INTRACOM

Holdings S.A.

Interim condensed financial statements

in accordance with International Accounting Standard 34

for the period 1 January to 30 September 2008

Contents

(All amounts in €'000)

Balance Sheet

		Group		Company	
ASSETS	**Note**	**30/9/2008**	**31/12/2007**	**30/9/2008**	**31/12/2007**
Non-current assets					
Property, plant and equipment	**5**	325.058	277.397	41.313	39.265
Goodwill		54.695	54.695	-	-
Intangible assets	**5**	45.538	37.875	272	3.654
Investment property	**5**	56.485	50.049	59.522	55.244
Investments in subsidiaries		-	-	233.109	223.982
Investments in associates		117.414	117.475	116.175	116.175
Available - for - sale financial assets	**6**	22.704	24.525	17.808	16.769
Deferred income tax assets		1.584	1.616	-	-
Long-term loans	**7**	7.704	-	7.704	-
Trade and other receivables		23.041	31.027	7.249	12.238
		654.223	**594.659**	**483.152**	**467.327**
Current assets					
Inventories		51.049	48.987	-	-
Trade and other receivables		330.462	306.071	40.866	43.683
Construction contracts		28.720	20.772	-	-
Financial assets at fair value through profit or loss		648	1.245	-	-
Current income tax assets		14.743	13.848	5.373	4.971
Cash and cash equivalents		79.642	76.573	18.310	32.935
		505.264	**467.497**	**64.549**	**81.589**
Total assets		**1.159.486**	**1.062.156**	**547.701**	**548.917**
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	**8**	374.046	374.047	374.046	374.047
Reserves		104.187	136.942	134.441	137.433
		478.233	510.989	508.487	511.480
Minority interest		27.356	29.005	-	-
Total equity		**505.589**	**539.993**	**508.487**	**511.480**
LIABILITIES					
Non-current liabilities					
Borrowings	**9**	65.499	63.935	-	-
Deferred income tax liabilities		5.100	6.186	433	355
Retirement benefit obligations		4.616	4.053	551	530
Grants		7.909	1.763	-	-
Provisions for other liabilities and charges		1.699	957	-	-
Trade and other payables	**10**	37.363	7.928	-	-
		122.186	**84.822**	**985**	**885**
Current liabilities					
Trade and other payables		252.257	242.094	16.994	22.645
Current income tax liabilities		1.812	5.948	-	988
Construction contracts		2.874	2.460	-	-
Borrowings	**9**	266.553	180.598	21.094	12.777
Provisions for other liabilities and charges		8.216	6.240	142	142
		531.712	**437.341**	**38.230**	**36.552**
Total liabilities		**653.898**	**522.163**	**39.214**	**37.436**
Total equity and liabilities		**1.159.486**	**1.062.156**	**547.701**	**548.917**

The notes on pages 10 to 29 are an integral part of these interim condensed financial statements.

(All amounts in €'000)

Income statement - Group - 1/1-30/9/2008

	Note	1/1 - 30/9/2008	1/1 - 30/9/2007		
		Continued operations	Continued operations	Discontinued operations	Total
Sales	4	354.570	289.178	-	289.178
Cost of goods sold		(300.720)	(253.236)	-	(253.236)
Gross profit		**53.850**	**35.942**	**-**	**35.942**
Other operating income		3.588	3.083	-	3.083
Other gains/ (losses) - net	11	5.770	12.427	-	12.427
Selling and research costs		(34.339)	(25.604)	-	(25.604)
Administrative expenses		(39.319)	(30.090)	-	(30.090)
Loss from the disposal of sub-group	16	-	-	(770)	(770)
Operating loss	**4**	**(10.451)**	**(4.242)**	**(770)**	**(5.012)**
Finance expenses	12	(21.517)	(9.934)	-	(9.934)
Finance income	12	2.455	3.961	-	3.961
Finance income/ (expenses)-net		**(19.062)**	**(5.973)**	**-**	**(5.973)**
Share of profit/ (loss) of associates		(497)	436	-	436
Loss before income tax		**(30.009)**	**(9.779)**	**(770)**	**(10.549)**
Income tax expense	13	(2.848)	(14.421)	-	(14.421)
Loss (net) for the period		**(32.858)**	**(24.200)**	**(770)**	**(24.970)**
Attributable to:					
Equity holders of the Company		(29.365)	(22.734)	(770)	(23.504)
Minority interest		(3.492)	(1.466)	-	(1.466)
		(32.858)	**(24.200)**	**(770)**	**(24.970)**
Earnings per share for loss attributable to the equity holders of the Company during the year (expressed in € per share)					
Basic	14	(0,22)	(0,17)	(0,01)	(0,18)
Diluted	14	(0,22)	(0,17)	(0,01)	(0,18)

The notes on pages 10 to 29 are an integral part of these interim condensed financial statements.

(All amounts in €'000)

Income statement - Group - 1/7-30/9/2008

	1/7 - 30/9/2008	1/7 - 30/9/2007
	Continued operations	**Continued operations**
Sales	123.607	89.082
Cost of goods sold	(105.913)	(81.715)
Gross profit	**17.694**	**7.366**
Other operating income	1.390	1.182
Other gains/ (losses) - net	4.472	12.303
Selling and research costs	(10.447)	(8.257)
Administrative expenses	(12.997)	(10.585)
Operating loss	**112**	**2.011**
Finance expenses	(5.745)	(5.348)
Finance income	1.163	660
Finance income/ (expenses)-net	**(4.582)**	**(4.688)**
Share of profit/ (loss) of associates	(549)	194
Loss before income tax	**(5.020)**	**(2.483)**
Income tax expense	(411)	(13.706)
Loss (net) for the period	**(5.430)**	**(16.190)**
Attributable to:		
Equity holders of the Company	(3.776)	(14.920)
Minority interest	(1.655)	(1.269)
	(5.430)	**(16.190)**
Earnings per share for loss attributable to the equity holders of the Company during the year (expressed in € per share)		
Basic	(0,03)	(0,11)
Diluted	(0,03)	(0,11)

The notes on pages 10 to 29 are an integral part of these interim condensed financial statements.

(All amounts in €'000)

Income statement - Company - 1/1-30/9/2008

	Note	1/1 - 30/9/2008	1/1 - 30/9/2007		
		Continued operations	Continued operations	Discontinued operations	Total
Sales		4.149	9.154	-	9.154
Cost of goods sold		(3.800)	(8.748)	-	(8.748)
Gross profit		**350**	**406**	**-**	**406**
Other operating income		4.512	3.254	-	3.254
Other gains/ (losses) - net		1.835	(392)	-	(392)
Selling and research costs		(311)	(240)	-	(240)
Administrative expenses		(9.544)	(4.802)	-	(4.802)
Loss from the disposal of sub-group	**16**	-	-	(770)	(770)
Operating loss		**(3.158)**	**(1.773)**	**(770)**	**(2.543)**
Finance expenses	**12**	(1.049)	(400)	-	(400)
Finance income	**12**	1.006	3.369	-	3.369
Finance income/ (expenses)-net		**(43)**	**2.969**	**-**	**2.969**
Loss before income tax		**(3.201)**	**1.196**	**(770)**	**426**
Income tax expense	**13**	(158)	(4.669)	-	(4.669)
Loss -net- for the period		**(3.359)**	**(3.473)**	**(770)**	**(4.243)**
Earnings per share for profit/ (loss) attributable to the equity holders of the Company during the year (expressed in € per share)					
Basic	**14**	(0,03)	(0,02)	(0,01)	(0,03)
Diluted	**14**	(0,03)	(0,02)	(0,01)	(0,03)

The notes on pages 10 to 29 are an integral part of these interim condensed financial statements.

(All amounts in €'000)

Income statement - Company - 1/7-30/9/2008

	1/7 - 30/9/2008	1/7 - 30/9/2007
	Continued operations	**Continued operations**
Sales	1.271	2.156
Cost of goods sold	(1.157)	(2.131)
Gross profit	**115**	**25**
Other operating income	762	422
Other gains/ (losses) - net	1.912	(398)
Selling and research costs	(81)	(162)
Administrative expenses	(2.807)	(1.681)
Operating loss	**(99)**	**(1.793)**
Finance expenses	(559)	(281)
Finance income	548	495
Finance income/ (expenses)-net	**(10)**	**214**
Loss before income tax	**(110)**	**(1.579)**
Income tax expense	42	(4.076)
Loss -net- for the period	**(68)**	**(5.655)**
Earnings per share for profit/ (loss) attributable to the equity holders of the Company during the year (expressed in € per share)		
Basic	(0,00)	(0,04)
Diluted	(0,00)	(0,04)

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(All amounts in €'000)

Statement of changes in equity - Group

	Note	Attributable to equity holders of the Company				
		Share capital	Other reserves	Retained earnings	Minority interest	Total equity
Balance at 1 January 2007		377.329	191.294	(5.272)	20.197	583.549
Loss -net- for the period		-	-	(23.504)	(1.466)	(24.970)
Valuation of available - for - sale financial assets		-	3.026	-	1.032	4.059
Currency translation differences		-	218	-	12	230
Total recognised income and expense		-	3.244	(23.504)	(421)	(20.680)
Treasury shares		(3.509)	-	-	-	(3.509)
Expenses on issue of share capital		(12)	-	(460)	-	(472)
Effect of changes in the group structure		-	1.432	(1.432)	4.257	4.257
Effect of acquisitions and changes in minority interest		-	15	161	4.399	4.574
Dividends paid for 2006		-	(13.126)	-	(182)	(13.308)
Transfer		-	(512)	(21)	533	-
		(3.522)	(12.192)	(1.751)	9.006	(8.458)
Balance at 30 September 2007		**373.808**	**182.347**	**(30.528)**	**28.784**	**554.410**
Balance at 1 January 2008		374.047	186.632	(49.690)	29.005	539.993
Loss -net- for the period		-	-	(29.365)	(3.492)	(32.858)
Valuation of available - for - sale financial assets	**6**	-	(2.064)	-	(756)	(2.820)
Disposal of investments available for sale		-	326	-	-	326
Currency translation differences		-	(610)	-	(44)	(654)
Total recognised income and expense		-	(2.348)	(29.365)	(4.293)	(36.006)
Issue of share capital		-	-	-	4.243	4.243
Expenses on issue of share capital		(1)	-	(819)	(193)	(1.013)
Stock options plans		-	135	-	-	135
Change of percentage in the minority interest	**20**	-		(9)	(1.497)	(1.506)
Dividend		-	-	-	(257)	(257)
Transfer		-	649	(998)	349	-
		(1)	784	(1.826)	2.644	1.601
Balance at 30 September 2008		**374.046**	**185.069**	**(80.882)**	**27.356**	**505.589**

The notes on pages 10 to 29 are an integral part of these interim condensed 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 -net- for the period		-	-	(4.243)	(4.243)
Valuation of available - for - sale financial assets		-	155	-	155
Total recognised income and expense		-	155	(4.243)	(4.088)
Treasury shares		(3.509)	-	-	(3.509)
Expenses on issue of share capital		(12)	-	-	(12)
Dividends paid for 2006		-	(13.126)	-	(13.126)
Balance at 30 September 2007		**373.808**	**146.530**	**(4.209)**	**516.129**
Balance at 1 January 2008		374.047	143.281	(5.848)	511.480
Loss -net- for the period		-	-	(3.359)	(3.359)
Valuation of available - for - sale financial assets	**6**	-	40	-	40
Disposal of investments available for sale		-	326	-	326
Total recognised income and expense		-	366	(3.359)	(2.993)
Expenses on issue of share capital		(1)	-	-	(1)
Balance at 30 September 2008		**374.046**	**143.647**	**(9.206)**	**508.487**

The notes on pages 10 to 29 are an integral part of these interim condensed financial statements.

(All amounts in €'000)

Cash flow statement

		Group		Company	
	Notes	1/1 - 30/9/2008	1/1 - 30/9/2007	1/1 - 30/9/2008	1/1 - 30/9/2007
Cash flows from operating activities					
Cash generated from operations	15	21.265	(5.902)	20	(2.914)
Interest paid		(16.469)	(9.904)	(1.049)	(400)
Income tax paid		(8.443)	(2.733)	(1.091)	(811)
Net cash generated from operating activities		**(3.646)**	**(18.540)**	**(2.120)**	**(4.126)**
Cash flows from investing activities					
Purchase of property, plant and equipment (PPE)		(54.704)	(49.451)	(351)	(2.243)
Purchase of investment property		(7.920)	(8)	(7.669)	-
Purchase of intangible assets		(19.562)	(1.996)	(0)	-
Proceeds from sale of PPE		599	3.621	-	2.011
Proceeds from sale of intangible assets		2.205	26	-	-
Acquisition of financial assets at fair value through profit or loss		(114)	(30)	-	-
Acquisition of available - for - sale financial assets	6	(6.532)	(1.771)	(6.532)	(1.732)
Sale of financial assets at fair value through profit or loss		51	169	-	-
Sale of available - for - sale financial assets	6	5.493	33	5.493	-
Acquisition of subsidiaries, net of cash acquired	20	(571)	(46.020)	(170)	-
Increase of share capital of subsidiaries		4.242	-	(11.798)	(46.300)
Acquisition of associates		(918)	(9.340)	-	(9.340)
Sale of subsidiaries	20	4.877	29.230	4.877	29.576
Sale of associates		-	746	-	-
Dividends received		84	-	2.236	1.600
Interest received		2.082	977	634	383
Cash of subsidiary due to change in consolidation method		-	8.722	-	-
Loans granted	7	(7.332)	-	(7.332)	-
Net cash from investing activities		**(78.019)**	**(65.093)**	**(20.612)**	**(26.045)**
Cash flows from financing activities					
Purchase of treasury shares		-	(3.509)	-	(3.509)
Expenses on issue of share capital		(1.351)	(472)	(1)	(12)
Dividends paid to shareholders		(209)	(13.203)	(209)	(13.203)
Dividends paid to minority shareholders		(257)	(182)	-	-
Proceeds from borrowings		125.308	189.944	11.800	25.440
Repayments of borrowings		(42.727)	(108.675)	(3.480)	(845)
Grants received		6.530	-	-	-
Repayments of finance leases		(2.559)	(2.613)	(3)	(8)
Net cash from financing activities		**84.734**	**61.289**	**8.107**	**7.862**
Net increase/(decrease) in cash and cash equivalents		**3.069**	**(22.343)**	**(14.625)**	**(22.308)**
Cash and cash equivalents at beginning of period		76.573	115.477	32.935	72.531
Cash and cash equivalents at end of period		**79.642**	**93.134**	**18.310**	**50.223**

The notes on pages 10 to 29 are an integral part of these interim condensed financial statements.

Notes to the interim condensed financial statements

1. General information

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

Intracom Group operates, through its subsidiaries and associates, in developing products, providing services and undertaking complex, integrated and advanced technology projects in the telecommunications, defence, public administration, and banking & finance industries and has also activities in the construction sector and the telecommunications sector. The parent company operates as a holding company. The Group operates in Greece, U.S.A, Bulgaria, Romania, as well as in other foreign countries (see note 22).

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

These interim condensed financial statements of the Group and the Company have been approved for issue by the Board of Directors on 26 November 2008.

2. Summary of significant accounting policies

These interim condensed financial statements consist of the stand alone financial statements of Intracom Holdings S.A. (the "Company") and the consolidated financial statements of the Company and its subsidiaries (the "Group") for the period 1/1 – 30/9/2008. They have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

These interim condensed financial statements must be examined together with the annual financial statements for the year 2007, as published on the Group's website ***www.intracom.com*****.**

The accounting policies used for the preparation and the presentation of the interim condensed financial statements are consistent with those applied for the preparation and presentation of the annual financial statements of the Company and the Group for the financial year ended 31 December 2007.

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

Standards/ interpretations effective in 2008

IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement" and IFRS 7 (Amendment) "Financial instruments: Disclosures" – Reclassification of Financial Assets (effective prospectively from 1 July 2008)

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 will not have any impact on the Group's financial statements.

IFRIC 11 – IFRS 2 "Group and Treasury share transactions" (effective for annual periods beginning on or after 1 March 2007)

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. This interpretation is not expected to have any impact on the Group's financial statements.

IFRIC 12 "Service Concession Arrangements" (effective for annual periods beginning on or after 1 January 2008)

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. The Group is in the process of assessing the impact of this standard on its 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 expects that this Interpretation will have no impact on its financial position or performance as the Group does not operate any funded plans.

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

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 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 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.

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 must be applied prospectively and will affect future acquisitions and transactions with minority interests.

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 and is effective for annual periods beginning on or after 1 January 2009. 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 ("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 in 2009.

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.

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 accounts.

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.

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

The guidance in this standard has been amended to reflect the fact that a number of assets and liabilities are measured at fair value rather than historical cost. 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 terms of 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.

3. Roundings

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

(All amounts in €'000)

4. Segment Information

The segment results for the period 1/1-30/9/2008 were as follows:

	Telecommunications systems	Technology solutions for government and banking sector	Defence systems	Construction	Telecom operations	Unallocated	Total
Sales	**20.816**	**99.662**	**51.897**	**110.142**	**69.832**	**2.221**	**354.570**
Operating profit/(loss)	(122)	2.309	4.309	5.120	(21.149)	(919)	(10.451)
Finance costs - net							(19.062)
Share of profit/ (loss) of associates	(590)	-	-	65	-	28	(497)
Loss before income tax							**(30.009)**

The segment results from continuing operations for the period 1/1-30/9/2007 were as follows:

	Telecommunications systems	Technology solutions for government and banking sector	Defence systems	Construction	Telecom operations	Unallocated	Total
Sales	**24.396**	**86.092**	**59.332**	**88.266**	**28.212**	**2.880**	**289.178**
Operating profit/(loss)	(1.598)	48	3.923	2.388	(17.738)	8.735	(4.242)
Finance costs - net							(5.973)
Share of profit/ (loss) of associates	748	-	-	(76)	(234)	(3)	436
Loss before income tax							**(9.779)**

The column "unallocated" includes the gain from the changes of the interest holding in the subsidiary company Hellas on Line amounting to €6.362 and €12.252 for the periods 1/1 – 30/9/2008 and 1/1 – 30/9/2007 (see note 11).

(All amounts in €'000)

5. Capital expenditure

Group

	Property, plant and equipment	Intangible assets	Investment property	Total
Net book amount at 1 January 2007	144.097	13.264	63.170	220.531
Additions	58.084	1.996	8	60.089
Acquisition of subsidiaries/ Change in conslolidation	47.554	12.502	-	60.055
Disposals	(3.625)	(26)	-	(3.651)
Depreciation charge	(10.800)	(4.628)	(379)	(15.807)
Transfers	6.420	-	(6.420)	-
Other movements	(58)	(327)	(189)	(573)
Net book amount at 30 September 2007	**241.671**	**22.782**	**56.190**	**320.644**
Net book amount at 1 January 2008	277.397	37.875	50.049	365.321
Additions	63.808	19.562	7.920	91.290
Acquisition of subsidiaries	-	-	418	418
Disposals	(663)	(2.321)	-	(2.984)
Depreciation charge	(16.922)	(9.630)	(447)	(26.999)
Transfers	1.499	-	(1.499)	-
Other movements	(61)	52	43	35
Net book amount at 30 September 2008	**325.058**	**45.538**	**56.485**	**427.081**

Company

	Property, plant and equipment	Intangible assets	Investment property	Total
Net book amount at 1 January 2007	55.272	5.253	46.603	107.129
Additions	2.728	-	-	2.728
Disposals	(2.309)	-	-	(2.309)
Depreciation charge	(1.074)	(1.209)	(485)	(2.768)
Transfers	(10.810)	-	10.810	-
Net book amount at 30 September 2007	**43.807**	**4.045**	**56.928**	**104.780**
Net book amount at 1 January 2008	39.265	3.654	55.244	98.163
Additions	351	-	7.669	8.020
Disposals	(1)	(2.321)	-	(2.322)
Depreciation charge	(1.044)	(1.060)	(650)	(2.754)
Transfers	2.742	-	(2.742)	-
Net book amount at 30 September 2008	**41.313**	**272**	**59.522**	**101.107**

(All amounts in €'000)

6. Available-for-sale financial assets

	Group		Company	
	30/9/2008	**31/12/2007**	**30/9/2008**	**31/12/2007**
Balance at the beginning of the period	24.525	12.010	16.769	9.030
Additions	6.532	1.639	6.532	1.600
Change in method of consolidation	-	110	-	-
Disposals	(5.532)	(15)	(5.532)	-
Fair value gains / (losses)	(2.820)	1.782	40	(3.093)
Impairment	-	(107)	-	(107)
Transfer from associates	-	9.106	-	9.340
Balance at the end of the period	**22.704**	**24.525**	**17.808**	**16.769**

7. Long-term loans receivable

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). The interest for the period up to 30.09.2008 amounted to € 372.

8. 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)
	132.210.996	187.567	194.204	(4.215)	377.556
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 30 September 2008	**131.345.181**	**187.567**	**194.204**	**(7.724)**	**374.046**

On 30 September 2008 the Company's share capital comprises 133.026.017 shares with a nominal value of €1,41 each. The Company also holds 1.680.836 treasury shares that have been acquired in previous years. The total amount paid to acquire the shares amounted to €7.724, and has been deducted from shareholders' equity.

(All amounts in €'000)

9. Borrowings

	Group		**Company**	
	30/9/2008	**31/12/2007**	**30/9/2008**	**31/12/2007**
Bank loans	261.105	174.971	21.094	12.774
Finance lease liabilities	58.536	7.473	-	3
Bond loans	12.411	62.090	-	-
Total borrowings	**332.052**	**244.533**	**21.094**	**12.777**
Non-current borrowings	65.499	63.935	-	-
Current borrowings	266.553	180.598	21.094	12.777
	332.052	**244.533**	**21.094**	**12.777**

Loans received during the current period for the Group relate to short term bank loans.

10. Long-term liabilities

The increase in trade and other payables during the current period for the Group is attributable to the increase in customers' advances in the construction segment.

11. Other gains / (losses) – net

During the second quarter of 2008, due to the change in the minority interests following the merger of the companies Hellas on Line and Unibrain, the Group recorded a gain of €1.819, which is included in the income statement of the period (see note 20). On 25 September 2008 Intracom Holdings disposed of 2,69% holding in the subsidiary Hellas on Line to third parties which resulted to a gain of €4.542 and €2.206 for the Group and the Company respectively (see note 20).

The comparatives for the period 1/1 – 30/9/2007 include the gain of €12.252 for the Group from the disposal of an interest holding in the subsidiary company Hellas on Line to third parties.

(All amounts in €'000)

12. Finance income / (expenses) – net

	Group		Company	
	1/1 - 30/9/2008	**1/1 - 30/9/2007**	**1/1 - 30/9/2008**	**1/1 - 30/9/2007**
Finance expenses				
- Bank borrowings	(10.292)	(5.720)	(683)	(392)
- Bond loans	(2.555)	(1.640)	-	-
- Finance leases	(375)	(393)	-	(0)
- Letters of credit and related costs	(1.002)	(883)	(1)	(8)
- Interest and advances	(5.453)	-	-	-
Net losses from exchange differences	(251)	(30)	-	-
Other	(1.588)	(1.268)	(365)	-
	(21.517)	(9.934)	(1.049)	(400)
Finance income				
Interest income	1.626	2.674	962	2.082
Net gains from derivative financial instruments	-	1.287	-	1.287
Other	829	-	44	-
	2.455	3.961	1.006	3.369
Finance expenses /(income)- net	**(19.062)**	**(5.973)**	**(43)**	**2.969**

The net gains from derivatives for the period 1/1 – 30/9/2007 relate to interest rate swaps of €100.000 nominal value. The Company had closed these positions during the first semester of 2007.

The interest from advances for the Group relates to interest-bearing advances for construction contracts with the Greek State.

The remaining increase in finance expenses during the current period is attributable to the increase in borrowings (see note 9).

13. Income Tax

	Group		Company	
	1/1 - 30/9/2008	**1/1 - 30/9/2007**	**1/1 - 30/9/2008**	**1/1 - 30/9/2007**
Current tax	3.584	3.421	79	524
Deffered tax	(736)	11.000	78	4.145
Total	**2.848**	**14.421**	**158**	**4.669**

For the period 1/7 – 30/9/2007 and following the completion of the tax audit for the years 2005 and 2006, the income tax expense for the Company increased by (a) €497 due to additional taxes imposed and (b) €4.656 due to the write-off of a deferred tax asset (resulting from the disallowance of prior years' tax losses). In addition, for the same period, the income tax expense for the Group increased by €5.820 as a result of a write-off by HoL of a deferred tax asset, due to its merger by absorption by Unibrain S.A., and the non-transferability of the tax losses to the new company.

14. Earnings per share

Basic Earnings 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 period, excluding ordinary shares purchased by the Company and held as treasury shares.

	Group		Company	
	1/1 - 30/9/2008	**1/1 - 30/9/2007**	**1/1 - 30/9/2008**	**1/1 - 30/9/2007**
Profit / (loss) attributable to equity holders of the Company	(29.365)	(23.504)	(3.359)	(4.243)
Weighted average number of ordinary shares in issue (thousands)	131.345	131.583	131.345	131.583
Basic earnings/ (losses) per share (€ per share)	**(0,22)**	**(0,18)**	**(0,03)**	**(0,03)**
- From continued operations	(0,22)	(0,17)	(0,03)	(0,02)
- From discontinued operatons	0,00	(0,01)	0,00	(0,01)

Diluted Earnings per Share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding under the assumption of the conversion of all dilutive potential ordinary shares, such as stock options. For the stock options a calculation is carried out 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 described above, is compared to the number of shares that would have been issued assuming that the stock options would be exercised.

	Group		Company	
	1/1 - 30/9/2008	**1/1 - 30/9/2007**	**1/1 - 30/9/2008**	**1/1 - 30/9/2007**
Profit / (loss) attributable to equity holders of the Company	(29.365)	(23.504)	(3.359)	(4.243)
Weighted average number of ordinary shares in issue (thousands)	131.345	131.583	131.345	131.583
Adjustment for				
Share options (thousands)	-	130	-	130
Weighted average number of ordinary shares for diluted earnings per share (thousands)	131.345	131.712	131.345	131.712
Diluted earnings per share (€ per share)	**(0,22)**	**(0,18)**	**(0,03)**	**(0,03)**
- From continued operations	(0,22)	(0,17)	(0,03)	(0,02)
- From discontinued operatons	0,00	(0,01)	0,00	(0,01)

(All amounts in €'000)

15. Cash generated from operations

		Group		Company	
	Note	**1/1 - 30/9/2008**	**1/1 - 30/9/2007**	**1/1 - 30/9/2008**	**1/1 - 30/9/2007**
Profit/ (loss) for the period		(32.858)	(24.970)	(3.359)	(4.243)
Adjustments for:					
Tax		2.848	14.421	158	4.669
Depreciation of PPE		16.922	10.800	1.044	1.074
Amortisation of intangible assets		9.630	4.628	1.060	1.209
Depreciation of investment property		447	379	650	485
Impairment		65	85	-	85
Loss on sale of PPE		64	4	-	298
Profit on sale of intangible assets		(70)	-	(69)	-
Fair value losses/ (profit) of financial assets at fair value through profit or loss		562	(78)	-	-
Losses from sale of financial assets through profit or loss		98	-	-	-
Losses/ (gains) from sale of available-for-sale financial assets		365	(9)	365	(2)
Losses / (profit) from sale of subsidiary	**20**	(6.362)	(11.482)	(2.206)	770
Profit from sale of associates		-	(303)	-	-
Stock option plans		135	-	-	-
Interest income		(2.455)	(977)	(1.006)	(383)
Interest expense		21.517	9.904	1.049	400
Dividends income		(84)	-	(2.236)	(1.700)
Depreciation of grants received		(384)	(420)	-	-
Share of profit / (loss) from associates		497	(436)	-	-
Exchange profit		(178)	307	-	-
		10.761	**1.853**	**(4.549)**	**2.662**
Changes in working capital					
Inventories		(2.061)	(659)	-	-
Trade and other receivables		(25.288)	(19.454)	9.819	(12.070)
Trade and other payables		35.001	19.042	(5.272)	10.943
Provisions		2.289	(2.804)	-	-
Retirement benefit obligations		564	595	22	25
Derivative financial instruments		-	(4.475)	-	(4.475)
		10.504	**(7.755)**	**4.569**	**(5.576)**
Cash generated from operations		**21.265**	**(5.902)**	**20**	**(2.914)**

16. Discontinued Operations

Intracom S.A. Telecom Solutions (telecommunications segment)

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. The loss from the disposal was recorded in the income statement of the period 1/4 – 30/6/2006. During the third quarter of 2007, the sales price was finalized and the Group and the Company recorded an additional loss of €770.

(All amounts in €'000)

17. 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**	
	30/9/2008	**31/12/2007**	**30/9/2008**	**31/12/2007**
Guarantees for advance payments	102.443	92.771	66.352	65.159
Guarantees for good performance	155.636	122.250	80.854	69.335
Guarantees for participation in contests	7.823	15.872	7.823	10.483
Other	3.033	5.183	-	-
	268.934	**236.076**	**155.029**	**144.976**

The Company has given guarantees to banks for subsidiaries' loans amounting to €318.397 and for finance lease contracts amounting to €844.

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

Outstanding legal cases

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. Moreover, an amount of € 5,8m was rendered payable, out of which, under a court decision, the payment of € 2,9 mil. was postponed and the remaining payment of € 2,9 mil. (plus surcharges) was settled. In the case that the court decides in favour of the Company, the amount already paid will be returned. 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.

Unaudited tax years

The tax audit of the Company for the unaudited tax year 2007 is currently in progress. Due to the existence of tax losses the Company does not expect that material additional taxes will arise.

Accordingly, there are unaudited tax years for subsidiary companies of the Group and consequently their tax liabilities have not been rendered final. The unaudited tax years for the group companies are presented in note 22.

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

18. Capital Commitments

As at the balance sheet date there were capital commitments for PPE of €14.015 for the Group and nil for the Company (31/12/2007: €31.562 for the Group and nil for the Company).

(All amounts in €'000)

19. Related party transactions

The following transactions are carried out with related parties:

	Group		Company	
	1/1 - 30/9/2008	**1/1 - 30/9/2007**	**1/1 - 30/9/2008**	**1/1 - 30/9/2007**
Sales of goods / services:				
To subsidiaries	-	-	3.423	7.591
To associates	5.322	5.107	416	519
To other related parties	3.867	304	-	-
	9.189	**5.411**	**3.840**	**8.110**
Purchases of goods / services:				
From subsidiaries	-	-	364	124
From associates	7.478	6.887	-	13
From other related parties	459	-	-	-
	7.937	**6.887**	**364**	**137**
Rental income:				
From subsidiaries	-	-	1.158	224
From associates	519	487	400	379
From other related parties	313	140	287	115
	832	**627**	**1.845**	**717**
Dividends income:				
From subsidiaries	**-**	**-**	**2.236**	**1.700**
Sales and purchases of fixed assets				
Purchases of fixed assets:				
From subsidiaries	-	-	21	2.632
From associates	18.852	16.203	-	-
	18.852	**16.203**	**21**	**2.632**
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)

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

	Group		Company	
	30/9/2008	**31/12/2007**	**30/9/2008**	**31/12/2007**
Receivables from related parties:				
From subsidiaries	-	-	21.375	18.214
From associates	13.926	25.910	9.324	13.742
From other related parties	15.506	15.987	1.387	1.383
	29.432	**41.897**	**32.086**	**33.339**
Payables to related parties				
To subsidiaries	-	-	1.532	2.182
To associates	47.270	39.224	9.533	13.051
To other related parties	2.076	1.847	101	101
	49.346	**41.070**	**11.165**	**15.334**

Key management compensation

For the nine months to 30 September 2008, a total of €1.279 was paid by the Company as key management compensation. (1/1-30/9/2007: €1.170).

20. Business combinations

Hellas on Line A.E.

On 21 April 2008, the General Meetings of 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 absorbing company Unibrain was renamed "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.

After the merger, and based on the share exchange agreement, Intracom Holdings holds a 84,26% interest in the current Hellas on Line. Due to the change in the minority interests, the Group recorded a gain of €1.819, which is included in the income statement of the current period under "Other gains / (losses) – net", with a corresponding decrease in the minority interests in equity.

On 25 September 2008 the Company disposed of 2,69% holding in the subsidiary HoL for €4.877. The Group recorded a gain of €4.542 in the income statement under "Other gains / (losses) – net", with an increase of €335 in the minority interests in equity. The Company recorded a gain of €2.206 from this transaction.

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).

(All amounts in €'000)

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**	**Fair Values**
Property, plant and equipment	30.291	33.397
Intangible assets	142	12.232
Deffered income tax assets/ (liabilities)	258	(3.541)
Trade and other receivables	10.252	10.252
Cash and cash equivalents	1.010	1.010
Other assets	40	40
	41.994	53.391
Liabilities		
Borrowings	11.000	11.000
Trade and other payables	13.380	13.380
Provisions for other liabilities and charges	88	88
	24.468	24.468
Equity	**17.526**	**28.923**
Purchase price		47.030
Goodwill		**18.107**

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 at 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.

Oikos Properties S.A.

On 20 June 2008, the subsidiary company Intracom Construct Srl (party of 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.

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 at 31 December 2007, the entire purchase price was presented as goodwill. Upon the completion of the purchase price allocation process in the current period, 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.

Intrakat S.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.

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.

21. Post balance sheet events

No significant events occurred after the balance sheet date.

(All amounts in €'000)

22. List of subsidiaries / associates

Information about the subsidiaries and associates, as well as the joint ventures of the Group as at 30 September 2008 is presented below.

	Name	Country of incorporation	Direct % interest held	Consolidation Method	Unaudited Tax Years
*	Intracom S.A Defence Electronic Systems	Greece	100%	Full	2007
*	HELLAS ON LINE	Greece	77,98% (see note:1)	Full	-
	- Attica Telecommunications SA**	Greece	100%	Full	-
	- Unibrain Inc	USA	100%	Full	From establishment -2007
*	Intracom Holdings International Ltd	Cyprus	100%	Full	From establishment -2007
	- Intracom Technologies Ltd	Cyprus	100%	Full	From establishment -2007
	- Fornax RT	Hungary	67%	Full	2003, 2006-2007
	- Fornax Integrator	Hungary	100%	Full	2001-2007
	- Fornax Informatika Doo Croatia	Croatia	100%	Full	2005-2006
	- Fornax Slovakia	Slovane	100%	Full	2005-2007
	- Intracom Operations Ltd	Cyprus	100%	Full	From establishment -2007
	- Intracom Group USA	USA	100%	Full	From establishment -2007
*	Intracom IT Services	Greece	100%	Full	From establishment -2007
	- Global Net Solutions Ltd	Bulgary	100%	Full	From establishment -2007
	- Dialogos SA	Greece	39%	Full	2004-2007
	-Data Bank SA	Greece	90%	Full	From establishment -2007
	- Intracom Jordan Ltd	Jordan	80%	Full	2007
	- Intracom IT Services Denmark AS**	Denmark	100%	Full	Established in 2007
	- Intracom Exports Ltd	Cyprus	100%	Full	From establishment -2007
	- Intracom Cyprus Ltd	Cyprus	100%	Full	From establishment -2007
	- Intrasoft International SA	Luxemburg	97%	Full	2007
	- PEBE SA	Belgium	100%	Full	From establishment -2007
	- Intrasoft SA	Greece	99%	Full	2006-2007
	- Intrasoft International Belgium	Belgium	100%	Full	2004-2006
	- Switchlink NV	Belgium	65%	Full	From establishment -2007

* Direct holding

Note. 1: The total shareholding in Hellas on Line is 81,57% through the participation of Intracom IT Services.

(All amounts in €'000)

Name	Country of incorporation	Direct % interest held	Consolidation Method	Unaudited Tax Years
* Intrakat SA	Greece	74%	Full	2006-2007
- Inmaint SA	Greece	62%	Full	2005-2007
- KEPA Attica SA	Greece	51%	Full	2005-2007
- Intracom Construct SA	Romania	94%	Full	2006-2007
- Eurokat SA	Greece	82%	Full	2006-2007
- Intrakat International Ltd**	Cyprus	100%	Full	-
-Oikos Properties SRL.**	Romania	95%	Full	2007
- Intradevelopment SA	Greece	100%	Full	2004-2007
-SC Plurin Telecommunications SRL**	Romania	50%	Equity	-
-Alpha Mogilany Development SP Z.O.O**	Poland	25%	Equity	-
J./V. Mohlos - Intrakat (Tennis.)	Greece	50%	Equity	2006-2007
J./V. Mohlos - Intrakat (Swimm.)	Greece	50%	Equity	2003-2007
J./V. Panthessalikon Stadium	Greece	15%	Equity	2003-2007
J./V. Elter-Intrakat (EPA Gas)	Greece	45%	Equity	2003-2007
J./V. Intrakat - Gatzoulas	Greece	50%	Equity	2004-2007
J./V. Elter-Intrakat-Energy	Greece	40%	Equity	2005-2007
J./V. "Ath.Techniki-Prisma Domi"-Intrakat	Greece	50%	Equity	2005-2007
J./V. Intrakat-Ergaz-ALGAS	Greece	33%	Equity	2005-2007
J./V. Intrakat - Elter (Maintenance N.Section)	Greece	50%	Proportional	2006-2007
J./V. Intrakat - ATTIKAT (Egnatia Odos)	Greece	50%	Proportional	2006-2007
J./V. Intrakat - Elter (Alex/polis pipeline)	Greece	50%	Proportional	2006-2007
J./V. Intrakat - Elter (Xiria)	Greece	50%	Proportional	2006-2007
J./V. Intrakat - Elter (Road diversion- Arta)	Greece	30%	Proportional	2006-2007
J./V. Intrakat - Elter (Natural gas installation project-Schools)	Greece	30%	Proportional	2006-2007
J./V. Intrakat - Elter (Natural Gas Installation Project Attica Northeast & South)	Greece	49%	Proportional	2006-2007
J./V. Intrakat - Intracom Telecom (DEPA Network)	Greece	70%	Proportional	2007
J./V. Intrakat - Elter (Broadband networks)	Greece	50%	Proportional	2007
J./V. Intrakat - Elter (Natural Gas installation project - Schools EPA 3)	Greece	50%	Proportional	2007
J./V. Intrakat - Elter (Natural Gas pipelines 2007 Northeastern Attica Region-EPA 4)	Greece	50%	Proportional	2007
J./V.Intrakat- Elter(Gas Distrib.Network Expansion)	Greece	50%	Proportional	2007
J./V. AKTOR ATE - LOBBE TZILALIS - EUROKAT ATE (Ily Administration K.E.L.)	Greece	33%	Proportional	2007
J./V. AKTOR ATE - Pantechniki SA - Intrakat (J./V. Moreas)	Greece	13%	Proportional	-
J./V. Intrakat - Elter (EPA 5) - Natural Gas Installation Central Region	Greece	50%	Proportional	2007
J./V. Intrakat - Elter (EPA 6) - Natural Gas Installation South Region	Greece	50%	Proportional	2007
J./V. Intrakat - Elter (Hospital of Aikaterini)	Greece	50%	Proportional	-
J./V. Intrakat - Elter (Hospital of Corfu)	Greece	50%	Proportional	-
J./V. Intrakat Elter (EPA 7) - Natural Gas Distribut.Network Attica**	Greece	49%	Proportional	2007
J./V. Intrakat Elter -Natural Gas Suppl.Network Lamia-Thiva-Chalkida**	Greece	50%	Proportional	2007
J./V. Eurokat-ETBO- Central Library Building Construction(Contractor) **	Greece	70%	Proportional	-
J./V. Intrakat - Elter (Completion of Ionio Building, General Clinic)**	Greece	50%	Proportional	-

* Direct holding

(All amounts in €'000)

	Name	Country of incorporation	Direct % interest held	Consolidation Method	Unaudited Tax Years
*	Moldovan Lottery	Moldova	33%	Equity	2007
*	Intracom Telecom Solutions SA	Greece	49%	Equity	2003-2007
	-Intracom Bulgaria S.A.	Bulgary	100%	Full	1998-2007
	-Intracom Svyaz Ltd.	Russia	100%	Full	From establishment -2007
	-Intracom Doo Skopje	FYROM	100%	Full	2006-2007
	-Intralban Sha	Albania	95%	Full	2005-2007
	-Intrarom S.A.	Romane	67%	Full	2004-2007
	-Intracom Telecom Holdings International Ltd	Cyprus	100%	Full	From establishment -2007
	- Intracom Middle East L.L.C.	Un.Ar.Emirates	100%	Full	Not applicable
	- Connklin Corporation	USA	100%	Full	2001-2007
	- Intracom Telecom solutions S.R.L.	Moldove	100%	Full	From establishment -2007
	- Intracom doo Belgrade	Serbia	100%	Full	From establishment -2007
	- Intracom doo Armenia	Armenia	100%	Full	2007
	- Intracom Telecom Technologies Ltd.	Cyprus	100%	Full	From establishment -2007
	- Intracom Telecom Operations Ltd.	Cyprus	100%	Full	From establishment -2007
	- Intracom Telecom Solutions Saudi Arabia**	Sad.Arabia	95%	Full	Established in 2007

* Direct holding

(**) These companies have been included in the Group for the first time in the current period ending 30 September 2008 (Oikos Properties Srl was acquired by the Group, while the remaining companies are newly formed companies).

Teledome was included in the consolidated financial statements for the period 1/1-30/9/2007, but not in the current period's financial statements (1/1 – 30/9/2008).

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

23. Other information

Intracom Holdings is committed to financially support its subsidiary Hellas on Line to continue as a going concern, as guarantor for its borrowings and through the provision of further finance that may be necessary in the future, until such time as the subsidiary successfully completes the contemplated domestic offering and it is able to service its liabilities as they fall due within the ordinary course of business for the foreseeable future. In October 2008, Hellas on Line contracted a syndicated bond loan for a total amount of €144,5 mil. and duration of 6 years. The funds raised will be used for the refinancing of existing borrowings. On 20 November 2008, the Board of Directors of Hellas on Line decided to submit to the upcoming Extraordinary General Meeting of the shareholders on 12 December 2008, the proposal for a share capital increase through cash with the participation of existing shareholders. The amount of the share capital increase will be determined before the Extraordinary General Meeting of the shareholders, taking into consideration the prevailing at that time market conditions.

On 17 November 2008 the Extraordinary General Meeting of the subsidiary company Intrakat approved of the company's share capital increase due to the acquisition of the Public and Private Construction segments of the companies Cybarco ATE, TH. KARAGIANNIS S.A. and Eurokat S.A., as well as due to the capitalization of reserve.