



INTRACOM
Holdings S.A.

**Interim condensed financial statements in accordance with
International Financial Reporting Standards as adopted by the
European Union**

30 September 2006

INTRACOM HOLDINGS

Interim condensed financial statements in accordance with IFRS

30 September 2006

(Unaudited)

(All amounts in €'000 unless otherwise stated)

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Balance sheet

ASSETS	Note	Group		Company	
		30/9/2006	31/12/2005	30/9/2006	31/12/2005
Non-current assets					
Property, plant and equipment		160.249	284.024	56.593	80.464
Goodwill	4	33.708	11.361	-	-
Intangible assets		16.882	55.091	5.662	6.897
Investment property		59.573	38.664	45.518	19.235
Investments in subsidiaries	4	-	-	181.676	376.308
Investments in associates and joint ventures	4	133.453	3.438	116.175	276
Available-for-sale financial assets		11.019	12.044	8.237	8.528
Deferred income tax assets		8.748	9.434	3.692	6.037
Trade and other receivables		15.293	94.458	5.703	5.703
		438.926	508.513	423.255	503.448
Current assets					
Inventories		54.817	157.193	-	-
Trade and other receivables		269.508	470.239	71.632	96.586
Construction contracts		44.076	29.169	-	-
Available-for-sale financial assets		-	1.852	-	-
Financial assets at fair value through profit or loss		1.066	3.441	-	-
Current tax assets		12.154	4.112	4.610	4.112
Cash and cash equivalents		118.906	95.832	65.151	66.862
		500.528	761.838	141.394	167.561
Assets classified as held for sale		-	37.882	-	22.883
		500.528	799.720	141.394	190.444
Total assets		939.454	1.308.233	564.649	693.892
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	6	468.189	472.205	468.189	472.205
Reserves		133.372	161.318	69.451	66.806
		601.561	633.523	537.640	539.011
Minority interest		19.451	27.810	-	-
Total equity		621.011	661.333	537.640	539.011
LIABILITIES					
Non-current liabilities					
Borrowings		43.026	21.416	6	-
Deferred income tax liabilities		1.774	-	-	-
Retirement benefit obligations		2.714	6.811	373	1.133
Grants		876	564	-	-
Provisions for other liabilities and charges		1.768	2.801	-	-
		50.158	31.592	379	1.133
Current liabilities					
Trade and other payables		129.998	240.482	16.116	49.614
Current income tax liabilities		7.432	5.285	1.241	1.379
Construction contracts		5.632	5.626	-	-
Borrowings		114.790	318.757	4.421	91.675
Derivative financial instruments		4.709	26.801	4.709	10.939
Provisions for other liabilities and charges		5.723	6.518	142	142
		268.284	603.468	26.630	153.748
Liabilities associated with assets classified as held for sale		-	11.840	-	-
		268.284	615.308	26.630	153.748
Total liabilities		318.443	646.900	27.009	154.881
Total equity and liabilities		939.454	1.308.233	564.649	693.892

The notes on pages 8 to 18 are an integral part of these interim condensed financial statements.

INTRACOM HOLDINGS**Interim condensed financial statements in accordance with IFRS****30 September 2006****(Unaudited)****(All amounts in €'000 unless otherwise stated)****Income statement for the period 1/1 – 30/9/2006**

		Group		Company	
	Note	1/1-30/9/2006	1/1-30/9/2005	1/1-30/9/2006	1/1-30/9/2005
Continuing operations					
Sales		251.556	178.702	15.816	84.758
Cost of goods sold		(208.638)	(129.691)	(11.949)	(55.597)
Gross profit		42.917	49.011	3.867	29.160
Other gains - net	7	17.441	(3.514)	14.273	821
Selling and research costs		(19.040)	(17.721)	(41)	(13.122)
Administrative expenses		(31.728)	(29.056)	(3.752)	(14.539)
Operating profit / (loss)		9.591	(1.279)	14.348	2.320
Finance costs - net	17	(6.436)	280	(1.314)	2.243
Share of (losses) / profits of associates and joint ventures	16	(2.715)	1.017	-	-
Profit before income tax		441	17	13.033	4.563
Income tax		(2.299)	(2.656)	(3.012)	(2.199)
(Loss) / profit for the period from continuing operations		(1.858)	(2.638)	10.021	2.364
Discontinued operations					
(Loss) / profit for the period from discontinued operations	5	(25.111)	7.197	(7.184)	7.733
Net (loss) / profit		(26.969)	4.559	2.837	10.097
Attributable to:					
Equity holders of the Company		(26.761)	5.251	2.837	10.097
Minority interest		(208)	(693)	-	-
		(26.969)	4.559	2.837	10.097
Earnings per share (expressed in € per share)					
Basic	13	(0,20)	0,04	0,02	0,08
Diluted	13	(0,20)	0,04	0,02	0,08

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INTRACOM HOLDINGS**Interim condensed financial statements in accordance with IFRS****30 September 2006****(Unaudited)****(All amounts in €'000 unless otherwise stated)****Income statement for the period 1/7 – 30/9/2006**

		Group		Company	
	Note	1/7-30/9/2006	1/7-30/9/2005	1/7-30/9/2006	1/7-30/9/2005
Continuing operations					
Sales		91.592	62.806	2.487	28.312
Cost of goods sold		<u>(78.697)</u>	<u>(48.410)</u>	<u>(1.537)</u>	<u>(21.416)</u>
Gross profit		12.895	14.396	950	6.896
Other gains - net		4.434	(3.097)	474	(140)
Selling and research costs		(9.497)	(7.272)	(11)	(5.916)
Administrative expenses		<u>(11.079)</u>	<u>(9.385)</u>	<u>(3.048)</u>	<u>(5.668)</u>
Operating loss		(3.247)	(5.358)	(1.634)	(4.829)
Finance costs - net		(2.927)	354	(1.061)	1.199
Share of (losses) / profits of associates and joint ventures	16	<u>(3.114)</u>	<u>647</u>	<u>-</u>	<u>-</u>
Loss before income tax		(9.288)	(4.357)	(2.695)	(3.629)
Income tax		394	(2.250)	(379)	(1.599)
Loss for the period from continuing operations		<u>(8.894)</u>	<u>(6.607)</u>	<u>(3.074)</u>	<u>(5.228)</u>
Discontinued operations					
Profit for the period from discontinued operations	5		<u>1.397</u>	<u>-</u>	<u>989</u>
Net loss		<u>(8.894)</u>	<u>(5.210)</u>	<u>(3.074)</u>	<u>(4.239)</u>
Attributable to:					
Equity holders of the Company		(8.787)	(5.557)	(3.074)	(4.239)
Minority interest		<u>(107)</u>	<u>347</u>	<u>-</u>	<u>-</u>
		<u>(8.894)</u>	<u>(5.210)</u>	<u>(3.074)</u>	<u>(4.239)</u>
Earnings per share (expressed in € per share)					
Basic		<u>(0,07)</u>	<u>(0,04)</u>	<u>(0,02)</u>	<u>(0,03)</u>
Diluted		<u>(0,07)</u>	<u>(0,04)</u>	<u>(0,02)</u>	<u>(0,03)</u>

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Statement of changes in equity

Group

	<u>Attributable to equity holders of the Company</u>				
	Share capital	Other reserves	Retained earnings	Minority interest	Total equity
Balance at 31 December 2004	455.395	331.982	(135.067)	31.053	683.363
Adoption of IAS 32 and IAS 39	-	(912)	(24.408)	(89)	(25.409)
Balance at 1 January 2005	455.395	331.071	(159.475)	30.964	657.954
Fair value gain on available-for-sale investments	-	472	-	-	472
Currency translation differences	-	-	1.263	-	1.263
Profit for the period	-	-	5.251	(693)	4.559
Expenses on issue of share capital	(11)	-	-	-	(11)
Sale of treasury shares	12.186	1.452	1.254	-	14.892
Increase in participation in subsidiary	-	9	(1.095)	(1.002)	(2.088)
Change due to sale of investments	-	(375)	-	-	(375)
Diminution of investments	-	(28)	-	-	(28)
Dividends	-	-	(13.126)	(1.444)	(14.570)
Revaluation of buildings	-	2.682	-	1.096	3.778
Transfer between reserves	-	4.353	(7.342)	2.989	-
Balance at 30 September 2005	467.570	339.635	(173.270)	31.910	665.846

	<u>Attributable to equity holders of the Company</u>				
	Share capital	Other reserves	Retained earnings	Minority interest	Total equity
Balance at 1 January 2006	472.205	263.392	(102.075)	27.810	661.332
Loss for the period	-	-	(26.761)	(208)	(26.969)
Fair value gains on available-for-sale investments	-	(301)	-	-	(301)
Purchase of treasury shares	(4.215)	-	-	-	(4.215)
Expenses on issue of share capital	(29)	-	-	-	(29)
Currency translation differences	-	(405)	-	(288)	(693)
Effect of changes in the group structure	-	(437)	(41)	(7.602)	(8.080)
Dividends paid to minority interests	-	-	-	(261)	(261)
Employee share option scheme: -value of employee services	228	-	-	-	228
Balance at 30 September 2006	468.189	262.250	(128.878)	19.451	621.011

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(All amounts in €'000 unless otherwise stated)

Statement of changes in equity

Company

	Share capital	Other reserves	Retained earnings	Total equity
Balance at 31 January 2004	455.395	219.295	(66.028)	608.662
Adoption of IAS 32 and IAS 39	-	(667)	(23.778)	(24.445)
Balance at 1 January 2005	455.395	218.628	(89.806)	584.218
Fair value gain on available - for - sale financial assets	-	34	-	34
Profit for the period	-	-	10.097	10.097
Expenses on issuance of ordinary share capital	(11)	-	-	(11)
Impairment of available - for - sale financial assets	-	(28)	-	(28)
Transfer	-	(2.293)	2.293	-
Disposal of treasury shares	12.186	1.452	-	13.638
Dividend relating to 2004	-	-	(13.126)	(13.126)
Balance at 30 September 2005	467.570	217.794	(90.542)	594.822

	Share capital	Other reserves	Retained earnings	Total equity
Balance at 1 January 2006	472.205	159.563	(92.758)	539.011
Profit for the period	-	-	2.837	2.837
Fair value gains on available-for-sale investments	-	(191)	-	(191)
Purchase of treasury shares	(4.215)	-	-	(4.215)
Expenses on issue of share capital	(29)	-	-	(29)
Employee share option scheme:				
-value of employee services	228	-	-	228
Balance at 30 September 2006	468.189	159.372	(89.920)	537.640

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Cash flow statement

(from continuing and discontinued operations)

		Group		Company	
	Note	1/1-30/9/2006	1/1-30/9/2005	1/1-30/9/2006	1/1-30/9/2005
Cash flows from operating activities					
Cash generated from operations	10	(5.594)	21.954	15.074	(8.230)
Interest paid		(13.544)	(15.007)	(1.021)	(11.894)
Income tax paid		(11.530)	(7.662)	(7.805)	(4.490)
Net cash from operating activities		(30.668)	(716)	6.248	(24.613)
Cash flows from investing activities					
Purchase of property, plant and equipment		(16.662)	(13.694)	(3.253)	(4.277)
Purchase of intangible assets		(3.713)	(11.396)	-	(10.959)
Purchase of investment property		(2.513)	-	-	-
Proceeds from sale of property, plant and equipment		290	353	190	194
Proceeds from sale of intangible assets		65	-	-	-
Dividends received		-	3.702	-	2.803
Proceeds from sale of investments classified as held for sale		38.025	-	34.865	-
Purchase of available-for-sale investments		(1.066)	(1.233)	(1.043)	-
Purchase of financial assets at fair value through profit or loss		-	(2.499)	-	-
Proceeds from sale of investments available-for-sale		1.940	5.538	100	5.717
Proceeds from sale of financial assets at fair value through profit or loss		2.515	2.826	-	-
Purchase of subsidiaries (net of cash and cash equivalents)		(14.865)	(45.113)	(32.467)	(35.481)
Sale of subsidiaries (net of cash and cash equivalents)		139.319	-	85.280	200
Interest received		1.096	1.038	149	238
Borrowings		-	4.418	-	-
Other		-	(306)	-	-
Net cash from investing activities		144.430	(56.366)	83.821	(41.564)
Cash flows from financing activities					
Change in share capital / Treasury shares		(4.244)	38.013	(4.244)	13.627
Dividends paid		(526)	(17.590)	(265)	(13.240)
Proceeds from borrowings		80.602	23.686	-	-
Repayments of borrowings		(66.110)	(58.213)	-	-
Grants received		165	-	-	87
Repayments of finance leases		(1.000)	(1.957)	(5)	(883)
Other		-	1.888	-	-
Net cash from financing activities		8.887	(14.173)	(4.515)	(409)
Net increase/(decrease) in cash and cash equivalents		122.649	(71.255)	85.554	(66.586)
Cash and cash equivalents at beginning of period		(85.040)	(19.305)	(24.812)	(44.809)
Exchange gains on cash and cash equivalents		-	1.018	-	-
Cash and cash equivalents at end of period	15	37.609	(89.541)	60.742	(111.395)

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Notes to the interim condensed financial statements

1. General information

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

INTRACOM Group develops products, provides services and undertakes complex, integrated and advanced technology projects in the telecommunications, defence, public administration, and banking & finance industries and has also activities in the construction sector.

The Group has operations in Greece, USA, 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.gr.

The interim condensed financial statements for the Group and the Company of 30/9/2006 have been approved for issue by the Board of Directors on 28 November 2006. These financial statements which cover the same period, but provide additional explanatory information as described in note 20, have been approved for issue by the Board of Directors on 5/1/2007.

2. Summary of significant accounting policies

The interim condensed financial statements of INTRACOM are for the nine months ended 30 September 2006. They have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, including International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

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 2005, unless as described below. These interim condensed financial statements must be examined together with the annual financial statements for the year 2005, as published on the Group's website www.intracom.gr.

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

Accounting policy on interests in joint ventures

During the current period, the sub-group Intrakat has new activities in the construction sector through joint ventures. These new investments in joint ventures are accounted for using proportionate consolidation. According to this method, the Group recognizes its interest in the joint ventures on a line-by-line basis in the Group's financial statements.

Reclassifications

Certain amounts of the income statement for the interim period 1/1-30/6/2006 have been reclassified, compared to the current interim condensed financial statements, for better presentation of the activities and in order to be consistent with the current period's presentation. These amounts relate to the disposal of the sub-group Intracom Telecom, as described in note 5 and involve (a) the share transfer tax of €6.553 that was presented under "Income tax" in the income statement of the Group and the Company for the first semester of 2006 and (b) the loss from the disposal of €630 that was presented under "Other gains-net" in the stand alone financial statements of the Company for the first semester of 2006. These amounts have been reclassified in the current period under a separate line named "Discontinued operations" in the income statement of the Group and Company.

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3. Segment information

The segment results for the period 1/1-30/9/2006 were as follows:

	Telecommunications systems		Technology solutions for government and banking sector	Defence systems	Construction	Telecom operations	Other	Unallocated	Total
	Discontinued operations	Continuing operations							
Sales	171.548	30.729	72.495	58.777	60.558	24.418	4.577	-	423.103
Operating profit / (loss)	6.784	111	(1.289)	5.900	(1.570)	(6.938)	13.376	-	16.375
Finance costs-net	(5.441)	-	-	-	-	-	-	(6.436)	(11.877)
Share of (losses) / profits of associates and joint ventures	-	(3.309)	136	-	491	-	(32)	-	(2.715)

The discontinued operations relate to the sale of 51% of the sub-group Intracom Telecom (see note 5). The share of losses from associates presented under continuing operations of the telecommunications systems' segment relates to the activities of Intracom Telecom for the period 1/7-30/9/2006.

The segment results for the period 1/1-30/9/2005 were as follows:

	Telecommunications systems	Technology solutions for government and banking sector	Defence systems	Construction	Other	Unallocated	Total
Sales	187.023	82.829	48.563	46.728	8.142	698	373.982
Operating profit / (loss)	5.448	2.494	4.102	(2.037)	399	570	10.976
Share of (losses) / profits of associates and joint ventures	(2)	(62)	-	1.077	3	-	1.017

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4. Investments in subsidiaries / associates

The transfer of 100% of the share capital of Hellas On Line from EFG Eurobank S.A. to Intracom Holdings for €18.950 was completed on 31st January 2006. On 30 June 2006, the increase in the share capital of Hellas On Line amounting to €12,5 mil. was approved. Intracom Holdings has paid this amount on 19 July 2006. The price is expected to increase up to a maximum of €6.000, provided that the revenue that Hellas on Line will achieve for the group EFG Eurobank S.A. will amount to €7.000. The resulting goodwill from the acquisition was €22.347. The Company has not yet completed the allocation of the cost to the assets and liabilities of the acquired entity. After the balance sheet date, the Company announced a non-binding agreement for the sale of 51% of Hellas On Line to the Russian company Comstar (see note 18).

During the period, Intracom Holdings founded its 100% subsidiary, Intracom Holdings International Ltd., registered in Cyprus, with a cost of €5.000.

On 6 April 2006 the Group, through its subsidiary Intrakat, disposed of its entire shareholding in the company "Aetheras Energy", for a consideration of €220. The profit from the disposal amounted to €18.

As described in note 5, the Group disposed of 51% of its subsidiary Intracom S.A. Telecom Solutions on 30 June 2006. Consequently, on the balance sheet of 30 September 2006 Intracom Telecom is consolidated by the equity method of accounting and is included under investments in associates.

A list of all the direct and indirect interests in subsidiaries is set out in note 19.

5. Discontinued operations

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

Intracom Telecom group structure on 30 June 2006 is presented below. Following the disposal, the group is accounted for using the equity method, at a percentage of 49%.

COMPANY	DIRECT % INTEREST HELD	COUNTRY OF INCORPORATION
<u>INTRACOM S.A. TELECOM SOLUTIONS</u>	49,00	GREECE
INTRACOM BULGARIA S.A.	100,00	BULGARIA
INTRACOM SVYAZ LTD	100,00	RUSSIA
INTRACOM DOO SKOPJE	100,00	FYROM
INTRALBAN SHA	95,00	ALBANIA
INTRAROM S.A.	74,23	ROMANIA
<u>INTRACOM TELECOM HOLDINGS INTERNATIONAL LTD (Sub-group)</u>	100,00	CYPRUS
INTRACOM MIDDLE EAST LLC	100,00	UAE
CONKLIN CORPORATION	100,00	USA
INTRACOM DOO BELGRADE	100,00	SERBIA
INTRACOM DOO ARMENIA	100,00	ARMENIA
INTRACOM TELECOM TECHNOLOGIES LTD	100,00	CYPRUS
INTRACOM TELECOM OPERATIONS LTD	100,00	CYPRUS

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The results of the activities of the partly transferred sub-group Intracom Telecom, as well as the loss from its disposal, are presented below:

Income statement 1/1-30/9/2006

	Group		Company	
	1/1-30/9/2006	1/1-30/9/2005	1/1-30/9/2006	1/1-30/9/2005
Sales	171.548	195.280	-	167.822
Cost of goods sold	(126.321)	(136.246)	-	(121.439)
Gross profit	45.227	59.034	-	46.383
Other gains - net	1.034	976	-	286
Selling and research costs	(24.135)	(25.986)	-	(23.253)
Administrative expenses	(15.342)	(21.769)	-	(13.791)
Operating profit	6.784	12.255	-	9.624
Finance costs - net	(5.441)	(4.272)	-	(1.842)
Profit before income tax	1.343	7.983	-	7.783
Income tax	(751)	(786)	-	(50)
Profit for the period after income tax	591	7.197	-	7.733
Loss from the disposal of sub-group (see note)	(25.702)	-	(7.184)	-
Net (loss) / profit from discontinued operations	(25.111)	7.197	(7.184)	7.733

Loss from the disposal of sub-group:

The share of the consolidated net assets of the sub-group Intracom Telecom times the percentage transferred (51%) amounted to €139.148 at the date of disposal and as a result the Group reported a loss of €19.148 in the consolidated income statement for the period, plus a share transfer tax of €6.554. In the stand alone financial statements of the parent company, the loss from disposal amounted to €630, plus a share transfer tax of €6.554.

As described in note 14, the spin-off of Telecom Solutions segment was effected during the last quarter of 2005. As a result, the Company's stand alone financial statements for 2006 do not incorporate the results of the segment.

Income statement 1/7-30/9/2006

	Group		Company	
	1/7-30/9/2006	1/7-30/9/2005	1/7-30/9/2006	1/7-30/9/2005
Sales	-	53.002	-	41.491
Cost of goods sold	-	(43.954)	-	(36.659)
Gross profit	-	9.048	-	4.832
Other gains - net	-	2.032	-	(14)
Selling and research costs	-	(1.254)	-	(278)
Administrative expenses	-	(6.179)	-	(3.692)
Operating profit	-	3.647	-	847
Finance costs - net	-	(3.158)	-	(1.203)
Profit / (loss) before income tax	-	489	-	(356)
Income tax	-	908	-	1.345
Profit for the period from discontinued operations after income tax	-	1.397	-	989

Due to the fact that the disposal of the subsidiary took place on 30 June 2006, the period 1/7-30/9/2006 does not present any results from discontinued operations.

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Cash flows 1/1-30/9/2006

	Group 1/1-30/9/2006	Company 1/1-30/9/2006
Operating cash flows	7.586	-
Investing cash flows	132.756	85.000
Financing cash flows	(202)	-
Total cash flows for discontinued operations	<u>140.139</u>	<u>85.000</u>

The effect from the disposal of the sub-group is included under investing cash flows of the Group and the Company (i.e. the consideration received and the subsidiary's cash and cash equivalents disposed of).

6. Share capital

	Number of shares	Ordinary shares	Share premium	Treasury shares	Total
Balance at 1 January 2006	132.413.583	279.393	192.812	-	472.205
Treasury shares purchased	(815.021)	-	-	(4.215)	(4.215)
Expenses on issue of share capital	-	-	(29)	-	(29)
Employee share options	-	-	228	-	228
Balance at 30 September 2006	<u>131.598.562</u>	<u>279.393</u>	<u>193.011</u>	<u>(4.215)</u>	<u>468.189</u>

The Company acquired 815.021 treasury shares through purchases on the Athens Stock Exchange during the period. The total amount paid to acquire the shares was €4.215 and has been deducted from shareholders' equity. The Company has the right to reissue or to resell these shares at a later date.

7. Other gains - net

On 1st February 2006, the Company disposed of its entire shareholding in FORTHNET S.A., which represented 24,8% of its share capital, for the amount of €34.865. The gain from the disposal for the Company and the Group amounted to €11.982.

8. Capital expenditure

Total acquisitions of property, plant and equipment for the Group and the Company during the nine month period ended 30 September 2006 amounted to €19.175 and €3.253 respectively (30 September 2005: €13.694 and €4.277 for the Group and the Company respectively). Total additions to intangible assets for the nine month period amounted to €3.713 for the Group and nil for the Company (30 September 2005: €11.396 and €10.959 for the Group and the Company respectively).

9. Capital commitments

There are no significant capital commitments at the balance sheet date.

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10. Cash generated from operations

	Group		Company	
	1/1-30/9/2006	1/1-30/9/2005	1/1-30/9/2006	1/1-30/9/2005
(Loss) / profit for the period	(26.969)	4.559	2.837	10.097
Adjustments for:				
Tax (from continuing and discontinued operations)	3.051	3.441	3.012	2.248
Loss from the disposal of the sub-group Intracom Telecom (note 5)	25.702	-	7.184	-
Depreciation of property, plant and equipment	12.973	13.078	1.108	8.038
Amortisation of intangible assets	11.022	11.935	1.235	9.963
Depreciation of investment property	432	404	381	378
Loss / (profit) on sale of property, plant and equipment	124	27	(69)	(71)
Fair value losses on other investments	96	-	-	-
Impairment of investments	1.043	350	1.043	350
Loss / (gain) on sale of subsidiaries	-	-	670	(2)
Gain on sale of available-for-sale investments	(11.982)	-	(11.982)	(896)
Gain on sale of investments at fair value through profit or loss	(269)	-	-	-
Interest income	(1.096)	(1.076)	(149)	(238)
Interest expense	13.544	15.004	1.021	11.894
Dividend income	-	(3.702)	(1.600)	(2.803)
Depreciation of grants received	(145)	(421)	-	(413)
Share of losses / (profits) from associates	2.715	(1.017)	-	-
Employee share options	228	-	228	-
Exchange losses	113	1.420	-	-
Other	-	(2.911)	-	-
	30.581	41.092	4.918	38.545
Changes in working capital:				
Increase in inventories	(4.014)	(11.120)	-	(9.209)
(Increase) / decrease in receivables	(62.251)	18.638	67.557	7.177
Increase / (decrease) in trade and other payables	36.586	(19.531)	(50.412)	(28.337)
Increase / (decrease) in provisions	(81)	1.823	-	(7.288)
Increase / (decrease) in retirement benefit obligations	(53)	1.477	(760)	1.471
Decrease in derivative financial instruments	(6.362)	(10.588)	(6.230)	(10.588)
Other	-	163	-	-
	(36.175)	(19.138)	10.156	(46.774)
Cash generated from operations	(5.594)	21.954	15.074	(8.230)

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11. Contingencies

The Group has contingent liabilities in respect of banks, other guarantees and other matters arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities. The Company has given guarantees in the ordinary course of business of the Company and its subsidiaries amounting to around €191 million.

The Company has given guarantees to banks for subsidiaries' loans amounting to €181 million and for finance leases amounting to €1,9 million. Moreover, the Company has given guarantees amounting to €118 million for the syndicated loan of the associate company Intracom S.A. Telecom Solutions and the related cross-currency swap.

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

There is an outstanding case against the Company from the Ministry of Merchant Marine concerning violations during the execution of projects. The penalties and rebates amount to €29.145. 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.

12. Related party transactions

The following transactions are carried out with related parties.

	Group		Company	
	1/1-30/9/2006	1/1-30/9/2005	1/1-30/9/2006	1/1-30/9/2005
Sales of services:				
To subsidiaries	-	-	11.016	2.112
To other related parties	1.364	1.341	1	1.315
	1.364	1.341	11.018	3.427
Sales of goods:				
To subsidiaries	-	-	-	14.452
To other related parties	858	6.734	-	6.734
	858	6.734	-	21.186
Purchases of services:				
From subsidiaries	-	-	137	3.893
From other related parties	908	1.654	1	1.654
	908	1.654	138	5.547
Purchases of goods:				
From subsidiaries	-	-	-	13.854
From other related parties	1.558	-	-	-
	1.558	-	-	13.854
Rental income:				
From subsidiaries	-	-	317	198
From other related parties	536	139	399	113
	536	139	716	312

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	Group		Company	
	1/1-30/9/2006	1/1-30/9/2005	1/1-30/9/2006	1/1-30/9/2005
Purchases of fixed assets:				
From subsidiaries	-	-	19	1.333
From other related parties	2.301	5.355	747	5.355
	2.301	5.355	766	6.688
Sales of fixed assets:				
To subsidiaries	-	-	152	-
To other related parties	22.645	-	37	-
	22.645	-	189	-

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 companies in which the major shareholder of the Company holds an interest share.

Company transactions with subsidiaries include transactions effected with Intracom Telecom group up to 30 June 2006. Purchases and sales of fixed assets with other related parties include transactions with the Telecom group.

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

	Group		Company	
	30/9/2006	31/12/2005	30/9/2006	31/12/2005
Receivables from related parties:				
From subsidiaries	-	-	14.313	80.776
From other related parties	23.670	58.975	11.771	629
	23.670	58.975	26.084	81.405
Payables to related parties:				
To subsidiaries	-	-	2.554	28.624
To other related parties	11.897	42.200	1.745	156
	11.897	42.200	4.299	28.780

Key management compensation

For the nine months to 30 September 2006, a total of €938 has been paid by the Company as key management compensation.

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13. Earnings per share

Basic and diluted earnings per share from continuing and discontinued operations are as follows:

	Group		Company	
	1/1-30/9/2006	1/1-30/9/2005	1/1-30/9/2006	1/1-30/9/2005
Earnings per share from continuing operations (expressed in € per share)				
Basic	(0,01)	(0,02)	0,08	0,02
Diluted	(0,01)	(0,02)	0,08	0,02
Earnings per share from discontinued operations (expressed in € per share)				
Basic	(0,19)	0,06	(0,06)	0,06
Diluted	(0,19)	0,06	(0,06)	0,06

14. Transfer of segments to subsidiaries

During the last quarter of 2005, the transfer of the Telecom Solutions, the Defense Electronic Systems and the IT Services segments to subsidiaries was effected. The spin-off of the segments and the transformation of Intracom Holdings S.A to a holding company was completed on 31st December 2005.

The counterparties' acceptance of the transfer of contracts to the new legal entities is in progress.

The operations of Intracom Holdings are continued through its subsidiaries and associates. The Company will receive the benefit from the operations of these companies through dividends.

15. Cash and cash equivalents

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

	Group		Company	
	30/9/2006	30/9/2005	30/9/2006	30/9/2005
Cash at bank and in hand	118.906	75.092	65.151	53.238
Bank overdrafts	(81.298)	(164.633)	(4.410)	(164.633)
Total	37.609	(89.541)	60.742	(111.394)

16. Results of associates and joint ventures

Losses from associates for the period 1/1-30/9/2006 include a loss of €3.309 which relates to the activities of the sub-group Intracom Telecom for the current quarter. As mentioned in note 4, the group is consolidated by the equity method of accounting as of 1 July 2006.

17. Finance costs-net

The increase in the Group's and Company's finance costs for the period 1/1-30/9/2006 compared to the corresponding prior period is mainly due to the valuation of derivatives, which resulted in losses of €1.125 for the 9 months to 30 September 2006 and profits of €2.373 for the 9 months to 30 September 2005.

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18. Events after the balance sheet date

On 30 October 2006, the Company announced the non-binding agreements for (a) the 100% acquisition of Attica Telecommunications S.A. from Hellas On Line at a price to be set upon completion of the relevant due diligence and (b) the participation of the Russian company Comstar (listed in the London Stock Exchange and member of Sistema group) in the share capital of Hellas On Line, immediately following the above-mentioned acquisition, with a percentage interest of up to 51% through a share capital increase of Hellas On Line in cash.

The shareholders of Attica Telecommunications S.A. have been granted the right of participation to the new company structure, to be effected through additional share capital increase of Hellas On Line in cash.

The signing of the final, legally-binding agreements is expected to take place within the year of 2006, and their completion will be subject to the necessary corporate and governmental approvals.

19. Subsidiaries

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

30/9/2006

Name	Country of incorporation	Direct % interest held
Intracom S.A Defense Electronic systems	Greece	100%
HELLAS ON LINE	Greece	100%
Intracom Holdings International Ltd	Cyprus	100%
- Intracom Technologies Ltd	Cyprus	100%
- Fornax RT	Hungary	67%
- Fornax Integrator	Hungary	
- Fornax Informatika Doo Croatia	Croatia	100%
- Fornax Slovakia	Slovakia	
- Intracom Operations Ltd	Cyprus	100%
- Intracom Group USA	USA	100%
Intracom S.A. IT Services	Greece	100%
- Global Net Solutions Ltd	Bulgaria	100%
- Dialogos S.A.	Greece	51%
- Intracom Jordan Ltd	Jordan	80%
- Intracom Exports Ltd	Cyprus	100%
- Intracom Cyprus Ltd	Cyprus	100%
- Intrasoft International SA	Luxembourg	100%
- PEBE SA	Belgium	
- Intrasoft SA	Greece	100%
- Intrasoft International Belgium	Belgium	
- Switchlink NV	Belgium	65%
Intrakat S.A.	Greece	74%
- Inmaint SA	Greece	60%
- KEPA Attica S.A.	Greece	51%
- Intracom Construct SA	Romania	87%
- Intrakat Romania SRL	Romania	100%
- Eurokat SA	Greece	82%
- Intradevelopment SA	Greece	100%

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20. Additional information

These financial statements provide additional explanatory information compared to those published on 30 November 2006 as follows:

- a) note 15, showing an analysis of cash and cash equivalents as presented in the cash flow statement,
- b) note 16, explaining the main changes to the results from associates, and
- c) note 17, explaining the main changes in finance costs.

In addition, the Company has reconstructed the prior period's statement of changes in equity for the Group and the Company, in order to present the change that related to the period 1/1 to 30/9/2005.

It is noted that the additional information detailed above, has been provided for the purpose of completeness and no change has been made to the amounts as shown in the interim financial statements published on 30 November 2006.