



INTRACOM
Holdings S.A.

Interim 6-monthly condensed financial statements
in accordance with International Accounting Standard 34

30 June 2007

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30 June 2007
(All amounts in €'000)

Balance sheet

	Note	Group		Company	
		30/6/2007	31/12/2006	30/6/2007	31/12/2006
ASSETS					
Non-current assets					
Property, plant and equipment	12	159.223	144.097	50.825	55.272
Goodwill		11.361	11.361	-	-
Intangible assets	12	11.930	13.264	4.441	5.253
Investment property	12	52.974	63.170	51.464	46.603
Investments in subsidiaries	6	-	-	177.682	177.682
Investments in associates	6	118.911	120.590	116.175	116.175
Available - for - sale financial assets	9	16.171	11.502	10.685	9.030
Deferred income tax assets		4.273	5.020	3.354	3.938
Trade and other receivables		13.499	17.805	8.969	9.498
		388.342	386.809	423.595	423.452
Current assets					
Inventories		51.391	49.649	-	-
Trade and other receivables		199.596	226.557	43.204	67.559
Construction contracts		59.456	47.787	-	-
Available - for - sale financial assets	9	508	508	-	-
Financial assets at fair value through profit or loss		1.338	1.056	-	-
Current income tax assets		7.457	8.453	4.610	4.629
Cash and cash equivalents		140.147	115.477	95.243	72.531
		459.893	449.486	143.057	144.719
Assets classified as held for sale	7	176.942	80.940	-	-
		636.835	530.427	143.057	144.719
Total assets		1.025.177	917.236	566.652	568.171
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	8	373.808	377.329	373.808	377.329
Reserves		166.994	186.022	147.877	159.535
		540.802	563.351	521.685	536.864
Minority interest					
		25.597	20.197	-	-
Total equity		566.399	583.549	521.685	536.864
LIABILITIES					
Non-current liabilities					
Borrowings		27.665	35.259	-	3
Deferred income tax liabilities		1.130	487	-	-
Retirement benefit obligations		3.161	2.719	501	438
Grants		129	544	-	-
Provisions for other liabilities and charges		3.197	2.606	-	-
		35.282	41.615	501	441
Current liabilities					
Trade and other payables		167.937	141.056	40.389	20.931
Current income tax liabilities		2.912	3.139	446	982
Construction contracts		10.433	7.304	-	-
Borrowings		87.936	82.150	3.489	4.337
Derivative financial instruments		-	4.475	-	4.475
Provisions for other liabilities and charges		2.098	5.256	142	142
		271.316	243.379	44.466	30.866
Liabilities directly associated with non-current assets classified as held for sale	7	152.179	48.692	-	-
		423.496	292.072	44.466	30.866
Total liabilities		458.778	333.687	44.967	31.307
Total equity and liabilities		1.025.177	917.236	566.652	568.171

The notes on pages 10 to 24 are an integral part of these interim condensed financial statements.

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Income statement - Group - 1/1-30/6/2007

Note	1/1 - 30/6/2007			1/1 - 30/6/2006			
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total	
Sales	182.851	17.246	200.097	146.058	185.454	331.512	
Cost of goods sold	(153.342)	(18.179)	(171.521)	(117.346)	(138.916)	(256.262)	
Gross profit	29.509	(933)	28.576	28.712	46.538	75.250	
Other operating income - net	1.867	157	2.024	12.982	1.059	14.041	
Selling and research costs	(11.443)	(5.903)	(17.347)	(5.833)	(27.844)	(33.677)	
Administrative expenses	(17.371)	(2.135)	(19.506)	(19.214)	(16.777)	(35.991)	
Loss from the disposal of sub-group	-	(770)	(770)	-	(19.148)	(19.148)	
Operating profit / (loss)	2.562	(9.584)	(7.022)	16.646	(16.172)	474	
Finance income / (costs) - net	137	(1.422)	(1.284)	(3.110)	(5.839)	(8.950)	
Share of profit of associates	241	-	241	399	-	399	
Profit / (loss) before income tax	2.941	(11.006)	(8.065)	13.935	(22.012)	(8.076)	
Income tax expense	(3.700)	2.985	(715)	(3.647)	(6.352)	(9.998)	
(Loss) / profit for the period	(759)	(8.021)	(8.780)	10.288	(28.363)	(18.075)	
Attributable to:							
Equity holders of the Company	(563)	(8.021)	(8.584)	10.497	(28.471)	(17.974)	
Minority interest	(196)	-	(196)	(209)	108	(101)	
	(759)	(8.021)	(8.780)	10.288	(28.363)	(18.075)	
Earnings per share for profit attributable to the equity holders of the Company during the period (expressed in € per share)							
Basic	17	(0,01)	(0,06)	(0,07)	0,08	(0,22)	(0,14)
Diluted	17	(0,01)	(0,06)	(0,07)	0,08	(0,22)	(0,14)

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Income statement - Group - 1/4-30/6/2007

Note	1/4 - 30/6/2007			1/4 - 30/6/2006		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Sales	93.999	9.521	103.520	77.550	93.089	170.639
Cost of goods sold	(84.453)	(9.160)	(93.613)	(60.579)	(71.048)	(131.627)
Gross profit	9.546	361	9.907	16.971	22.042	39.013
Other operating income - net	637	29	666	145	1.912	2.058
Selling and research costs	(4.437)	(3.607)	(8.044)	(832)	(14.440)	(15.273)
Administrative expenses	(5.776)	(1.606)	(7.382)	(10.352)	(9.371)	(19.723)
Loss from the disposal of sub-group	7	-	(770)	-	(19.148)	(19.148)
Operating (loss) / profit	(30)	(5.593)	(5.623)	5.931	(19.005)	(13.074)
Finance income / (costs) - net	11	55	(1.052)	(998)	(2.669)	(5.092)
Share of (loss) / profit of associates		(187)	-	(187)	465	-
(Loss) / profit before income tax	(162)	(6.645)	(6.808)	3.727	(21.428)	(17.701)
Income tax expense		(1.965)	823	(1.142)	(866)	(6.759)
(Loss) / profit for the period	7	(2.127)	(5.822)	(7.949)	2.862	(27.322)
Attributable to:						
Equity holders of the Company		(1.773)	(5.822)	(7.595)	2.452	(27.360)
Minority interest		(355)	-	(355)	410	38
		(2.127)	(5.822)	(7.949)	2.862	(27.322)
Earnings per share for profit attributable to the equity holders of the Company during the period (expressed in € per share)						
Basic		(0,01)	(0,04)	(0,05)	0,02	(0,21)
Diluted		(0,01)	(0,04)	(0,05)	0,02	(0,21)

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Income statement - Company - 1/1-30/6/2007

Note	1/1 - 30/6/2007			1/1 - 30/6/2006			
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total	
Sales	6.998	-	6.998	13.329	-	13.329	
Cost of goods sold	(6.617)	-	(6.617)	(10.412)	-	(10.412)	
Gross profit	381	-	381	2.917	-	2.917	
Other operating income - net	2.839	-	2.839	13.799	-	13.799	
Selling and research costs	(78)	-	(78)	(31)	-	(31)	
Administrative expenses	(3.121)	-	(3.121)	(704)	-	(704)	
Loss from the disposal of sub-group	-	(770)	(770)	-	(630)	(630)	
Operating profit / (loss)	21	(770)	(749)	15.981	(630)	15.351	
Finance income / (costs) - net	2.755	-	2.755	(253)	-	(253)	
Profit / (loss) before income tax	2.775	(770)	2.005	15.728	(630)	15.098	
Income tax expense	(593)	-	(593)	(2.633)	(6.554)	(9.187)	
Profit / (loss) for the period	2.182	(770)	1.412	13.095	(7.184)	5.911	
Earnings per share for profit attributable to the equity holders of the Company during the period (expressed in € per share)							
Basic	17	0,02	(0,01)	0,01	0,10	(0,06)	0,04
Diluted	17	0,02	(0,01)	0,01	0,10	(0,06)	0,04

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Income statement - Company - 1/4-30/6/2007

Note	1/4 - 30/6/2007			1/4 - 30/6/2006		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Sales	3.521	-	3.521	7.709	-	7.709
Cost of goods sold	(3.385)	-	(3.385)	(5.350)	-	(5.350)
Gross profit	136	-	136	2.359	-	2.359
Other operating income - net	2.124	-	2.124	1.470	-	1.470
Selling and research costs	(34)	-	(34)	(16)	-	(16)
Administrative expenses	(1.726)	-	(1.726)	(12)	-	(12)
Loss from the disposal of sub-group	7	-	(770)	-	(630)	(630)
Operating profit / (loss)	500	(770)	(270)	3.800	(630)	3.170
Finance income / (costs) - net	11	1.015	-	1.015	-	(920)
Profit / (loss) before income tax	1.515	(770)	745	2.880	(630)	2.250
Income tax expense	(359)	-	(359)	192	(6.554)	(6.362)
Profit / (loss) for the period	7	1.156	(770)	3.072	(7.184)	(4.112)
Earnings per share for profit attributable to the equity holders of the Company during the period (expressed in € per share)						
Basic	0,01	(0,01)	0,00	0,02	(0,05)	(0,03)
Diluted	0,01	(0,01)	0,00	0,02	(0,05)	(0,03)

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Statement of changes in equity - Group

	Note	Attributable to Company's shareholders			Minority interest	Total equity
		Share capital	Other reserves	Retained earnings		
Balance at 1 January 2006		472.205	263.392	(102.075)	27.810	661.332
Loss for the period		-	-	(17.974)	(101)	(18.075)
Valuation of available - for - sale financial assets		-	(334)	-	-	(334)
Currency translation differences		-	(530)	-	(129)	(659)
Total recognised income and expense		-	(864)	(17.974)	(230)	(19.068)
Treasury shares		(1.964)	-	-	-	(1.964)
Expenses on issue of share capital		(29)	-	-	-	(29)
Change in method of consolidation		-	(437)	(1.156)	(7.602)	(9.194)
Dividends paid to minority		-	-	-	(261)	(261)
		(1.994)	(437)	(1.156)	(7.863)	(11.449)
Balance at 30 June 2006		470.211	262.092	(121.204)	19.717	630.816
Balance at 1 January 2007		377.329	191.294	(5.272)	20.197	583.549
Loss for the period		-	-	(8.584)	(196)	(8.780)
Valuation of available - for - sale financial assets	9	-	2.201	-	771	2.973
Currency translation differences		-	1.084	-	107	1.191
Total recognised income and expense		-	3.285	(8.584)	682	(4.617)
Treasury shares	8	(3.509)	-	-	-	(3.509)
Expenses on issue of share capital	8	(12)	-	-	-	(12)
Change in method of consolidation	6	-	1.432	(1.432)	4.257	4.257
Dividends	18	-	(13.126)	-	(143)	(13.269)
Other movement		-	(339)	(264)	604	-
		(3.522)	(12.033)	(1.696)	4.718	(12.533)
Balance at 30 June 2007		373.808	182.546	(15.552)	25.597	566.399

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Statement of changes in equity - Company

	Note	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		-	-	5.911	5.911
Valuation of available - for - sale financial assets		-	(216)	-	(216)
Total recognised income and expense		-	(216)	5.911	5.695
Treasury shares		(1.964)	-	-	(1.964)
Expenses on issue of share capital		(29)	-	-	(29)
		(1.994)	-	-	(1.994)
Balance at 30 June 2006		470.211	159.347	(86.847)	542.712
Balance at 1 January 2007		377.329	159.500	35	536.864
Profit for the period		-	-	1.412	1.412
Valuation of available - for - sale financial assets	9	-	56	-	56
Total recognised income and expense		-	56	1.412	1.468
Treasury shares	8	(3.509)	-	-	(3.509)
Expenses on issue of share capital	8	(12)	-	-	(12)
Dividends for year 2006	18	-	(13.126)	-	(13.126)
		(3.522)	(13.126)	-	(16.647)
Balance at 30 June 2007		373.808	146.431	1.446	521.685

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Cash flow statement

(from continuing and discontinued operations)

	Note	Group		Company	
		1/1 - 30/6/2007	1/1 - 30/6/2006	1/1 - 30/6/2007	1/1 - 30/6/2006
Cash flows from operating activities					
Cash generated from operations	14	14.640	(2.575)	696	47.340
Interest paid		(4.299)	(9.643)	(119)	(678)
Income tax paid		(1.830)	(9.148)	(526)	(7.425)
Net cash generated from operating activities		8.511	(21.365)	50	39.236
Cash flows from investing activities					
Purchase of property, plant and equipment (PPE)	12	(7.629)	(12.146)	(1.458)	(2.893)
Purchase of intangible assets	12	(331)	(3.248)	-	-
Purchase of investment property	12	(8)	(2.513)	-	-
Proceeds from sale of PPE		302	-	9	121
Proceeds from sale of intangible assets		-	65	-	-
Acquisition of financial assets at fair value through profit or loss		(56)	-	-	-
Acquisition of available - for - sale financial assets		(1.732)	(1.066)	(1.732)	(1.043)
Sale of financial assets at fair value through profit or loss		169	2.515	-	-
Sale of available - for - sale financial assets		22	1.940	-	100
Sale of assets held for sale		-	38.025	-	34.865
Acquisition of subsidiary, net of cash acquired		-	(14.865)	-	(32.467)
Sale of subsidiaries	7	29.230	46.007	29.576	85.280
Sale of associates		746	-	-	-
Dividends received		-	-	600	-
Interest received		587	945	174	94
Cash of subsidiary due to change in method of consolidation	6	2.123	-	-	-
Net cash from investing activities		23.423	55.659	27.169	84.056
Cash flows from financing activities					
Purchase of treasury shares	8	(3.509)	(1.964)	(3.509)	(1.964)
Expenses on issue of share capital	8	(12)	(29)	(12)	(29)
Dividends paid to shareholders		(278)	(518)	(135)	(257)
Proceeds from borrowings		18.965	56.699	-	-
Repayments of borrowings		(22.101)	(35.729)	(845)	(72.151)
Grants received		-	95	-	-
Repayments of finance leases		(330)	(932)	(6)	(3)
Net cash from financing activities		(7.264)	17.622	(4.507)	(74.404)
Net increase in cash and cash equivalents		24.670	51.916	22.712	48.888
Cash and cash equivalents at beginning of period		115.477	95.832	72.531	66.862
Cash and cash equivalents at end of period		140.147	147.748	95.243	115.750

Certain amounts in the cash flow statement have been reclassified as compared to published financial statements of 30 June 2006, as described in note 20.

The notes on pages 10 to 24 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 founded in Greece and its shares are traded in the Athens Stock Exchange.

Intracom Group operates, through the subsidiaries and associates, in developing products, providing services and undertaking complex, integrated and advanced technology projects in the telecommunications, defence, public administration, and banking & finance industries and has also activities in the construction sector. The Group operates in Greece, U.S.A, Bulgaria, Romania, as well as in other foreign countries (see note 21).

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 for the Group and the Company have been approved for issue by the Board of Directors on 29 August 2007.

2. Basis of preparation

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 – 30/6/2007. 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 2006, as published on the Group’s website www.intracom.com.

3. Accounting policies

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 2006.

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 2007

IFRS 7, Financial Instruments: Disclosures, and a complementary amendment to IAS 1 - Presentation of Financial Statements: Capital Disclosures

IFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments. The amendment to IAS 1 introduces disclosures about the level of an entity’s capital and how it manages capital. The Group will present the additional disclosures in its annual 2007 financial statements.

IFRIC 10, Interim Financial Reporting and Impairment

IFRIC 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date. This interpretation did not have any impact on the Group’s financial statements.

Interpretations that have been early adopted by the Group

IFRIC 11 – IFRS 2, Group and Treasury share Transactions

This interpretation is effective for annual periods beginning on or after 1 March 2007 and clarifies the treatment where employees of a subsidiary receive the shares of a parent. Intracom Holdings has early adopted IFRIC 11 in the financial statements of 2006.

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

IFRS 8, Operating Segments

This standard is effective for annual periods beginning on or after 1 January 2009 and supersedes IAS 14, under which segments were identified and reported based on a risk and return analysis. Under IFRS 8 segments are components of an entity regularly reviewed by the entity's chief operating decision maker and are reported in the financial statements based on this internal component classification. The Group will apply IFRS 8 from 1 January 2009.

4. Reclassification of amounts

Due to the disposal of the Intracom Telecom sub-group and the classification of the subsidiary company Hellas on Line to assets held for sale during 2006, the Group presented the results from the operations of these companies for the year 2006 under a separate column named "Discontinued operations". Consequently, the results of the Group for the periods 1/1-30/6/2006 and 1/4-30/6/2006 have been split into continuing and discontinued operations. As a result the income statement disclosures for that period differ to those of the published interim condensed financial statements of 30/6/2006, since they have been re-presented to exclude items from discontinued operations, in accordance with paragraph 34 of IFRS 5 "Non-current assets held for sale and discontinued operations" (see note 7). Additionally, some reclassifications have been made for the purpose of better presentation of financial statements.

As reported in the annual financial statements of 2006, Group's management decided, for the purposes of the cash flow statement, not to include bank overdrafts in cash and cash equivalents. Prior periods have been adjusted accordingly (see note 20).

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

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5. Segment information

The segment results from continuing operations for the period 1/1-30/6/2007 were as follows:

	Telecommunications systems	Technology solutions for government and banking sector	Defence systems	Construction	Unallocated	Total
Sales	15.195	60.302	43.939	61.196	2.219	182.851
Operating (loss) / profit	(904)	25	3.077	2.078	(1.714)	2.562
Finance income - net						137
Share of profit / (loss) of associates	291	-	-	(31)	(18)	241
Profit before income tax from continuing operations						2.941

The segment results from continuing operations for the period 1/1-30/6/2006 were as follows:

	Telecommunications systems	Technology solutions for government and banking sector	Defence systems	Construction	Unallocated	Total
Sales	16.173	51.690	38.839	36.818	2.539	146.058
Operating (loss) / profit	(366)	(291)	3.363	(1.116)	15.055	16.646
Finance costs - net						(3.110)
Share of profit / (loss) of associates	-	143	-	285	(28)	399
Profit before income tax from continuing operations						13.935

The column “unallocated” includes mainly the operating profit of the parent Company.

The results from discontinued operations per business segment are presented in note 7.

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6. Investments in subsidiaries / associates

Unibrain SA

Up to 31/12/2006, Unibrain SA, in which the Group has a shareholding of 29,98%, was consolidated using the equity method of accounting. In January 2007, the Group obtained control of the company's management through the majority on the Board of Directors and as a result the company was fully consolidated for the first time. Based on the current shareholding of the Group and the great dispersion of the company's shares, the Group has the ability to appoint the majority of the members on the Board of Directors, to control the management and to determine the operating decisions of the company and as a result it was concluded that the requirements of IAS 27 for consolidation are met ("De facto control").

The carrying amounts of the assets and liabilities at the date of first consolidation are as follows:

Assets and liabilities

Tangible and intangible assets	1.313
Trade and other receivables	1.286
Inventories	1.431
Cash and cash equivalents	2.123
Other assets	833
Trade and other payables	(854)
Provisions	(52)
	<u>6.080</u>

The results that have been consolidated for the current period are as follows:

	1/1-30/6/2007	1/4-30/6/2007
Sales	3.340	1.038
Cost of goods sold	(2.337)	(824)
Gross profit	<u>1.004</u>	<u>215</u>
Other operating income - net	19	70
Selling and research costs	(372)	(243)
Administrative expenses	(367)	(173)
Operating profit / (loss)	<u>284</u>	<u>(131)</u>
Finance income - net	10	2
Profit / (loss) before income tax	<u>293</u>	<u>(130)</u>
Income tax expense	(67)	27
Profit / (loss) for the period	<u>226</u>	<u>(103)</u>

For the periods 1/1-30/6/2006 and 1/4-30/6/2006, share of profit of associates included profits of €154 and €71 respectively from the consolidation of Unibrain.

The effect to equity was the increase in minority interests at the date of first consolidation by €4.257, whereas the effect to the cash flow statement was the increase in cash at the date of first consolidation by €2.123.

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Attica Telecommunications SA

On 23 April 2007, HoL acquired 100% of the share capital of Attica Telecommunications S.A. for €47 million. The resulting goodwill on the acquisition was €29,5 million and is included under assets held for sale (see note 7). HoL has not yet completed the allocation of the cost to the assets and liabilities of the acquired entity. This process is expected to be completed within 12 months of the acquisition date in accordance with IFRS 3, at which time the final amount of goodwill will be determined.

The carrying amounts of the assets and liabilities of Attica Telecommunications SA at the acquisition date are as follows:

Assets and liabilities

Tangible and intangible assets	31.017
Trade and other receivables	10.293
Other assets	1.269
Borrowings	(11.915)
Trade and other payables	(13.049)
Provisions	(88)
	<u>17.527</u>

Dialogos SA

During the current period the percentage holding of the subsidiary company Intracom IT Services in Dialogos SA decreased from 51% to 39%. The Group continues to have the power to appoint the majority of the members on the Board of Directors and to control the management and as a result the subsidiary continues to be fully consolidated.

7. Discontinued operations

(a) Analysis of the results of discontinued operations

	Group		Group	
	1/1-30/6/2007	1/1-30/6/2006	1/4-30/6/2007	1/4-30/6/2006
Intracom SA Telecom Solutions (1)	(770)	(25.111)	(770)	(25.173)
Hellas on Line SA (2)	(7.251)	(3.252)	(5.052)	(2.148)
Total	<u>(8.021)</u>	<u>(28.363)</u>	<u>(5.822)</u>	<u>(27.322)</u>

	Company		Company	
	1/1-30/6/2007	1/1-30/6/2006	1/4-30/6/2007	1/4-30/6/2006
Intracom SA Telecom Solutions (1)	(770)	(7.184)	(770)	(7.184)

The income statement for discontinued operations is shown below.

(I) Intracom SA Telecom Solutions (telecommunications segment)

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, subsidiary of Sistema, for €120 million, from which €85 million and €29,2 million were received during 2006 and 2007 respectively.

The results of the partially transferred sub-group up to 30/6/2006 are shown below:

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Income statement for the telecommunications segment

	Group		Group	
	1/1-30/6/2007	1/1-30/6/2006	1/4-30/6/2007	1/4-30/6/2006
Sales	-	171.548	-	85.720
Cost of goods sold	-	(126.321)	-	(64.055)
Gross profit from discontinued operations	-	45.227	-	21.665
Other operating income - net	-	1.034	-	1.912
Selling and research costs	-	(24.135)	-	(12.095)
Administrative expenses	-	(15.342)	-	(8.491)
Operating profit from discontinued operations	-	6.784	-	2.992
Finance costs - net	-	(5.441)	-	(2.170)
Profit before income tax	-	1.343	-	822
Income tax expense	-	(751)	-	(293)
Net profit for the period	-	591	-	528
Loss from the disposal of sub-group (*)	(770)	(19.148)	(770)	(19.148)
Tax on the disposal of sub-group (*)	-	(6.554)	-	(6.554)
Net loss from discontinued operations	(770)	(25.111)	(770)	(25.173)

(*) The share of Intracom Telecom's consolidated net assets 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 1/4 – 30/6/2006, plus a share transfer tax of €6.554. In the stand-alone financial statements of the parent company for the period 1/4 – 30/6/2006, the loss from disposal amounted to €630, plus a share transfer tax of €6.554. During the second quarter of 2007, the sales price was finalized and the Group and the Company recorded an additional loss of €770.

Following the sale, Intracom Telecom Group is consolidated using the equity method, at 49%. As a result, profit of €150 for the period 1/1/2007 – 30/6/2007 is shown under continuing operations for the period, under the line "Share of profit / (loss) of associates".

(2) Hellas on Line ("HoL") (Telecom operations segment)

On 4 December 2006 the Company and JSC Comstar – United Telesystems ("Comstar"), subsidiary of Sistema, have agreed to the acquisition by Comstar of 51% of HoL for €47,9 million through a share capital increase of the company.

On 23 April 2007, HoL acquired 100% of the share capital of Attica Telecommunications S.A. (see note 6).

On 6 July 2007 the Company announced the termination of the above-mentioned agreement concerning the acquisition by Comstar of a 51% stake at HoL (see note 19 "Post balance sheet events").

For the period following the signing of the sales agreement and up to its termination, HoL was classified in the consolidated financial statements as held for sale. As a consequence, the results of HoL group for the periods 1/1-30/6/2007 and 1/4-30/6/2007, as well as for the corresponding periods of 2006 are shown under discontinued operations.

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Income statement for the telecom operations segment

	Group		Group	
	1/1-30/6/2007	1/1-30/6/2006	1/4-30/6/2007	1/4-30/6/2006
Sales	17.246	13.906	9.521	7.369
Cost of goods sold	(18.179)	(12.596)	(9.160)	(6.993)
Gross (loss) / profit from discontinued operations	(933)	1.310	361	376
Other operating income - net	157	25	29	-
Selling and research costs	(5.903)	(3.709)	(3.607)	(2.345)
Administrative expenses	(2.135)	(1.434)	(1.606)	(880)
Operating loss from discontinued operations	(8.814)	(3.808)	(4.823)	(2.849)
Finance costs - net	(1.422)	(398)	(1.052)	(253)
Loss before income tax	(10.236)	(4.206)	(5.875)	(3.102)
Income tax expense	2.985	954	823	954
Net loss for the period	(7.251)	(3.252)	(5.052)	(2.148)

(b) Disposal group held for sale (Hellas on Line)

Assets

	30/6/2007	31/12/2006
Property, plant and equipment	66.660	17.169
Goodwill	29.504	-
Intangible assets	17.273	11.141
Deferred income tax assets	7.963	4.561
Trade and other receivables	32.799	20.140
Cash and cash equivalents	1.400	6.600
Other assets	222	210
	<u>155.822</u>	<u>59.820</u>
Goodwill acquired	21.120	21.120
	<u>176.942</u>	<u>80.940</u>

Liabilities

Borrowings	102.242	20.645
Trade and other payables	48.392	26.635
Provisions for other liabilities and charges	1.546	1.412
	<u>152.179</u>	<u>48.692</u>

Following the termination of the sales agreement as mentioned above, the Group will cease to classify the above assets and liabilities as held for sale.

(c) Analysis of cash flows from discontinued operations

	Group		Company	
	1/1 - 30/6/2007	1/1 - 30/6/2006	1/1 - 30/6/2007	1/1 - 30/6/2006
Cash flows from operating activities	(29.230)	(5.842)	-	19.130
Cash flows from investing activities	29.230	18.846	-	52.533
Cash flows from financing activities	-	9.111	-	-
Total cash flows from discontinued operations	<u>-</u>	<u>22.115</u>	<u>-</u>	<u>71.663</u>

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8. 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
Employee share option scheme					
Value of services provided	-	-	555	-	555
Proceeds from shares issued	523.853	739	765	-	1.503
Expenses on issue of share capital	-	-	(29)	-	(29)
Decrease of share capital	-	(92.690)	-	-	(92.690)
Treasury shares	(815.021)	-	-	(4.215)	(4.215)
Balance at 31 January 2006	132.122.415	187.442	194.102	(4.215)	377.329
Balance at 1 January 2007	132.122.415	187.442	194.102	(4.215)	377.329
Expenses on issue of share capital	-	-	(12)	-	(12)
Treasury shares	(865.815)	-	-	(3.509)	(3.509)
Balance at 30 June 2007	131.256.600	187.442	194.090	(7.724)	373.808

During the period, the Company acquired 865.815 treasury shares through purchases on the Athens Stock Exchange. The total amount paid to acquire the shares was €3.509 and has been deducted from shareholders' equity. The Company has the right to resell these shares at a later date.

On 30 June 2007, the total number of issued shares amounts to 132.937.436 and the total number of treasury shares to 1.680.836.

9. Available - for – sale financial assets

	Group		Company	
	30/6/2007	31/12/2006	30/6/2007	31/12/2006
Balance at beginning of period	12.010	13.896	9.030	8.528
Additions	1.596	1.731	1.596	1.708
Disposals	(15)	(1.990)	-	(100)
Fair value gains / (losses)	2.973	55	56	(63)
Impairment	-	(1.063)	-	(1.043)
Other	115	(619)	3	-
Balance at end of period	16.679	12.010	10.685	9.030
Non-current assets	16.171	11.502	10.685	9.030
Current assets	508	508	-	-
	16.679	12.010	10.685	9.030

10. Other operating income – 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 Group amounted to €11.982 (see note 14).

11. Finance income / (costs) – net

For the period 1/1 – 30/6/2007, finance costs for the Company and the Group include net gains from derivatives of €1.287, whereas the corresponding amount for the period 1/1 – 30/6/2006 was net losses of €173. For the period 1/4 – 30/6/2007, finance costs for the Company and the Group include net gains from derivatives of €285, whereas the corresponding amount for the period 1/4 – 30/6/2006 was net losses of €828.

12. Capital expenditure

Total acquisitions of property, plant and equipment for the Group and the Company during the six month period ended 30 June 2007 amounted to €6.479 and €1.458 respectively (30 June 2006: €14.659 and €2.893 for the Group and the Company respectively). Total acquisitions of the first 6 months of 2007 for the Group include acquisitions through finance leases amounting to €1.657. During the same period, an amount of €9.872 was transferred from investment property to fixed assets for the Group, while for the Company an amount of €5.180 was transferred from fixed assets to investment property.

Total acquisitions of investment property for the Group and the Company during the six month period ended 30 June 2007 amounted to €8 and nil respectively (30 June 2006: €2.513 and nil for the Group and the Company respectively).

Total additions to intangible assets for the six month period amounted to €331 for the Group and nil for the Company (30 June 2006: €3.248 and nil for the Group and the Company respectively).

13. Capital commitments

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

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14. Cash generated from operations

	Group		Company	
	1/1 - 30/6/2007	1/1 - 30/6/2006	1/1 - 30/6/2007	1/1 - 30/6/2006
(Loss) / profit for the period	(8.780)	(18.075)	1.412	5.911
Adjustments for:				
Tax	715	9.998	593	9.187
Depreciation of PPE	3.997	9.870	724	747
Amortisation of intangible assets	2.913	9.490	813	826
Depreciation of investment property	265	307	319	238
Impairment of investments	-	1.043	-	1.043
Loss / (profit) on sale of PPE	4	-	(7)	(1)
Fair value (gains) / losses of financial assets at fair value through profit or loss	(25)	6	-	-
Gains from sale of financial assets at fair value through profit or loss	-	(269)	-	-
Gains from sale of available - for - sale financial assets	(9)	-	(2)	-
Gains from assets held for sale (note 10)	-	(11.982)	-	(11.982)
Loss from the disposal of subsidiaries (note 7)	770	19.148	770	1.300
Gains from sale of associates	(303)	-	-	-
Interest income	(587)	(945)	(174)	(94)
Interest expense	4.299	10.794	119	678
Dividend income	-	-	(1.700)	(1.600)
Depreciation of grants received	(425)	(74)	-	-
Share of profit from associates	(241)	(399)	-	-
Movements in subsidiary held for sale	10.236	-	-	-
Exchange gains	504	294	-	-
	13.332	29.207	2.867	6.254
Changes in working capital				
Inventories	(312)	(5.585)	-	-
Trade and other receivables	(11.058)	(75.256)	(4.891)	69.427
Trade and other payables	19.329	49.605	7.132	(27.488)
Provisions for other liabilities and charges	(2.619)	(248)	-	-
Retirement benefit obligations	443	(57)	63	(744)
Derivative financial instruments	(4.475)	(242)	(4.475)	(109)
	1.308	(31.782)	(2.171)	41.086
Cash generated from / (used in) operations	14.640	(2.575)	696	47.340

15. Contingencies

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	
	30/6/2007	31/12/2006	30/6/2007	31/12/2006
Guarantees for advance payments	82.389	108.577	69.194	102.057
Guarantees for good performance	142.194	162.810	68.803	95.870
Guarantees for participation in contests	10.010	18.507	9.762	18.507
	234.593	289.894	147.758	216.433

The Company has given guarantees to banks for subsidiaries' and associates' loans amounting to €229.923 and for finance lease contracts amounting to €988. 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. Initially the penalties and rebates amounted to €29.145, while following a decision by the Ministry on 3/4/2007 the amount was reduced to €9.210. 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.

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

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16. Related party transactions

The following transactions were carried out with related parties.

	Group		Company	
	1/1 - 30/6/2007	1/1 - 30/6/2006	1/1 - 30/6/2007	1/1 - 30/6/2006
Sales of goods / services:				
To subsidiaries	-	-	5.431	10.145
To other related parties	3.800	132	403	-
	3.800	132	5.834	10.145
Purchases of goods / services:				
From subsidiaries	-	-	118	119
From other related parties	5.225	616	157	-
	5.225	616	275	119
Rental income:				
From subsidiaries	-	-	148	253
From other related parties	433	75	329	75
	433	75	478	328
Purchases of fixed assets:				
From subsidiaries	-	-	1.407	-
From other related parties	6	2.496	-	747
	6	2.496	1.407	747
Sales of fixed assets:				
To subsidiaries	-	-	-	-
To other related parties	-	22.440	-	-
	-	22.440	-	-

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 include associates, as well as companies, in which the major shareholder of the Company holds an interest share.

Closing balances arising from transactions with related parties were as follows:

	Group		Company	
	30/6/2007	31/12/2006	30/6/2007	31/12/2006
Receivables from related parties:				
From subsidiaries	-	-	17.372	13.484
From other related parties	26.898	39.811	12.471	12.293
	26.898	39.811	29.843	25.776
Payables to related parties:				
To subsidiaries	-	-	1.463	2.811
To other related parties	18.873	7.134	12.033	3.248
	18.873	7.134	13.496	6.059

Key management compensation

For the period 1/1-30/6/2007, a total of €766 was paid by the Company as key management compensation (1/1-30/6/2006: €424).

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17. Earnings per share

Basic earnings per share

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

	Group		Company	
	1/1 - 30/6/2007	1/1 - 30/6/2006	1/1 - 30/6/2007	1/1 - 30/6/2006
(Loss) / profit attributable to equity holders of the Company	(8.584)	(17.974)	1.412	5.911
Weighted average number of ordinary shares in issue	131.804.772	132.347.846	131.804.772	132.347.846
Basic earnings per share (€ per share)	(0,07)	(0,14)	0,01	0,04
- From continuing operations	(0,01)	0,08	0,02	0,10
- From discontinued operations	(0,06)	(0,22)	(0,01)	(0,06)

Diluted earnings per share

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

	Group		Company	
	1/1 - 30/6/2007	1/1 - 30/6/2006	1/1 - 30/6/2007	1/1 - 30/6/2006
(Loss) / profit attributable to equity holders of the Company	(8.584)	(17.974)	1.412	5.911
Weighted average number of ordinary shares in issue	131.804.772	132.347.846	131.804.772	132.347.846
<u>Adjustment for</u>				
Share options	124.530	404.263	124.530	404.263
Weighted average number of ordinary shares for diluted earnings per share	131.929.302	132.752.109	131.929.302	132.752.109
Diluted earnings per share (€ per share)	(0,07)	(0,14)	0,01	0,04
- From continuing operations	(0,01)	0,08	0,02	0,10
- From discontinued operations	(0,06)	(0,22)	(0,01)	(0,06)

18. Dividends

The Annual General Meeting of the Shareholders of the Company held on 29 June 2007, approved the payment of a dividend of €0,10 per share for the year 2006 out of prior years' taxed reserves, totalling to €13.126. This amount has been accounted for in shareholders' equity as an appropriation of retained earnings during the period 1/4-30/6/2007.

19. Post balance sheet events

On 6 July 2007 the Company announced the termination of the agreement for the acquisition by JSC Comstar - United Telesystems of a 51% stake in Hellas on Line (see note 7).

On 18 July 2007 the Company transferred to its 100% subsidiary company Intracom Holdings International Limited, as contribution in kind, 5.500.000 shares of HoL (percentage 20%), as consideration for the subsidiary's share capital increase by €9.122. Following that, in July, the subsidiary transferred its total shareholding in HoL to third parties. On 27 July 2007, the Annual General Meeting of the shareholders of HoL decided the increase of share capital through capitalisation of reserves of €4.900 and cash of €46.300. The other shareholders did not participate in the share capital increase through cash and as a result, the shareholding of Intracom Holdings increased to 91%.

On 23 July 2007 the Company announced the submission of a binding offer for the acquisition of 100% of the share capital of "Teledome Systems of Telecommunications - Software and Telematics Commercial and Industrial Societe Anonyme", which offer was initially accepted by the shareholders of Teledome. The acquisition is subject to the usual terms and conditions, such as the finalisation of agreements, the completion of legal and financial due diligence, as well as obtaining the necessary corporate and governmental approvals. The proposed purchase price amounts to €24 million. The determination of the final price is subject to a number of factors such as: a) the outcome of the legal and financial due diligence of the acquiree, b) the undertaking on behalf of Intracom Holdings of guarantees by the shareholders of the acquiree, in relation to loans and other liabilities of the acquiree, and c) the outcome of certain corporate affairs of the acquiree, mainly in relation to income and expenses.

On 13 August 2007, the Boards of Directors of HoL, Teledome and Unibrain decided their merger by absorption of HoL and Teledome by Unibrain, a company listed on the Athens Stock Exchange, and with transformation balance sheet dated 15 August 2007. The completion of the merger is subject to the approval of the General Meetings of the shareholders of the three companies.

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20. Adjustments to cash flows

As described in note 4, "Reclassification of amounts", in the annual financial statements of 2006, management decided not to include bank overdrafts in cash and cash equivalents, and prior periods have been adjusted accordingly. A comparison with published interim condensed financial statements of 30/6/2006 is presented below:

	Group		Company	
	As published initially		As published initially	
	1/1 - 30/6/2006	1/1 - 30/6/2006	1/1 - 30/6/2006	1/1 - 30/6/2006
Net cash from operating activities	(21.365)	(21.365)	39.236	39.236
Sale of subsidiaries	46.007	139.319	85.280	85.280
Other	9.652	9.652	(1.224)	(1.224)
Net cash from investing activities	55.659	148.970	84.056	84.056
Cash flows from financing activities				
Repayments of borrowings	(35.729)	(47.906)	(72.151)	-
Other cash flows from financing activities	53.351	53.351	(2.253)	(2.253)
Net cash from financing activities	17.622	5.445	(74.404)	(2.253)
Net increase in cash and cash equivalents	51.916	133.050	48.888	121.039
Cash and cash equivalents at beginning of period	95.832	(85.040)	66.862	(24.812)
Cash and cash equivalents at end of period	147.748	48.010	115.750	96.227

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21. Subsidiaries

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

30 June 2007

Company name	Country of incorporation	Direct % interest held	Indirect % interest held
Intracom S.A Defence Electronic Systems	Greece	100%	100%
HELLAS ON LINE	Greece	100%	100%
- Attica Telecommunications SA	Greece	100%	100%
Intracom Holdings International Ltd	Cyprus	100%	100%
- Intracom Technologies Ltd	Cyprus	100%	100%
- Fornax RT	Hungary	67%	67%
- Fornax Integrator	Hungary	100%	67%
- Fornax Informatika Doo Croatia	Croatia	100%	67%
- Fornax Slovakia	Slovakia	100%	67%
- Intracom Operations Ltd	Cyprus	100%	100%
- Intracom Group USA	United States	100%	100%
Intracom IT Services	Greece	100%	100%
- Global Net Solutions Ltd	Bulgaria	100%	100%
- Dialogos SA	Greece	39%	39%
- Databank SA	Greece	90%	90%
- Intracom Jordan Ltd	Jordan	80%	80%
- Intracom Exports Ltd	Cyprus	100%	100%
- Intracom Cyprus Ltd	Cyprus	100%	100%
- Intrasoft International SA	Luxemburg	100%	100%
- PEBE SA	Belgium	100%	100%
- Intrasoft SA	Greece	100%	100%
- Intrasoft International Belgium	Belgium	100%	100%
- Switchlink NV	Belgium	65%	65%
- Unibrain SA	Greece	30%	30%
- Unibrain Inc	United States	100%	30%
Intrakat SA	Greece	74%	74%
- Inmaint SA	Greece	60%	44%
- KEPA Attica SA	Greece	51%	38%
- Intracom Construct SA	Romania	87%	64%
- Intrakat Romania SRL	Romania	100%	74%
- Eurokat SA	Greece	82%	60%
- Intradevelopment SA	Greece	100%	74%

INTRACOM HOLDINGS S.A.
Interim 6-monthly condensed financial statements in accordance with IAS 34
30 June 2007
(All amounts in €'000)

THE REPORT HAS BEEN TRANSLATED FROM THE GREEK ORIGINAL VERSION

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To The Shareholders of INTRACOM HOLDINGS S.A.

Introduction

We have reviewed the accompanying interim condensed balance sheet of INTRACOM HOLDINGS S.A. (the “Company”) as at 30 June 2007, as well as the accompanying interim condensed consolidated balance sheet of the Company and its subsidiaries (the “Group”) and the related interim condensed statements of income, changes in equity and cash flows of the Company and the Group for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.

Athens, 30 August 2007
THE CERTIFIED AUDITOR ACCOUNTANT

Alexandros E. Tziortzis
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