1.243)
Income	34.794	19.871
Expenses	(32.833)	(19.821)
Profit (after tax)	**1.961**	**50**

(All amounts in €'000)

Information regarding joint ventures of the Group is given below:

2008

Name	Country of incorporation	% interest held
J/V INTRAKAT - ELTER (N.SECTION MAINTENANCE)	GREECE	50,00%
J/V INTRAKAT - ATTIKAT (EGNATIA ODOS)	GREECE	50,00%
J/V INTRAKAT - ELTER (PIPELINE ALEX/LIS)	GREECE	50,00%
J/V INTRAKAT - ELTER (XIRIA)	GREECE	50,00%
J/V INTRAKAT - ELTER (ROAD DIVERSION ARTAS)	GREECE	30,00%
J/V INTRAKAT - ELTER (NATURAL GAS INSTALLATION PROJECT - SCHOOLS)	GREECE	30,00%
J/V INTRAKAT - ELTER (BROADBAND NETWORKS ETVA V.I.P.E)	GREECE	50,00%
J/V INTRAKAT - INTRACOM (TELECOMMUNICATION SYSTEMS DEPA)	GREECE	70,00%
J/V ELTER - INTRAKAT (NATURAL GAS INSTALLATION PROJECT ATTICA NORTHEAST & SOUTH)	GREECE	49,00%
J/V AKTOR- PANTEXNIKI SA - INTRAKAT (J/V MOREAS)	GREECE	13,33%
J/V ELTER - INTRAKAT (NATURAL GAS INSTALLATION PROJECT ATTICA NORTHEAST & SOUTH) EPA 3	GREECE	50,00%
J/V ELTER ATE - INTRAKAT (XANTHI SERRES KOMOTINI)	GREECE	50,00%
J/V ELTER ATE - INTRAKAT (NORTHEAST ATTICA) EPA 4	GREECE	50,00%
J/V INTRAKAT - ELTER (KATERINI HOSPITAL)	GREECE	50,00%
J/V INTRAKAT - ELTER (CORFU HOSPITAL)	GREECE	50,00%
J/V ELTER ATE- INTRAKAT (CENTRAL AREA) EPA 5	GREECE	50,00%
J/V ELTER ATE- INTRAKAT (SOUTH AREA) EPA 6	GREECE	50,00%
J/V ELTER ATE - INTRAKAT (NATURAL GAS SUPPL.NETWORK LAMIA-THIV-CHALKIDA)	GREECE	50,00%
J/V ELTER ATE- INTRAKAT (EPA 7)	GREECE	49,00%
J/V INTRAKAT - ELTER (COMPLETION OF IONIO BUILDING, GENERAL CLINIC)**	GREECE	50,00%
J/V ANASTILOTIKI - GETEM - KARAGIANNIS (MUSEUM OF PATRAS)	GREECE	25,00%
J/V ANASTILOTIKI - GETEM - KARAGIANNIS (PIROS-PARAPIROS DAMS)	GREECE	33,30%
J/V ALTEC - KARAGIANNIS - ANASTILOTIKI(THESSALONIKI AIRPORT)	GREECE	46,90%
J/V A.S.K.T. EUROKAT-ERETBO	GREECE	70,00%
J/V ELTER - INTRAKAT (EPA GAS)	GREECE	45,00%
J/V MOHLOS - INTRAKAT (SWIMMING)	GREECE	50,00%
J/V OLYMP. - MOHLOS - CYBARCO - ATH. - I.K.(PANTHESSALIAN STADIUM N. IONIAS VOLOY)	GREECE	15,00%
J/V INTRAKAT - GANTZOULAS (DEPA)	GREECE	50,00%
J/V MOHLOS - INTRAKAT (TENNIS)	GREECE	50,00%
J/V ELTER - INTRAKAT - ENERGY	GREECE	40,00%
J/V "ATH. TECHNIKI-PRISMA DOMI" - INTRAKAT	GREECE	50,00%
J/V INTRAKAT - ERGAS - ALGAS	GREECE	33,33%
PLURIN	ROMANIA	50,00%
ALPHA MOGILANY	POLAND	25,00%

(All amounts in €'000)

2007

Name	Country of incorporation	% interest held
J/V INTRAKAT - ELTER (N.SECTION MAINTENANCE)	GREECE	50,00%
J/V INTRAKAT - ATTIKAT (EGNATIA ODOS)	GREECE	50,00%
J/V INTRAKAT - ELTER (PIPELINE ALEX/LIS)	GREECE	50,00%
J/V INTRAKAT - ELTER (XIRIA)	GREECE	50,00%
J/V INTRAKAT - ELTER (ROAD DIVERSION ARTAS)	GREECE	30,00%
J/V INTRAKAT - ELTER (NATURAL GAS INSTALLATION PROJECT - SCHOOLS)	GREECE	30,00%
J/V INTRAKAT - ELTER (BROADBAND NETWORKS ETVA V.I.P.E)	GREECE	50,00%
J/V INTRAKAT - INTRACOM (TELECOMMUNICATION SYSTEMS DEPA)	GREECE	70,00%
J/V ELTER - INTRAKAT (NATURAL GAS INSTALLATION PROJECT ATTICA NORTHEAST & SOUTH)	GREECE	49,00%
J/V AKTOR- PANTEXNIKI SA - INTRAKAT (J/V MOREAS)	GREECE	13,33%
J/V ELTER - INTRAKAT (NATURAL GAS INSTALLATION PROJECT ATTICA NORTHEAST & SOUTH) EPA 3	GREECE	50,00%
J/V ELTER ATE - INTRAKAT (XANTHI SERRES KOMOTINI)	GREECE	50,00%
J/V ELTER ATE - INTRAKAT (NORTHEAST ATTICA) EPA 4	GREECE	50,00%
J/V INTRAKAT - ELTER (KATERINI HOSPITAL)	GREECE	50,00%
J/V INTRAKAT - ELTER (CORFU HOSPITAL)	GREECE	50,00%
J/V ELTER ATE- INTRAKAT (CENTRAL AREA) EPA 5	GREECE	50,00%
J/V ELTER ATE- INTRAKAT (SOUTH AREA) EPA 6	GREECE	50,00%
J/V ELTER ATE - INTRAKAT (NATURAL GAS SUPPL.NETWORK LAMIA-THIV-CHALKIDA)	GREECE	50,00%
J/V ELTER ATE- INTRAKAT (EPA 7)	GREECE	49,00%
J/V ELTER - INTRAKAT (EPA GAS)	GREECE	45,00%
J/V MOHLOS - INTRAKAT (SWIMMING)	GREECE	50,00%
J/V MOHLOS - ATHINAIKI TECHNIKI - INTRAKAT (PANTHESSALIAN STADIUM, N.IONIA - VOLOS)	GREECE	15,00%
J/V INTRAKAT - GANTZOULAS (DEPA)	GREECE	50,00%
J/V MOHLOS - INTRAKAT (TENNIS)	GREECE	50,00%
J/V ELTER - INTRAKAT - ENERGY	GREECE	40,00%
J/V "ATH. TECHNIKI-PRISMA DOMI" - INTRAKAT	GREECE	50,00%
J/V INTRAKAT - ERGAS - ALGAS	GREECE	33,33%

(All amounts in €'000)

13. Available-for-sale financial assets

	Group		Company	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Balance at the beginning of the year	24.525	12.010	16.769	9.030
Additions	6.878	1.639	6.878	1.600
Purchase of subsidiary/ Change in consolidation method	-	110	-	-
Disposals	(7.831)	(15)	(7.831)	-
Fair value gains / (losses)	(4.164)	1.782	34	(3.093)
Impairment	(6.120)	(107)	(6.336)	(107)
Transfer from associates (Note 11)	-	9.106	-	9.340
Balance at the end of the year	**13.287**	**24.525**	**9.514**	**16.769**
Non-current assets	13.287	24.525	9.514	16.769
Current assets	-	-	-	-
	13.287	**24.525**	**9.514**	**16.769**

	Group		Company	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Listed securities:				
- equity securities	2.337	6.336	12	47
Unlisted securities:				
- equity securities	10.950	12.725	9.502	11.259
- bonds	-	5.464	-	5.464
	13.287	**24.525**	**9.514**	**16.769**

Investments in unlisted shares are shown at cost less impairment.

The investments in listed companies relate to companies listed in the Athens Stock Exchange, which are measured at their quoted stock prices at the balance sheet date. Bonds are measured at their current value.

During the current year the investment in Teledome SA of €9.340 was written off (the amount of €3.288 has been transferred to the income statement from the fair value reserve account).

(All amounts in €'000)

14. Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

	Group		Company	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Deferred tax assets	(1.536)	(1.616)	-	-
Deferred tax liabilities	4.861	6.185	660	355
	3.325	**4.569**	**660**	**355**

The gross amounts are as follows:

	Group		Company	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Deferred tax assets:				
To be recovered after more than 12 months	(9.631)	(5.276)	(113)	(632)
To be recovered within 12 months	(2.751)	(2.704)	(195)	(39)
	(12.382)	**(7.980)**	**(308)**	**(672)**
Deferred tax liabilities				
To be settled after more than 12 months	13.166	10.908	966	967
To be settled within 12 months	2.541	1.641	3	59
	15.707	**12.549**	**968**	**1.027**
	3.325	**4.569**	**660**	**355**

The gross movement on the deferred income tax account is as follows:

	Group		Company	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Balance at the beginning of the year	4.569	(4.533)	355	(3.938)
Exchange differences	18	6	-	-
Charged/ (credited) to the income statement (note 33)	(1.705)	10.609	305	4.293
Transfer from assets held for sale	-	(4.561)	-	-
Charge in equity	(238)	(166)	-	-
Acquisition of subsidiary (Note 38)	682	3.214	-	-
Balance at the end of the year	**3.325**	**4.569**	**660**	**355**

(All amounts in €'000)

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdictions, is as follows:

Group

Deferred tax assets:

	Provisions / Impairment losses	Tax losses	Other	Total
Balance at 1 January 2007	(1.032)	(5.912)	(1.728)	(8.672)
Exchange differences	-	6	(1)	5
Charged / (credited) to the income statement	(927)	9.763	183	9.019
Charge in equity	-	-	(166)	(166)
Transfer from assets held for sale	(420)	(5.820)	(1.326)	(7.566)
Acquisition of subsidiary	(396)	-	(203)	(600)
Balance at 31 December 2007	**(2.776)**	**(1.963)**	**(3.242)**	**(7.980)**
Balance at 31 December 2008	(2.776)	(1.963)	(3.242)	(7.980)
Exchange differences		15	3	18
Charged / (credited) to the income statement	(438)	(2.071)	(1.640)	(4.149)
Charge in equity	-	-	(238)	(238)
Acquisition of subsidiaries / businesses	(6)	(27)	(0)	(33)
Balance at 31 December 2008	**(3.220)**	**(4.045)**	**(5.117)**	**(12.382)**

Deferred tax liabilities:

	Trade name and customer relationships	Accrued Income	Accelerated tax depreciation	Other	Total
Balance at 1 January 2007	-	233	3.057	850	4.139
Exchange differences	-	-	-	1	1
Charged / (credited) to the income statement	(208)	1.352	1.517	(1.070)	1.591
Transfer from assets held for sale	2.297	-	-	709	3.006
Acquisition of subsidiary	3.023	-	776	14	3.813
Balance at 31 December 2007	**5.112**	**1.585**	**5.350**	**502**	**12.549**
Balance at 31 December 2008	5.112	1.585	5.350	502	12.549
Exchange differences	-	-			
Charged / (credited) to the income statement	(757)	1.162	(1.264)	3.302	2.443
Acquisition of subsidiaries / businesses	-	-	603	112	715
Balance at 31 December 2008	**4.355**	**2.747**	**4.689**	**3.917**	**15.707**

On December 2007 the Board of Directors of the subsidiary companies Unibrain SA and Hellas on Line SA decided their merger via the absorption of Hellas on Line by Unibrain. According to the tax laws, the tax losses of HoL cannot be transferred to the new company and consequently deferred tax assets on tax losses amounting to €5.820 have been written off in the income statement of 2007.

Additionally, deferred tax asset on tax losses of the parent Company amounting to €4.156 has been written off in the income statement of 2007, following the tax audit of the years 2005 and 2006.

(All amounts in €'000)

Company

Deferred tax assets:

	Provisions	Tax losses	Other	Total
Balance at 1 January 2007	(126)	(4.656)	(46)	(4.828)
Charged / (credited) to the income statement	(23)	4.156	23	4.156
Balance at 31 December 2007	**(149)**	**(500)**	**(22)**	**(672)**
Balance at 1 January 2008	(149)	(500)	(22)	(672)
Charged / (credited) to the income statement	(159)	500	22	363
Balance at 31 December 2008	**(308)**	**-**	**-**	**(308)**

Deferred tax liabilities:

	Accelerated tax depreciation	Other	Total
Balance at 1 January 2007	354	536	890
Charged / (credited) to the income statement	613	(476)	136
Balance at 31 December 2007	**967**	**60**	**1.027**
Balance at 1 January 2008	967	60	1.027
Charged / (credited) to the income statement	(112)	54	(58)
Balance at 31 December 2008	**855**	**114**	**968**

15. Trade and other receivables

	Group		Company	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Trade receivables	207.373	192.168	459	5.255
Less: provision for impairment	(20.453)	(13.670)	-	-
Trade receivables - net	186.920	178.498	459	5.255
Prepayments	5.394	11.363	28	315
Receivables from related parties (note 41)	25.009	41.897	15.474	33.089
Loans to related parties (note 41)	-	-	250	250
Prepaid expenses	4.459	5.546	187	639
Accrued expenses	37.780	19.353	40	50
Other receivables	91.083	80.440	1.458	16.322
Total	**350.645**	**337.098**	**17.897**	**55.921**
Non-current assets	21.884	31.027	361	12.238
Current assets	328.762	306.071	17.537	43.683
	350.645	**337.098**	**17.897**	**55.921**

(All amounts in €'000)

During the current year there have been write-offs of €11 mil. of other receivables and €3,5 mil. of trade receivables for the Group and the Company.

Other receivables of the Group on 31/12/2008 include VAT receivable of approximately €32 mil. (2007: €21 mil.). Furthermore, an amount of €6.340 (2007: €5.903) included under the caption 'Other receivables' concerns amounts deposited in a bank account in accordance with the terms of the bond loan of a subsidiary company.

The analysis of trade receivables of the Group and the Company at the end of each year is as follows:

	Group		**Company**	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Not past due and not impaired at the balance sheet date	112.086	77.967	69	205
Impaired at the balance sheet date	20.709	19.630	-	-
Provision made for the following amount:	(20.453)	(13.670)	-	-
	255	5.960	-	-
Not impaired at the balance sheet date but past due in the following periods:				
< 90 days	12.575	27.038	149	95
90-180 days	14.204	9.993	-	-
180-270 days	7.954	6.713	95	6
270-365 days	6.492	2.981	-	4
1- 2 years	13.120	14.874	145	708
>2 years	20.234	32.973	-	4.238
	74.579	94.571	390	5.051
Total trade receivables	**186.920**	**178.498**	**459**	**5.255**

Trade receivables of the Group which are past due for more than one year include receivables from the Greek State of approximately €23 mil (31 December 2007: €31 mil. approximately).

There is no concentration of credit risk in relation to trade receivables, since the Group has a great number of customers. The Group has developed policies to ensure that the sales agreements take place with customers with sufficient credit quality. The credit policy of the Group is determined on a case by case basis and is set out in the agreed terms in the contract signed with each customer.

(All amounts in €'000)

The movement of provision for impairment of trade receivables is analysed as follows:

	Group	Company
Balance at 1 January 2007	9.902	-
Provision for impairment (Note 28)	4.380	-
Receivables written-off during year	(800)	-
Acquisition of subsidiaries	378	
Unused amounts reversed	(1.797)	-
Transfer from assets held for sale	1.607	-
Balance at 31 December 2007	**13.670**	-
Provision for impairment (Note 28)	7.979	-
Receivables written-off during year	(2.228)	-
Acquisition of subsidiaries	1.028	-
Exchange differences	5	-
Balance at 31 December 2008	**20.453**	-

Trade and other receivables are denominated in the following currencies:

	Group		Company	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Euro (EUR)	324.149	308.422	17.272	55.921
Romanian New Lei (RON)	8.980	13.331	625	-
US Dollar (USD)	6.764	5.372	-	-
Hungarian Fiorin (HUF)	1.890	3.522	-	-
Jordan Dinar (JOD)	1.293	3.654	-	-
Other	7.569	2.797	-	-
	350.645	**337.098**	**17.897**	**55.921**

(All amounts in €'000)

16. Inventories

	Group		Company	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Raw materials	29.664	31.127	-	-
Semifinished goods	9.051	7.705	-	-
Finished goods	5.467	8.229	-	-
Work in progress	3.183	936	-	-
Merchandise	2.730	4.123	-	-
Other	431	125	-	-
Total	**50.527**	**52.245**	**-**	**-**
Less: Provisions for obsolete inventories				
Raw materials	705	791	-	-
Semifinished goods	255	151	-	-
Finished goods	6	2	-	-
Merchandise	424	2.314	-	-
	1.390	**3.257**	**-**	**-**
Net realisable value	**49.137**	**48.987**	**-**	**-**

The movement of the provision is as follows:

	Group	Company
Balance 1 January 2007	2.505	-
Provision for impairment (Note 28)	713	-
Transfer from assets held for sale	40	
Balance 31 December 2007	**3.257**	**-**
Provision for impairment (Note 28)	361	-
Amount of provision reversed during the year	(2.229)	-
Balance 31 December 2008	**1.390**	**-**

(All amounts in €'000)

17. Construction contracts

	Group		Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Assets				
Contracts in progress at the balance sheet date				
Receivables from construction contracts	24.950	20.772	-	-
Total	**24.950**	**20.772**	**-**	**-**
Liabilities				
Contracts in progress at the balance sheet date				
Liabilities from construction contracts	7.699	2.460	-	-
Total	**7.699**	**2.460**	**-**	**-**
Accumulated contract costs plus accumulated recognised profits less accumulated recognised losses	390.454	222.461	-	-
Less: Progress billings	(373.204)	(204.149)	-	-
Construction contracts	**17.251**	**18.312**	**-**	**-**

18. Financial assets at fair value through profit or loss

	Group		Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Balance at the beginning of the year	1.245	1.056	-	-
Exchange differences	-	10	-	-
Additions	511	63	-	-
Disposals	(770)	(263)	-	-
Acquisition of subsidiary / change in consolidation method	-	369	-	-
Fair value adjustments (Note 31)	(434)	10	-	-
Balance at the end of the year	**552**	**1.245**	**-**	**-**

	Group		Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Listed securities				
- Equity securities - Greece	552	1.182	-	-
- Mutual Funds - Greece	-	63	-	-
	552	**1.245**	**-**	**-**

(All amounts in €'000)

19. Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the cash flow statement:

	Group		Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Cash at bank and in hand	25.139	33.787	1.417	2.742
Short-term bank deposits	33.543	42.786	9.647	30.193
Total	**58.682**	**76.573**	**11.064**	**32.935**

The effective interest rate on short-term bank deposits for the Company was 4,1% (2007: 4,4%).

Cash and cash equivalents are analysed in the following currencies:

	Group		Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Euro (EUR)	39.697	36.542	7.487	12.244
US Dollar (USD)	7.005	8.089	1.337	2.770
Japanese Yen (JPY)	7.950	23.810	1.450	16.810
Bulgarian Leva (BGN)	1.145	3.108	-	-
Other	2.885	5.024	790	1.112
	58.682	**76.573**	**11.064**	**32.935**

The Group bank deposits in JPY have fixed exchange rate / fixed return, and as a result there is no exposure to risk from JPY exchange rate changes.

20. Share capital

	Number of shares	Share capital	Share premium	Treasury shares	Total
Balance at 1 January 2007	132.122.415	187.442	194.102	(4.215)	377.329
Employee share option scheme					
Proceeds from shares issued	88.581	125	116	-	241
Expenses on issue of share capital	-	-	(14)	-	(14)
Treasury shares	(865.815)	-	-	(3.509)	(3.509)
Balance at 31 December 2007	**131.345.181**	**187.567**	**194.204**	**(7.724)**	**374.047**
Balance at 1 January 2008	131.345.181	187.567	194.204	(7.724)	374.047
Expenses on issue of share capital	-	-	(1)	-	(1)
Balance at 31 December 2008	**131.345.181**	**187.567**	**194.204**	**(7.724)**	**374.046**

(All amounts in €'000)

On 17 December 2007, the Company's share capital increased by 88.581 new shares with nominal value of €1,41 each, due to the exercise of share options during December 2007 (29.667 share options for €2,93 each and 58.914 share options for €2,61 each).

As at 31 December 2008 the share capital of the Company was divided into 133.026.017 shares with nominal value €1,41 each. As at that date, the Company held 1.680.836 treasury shares.

Share options

Share options are granted to directors, management and employees of the Group.

A summary of share options granted is as follows:

Share options	**2008**	**2007**
Outstanding at 1 January	185.870	361.347
Exercised	-	(88.581)
Expired	(64.080)	(86.896)
Outstanding at 31 December	121.790	185.870

The outstanding share options can be exercised wholly or partly within a period of 5 years from the year granted, during the first 15 days of December of each respective year. Consequently, the share options granted during 2006 can be exercised up to December 2011. No share options were granted by the Company during 2007 and 2008.

During the year 2008, a subsidiary company granted to executives 220 share options which are based on its share price, giving the right to the executives to exchange the share options with a determined amount of cash at the end of the vesting period (31 March 2010). These benefits were accounted partly as an obligation and partly through equity.

The total charge in the consolidated income statement is €600 (liability €420 and equity €180). For the year 2007 the total charge in the consolidated income statement was €496 (liability €314 and equity €182).

During the exercise of the share options, the amounts received net of any transaction costs are included in the share capital (nominal value) and in the share premium.

The fair value of the share options is determined on grant date using the Binomial model. Fair value reflects the inputs into the model, such as the risk-free interest rate, the expected share volatility, the dividend yield and the expected option life. The f air value is recognised as an expense over the vesting period of the share options. In the case that the share options are cash-settled and thus a liability is recorded, the fair value of the share options is determined at each balance sheet date.

(All amounts in €'000)

21. Other reserves

Group

	Statutory reserves	Special reserves	Tax free reserves	Extraordinary reserves	Other reserves	Fair value reserves	Total
Balance at 1 January 2007	29.394	8.099	112.919	70.106	(28.929)	(295)	191.294
Fair value gain on available-for-sale financial assets	-	-	-	-	-	491	491
Exchange differences	-	-	-	-	-	(643)	(643)
Transfers between reserves	228	-	8.629	(184)	(385)	-	8.289
Dividend distribution	-	-	-	(13.126)	-	-	(13.126)
Stock option reserve	-	-	-	-	326	-	326
Balance at 31 December 2007	**29.622**	**8.099**	**121.549**	**56.797**	**(28.988)**	**(447)**	**186.632**
Balance at 1 January 2008	29.622	8.099	121.549	56.797	(28.988)	(447)	186.632
Fair value gain on available-for-sale financial assets	-	-	-	-	-	(3.053)	(3.053)
Transferred to income statement due to write-off / disposal	-	-	-	-	-	3.802	3.802
Exchange differences	-	-	-	-	-	(957)	(957)
Transfers between reserves	334	-	255	-	(87)	-	501
Stock option reserve	-	-	-	-	174	-	174
Balance at 31 December 2008	**29.956**	**8.099**	**121.804**	**56.797**	**(28.901)**	**(655)**	**187.099**

Company

	Statutory reserves	Special reserves	Tax free reserves	Extraordinary reserves	Fair value reserves	Total
Balance at 1 January 2007	26.719	8.069	55.376	70.106	(770)	159.500
Dividend distribution	-	-	-	(13.126)	-	(13.126)
Fair value loss on available-for-sale financial assets	-	-	-	-	(3.093)	(3.093)
Balance at 31 December 2007	**26.719**	**8.069**	**55.376**	**56.981**	**(3.863)**	**143.281**
Balance at 1 January 2008	26.719	8.069	55.376	56.981	(3.863)	143.281
Fair value gain on available-for-sale financial assets	-	-	-	-	34	34
Transferred to income statement due to write-off / disposal	-	-	-	-	3.802	3.802
Balance at 31 December 2008	**26.719**	**8.069**	**55.376**	**56.981**	**(27)**	**147.118**

(a) Statutory reserve

A legal reserve is created under the provisions of Greek law (Law 2190/20, articles 44 and 45) according to which, an amount of at least 5% of the profit (after tax) for the year must be transferred to the reserve until it reaches one third of the paid share capital. The legal reserve can only be used, after approval of the Annual General meeting of the shareholders, to offset accumulated losses and therefore cannot be used for any other purpose.

(b) Special reserve

The special reserve includes amounts that were created following resolutions of the Annual General meetings, have no specific purpose and can therefore be used for any reason following approval from the Annual General meeting, as well as amounts, which were created under the provisions of Greek law. These reserves have been created from after tax profits and are therefore not subject to any additional taxation in case of their distribution or capitalisation.

(All amounts in €'000)

(c) Tax free reserve

Tax-free reserves under special laws

This account includes reserves created from profits, which were used for the acquisition of new fixed assets employed in the production process and are therefore regarded as tax-free under special provisions of development laws in force each time. In other words, this reserve is created from profits for which no tax is calculated or paid.

Reserves created under the provisions of tax law from tax free income or from income taxed under special provisions

This reserve includes the portion of the net income carried forward every year that comes from tax-free profits and profits taxed under special provisions by using up the tax liability.

The above-mentioned reserves can be capitalised or distributed, following the approval of the Annual General meeting, after taking into consideration the restrictions that may apply. In case of capitalisation or distribution, tax is calculated at the current tax rate.

22. Borrowings

	Group		Company	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Non-current borrowings				
Bank loans	1.932	4.344	-	-
Finance lease liabilities	5.774	4.555	-	-
Bond loans	148.377	55.036	-	-
Total non-current borrowings	**156.082**	**63.935**	**-**	**-**
Current borrowings				
Non-current borrowings	151.395	170.627	19.294	12.774
Bond loans	20.036	7.053	-	-
Finance lease liabilities	4.801	2.917	-	3
Total current borrowings	**176.233**	**180.598**	**19.294**	**12.777**
Total borrowings	**332.315**	**244.533**	**19.294**	**12.777**

The carrying amounts of the Group's and the Company's borrowings are denominated in the following currencies:

	Group		Company	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Euro	329.068	240.677	19.294	12.777
US dollar (USD)	1.252	2.497	-	-
HUF	1.358	-	-	-
Other	639	1.359	-	-
	332.315	**244.533**	**19.294**	**12.777**

(All amounts in €'000)

The contractual undiscounted cash flows of the non-current borrowings, excluding finance leases, are as follows:

	Group		Company	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Between 1 and 2 years	9.472	11.958	-	-
Between 2 and 3 years	18.824	10.647		
Between 3 and 5 years	62.757	44.948	-	-
More than 5 years	90.369	2.020	-	-
	181.421	**69.573**	-	-

On 31st December 2008 the subsidiary companies had bond loans with weighted average floating interest rate of 6,2% for non-current loans and 4,5% for current loans (2007: 5%).

The weighted average interest rate for all the other borrowings of the Group and the Company for 2008 was approximately 6,53% and 6,23% respectively (2007: 5%).

Securities relating to the above borrowings are disclosed in note 40

The non-current borrowings of the Group for 2008 increased due to the new syndicated bond loan of the subsidiary company Hellas on Line of €144,5 mil., which was obtained in order to convert its short-term borrowings to long-term. The repayment of the loan will take place in 8 installments starting April 2011.

Finance leases

	Group		Company	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Finance lease liabilities- minimum lease payments				
Not later than 1 year	5.217	3.213	-	3
Between 2 and 5 years	6.166	4.779	-	-
Total	11.383	7.991	-	3
Less: Future finance charges on finance leases	(808)	(519)	-	-
Present value of finance lease liabilities	**10.575**	**7.473**	**-**	**3**
Present value of finance lease liabilities:				
Not later than 1 year	4.801	2.917	-	3
Between 2 and 5 years	5.774	4.555	-	-
Total	**10.575**	**7.473**	**-**	**3**

(All amounts in €'000)

23. Retirement benefit obligations

	Group		Company	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Balance sheet obligations for:				
Pension benefits	**4.481**	**4.053**	**504**	**530**
Income statement charge				
Pension benefits (Note 29)	**3.720**	**2.214**	**220**	**305**

The amounts recognized in the balance sheet are determined as follows:

	Group		Company	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Present value of unfunded obligations	1.398	5.495	513	716
Unrecognised actuarial gains / (losses)	3.083	(1.443)	(10)	(187)
Liability on the balance sheet	**4.481**	**4.052**	**504**	**530**

The amounts recognised in the income statement are as follows:

	Group		Company	
	1/1-31/12/2008	**1/1-31/12/2007**	**1/1-31/12/2008**	**1/1-31/12/2007**
Current service cost	1.308	845	83	59
Interest cost	279	231	36	31
Net actuarial losses recognised during the year	247	145	17	27
Past service cost	-	49	-	-
Losses on curtailment	1.886	943	83	187
Total, included in staff costs	**3.720**	**2.214**	**220**	**305**

Total charge is allocated as follows:	Group		Company	
	1/1-31/12/2008	**1/1-31/12/2007**	**1/1-31/12/2008**	**1/1-31/12/2007**
Cost of goods sold	2.131	991	-	80
Selling costs	877	718	6	14
Administrative expenses	712	505	213	211
	3.720	**2.214**	**220**	**305**

(All amounts in €'000)

The movement in the liability recognised on the balance sheet is as follows:

	Group		Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Balance at the beginning of the year	4.053	2.719	530	438
Exchange differences	(0)	50	-	-
Total expense charged / (credited) in the income statement	3.720	2.214	220	305
Contributions paid	(3.291)	(1.357)	(246)	(213)
Acquisition of subsidiary (Note 38)	-	88	-	-
Transfer from assets held for sale	-	339	-	-
Balance at the end of the year	**4.481**	**4.053**	**504**	**530**

The principal actuarial assumptions used are as follows:

	Group		Company	
	2008	2007	2008	2007
Discount rate	5,60% - 6,00%	4,70% - 5,00%	5,60%	4,70%
Future salary increases	3,00% - 4,50%	4,50% - 4,85%	4,50%	4,50%

24. Grants

	Group		Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Balance at the beginning of the year	1.763	544	-	-
Additions	11.570	1.644	-	-
Depreciation charge	(709)	(425)	-	-
Balance at the end of the year	**12.624**	**1.763**	**-**	**-**
Current portion	1.235	-	-	-
Non-current portion	11.390	1.763	-	-
Total	**12.624**	**1.763**	**-**	**-**

The grants received in the years 2007 and 2008 relate to subsidies from the 'Society of Information' to the subsidiary company Hellas on Line for the expansion of its telecommunications network. The amount of €4.013 included in additions of 2008 was received in January 2009.

(All amounts in €'000)

25. Provisions

	Group		Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Current liabilities	11.912	6.668	1.642	142
Non- current liabilities	2.482	957	-	-
Total	**14.394**	**7.625**	**1.642**	**142**

Group

	Warranties	Unused compensated absences	Other	Total
Balance at 1 January 2007	1.455	162	6.245	7.862
Exchange differences	-	-	(1)	(1)
Additional provisions	386	472	2.293	3.151
Unused amounts reversed	-	-	(268)	(268)
Provisions used during the year	-	-	(3.425)	(3.425)
Transfer from assets held for sale	-	-	307	307
Balance at 31 December 2007	**1.841**	**634**	**5.150**	**7.625**
Balance at 1 January 2008	1.841	634	5.150	7.625
Exchange differences	-	-	(1)	(1)
Additional provisions	3.283	667	5.391	9.342
Unused amounts reversed	(286)	(62)	(182)	(531)
Provisions used during the year	-	(472)	(1.569)	(2.041)
Balance at 31 December 2008	**4.838**	**767**	**8.789**	**14.394**

The amount of €8.789 included in other provisions as at 31/12/2008 consists of the amount of €2.022 for the recognition of losses from loss making contracts, the amount of €1.648 for unaudited tax years of subsidiaries and the amount of €1.943 for accrued employee benefits. The corresponding amount at 31/12/2007 includes the amount of €2.793 for the recognition of losses from loss making contracts.

Company

	Unused compensated absences	Other	Total
Balance at 1 January 2007	68	74	142
Balance at 31 December 2007	**68**	**74**	**142**
Balance at 1 January 2008	68	74	142
Additional provisions	-	1.500	1.500
Balance at 31 December 2008	**68**	**1.574**	**1.642**

(All amounts in €'000)

26. Trade and other payables

	Group		Company	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Trade payables	137.832	113.902	2.712	3.800
Prepayments from customers	60.908	45.577	-	-
Deffered income	7.022	7.153	-	-
Amounts due to related parties (note 41)	53.689	41.070	7.817	15.334
Accrued expenses	15.739	10.182	1.437	267
Social security and other taxes	6.355	7.140	167	934
Other liabilities	16.490	24.570	988	2.309
Total	**298.036**	**249.595**	**13.120**	**22.645**
Non-current liabilities	25.388	7.928	-	-
Current liabilities	272.649	241.666	13.120	22.645
	298.036	**249.595**	**13.120**	**22.645**

Non-current liabilities as at 31 December 2008 include an amount of €3.025 that relates to deferred income (31 Dec. 2007: €3.808).

The credit payment terms enjoyed by the Group are determined on a case-by-case basis and are set out in the contracts signed with each supplier.

Trade and other payables are denominated in the following currencies:

	Group		Company	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Euro	276.717	226.025	12.877	22.409
US Dollar (USD)	8.721	10.512	192	173
Romanian New Lei (RON)	2.244	6.134	-	-
Hungarian Fiorin (HUF)	1.522	1.995	-	-
Bulgarian Leva (BGN)	1.527	1.401	-	-
Other	7.305	3.528	50	63
	298.036	**249.595**	**13.120**	**22.645**

27. Long-term loans receivables

The Company participated in the issue of a subordinated bond loan of a total amount of €55.000 by Moreas SA, in which Intracom Holdings holds an interest of 13,33%. The Company participated in the issue of the bond loan up to its percentage shareholding in Moreas SA (13,33%), paying an amount of €7.332. The loan carries a floating interest rate (6m Euribor plus 4% margin). Total interest up to 31.12.2008 amounted to €553.

(All amounts in €'000)

28. Expenses by nature

	Note	Group		Company	
		1/1 - 31/12/2008	1/1 - 31/12/2007	1/1 - 31/12/2008	1/1 - 31/12/2007
Employee benefit expense	29	129.941	112.530	7.001	7.784
Inventory cost recognised in cost of goods sold		92.249	91.643	-	-
Depreciation of PPE	6	24.423	15.752	1.391	1.305
Depreciation of investment property	9	627	507	873	766
Amortisation of intangible assets	8	14.408	10.013	1.113	1.600
Write-off of PPE		-	1.125	-	-
Impairment of intangible assets		-	-	-	-
Impairment of inventories		461	713	-	-
Repairs and maintenance		3.984	1.695	344	383
Operating lease payments		2.648	3.042	58	689
Subcontractors' fees		104.956	99.521	-	-
Impairment of receivables	15	7.979	4.380	-	-
Telecommunications cost		57.331	26.565	-	-
Transportation and travelling expenses		5.484	3.351	624	-
Third party fees		51.151	36.725	2.641	2.661
Advertisement		11.854	12.639	-	207
Other		35.804	32.980	5.664	4.007
Total		**543.301**	**453.182**	**19.710**	**19.401**
Split by function:					
Cost of goods sold		434.100	363.239	4.968	11.549
Selling costs		47.704	37.831	410	273
Administrative expenses		61.497	52.111	14.333	7.579
		543.301	**453.182**	**19.710**	**19.401**
Split of depreciation by function:					
Cost of goods sold		30.021	16.908	848	1.992
Selling costs		1.182	2.053	66	71
Administrative expenses		8.254	7.310	2.464	1.608
		39.458	**26.272**	**3.378**	**3.671**

29. Employee benefits

	Group		Company	
	1/1 - 31/12/2008	1/1 - 31/12/2007	1/1 - 31/12/2008	1/1 - 31/12/2007
Wages and salaries	103.479	91.483	5.828	6.320
Social security costs	22.479	16.723	857	818
Other employers' contributions and expenses	1.403	2.638	96	341
Share options granted to employees (Note 20)	600	496	-	-
Pension costs - defined contribution plans	366	324	-	-
Pension costs - defined benefit plans (Note 23)	3.720	2.214	220	305
Other post-employment benefits	510	-	-	-
Less: capitalisations to assets under construction	(2.616)	(1.348)	-	-
Total	**129.941**	**112.530**	**7.001**	**7.784**

During the year 2008, the subsidiary company Hellas on Line has capitalised employee benefits of €2.616 (2007: €1.348) that are directly attributable to the construction of its telecommunications network.

(All amounts in €'000)

30. Other operating income - net

	Group		Company	
	1/1 - 31/12/2008	**1/1 - 31/12/2007**	**1/1 - 31/12/2008**	**1/1 - 31/12/2007**
Dividend income	97	90	2.236	1.700
Rental income	2.087	2.429	3.113	2.163
Depreciation of grants received	709	425	-	-
Income from grants	49	248	-	203
Other	2.539	2.041	-	126
Total	**5.481**	**5.232**	**5.349**	**4.192**

31. Other gains/ (losses) - net

	Group		Company	
	1/1 - 31/12/2008	**1/1 - 31/12/2007**	**1/1 - 31/12/2008**	**1/1 - 31/12/2007**
Gains/ (losses) from sale of PPE	475	2.778	(1)	402
Gains/ (losses) from sale of intangible assets	70	(4)	70	-
Fair value (losses)/ gains of financial assets at fair value through profit or loss	(434)	10	-	-
(Losses)/ gains from sale of financial assets at fair value through profit or loss	(322)	10	-	-
(Losses)/ gains from sale of available-for-sale financial assets	(2.448)	9	(2.448)	-
Impairment of available-for-sale financial assets	(9.408)	-	(9.624)	-
Gains from sale of subsidiaries (Note 10)	1.794	12.252	2.206	-
Gains from sale of associates	-	268	-	-
Impairment of other receivables	(15.106)	-	(15.106)	-
Net foreign exchange gains / (losses)	245	-	-	-
Other	216	(85)	265	(405)
Total	**(24.919)**	**15.239**	**(24.638)**	**(3)**

(All amounts in €'000)

32. Finance expenses / (income) - net

	Group		Company	
	1/1 - 31/12/2008	**1/1 - 31/12/2007**	**1/1 - 31/12/2008**	**1/1 - 31/12/2007**
Finance expenses				
Interest and related expense				
- Bank borrowings	13.991	8.479	1.045	777
- Bond loans	5.001	2.514	-	-
- Finance leases	537	449	-	1
- Letters of credit and related costs	1.227	1.348	1	2
- Net foreign exchange gains / (losses)	386	-	-	-
- Other	8.867	1.625	1.441	-
	30.009	14.414	2.487	780
Finance income				
Interest income	(2.121)	(2.924)	(990)	(2.205)
Interest income from loans to related parties	-	-	(554)	-
Net foreign exchange gains	-	642	-	-
Net losses / (gains) from derivative financial instruments	-	(1.287)	-	(1.287)
Other	(1.661)	(661)	(0)	(93)
	(3.782)	(4.229)	(1.544)	(3.584)
Finance expenses / (income) - net	**26.226**	**10.185**	**943**	**(2.805)**

(All amounts in €'000)

33. Income tax expense

	Group		Company	
	1/1 - 31/12/2008	**1/1 - 31/12/2007**	**1/1 - 31/12/2008**	**1/1 - 31/12/2007**
Current tax	4.401	5.080	230	535
Deffered tax (Note 14)	(1.705)	10.609	305	4.293
Total	**2.696**	**15.689**	**535**	**4.827**

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the group companies as follows:

	Group		Company	
	1/1 - 31/12/2008	**1/1 - 31/12/2007**	**1/1 - 31/12/2008**	**1/1 - 31/12/2007**
Loss before tax from continuing operations	(80.699)	(20.450)	(34.530)	(285)
Tax calculated at tax rates applicable to Greece	(20.175)	(5.112)	(8.633)	(71)
Income not subject to tax	(2.576)	(2.553)	-	-
Expenses not deductible for tax purposes	11.400	3.963	6.956	(292)
Differences in tax rates	529	425	(180)	-
Utilisation of previously unrecognised tax losses	(2.758)	(1.166)	-	-
Income tax effect from prior years' tax losses that cannot be carried forward	500	10.476	500	4.656
Tax losses for which no deferred tax asset was recognised	14.728	8.567	1.662	-
Prior years' taxes	230	535	230	535
Other	818	556	-	-
Tax charge	**2.696**	**15.689**	**535**	**4.827**

34. Discontinued operations

On 30 September 2006, the Company disposed of 51% holding in its subsidiary company Intracom S.A. Telecom Solutions ("Intracom Telecom Group") to Concern Sitronics, subsidiary of Sistrema, for €120 mil.

During the second quarter of 2007, the sales price was finalized at €119,3 mil. and, as a result, the Group and the Company recorded an additional loss of €770 in the income statement.

35. Earnings per share

Basic earnings / (losses) per share

Basic earnings per share is calculated by dividing the profit / (loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares (note 20).

	Group		Company	
	1/1 - 31/12/2008	**1/1 - 31/12/2007**	**1/1 - 31/12/2008**	**1/1 - 31/12/2007**
Loss attributable to equity holders of the Company	(77.192)	(35.081)	(35.066)	(5.882)
Weighted average number of ordinary shares in issue (thousands)	131.345	131.500	131.345	131.500
Basic earnings per share (€ per share)	(0,59)	(0,27)	(0,27)	(0,05)
- From continuing operations	(0,59)	(0,26)	(0,27)	(0,04)
- From discontinued operations	0,00	(0,01)	0,00	(0,01)

Diluted earnings / (losses) per share

Diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares, such as stock options. For the share options a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	Group		Company	
	1/1 - 31/12/2008	**1/1 - 31/12/2007**	**1/1 - 31/12/2008**	**1/1 - 31/12/2007**
Loss attributable to equity holders of the Company	(77.192)	(35.081)	(35.066)	(5.882)
Weighted average number of ordinary shares in issue (thousands)	131.345	131.500	131.345	131.500
Adjustment for				
Share options (thousands)	-	90	-	90
Weighted average number of ordinary shares for diluted earnings per share (thousands)	131.345	131.591	131.345	131.591
Diluted earnings per share (€ per share)	(0,59)	(0,27)	(0,27)	(0,05)
- From continuing operations	(0,59)	(0,26)	(0,27)	(0,04)
- From discontinued operations	0,00	(0,01)	0,00	(0,01)

36. Dividends

The Annual General Meeting of the Shareholders of the Company held on 29 June 2007, approved the payment of a dividend of €0,10 per share for the year 2007 out of prior years' taxed reserves, totalling to €13.126. This amount has been accounted for in shareholders' equity as an appropriation of retained earnings during the year 2007.

(All amounts in €'000)

37. Cash generated from operations

		Group		Company	
	Note	**1/1 - 31/12/2008**	**1/1 - 31/12/2007**	**1/1 - 31/12/2008**	**1/1 - 31/12/2007**
Loss for the year		(83.394)	(36.909)	(35.066)	(5.882)
Adjustments for:					
Tax		2.696	15.689	535	4.827
Depreciation of PPE	6	24.423	15.752	1.391	1.305
Amortisation of intangible assets	8	14.408	10.013	1.113	1.600
Depreciation of investment property	9	627	507	873	766
Write - offs		-	552	-	-
Loss / (Profit) on sale of PPE		(475)	(2.778)	1	(402)
Gains from disposal of intangible assets		(70)	-	(70)	-
Fair value losses / (gains) of financial assets at fair value through profit or loss	31	434	(10)	-	-
Losses / (gains) from sale of financial assets at fair value through profit or loss	31	322	(10)	-	-
Losses / (gains) from sale of available-for-sale financial assets		2.803	(9)	2.803	-
Impairment of available-for-sale financial assets		9.408	-	9.624	-
Loss from sale of assets held for sale		-	-	-	82
Gains on disposal of associates	31	-	(268)	0	-
(Gains) /Loss on disposal of subsidiaries	10	(1.794)	(11.482)	(2.206)	770
Employees share option scheme	20	600	496	-	-
Interest income		(3.782)	(2.942)	(1.544)	(2.297)
Interest expense		29.643	14.414	2.487	780
Dividend income	30	(97)	(90)	(2.236)	(1.700)
Depreciation of grants received	24	(709)	(425)	-	-
Share of profit from associates and joint ventures	11	753	554	-	-
Exchange loss / (gain)		259	(410)	-	-
		(3.946)	**2.644**	**(22.294)**	**(152)**
Changes in working capital					
Increase in inventories		(149)	2.291	-	-
(Increase)/ decrease in trade and other receivables		(8.478)	(50.792)	28.236	(8.298)
Increase/ (decrease) in trade and other payables		14.612	65.196	(9.756)	8.616
(Increase)/ decrease in provisions		6.324	(595)	1.500	-
Increase/ (decrease) in retirement benefit obligations		429	907	(26)	92
Decrease in derivative financial instruments		-	(4.475)	-	(4.475)
		12.736	**12.533**	**19.954**	**(4.065)**
Cash generated from operations		**8.791**	**15.176**	**(2.340)**	**(4.217)**

(All amounts in €'000)

38. Business combinations

Attica Telecommunications S.A.
On 23 April 2007, the subsidiary company HoL acquired 100% of the share capital of Attica Telecommunications S.A. for €47.030 in cash (including transaction costs of €730).

The carrying amounts of the assets and liabilities of Attica Telecommunicatons S.A. at the acquisition date, as well as their fair values, as determined upon the completion of the purchase price allocation process, are as follows:

Assets	**Carrying Amounts**	**Provisional fair values**
Property, plant and equipment	30.291	33.397
Intangible assets	142	12.232
Deferred income tax assets	258	-
Trade and other receivables	10.252	10.252
Cash and cash equivalents	1.010	1.010
Other assets	40	40
	41.994	56.932
Liabilities		
Borrowings	11.000	11.000
Trade and other payables	13.380	13.380
Retirement benefit obligations	88	88
Deferred income tax liabilities	-	3.541
	24.468	28.009
Equity	17.526	28.923
Purchase price		47.030
Goodwill		**18.107**

Purchase consideration seetled in cash	47.030
Cash and cash equivalents in subsidiary acquired	(1.010)
Net cash outflow on acquisition	**46.020**

The fair values include the intangible assets recognised at acquisition, namely the customer relationships of €12.090, the fair value of the telecommunications network, as well as the corresponding deferred tax on these assets of €3.799.

In the annual financial statements of 31 December 2007, the fair values were determined provisionally and the resulting goodwill amounted to €21.069. The decrease in goodwill by €2.962 upon the completion of the purchase price allocation process is due to the valuation of customer relationships at €12.090 compared to €8.140 that was determined during the provisional allocation and the corresponding deferred tax.

IT Services Denmark A/S

On 26 July 2007, the newly established subsidiary company IT Services Denmark A/S acquired a business engaging in the provision of services, for a consideration of €4.600. In the annual financial statements of 31 December 2007, the entire purchase price was included in goodwill. Upon the completion of the purchase price allocation process in the current year, goodwill decreased by €2.390, liabilities decreased by €428 and customer relationships of €229, trade name of €661, computer software of €951 and property, plant and equipment of €121 were recognized.

Oikos Properties S.A.

On 20 June 2008, the subsidiary company Intracom Construct Srl (Intrakat sub-group) with registered office in Romania, acquired 100% of the share capital of Oikos Properties Srl. The net cash outflow from the acquisition of the subsidiary amounted to €401. No goodwill arose from the acquisition.

Intrakat S.A.

(a) In April 2008 the company SC Plurin Telecommunications srl with registered office in Romania was founded by the subsidiary Intrakat International Ltd with percentage holding 50%. The cost of participation amounted to €0,5 which was paid in full. The company has been consolidated for the first time in the second quarter of 2008 under the equity method.

(b) In September 2008 the company Alpha Mogilany Development SP Z.O.O with registered office in Poland was founded by the subsidiary Intrakat International Ltd with percentage holding 25%. The cost of participation amounted to €917 which was paid in full. The company has been consolidated for the first time in the third quarter of 2008 under the equity method.

(c) On 17 November 2008 the Extraordinary General Meeting of the subsidiary company Intrakat SA approved the company's share capital increase due to the acquisition of the construction segments of the companies TH. KARAGIANNIS S.A. and Cybarco ATE. The acquisition of the segments was completed on 28 November 2008, at which date it was approved by the Ministry of Development. This date is the date of acquisition in accordance with the provisions of IFRS 3 'Business Combinations'. Due to the undertaking of the above segments, the share capital of the subsidiary increased by 14.8247.000 common shares of nominal value €0,34 each. The fair values of the assets and liabilities of the two segments as determined on 28 November 2008 were €4.248 and €4.189 for Cybarco ATE and TH. KARAGIANNIS respectively. These fair values were increased by the fair values of the joint ventures J/V ANASTILOTIKI - GETEM - INTRAKAT (MUSEUM OF PATRAS), J/V ANASTILOTIKI - GETEM - INTRAKAT (PIROS-PARAPIROS DAMS) and J/V ALTEC - INTRAKAT - ANASTILOTIKI (MUSEUM OF PATRAS) which were acquired by the Company through the segment contributed by 'TH. KARAGIANNIS'.

The fair values of assets and liabilities recognised on acquisition date (including also the assets and the liabilities of the joint ventures, as mentioned above), are as follows:

(All amounts in €'000)

Assets	**Fair values**
Property, plant and equipment and investment property	5.891
Trade and other receivables	7.141
Receivables from construction contracts	499
Cash and cash equivalents	118
Deferred income tax assets	15
Other assets	261
	13.926
Liabilities	
Borrowings	2.105
Trade and other payables	1.989
Liabilities from construction contracts	316
Deferred income tax liabilities	697
Other payables	296
	5.403
Equity	8.523
Goodwill	3.564
Change in the minority interest	**12.087**

As mentioned above, the share capital of the subsidiary company Intrakat SA increased due to the undertaking of segments. As a result, the percentage holding of Intracom Holdings SA decreased from 73,55% to 61,76%. This transaction resulted in the recognition of goodwill of €3.564 and the increase in minority interest by €12.087.

39. Commitments

Capital commitments

As at the balance sheet date there were capital commitments for PPE of €10.010 for the Group (2007: €31.562)

Operating lease commitments

	Group		**Company**	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Up to 1 year	3.160	1.351	395	482
From 2 to 5 years	9.787	3.260	662	833
More than 5 years	10.239	1.187	-	149
	23.186	**5.798**	**1.057**	**1.464**

(All amounts in €'000)

40. 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	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Guarrantees for advance payments	95.944	92.771	83.876	65.159
Guarrantees for good performance	139.611	122.250	100.524	69.335
Guarrantees for participation in contests	14.836	15.872	14.795	10.483
Other	10.504	5.183	5.000	-
	260.895	**236.076**	**204.194**	**144.976**

The Company has given guarantees to banks for subsidiaries' loans amounting to €364.195 and for finance lease contracts amounting to €746.

In addition, the Company has guaranteed the contractual liabilities of an associate company.

There is an outstanding legal case against a subsidiary company from the Ministry of Merchant Marine (MMM) concerning violations during the execution of a project completed and delivered to the MMM in a prior period. The penalties and rebates that were initially claimed amounted to €29 mil., amount which has been reduced to €9 mil., following a settlement. The Company's management assesses that this amount may be further reduced. The lawyers of the Company in their letter set out that the information on the basis of which the penalties were imposed show serious inadequacies and that the final outcome will be favorable to the Company.

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 on Line, 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 suffer. The Group's management and its lawyers assess that the possibility of any material liabilities arising for the Group in relation to this case is very low.

The subsidiary company Hellas on Line 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 this case, at the end of 2005 the company disputed charges of €1.423 and has recorded a provision of €712.

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

(All amounts in €'000)

41. Related party transactions

The following transactions are carried out with related parties:

	Group		Company	
	1/1 - 31/12/2008	1/1 - 31/12/2007	1/1 - 31/12/2008	1/1 - 31/12/2007
Sales of goods / services:				
To subsidiaries	-	-	4.477	10.518
To associates	6.644	10.195	526	1.128
To other related parties	8.265	6.654	-	-
	14.909	**16.849**	**5.003**	**11.646**
Purchases of goods / services:				
From subsidiaries	-	-	530	623
From associates	10.928	11.315	67	13
From other related parties	455	26	-	-
	11.384	**11.341**	**597**	**635**
Rental income:				
From subsidiaries	-	-	1.554	609
From associates	961	676	585	505
From other related parties	415	392	385	357
	1.376	**1.068**	**2.524**	**1.472**
Dividend income:				
From subsidiaries	**-**	**-**	**2.236**	**1.700**
Purchases of fixed assets:				
From subsidiaries	-	-	23	3.489
From associates	25.605	27.526	-	-
	25.605	**27.526**	**23**	**3.489**
Disposals of fixed assets:				
To subsidiaries	-	-	2.391	-
	-	**-**	**2.391**	**-**

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.

(All amounts in €'000)

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

	Group		Company	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Receivables from related parties				
From subsidiaries	-	-	8.977	18.214
From associates	10.162	25.910	5.473	13.742
From other related parties (Note 15)	14.847	15.987	1.274	1.383
	25.009	**41.897**	**15.724**	**33.339**
Payables to related parties				
To subsidiaries	-	-	1.822	2.182
To associates	53.279	39.224	5.723	13.051
To other related parties (Note 26)	410	1.847	272	101
	53.689	**41.070**	**7.817**	**15.334**

Key management compensation

Total amount of €1.854 has been paid by the Company as directors' remuneration and key management compensation for the year 2008 (2007: €1.865). The outstanding balance due to directors as at 31st December 2008 was €75 (2007: €253)

42. Events after the balance sheet date

(a) On 10 March 2009 the share capital of the subsidiary company Hellas on Line increased following the decision of the Extraordinary General Meeting of the company's shareholders on 12/12/2008. The increase was subscribed during the exercise period of the pre-emption right (from 23/02/2009 to 09/03/2009) by 80,70% through the payment of € 40.922, corresponding to 25.576.199 new common registered shares, while 6,116,109 shares remained unsubscribed. According to the 09/03/2009 decision of the company's Board of Directors, the aforementioned 6.116.109 unsubscribed shares were allocated according to the subscriptions rights exercised. As a result, the share capital increase was 100% covered. Subsequently, the company's share capital increased by €26.938 following the issuance of 31.692.308 new shares, at nominal value of € 0,85 each, and share premium amounted to €23.769. Total proceeds were €50.708.

Due to the sale of the pre-emption rights by Intracom Holdings SA to third parties, the percentage interest held by the Company in Hellas on Line dropped to 63,129% (i.e 80.028.114 shares), out of which 60,433% is held directly and 2,696% is held indirectly, through its subsidiary company Intracom IT Services.

(b) On 20 March 2009 the Extraordinary General Meeting of the shareholders decided to distribute for free to its employees or/and affiliated companies, 815.021 treasury shares that the Company acquired during the year 2006.

(c) The subsidiary company Intrakat SA was classified in the upper 7th grade of the Register of Contractor's Enterprises of the Hellenic Ministry.

(All amounts in €'000)

43. Subsidiaries

The companies included in the consolidated financial statements and the related direct percentage interests held are as follows.

31 December 2008

	Name	Country of incorporation	Direct % interest held	Consolidation Method	Unaudited Tax Years
*	Intracom S.A Defence Electronic Systems	Greece	100,00%	Full	2007,2008
*	HELLAS ON LINE	Greece	80,58% (βλ.σημ.1)	Full	2008
	- Attica Telecommunications SA	Greece	100,00%	Full	2008
	- Unibrain Inc	USA	100,00%	Full	From establishment - 2008
*	Intracom Holdings International Ltd	Cyprus	100,00%	Full	From establishment - 2008
	- Intracom Technologies Ltd	Cyprus	100,00%	Full	From establishment - 2008
	- Fornax RT	Hungary	67,00%	Full	2003, 2006-2008
	- Fornax Integrator	Hungary	100,00%	Full	2001-2008
	- Fornax Informatika Doo Croatia	Croatia	100,00%	Full	2005-2008
	- Fornax Slovakia	Slovakia	100,00%	Full	2005-2008
	- Intracom Operations Ltd	Cyprus	100,00%	Full	From establishment - 2008
	- Intracom Group USA	USA	100,00%	Full	From establishment - 2008
*	Intracom IT Services	Greece	100,00%	Full	From establishment - 2008
	- Global Net Solutions Ltd	Bulgaria	100,00%	Full	From establishment - 2008
	- Dialogos SA	Greece	39,00%	Full	2004-2008
	-Data Bank SA	Greece	90,00%	Full	From establishment - 2008
	- Intracom Jordan Ltd	Jordan	80,00%	Full	2008
	- Intracom IT Services Denmark AS	Denmark	100,00%	Full	Established in 2008
	- Intracom Exports Ltd	Cyprus	100,00%	Full	From establishment - 2008
	- Intracom Cyprus Ltd	Cyprus	100,00%	Full	From establishment - 2008
	- Intrasoft International SA	Luxemburg	96,56%	Full	2007,2008
	- PEBE SA	Belgium	100,00%	Full	From establishment - 2008
	- Intrasoft SA	Greece	99,00%	Full	2006-2008
	- Intrasoft International Belgium	Belgium	100,00%	Full	2004-2008
	- Switchlink NV	Belgium	65,16%	Full	From establishment - 2008
*	Intrakat SA	Greece	61,76%	Full	2006-2008
	- Inmaint SA	Greece	62,00%	Full	2005-2008
	- KEPA Attica SA	Greece	51,00%	Full	2005-2008
	- Intracom Construct SA	Romania	94,82%	Full	2006-2008
	-Oikos Properties SRL.**	Romania	94,82%	Full	2007-2008
	- Eurokat SA	Greece	82,00%	Full	2007-2008
	J./V. AKTOR ATE - LOBBE TZILALIS - EUROKAT ATE (Ily Administration K.E.L.)	Greece	33,33%	Proportional	2007-2008
	- Intrakat International Ltd	Cyprus	100,00%	Full	2008
	-SC Plurin Telecommunications SRL**	Romania	50,00%	Equity	2008
	-Alpha Mogilany Development SP Z.O.O**	Poland	25,00%	Equity	2008
	- Intradevelopment SA	Greece	100,00%	Full	2004-2008
	J./V. Mohlos - Intrakat (Tennis.)	Greece	50,00%	Equity	2006-2008
	J./V. Mohlos - Intrakat (Swimm.)	Greece	50,00%	Equity	2003-2008
	J./V. Panthessalikon Stadium	Greece	15,00%	Equity	2004-2008
	J./V. Elter-Intrakat (EPA Gas)	Greece	45,00%	Equity	2008
	J./V. Intrakat - Gatzoulas	Greece	50,00%	Equity	2004-2008
	J./V. Elter-Intrakat-Energy	Greece	40,00%	Equity	2005-2008
	J./V. "Ath.Techniki-Prisma Domi"-Intrakat	Greece	50,00%	Equity	2005-2008
	J./V. Intrakat-Ergaz-ALGAS	Greece	33,33%	Equity	2007-2008
	J./V. Intrakat - Elter (Maintenance N.Section)	Greece	50,00%	Proportional	2006-2008
	J./V. Intrakat - ATTIKAT (Egnatia Odos)	Greece	50,00%	Proportional	2006-2008
	J./V. Intrakat - Elter (Alex/polis pipeline)	Greece	50,00%	Proportional	2007-2008
	J./V. Intrakat - Elter (Xiria)	Greece	50,00%	Proportional	2007-2008

Note 1: The total shareholding in Hellas on Line is 84,17% through the participation of Intracom IT Services.

(All amounts in €'000)

Name	Country of incorporation	Direct % interest held	Consolidation Method	Unaudited Tax Years
J./V. Intrakat - Elter (Road diversion- Arta)	Greece	30,00%	Proportional	2007-2008
J./V. Intrakat - Elter (Natural gas installation project- Schools)	Greece	30,00%	Proportional	2007-2008
J./V. Intrakat - Elter (Natural Gas Installation Project Attica Northeast & South)	Greece	49,00%	Proportional	2006-2008
J./V. Intrakat - Intracom Telecom (DEPA Network)	Greece	70,00%	Proportional	2007-2008
J./V. Intrakat - Elter (Broadband networks)	Greece	50,00%	Proportional	2007-2008
J./V. Intrakat - Elter (Natural Gas installation project - Schools EPA 3)	Greece	50,00%	Proportional	2007-2008
J./V. Intrakat - Elter (Natural Gas pipelines 2007 Northeastern Attica Region-EPA 4)				2007-2008
J./V.Intrakat- Elter(Gas Distrib.Network Expansion)	Greece	50,00%	Proportional	2007-2008
J./V. AKTOR ATE - Pantechniki SA - Intrakat (J./V. Moreas)	Greece	13,33%	Proportional	2008
J./V. Intrakat - Elter (EPA 5) - Natural Gas Installation Central Region	Greece	50,00%	Proportional	2007-2008
J./V. Intrakat - Elter (EPA 6) - Natural Gas Installation South Region	Greece	50,00%	Proportional	2008
J./V. Intrakat - Elter (Hospital of Aikaterini)	Greece	50,00%	Proportional	2008
J./V. Intrakat - Elter (Hospital of Corfu)	Greece	50,00%	Proportional	2008
J./V. Intrakat Elter (EPA 7) - Natural Gas Distribut.Network Attica	Greece	49,00%	Proportional	2007-2008
J./V. Intrakat Elter -Natural Gas Suppl.Network Lamia-Thiva-Chalkida	Greece	50,00%	Proportional	2008
J./V. Intrakat - Elter (Completion of Ionio Building, General Clinic)**	Greece	50,00%	Proportional	2008
J./V. Eurokat-ETBO- Central Library Building Construction(Contractor) **	Greece	70,00%	Proportional	2008
J/V Anastilotiki - Getem - Intrakat (Museum of Patras)**	Greece	25,00%	Proportional	2007-2008
J/V Anastilotiki - Getem - Intrakat (Piros-Parapiros Dams)**	Greece	33,30%	Proportional	2006-2008
J/V Altec - Intrakat - Anastilotiki (Thessaloniki Airport)**	Greece	46,90%	Proportional	2007-2008
* Moldovan Lottery	Moldova	32,85%	Equity	2008
* Intracom A.E. Τηλεπικοινωνιακών Λύσεων	Greece	49,00%	Equity	2003-2008
-Intracom Bulgaria S.A.	Bulgaria	100,00%	Full	1998-2008
-Intracom Svyaz Ltd.	Russia	100,00%	Full	From establishment - 2008
-Intracom Doo Skopje	FYROM	100,00%	Full	2006-2008
-Intralban Sha	Albania	95,00%	Full	2005-2008
-Intrarom S.A.	Romania	66,70%	Full	2004-2008
-Intracom Telecom Holdings International Ltd	Cyprus	100,00%	Full	From establishment - 2008
- Intracom Middle East L.L.C.	United Arab Emirates	100,00%	Full	Not applicable
- Connklin Corporation	USA	100,00%	Full	2001-2008
- Intracom Telecom solutions S.R.L.	Moldova	100,00%	Full	From establishment - 2008
- Intracom doo Belgrade	Serbia	100,00%	Full	From establishment - 2008
- Intracom doo Armenia	Armenia	100,00%	Full	2008
- Intracom Telecom Technologies Ltd.	Cyprus	100,00%	Full	From establishment - 2008
- Intracom Telecom Operations Ltd.	Cyprus	100,00%	Full	From establishment - 2008
- Intracom Telecom Solutions Saudi Arabia	Saudi Arabia	95,00%	Full	Established in 2008

(All amounts in €'000)

31 December 2007

	Name	Country of incorporation	Direct % interest held	Indirect % interest held
*	Intracom S.A Defence Electronic Systems	Greece	100,00%	100%
*	HELLAS ON LINE	Greece	92,20%	92%
	- Attica Telecommunications SA	Greece	100,00%	92%
*	Intracom Holdings International Ltd	Cyprus	100,00%	100%
	- Intracom Technologies Ltd	Cyprus	100,00%	100%
	- Fornax RT	Hungary	67,00%	67%
	- Fornax Integrator	Hungary	100,00%	67%
	- Fornax Informatika Doo Croatia	Croatia	100,00%	67%
	- Fornax Slovakia	Slovakia	100,00%	67%
	- Intracom Operations Ltd	Cyprus	100,00%	100%
	- Intracom Group USA	USA	100,00%	100%
*	Intracom IT Services	Greece	100,00%	100%
	- Global Net Solutions Ltd	Bulgaria	100,00%	100%
	- Dialogos SA	Greece	39,00%	39%
	-Data Bank SA	Greece	90,00%	90%
	- Intracom Jordan Ltd	Jordan	80,00%	80%
	- Intracom IT Services Denmark AS	Denmark	100,00%	100%
	- Intracom Exports Ltd	Cyprus	100,00%	100%
	- Intracom Cyprus Ltd	Cyprus	100,00%	100%
	- Intrasoft International SA	Luxemburg	96,56%	97%
	- PEBE SA	Belgium	100,00%	100%
	- Intrasoft SA	Greece	100,00%	100%
	- Intrasoft International Belgium	Belgium	100,00%	100%
	- Switchlink NV	Belgium	65,16%	65%
	- Unibrain SA	Greece	29,98%	30%
	- Unibrain Inc	USA	100,00%	30%
*	Intrakat SA	Greece	73,55%	74%
	- Inmaint SA	Greece	60,00%	44%
	- KEPA Attica SA	Greece	51,00%	38%
	- Intracom Construct SA	Romania	94,74%	70%
	- Eurokat SA	Greece	82,00%	60%
	- Intrakat International Ltd	Cyprus	100,00%	100%
	- Intradevelopment SA	Greece	100,00%	74%

* Direct investments

E) Notes and Information

INTRACOM HOLDINGS SA
(Ledger No SA 13906/06/B/86/20)
19 km MARKOPOULOU AVE., GR-19002, PEANIA ATHENS
Concise financial information for the period from 1 January 2008 to 31 December 2008
(reported under the provisions of L.2190 Art.135 for companies which prepare annual financial statements consolidated or stand alone in accordance with IFRS)

The purpose of the financial information set out below is to provide an overview of the financial position and financial results of INTRACOM HOLDINGS SA and INTRACOM GROUP. We advice the reader, before making any investment decision or other transaction with the Company, to visit the Company's website (www.intracom.com) where the interim financial statements prepared in accordance with International Financial Reporting Standards together with the audit review of the independent auditors, whenever this is required, are presented.

Authority in charge: Ministry of Development
Web Address: www.intracom.com
Date of approval of the financial statements by the BoD 30/03/2009

Board of Directors:
Chairman of the Board of Directors, Executive Member: Socrates P. Kokkalis
Vice Chairman, Deputy CEO, Executive Member: Konstantinos G. Dimitriadis
Advisors, Executive Members: Dimitrios X. Klonis, George Ar. Anninos, Nikolaos D. Labroukos.
Non-Executive Member: Konstantinos G. Antonopoulos
Independent Non-Executive Members: Stilianos A. Zervopoulos, Dimitrios K. Hatzigrigoriadis.

Certified Auditors Accountants:
Zoe Sofou (L.C./ Accociation of Certified Auditors 14701) -
Michael E. Hatzistavrakis (L.C./ Accociation of Certified Auditors 26581)

Auditing Firm: "SOL" S.A. CERTIFIED AUDITORS ACCOUNTANTS
Type of review opinion: With no qualification

CONDENSED BALANCE SHEET
Amounts in € thousands

	GROUP 31/12/2008	GROUP 31/12/2007	COMPANY 31/12/2008	COMPANY 31/12/2007
ASSETS				
Property plant and equipment	333.853	277.397	39.869	39.265
Investment property	63.125	50.049	60.450	55.244
Intangible assets	106.287	92.570	219	3.654
Other Non-current assets	139.106	143.616	380.955	369.164
Inventories	49.137	48.987	-	-
Trade Receivables	375.595	357.870	8.884	28.828
Other current assets	77.595	91.667	25.093	52.762
TOTAL ASSETS	**1.144.698**	**1.062.156**	**515.470**	**548.917**
ΚΑΘΑΡΗ ΘΕΣΗ ΚΑΙ ΥΠΟΧΡΕΩΣΕΙΣ				
Share capital	374.047	374.047	374.047	374.047
Reserves	58.618	136.942	106.204	137.433
Shareholders Equity (a)	432.665	510.989	480.251	511.480
Minority interest (b)	35.822	29.005	-	-
Total Equity (c) = (a) + (b)	468.487	539.994	480.251	511.480
Long-term bank borrowings	156.082	63.935	-	-
Provisions/Other long-term liabilities	48.601	20.887	1.163	885
Short-term bank borrowings	176.233	180.597	19.294	12.777
Other short-term liabilities	295.295	256.743	14.762	23.775
Total Liabilities (d)	676.211	522.162	35.219	37.437
TOTAL EQUITY AND LIABILITIES(c)+(d)	**1.144.698**	**1.062.156**	**515.470**	**548.917**

STATEMENT OF CHANGES IN EQUITY
Amounts in € thousands

	GROUP 31/12/2008	GROUP 31/12/2007	COMPANY 31/12/2008	COMPANY 31/12/2007
Balance at the beginning of period (1/1/2008 and 1/1/2007 respectively)	**539.994**	**583.549**	**511.480**	**536.864**
Profit/ (Loss) for the period, after tax	-83.394	-36.910	-35.065	-5.882
Increase / (decrease) of share capital	-	602	-	226
Dividends paid	-263	-13.314	-	-13.126
Net income recognised directly in equity	12.150	9.576	3.836	-3.093
Treasury Shares	-	-3.509	-	-3.509
Balance at the end of period (31/12/2008 and 31/12/2007 respectively)	**468.487**	**539.994**	**480.251**	**511.480**

ADDITIONAL DATA AND INFORMATION:

1. There are no pledges on the Company's or Group's assets
2. Number of employees at the end of current period: Company 80 employees (2007, 137 employees)
   Group 6.104 employees (2007, 6.171 employees).
3. There are no legal disputes or cases on arbitration which may materially affect the financial position of the Company or the Group.
   Other Provisions on 31.12.08 sum up to € 1.642 thous. for the company and € 12.979 thous. for the Group.
   There are no provisions for unaudited fiscal periods for the Company, whereas provisions for unaudited fiscal periods for the Group sum up to € 1.648 thous.
   There are no material provisions for legal disputes or cases on arbitration, neither for the Company nor for the Group.
4. Sales and purchases amounts, cumulatively from the beginning of the fiscal year, and the balances of receivables and payables at the end of the current period deriving, for the Company and the Group, by related party transactions, under the light of IAS 24 provisions are as follows :

(Amounts in € thousands)	Group	Company
a) Income	16.285	12.154
b) Expenses	36.989	620
c) Receivables	25.009	15.724
d) Payables	53.689	7.817
e) Key management compensation and transactions	1.854	1.854
f) Receivables from directors and key management	0	0
g) Payables to directors and key management	75	75

5. The Company reclassified the Income Statement figures for the relevant period of the previous financial year, due to the completion of the purchase price allocation process of subsidiaries and business segment. (Note 38 of Financial statements).
   Profits after tax and minority interest, as well as Shareholder's equity, remain as they were.
6. Information about the subsidiaries, associates and the joint ventures of the Group as at 31 December 2008 (name, country of incorporation, direct interest held), as well as the consolidation method is presented in Note 43 of the financial statements.
   Furthermore, in Note 43 changes in the consolidation method are mentionned. There are no changes in the consolidation method for the companies included in the group financial statements, or companies that are not included in the consolidation.
7. The Company's tax returns have been audited by the tax authorities up to and including the fiscal year 2007.
   Unaudited fiscal years by tax authorities for the Group's Companies are equally stated in Note 43.
8. The company and the Group at 31/12/2008 holds 1.680.836 treasury shares of € 7.724 thous. total value, which has been deducted from the Company's and Group's shareholders' equity.
9. During the current period, income of € 34 thous., referring to valuation and sale of financial assets available for sale,has been recorded directly to Shareholder's Equity (Fair value Reserves). Furthermore, the amount of € 3.802 thous. has been transferred from 'Fair Value Reserves' to the Income statement expenses, due to devaluation and sale of financial assets avoilable for sale.
   Respectively, in the Group's financial statements have been recorded, losses of € 4.164 thous. referring to valuation of financial assets available for sale, expenses of € 3.802 thous. that have been transferred from the fair value reserves to the Income Statement due to write off and disposal of available-for-sale financial assets, expenses on issue subsidiary's share capital€ 1.020 thous., losses of exchange rate conversions during the consolidation € 1.184 thous., change of minority rate of € 14.535 thous. which comprises the effect of aquisitions of business segments as reported in Note 38, and income of € 180 thous. referring to Stock Options Rights.
10. On 10 March 2009 the increase in share capital of the subsidiary Hellas On Line has been completed. The share capital increase was 100% covered, and total proceeds summed up to € 50,7 mn. Due to the sale of the pre-emption rights by Intracom Holdings SA to third parties, the percentage interest held by the Company in Hellas on Line dropped to 63,13%.
    The subsidiary company Intrakat SA was classified in the upper 7th grade of the Register of Contractor's Enterprises of the Hellenic Ministry.

CONDENSED INCOME STATEMENT
Amounts in € thousands

GROUP

	01/01-31/12/2008 Continuing Operations	01/01-31/12/2007 Continuing Operations	01/01-31/12/2007 Discontinued Operations	01/01-31/12/2007 Total
Sales	509.019	423.000	-	423.000
Gross profit (loss)	74.919	59.761	-	59.761
Profit/(loss) before tax, financing and investing results	-53.719	-9.710	-770	-10.480
Profit/(loss) before income tax	**-80.699**	**-20.450**	**-770**	**-21.220**
Less income tax expense	2.695	15.690	-	15.690
Profit/(Loss) after Tax	**-83.394**	**-36.140**	**-770**	**-36.910**
Attributable to:				
Equity holders of the Company	-77.192	-34.312	-770	-35.082
Minority interest	-6.203	-1.828	-	-1.828
Earnings After Tax per share - basic (in €)	-0,5877	-0,2609	-0,0059	-0,2668
Proposed Dividend per share	-	-	-	-
Profit/(loss) before income tax, financing, investing results and total depreciation	**-14.261**	**16.562**	**-770**	**15.792**

COMPANY

	01/01-31/12/2008 Continuing Operations	01/01-31/12/2007 Continuing Operations	01/01-31/12/2007 Discontinued Operations	01/01-31/12/2007 Total
Sales	5.411	12.122	-	12.122
Gross profit (loss)	443	574	-	574
Profit/(loss) before tax, financing and investing results	-33.587	-3.090	-770	-3.860
Profit/(loss) before income tax	**-34.530**	**-285**	**-770**	**-1.055**
Less income tax expense	535	4.827	-	4.827
Profit/(Loss) after Tax	**-35.065**	**-5.112**	**-770**	**-5.882**
Earnings After Tax per share - basic (in €)	-0,2670	-0,0389	-0,0059	-0,0448
Profit/(loss) before income tax, financing, investing results and total depreciation	**-30.209**	**581**	**-770**	**-189**

CONDENSED CASH FLOW STATEMENT

Amounts in € thousands

Indirect Method	GROUP 01/01-31/12/2008	GROUP 01/01-31/12/2007	COMPANY 01/01-31/12/2008	COMPANY 01/01-31/12/2007
Operating Activities				
Profit Before incomeTax (from continuing operations)	-80.699	-20.450	-34.530	-285
Profit Before incomeTax (from discontinued operations)	-	-770	-	-770
Plus / Minus Adjustments for:				
Depreciation	39.458	26.272	3.378	3.671
Provisions	6.752	312	1.474	92
Exchange differences	259	-410	-	-
Results (income, expenses, profits and losses) from investing activities	7.393	-20.887	6.371	-8.022
Interest expenses and related costs	29.643	14.414	2.487	780
Plus / Minus Adjustments for Working Capital Changes or related to operating activities.				
Decrease / (increase) in inventories	-149	2.291	-	-
Decrease / (increase) in receivables	-8.478	-50.792	28.236	-8.298
(Decrease) / Increase in liabilities (other than banks)	14.612	65.196	-9.756	8.616
Less:				
Interest expenses and related costs paid	-24.344	-14.414	-1.487	-780
Income Tax paid	-11.585	-8.430	-1.245	-2.187
Total inflow / (ouflow) from operating activities (a)	**-27.138**	**-7.668**	**-5.072**	**-7.183**
Investing activities				
Acquisition of subsidiaries, associates, joint ventures and other investments	-6.148	-22.722	-21.006	-33.799
Purchase of PPE and intangible assets	-75.187	-94.903	-8.077	-3.600
Proceeds from sales of PPE and intangible assets	3.457	12.820	1.161	9.307
Interest received	3.228	2.942	990	2.297
Dividends received	97	90	3.936	1.600
Total (outflow)/ inflow from investing activities (b)	**-74.553**	**-101.773**	**-22.996**	**-24.195**
Financing activities				
Proceeds from issue of share capital	-	831	-	227
Disposal/(Purchase) of treasury shares	-	-3.509	-	-3.509
Expenses on issue of share capital	-1.258	-512	-	-
Proceeds from borrowings	285.643	256.790	11.801	9.294
Repayments of borrowings	-203.050	-168.091	-5.281	-845
Repayment of finance leases	-4.510	-3.053	-3	-11
Dividends paid	-582	-13.562	-320	-13.374
Grants received	7.557	1.643	-	-
Total inflow / (outflow) from financing activities (c)	**83.800**	**70.537**	**6.197**	**-8.218**
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	**-17.891**	**-38.904**	**-21.871**	**-39.596**
Cash and cash equivalents at beginning of period	**76.573**	**115.477**	**32.935**	**72.531**
Cash and cash equivalents at end of period	**58.682**	**76.573**	**11.064**	**32.935**

Peania, 30 March 2009

THE CHAIRMAN OF THE BOARD OF DIRECTORS AND CEO	VICE CHAIRMAN OF THE BOARD OF DIRECTORS AND DEPUTY MANAGING DIRECTOR	CORPORATE FINANCE EXECUTIVE DIRECTOR	ACCOUNTING MANAGER
S.P. KOKKALIS ID. No P 695792/31.10.1991	K. G. DIMITRIADIS ID. No I 208019/07.08.1974	D.C. KLONIS ID. No P 539675/06.11.1995	I. K. TSOUMAS ID. No AZ 505361/10.12.2007 L.C. 637